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**PROPOSED MODEL OF  
A SOCIAL AND ENVIRONMENTAL  
REPORT FOR SMEs**







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REPORT FOR SMEs**

## CREDITS

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PROPOSED MODEL CREATED BY CILEA’S WORKING GROUP “SOCIAL AND ENVIRONMENTAL REPORT”

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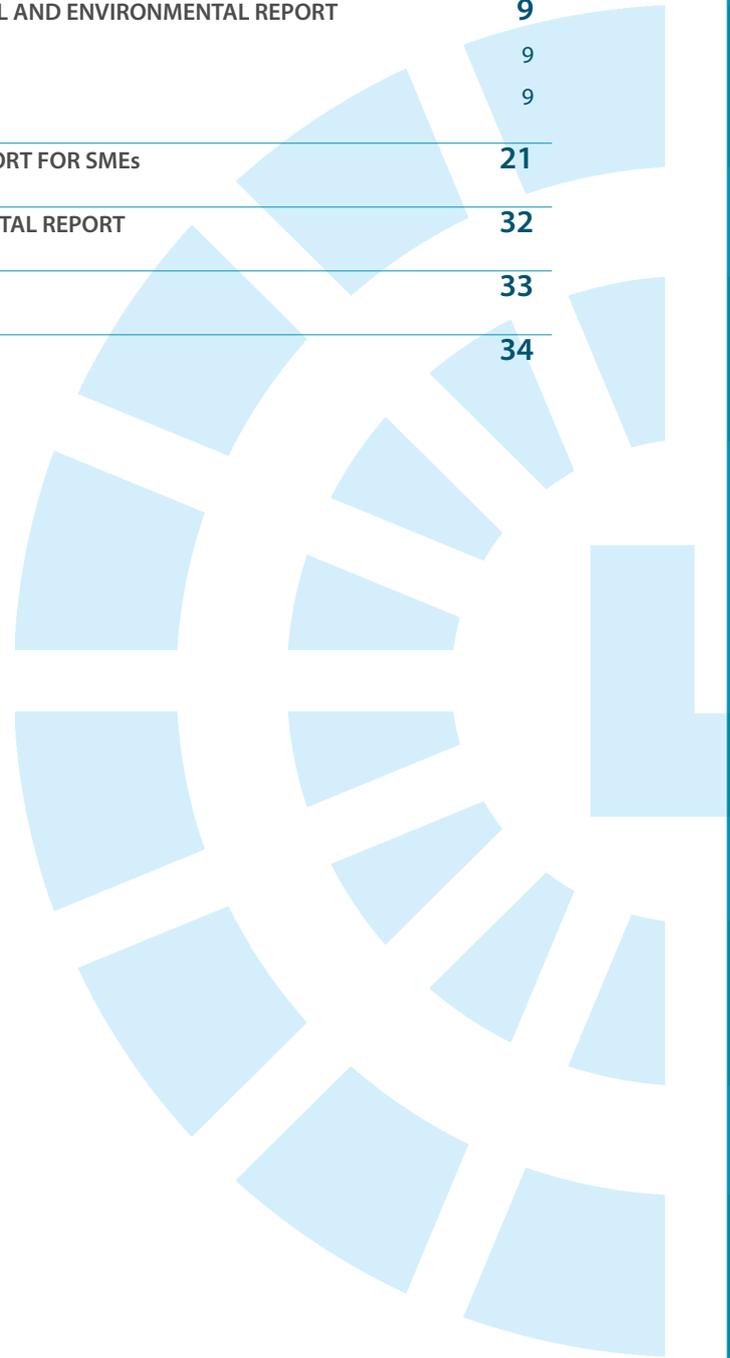
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## PRESENTATION

*The models and guidelines for a Social and Environmental Report preparation are subject to extreme and fast changes due to the increasing interest in having information about organizations that not only cover the financial aspects, but also conveys their social and environmental commitment. Within this discipline, more elements are included that have a tendency to express other types of capitals, which can't always be expressed in a monetary sense, but this doesn't imply a lack of importance to the related stakeholders. We find ourselves with a big challenge to demonstrate the company's behavior regarding their Human Capital, Social Capital, Intellectual Capital and Natural Capital.*

*At the moment, the importance of including the non-financial information in a company's annual report is acknowledged by enterprises, institutions and stakeholders in general, all sensible to brand recognition, client's fidelity or corporate reputation.*

*Besides traditional information, based in a financial perspective oriented to the past, stakeholders value more and more to know about a company's social and environmental impact areas.*

*Many different sustainability reporting guidelines have been published; however almost always they come with a warning that are targeted to big enterprises. Given that SMEs share in the global economy is over 90%, with a subsequent impact to society and the environment, it is only fair to consider that this businesses could convey their social and environmental responsibility through a model adapted to their characteristics.*

*SMEs have a relevant place in the economies of latin countries, because they generate jobs and contribute in a high percentage to their gross domestic product. Said relevance generates interest by its social environment to follow their evolution and impact in the places where they settle, manufacture and market their products.*

*SMEs employ workforce, natural resources, hire suppliers, interact with governments, and are part of other SMEs or big companies value chain, all of which impacts society and the environment.*

*Many SMEs decide to act within a sustainability plan, exercising social responsibilities that their administrative structure and size will allow. However, few of them communicate their actions, because they think the process of creating a sustainability or social report is not affordable due to its high cost.*

*The Comité de Integración Latino Europa-América (CILEA) is a representative entity of professional organizations for Accounting and Economic Sciences of latin european and american countries, whose economies are almost entirely based on this type of enterprises. The committee decided to propose, within its strategic objectives, a model for a Social and Environmental Report that can be followed by every SME, allowing them to communicate in a simple manner their impact on society and the environment, so that their stakeholders have all the information required during the decision making process.*

*The model proposed by CILEA, wants to become an optional tool to the organizations that wish to apply it, to promote the range of actions taken in harmony with the environment and society. It has been created taking the existent worldwide models as a basis, but aiming for a structure that can be accessible and simple for SMEs.*

*The model would not be used only during each fiscal year, but it'd become a part of a constant improvement process, applying the four steps in Deming's cycle (plan, do, check, act) to an implementation strategy in the company's social responsibility.*

*The proposal will be enriched with technological applications, that will facilitate the preparation of the Social and Environmental Report to whomever chooses our model.*

*On behalf of CILEA, I would like to thank the working group "Social and Environmental Report" created in 2012, that has developed this project under the supervision of the member countries.*

*Naturally, the doors are open to the collaboration of professionals and organizations that want to contribute to this tool's future evolution.*



**Claudio Siciliotti**  
CILEA President

## INTRODUCTION

CILEA's proposal intends to help the SME and professionals that assist it, in the preparation of its Social and Environmental Report in order to appropriately achieve its purpose.

