UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

UNCTAD

ISAR SDG Reporting

CASE STUDIES

Practical Implementation of Core Indicators for Sustainable Development Reporting

VOLUME 2

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NOTE

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CONTENTS

LIST OF ACRONYMS

Acronym	Definition
B Corp	B Corp Certification is the only certification that measures a company's entire social and environmental performance.
CentraRSE	Corporate Social Responsibility Action Center in Guatemala
CIIEG	Research and Innovation Centre
CMI	Corporación Multi Inversiones
CSR	Corporate Social Responsiblity
EPEA	Environmental Protection Expenditure Accounts
ERP	Enterprise Resource Planning
FTE	Full Time Equivalent
GRI	Global Reporting Initiative
HR	Human Resources
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
ISAR	Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting
ISO 14001-2015	Voluntary international standard for environmental management systems (EMS)
ISO 9001-2015	Voluntary international Quality management systems (QMS) standards
KW-h	Kilowatt hour
MDGs	Millennium Development Goals
NPS	Net Promoter Score
OHSAS 18001	Occupational Health and Safety Assessment Series, (officially BS OHSAS 18001) is a British Standard for occupational health and safety management systems.
PET	Polyethylene terephthalate
SDGs	Sustainable Development Goals
SME	Small and Medium Sized Enterprise
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development

INTRODUCTION

UNCTAD's Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) has been contributing towards global efforts aimed at promoting reliable and comparable financial and non-financial reporting by enterprises around the world. ISAR has published guidance materials on a number of topics with a view to facilitating practical implementation of globally recognized standards and codes by member States of the United Nations. The UNCTAD secretariat prepared case studies with a view to gaining further insights on the practical implementation of guidance materials and international standards and codes, such as International Financial Reporting Standards, on human capacity building in the area of accounting and reporting and related standards – such as International Education Standards (IESs), and on good practices of monitoring, enforcement and compliance mechanisms on corporate reporting requirements.

UNCTAD is publishing this compendium of case studies with a view to facilitating sharing of good practices among member States with respect to implementation of the guidance on core indicators that ISAR published in June 2019. Since the adoption of the 2030 Agenda for Sustainable Development in 2015, member States of the United Nations have focused on establishing priorities and plans towards its implementation and monitoring progress. To support this process, a global indicator framework was created by the Inter-Agency and Expert Group on Sustainable Development Goal Indicators.[1] The 17 Sustainable Development Goals (SDGs) have 169 targets and 232 indicators. One or more custodian agencies are responsible for the development of metadata guidance on the measurement methodology and data collection for each indicator.

Among the 17 SGDs, Goal 12 on sustainable consumption and production (target 12.6) encourages companies, especially large and transnational companies, to adopt sustainable practices and integrate sustainability information into their reporting cycles. Indicator 12.6.1 requires data on the number of companies publishing sustainability reports. UNCTAD and the United Nations Environment Programme are co-custodians of this indicator.

In addition to indicator 12.6.1, many other SDG indicators refer to data already being reported by companies, such as indicators on the use of energy and water, carbon-dioxide emissions, waste generation, gender equality and community development. Accordingly, company reporting has the potential to become a primary source of information on company performance towards the implementation of the SDGs[2] by providing stakeholders with the means to assess the economic, environmental, social and institutional performance of companies, as well as the impacts of the private sector on the implementation of the SDGs.

Relevant data on companies' contribution to SDGs is important in assessing the progress in implementing the Goals; enhancing SDG-oriented corporate governance mechanisms, decision-making by investors and other key stakeholders and capital providers; and promoting behavioural change at the enterprise level. This in turn gives a new impetus towards aligning enterprise sustainability reporting based on the SDG monitoring framework and its macro indicators. However, achieving such an objective requires further efforts towards the harmonization and comparability of enterprise data to make them useful in making decisions and assessing progress in reaching targets and indicators agreed by member States.

Responding to this challenge, UNCTAD, through ISAR, has identified the need for baseline SDG indicators for companies to enable the harmonization, comparability, and benchmarking of enterprise reporting. Since the adoption of the 2030 Agenda, UNCTAD has been working towards developing practical tools to help countries measure the contribution of the private sector to sustainable development, in particular towards achieving the SDGs, in a consistent and comparable manner.

1 See https://unstats.un.org/sdgs/iaeg-sdgs/; accessed 16 August 2019.

2 Sustainable Development Solution Network, 2015, *Indicators and a monitoring framework for the Sustainable Development Goals: Launching a data revolution for the Sustainable Development Goals*.

In particular, UNCTAD revised the Accounting Development Tool to assist countries in building their national capacity in the area of environmental, social and governance issues and SDG reporting by companies, as well as in strengthening their national accounting and reporting mechanisms.[3] The revised tool has been used to assess national regulatory, institutional and human capacities in reporting on sustainability and the SDGs, which is an interlinked component of the overall accounting and reporting infrastructure.

Further, UNCTAD has developed the *Guidance on Core Indicators for Entity Reporting on Contribution towards Implementation of the Sustainable Development Goals* (GCI) [4] which was launched at the thirty-fifth session of ISAR. The core indicators were selected through a series of elaborations at several ISAR sessions and discussions with a consultative group of experts between 2016 and 2018. Selection is based on specific criteria, taking into account the agreed key reporting principles, the main reporting frameworks in existence, companies' reporting practices and their relevance to specific SDG macro indicators. The GCI aims to help entities provide baseline data on sustainability issues in a comparable manner that would meet the common needs of various stakeholders with regard to sustainability and the 2030 Agenda. It provides practical information on how selected core indicators can be measured in a consistent manner, in alignment with countries' needs in monitoring the achievement of the SDGs and preparing their voluntary national reports for the United Nations High-level Political Forum on Sustainable Development.[5]

In concluding its deliberations at its thirty-fifth session, ISAR requested the UNCTAD secretariat to complete its work on the GCI and conduct a pilot testing of the core indicators at the country level. To this end, UNCTAD conducted selected case studies on the application of the guidance for companies in six countries, representing different regions and industries. In addition, an overview of the implementation of the guidance in several companies was conducted in Egypt and the United States of America. The objective of the case studies was to validate the applicability of the core indicators, the suggested measurement methodology and the availability of the required data.

Therefore, UNCTAD is publishing this compilation of case studies with a view to facilitating sharing of good practices among member States. The first volume presents an overview of the case study results and contains the case study on Nornickel (Russian Federation). This publication is the second volume, including case studies on Promigas (Colombia), and on Porta Hotels, Saúl E. Méndez and Corporación Multi Inversiones (Guatemala) in two respective chapters. Additional case studies may be published in the future.

[3] See https://isar.unctad.org/accounting-development-tool/

[4] UNCTAD, 2019, *Guidance on Core Indicators for Entity Reporting on Contribution towards Implementation of the Sustainable Development Goals* (United Nations publication, Sales No. E.19.II.D.11, Geneva).

[5] The Forum is the main United Nations platform on sustainable development, playing a central role in the follow-up and review of the 2030 Agenda and the Sustainable Development Goals at the global level. The Forum meets annually under the auspices of the Economic and Social Council.

CHAPTER I.
CASE STUDY OF PROMIGAS IN COLOMBIA

EXECUTIVE SUMMARY

Colombia is one of the 4 beneficiary countries of the Development Account Project entitled *Enabling policy frameworks for enterprise sustainability and SDG reporting*. This case study on the practical implementation of the *Guidance on core indicators for entity reporting on contribution towards implementation of the Sustainable Development Goals (GCI)* in a Colombian company has been prepared to contribute to the assessment of the sustainability/SDG reporting infrastructure in Colombia. In addition, UNCTAD's Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) agreed that agenda item 3 of its 36th session will deal with "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". Therefore, the case study will also be discussed at the upcoming session.

The case study provides useful evidence on the practical measurement and disclosure of UNCTAD's core indicators. Promigas, the case study company, is one of the oldest private companies in the natural gas sector in Latin America. The case study company did not have all the necessary mechanisms to collect all the information required to calculate the 33 core indicators. In this regard, the training manuals of the GCI can be very useful in explaining the importance of disclosing each indicator and providing information about the correct way to disclose it.

However, the findings show that the company was able to report on the majority of the core indicator: 28 out of 33. There were few indicators where the company could not provide information. These are:

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 case study company maintains and executes a budget for all activities related to health and safety at work, it did not disclose the specific budget.

1. Introduction

UNCTAD is implementing the Development Account Project entitled Enabling policy frameworks for enterprise sustainability and SDG reporting. Colombia is one of the four beneficiary countries, with activities being conducted at the national level. In this regard, a country case study in Colombia on the practical implementation of the Guidance on core indicators for entity reporting on contribution towards implementation of the Sustainable Development Goals (GCI) is part of the assessment of the sustainability/SDG reporting infrastructure in the country. Additionally, in concluding its 35th session, UNCTAD's Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) agreed that one of the main agenda items (agenda item 3) of its 36th session would deal with "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".

One of the most important tasks when analysing information, whether financial or non-financial, is to have a point of comparison that allows identifying, prioritizing and systematizing the collected data and thus being able to address, in a transversal manner, the issues of corporate sustainability (economic, environmental, social and institutional). The Sustainable Development Goals (SDGs) are a global call for the adoption and implementation of measures to end poverty, protect the planet and ensure that all people enjoy peace and prosperity[6]. The objective of the chapter is to present a case study of a selected company in Colombia on its contribution to the SDG Agenda based on the core indicators proposed by UNCTAD in the GCI.

The case study will analyse the implementation of GCI in Promigas, a Colombian company in the natural gas sector. The final product of Promigas does not present any chemical transformation so it can be said that it is a cleaner fuel than coal or oil. Natural gas generates minimal amounts of sulphur, mercury and other particles, which is why it is classified as the fossil fuel with the least environmental impact[7]. Thus, it is possible to think that the implementation of these indicators, although complex (due to the type of production of polluting gases), presents a challenge for both the company and for the country in their quest to achieve the commitments arising from adoption of the SDGs.

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.

2. Company's concept of sustainability

2.1. 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). There are 20 companies (Daughter companies - associates and subsidiaries companies) through which they carry out their businesses, which make up their investment portfolio. They transport 52% of Colombia's natural gas through 3,000 km of gas pipeline networks and provide services for hydrocarbon producers and large industries, which include compression and dehydration of natural gas; construction of gas pipelines and interconnection lines; and energy solutions such as generation, cogeneration and self-generation[8].

The company operates and maintains around 26,000 km of electric power distribution networks, bringing this service to more than 380,000 users in 38 towns in the department of Cauca in the south of Colombia. It has AAA ratings for Colombia and BBB- international issues for Issuer Default Ratings (IDR) in local and foreign currency. It is also certified in the ISO 9001 quality systems, occupational health and safety OHSAS 18001 and environmental ISO 14001.

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

[6] https://sustainabledevelopment.un.org/?menu=1300
[7] https://www.esan.edu.pe/apuntes-empresariales/2019/01/el-gas-natural-y-su-impacto-ambiental-en-la-actualidad/
[8] http://www.promigas.com/Es/Nosotros/Paginas/default.aspx

Business Type	Activity	Company	Data
Transportation Employees: 570 Income: $ USD 364,463,300.58 Assets: $ USD 2,753,107,835.60	Transportation of natural gas	Promigas Promioriente Transmetano Transoccidente	Pipeline: 3.089 km Capacity: 1.040 Clients: 25 in different regions of Colombia
	Integrated solutions for industry and power generation	Promisol Zonagen	22 Clients 115 Mpcd natural gas treated 44 MW generated energy 99,64 availability 2.550 km of gas pipelines maintained
	Liquefied Natural Gas	Sociedad Portuaria El Cayao (SPEC)	Regasification capacity: 400 Mpcd Storage capacity: 170.000 m^3
Distribution Employees: 2.900 Income: $ USD 1,927,766, 880.9 Assets: $ USD 2,539,756,366.9	Distribution of natural gas	Surtigas GdO Gases del Caribe Efigas Gases de La Guajira Cálidda Quavii	Accumulated users: 4.350.827 Gas sales: 11.431 Mm^3
	Electric power distribution	Compañía Energética de Occidente (CEO)	Clients: 382.056 Energy demanded: 683 GWh Networks: 26.676
	Non-bank financing	Brilla	Credits granted: $ US 0,9 billons Number of users: 2,86 million Portfolio: $ 234,735,605.25 USD
	Shared Services	Enlace Versa	Process: Purchases and accounts payable Treasury Payroll Accounting and taxes Information technology

Note: Figures before eliminations; Income includes the method of participation plus dividends. GEN Distribution financial figures does not include those of companies that do not consolidate: Gases del Caribe (Efigas and Gases de La Guajira) and Cálidda. (Promigas, 2018)

of the regions in which they participate and with the conviction that their people are the essential factor for achieving the objectives set.

Economic performance

Due to the achievements in commercial, operational and financial matters by Promigas and its companies, net income for shareholders was $ 221.988.050,69USD, 12% higher than in 2017, with an execution of 112% over budgeted profit[9,10].

Promigas, as a group, is made up of 18 companies, 3,500 employees, and with presence in countries such as Colombia and Peru (Promigas, 2018).

In the following table, a high-level consolidation of some of the most relevant economic data of the company is presented:

2.2. Approach to sustainability

2.2.1. Company's motivation on sustainability

Consistent with the global trend of caring for air quality, vehicular natural gas is an environmentally friendly option for the transport sector, in addition to achieving competitive prices compared to substitutes. Promigas is committed to the development of the vehicle market dedicated to vehicular natural gas that allows them to build the cleanest energy consumption matrix in the country. In the short term, they are promoting the renewal of mass passenger transport fleets in Colombian cities such as Bogotá, Cali, Barranquilla, Sincelejo and Montería, and they also encourage the introduction of more than 300 heavy-duty vehicles that use vehicular natural gas.

[9] Promigas. (2018). Informe Anual de Gestión 2018. Barranquilla, Colombia.

[10] For all financial information presented in this document, the representative market rate used is: $3.268,03 COP per US Dollar.

It is important to emphasize that in 2019 RobecoSam[11]'s Sustainability Yearbook presented Promigas from Barranquilla among its selected group. The publication recognizes through a benchmarking process the companies with the best social, environmental, and corporate governance practices in the world, among 2,500 participants from 60 different sectors of the global economy. In the yearbook Promigas is located in the 94th percentile at a general level in a universe of 27 global companies in the gas industry (gas utilities) and occupies the 100th percentile in environmental aspects. It means a "strong performance in sustainability" within the parameters of the Annual Corporate Sustainability Assessment of Robeco SAM. It has been done for 20 years and is used as a basis to select the components of the Dow Jones Sustainability Index of the New York Stock Exchange. The case study company also establishes in its sustainability report that they constantly review their activities and processes, comparing themselves with the highest sustainability standards, such as the Dow Jones Sustainability Index, this allows them to advance and continue growing while improving their economic, social and environmental performance.

Promigas adheres to the commitment of the UN Global Compact and its principles framed in the four major themes: human rights, environment, anti-corruption and labor standards; through these principles, the company seeks to strengthen its environmental and social management.

Promigas and its subsidiaries have active membership in renowned international institutions in the gas sector, such as the Gas Control committees of the American Gas Association (AGA), the National Association of Corrosion Engineering (NACE), and important national institutions, including Naturgas, Andesco, World Energy Council (WEC), Colombian Association of Corrosion Engineers, National Council of Gas Operation (CNO Gas), Colombian Security Council, Colombian Association of Industrial Relations and Personnel (Acrip), Apell Group, Concentra, Icontec, National Organization of Accreditation (Onac), Andi, Fenalco and Institute of Internal Auditors.

Promigas is aware of the value and importance of engaging in communication and direct participation with the institutions in matters of local, regional and national interest for the enrichment of public policies, which is why they actively participate with some of their companies in organizations such as "Empresarios por la Educación", Asociación de Fundaciones Empresariales (AFE) and Red Interamericana de Fundaciones y Acciones Empresariales para el Desarrollo de Base (RedEAmérica).

Additionally, Promigas is involved in the global Caring for Climate initiative, in the sector Gas, Water & Multiutilities adjusting its climate change strategy and guiding its activities and processes with a view to mitigating the impacts and effects of climate change. This allows Promigas to make decisions based on global information through the exchange of information and the latest trends[12].

This Company proposes a corporate policy that directly links objectives, actions and activities that seek to generate a contribution to the objectives of sustainable development, that is, that contribute in economic, social, environmental, and institutional aspects.

Promigas Corporate Policy[13]

In our purpose of connecting markets to energy sources, we generate economic, social, and environmental value to our stakeholders, focused on the human being as the fundamental axis of all our actions.

