



# Colombian companies increase management reports to be more competitive

The Global Reporting Initiative (GRI) reports have been increasing in Latin America. These reports allow the construction of management indicators of companies. Colombia witnessed the highest growth in reports, with an increase of 500 percent between 2010 and 2015. This was established by a study by Professors Rafael Alejandro Piñeros, from the School of Business Administration of the Universidad del Rosario, and Juan Pablo Acevedo, from the Universidad de La Sabana.

By Inés Elvira Ospina Echandía  
Pictures Ximena Serrano Gil

**T**he interest in knowing the commitment in corporate social responsibility of Colombian companies and their evolution in reporting their management in this field under the *Global Report Initiative* system led Professors Rafael Alejandro Piñeros, from Rosario, and Juan Pablo Acevedo, from La Sabana, to conduct the investigation.

The idea arose during the search for a topic concerning the master's thesis in Direction and Management that Acevedo studied and of which Piñeros was the professor. "At the beginning we were looking for the national panora-

ma, but then we expanded the spectrum to Latin America for a greater scope because we found a big gap in the information," recalls Piñeros, a professor at the School of Business Administration at the Universidad del Rosario.

Acevedo requested information from the GRI central office, based in the Netherlands, from where they sent him an Excel file with information from the world's reports from 1996 to the beginning of 2016. "The first thing was to think about how to organize and filter this information to obtain the figures we needed for the study. The analysis period we established was from 2010 to 2015," he states.

The GRI guidelines for designing sustainability reports are demanding and complete since they seek to generate commitments from companies to mitigate negative impacts on populations, the environment, the economy, social performance, and human rights. In the guidelines, management indicators are filled out, which must comply with quality principles divided into two groups: The first determining the content of the report, such as the participation of stakehold-

ers or the context of sustainability, and the second group of indicators determining the quality of the previous ones in terms of balance, comparability, precision, punctuality, and clarity, among others.

The presentation of these sustainability reports is a voluntary activity that has gained great adhesion in the corporate world, not only as a sign of companies' commitment to be socially responsible but also because these reports bring with them access to businesses in markets that require them.

In this sense, informing stakeholders about the impact of their operations can result in reputational improvements and, indirectly, in better financial results. "It is an expensive activity. For companies, it is a management and investment exercise. The GRI methodology is more demanding every year in terms of how



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“At the beginning of the investigation we expected to find an increase, but we were surprised and very happy with the number. Of course, when we compare ourselves with Brazil, which has a gigantic economy, we still have a long way to go; however, it is an important increase that can partly be explained because Colombia was the last country to enter the scheme of these reports and, to that extent, it has an entire field to continue growing,” affirms Juan Pablo Acevedo, professor at the Universidad de La Sabana.

stakeholders are consulted in a real way to identify problems with them,” explains Piñeros.

### National SMEs, the ones that communicate the most

Professor Acevedo acknowledges that he had a good command of Excel but that after receiving the information from GRI, he had to become an expert. The first thing he did was to order and tabulate the data that could be plotted and extracted in the period 2010–2015. “The following selection was made by taking the five largest economies in Latin America according to the GDP data calculated by the World Bank, namely, Brazil, Mexico, Colombia, Argentina, and Chile. Thereafter, we filtered the data by company size—multina-

When reviewing the results by industrial sector, the research revealed that the financial sector reports the most in the GRI scheme in Colombia, with 423 records; this is followed by the energy sector, with 316 reports; the food and beverages sector ranks 3rd, with 252 reports; the energy use and mining sectors rank 4th and 5th, with 203 and 144 reports, respectively.

tionals, large companies, and SMEs—and finally, we went on to look at the industrial sectors that reported the most in those five countries,” he explains.

The general comparative analysis of the researchers indicates that in that five-year period, Brazil had the highest number of reports at 1,326, followed by Colombia with 701; Chile had the least number of reports at 294. The total growth rate in the countries analyzed was 113 percent; among them, Colombia had the highest growth rate with 500 percent, as mentioned above.