The final objective of a Social and Environmental Report can be achieved through a sequential approach, ranging from the identification of a company's stakeholders to a response capability diagnosis when faced with social responsibility requests.

The SMEs process of identifying its stakeholders and running a complete diagnosis, are paramount phases to understanding a SME expectations and current situation, prior to the preparation of a Social and Environmental Report.

The starting point to the model's structure was the Brazilian model IBase, due to its format simplicity, also other indicators, such as, added value -generated and distributed- and environmental behavior, so the SME could convey their actions in three dimensions that a social responsibility policy imply: economic, social and environmental.

Wording of different indicators was carefully studied, to reach a comprehensive understanding and to validate them, furthermore, explanation of each section was developed to offer a complete guideline of the model.

On the other hand, CILEA's proposal grants a relevance to the comparison of many fiscal years, inviting the organizations to establish an "improvement project", looking to encourage a continuous improvement process of its commitment with society and the environment.

The model has been designed in a flexible manner, this way any organization that chooses so, and if its legal circumstances allow it, could add other indicators or erase those that don't apply to its activity.



## PREVIOUS PHASES TO THE CREATION OF A SOCIAL AND ENVIRONMENTAL REPORT

### IDENTIFICATION OF STAKEHOLDERS

Is the process during which a SME pinpoints the interest groups that it will have to answer to regarding its social and environmental behavior, according to a procedure the organization will determine consistent with its surroundings.

Generally speaking, stakeholders are formed by everyone who directly or incidentally have some interest in an organization (suppliers, clients, employees, banks, community, State, etc.).

This stage is very important, during which, expectations must be tended to, evaluated and, when possible, appoint the resources to satisfy them.

### SME DIAGNOSIS

In order to achieve this stage, a questionnaire is proposed, adapted to social and environmental demands. It contains questions to be used by a professional to reach a diagnosis of a company's current situation in the face of economic, governance, environment, social and corporate variables.

To create it, a proposal included in *L'Expert-Comptable et la RSE*, published by *Ordre des Experts-Comptables* in France in 2012 was adapted.

Each question in this questionnaire has a brief guide with an example of its objective, about the direction the answers should take and the documentation that should be consulted in each case.

	APPLIES	DOESN'T APPLY	COMMENTS
<b>1. ECONOMY AND GOVERNANCE</b>			
<b>1.1. ACTIVITY'S SUSTAINABILITY</b>			
<p><b>Has your company identified economic or entrepreneurial reasons that may compromise its activity's sustainability in the following years?</b></p> <p><i>Question's objective:</i> Determine if there is any risk relevant enough, that would imply a cease of the activities.</p> <p><i>Answer contents orientation:</i> Must answer if there is a risk that could potentially or for certain incur in the cease of the activity, such as, the product becoming obsolete, legal restrictions regarding sales or production, tariff and non-tariff barriers, risks to the value chain, depletion of raw materials, etc.</p> <p><i>Documentation:</i> Legal regulations, corporate reports, customs reports (if applicable), billing and any other relevant source of information, according to the activity.</p>			

	APPLIES	DOESN'T APPLY	COMMENTS
<p>Is there an evolution technological, commercial, structural or in the market that may compromise the company's performance and its ability to continue with its activity?</p> <p><i>Question's objective:</i> Identify technological, commercial or market situations within the organization that may diminish its efficiency, or could result in stopping activities altogether.</p> <p><i>Answer contents orientation:</i> Must answer whether the technology meets the demands of the market, if there are contract breaching risks or any problems inside the organization (for instance: possible conflicts with employees) or interest changes in your customer base.</p> <p><i>Documentation:</i> Company reports, supplier and clients contracts, billing and any other relevant information source, according to the activity.</p>			
<b>1.2. COMPLIANCE</b>			
<p>Does your organization know and abides by the rules and legislations concerning your activity?</p> <p><i>Question's objective:</i> Determine the degree of knowledge of the company and if it obeys the respective regulations.</p> <p><i>Answer contents orientation:</i> Transcripts from the interviewee's answer, expressed in a positive or negative manner.</p> <p><i>Documentation:</i> None.</p>			
<p>In what way do you follow the legal or regulatory changes that affect the company, and do you make sure of their compliance?</p> <p><i>Question's objective:</i> To know if the SME has an environmental management system to reduce its impact on the environment.</p> <p><i>Answer contents orientation:</i> In case the answer is affirmative, please mention the reach of the environmental management system, if it's certified or not, if it isn't, please state the phase where it's at.</p> <p><i>Documentation:</i> Certifications given by the certification body, or the documentation with the system's implementation phases and improvements. Consulting services invoices, company reports. If the answer to the previous question is affirmative, identify the SME tools at hand to keep track of new regulations.</p>			



	APPLIES	DOESN'T APPLY	COMMENTS
<p><b>Has the company faced issues regarding business ethics, fair competition, internal or commercial fraud risks?</b></p> <p><i>Question's objective:</i> To know the SME's history regarding ethics, commercial or internal fraud behavior.  <i>Answer contents orientation:</i> State if the SME has been subject to legal or government complaints, due to business ethics violations, fair competition or internal frauds.  <i>Documentation:</i> Legal notifications, government citations, paid fines.</p>			
<b>1.3. QUALITY</b>			
<p><b>Has your company implemented a quality procedure?</b></p> <p><i>Question's objective:</i> To know if the SME has implemented a quality management system or intends to do so.  <i>Answer contents orientation:</i> Transcripts from the interviewee's answer.  <i>Documentation:</i> None.</p>			
<p><b>If affirmative, do you have any certifications, such as, ISO 9000?</b></p> <p><i>Question's objective:</i> To know if the SME has been certified in some or every quality management process.  <i>Answer contents orientation:</i> Must answer which processes have been certified, the certification body used, is it the first one or has it been renewed, if only some processes have been certified, is there a plan to include others.  <i>Documentation:</i> Certification granted by the certification body, quality management system paperwork, paid invoices about implementation and audit systems.</p>			
<p><b>How do you gather information about your client's satisfaction?</b></p> <p><i>Question's objective:</i> To know if the SME uses a system to verify its client's satisfaction level.  <i>Answer contents orientation:</i> Identify the methods used to check your client's satisfaction, surveys, after sale services, customer service department, complaints log, etc.  <i>Documentation:</i> Survey company contracts, call center service and after sale service providers contracts, complaint logs.</p>			