We develop our activities framed in ethics and the highest standards, risk management, continuous improvement, the well-being of our people, safety, and the preservation of the environment. This motivates us to work in:

- *The promotion of the expected performance and sustained growth through an effective identification of opportunities and management*

[11] https://yearbook.robecosam.com/fileadmin/Files/Industries/Gas_Utilities.pdf. RobecoSAM is an investment specialist focused on Sustainability Investing. To this end, they offer a comprehensive palette of products including in-house asset management, Sustainability Indices, corporate sustainability assessments, active ownership and engagement, and customized portfolio benchmarking solutions. In 2006, RobecoSAM introduced a division called sustainability services that provides sustainability benchmarking reports to companies.

[12] *http://caringforclimate.org*. Retrieved May 21, 2019, from List Of Signatories: http://caringforclimate.org/about/list-of-signatories/

[13] http://www.promigas.com/Es/Nosotros/Paginas/default.aspx

of investments and resources, in accordance with risk levels.

- *The development our activities within the framework of the best corporate governance practices, promoting ethical and transparent conduct.*
- *Provision of reliable and quality services, through the application of high national and international standards, the effective management of risks and the continuous improvement of our processes.*
- *Guarantee the safety of our operations, providing the adequate conditions and strengthening the culture of prevention and healthy and safe behaviours.*
- *The promotion of the welfare of our people and the development of their intellectual, affective, physical and social dimensions, and maintain a positive work environment.*
- *The strengthening of the environmental culture among our stakeholders, promoting the rational use of resources and the prevention and mitigation of the impacts of our operation.*
- *Building and maintaining commercial relationships with suppliers and contractors, under fair and transparent conditions.*
- *Contribution of the improvement of the quality of life of the regions where we develop our operations, through social management practices with an emphasis on education.*

In terms of sustainability, Promigas has a point in favour that, although its main product is natural gas, compared to other types of companies that work with oil derivatives, its generation of pollution is lower. Natural gas is a viable option for decarbonizing and reducing air pollution. However, it is not enough to meet emission targets set by various governments[14]. Promigas must establish more challenging initiatives every day and compare itself with foreign companies that allows it, in some way, to acquire skills as a strategic company in the oil derivatives market. Likewise, it must work hand in hand with the Colombian government, contributing with research, results, inputs and, above all, reporting its most important achievements, its biggest challenges and the opportunities for improvement that could be identified.

2.2.2. Integration into the Company's Business Model

Promigas conceives sustainability with a transversal focus, seeking to generate lasting economic, social, environmental, and institutional value among the interested parties, centered on the human being as the fundamental axis of all its actions. Sustained in ethics and transparency, they seek to deliver a responsible and effective treatment to the opportunities and risks arising from their management, promoting sustainable development.

The company aims at creating shared value in all the axes of sustainability through the case study. Shared value means that corporate policies and practices that enhance the competitiveness of the company while simultaneously advancing social and economic conditions in the communities in which it sells and operates[15]. The regulatory dynamics given by the Colombian government and the global energy trends towards decentralization, digitalization and decarbonization of businesses drive Promigas to innovate processes, services and business models that, in some way, allow it to be more secure and efficient (as a company), in addition to developing a range of competitive and sustainable energy services in the short and long term that generate value for its stakeholders. Therefore, its innovation efforts are concentrated on two fronts: advancing the development of innovative solutions and strengthening its innovation capabilities.

Promigas has a portfolio of innovation projects that involves technologies to improve their design capabilities, strengthen process safety, improve the energy efficiency of their operations, develop and adapt technologies to increase the demand for natural gas and to improve the competitiveness of solutions of renewable energy. These efforts allow them to file a patent application in technologies and obtain the registration of two design softwares that, starting in 2019, start productive tests. In this way, the company creates value and adapts to the

[14] Cooper, J., & Balcombe, P. (2019). *Science Direct.* Retrieved from https://reader.elsevier.com/reader/sd/pii/S2212827119300721?token=8BBE38BFD3BA9275FAD6FD76D9C3D892E034EB978B167073A05DE42D53FEFADA4C919329C5F389325331E13960DAAA5F

[15] Porter, M., & Kramer, M. (2011). Creating Shared Value. *Harvard Business Review*.

constant changes and pressures that the market may have[16].

Corporate governance structure

Promigas has the following corporate governance structure that allows it to involve aspects of sustainability in decision making from all its edges:

- General meeting of shareholders[17].
- Board of Directors: superior management body. It acts on behalf of the shareholders and in benefit of the sustained growth of the organization.
- Board of Directors Committees: They have Audit Committees; Risks and Good Corporate Governance; Compensation, Development and Nominations; Investments; and Strategy and Sustainability.

Commitment to SDGs

It is committed to the UN Global Compact and its principles and the UN SDGs[18]. Its management model is made up of four fundamental axes that guide its actions. Promigas, deploy those relevant issues aligned with the following SDGs on which they focus their management, measurement, and communication at the corporate level.

In its non-financial information report, Promigas establishes some SDGs as priorities:

- **Goal 4.** Guarantee an inclusive, equitable and quality education and promote learning opportunities for all, throughout life.

Promigas and its Foundation work actively in the development of skills and knowledge, and in educational programs that focus on the training of managers, teachers, and families.

- **Goal 7.** Guarantee access to affordable, safe, sustainable, and modern energy for all.

Promigas is working to develop more efficient energy markets, in order to increase their participation in the national basket.

- **Goal 13.** Adopt urgent measures to combat climate change and its effects

Promigas is committed to implementing measures to mitigate the risks associated with climate change. They have undertaken a plan to reduce their carbon footprint, for which they are measuring GHG emissions, and have guaranteed a 10% reduction in 2025.

- **Goal 15.** Protect, restore, and promote the sustainable use of terrestrial ecosystems, manage forests sustainably, fight against desertification, stop and reverse land degradation and curb the loss of biodiversity.

The company seeks to establish measures to minimize the areas to intervene and recover biodiversity through reforestation actions.

2.2.3. Company's existing reporting frameworks

Promigas publishes a management annual report[19] that contains all the activities it carried out during the year to address the issues that its stakeholders consider relevant. This report has been prepared by the company since 2012, being its last (2018) under the GRI Standards. Likewise, they report their own indicators designed by Promigas to provide information specific to their type of business. In order to provide a greater degree of confidence in the information reported, Promigas has assurance of the information reported, all this by an independent third party; for 2018 the independent limited assurance was carried out by Ernst & Young Audit SAS.

In Colombia, the non-financial information report is not part of a legal requirement established by the government of the country. The implementation of financial statements and their elements in Decree 2649 of 1993 was established as a reporting requirement, where it was indicated that the main purpose of this article is to disclose the types of financial statements which are the main suppliers of information in any organization or company. However, this legislation did not include issues of sustainability.

[16] Promigas. (2018). *Informe Anual de Gestión 2018.* Barranquilla, Colombia.

[17] Its main shareholders correspond to private legal entities that work in different sectors of the economy with a control of 96.77% of the company's shares of Promigas, none of them has more than 35% and there are 905 shareholders with less than 1%. This information is public and is placed on the official website of Promigas.

[18] United Nations Development Programme. (n.f). SUSTAINABLE DEVELOPMENT GOALS. Retrieved 2019, from https://www.undp.org/content/undp/es/home/sustainable-development-goals.html

[19] http://www.promigas.com/Es/Inversores/Paginas/Informes/Informes-de-Gestion-Anual.aspx

Colombia has a single environmental register (RUA, for its acronym in Spanish) that aims to obtain standardized information on the use or impact of renewable natural resources by different economic activities. The manufacturing industry represents the physical and chemical transformation of materials and components into new products; whether the work is done with machines or by hand, in a factory or at home, and the products are sold through wholesale or retail.

The type of productive activity carried out by Promigas in accordance with current environmental regulations, in most cases requires an environmental license, an environmental management plan, permits, concessions and other environmental authorizations. Promigas must process its organizational information in the Unified Environmental Registry for the Manufacturing Sector within the terms established by law. However, this registry does not cover all aspects of sustainability and is not applicable to all industries.

3. CORE INDICATORS AND REPORTING

3.1. Accounting and reporting on core indicators

The section presents the core indicators. For each indicator information on relevance to the business and key stakeholders, and the relevant criteria, including materiality; accounting, measurement and reporting techniques and related challenges are provided. For all financial information presented in this document, the representative exchange rate used is: $3.268,03 COP per US Dollar.

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
A.	**Economic area**						
A.1.	Revenue and/ or (net) value added	A.1.1. Revenue	Revenue total IFRS 15.	As of December 31, 2018: $1.292.610.700,57 USD The breakdown of the revenues is as follows: Operating Revenue: $1.256.893.740,18 USD Other Revenues: $35.717.266,38 USD	• Shareholders • Board of Directors • Suppliers and contractors • Government and regulatory bodies	• The increase in operating revenue occurred, principally, for the following reasons: * Promigas: higher volumes transported as a result of attacks on the National Transmission System (NTS) and maintenance work on coast-interior interconnection lines. * Promisol: sale of gas treatment equipment on early finalization of the Canacol contract, recoating works on pipelines in Guajira and Sucre, and commencement of operations on the Malambo-Santa Rita Deviation. • Distribution: Surtigas, introduction of new tariff in 2018; Quavii, increase in distribution and connections revenue after operation commenced; Gases de Occidente, higher sales to nonregulated industries and higher returns on technical services rendered to third parties. • Construction revenue and costs, which are recorded at the same value under current accounting regulations, are mainly a consequence of Quavii commencing operations and activation of other construction work in progress. • Participation method revenue rose in 2018 in the following companies: Cálidda, bigger gas business and facilities margin and lower depreciation and amortization expenses as a result of the change in the amortization accounting methodology; Gases del Caribe, higher marketing and margin and connection fees. • Financial asset revenue declined at Surtigas, Gases de Occidente and Transmetano, due to the annual adjustment to macroeconomic and operating variables. • The increase in other revenue is mainly due to the fact that the bigger difference on exchange at Promisol generated financial assets in dollars.	**Sources:** Public Consolidated Financial Statements as a company that provides public services in Colombia **Collection:** SAP Platform. Through Colombia's Law 1314 of 2009, which regulates the principles and rules of accounting and financial information and information assurance accepted in Colombia, indicates the competent authorities, the procedure for issuing them and determines the entities responsible for monitoring its compliance. Organizations can calculate their income by adding up net sales and income from financial investments and asset sales. Net sales can be calculated by subtracting refunds, discounts and bonuses from gross sales of products and services. **Relevance for SH:** Stakeholders will have information tools that allow them to make decisions on important aspects of investment, purchases, profits, mergers and acquisitions. **Challenges:** Implementation of new international standards.

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
		A.1.2. Value added	Revenue minus costs of bought-in materials, goods and services (Gross Value Added, GVA)	Total Revenue as of December 31, 2018: $1.292.610.700,57 USD Total costs of bought-in materials, goods and services $863.014.834,22 USD Therefore, the GVA, as of December 31, 2018 is $429.595.866,34 USD.	• Shareholders • Board of Directors • Suppliers and contractors Government and regulatory bodies	33% is the GVA based on the consolidated financial statements. Taking into consideration that revenues are regulated, gross margin are controllable by the management.	**Sources:** Public Consolidated Financial Statements as a company that provides public services in Colombia **Collection:** SAP Platform. **Relevance for SH:** A GVA of 33% will allow decision makers (shareholders and board of directors) to know what resources they have to address their investments in sustainability matters (economic, social, environmental and institutional). **Challenges:** To design a strategy of long-term sustainable investments that, in some way, increases the GVA and it is possible to generate additional value for all stakeholders. However, it is important to emphasize that 33% of GVA for an organization of the economic magnitudes of the company in the case study is a very good result.
		A.1.3. Net value added	Revenue minus costs of bought-in materials, goods and services and minus depreciation on tangible assets (Net Value Added, NVA)	The NVA as of December 31, 2018 is $424.703.924,28 USD. The depreciation as of December 31, 2018 is $4.891.942,06 USD.	• Shareholders • Board of Directors • Suppliers and contractors • Government and regulatory bodies	The NVA represents almost the same participation of the GVA.	**Sources:** Public Consolidated Financial Statements as a company that provides public services in Colombia **Collection:** SAP Platform. **Relevance for SH:** The NVA represents almost the same relevance of the GVA. **Challenges:** The NVA represents almost the same challenges of the GVA.
A.2.	Payments to the Government	A.2.1. Taxes and other payments to the Government	Total amount of taxes paid and payable (encompassing not only income taxes, but also other levies and taxes, such as property taxes or value added taxes)	Total amount paid $87.344.669 USD composed with $ 16,567,167.38 USD related to other taxes and $70,777,502.04 USD related to Income taxes.	• Shareholders • Board of Directors • Suppliers and contractors. • Government and regulatory bodies. • Customers • Employees • Community	As quoted in the annual report the company indicated that in 2018, no significant fines or sanctions were imposed on Promigas and its affiliates relating to the rendering of their services or to economic, environmental or social factors.	**Sources:** Public Consolidated Financial Statements as a company that provides public services in Colombia **Collection:** SAP Platform. **Relevance for SH:** It is relevant for the interested parties to know this information since, in this way, it is possible to demonstrate the environmental, social and economic performance of the company in the case study.

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
			plus related penalties paid, plus all royalties, license fees, and other payments to Government for a given period				For decision makers such as the board of directors, the available monies that were not used for payment of claims, litigation and other judicial matters may be used for investment in any sustainability issue. For their part, the community, the clients and the general public will have a greater degree of confidence in the operation of the company. **Challenges:** Maintain the trend with low significance on payments generated by lawsuits or litigation. Based on the results presented in 2018, carry out an analysis that allows them to compare with other companies of the same size and type of business similar to the case study.
A.3.	New investment/expenditures	A.3.1 Green investment	Total amount of expenditures for those investments whose primary purpose is the prevention, reduction and elimination of pollution and other forms of degradation to the environment in absolute amount and in % terms	Information not available	• Shareholders • Suppliers and contractors. • Government and regulatory bodies. • Customers • Employees • Community	Based on the annual report of the company, in order to adopt urgent measures to combat climate change and its impacts, Promigas is committed to implementing measures to mitigate risks associated with climate change. They have undertaken a plan to reduce their carbon footprint, to which end they are measuring greenhouse gas emissions, and they have guaranteed a 10% reduction by 2025. On the other hand, Promigas has environmental provisions due to the fact that in the normal course of its operations, it is subject to various legal regulations inherent to public utility and environmental protection companies. The value of such provisions is $ 73,305,107 USD.	**Sources:** Information not available **Collection:** could be based on invoices or commitments made during the reporting period or by certifications of external entities. **Relevance for SH:** Green investments allow investor confidence to increase as well as improve the Company's corporate image. Promoting investments in clean technologies or generation of green energy can increase the investor's perception of the business. By implementing cleaner and more efficient technologies, decision makers will have, as available, financial resources that function as monetary muscle to increase their presence in the market, in more technologies or, even, in better compensation for their workers and nearby communities.

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
							Challenges: Organize and maintain a work team that follows the traceability of green investments, it is ideal that this team is composed of professionals from different areas who are trained to make decisions on the investments since they must contribute to the reduction of the negative impacts towards the environment but also to the improvement and efficiency in the use of economic resources. The biggest challenge will be to identify those projects that guarantee an operative, green efficiency and maximize their profitability.
		A.3.2. Community investment	Total amount of charitable/voluntary donations and investments of funds (both capital expenditure and operating ones) in the broader community where the target beneficiaries are external to the enterprise incurred in the reporting period in absolute amount and in % terms	$ 2.075.258,09 USD	• Shareholders • Board of Directors • Suppliers and contractors. • Government and regulatory bodies. • Customers • Employees • Community	The company indicated that they are actively participating in activities that involve donation to communities. As stated in the annual report, the company considers that its activities and new projects make local development dynamic in the following ways: * Job creation, because they hire at least 80% of unqualified manpower and 30% of qualified manpower locally. * Contracting goods and services locally. * Investment in social projects that benefit the community. Meanwhile, the Promigas Foundation generates knowledge and mobilizes individual and collective skills in its efforts to reduce social inequality and combat poverty in the country, especially in Colombia's Caribbean region. As part of this goal, it focuses its practices on strengthening initial education and formal education by promoting and supporting improvements to education quality, developing skills in the regions, promoting social prosperity and the common good, generating knowledge with a high added value for social and educational development in the country, and promoting and supporting non-profit organizations that contribute to social wellbeing and quality of life.	**Sources:** Public Consolidated Financial Statements as a company that provides public services in Colombia. **Collection:** Sap Platform. **Relevance for SH:** Investment in society shows the degree of commitment of organizations to the development of communities and, in some way, how they compensate for the impacts generated. On the specific performance of the indicator, Promigas invested $ 2,075,258.09 USD which is a representative value. **Challenges:** The GCI should clearly establish the methodological guidelines to be followed to determine the investments in the social aspect and if these should be verified by external entities for the different sectors. In the end, the important thing is not to invest in any activity classified as social, but rather to be expenses that benefit the surrounding communities or that are directly related to the impacts generated by the type of business, In this specific case, the gas and its derivatives.