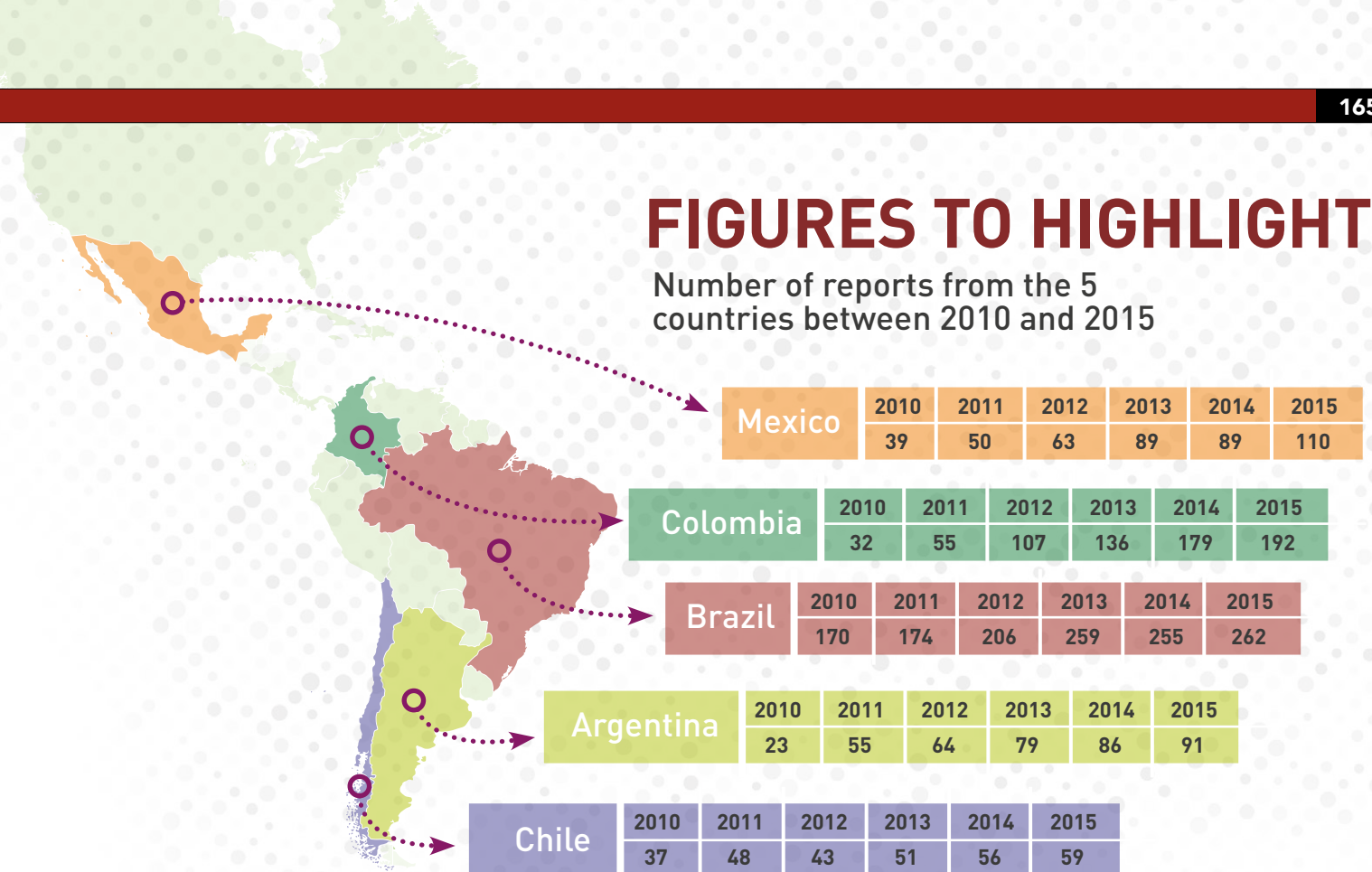
“At the beginning of the investigation, we expected to find an increase, but we were surprised and very happy with the number. Of course, when we compare ourselves with Brazil, which has a gigantic economy, we still have a long way to go; however, it is an important increase that can partly be explained because Colombia was the last country to enter the scheme of these reports and, to that extent, it has an entire field to continue growing,” affirms the professor of the Universidad de La Sabana.

Among the results obtained, there was another piece of information about national companies that caught the attention: In SME reports, Colombia surpasses the four countries, including Brazil. The study presents that in 2010, Mexico presented the most reports but maintained very low growth until 2015. By contrast, Colombia, which ranked 4th in 2010, grew steadily. By 2015, Colombia generated 55 reports, twice of that of Brazil, which ranked 2nd at 25 reports that same year.

For researchers, two reasons can explain the figure. “One hypothesis is that in Colombia, many SMEs have multinational companies and large companies as clients that require them to measure themselves under the GRI report, especially from the demand for the responsible supply that has been taking place for a few years to date. The other explanation may be that reporting under the GRI methodology opens opportunities for them in markets such as Europe or the United States,” says Piñeros.

### Finance, the sector that reports the most

When reviewing the results by industrial sector, the research revealed that the financial sector makes the majority of the reports in the GRI scheme in Colombia, with 423 reports; this is followed by the energy sector, with 316 reports; the food and



beverages sector ranks 3rd, with 252 reports; the energy use and mining sectors rank 4th and 5th, with 203 and 144 reports, respectively.

According to the study, companies in the financial sector report the most in all countries, except for Chile, where reports in mining are more frequent. Colombia witnessed the highest growth, reporting a variation of 480 percent, followed by Mexico and Chile with 200 percent in the period analyzed. The countries that report the most are Brazil with 147 reports, followed by Colombia with 88 reports.

One of the aspects that justify the implementation of GRI reports in the financial sector is that they are strategic companies that significantly impact the functioning and progress of the economy and, therefore, the social progress of a country. “In my analysis of the data found, I would dare to say that the more controversial the sector is, the more attention it gives to the reports and the disclosure of its management on the subject of the environment. In the company group, we read about Grupo Bolívar or Grupo Bancolombia. Although they are not companies that pollute the environment, they significantly impact social welfare, and therefore, they take great care in informing what they are doing and that they are doing well,” explains Professor Acevedo.

Piñeros agrees and states that the same is true in the energy sector, especially in oil companies, which people associate with environmental damage. “They seek to show what good they do, their good practices with the environment, even starting from their logos that, to a great extent, are related to nature,” he says.

A look at the figures concerning the mining sector can corroborate the idea of professors. For example, with a high per-

centage of mining participation in GDP, Chile has the highest number of reports, with 57 records.

The figures of the study and its analysis leave various conclusions. One of them is that the desire of companies to remain at the forefront in their respective sectors and the access to markets of Europe and North America leads them to take this type of initiative more and more seriously. Multinational and large companies seem to have understood this, and SMEs are beginning to make decisions in this regard.

Furthermore, the research suggests that reporting turns out to be an effective strategy to improve or maintain the image of organizations in front of their stakeholders, comply with regulations in the countries in which they are operating, prevent future regulations, and improve competitiveness.

“There are very committed companies, which have their data open and departments dedicated to the management of social responsibility; Argos, for example. But not all companies are like this, and in that sense, I would like to be able to investigate further to find out how they achieve the data, how real they are, etc. More questions arose for us to continue investigating, such as the shift from the Global Compact reports to GRI or its evolution from 2016 to 2020, and others,” concludes Acevedo. ■