	APPLIES	DOESN'T APPLY	COMMENTS
<b>1.4. LITIGATIONS</b>			
<p><b>Has the company been convicted or has any lawsuits directly related to its clients, or its product/services quality and/or security?</b></p> <p><i>Question's objective:</i> To know if the SME has been convicted due to lawsuits from clients regarding delivery times, product's quality or security.</p> <p><i>Answer contents orientation:</i> Transcripts from the interviewee's answer, must indicate the type of lawsuits and sentences received.</p> <p><i>Documentation:</i> None.</p>			
<p><b>If affirmative, could you explain the circumstances and reasons?</b></p> <p><i>Question's objective:</i> Determine the circumstances and motives that led to the litigation.</p> <p><i>Answer contents orientation:</i> Must state the amount of litigations, whether the SME won or was convicted, and mention the reasons for litigation for each case.</p> <p><i>Documentation:</i> Legal documents, legal services invoice payments, fine payments, etc.</p>			
<p><b>Were there any steps taken to improve this situation and avoid it from repeating itself?</b></p> <p><i>Question's objective:</i> To know if the necessary steps have been taken to avoid new lawsuits.</p> <p><i>Answer contents orientation:</i> Transcripts from the interviewee's answer, must indicate the kind of steps taken.</p> <p><i>Documentation:</i> If steps are in writing, verify the new specifications of the service or product.</p>			
<b>2. ENVIRONMENT</b>			
<b>2.1. ENVIRONMENTAL MANAGEMENT SYSTEM</b>			
<p><b>Does your company have an environmental management system (certified or not), such as, ISO 14000 or EMAS?</b></p> <p><i>Question's objective:</i> To know if the SME has an environmental management system to reduce its impact on the environment.</p> <p><i>Answer contents orientation:</i> In case the answer is affirmative, please mention the reach of the environmental management system, if it's certified or not, if it isn't, please state the phase where it is at.</p> <p><i>Documentation:</i> Certifications given by the certification body, or the documentation with the system's implementation phases and improvements. Consulting services invoices, company reports.</p>			



	APPLIES	DOESN'T APPLY	COMMENTS
<p><b>Do you have any production processes, eco-friendly products/services or with ecologic labelling?</b></p> <p><i>Question's objective:</i> To know if the SME has eco-friendly labels and/or implements any mechanism that guarantees eco-efficiently processes.</p> <p><i>Answer contents orientation:</i> Transcripts from the interviewee's answer, if affirmative, specify the type of labelling, mechanism or system that guarantees eco-efficiency.</p> <p><i>Documentation:</i> Everything regarding obtaining and maintenance of the labelling process or any other eco-efficiency supervisory system. Invoice payment of consulting firms.</p>			
<b>2.2. ENVIRONMENTALLY PROTECTED SITES</b>			
<p><b>Does your company have any assets (lands or buildings) in environmentally protected areas?</b></p> <p><i>Question's objective:</i> To know if the SME is located or has any properties in environmentally protected areas.</p> <p><i>Answer contents orientation:</i> Transcripts from the interviewee's answer, if affirmative, specify building or land's locations.</p> <p><i>Documentation:</i> Everything regarding protected areas declarations.</p>			
<p><b>If affirmative, does it abide by its obligations?</b></p> <p><i>Question's objective:</i> biologically and environmentally protected areas' regulations and abides by them.</p> <p><i>Answer contents orientation:</i> Specify the respective regulation and actions taken by the SME to comply.</p> <p><i>Documentation:</i> Respective regulations and public protection plans, or the ones created by the SME.</p>			
<b>2.3. ENERGY AND GREENHOUSE GAS EMISSIONS</b>			
<p><b>Does your company measure its energy consumption?</b></p> <p><i>Question's objective:</i> To know if the SME has tools and a methodology in place to measure its energy consumption that excludes its energy providers.</p> <p><i>Answer contents orientation:</i> Transcripts from the interviewee's answer, specify tools and methodology used to measure energy consumption.</p> <p><i>Documentation:</i> The energy consumption readings instructions, if available.</p>			

	APPLIES	DOESN'T APPLY	COMMENTS
<p><b>Does it have an energy efficiency project?</b></p> <p><i>Question's objective:</i> To know if the SME has a project to reduce energy consumption, through reduction or redefinition of certain processes or changes in technology.</p> <p><i>Answer contents orientation:</i> Transcripts from the interviewee's answer, specify the project's characteristics and reach.</p> <p><i>Documentation:</i> Everything regarding the project's development. Consulting services payments, purchasing of new technology.</p>			
<p><b>Are you aware of possible greenhouse gas emissions?</b></p> <p><i>Question's objective:</i> To know if the SME is aware of its manufacturing processes emissions, and their impact on society and the environment.</p> <p><i>Answer contents orientation:</i> Specify the level of knowledge of the manufacturing processes' greenhouse gas emissions, if there is plan to reduce these emissions, what it entails.</p> <p><i>Documentation:</i> If available, the greenhouse gas emissions development project. Corporate environmental policy.</p>			
<p><b>Have you put into action a plan to reduce greenhouse gas emissions?</b></p> <p><i>Question's objective:</i> To know if the SME has put into action policies and directives to reduce greenhouse gas emissions.</p> <p><i>Answer contents orientation:</i> Detail the processes put into action by the SME.</p> <p><i>Documentation:</i> Corporate environmental policy, documents referred to the reduction process of greenhouse gas emission.</p>			
<b>2.4. RAW MATERIALS</b>			
<p><b>Does your company use raw materials or nonrenewable substances that could have significant impact on the environment or health?</b></p> <p><i>Question's objective:</i> To know the raw materials utilized by the SME, if they are nonrenewable resources and the level of impact that could represent to the environment. To know if the SME uses substances harmful to human health.</p> <p><i>Answer contents orientation:</i> Specify the nonrenewable raw materials or if the substances are harmful to human health or the environment. If possible, specify the amounts used of each substance.</p> <p><i>Documentation:</i> Corporate environmental policy, purchasing records, inventories, production details.</p>			