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
		A.3.3. Total expenditures on research and development	Total amount of expenditures on research and development (R&D) by the reporting entity during the reporting period in absolute amount and in % terms	Total amount of expenditures on research and development (R&D): $ 100.377,24 USD It corresponds to 0.77% on total revenue. Total revenue: $1.292.610.700,57 USD	• Shareholders • Board of Directors • Suppliers and contractors. • Government and regulatory bodies. • Customers • Employees • Community	The company stated in its annual report that "*Regulatory dynamics and global energy trends toward decentralization, digitalization and decarbonization encourage us to innovate in processes, services and business models that will enable them to be safer and more efficient, and to develop a range of energy services that will be competitive and sustainable in the short and long terms. This is why the efforts in the field of innovation in 2018 focused on two fronts, namely, making progress in the development of innovative solutions, and reinforcing our innovation capabilities" "Our innovation project portfolio looked at technologies for improving our design capabilities, strengthening process safety, improving energy efficiency in our operations, developing and adapting technologies for increasing the demand for natural gas, and improving the competitiveness of renewable energy solutions. These efforts allowed us to file a micro-liquefaction technologies patent application and register two design softwares that will begin production tests in 2019. We obtained Colciencias and Barranquilla Chamber of Commerce recognition and maintained our Level 1 Innovation System certification from the Global Innovation Management Institute.*"	**Sources:** Public Consolidated Financial Statements as a company that provides public services in Colombia **Collection:** SAP Platform. **Relevance for SH:** Investing in R + D + i helps to be the first to detect a need. With this, it is possible that the company is differentiated from other companies in the sector. You get a better position as a company in the market so that it will increase profitability and hence the importance for decision makers. **Challenges:** Achieve at least 1% of investment in these types of initiatives achieving to be at the level of the goals proposed by the Dow Jones Sustainability Index
						"*We were also able in 2018 to redesign and reinforce our Energy and Gas Research and Innovation Centre (CIIEG), which is shared by Promigas and eight companies in our investment portfolio. Thanks to the efforts of our own teams, international consultants and the managerial team, our Center will have a new, effective management model, strategic R+D focal points, an adequate balance between short-, medium-and long-term commitments, and a governance model that will speed up decision-making and promote the coordination of associated company capabilities and resources.*	

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
						This new CIIEG identity will be launched on February 28, 2019 and will enable us to have a state-of-the-art innovation management system in Latin America." As stated in the company's annual report, Promigas and the United Kingdom signed a research agreement. The Royal Academy of Engineering in the United Kingdom will allocate GBP 300,000 from the Newton-Caldas Fund over a period of two years. Promigas, which will contribute $4.222.152,37 USD, is the only Colombian partner during this period of the agreement. These funds will be used for research and training internships through the Center for Energy and Gas Research and Innovation (CIIEG), which was formed by Promigas in 2017. This is the first cooperation agreement for science and innovation technology between Promigas and a foreign government.	
A.4	Local supplier/ purchasing programmes	A.4.1. Percentage of local procurement	Proportion of procurement spending of a reporting entity at local suppliers (based on invoices or commitments made during the reporting period) in % terms and in absolute amount	93 % of procurement spending of a reporting entity at local suppliers $125.416.487 USD	• Shareholders • Board of Directors • Suppliers and contractors. • Government and regulatory bodies. • Customers • Employees • Community		**Sources:** The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** SAP Platform. **Relevance for SH:** Consuming local products and services is beneficial for the local economy. A peso spent on nearby products generates the benefits for the local economy. Purchasing in the local market helps local entrepreneurs and independent brands to prosper and generates more jobs and therefore a more solid economy. **Challenges:** Stay at 90% or more of local purchases while ensuring the quality of products and services.

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
B	**Environmental area**						
B.1.		B.1.1. Water recycling and reuse	Total volume of water recycled and/or reused by a reporting entity during the reporting period in absolute amount and in % terms	The data is not available for the case study company. Please see the analysis section	• Government and regulatory bodies. • Customers • Community	For the case study company; the amount of water reused is not representative when compared to the total consumption in its operations. The reuse of water is placed in the irrigation of unpaved roads, in order to reduce the amount of particulate material (it must be understood as a mixture of liquid and solid particles, organic and inorganic substances, which are suspended in the air). However, keeping track of this type of utilization of sub-products generates a fairly rigorous work due to the decentralization of gas extraction operations.	**Sources:** data is not available **Collection:** data is not available **Relevance for SH:** water is a limited public good, which is why the government, as well as customers and neighbouring communities, have a direct concern about its use and management, understanding it is important for present and future generations. For each of the stakeholders, it can serve as a differential in the purchase of gas; in the case of clients, serving as a driver of the social license to operate and for the government in the efficient use of water resources. **Challenges:** evaluate the possibility of carrying out a baseline on the amount of water received in the company's operations and based on it, establish goals and indicators that serve to challenge the management of water resources.
	Sustainable use of water	B.1.2. Water use efficiency	Water use per net value added in the reporting period as well as change of water use per net value added between two reporting periods (where water use is defined as water withdrawal plus total water received from third party) in % terms, in terms of change and in absolute amount	In 2018, Promigas had a total water consumption of 36.642 m^3 composed of 34.051 m^3 of groundwater and 34.591 m^3 of water from municipal water suppliers. 7.269 m^3 as absolute amount compared against 2017. In terms of percentage, it presents a 16.55% reduction against to 2017. $ 132.29 m^3 of water was used per net million USD generated in 2018.	• Suppliers and contractors. • Government and regulatory bodies. • Customers • Community	Calculations of water consumption are made based on the volume meters in the different sources of supply or catchment by the case study company. The company implemented different flow reduction systems in the main facilities, so that a more efficient use of the water resource was made. Likewise, according to what was reported by Promigas in its sustainability report, it was deepened into efficient use training for company employees.	**Sources:** Own meters for the case of groundwater and invoices of the public service provided by the municipal aqueduct. The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** manual, field visits and with Excel files with information of water use in the reporting period. **Relevance for SH:** For the Colombian government it is of vital importance since with this it is possible to calculate taxes on the use of resources; for the community it can serve as a control tool on whether it is important to allow this type of resource exploitation against economic gains and possible local investment. **Challenges:** reduce its water consumption through the implementation of efficient use programs and evaluate investment in R&D to reduce consumption.

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
		B.1.3. Water stress	Water withdrawn with a breakdown by sources (surface, ground, rainwater, waste-water) and with reference to water-stressed or water-scarce areas (expressed as a percentage of total withdrawals) in absolute amount and in % terms	In 2018, Promigas used a total of 2.051 m^3 of groundwater extracted from deep wells. This is higher by 379 m^3 or 22.9% compared to the consumption of 2017. Compared to the total water reported by the company, the underground is equivalent to 5.6% of total consumption during 2018.	• Government and regulatory bodies. • Community	Against the total water reported by the company, the underground was equivalent to 5.6% of total consumption in 2018. The consumption of deep well water in the Sahagun station was increased due to damage to the cooling systems of the compressor unit and the refrigeration circuits, and to leaks in the gas cooling pipes, which forced a greater volume of water to be used to guarantee temperature conditions of gas entry, and in the different jobs that were carried out to guarantee optimal operating conditions, according to what was presented by Promigas in its sustainability report.	**Sources:** Own meters for the case of groundwater and invoices of the public service provided by the municipal aqueduct. The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** manual, field visits and Excel files with information with the water withdrawn with a breakdown by sources. **Relevance for SH:** For the Colombian government it is of vital importance since with this it is possible to calculate taxes on the use of resources; for the community it can serve as a control tool on whether it is important to allow this type of resource exploitation against economic gains and possible local investment **Challenges:** reduce its water consumption through the implementation of efficient use programs and evaluate investment in R&D to reduce consumption.
B.2.	Waste management	B. 2.1. Reduction of waste generation	Change in the entity's waste generation per net value added in % terms, in terms of change and in absolute amount	The organization presented an increase of 78,46% in total waste generation against 2017. 502,31tons of waste were generated in 2018, equivalent to 1,8 kilos per net USD million generated. This figure increased by 40.2% compared to the results of 2017.	• Suppliers and contractors. • Government and regulatory bodies. • Employees • Community	Although the organization presented a generation superior to 500 tons of waste, the generation for each million USD did not exceed two kilos of waste.	**Sources:** internal measurements of the company and Certificates delivered by external waste managers. The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** manual, field visits and Excel files with the change in the entity's waste generation per net value added in % terms, in terms of change and in absolute amount. **Relevance for SH:** Sanitary landfills in Colombia have a limited useful life, so it becomes a challenge for each company to generate more guidance and at the same time less waste.

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
							For each stakeholder, this information can be reflected in decision-making both for the purchase of products and in the investment in this type of business. Being a company monitored and controlled by the Colombian government that provides public services, its results help, in a certain way, in achieving the objectives of the 2030 Agenda. **Challenges:** achieve a reduction in the amount of solid waste that will be disposed in landfills or through authorized managers regardless of the net economic value generated.
		B.2.2. Waste reused, re-manufactured and recycled	Total amount of waste reused, re-manufactured and recycled in absolute amount, in % terms and in terms of change	The organization presented 4,79 tons of reusable waste in 2018. 22, 68 tons less compared to 2017. This represents a 553% reduction against 2017.	• Suppliers and contractors. • Community	The total of the usable waste was delivered to recycling cooperatives in Barranquilla, Riohacha and other municipalities for their use.	**Sources:** internal measurements of the company and Certificates delivered by external waste managers. The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** manual, field visits and Excel files with the total amount of waste reused, re-manufactured and recycled. **Relevance for SH:** The efficiency of the use of resources can be used, to some extent, as a differential in making decisions for the acquisition of products, creation of business relationships and, why not, the final choice in public procurement processes. **Challenges:** Continue with the reduction achievements reached by the company, however, for the measurement of changes, notes and assumptions should be established to normalize results and exclude those atypical conditions that may arise.

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
		B.2.3. Hazardous waste	Total amount of hazardous waste, in absolute terms, as well as proportion of hazardous waste treated, given total waste reported by the reporting entity (in absolute amount, in % terms and in terms of change)	The organization presented 49,66 tons of hazardous waste in 2018 The waste generated corresponds to: Electronic, oily and solid contaminated with hydrocarbons or chemical substances, hospital and similar. 7 tons less compared to 2017. This represents a 12% reduction against 2017	• Suppliers and contractors. • Government and regulatory bodies. • Customers • Employees • Community	There is an increase of more than 300 percent of generation of this type of waste and understanding the nature of the business, it is possible to think that generating an approximate 2 percent of hazardous waste against the total of waste is a positive aspect.	**Sources:** internal measurements of the company and Certificates delivered by external waste managers. The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** manual, field visits analysis of Certificates delivered by external waste managers. **Relevance for SH:** The management of hazardous waste is one of the most important aspects in the Colombian environmental legislation, additionally, by the type of case of the Company of this study, the Colombian government established different legislation for the granting of environmental licenses for the creation of Environmental Management Plans in each impact evaluation study for the gas and oil sector. On the other hand, the surrounding communities will allow the operation of the company if they comply with the highest standards of hazardous waste management, diminishing the negative impacts on health and the environment. **Challenges:** Continue with the reduction achievements reached by the company, however, for the measurement of changes, notes and assumptions should be established to normalize results and exclude those atypical conditions that may arise

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
B.3.	Greenhouse gas emissions	B.3.1. Greenhouse gas emissions (scope 1)	Scope 1 contribution in absolute amount, in % terms and in terms of change	The organization presented 62.054,45 tco2 in **2018** calculated using the Excel file tool, equivalent to 224,03 tco2 per net USD million generated which presents an increase of 35.22% compared to 2017.	• Government and regulatory bodies. • Customers • Community	In 2018 there is an increase in scope 1, due to the greater use of fuels for fixed sources of turbocharging equipment. The volume transported this year increased by 9% compared to the previous year. For the calculation, the tool developed by Corporación Ambiental Empresarial - CAEM - for information management and calculation of the greenhouse gas inventory is used, and the emissions of CO2, CH4, N2O, HFC, SF6 and NF3 are calculated. The data of the emission factors have been obtained from the document "Emission factors considered in the tool for calculating the corporate carbon footprint" of the CAEM, and the rates of global warming potential used correspond to those reported by the IPCC in the "Fifth Assessment Report of the Intergovernmental Panel of Experts on Climate Change". For the determination of direct emissions of methane, by venting or leaks in the gas transport system, a percentage of 5% of the total system losses is estimated.	**Sources:** internal measurements. The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** Excel file tool and consumption invoices. **Relevance for SH:** Aware of the relationship of Promigas' business with the aspects related to climate change, as well as the risks and opportunities derived from it, Promigas should work on the development of an action plan to implement a climate-friendly strategy to reduce gas emissions. , that commits the entire organization, focusing its efforts on actions of mitigation, adaptation, sustainable growth and communication for a better performance in matters of sustainability that serve for the decision making of the stakeholders. **Challenges:** implement the available methodologies that allow them to advance in the next two years an analysis of scenarios in the face of climate change.
		B.3.2. Greenhouse gas emissions (scopes 2)	Scope 2 contribution in absolute amount, in % terms and in terms of change	The organization presented 603,86 Tco2 2018, equivalent to 2,18 tco2 per net USD million generated which presents a reduction of 23.07% compared to 2017.	• Government and regulatory bodies. • Customers • Community	A decrease is observed due to the actions carried out by the company with the installation of the photovoltaic system in one of the company's headquarters.	**Sources:** internal measurements. The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** Excel file tool and consumption invoices. **Relevance for SH:** Aware of the relationship of Promigas' business with the aspects related to climate change, as well as the risks and opportunities derived from it, Promigas should work on the development of an action plan to implement a climate-friendly strategy to reduce their energy consumption. , that commits the entire organization, focusing its efforts on actions of mitigation, adaptation, sustainable growth and communication for a better performance in matters of sustainability that serve for the decision making of the stakeholders.

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
							Challenges: implement the available methodologies that allow them to advance in the next two years an analysis of scenarios in the face of climate change.
B.4.	Ozone-depleting substances and chemicals	B.4.1. Ozone-depleting substances and chemicals	Total amount of ozone-depleting substances (ODS) (bulk chemicals/substances existing either as a pure substance or as a mixture) per net value added.	The data is not available for the case study company. Please see the analysis section	• Government and regulatory bodies. • Customers • Community	Due to the type of business the company under study only presents the information of Ozone-depleting substances and chemicals to the regulatory bodies. Thus, it was not possible to obtain the data, according to confidentiality issues.	The data is not available for the case study company. Please see the analysis section
B.5.	Energy consumption	B.5.1. Renewable energy	Renewable energy consumption as percentage of total energy consumption in the reporting period	The organization used 570,25 GJ in 2018, equivalents to 2,6 GJ per net USD million generated. Renewable energy consumption is equivalent to 0,5 percent of the total energy.	• Board of Directors • Suppliers and contractors. • Government and regulatory bodies. • Community	The company presents its results of use of renewable energy; however, this does not represent 1 percent of the total energy used. The foregoing should be based on the nature of the company.	**Sources:** internal measurements. The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** Excel file tool and consumption invoices. **Relevance for SH:** Decrease energy consumption is of vital importance in the efficient use of natural resources as well as the efficient generation of monetary resources. If a "clean" economic value is generated, that is, with a low utilization of resources, an increase in investment decisions could be implemented by the board of directors. The main challenge is to establish a verifiable information collection system in real time on the amount of renewable energy that an organization uses and what tax mechanisms exist that can be implemented. **Challenges:** Carry out a study of the tax exemptions that exist in Colombia as well as an analysis of the existing investment such as bond issuance through the Green Bond Principles.

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
		B.5.2. Energy efficiency	Energy consumption per net value added	The organization used 11.217.293,77GJ in 2018, equivalents to 40,496.96 GJ per net USD million generated. **Energy non-renewable sources natural gas:** 11.206.012,52GJ. **Energy renewable sources solar energy:** 570,2GJ. **Electric power in stations and networks:** 2.698 GJ **Electric power in administrative headquarters:** 8.013 GJ.	• Shareholders • Board of Directors • Government and regulatory bodies.	The organization used 11.217.293,77GJ in 2018, equivalents to 40,496.96 GJ per net USD million generated.	**Sources:** internal measurements. The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** Excel file tool and consumption invoices. **Relevance for SH:** for the Government and regulatory bodies saving of electrical energy is a fundamental element for the use of energy resources; saving is equivalent to reducing the consumption of fuel in the generation of electricity, also avoiding the emission of polluting gases into the atmosphere. **Challenges:** Continue with an economic growth that does not sacrifice the efficient use of natural resources that, for the specific case, is the decrease in the use of non-renewable energy sources, therefore, it is important to evaluate the implementation of financial tools, as for example the issuance of green bonds, for the acquisition of solar farms at least for the administrative headquarters of the company.
C	**Social area**						
C.1.	Gender equality	C.1.1. Proportion of women in managerial positions	Number of women in managerial positions to total number of employees (in terms of headcount)	10	• Government and regulatory bodies. • Customers • Employees • Community	The total number of Promigas employees for 2018 is equivalent to 394 people. Of these 141 are women, of which 10 are part of management positions, on the other hand, there are 19 men in this type of managerial position. The foregoing presents a great opportunity to work towards gender equality and opportunities as a company.	**Sources:** The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** SAP platforms and payroll databases. **Relevance for SH:** " it was discovered that the boards of directors with greater diversity performed better than the less diverse ones, with a return of capital 53% higher than the average"… "Companies have to focus on finding the best talent, constantly looking for work groups that allow you to reach a business balance"[20] **Challenges:** Facilitate and expand the training activities within the company so that there are more women in managerial, administrative and board positions.

[20] https://www.elespectador.com/liderazgo/el-papel-de-la-mujer-en-las-juntas-directivas-articulo-865459

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
C.2.	Human capital	C.2.1. Average hours of training per year per employee	Average number of hours of training per employee per year (as total hours of training per year divided by total employees) possibly broken down by employee category	Average hour per person 49,8 Management position: - Men: 876 hours - Women: 548 hours Non-manager positions_ - Men: 14.742 hours - Women: 4.541 hours Total trained people: 415.	• Customers • Employees	The data includes SENA* apprentices (who are not part of direct contractors, as well as some contractors). *The National Apprenticeship Service (SENA) is a public establishment of the national order in Colombia, with legal status, its own and independent assets, and administrative autonomy; attached to the Ministry of Labour of Colombia. It offers free training to millions of Colombians who benefit from technical, technological and complementary programs that focus on the economic, technological and social development of the country, they enter to swell the productive activities of companies and industry, to obtain better competitiveness and production with globalized markets.	**Sources:** internal measurements. The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** Learning from SuccessFactors module came into production for the programming of virtual courses on cross-cutting issues and to contribute to the development of competencies for the portfolio, such as corporate induction, contract administration, business continuity and osteomuscular injury prevention, among others. **Relevance for SH:** Knowledge management is part of the material issues identified by the company's case study for the community. Facilitate and expand the training activities within the company so that there are more and more women in managerial, administrative and board positions. **Challenges:** Link more women in the organization so that the results of the training indicators can be more equitable by gender.
		C.2.2. Expenditure on employee training per year per employee	Direct and indirect costs of training (including costs such as trainers' fees, training facilities, training equipment, related travel costs etc.) per employee per year possibly broken down by employee category	The data is not available for the case study company.	• Customers • Employees	The data is not available for the case study company. The company of the case study did not share information about the monetary investment in health and safety, claiming that it is confidential.	The data is not available for the case study company.

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
		C.2.3. Employee wages and benefits as a proportion of revenue, with breakdown by employment type and gender	Total costs of employee workforce (wages and benefits) divided by the total revenue in that reporting period.	The total costs of employee workforce (wages and benefits) divided by the total revenue in that reporting period is 0,057558116. **Total revenue:** $ 1.292.610.700,57 USD **employee workforce** (wages and benefits): $74.400.236,29 USD	• Shareholders • Board of Directors • Employees	This indicator shows us that the case study company invested $5.7558116 USD in training for each million USD that it entered into the company. It is valid and pertinent to clarify that the income data does not exclude costs.	**Sources:** The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** SAP platforms and payroll databases. **Relevance for SH:** The investment in benefits and compensations that a company makes should be taken by the top management where they should be maximized up to a level that does not affect the company's net income. It is important to understand that organizations are made by collaborators and they owe their results. **Challenges:** Increase the levels of benefits and compensation without reducing the amount of net revenue.
C.3.	Employee health and safety	C.3.1. Expenditures on employee health and safety as a proportion of revenue	Total expenses for occupational safety and health-related insurance programmes, for health care activities financed directly by the company, and all expenses sustained for working environment issues related to occupational safety and health incurred during a reporting period; divided by the total revenue in that same period.	The data is not available for the case study company. Please see the analysis section	• Shareholders • Board of Directors • Suppliers and contractors. • Government and regulatory bodies. • Customers • Employees	Due to the nature of the business and the particularities of the country in terms of health and safety issues at work; investments in these aspects become confidential for the company.	Due to the nature of the business and the particularities of the country in terms of health and safety issues at work; investments in these aspects become confidential for the company.

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
		C.3.2. Frequency/ incident rates of occupational injuries	Frequency rates: number of new injury cases divided by total number of hours worked by workers in the reporting period; incident rates: total number of lost days expressed in terms of number of hours divided by total number of hours worked by workers in the reporting period	**Frequency rates:** 9,5 for men. 5,18 for women. **Incident rates** 9,4	• Shareholders • Board of Directors • Suppliers and contractors. • Government and regulatory bodies. • Customers • Employees	The man hours included those that were worked during the month, including overtime, shifts, Saturdays and Sundays worked. The total man hours worked in 2018 is 1,157,695. The frequency rate is greater for men because the company employs more men than women.	**Sources:** The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** Excel files with medical disabilities, social security payment and payroll databases. **Relevance for SH:** it is fundamental for making decisions based on facts, signs and signs of opportunities for improvement that the data is providing in the company's information of the case study to ensure that we are making decisions based on facts and real situations. **Challenges:** It is key to obtain an adequate tool that allows you to look at these data and those records of information within the organization that allow us to see the vision of the organization in the face of the changes they have in their processes in the evaluation of the health performance of the company.
C.4.	Coverage by collective agreements	C.4.1. Percentage of employees covered by collective agreements	Number of employees covered by collective agreements to total employees (in terms of headcount or FTE)	288 in collective agreement from 394 direct workers of Promigas.	• Shareholders • Board of Directors • Government and regulatory bodies. • Employees	The above reflects the company's interest in understanding and analysing the needs of its employees, as well as its support to free association.	**Sources:** The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Measurement:** Formation minutes, payroll payments. **Collection:** Excel Files. Relevance for SH: Its objective is to defend and promote the social, economic and professional interests that are related to the work activity, the task then is to negotiate on the inconsistencies or problems that exist in the company to offer a welfare to the employees and their requests should be a first-hand tool for decision making by the board of directors. **Challenges:** Carry out conciliations between the demands of the collective agreements and the generation of profits by the Company of the case study

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
D	**Institutional area**						
D.1.	Corporate governance disclosures	D.1.1. Number of board meetings and attendance rate	Number of board meetings during the reporting period and number of Board members who participate at each Board meeting during the reporting period divided by the total number of directors sitting on the Board multiplied by the number of Board meetings during the reporting period	12 board meetings were presented in 2018 with 80% attendance in the year.	• Shareholders • Board of Directors	The number of participants in each meeting is confidential, so the detailed data is not presented.	**Sources:** The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** Attendance lists. **Relevance for SH:** A corporate governance is the set of tools or procedures that allow the management and direction of the company in order to carry out its institutional objectives, allowing them to be sustainable, competitive and with greater possibility of growth. For this reason, its members should not be below 70% participation in each meeting that takes place during the year. **Challenges:** Guarantee a 90% participation in 2019.
		D.1.2. Number and percentage of female board members	Female board members to total board members	2 women of 10 members	• Shareholders • Board of Directors	The board of directors only presents a conformation of 20 percent of women.	**Sources:** The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** forming minutes. **Relevance for SH:** Facilitate and expand the training activities within the company so that there are more and more women in managerial, administrative and board positions **Challenges:** Involve more women in strategic decision-making tables
		D.1.3. Board members by age range	Number of Board members by age range (e.g., under 30 years old, between 30 and 50, over 50)	All over 50	• Shareholders • Board of Directors	The organization considers it important that decisions are made based on information, in the first instance. But, likewise, Promigas believes that the experience of its board of directors is one of the most important values and that is why it is made up of personnel with more than 30 years of work experience and corporate decision making of the gas business.	**Sources:** The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** forming minutes. **Relevance for SH:** It can be thought in the future that new and young ideas will bring an alternate vision of successful businesses, a great example of this is the mobile application companies throughout the planet.

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
							Therefore, it will be important to evaluate the involvement of this type of personnel in strategic decision-making tables. **Challenges:** Involve more young people in strategic decision-making tables
		D.1.4. Number of meetings of audit committee and attendance rate	Number of board meetings during the reporting period and number of Audit committee members who participate at each Audit committee meeting during the reporting period divided by the total number of members sitting on the Audit committee multiplied by the number of Audit committee meetings during the reporting period.	4 planned meetings were carried out in 2018 by the 3 actual members	• Shareholders • Board of Directors	Promigas has an Audit, Risk and Good Corporate Governance Committee comprised of at least three (3) representatives of the Board of Directors including all independent directors and an independent external member elected by the Board of Directors with remuneration, for a minimum term of two years.	**Sources:** The data is taken from the official website of Promigas S.A at the link http://www.promigas.com/Es/Inversores/Paginas/Comites-de-Apoyo.aspx **Collection:** Assistance lists and minutes. **Relevance for SH:** It is important for stakeholders to identify how the critical risks of the organization are controlled and evaluated as well as knowing to what hierarchical level within the organization is involved in such controls. **Challenges:** The main recommendation for the indicator lies in the control of over compliance by clarifying that extraordinary meetings are not considered for calculation.
		D.1.5. Compensation: total compensation per board member (both executive and non-executive directors)	Total annual compensation (including base salary and variable compensation) for each executive and non-executive director	$ 74.400.236,29USD	• Shareholders • Board of Directors • Government and regulatory bodies • Employees	The value presented contemplates the total of salaries and social benefits for all employees.	**Sources:** Consolidated financial statements **Collection:** Excel files **Relevance for SH:** The investment in benefits and compensations that a company makes should be taken by top management where they should be maximized up to a level that does not affect the company's net income. It is important to understand that organizations are made by collaborators and they owe their results. **Challenges:** Increase the levels of benefits and compensation without reducing the amount of net revenue

#	Area	Indicators	Measurement	Performance	Related Stakeholder	General Analysis	Detailed Analysis
D.2.	Anti-corruption practices	D.2.1. Number of fines paid or payable due to settlements	Total monetary value of paid and payable corruption-related fines imposed by regulators and courts in the reporting period	No case was filed in 2018	• Shareholders • Board of Directors • Suppliers and contractors. • Government and regulatory bodies. • Customers • Employees • Community	According with the sustainability report of Pormigas for 2018 regulators did not qualify any case as corrupt activity, The above can occur due to the efficiency in the training given to the personnel in this type of subjects as well as the appropriation of the employees of their code of conduct.	**Sources:** The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** ethical line (number: 01800 9120577). **Relevance for SH:** It is important that the leaders of each organization work and give visibility to the problem of corruption and it is also important to complement this visibility with technical knowledge, good internal regulation **Challenges:** Maintain the trend of 0 cases presented
		D.2.2. Average number of hours of training on anti-corruption issues, per year per employee	Average number of hours of training in anti-corruption issues per employee per year (as total hours of training in anti-corruption issues per year divided by total employees)	Five hours of Anti-Bribery Corruption (ABAC) training were given to senior management, to the Audit Committee, the Board of Directors, and commercial areas and administrative of Promigas In 2018, 1,920 hours of training in anti-corruption policies and procedures were allocated to the rest of the employees.	• Shareholders • Board of Directors • Suppliers and contractors. • Government and regulatory bodies. • Customers • Employees • Community	Promigas allocates both financial and time resources and equipment in the training of its employees on anti-corruption and bribery issues. This demonstrates their commitment to the social and economic issues of sustainability.	**Source:** The data is taken from the Annual Management Report (it is public and is on the website of Promigas S.A.) **Collection:** training platforms and compliance program. **Relevance for SH:** It is important that the leaders of each organization learn more and give visibility to the problem of corruption and it is also important to complement this visibility with technical knowledge, good internal regulation. **Challenges:** Maintain the trend of 100% of the Board of Directors trained on those aspects.

3.2. Key findings of the core indicators application in the company

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, they have to carry out some prior analyses and training activities with the leaders reporting sustainability issues to interested parties. A suggestion could be that the company integrates its sustainability report with the financial statements. For this purpose, the company would need to integrate the information used for the preparation of its sustainability report into the accounting books. That means that all the information reported in its sustainability reports could be recorded in a sub-ledger where the information could be easily accessible and be kept for repository purposes. Doing this will not only facilitate the preparation of the sustainability report but will also help stakeholders to understand the details of the information reported.

It would be useful to generate guidelines for the normalization of results and for the elimination of abnormal data. For instance, indicator B. 2.2 of waste generation presented a reduction of more than 500% compared to that generated in 2017, however this is due to specific characteristics of the company's management since in 2017 the construction of two administrative offices was completed, which generated a significant amount of usable residues.

In countries such as Colombia, databases are still managed manually through Excel files, which makes data comparisons more complicated than in developed countries where automated systems are used more. It would be useful to create verification manuals for the GCI that can be used by both external and internal personnel in order to reduce errors in the reported data.

The case study company did not have all the necessary mechanisms to collect all the information required to calculate all core indicators (please see list below). In this regard, the training manuals of the GCI can be very useful in explaining the importance of disclosing the indicator and providing information about the correct way to disclose it.

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 case study company maintains and executes a budget for all activities related to health and safety at work, the company did not share the specific budget.

4. Conclusion

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 and using GCI could become baseline information applicable to all type of entities regardless of sector or size.

The 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.

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 because, 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. This is since decision making must be carried out on information that presents the least distortion in the data.

The company included in the case study is quite advanced in the degree of maturity on the management of non-financial information, which is lower for other entities in Colombia. Therefore, it would be interesting to evaluate the creation of a roadmap for Micro, small and medium-sized enterprises (MSMEs), medium-sized enterprises (SMEs) and large companies; so that there is a degree of evolution "*step by step*" through the years that must be proportionately rigorous with the size of the company.

The government has a very important role to play as the regulator. 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.

Companies need to use professional services provided by a third party, outside the company, that gives an opinion (assurance) 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 could allow 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.

The GCI could help organizations visualize their metrics, becoming a management tool that allows them to address their challenges and opportunities, as well as being a strategic tool for decision making. In this sense, the management reports that include GCI will not only allow the disclosure of performance in terms of sustainability, but also help to:

- Visualize the traceability of the company, its development and evolution around its relevant and material issues.
- Identify, evaluate, and communicate the generation of value by the Company to its shareholders.
- Propose new ways to evaluate results and measure progress.
- Acquire new commitments towards sustainability and challenges for the following year, in order to seek continuous improvement in their processes.

CHAPTER II.
CASE STUDY OF THREE COMPANIES IN GUATEMALA

EXECUTIVE SUMMARY

This case study contains information on the application of UNCTAD's *Guidance on core indicators for entity reporting on contribution towards implementation of the SDGs (GCI)* in 3 companies in Guatemala. It provides useful evidence on the practical implementation of the GCI and identifies and discusses challenges in reporting these indicators. The findings show that these companies were able to report most of the 33 core indicators, the following table has a summary of the results:

	Porta Hotels	Saul E Mendez	CMI
Reported	29	27	30
Hard to report	3	5	2
Not possible to report	1	1	1

In particular, the companies encountered difficulties in measuring and disclosing environmental indicators. Some of these initial challenges were resolved through the use of manuals provided by UNCTAD and additional support and information on the measurement process. However, the 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: the company is not using any renewable energy sources in its operation.