	APPLIES	DOESN'T APPLY	COMMENTS
<p><b>Have you had to recall a product or substance due to pressure by stakeholders?</b></p> <p><i>Question's objective:</i> To know if the SME was forced to recall products claimed to be harmful to people or the environment.</p> <p><i>Answer contents orientation:</i> If affirmative, please indicate the products that were recalled and the reasons of the complaint.</p> <p><i>Documentation:</i> Inventory reports, received claims, paid penalties.</p>			
<p><b>Does your company have any plans to reduce consumption of nonrenewable raw materials or any other consumables (i.e.: water, paper, cardboard)?</b></p> <p><i>Question's objective:</i> Determine if the SME has included in its corporate policy to reduce packing residues, water, paper and cardboard consumption.</p> <p><i>Answer contents orientation:</i> If affirmative, detail the consumption reduction plan, as well as the solid and liquid residues formation.</p> <p><i>Documentation:</i> Corporate environmental policy, details about materials reduction.</p>			
<p><b>Does your company recycles or reuses materials?</b></p> <p><i>Question's objective:</i> To know if the SME has a material recycling or reutilization policy.</p> <p><i>Answer contents orientation:</i> If affirmative, specify if this reduction is generated by its own residues or purchased recycled material to implement in its own production processes, when possible indicate the percentage it represents within the total supply amount.</p> <p><i>Documentation:</i> Corporate environmental policy, purchasing invoices, inventories, production details.</p>			
<b>2.5. POLLUTION REDUCTION</b>			
<p><b>Does your company try to reduce pollution (noise, olfactory, soil, water, air and residues)?</b></p> <p><i>Question's objective:</i> To know if the SME has a process to reduce noise or smells emitted during production, if it avoids soil, water and air pollution, and if it tries to diminish the amount of residues produced.</p> <p><i>Answer contents orientation:</i> If affirmative, indicate the steps taken to mitigate the polluting processes.</p> <p><i>Documentation:</i> Corporate environmental policy, production or service process details.</p>			

	APPLIES	DOESN'T APPLY	COMMENTS
<p><b>Is your activity subject to a specific regulation?</b></p> <p><i>Question's objective:</i> To know if there is a specific regulation for the company's activity.</p> <p><i>Answer contents orientation:</i> State if there's a specific regulation and briefly indicate how it affects the SME.</p> <p><i>Documentation:</i> The pertinent regulations.</p>			
<b>2.6. LITIGATIONS</b>			
<p><b>Has the company been convicted or has any lawsuits directly related to environmental regulations?</b></p> <p><i>Question's objective:</i> To know if the SME has been convicted or has any pending lawsuits due to a breach in environmental regulations.</p> <p><i>Answer contents orientation:</i> Transcripts from the interviewee's answer.</p> <p><i>Documentation:</i> None.</p>			
<p><b>In case the answer is affirmative, could you explain the circumstances and reasons?</b></p> <p><i>Question's objective:</i> To know the circumstances and motives that led to the litigation.</p> <p><i>Answer contents orientation:</i> Must state the amount of litigations closed and ongoing, mention the transgressed regulations and reasons for the lawsuits.</p> <p><i>Documentation:</i> Legal documents, legal services invoice payments, fine payments.</p>			
<p><b>Were there any steps taken to improve this situation and avoid it repeats itself?</b></p> <p><i>Question's objective:</i> To know if the necessary steps have been taken to avoid new lawsuits.</p> <p><i>Answer contents orientation:</i> Transcripts from the interviewee's answer, must indicate the kind of steps taken.</p> <p><i>Documentation:</i> If steps are in writing, verify the described instructions.</p>			
<b>3. SOCIAL AND CORPORATE</b>			
<b>3.1. HUMAN RESOURCES</b>			
<p><b>Do you have a high staff rotation?</b></p> <p><i>Question's objective:</i> Establish the employee's continuity in the SME.</p> <p><i>Answer contents orientation:</i> Transcripts from the interviewee's answer.</p> <p><i>Documentation:</i> None.</p>			



	APPLIES	DOESN'T APPLY	COMMENTS
<p>If affirmative, could you state the reasons and frequency?</p> <p><i>Question's objective:</i> To know if the SME studies the reasons for its high staff rotation.</p> <p><i>Answer contents orientation:</i> Transcripts from the interviewee's answer.</p> <p><i>Documentation:</i> Payroll, other employee's records.</p>			
<p>Do you encourage an open social dialogue inside the company?</p> <p><i>Question's objective:</i> To know the SME's work environment.</p> <p><i>Answer contents orientation:</i> Transcripts from the interviewee's answer.</p> <p><i>Documentation:</i> Human resources department may be consulted.</p>			
<p>During staff hiring process, do you take into account gender equality, diversity, disability, minorities, etc.?</p> <p><i>Question's objective:</i> To know if the SME follows the outlines stated in the Global Compact program.</p> <p><i>Answer contents orientation:</i> Transcripts from the interviewee's answer, try to point out the amount or percentage of employees that meet the program's requirements.</p> <p><i>Documentation:</i> Payroll.</p>			
<b>3.2. HUMAN RIGHTS</b>			
<p>Do you make sure your value chain avoids human rights violations, such as, child labor or forced labor, under coercion, illegal, etc.?</p> <p><i>Question's objective:</i> To know if the SME follows the outlines stated in the Global Compact program.</p> <p><i>Answer contents orientation:</i> Transcripts from the interviewee's answer, try to specify if you investigate your suppliers to make sure their products are not the result of forced labor, minors and/or precarious conditions.</p> <p><i>Documentation:</i> Supplier's signed contracts.</p>			

	APPLIES	DOESN'T APPLY	COMMENTS
<b>3.3. LITIGATIONS</b>			
<p><b>Has the company been convicted or has any lawsuits regarding human rights violations or work related issues?</b></p> <p><i>Question's objective:</i> To know if the SME has been convicted for human rights violations or work related issues.</p> <p><i>Answer contents orientation:</i> Transcripts from the interviewee's answer, must indicate the type of lawsuits and sentences received.</p> <p><i>Documentation:</i> None.</p>			
<p><b>In case the answer is affirmative, could you explain the circumstances and reasons?</b></p> <p><i>Question's objective:</i> To know the circumstances and motives that led to the litigation.</p> <p><i>Answer contents orientation:</i> Must state the amount of litigations, whether the SME won or was convicted, and mention the reasons for litigation for each case.</p> <p><i>Documentation:</i> Legal documents, legal services invoice payments, fine payments.</p>			
<p><b>Were there any steps taken to improve this situation and avoid it repeats itself?</b></p> <p><i>Question's objective:</i> To know if the necessary steps have been taken to avoid new lawsuits.</p> <p><i>Answer contents orientation:</i> Transcripts from the interviewee's answer, must indicate the kind of steps taken.</p> <p><i>Documentation:</i> If steps are in writing, verify the described instructions.</p>			
<b>3.4. STAKEHOLDERS</b>			
<p><b>Has your company identified its stakeholders and their expectations?</b></p> <p><i>Question's objective:</i> To know if the SME has gone through the process of identifying the stakeholders and their expectations about the company.</p> <p><i>Answer contents orientation:</i> Transcripts from the interviewee's answer, must indicate the steps taken to identify the stakeholders and their expectations, this means, the knowledge of those that directly or indirectly have some sort of interest in the SME, it could be from inside the company -employees, partners, shareholders- or external -providers, government, clients, unions, community- their requests or concerns, and if the SME is capable of fulfilling them.</p> <p><i>Documentation:</i> We suggest to hold meetings with the stakeholders, writing down their expectations.</p>			