Regarding indicator *D.1.5 Compensation: total compensation per board member*, none of the participant companies disclosed board member compensation. These are all family-owned companies, and board members are also shareholders with few external board members invited to provide technical expertise in specific management topics. In Guatemala there is no obligation to report shareholder names and payments as long as their core business is not audited by the bank 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:

- C 4.1 Coverage by Collective agreements: companies participating in the case study do not have a collective agreement for their employees.
- 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: the company does not have any training related to anti-corruption issues.

1. Introduction

In September 2015, UN member States adopted the 2030 Agenda for Sustainable Development. In 2017, Guatemala presented a Voluntary National Review (VNR) to provide information on its progress in the implementation of Sustainable Development Goals (SDGs) at the national level. The VNR contained national priorities, actions, and a diagnosis of the statistical information available in the country to assess progress. It also detailed how the prioritized SDGs were assessed for revision providing further information on the current status of the government's contribution towards achieving the goals.[21]

Although there is no legislation or requirement for companies to produce an annual sustainability report or SDG reporting in support of indicator 12.6.1 (Number of companies publishing sustainability reports), a significant number of member companies of CentraRSE and UN Global Compact in Guatemala voluntarily report on an annual basis. This initiative was promoted by the Mission of Guatemala to the World Trade Organization and CentraRSE[22].

The case study features three Guatemalan companies from different industries. They present their approach towards sustainability, explain how it is integrated into their business model and finally present their reporting framework and disclose the measurement of UNCTAD's proposed core indicators. All the selected companies are funded from Guatemalan capital. Parameters for the company pre-selection were:

- 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 the IndicaRSE system[23].

The objective of the case study is to pilot test the applicability of the core indicators outlined in the GCI and confirm the availability and relevance of the indicators for the reporting purposes at the country level. The core indicators were selected based on relevance to at least one SDG, their availability in all reporting frameworks and their applicability to all reporting companies as well as how they compare across industries amongst other criteria. As a result of the case study, some indicators might be replaced, added or eliminated. It is important to emphasize that the focus is to have a set of core indicators applicable to all companies. However, it is understood that certain indicators might not be applicable to some of them based on their core business. [24]

The case study followed the three steps shown below:

1. **Get to know the company:** Immerse in the company's core business, their culture and build relationship with key stakeholders for this project.
2. **Determine the company's sustainability focus:** Discover their approach to the SDGs and how it plays into their day-to-day operations.
3. **How the company measures and reports the core indicators:** Determine the company's current state in relation to reporting on core indicators and what is being done with the information to improve their sustainability focus.

2. Porta Hotels

2.1. About the company

Porta Hotels is a conglomerate of 6 hotels and an industrial laundry in Guatemala City and Antigua Guatemala with over 65 years in the market. The company's Sustainability Policy states their approach to sustainability and drives all their business operations supported by their Sustainable Management Comprehensive System. The policy statement is as follows: *"Offer consistently innovative, high quality products and services to exceed our clients and guests expectations, constantly improving our quality management system based on fundamental principles: Environment, Culture, Enterprise, Labour and Economics, aiming to reduce negative impacts from our operations towards guaranteeing our customers a quality destination and securing development opportunities for our staff and future generations"*.

[21] https://sustainabledevelopment.un.org/content/documents/16626Guatemala.pdf

[22] 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.

[23] IndicaRSE is the Central American integration for corporate social responsibility as an alliance of six organizations, including CentraRSE in Guatemala, grouping over 900 companies in the region.

[24] Core indicators selection criteria outlined in the UNCTAD's Guidance on core indicators for entity reporting on contribution towards implementation of the Sustainable Development Goals

Porta operates those five strategic principles with a set of goals measured by specific indicators provided by Rainforest Alliance standards amongst other international programs in their industry.

Company's Mission/Vision

The company's Mission is to exceed their customers' expectations by offering innovative and high-quality products and services as well as promoting social and environmental responsibility, generating development opportunities for their staff and generating acceptable profitable margins for the shareholders.

Porta's vision is to be the leader in hospitality through their human capital in every destination where they operate properties based on their culture, values and principles.

Countries of Operation

The company operates in Guatemala exclusively.

Company and Segment Turnover and Total Assets

The company turnover for 2018 was USD $7.5 Million and their total assets in US dollars are worth USD $3,044,098.00.

Principal Shareholders

Like the rest of the companies in this case study, Porta Hotels is a privately held family company. In Guatemala, it is not allowed to disclose shareholder information without a warrant, therefore this information is not provided for any of the participant companies.

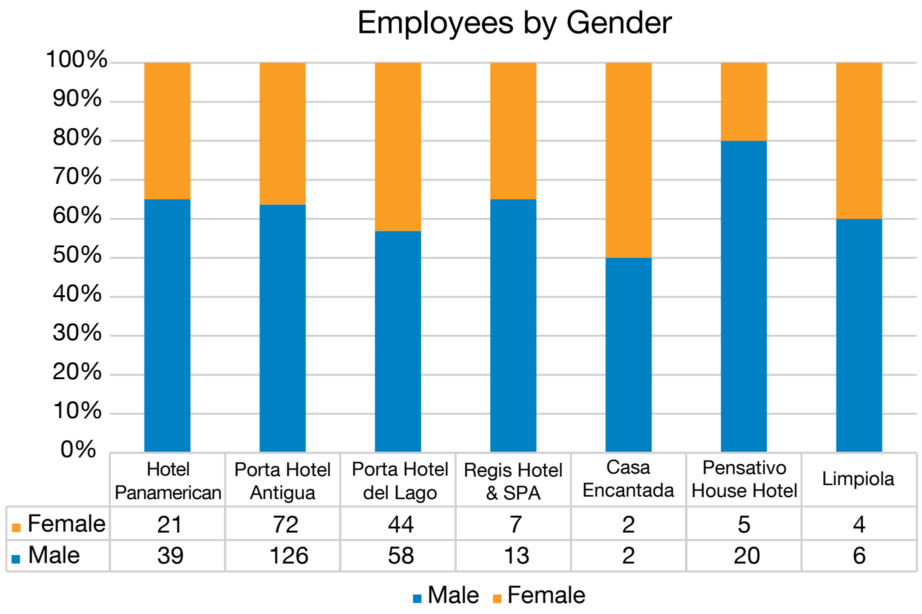
Employee Breakdown

Porta employs over 400 people in 3 Guatemalan departments: Sacatepéquez, Guatemala and Sololá. Their human resources policy encourages to use local labor and provide training and resources to support the economic development in communities where they manage properties.

Breakdown by location

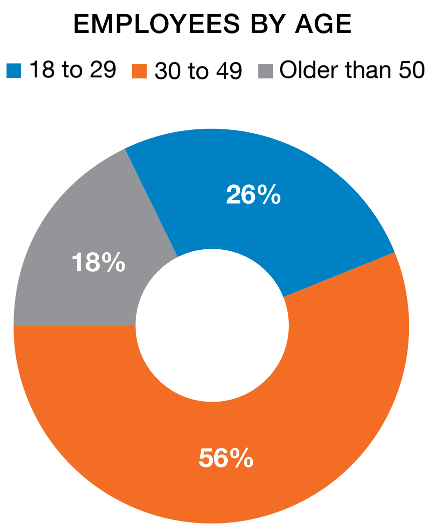
Property	Sacatepéquez	Guatemala	Sololá	Total
Hotel Panamerican		60		60
Porta Hotel Antigua	198			198
Porta Hotel del Lago			102	102
Regis Hotel & SPA			20	20
Casa Encantada	4			4
Pensativo House Hotel	25			25
Limpiola	10			10
TOTAL	**237**	**60**	**122**	**419**

Breakdown by Gender



	Hotel Panamerican	Porta Hotel Antigua	Porta Hotel del Lago	Regis Hotel & SPA	Casa Encantada	Pensativo House Hotel	Limpiola
Female	21	72	44	7	2	5	4
Male	39	126	58	13	2	20	6

Breakdown by Age Ranges[25]



Porta Hotels Relevant Facts and Figures

- The company manages 2 Business Units:
  - Hotels with 6 properties in 3 Guatemalan departments.
  - Industrial Laundry in Sacatepéquez which services all the hotel properties as well as external clients.

2.2. Approach to sustainability

2.2.1. Company's concept of sustainability

The company is committed to take care of the environment while supporting and promoting sustainable tourism in their properties and nearby communities. Their organization is aligned to comply with international sustainable tourism standards such as Rainforest Alliance[26] using the latest technology, implementing best practices among their workforce and providing training to their staff and suppliers to

[25] Porta's employees exceed eighteen years old, complying with ILO regulations and exceeding national legislation in Guatemala.

[26] The Rainforest Alliance is an international non-profit organization working at the intersection of business, agriculture, and forests to make responsible business the new normal. They are an alliance of companies, farmers, foresters, communities, and consumers committed to creating a world where people and nature thrive in harmony. The Rainforest Alliance was a pioneer in third-party sustainable tourism recognition, working with hotels, inbound and outbound tour operators, and other tourism businesses to help them improve their environmental, social, and economic practices. On October 1, 2018, the Rainforest Alliance transitioned its sustainable tourism certification standards and business, including all related personnel and clients, to its long-time partner, Nature Economy and People Connected (NEPCon). NEPCon is a non-profit organization based in Copenhagen, Denmark, with a global network. It has been a partner with the Rainforest Alliance since 1999 and has worked in the sustainability certification and auditing field since 1996 defining the set of indicators for each of Porta's strategic principles.

take care of the environment through their Sustainable Management Comprehensive System.

Company's motivation on sustainability

By implementing their sustainability program, Porta's board understands the reputational benefit with customers, as well as the financial benefit from the reduction in operational costs and the improvement in quality management processes in their business model when taking into consideration of sustainability issues. Therefore, it has driven all its business activities through sustainability practices under a framework around corporate social responsibility impacting neighbour communities to its properties.

2.2.2. Integration of sustainability into company's business model[27]

This integration process is governed by designated stakeholders through their Comprehensive Sustainable Management System reporting to the board of directors and measured by the key performance indicators required by The Rainforest Alliance certification.

For this case study Porta's sustainability team and HR director worked to map its 5 strategic principles with the SDGs impacted through their performance management process and sustainability projects.

Porta's core business contributes to 4 out of the 17 SDGs with their current framework.[28]

Environment

Porta Hotel's focus on preserving the environment is a key element of a sustainable tourism program; therefore, the company carries out initiatives that mitigate their environmental footprint as well as contribute to a responsible resource consumption. Porta also works with its staff and surrounding communities in reforestation campaigns[29] as well as orchard initiatives and responsible water consumption[30].

- Energy Saving and Efficient Use Program
- Maintenance Program
- Water Saving and Efficient Use Program
- Proper Waste Management Program

Community & Culture

Porta is engaged with communities surrounding Antigua Guatemala, providing SMEs in the area with training and development programs and local vendor initiatives. The company also works with schools in the area to educate about sustainability and its long-term impact in society and the environment. These efforts create synergy for the Reforestation campaigns carried out with the communities as well in the environmental principle.

- Education for Sustainability Program
- Local Development Support Program

Enterprise

The enterprise principle focuses on internal initiatives impacting Porta's clients and guests and the best practices within a sustainable business model to achieve customer satisfaction and high-quality standards required by The Rainforest Alliance certification amongst other business partners.

- Food Safety Program[31]
- Comprehensive Security Program

27 Source: 2018 Porta Hotel's Sustainability Report and Porta Hotel's Sustainable Management Overview.

28 Sustainable Development Goals Knowledge Platform. 2019. https://sustainabledevelopment.un.org/sdgs

29 The company has led 3 reforestation projects with over 1,600 volunteers between staff members and civil society.

30 For the last 3 years, Porta has been collaborating with Ecofiltro, a Guatemalan company producing water containers with a clay-based purification filter and has saved over 35,000 PET water bottles in their guest rooms. This initiative represents savings of over 2,100 pounds of plastic in PET bottles production alone.

31 Processes based on the Five Keys to Safer Food Programme: 1. Keep Clean; 2. Separate raw and cooked; 3. Cook thoroughly; 4. Keep food safe temperatures; 5. Use safe water and raw materials. Taken from https://www.who.int/foodsafety/consumer/5keys/en/

- Internal/External Customer Information Program
- Customer Service Program

Labour

Porta understands the value of its workforce into achieving a sustainable business model and delivering a high-quality customer experience. Their staff plays an important role on projects and initiatives promoted in other strategic principles. The company operates under the strictest policies to comply with Guatemalan labour law and the ILO regulations.

- Human Resources Program
- Incentives and Training Program

Economics

The company works closely with vendors in the surrounding communities to ensure they produce products that meet the required quality standards; Porta does not work towards specific certifications but provides technical assistance through training in its vendor selection process.

- Vendor Sourcing Program

2.2.3. Company's existing reporting framework

The company's Comprehensive Sustainability Management System is the major reference to measure and report sustainability for the company. Porta Hotels has external and internal verifiers as part of this system.[32] However the company does not release a formal sustainability report aligned to existing reporting frameworks.

By being a member of CentraRSE, Porta Hotels fills out the IndicaRSE diagnostic tool on a yearly basis, which is a non-financial report that captures sustainability information from specific actions through an assessment with over 500 questions from different categories such as Corporate Governance, Labour Practices, Environment and Human Rights amongst others. This assessment provides significant insight as of how the company drives efforts in support of the SDGs, however it does not measure any concrete action from a financial or quantitative perspective.

2.3. Core indicators: measurement and reporting

2.3.1. Accounting and reporting on core indicators

A. Economic Area[33]

A.1 Revenue and Net Value Added: Porta uses IFRS 15 criteria to prepare financial statements, the source of record comes from their accounting system and has been reviewed by their Financial Manager and Sustainability Coordinator.

A.1.1 Revenue

Total Revenue in 2018
USD $7,599,548.00

This is the total 2018 amount from all properties including the industrial laundry service which services the properties as well as other corporate clients.

A.1.2 Value Added

Total Revenue in 2018	Costs of bought-in materials, Goods and Services in 2018	Gross Value Added 2018
USD $7,599,548.00	USD $6,022,642.00	USD $1,576,906.00

All operating costs come from Porta's accounts payable systems and labour costs from the payroll system managed by their compensation team inside their HR department.

A.1.3 Net Value Added

Total Revenue in 2018	Costs of bought-in materials, Goods and Services in 2018	Depreciation	Net Value Added
USD $7,599,548.00	USD $6,022,642.00	USD $632,407.00	USD $944,499.00

A.2 Payments to the Government

A.2.1. Taxes and Other Payments to the Government

2018 TAXES PAID	TOTAL
Total Taxes Paid	USD $194,688.15

32 This is how the company integrates all reporting requirements from various verifiers such as CentraRSE, Q Seal from the Guatemalan government and The Rainforest Alliance in a comprehensive framework.

33 All figures are expressed in US Dollars

A.3 New Investment/Expenditures: This item covers the correspondent investments in projects from their strategic principles described in section 2.2 Approach to Sustainability specifically on the integration to the business model.

A.3.1 Green Investment

Total amount invested
USD $17,602.70 (0.23% of total revenue)

A.3.2 Community Investment

Total amount invested
USD $32,883.90 (0.43% of total revenue)

A.3.3 Research and Development

This indicator is zero during this reporting period because there are no costs related to original and planned research undertaken with the prospect of gaining new scientific or technical knowledge and understanding nor related to the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use.

A.4 Local supplier/purchasing programs:

A.4.1 Percentage of local procurement

In 2018, **95%** of all purchases were made to local vendors.[34]

B. Environmental Area

The case study process has provided Porta with processes and tools to measure environmental indicators and supplement their current reporting platforms.

B.1 Sustainable Use of Water: This information is documented in their water efficiency program results.

B.1.1 Water recycling and reuse

At the moment, there are no initiatives to recycle nor reuse water in any of the properties.

B.1.2 Water use efficiency[35]

Indicator	2017	2018	Delta	Delta %
Absolute number in M3	38,125.37	28,920.55	-9,204.82	-24.14%
M3 per USD	0.04660	0.03062	-0.01598	-34.29%

B.1.3 Water Stress

Source	M3
Surface Water	173,523.28
Ground Water	10,989.81
Rainwater Collected	578.41
Wastewater from other Organization	0

B.2 Waste Management: Porta has an alliance with a local company specialized in recycling programs and hazardous waste management.

B.2.1 Reduction in waste generation

This information is not available to be reported, Porta needs to take a deeper dive in waste management records and implement a tracking process for this core indicator.[36]

B.2.2 Waste reused, re-manufactured and recycled

Indicator	2017	2018	Delta	Delta %
Absolute in KG	10,420	20,200	9,780	94%
KG per USD	0.013	0.021	0.008	62%

Occupancy rates and events have increased in 2018 in all properties as well as one of the properties (Hotel Pensativo) started to offer restaurant, catering, and event services to the public driving waste recycling up for the last period.[37]

[34] Information provided by Porta's financial manager and validated by the sustainability coordinator. Those purchases where mostly food and supplies for the hotel properties.