	APPLIES	DOESN'T APPLY	COMMENTS
<p><b>How does this expectations affect the company's activity and structure?</b></p> <p><b>Question's objective:</b> To know if the SME has analyzed the influence that would carry to fulfill the expectations transmitted by stakeholders.</p> <p>Said expectations may vary according to the place where the SME is located, kind of suppliers and/or clients, the groups that pressure the company (unions, civil organizations, government), if the location requires environmental precautions, community's characteristics, etc.</p> <p>A few examples are:</p> <p><b>Social and economic expectations:</b> That the opening of the SME signifies a mutual benefit, for the company and the community, translated into job openings, purchasing to local suppliers, contribution in education and culture, etc.</p> <p><b>Environmental expectations:</b> To comply with the environmental regulations about noise, air, soil and water pollution (not to exceed the amount of noise during the hours of rest, minimize gas emissions and greenhouse effect, not to throw any waste in soil or water).</p> <p><b>Answer contents orientation:</b> Indicate the impact that would carry to fulfill the stakeholder's expectations that may be translated into appointing material and/or human resources.</p> <p><b>Documentation:</b> Reports from meetings with stakeholders, and general documents that support all expenses and appointed resources necessary to comply with the expectations.</p>			
<p><b>Do you share CSR projects with a NGO, local community and other entities within the civil society?</b></p> <p><b>Question's objective:</b> To know if the SME is involved in any CSR projects with a NGO, local community and other entities within the civil society (governments, other SMEs, clients, suppliers).</p> <p><b>Answer contents orientation:</b> Detail the shared projects and their economic, social or environmental impact.</p> <p><b>Documentation:</b> If projects are in writing, described the agreements reached between the organizations.</p>			





**MODEL OF A SOCIAL AND  
ENVIRONMENTAL REPORT  
FOR SMEs**

The Social and Environmental Report model for SMEs proposed by CILEA, is made of a front cover with the SME brief information, history, and performance, economic, social and environmental indicators.

The information will be shown compared against the previous fiscal year and goals for the next one, the goal is to be able to assess the company's improvement process regarding its social responsibilities year after year, through the verification of compliance, setting new objectives and so on.

Each group of indicators has a set of explanations regarding their relevance, its respective documentation from which to extract data from, and some instructions to complete the corresponding section.

The indicators are nonrestrictive. Any SME, following its own criteria, may create indicators to better convey their economic, social and environmental behavior, keeping in mind at all times the basic information requirements, based on relevance, equilibrium, clarity and transparency.

If necessary, the SME may add information notes to clarify the indicators.

## SMEs SOCIAL AND ENVIRONMENTAL REPORT, YEAR .....

### 1 - COMPANY INFORMATION

**Name of the company:**

**Economic sector:**  commerce  industrial  services  agribusiness

**Activity:**

**Headquarters:**

(Place of business or legal address of the SME, based on its country's requirements)

**Mission:**

**Vision:**

**Values:**

**Brief history:**

(Foundation date, subsidiaries, structural organization short description, awards, general economic and financial information, etc.)

2 - ECONOMIC INDICATORS	Previous year		Current year	
	Value in local currency	% over the GT	Value in local currency	% over the GT
Gross Turnover (GT)				
Minus Inputs acquired from third parties				
<b>TOTAL GENERATED ADDED VALUE</b>				
Government tax				
Human resources				
Social and Environmental investment				
Third parties return on capital				
Return on capital				
Retained earnings				
<b>TOTAL DISTRIBUTED ADDED VALUE</b>				

#### Importance of these indicators:

With the economic indicators, the goal is to highlight the added value generated by the company, and how it is distributed among the stakeholders.

The data about added value creation, signals the way the company has enriched its stakeholders and how it distributes it amongst them. Through this indicator the interested parties can gather data about the SME commitment to its internal public, society and the environment.

#### Data gathering and documentation:

To prepare these indicators, the information must come, whenever possible, from the company's balance sheet and the profit and loss audited section, or from internally verified income statements, alternatively, from the usually implemented registry of billing, costs and expenses required to create and distribute the added value: invoices, tax settlements, payroll and other detailed information found in the instructions. It is recommended to use accrual criterion. Cash receipt criterion may be used when justified.

#### Instructions:

The indicators are prepared taking into account the total gross turnover, showing each value as a percentage over the total gross turnover (GT). Values are to be shown in the local currency.

Start by stating the gross turnover, to which you must deduct inputs acquired from third parties, this will become the TOTAL GENERATED ADDED VALUE. Afterwards you must detail the distribution of this generated added value, for example: taxes to government, human resources, social and environmental investment, third parties return on capital, return on capital. Lastly detail the retained or distributed added value, to obtain the TOTAL DISTRIBUTED ADDED VALUE.

The generated added value must match the one distributed.

**Gross Turnover:** Sales total (products, merchandise, services) and other extraordinary incomes.

**Inputs acquired from third parties:** Consumable materials included in the product's costs, goods and sold services; other costs, except from payroll, depreciations and amortizations; expenses such as phone, water, electric bills; losses due to inventory or investments.

**Government tax:** Total in local currency and percentage over the gross turnover of fees, taxes, and compulsory contributions.

**Human resources:** Value in local currency and percentage over the gross turnover of total expenses in payroll (including holidays, bonuses, etc.), plus social compulsory expenses (social security employer + employees and other additional obligations).

**Social and environmental investment:** Costs of actions, projects and related social and environmental programs.

**Third parties return on capital:** Financial expenses related to any loan operation or financing.

**Return on capital:** Return on the investment (interests, dividends).

**Retained earnings:** Added valued retained or not distributed.

3 - INTERNAL SOCIAL INDICATORS (social investments for employees)	Previous year		Current year		Projected improvement	
	Value in local currency	% over the GT	Value in local currency	% over the GT	Value in local currency	% over the GT
Food						
Health						
Safety in the workplace						
Education/literacy, elementary, middle or superior education						
Culture						
Training and professional development						
Daycare service or stipend for daycare						
Others						
<b>TOTAL INTERNAL SOCIAL INVESTMENTS</b>						

**Importance of these indicators:**

With the internal social indicators, the goal is to report every action, benefit and investment made by the SME for its employees, calculating each indicator against the total turnover amount.

The information is presented by comparing the previous year and projections for next year.

The indicators' structure is mainly based on the work ethic concept, present in everything the SME offers its employees but is not required by law or any specific regulation, such as: food expenses, health and safety in the workplace, culture, training and professional development, appointing child daycare services inside the company or stipend daycare, and any expenditure made that benefits the employees. The indicators are suggestions that may be broaden. The main objective is that the benefits and actions are proposed, discussed and chosen from a participatory process that involves management and employees alike.

**Data gathering and documentation:**

To prepare this indicators, the information must come, whenever possible, from the company's balance sheet and the profit and loss audited section, or from internally verified income statements, alternatively, from the usually implemented registry of billing, costs and expenses. May also use personnel files, labor collective agreements, and any other personnel documents that the SME may have.

**Instructions:**

**Food:** Indicate the expense's total amount in restaurants, meal tickets, snacks, food baskets and other food services for employees, calculate the percentage over the gross turnover, the result will be the effect of this expenditures over the total amount invoiced.

**Health:** Indicates to total amount spent in health plans that are not compulsory medical assistance, preventive care programs, life improvement programs and other health related expenses, including retirees and their dependents. Calculate the percentage over the total gross turnover, the result will be the effect of this expenditures over the total amount invoiced.

**Education:** Indicates expenses related to education at all levels, reimbursement for education costs, scholarships, magazine subscriptions, newsletters and other education-related expenses of the management team and employees. Calculate the percentage over the total gross turnover, the result will be the effect of this expenditures over the total amount invoiced.

**Culture:** Indicates expenses related to artistic and cultural events for the personnel (music, theater, film festivals, and literature, among others) or any type of sponsorship of cultural activities. Calculate the percentage over the total gross turnover, the result will be the effect of this expenditures over the total amount invoiced.

**Training and professional development:** Indicates the total amount invested on training, internships, destined to the development of the management team and employees in company related-activity only. Calculate the percentage over the total gross turnover, the result will be the effect of this expenditures over the total amount invoiced.

**Daycare service or stipend for daycare:** Indicates the expenses on in-company daycare center or allowance paid to employees and management for daycare. Calculate the percentage over the total gross turnover, the result will be the effect of this expenditures over the total amount invoiced.

**Others:** May add other non-compulsory benefits offered to management and employees, such as, insurance (partly paid by the company), loans (costs only), recreational activities, transportation or housing expenses. Calculate the percentage over the total gross turnover, the result will be the effect of this expenditures over the total amount invoiced.

**IMPROVEMENT PLAN:** In all fields, indicate in the right column if the SME plans to improve the indicator's state and composition in the next year.

4 - EXTERNAL SOCIAL INDICATORS (investments in the community)	Previous year		Current year		Projected improvement	
	Value in local currency	% over the GT	Value in local currency	% over the GT	Value in local currency	% over the GT
Philanthropy expenses / donations (monetary, products and/or services) / humanitarian aids						
	Nº of benefited people: Nº of benefited entities:		Nº of benefited people: Nº of benefited entities:		Nº of benefited people: Nº of benefited entities:	
Investments and incentives to volunteers						
	Nº of benefited people: Nº of benefited entities:		Nº of benefited people: Nº of benefited entities:		Nº of benefited people: Nº of benefited entities:	
Investment in culture / cultural and/or artistic projects						
	Nº of benefited people: Nº of benefited entities:		Nº of benefited people: Nº of benefited entities:		Nº of benefited people: Nº of benefited entities:	
Investment in education / literacy						
	Nº of benefited people: Nº of benefited entities:		Nº of benefited people: Nº of benefited entities:		Nº of benefited people: Nº of benefited entities:	
Others						
	Nº of benefited people: Nº of benefited entities:		Nº of benefited people: Nº of benefited entities:		Nº of benefited people: Nº of benefited entities:	
<b>TOTAL EXTERNAL SOCIAL INVESTMENTS</b>						

#### Importance of these indicators:

These indicators convey the expenses made by the SME in actions, projects or investments in favor of the community (external actions), which demonstrate the SME's interest in the society that surrounds it.

SMEs, as other organizations, create expectations in their surroundings when they set up in a specific location. It is advisable to analyze this expectations, in case they can be met, the stakeholders will be informed through these indicators.

It is especially important to inform, besides the amount invested and the percentage that it represents over the total gross turnover, the number of people benefited by these actions, whenever possible.

#### Data gathering and documentation:

To prepare this indicators, the information must come, whenever possible, from the company's balance sheet and the profit and loss audited section, or from internally verified income statements, alternatively, from the usually implemented registry of billing, costs, expenses and investments. Should also gather information about the number of people and entities benefited.

#### Instructions:

**Philanthropy expenses / donations (monetary, products and/or services) / humanitarian aids:** Indicate total expenditures and the percentage over the total amount invoiced.

**Investments and incentives to volunteers:** This indicator refers to total cost of the time granted to employees to participate in the volunteer work during working hours, and volunteer incentive programs (awards, broadcasting this actions in media outlets, objects like emblems, pins, thank you letters, and invitations to share the experience). Indicate total expenditures and the percentage over the total amount invoiced. Also indicate the total number of people and/or entities benefited.

**Investment in culture / cultural and/or artistic projects:** Support to cultural or artistic projects and events, such as, photography, sculptures, painting, films, entertainment shows. Indicate total expenditures and the percentage over the total amount invoiced. Also indicate the total number of people and/or entities benefited.

**Investment in education / literacy:** Allocation of monetary or human resources to support education and/or literacy in the community. Indicate total expenditures and the percentage over the total amount invoiced. Also indicate the total number of people and/or entities benefited.

**Others:** Other indicators that may reflect improvement in the quality of life of the community (sporting projects, leisure and recreation for the community, donations in the form of products and/or services, support and participation with NGO, involvement and support to town councils). Indicate total expenditures and the percentage over the total amount invoiced in each case. Also indicate the total number of people and/or entities benefited.