[35] This is taken from the water efficiency program results. The overall savings in US Dollars for 2018 were USD $533.33

[36] The recommended process aims to report all waste generated throughout the reporting period (landfill and recycled) and track reduction as well as the recycling program efficiency.

[37] The hotel recycles waste through a dedicated vendor "Amigos de la Naturaleza" specialized in recycling programs in Guatemala; Porta separates their waste in: carton, paper, wood, plastic, metal, glass and electronics.

B.2.3 Hazardous waste[38]

Indicator	2017	2018	Delta	Delta %
Absolute in KG	6.63	2.67	-3.96	-59.73%
KG per USD	0.00000810	0.00000283	-0.00000527	-65.08%

B.3 Greenhouse Gas Emissions[39]: This was a great example of the use of the GCI to assist the company to setup the process to measure greenhouse gas emissions from electricity purchased as well as fuel consumption in their business operation and implement this in their sustainability reporting going forward.

B.3.1 Greenhouse Gas Emissions – Scope 1

Indicator	2017	2018	Delta	Delta %
Absolute in CO_2 Metric Tons	474	510	36	7.59%
CO_2 Metric Tons per USD	0.00058	0.00054	0.00004	-7.3%

The increase in Scope 1 was driven by fuel consumption in water heating systems due to higher occupancy rates during the 2018.

B.3.2 Greenhouse Gas Emissions Scope 2

Indicator	2017	2018	Delta	Delta %
Absolute in CO_2 Metric Tons	435	423	-12	-2.76%
CO_2 Metric Tons per USD	0.00053	0.00045	0.00008	15.05%

Reduction in Scope 2 was driven by the replacement of saving bulbs with LED lights.

B.4 Ozone-depleting substances and chemicals

This information is not being tracked by the hotel in any of their properties.

B.5 Energy Consumption[40]: Through their energy saving and efficient use program, Porta Hotels was able to reduce their energy consumption by 3% compared to 2017, taking into consideration higher occupancy rates and increase in events booked in all properties.

B.5.1 Renewable Energy

The company has not implemented any specific project around renewable energy in their properties. Guatemala generates most of their energy from renewables and then the energy is distributed in the energy market along with non-renewable sources, however if the companies do not specifically generate their own energy from renewables it will not be possible to determine a consumption percentage from the operational cost.[41]

B.5.2 Energy Efficiency

Porta facilities manager provided the information for this indicator; the company consumed **4060800 joules per USD** in Net Value Added.

C. Social Area[42]

C.1 Gender equality: Women population in Porta's workforce represents 36% of all FTEs listed in their payroll, most of them in housekeeping, restaurant, front desk and administrative support roles.

C.1.1 Proportion of Women in managerial positions

The company has 14 women in managerial positions out of the 419 FTEs, this represents **3.34%** of their entire workforce.

C.2 Human Capital: Through their Human Resources program, Porta invests in their employees training and development as well as fosters a collaborative environment and best practices across their teams such as "The Employee of the Month" recognition, Employee education program and English classes for the employees.

[38] Porta is reducing hazardous waste generation by replacing their saving bulbs for LED lights; this initiative comes with the disposal of saving bulbs and ballasts through a specialized vendor.

[39] The team used GCI as well as the Greenhouse Gas Equivalencies Calculator from the US Environmental Protection Agency (https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator) to help calculate these indicators.

[40] Since the State of Guatemala has ratified a number of international commitments, the Energy Policy 2013-2027 considers as a priority a sustainable development approach highlighted as a transversal approach in this policy. http://www.mem.gob.gt/wp-content/uploads/2015/07/Energy-Policy-2013-2027.pdf

[41] Renewables accounted for 52.7% of Guatemala's power mix in the eighteenth week (April 28th to May 4th) of 2019, according to the country's state power regulator Comision Nacional de Energia Electrica (CNEE). http://www.cnee.gob.gt/wp/?page_id=4417

[42] Information provided by Porta´s HR Director and Finance manager from workforce 2018 reporting.

C.2.1 Average hours of training per year per employee

Each employee goes through 8 different training sessions throughout the year adding up to 204 hours per year of training.[43]

C.2.2 Expenditure on employee training per year per employee

The direct and indirect costs of training add up to $61,862.40 equivalent to **$147.64 per employee**. It was not possible to break it down by employee category since Porta is not measuring that level of detail currently44.

C.2.3. Employee wages and benefits as a proportion of revenue with breakdown by employment type and gender

The fully loaded labour cost for Porta in 2018 was **$2,194,213.41** which represented **28.87%** of their total revenue for the period.

Department	Female %	Male %
Corporate	4.88	2.71
Management	1.46	2.81
Administrative	1.15	0.81
Operative	5.70	8.20
Total	13.68	14.53

C3. Employee Health and Safety: Porta's Comprehensive Security Program covers the employee training on health and safety, updates the prevention, contingency and emergency plans in preparation for potential risks and incidents in any of the properties.

C.3.1 Expenditures of employee health and safety in proportion of the revenue

The total expenses for occupational safety and health-related insurance programs, for health care activities financed directly by the company during 2018 were **0.23%** of the total revenue.

C.3.2 Frequency/Incident rates of occupational injuries

There were 14 occupational injuries in 2018, the frequency/incident[45] rates are:

Frequency rate	0.0017%
Incident rate	0.3202%

C4. Coverage by Collective Agreements[46]

Porta does not have a collective agreement nor a solidarity association for its employees.

D. Institutional Area[47]

D.1 Corporate Governance Disclosures: The company did not provide a comprehensive governance process and it is an area of opportunity for the board to formalize roles and responsibilities.

D.1.1 Number of Board Meetings and attendance rate

There were **4 board meetings** in 2018 with an **attendance rate of 95%.**

D.1.2 Number and percentage of female board members

Porta's board of directors has **no female** board members.

D.1.3 Board members by age range

Porta's board has 5 members, 0% **are below 30 years, 60% are from 30 to 50 years and 40% are older than 50 years.**

D.1.4 Number of meetings of audit committee and attendance rate

There is not a formal audit committee per se, each functional area manager reports to the board on their assign department, however, there is no attendance data for the reporting period.

D.1.5 Compensation: total compensation per board member (both exclusive and non-exclusive directors)

[43] The training sessions are divided by: Sustainability policies, Occupational Health and Safety, Food management, Environmental education, Health and Family conciliation.

[44] Information provided by Porta's HR director.

[45] The average suspension period was 23 calendar days used in the incident rate calculation.

[46] 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.

[47] Information provided by Porta's sustainability coordinator.

This is a family owned company, and board members are also shareholders with few external board members invited to provide technical expertise in specific management topics. In Guatemala, there is no obligation to report shareholder names and payments as long as their core business is not audited by the banking superintendence, therefore the company did not share this information.

D.2 Anti-corruption practices

D.2.1 Amount in fines paid or payable due to settlements

The company has not paid any settlement fine in 2018 or prior years, the company has no fines during the reporting period.

D.2.2 Average number of hours of training on anti-corruption issues, per year per employee.

The company does not have any training related to anti-corruption issues, therefore there is no data to report on this indicator.

2.3.2. Key findings of the core indicators application in the companies

Porta Hotels already reports based on the Rainforest Alliance Standards by using relevant data in all strategic axis. By running their existing reporting framework against the GCI, it was possible to identify reporting gaps in their environmental and social areas, specifically around waste management, hazardous waste and gender equality reporting. For the company, this exercise represented an opportunity to evaluate their reporting framework and enhancing the company's sustainability perspective around SDGs reporting, measuring the impact of their sustainability projects and creating synergies between reporting frameworks for the shareholders and management teams.

The main area of improvement for Porta Hotels resides in the environmental area, even though the company reports how much resources are allocated to Green Investment[48] through their reforestation programs. The company does not have a solid process to measure quantitative information for indicators such as reduction in waste generation and renewable energy. Through this case study the company received guidance in calculating some core indicators around the environmental area from the company's operating costs, including Greenhouse Gas Emissions and Energy Efficiency and the company has implemented this process and will be able to keep reporting going forward.

This is a family owned company, and board members are also shareholders with few external board members invited to provide technical expertise in specific management topics. In Guatemala there is no obligation to report shareholder names and payments as long as their core business is not audited by the bank superintendence. Therefore, Porta did not disclose this information. In addition, Porta Hotels does not have a collective agreement for its employees.

3. Saúl E. Méndez

3.1. About the company

The company was founded in 1953 by Saúl E. Méndez and his wife Rina. It started in the fashion industry and is considered one of the most solid companies in the male fashion industry in Central America. Saúl E. Mendez was founded in Guatemala and it has expanded to Costa Rica since 1995. Today it has 3 business units: restaurants, retail and manufacturing.

Company's Mission/Vision

Saúl E. Méndez's mission is as follows: "We inspire a different lifestyle and way of making business". Their vision states "Work well done from the heart" based on their four core values, directly linked to their corporate strategies.

Countries of Operation

The company operates in Guatemala and Costa Rica.

Company and Segment Turnover and Total Assets

The company turnover for 2018 was USD $23 Million; and the company total assets in US dollars are worth USD $17,546,393.87.

Principal Shareholders

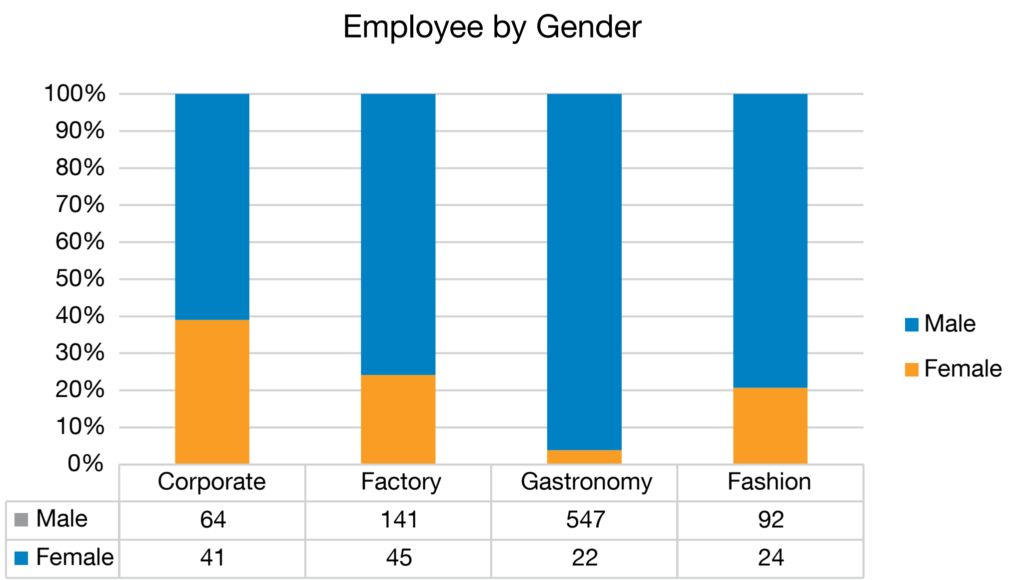
Like the rest of the companies in this case study, Saúl E. Méndez is a privately held family company. In Guatemala it is not allowed to disclose shareholder information without a warrant.

[48] Green investment refers to investment that can be considered positive for the environment in a direct or indirect manner

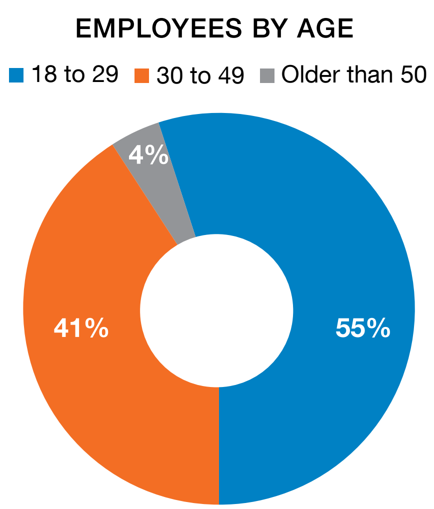
Employee Breakdown

Business Unit	Administrative	Management	Supervisory	Operative	Total
Corporate	25	7	22	51	105
Manufacturing	8	2	17	159	186
Restaurants	5	2	71	491	569
Retail	1	3	30	82	116
Total	39	14	140	783	976

Breakdown by Gender



Breakdown by Age Ranges



Saúl E. Méndez's Relevant Facts and Figures[49]

- Operates in 2 countries, Guatemala, and Costa Rica
- Generates over 975 jobs
- Participates in Restaurants, Retail and Manufacturing industries
- Invests over USD $450,000.00 supporting sustainability projects around urban planning, responsible consumption, and education.

3.2. Approach to sustainability

3.2.1. Company's concept of sustainability

Saúl E. Méndez is in the process to become a certified B Corporation which promotes a corporate culture towards sustainability operating under high social, environmental and transparency standards.

[49] The Case study outlines only Guatemalan information in all industries the company operates.

3.2.2 Integration of sustainability into company's business model [50]

The company focuses on internal core values to drive sustainability as expressed in the company manifesto "In Saúl we believe in a different lifestyle", this provides the organization with core values and guidelines to develop their sustainability strategy. Since 2018, Saúl E. Méndez has made significant changes to their processes and reporting to focus on sustainability, this is still a work in progress. They have been implementing environmental measures and initiatives related to responsible consumption and waste management as of this year.

Saúl E. Méndez bases their sustainability strategy around four strategic pillars: Labour (Inner Community), Community, Environment and Economic.[51] This enables them to support 3 SDGs through their core business.[52]

Labour (Internal Community)

The company focuses on two initiatives around their workforce development and support, which drive their performance management process and organizational culture:

- Culture and Development
- Employee Benefits program

Community

Saúl supports local producers and promotes social improvement and corporate social responsibility through projects including:

- Community Education Program
- Dry Corridor Water Supply Project[53]
- Saúl Farmers Market Project
- Entrepreneurship Support Program[54]

Environment

It is important to note that the company has just started to focus on environmental actions as of May 2018, the sustainability manager is working with the Board and the management team to implement reporting processes and measure environmental indicators in their sustainability strategic reporting.

- Biodegradable product implementation
- Waste Management Program

Economic area

Saúl focuses on developing its value chain through qualified vendors; therefore, the vendor development program focuses on training and quality process improvement for the company vendors.

- Vendor Development Program

3.2.3. Company's existing reporting framework

For each business unit, the company follows an internal reporting process called Strategic Team Saul (STS), in which every manager report to the board on a monthly basis their progress on specific projects, the actions or challenges requiring attention and any other insight in their team. This is tied to their performance management process in 2 axes:

[50] Information obtained and validated with the sustainability, HR and finance managers since the company does not have a sustainability report from 2018.

[51] Taken from Saúl's Philosophy and Sustainability Actions document, 2019; provided by their sustainability manager.

[52] Sustainable Development Goals Knowledge Platform. 2019. https://sustainabledevelopment.un.org/sdgs

[53] This is the midwestern region of the country, vulnerable to droughts and with a high population living in extreme poverty, which forces populations to migrate to the capital city or illegally migrate to the USA. http://www.fao.org/emergencies/crisis/dry-corridor/en/

[54] A global initiative, which acts as a platform to exchange future visions and experiences. Driven by the mission to incorporate Latin America to the global network of innovation, science and culture by connecting business, entrepreneurs, creative leaders and investors for crossover conversation and inspiration. http://www.volcanosummit.com/

- Key performance indicators per team member.
- Objective based performance appraisals.

By the end of 2019, the company will produce their first sustainability report with CentraRSE's support implementing GRI standards and aiming to implement reporting processes to support their B Corp Certification in 2020.

3.3. Core indicators: measurement and reporting

3.3.1. Accounting and reporting on core indicators

A. Economic Area[55]

A.1 Revenue and Net Value Add: Saúl E. Méndez uses IFRS 15 criteria to prepare financial statements, the source of record comes from their accounting system (SAP) and has been reviewed by their Financial Director and validated by their Sustainability Manager.

A.1.1 Revenue

Total Revenue in 2018
USD $23,002,214.53

A.1.2 Value Added

Total Revenue in 2018	Costs of bought-in materials, Goods and Services in 2018	Gross Value Added 2018
USD $23,002,214.53	USD $14,336,906.00	USD $8,665,308.53

The financial manager calculated this from the audited income statement from 2018. All operating cost comes from Saul's ERP system and labour cost from the payroll system managed by their HR organization.

A.1.3 Net Value Added

Total Revenue in 2018	Costs of bought-in materials, Goods and Services in 2018	Depreciation	Net Value Added
$23,002,214.53	$14,336,906.00	$697,125.47	$7,968,183.07

A.2 Payments to the Government: Saúl E. Méndez paid the following taxes during 2018:

A.2.1. Taxes and Other Payments to the Government

2018 TAXES PAID	TOTAL
Total Taxes Paid	$165,534.80

A.3 New Investment/Expenditures:

A.3.1 Green Investment[56]

Total amount invested
USD $36,830.66 (0.16% of total revenue)

A.3.2 Community Investment[57]

Total amount invested
$25,277.64 (0.11% of total revenue)

A.3.3 Research and Development

In this reporting period, there were no costs related to original and planned research undertaken with the prospect of gaining new scientific or technical knowledge and understanding, nor costs related to the application of research findings or other knowledge for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use.

A.4 Local supplier/purchasing programs:

A.4.1 Percentage of local procurement

In 2018, **90%** of all purchases were made to local vendors.

B. Environmental Area

Saúl did not collected data on environmental indicators before 2019; however, this exercise using the GCI has been instrumental for them to leverage tools and evaluate criteria to improve their current measurement methods around environmental initiatives aligned with the core indicators; this represents an area of opportunity to produce and deliver training on environmental SDG core indicator measurement.

55 All figures are expressed in US Dollars

56 This is a brand-new initiative that started in Q3 2018 promoting the use of biodegradable materials for the restaurant division towards reducing plastic pollution. Before this period the company did not have any project to promote this area, therefore no investment was made.

57 Donations made in 2018 around Education, Nutrition and Entrepreneurship projects (described in section 2.2.2 for Saúl E. Méndez).

B.1 Sustainable Use of Water:

B.1.1 Water recycling and reuse

The company did not recycle or reuse water during the period.

They are not measuring water recycling and reuse in any of the business units today.

B.1.2 Water use efficiency

Indicator	2017	2018	Delta	Delta %
Absolute in M3	9,166.92	12,326.76	3,159.84	34%
M3 per USD	0.00132	0.00155	0.00023	17%

B.1.3 Water Stress

100% of the water comes from surface sources.

B.2 Waste Management:

B.2.1 Reduction in Waste Generation

No data is being collected by the company to calculate and/or measure this indicator.

B.2.2 Waste Reused, Re-manufactured and recycled

No data is being collected by the company to calculate and/or measure this indicator.

B.2.3 Hazardous Waste

The company does not collect data to measure this indicator.

B.3 Greenhouse Gas Emissions[58]:

B.3.1 Greenhouse Gas Emissions – Scope 1

Indicator	2017	2018	Delta	Delta %
Absolute in CO_2 Metric Tons	10.2	10	-0.2	-1.96%
CO_2 Metric Tons per USD	0.0000015	0.0000013	-0.0000002	-15%

B.3.2 Greenhouse Gas Emissions – Scope 2

Indicator	2017	2018	Delta	Delta %
Absolute in CO_2 Metric Tons	134	83	-51	-38.06%
CO2 Metric Tons per USD	0.0000193	0.0000104	-0.0000089	-46%

B.4 Ozone-depleting substances and chemicals

B.4.1 Ozone-depleting substances and chemicals

No data is being collected by the company to calculate and/or measure this indicator.

B.5 Energy Consumption

B.5.1 Renewable Energy

The company is not using any renewable energy sources in its operation.

B.5.2 Energy Efficiency

The company consumed 0.0018 KW-h per dollar.

C. Social Area[59]

C.1 Gender equality:

C.1.1 Proportion of Women in managerial positions

The company has 30 women in managerial positions out of the 976 FTEs, this represents **3.07%** of their entire workforce.

C.2 Human Capital:

C.2.1 Average hours of training per year per employee[60]

The average hours of training per year per employee for all business units combined is 7.85 hrs. The company carries out different training sessions according to the business unit and employee hierarchy, below is the breakdown by business unit:

[58] The team used GCI as well as the Greenhouse Gas Equivalencies Calculator from the US Environmental Protection Agency to help calculate these indicators. https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

[59] Information provided by Saúl's HR team, specifically their training and development coordinator and HR generalists through their sustainability manager.

[60] This shows the integrated information for Guatemala and Costa Rica.

RETAIL	Average Hours
Fashion Induction	18.75
Organizational Climate Workshop	2
Fashion Masters	3
Measurement Training	8
Fashion Quality Training	5
Average Training Hours per FTE	**7.35**

RESTAURANTS	Average Hours
Gastronomy Induction	15
Organizational Climate Workshop	2
Serv Safe	8
Average Training Hours per FTE	**8.33**

MANUFACTURING	Average Hours
Organizational Climate Workshop	2
Culture Re-Induction	2
Saúl Philosophy	1
Average Training Hours per FTE	**1.67**

CORPORATE	Average Hours
Organizational Climate Workshop	2
Culture Re-Induction	8
Permaculture	16
ADEN[61] Courses	25
Average Training Hours per FTE	**12.75**

C.2.2 Expenditure on employee training per year per employee.

Saúl E. Méndez spent a total of USD $85,305.11 in employee training during 2018, that represented an average of USD $87.40 per FTE, the detailed breakdown is shown below:

RETAIL (116 FTEs)			
Category	**Training Hours**	**Investment**	**Average Cost per Employee**
Administrative	51,45	$500,78	$500,78
Supervisory	80,85	$786,94	$26,23
Management	7,35	$71,54	$23,85
Operative	316,05	$3.076,22	$37,51
Total Training Hours & Cost	**455,7**	**$4.435,48**	**$38,24**

RESTAURANTS (569 FTEs)			
Category	**Training Hours**	**Investment**	**Average Cost per Employee**
Administrative	166,67	$1.296,30	$259,26
Supervisory	41,67	$324,07	$4,56
Management	16,67	$129,63	$64,81
Operative	3166,7	$24.629,63	$50,16
Total Training Hours & Cost	3391,67	$26.379,63	$46,36

MANUFACTURING (186 FTEs)			
Category	**Training Hours**	**Investment**	**Average Cost per Employee**
Administrative	25	$133,33	$16,67
Supervisory	25	$133,33	$7,84
Management	3,33	$17,78	$8,89
Operative	216,67	$1.155,56	$7,27
Total Training Hours & Cost	**270,00**	**$1.440,00**	**$7,74**

CORPORATE (105 FTEs)			
Category	**Training Hours**	**Investment**	**Average Cost per Employee**
Administrative	382,5	$15.300,00	$612,00
Supervisory	191,25	$7.650,00	$347,73
Management	63,75	$25.000,00	$3.571,43
Operative	127,5	$5.100,00	$100,00
Total Training Hours & Cost	**765,00**	**$53.050,00**	**$505,24**

C.2.3. Employee wages and benefits as a proportion of revenue with breakdown by employment type and gender.

Proportion of employee wages and benefits as proportion of revenue by employment type:

[61] ADEN Business School is a local school of management providing professional development courses for Managers and Directors in Guatemala. The school operates in 17 countries. https://www.aden.org/

Business Unit	Administrative	Management	Supervisory	Operative	Total
Corporate	1.04%	1.36%	1.83%	1.09%	5.32%
Manufacturing	0.61%	0.33%	0.86%	4.34%	6.14%
Retail	0.04%	0.37%	1.06%	1.28%	2.75%
Restaurant	0.45%	0.63%	3.05%	9.34%	13.47%
Total	**2.15%**	**2.69%**	**6.81%**	**16.03%**	**27.68%**

Proportion of employee wages and benefits as proportion of revenue by gender:

Business Unit	Female	Male	Total
Corporate	2.10%	3.22%	5.32%
Manufacturing	1.38%	4.77%	6.14%
Retail	0.39%	2.37%	2.75%
Restaurant	0.57%	12.90%	13.47%
Total	**4.42%**	**23.26%**	**27.68%**

C3. Employee Health and Safety:

C.3.1 Expenditures of employee health and safety in proportion of the revenue

The company invested 0.0223% of the total revenue in 2018 for occupational health and safety in total.

C.3.2 Frequency/Incident rates of occupational injuries

Frequency rate	0.00009%
Incident rate	0.154288%

C4. Coverage by Collective Agreements[62]

Saúl E. Méndez does not have a collective agreement nor a solidarity association for its employees.

D. Institutional Area[63]

D.1 Corporate Governance Disclosures:

D.1.1 Number of Board Meetings and attendance rate

There were **12** Board Meetings in 2018 with an attendance rate of **91.67%**

D.1.2 Number and percentage of female board members

There are **4 members** of the board, **50%** of them are females.

D.1.3 Board members by age range

From the board members, 0% are below 30 years, 0% are from 30 to 50 years and 100% are older than 50 years.

D.1.4 Number of meetings of audit committee and attendance rate

The board appoints its members to carry out supervision on designated areas, however it is not a formal audit committee and attendance rates are not being recorded.

D.1.5 Compensation: total compensation per board member (both exclusive and non-exclusive directors)

This is a family owned company, and board members are also shareholders with few external board members invited to provide technical expertise in specific management topics. In Guatemala, there is no obligation to report shareholder names and payments as long as their core business is not audited by the banking superintendence, therefore the company did not share this information.

D.2 Anti-corruption practices:

D.2.1 Amount in fines paid or payable due to settlements

No payments have been made due to fines or settlements.

D.2.2 Average number of hours of training on anti-corruption issues, per year per employee.

[62] 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.

[63] This information was taken from the board registry, the information was provided by the sustainability manager who is also a member of the board exclusively for the indicators requested.

This is a work in progress to be completed in 2019 as part of the onboarding process for new hires as well as incorporate it in their upcoming Code of Ethics.

3.3.2. Key findings of the core indicators application in the company

Starting in 2019 the company is measuring sustainability in a systemic way applying GRI principles and working with CentraRSE on their governance processes. The sustainability manager is supporting the creation of a sustainability strategy that aligns the business model with key strategic axis for the company (Labour, Environment, Community and Economic), the use of the GCI for this case study was useful for Saul in order to determine data collection methodologies and a reporting baseline going forward.

Some environmental core indicators are not being reported by the company since they are not collecting data on them; this represents areas of improvement for Saúl; especially for their restaurant business unit which may have the biggest environmental footprint in the company.

The most difficult indicators to measure or collect data are: Water recycling and reuse, Waste management as well as Ozone depleting substances and chemicals. Other indicators in the institutional area are not being reported since the company does not have a formal audit committee and anti-corruption training. Also, Saul did not disclose compensation to board members, and it does not have a collective agreement for its employees.

Like the other companies included in this case study, this exercise provides an opportunity to take into consideration the 2030 Agenda and UNCTAD's GCI to develop the processes to close the gaps in their sustainability reporting and develop mechanisms to measure and take corrective actions.

4. Corporación Multi Inversiones

4.1. About the company

Corporación Multi Inversiones (CMI) is a family-owned company, originated in Guatemala in the 1920s. They now operate in 14 countries, on three different continents. CMI strives to create a sustainable impact in the communities where they operate, while offering high quality products and services through their seven Business Units. For this case study, only the Energy Business Unit is covered. This business unit develops, designs, commercializes, and operates sustainable energy projects in the Central American region.

Company's Mission/Vision

CMI's Energy division mission statement is "We are a reference in energy generation, primarily with renewable sources, creating in a sustainable way value for the shareholders, clients, vendors, employees and the communities where we operate."; while its Vision states "Being a leader in comprehensive solutions to energy consumption needs for clients in Mexico, the Caribbean and Central America, guaranteeing reliable energy supply and the highest quality service standards."

Countries of Operation

CMI Energy is based in Guatemala and operates in other 4 countries in Central America for energy production and distribution.

Company and Segment Turnover and Total Assets

The company's turnover is USD $93 Million, and their total assets are **USD $787,823,540.00**

Principal Shareholders

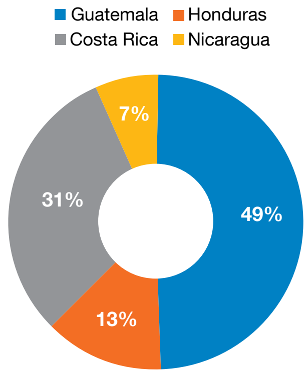
Like the rest of the companies in this case study, CMI is a privately held family company, and in Guatemala it is not allowed to disclose shareholder information without a warrant, therefore it is not possible to provide further information for this section.

Employee Breakdown

Employees by Country[64]

Country	Total
Guatemala	221
Honduras	60
Costa Rica	137
Nicaragua	30
TOTAL	**448**

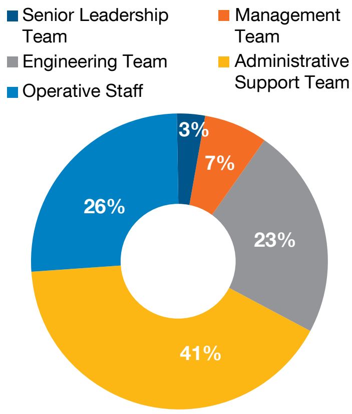
HEADCOUNT BY COUNTRY



By Employee Type

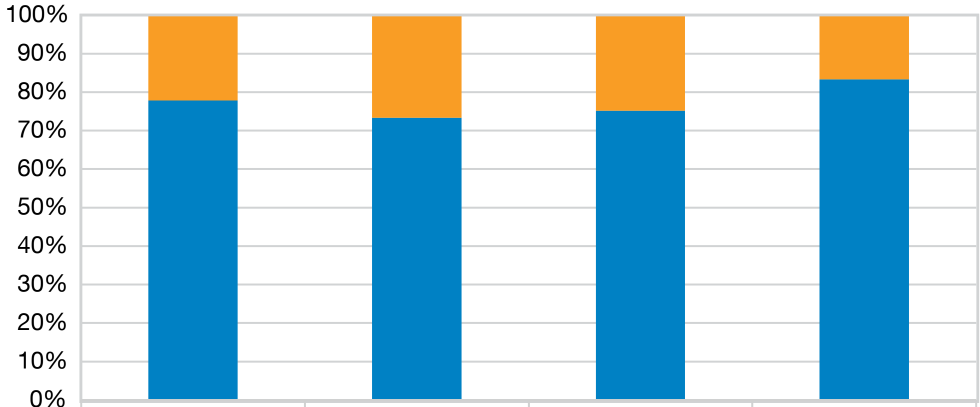
Headcount by Employee Type	Total
Senior Leadership Team	13
Management Team	33
Engineering Team	101
Administrative Support Team	183
Operative Staff	118
TOTAL	**448**

EMPLOYEES BY TYPE



Breakdown by Gender

Employees by Gender



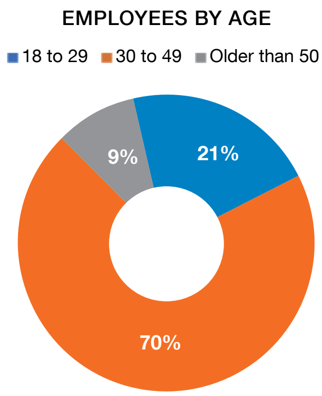
	Guatemala	Honduras	Costa Rica	Nicaragua
Female	49	16	34	5
Male	172	44	103	25

Male Female

[64] El Salvador operation was recently acquired in 2017 and the M&A process finished in 2018, the headcount was not yet part of CMI during the reporting period.

By Age

Headcount by Age Group	%
18 to 29	21%
30 to 49	70%
Older than 50	9%
Total	**100%**



Corporación Multi Inversiones Relevant Facts and Figures

The Energy business unit is only one of the seven business units for CMI, and it is a growing company committed to generate clean energy in Central America, some other facts are shown below:

- 699 MW of Eolic, Solar, and Hydraulic energy installed capacity.
- First company to obtain the Triple Norm certification in Central America:
  - ISO9001-2015, ISO14001-2015, OHSAS 18001 simultaneously
  - USD$350K invested in the certification process
  - It implemented a process automation for document management, improved actions and audit management best practices. It consisted in going paperless, including for approval of documents and it allowed to keep document in the cloud for security.
- The company also participates in social impact projects in support of the SDGs. Following their sustainability model based in their three axes: Corporate Values, Community Relations and Sustainable Development, those projects are related to:
  - *Community Relations*
  - *Sustainable Development*.

4.2. Approach to sustainability

4.2.1. Company's concept of sustainability

CMI Energy generates renewable energy across the Central American region. CMI works on a sustainability model based in three axes: Corporate values, Community relations and Sustainable development.