**IMPROVEMENT PLAN:** In all fields, indicate in the right column if the SME plans to improve the indicator's state and composition in the next year. Said improvement will be stated in local currency value and percentage over the total gross turnover.

5 - HUMAN RESOURCES INDICATORS	Previous year					Current year					Projected improvement
	Executive /Partners	%	Employees	%	Total N°	Executive /Partners	%	Employees	%	Total N°	
N° of people that work in the company (to 31/12)											
N° of hires/admissions during term											<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
N° of layoff/exits during term											<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
N° of litigations work-related											<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
N° of people benefited by first employment											<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
N° of permanent salaried staff											<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
N° de temporary salaried staff											<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
N° of scholarships or interns during term											<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
N° of people blood related to the executive staff/ partners											<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
Education level:											
Elementary											<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
Mid-level											<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
Superior											<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
N° of people over 50 years											<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
N° of women											<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
N° of men											<input type="checkbox"/> No doesn't apply <input type="checkbox"/> Yes, specify:
N° of employees with disabilities											<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
Other minority groups (indigenous groups, others, specify)											<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
N° of people involved in volunteer work with the community											<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:

**Importance of these indicators:**

These group of indicators states all aspects in reference to staff payroll structure, as well as executive team, employees rotation, level of kinship, place of residence, diversity, etc.

The staff and executive team payroll structure speaks about the commitment the SME has about local hiring, respect for diversity, staff's stability and motivation in the workplace policy.

If the staff rotation level is high, it could be the cause of uncertainty or unhappiness of employees. Staff rotation and hiring conditions inequality may affect productivity. A carefully drafted employment and hiring policy might attract qualified employees and allow to retain talented staff.

**Data gathering and documentation:**

The information to prepare these indicators, may be extracted from payroll information, assets liquidation and other documents on the personnel's files.

**Instructions:**

**N° of people with disabilities:** Consider the number that exceeds the amount established in each country, according to current legislation, if applicable.

**N° of people involved in volunteer work with the community:** Indicate the number of employees that actively participate as volunteers during working hours.

**IMPROVEMENT PLAN:** In all fields, indicate in the right column how the SME plans to improve the indicator's state and composition in the next year. Details will be conveyed in a qualitative and quantitative manner.

6 - EMPLOYMENT POLICY INDICATORS	Current year	Projected improvement
Ratio of highest to lowest compensation in the company		<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
Total number of accidents in the workplace		<input type="checkbox"/> No, doesn't apply <input type="checkbox"/> Yes, specify:
Do employees search or/and participate in problem resolutions?	<input type="checkbox"/> No <input type="checkbox"/> Yes, eventually <input type="checkbox"/> Yes, periodically	<input type="checkbox"/> No <input type="checkbox"/> Yes, eventually <input type="checkbox"/> Yes, periodically
Are there any specific measures in regards to safety and health, to ensure the company's good work environment?	<input type="checkbox"/> No <input type="checkbox"/> Yes, providing equipment <input type="checkbox"/> Yes, undertaking campaigns, training and others	<input type="checkbox"/> No <input type="checkbox"/> Yes, providing equipment <input type="checkbox"/> Yes, undertaking campaigns, training and others
Does the company stimulates employee's elementary, middle and higher education?	<input type="checkbox"/> No <input type="checkbox"/> Yes, for partners <input type="checkbox"/> Yes, for all employees	<input type="checkbox"/> No <input type="checkbox"/> Yes, for partners <input type="checkbox"/> Yes, for all employees
Does the company encourage targeted training (jobs, languages, learning programs and others), related or not to the company's activity?	<input type="checkbox"/> No <input type="checkbox"/> Yes, for partners <input type="checkbox"/> Yes, for all employees	<input type="checkbox"/> No <input type="checkbox"/> Yes, for partners <input type="checkbox"/> Yes, for all employees
Does the company usually select/hire personnel from nearby communities?	<input type="checkbox"/> No <input type="checkbox"/> Yes, up to 25% <input type="checkbox"/> Yes, from 26% to 50% <input type="checkbox"/> Yes, from 51% to 75% <input type="checkbox"/> Yes, over 75%	<input type="checkbox"/> No <input type="checkbox"/> Yes, up to 25% <input type="checkbox"/> Yes, from 26% to 50% <input type="checkbox"/> Yes, from 51% to 75% <input type="checkbox"/> Yes, over 75%
Does the company implement a profit sharing policy?	<input type="checkbox"/> No <input type="checkbox"/> Yes, for some people <input type="checkbox"/> Yes, for all	<input type="checkbox"/> No <input type="checkbox"/> Yes, for some people <input type="checkbox"/> Yes, for all

#### Importance of these indicators:

These group of indicators reflects the SME policy, regarding working environment and personnel's incentives, plan for the year and projections into the future. Indicators are supplemented by answering the questions.

It is important to set the company's policies regarding the staff involvement in the resolution of operational problems, profit sharing, if applicable, targeted trainings and everything intended to improve the environment in the workplace.

#### Data gathering and documentation:

The information to prepare these indicators, may be extracted from the SME reports, employment policy, if it's public. Payroll may also be used.

#### Instructions:

**Ratio of highest to lowest compensation in the company:** Establish the difference between the highest and the lowest compensation there is in the company.

**Total number of accidents in the workplace:** Indicate the number of employees with work-related accidents occurred during the term.

**IMPROVEMENT PLAN:** In all fields, indicate in the right column how the SME plans to improve the indicator's state and composition in the next year, answer accordingly.

7 - ENVIRONMENTAL INDICATORS	Current year	Projected improvement
Does the company implements a material residue reutilization policy (paper, packing, printing cartridges, etc.)	<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:	<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
Does the company have a recycling policy?	<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:	<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
Does it adopt any energy consumption reduction measures?	<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:	<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
Does it adopt any water consumption reduction measures?	<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:	<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
Does it adopt any pollution reduction measures (noise, olfactory, air, soil or water residues)?	<input type="checkbox"/> No <input type="checkbox"/> Doesn't apply <input type="checkbox"/> Yes, specify:	If applicable: <input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
Does the company know/implement environmental regulations?	<input type="checkbox"/> No <input type="checkbox"/> Yes, knows and doesn't apply to activity <input type="checkbox"/> Yes, knows and implements	If applicable: <input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
Has it been sanctioned for breaching environmental regulations?	<input type="checkbox"/> No, never <input type="checkbox"/> No, current year <input type="checkbox"/> Yes, N° of sanctions: Investment values:	Has it been sanctioned in current year: <input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
Does it invest in its employee's environmental education (training)?	<input type="checkbox"/> No <input type="checkbox"/> Yes, N° of employees: Investment values:	<input type="checkbox"/> No <input type="checkbox"/> Yes, N° of employees: Investment values:
Does it implement a residuum treatment measure (solid, water)?	<input type="checkbox"/> No <input type="checkbox"/> Doesn't apply <input type="checkbox"/> Yes, specify:	<input type="checkbox"/> No <input type="checkbox"/> Doesn't apply <input type="checkbox"/> Yes, specify:
Does it implement a greenhouse gas emission reduction measure?	<input type="checkbox"/> No <input type="checkbox"/> Doesn't apply <input type="checkbox"/> Yes, specify:	If applicable: <input type="checkbox"/> No <input type="checkbox"/> Yes, specify:

#### Importance of these indicators:

SMEs work within its environmental surroundings, which suffer changes when the company is set up. Generating expectations by the stakeholders regarding its environmental policy, specifically the ones about noise, water, air and soil treatment, solid and liquid residuum. Through these indicators the company will be able to convey its environmental policy, pointing out the actions taken during the year and goals for the next one.

#### Data gathering and documentation:

The information to prepare these indicators, may be extracted from the corporate environmental policy, production details, energy, water and other natural resources consumption statements.

#### Instructions:

Establishing the indicators by answering to the questions. Basic indicators have been suggested that could apply to a SME. No limitations are considered here, if possible, add the indicators considered relevant to the organization

**IMPROVEMENT PLAN:** In all fields, indicate in the right column how the SME plans to improve the indicator's state.

8 - OTHER INFORMATION	Current year	Projected improvement
Does the company make sure that the value chain of the products, is free of child or forced labor, according to the current legislation?	<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:	<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
Steps are taken to avoid incidents regarding corruption and/or bribery?	<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:	<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
Does the company implement product responsibility measures, according to the current legislation?	<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:	<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:
Others	<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:	<input type="checkbox"/> No <input type="checkbox"/> Yes, specify:

**Instructions:**

This space is available so the SME may add any other relevant information regarding its activity. Here, other indicators may be added that answer to the United Nations Global Compact, as suggested in the form.

It is important to mention that small actions may carry a big impact, it's paramount to describe the actions' social impact and provide more quantitative and qualitative information.

**IMPROVEMENT PLAN:** For all fields, indicate in the right column if the SME plans to improve the indicator's state and how.



## VERIFICATION OF THE SOCIAL AND ENVIRONMENTAL REPORT

The imputed information in the Social and Environmental Report will be more credible if it's verified in accordance to each country's regulations.

Although this kind of verification contains particular conditions, due to the specificity of the subjects involved, and that each task requires a multidisciplinary approach to it, procedures to audit financial reports may be used, the work of experts will be required at a certain point.

If given the case there is no specific regulation, it may be used, for example: ISAE 3000 (IFAC).



## REFERENCES

- United Nations Global Compact.
- Social Audit model used in Brazil - IBase
- GRI guidelines (Global Reporting Initiative)
- Social Audit model used in Argentina - *Resolución Técnica N° 36*, issued by Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE)
- Information requirements on CSR demanded by "Loi Grenelle 2" of France



## GLOSSARY

**WORKING ENVIRONMENT:** Set of qualities, attributes or properties, relatively permanent in a specific working environment, perceived, felt or experienced by the group of people in an organization, which influence their behavior.

**GREENHOUSE EFFECT:** Phenomenon during which certain gasses retain part of the energy emitted by the soil after it is warmed by solar radiation. Creating an effect similar to the one that takes place in a greenhouse, rising the temperatures.

**GROSS TURNOVER:** Total sales (products, merchandise or services) and other extraordinary incomes.

**GREENHOUSE GAS EFFECT:** Gas emissions in the atmosphere that contribute to the greenhouse effect. Most important gasses are present in the atmosphere naturally, though its concentrations could be modified due to human activity; this concept also includes some artificial gasses generated by human activity, such as: water steam, carbon dioxide, methane, nitrogen dioxides, chlorofluorocarbons and ozone.

**STAKEHOLDERS:** Everyone that directly or indirectly have a level of interest in the performance of a SME.

**INDICATOR:** Measure unit that allows to periodically follow and evaluate the key variables in an organization, by comparing throughout time with the corresponding external or internal references. It may be expressed in a quantitative or a qualitative manner.

**INPUTS ACQUIRED FROM THIRD PARTIES:** Consumable materials included in the product's costs, goods and sold services; other costs, except from payroll, depreciations and amortizations; expenses such as telephone, water, electric bills; losses due to inventory or investments.

**SOCIAL AND ENVIRONMENTAL INVESTMENT:** Costs of actions, projects and related social and environmental programs.

**UNITED NATIONS GLOBAL COMPACT:** Voluntary initiative, in which businesses commit to align their strategies and operations with ten universal accepted principals in four different areas: human rights, labor, environment and anti-corruption. The Pact is a framework that works toward the construction of social legitimation of corporations and markets. The organizations adhered to Global Compact share the conviction that entrepreneurial practices based on universal principles, contribute to the construction of a stable global market inclusive and fair, promoting lasting benefits to societies.

**HUMAN RESOURCES:** Value in local currency and percentage over the gross turnover of total expenses in payroll (including holidays, bonuses, etc.), plus social compulsory expenses (social security employer + employees and other additional obligations).

**RETAINED EARNINGS:** Added value retained or not distributed.

**RETURN ON CAPITAL:** Return on investment (interests, dividends).

**THIRD PARTIES RETURN ON CAPITAL:** Financial expenses related to any loan operation or financing.

**GOVERNMENT TAX:** Total in local currency and percentage over the gross turnover of fees, taxes, and compulsory contributions.



TRANSLATED BY:



The Comité de Integración Latino Europa-América (CILEA) is an association founded in 1997 which brings together professional organizations in the field of Economic and Accounting Sciences from Latin countries in Europe and the Americas, representing a group of over a million professionals in total.

The CILEA International Studies series was initiated in 2013 with the aim of systematically collating and disseminating the research conducted by the CILEA regarding topics of professional interest. The series includes studies which generally deal with technical aspects of the work of professionals for SMEs in Latin countries, presenting comparative results. Another objective is to develop and publicize proposals from the CILEA with respect to issues that affect SMEs and small and medium professional firms that are not commonly subject to research at an international level.

The series does not aim to propose binding guidelines for the member countries, but rather to formulate useful reflections and guidance for the debate and professional practices which may gradually contribute towards the regulation of these issues by the competent authorities.

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