This business unit focuses on clean energy generation in Central America. During the two years, the company has gone through a change in its management process driving changes in their governance process.

The corporate governance system oversees the sustainability management in different levels in order to achieve environmental and social objectives for the business unit. CMI's board of directors is the last stand in the decision-making process on economic, environmental, and social items regarding CMI Energy.

4.2.2. Integration of sustainability into company's business model [65]

CMI started to put together their Sustainability Strategy in 2017, based on material topics previously identified and prioritized inside a strategic framework for a 10-year plan. The company aligned the sustainability strategy to the business strategy which aims to triple their energy generation capacity while making sure that this goal complies with environmental and social principles considered. The company aims to *"generate sustainability for a better future"* based on 4 strategic guidelines, each of them with their own working areas supporting the following SDGs[66]:

[65] Information taken from the 2018 Sustainability report draft (officially not published by the company at the time the case study was prepared) and validated by the sustainability manager, HR, Environment, and legal teams during workshop sessions with UNCTAD consultant.

[66] Sustainable Development Goals Knowledge Platform. 2019. https://sustainabledevelopment.un.org/sdgs

Clean Energy

CMI Energy aspires to mainly develop and sell renewable energy to decarbonize the power grid in support of achieving global goals through emissions reduction and climate change mitigation. These products and services are resilient to climate change, strengthening the local energy networks so that the company offers clean and renewable energy continuously.

- Renewable Energy Generation
- Climate Change & Greenhouse Gas Emissions Controls
- Climate Resilience and Environment Restauration
- Value Chain Management

Environmental Transcendence

The company works on initiatives focused on reducing climate change impact from their operations by promoting agricultural best practices, soil preservation, reforestation, and biodiversity protection along with community environmental education programs involving all the stakeholders, these initiatives are:

- Climate Change Adaptation Measurements
- Material Consumption
- Energy Consumption
- Water Use
- Biodiversity Impact Management
- Greenhouse Gas Emissions Measurement
- Waste Management

Energized Team

CMI bases their human resources management in a horizontal communication and an open-door policy enabling interaction between employees, managers, and senior leadership without intermediaries. This drives an employee satisfaction index of 83%[67]. In order to achieve this the company also has the following initiatives:

- Remunerative Policy
- Talent Attraction & Retention Process
- Employee Benefits Program
- Organizational Climate Monitoring
- Occupational Health and Safety Program
- Training and Assessment Process

Sustainable Communities

In every single operation CMI Energy focuses on the communities economic and social progress. To achieve this, the company focuses on two priorities:

- Local Employment and Economy Promotion
- Social and Infrastructure Development Programs

4.2.3 Company's existing reporting framework

CMI has guidelines for all their financial, social, and environmental processes following GRI standards in support of their governance process, which reinforces their Social and Environmental Management System through their Sustainability Policy.

From an environmental and social perspective, CMI Energy complies with all local and international regulations according to each country of operation, if there is no local regulation the company adheres to external norms supporting its processes under the triple norm certification on quality, environment and occupational health and safety (ISO9001-2015, ISO14001-2015, OHSAS 18001).

On top of this CMI Energy bases its operations on international norms and community relationship, the base is the World Bank's International Finance Corporation (IFC) Sustainability Framework[68] besides

[67] CMI Energy 2018 Sustainability report, Energized people section, validated by their HR director.

[68] http://www.ifc.org/sustainabilityframework

a series of values and principles, as well as the UN Global Compact, ISO and the company's own initiatives and guidelines.

The company also follows international standards to produce its financial information. Due to the amount of financing the company has in Central America, CMI Energy also complies with all banking statutory regulations from all banks it has relationship with, from shareholder payments to the minimum dividends needed to be paid.

4.3. Core indicators: measurement and reporting

4.3.1. Accounting and reporting on core indicators

A. Economic Area[69]

CMI's economic performance is related to two factors: climate due to the nature of its business, and the investments due to its hydroelectric complex expansion.[70]

A.1 Revenue and Net Value Add

A.1.1 Revenue

Total Revenue in 2018
USD $93,923,446

A.1.2 Value Added

Total Revenue in 2018	Costs of bought-in materials, Goods and Services in 2018	Gross Value Added 2018
USD $93,923,446	USD $44,125,841	USD $49,797,605

A.1.3 Net Value Added

Total Revenue in 2018	Costs of bought-in materials, Goods and Services in 2018	Depreciation	Net Value Added
USD $93,923,446	USD $44,125,841	USD $16,490,345	USD $33,307,260

A.2 Payments to the Government

A.2.1. Taxes and Other Payments to the Government

2018 TAXES PAID	TOTAL
Total Taxes Paid	$1,654,438

A.3 New Investment/Expenditures:

A.3.1 Green Investment

Total amount invested
$1,260,079.24 (1.34% of total revenue)

A.3.2 Community Investment

Total amount invested
$2,119,103.00 (2.26% of total revenue)

A.3.3 Research and Development

The company did not invest resources in research and development during the 2018 period.

A.4 Local supplier/purchasing programs:

A.4.1 Percentage of local procurement

In 2018, **98.73%** of all purchases were made to local vendors.71

B. Environmental Area

B.1 Sustainable Use of Water

B.1.1 Water recycling and reuse

The company does not track water recycling and reuse.

B.1.2 Water use efficiency[72]

Indicator	2017	2018	Delta	Delta %
Absolute in M3	42,171	129,567	87,395	207%
M3 per USD	0.00116608	0.00389005	0.00272398	234%

[69] All figures are expressed in US Dollars

[70] In 2018 the company finished the fourth stage of their hydroelectric complex allowing to utilize the Cahabon river flow three times to generate electricity. Also, the company approved the lelou solar energy project in El Salvador and Dominican Republic. The complex construction drives some of the indicators up due to the additional resources utilized on this project.

[71] Information provided by CMI financial manager and validated by their external communications and reputational manager assigned for this project.

[72] For 2017 the company didn't track the water use efficiency in all of their plants in the hydroelectric complex, as of 2018 all plants were incorporated to the tracking, which drives the Delta % up above average.

B.1.3 Water Stress[73]

Source	Cubic Meters
Surface Water	118,205
Ground Water	11,362
Rainwater Collected	0
Wastewater from other Organization	129,567

B.2 Waste Management[74]

B.2.1 Reduction in waste generation

The company presented an increase **of 0.11 kg of waste per dollar** in net value during 2018.

B.2.2 Waste reused, re-manufactured and recycled

Indicator	2017	2018	Delta	Delta %
Absolute in KG	76,047	3,312,820	3,236,773	4,256%
KG per USD	0.00210279	0.0994624	0.09735961	4630%

B.2.3 Hazardous waste

Indicator	2017	2018	Delta	Delta %
Absolute in KG	28,616	70,029	41,413	145%
KG per USD	0.00079127	0.00210251	0.00131125	166%

B.3 Greenhouse Gas Emissions

B.3.1 Greenhouse Gas Emissions – Scope 1[75]

Indicator	2017	2018	Delta	Delta %
Absolute in CO_2 Metric Tons	582	652	70	12.00%
CO_2 Metric Tons per USD	0.000016093	0.000019575	0.0000034823	22%

B.3.2 Greenhouse Gas Emissions Scope 2[76]

Indicator	2017	2018	Delta	Delta %
Absolute in CO_2 Metric Tons	239	381	142	59.00%
CO_2 Metric Tons per USD	0.0000066086	0.000011439	0.0000048303	73%

B.4 Ozone-depleting substances and chemicals

There was no information reported around this indicator during 2018.

B.5 Energy Consumption

B.5.1 Renewable Energy

58% of CMI Energy total energy consumption came from renewable sources during the 2018 period.[77]

B.5.2 Energy Efficiency

The company energy efficiency is 1.84 MJ per dollar.

C. Social Area[78]

C.1 Gender equality: Women represent 24% of all FTEs in CMI Energy's workforce listed in their payroll.

C.1.1 Proportion of Women in managerial positions

The company has **3** women in managerial positions out of the 448 FTEs. This represents **0.67%** of their entire workforce.

C.2 Human Capital

C.2.1 Average hours of training per year per employee

The average training hours per employee in CMI is **13.5 hrs per year.**

[73] The organization does not collect any rainwater for their operation.

[74] Since the waste generated for the phase 4 of their hydroelectric complex construction is accounted in this calculation the indicators increase significantly between 2017 and 2018 periods.

[75] The GHG Emissions in Scope 1 have increase due to an increase in maintenance activities in phase 2 and 3 plants from the hydroelectric complex in 2018.

[76] Emissions in Scope 2 increase are due to an increment in maintenance activities in phase 2 and 3 plants from the hydroelectric complex as well as changes in emissions factor variations which influences the result for this scope, being 2018 emission's factor higher than 2017 (2018: 0.440 per kg CO2e/kWh vs 2017: 0.350231per kg CO2e/kWh), please refer to the Data Base on Greenhouse Emissions Factors from the Intergovernmental Panel on Climate Change from the World Meteorological Organization and United Nations Environment Program https://www.ipcc-nggip.iges.or.jp/EFDB/main.php

[77] This is energy utilized on its operations only and does not factor in the energy produce to sell.

[78] Information provided by the sustainability manager in coordination with the CMI Energy HR team.

C.2.2 Expenditure on employee training per year per employee

The Direct and indirect costs of training add up to $253,702.25 equivalent to **$566.30 per employee**.

C.2.3. Employee wages and benefits as a proportion of revenue with breakdown by employment type and gender

The fully loaded labour cost for CMI Energy in 2018 was **$24,208,950.00** which represented **7.12%** of their total revenue for the period.

C3. Employee Health and Safety:

C.3.1 Expenditures of employee health and safety in proportion of the revenue

The total expenses for occupational safety and health-related insurance programs, for health care activities financed directly by the company during 2018 were **0.11%** of the total revenue.

C.3.2 Frequency/Incident rates of occupational injuries

There was 1 occupational injury in 2018, the frequency/incident rates are:

Frequency rate	0.00051%
Incident rate	0.061%

C4. Coverage by Collective Agreements

CMI does not have a collective agreement, syndicates nor a solidarism association for its employees.

D. Institutional Area

D.1 Corporate Governance Disclosures:

D.1.1 Number of Board Meetings and attendance rate

There were 24 board meetings in 2018 with an attendance rate of 98%.

D.1.2 Number and percentage of female board members

CMI's board of directors has **0 female** board members.

D.1.3 Board members by age range

CMI's board has 13 members, 0% are below 30 years, 54% are from 30 to 50 years and 46% are older than 50 years.

D.1.4 Number of meetings of audit committee and attendance rate

The company does not have an audit committee, the board delegates a capital commission overseeing a sustainability and strategy committees through their management team to work on business and sustainability efforts. However, no attendance information was reported for these teams.

D.1.5 Compensation: total compensation per board member (both exclusive and non-exclusive directors)

This is a family owned company, and board members are also shareholders with few external board members invited to provide technical expertise in specific management topics. In Guatemala, there is no obligation to report shareholder names and payments as long as their core business is not audited by the banking superintendence, therefore the company did not share this information.

D.2 Anti-corruption practices

D.2.1 Amount in fines paid or payable due to settlements

The company has not had any fine or settlements, therefore has not paid any settlement fine in 2018 or prior years.

D.2.2 Average number of hours of training on anti-corruption issues, per year per employee.

There was no training on anti-corruption issues reported for the period.

4.3.2. Key findings of the core indicators application in the company

Amongst the three companies in this case study, CMI is the one with the most robust and harmonized reporting system; the company has already mapped and aligned their sustainability efforts to specific SDGs and have followed up consistently on their efforts and projects year to year. The application of the GCI provided additional insight to close gaps on reporting: Water recycle and reuse, Ozone depleting substances and anti-corruption training. The company does not have an audit committee but has a sustainability and strategy commissions reporting through the capital delegate group to the board on business and sustainability. CMI does not disclose information on board members' compensation. And it does not have a collective agreement.

Through the GCI usage for this case study, CMI confirmed the need to strengthen their initiatives around waste management and greenhouse gas emissions as they manage their expansion of hydroelectric projects in Guatemala.

The company is already certified in ISO9001-2015, ISO14001-2015 and OHSAS 18001 norms and follows the GRI standards to report around their sustainability program; this helps the company to close the gap on SDGs core indicators reporting and harmonize their reporting framework with this initiative as well as building consistency between financial and non-financial information.

5. Conclusion

Throughout the preparation of this case study, working with CentraRSE has been paramount. The fact that this organization groups major companies interested in improving their business operations through a sustainable business model around the Sustainable Development Goals has been helpful.

Concerning the disclosure of core indicators, except for CMI Energy that has dedicated resources to track and measure its environmental footprint, the data collection process in environmental indicators was a challenge due to the lack of data available and the companies not measuring waste management, water recycling, ozone depleting substances or chemicals, as well as, the lack of knowledge in sources of information to calculate greenhouse emissions or water stress indicators. UNCTAD provided guidance through GCI manuals, processes, and sources of information to support this exercise, even after this, some information was not available or recorded from previous reporting periods.

Moreover, indicator D.1.5 Compensation: total compensation per board member was not disclosed by the participating companies. They are all family-owned companies, and board members are also shareholders with few external board members invited to provide technical expertise in specific management topics. In Guatemala, there is no obligation to report shareholder names and 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:

- 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.
- 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: The company does not have any training related to anti-corruption issues.

Despite the mentioned challenges, most core indicators were reported by the 3 companies as follows:

	Porta Hotels	Saul E Mendez	CMI
Reported	29	27	30
Hard to report	3	5	2
Not possible to report	1	1	1

More details about the indicators reported per company are as follows:

Porta Hotels

Company reported on 29 out of 33.

Hard to report: 3 Indicators

- B.2.1 Reduction in waste generation: This information is not available to be reported, Porta needs to take a deeper dive in waste management records and implement a tracking process for this core indicator.
- B.4.1 Ozone-depleting substances and chemicals: This information is not being tracked by the hotel in any of their properties.
- B.5.1 Renewable Energy: The company has not implemented any specific project around renewable energy in their properties. Guatemala

generates most of their energy from renewables and then the energy is distributed in the energy market along with non-renewable sources, however if the companies do not specifically generate their own energy from renewables it will not be possible to determine a consumption percentage from the operational cost.

Not possible to report: 1 Indicator

- D.1.5 Compensation: total compensation per board member.

Saul E Mendez

Company reported on 27 out of 33 indicators.

Hard to report: 5 Indicators

- B.1.1 Water recycling and reuse: The company did not recycle or reuse water during the period.
- B.2.1 Reduction in Waste Generation: No data is being reported by the company to calculate and/or measure this indicator.
- B.2.2 Waste Reused, Re-manufactured and recycled: No data is being reported by the company to calculate and/or measure this indicator.
- B.4.1 Ozone-depleting substances and chemicals: No data is being reported by the company to calculate and/or measure this indicator.
- B.5.1 Renewable Energy: The company is not using any renewable energy sources in its operation.

Not possible to report: 1 Indicator

- D.1.5 Compensation: total compensation per board member.

Corporacion Multi Inversiones:

Company reported on 30 out of 33 indicators

Hard to report: 2 Indicators

- B.1.1 Water recycling and reuse: The company does not track water recycling and reuse.
- B.4.1 Ozone-depleting substances and chemicals: There was no information reported around this indicator during 2018.

Not possible to report: 1 Indicator

- D.1.5 Compensation: total compensation per board member.

Findings of the case study show the need for training materials on how to collect information and measure the core indicators. In particular, the environmental indicators were more challenging and less calculated by these companies. It was also necessary to support companies in understanding the 2030 Agenda and their impact on achieving it.

The companies faced challenges in the data collection process of environmental indicators because they were not measuring waste management, water recycling, ozone depleting substances or chemicals, renewable energy, as well as the, the lack of knowledge in sources of information to calculate greenhouse emissions or water stress indicators. Some of these indicators were calculated with the support provided through the use of GCI manuals. However, in some cases the information was not available or recorded in previous reporting periods.

In spite of these challenges, 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. In Guatemala, CentraRSE works in coordination with the government to support the private sector in the area of sustainability reporting.

Tracking qualitative or non-financial information in the IndicaRSE platform used by CentraRSE is a good starting point to obtain preliminary information around the requested indicators but it will not provide the quantitative approach needed. In addition, the information provided should be validated by a third party to provide assurance on its reliability.

This platform could potentially be used to collect UNCTAD's core indicators in Central America. Fostering strategic alliances with organizations like CentraRSE will enable UNCTAD to raise awareness of the core indicators and the SDGs.

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