

Proposal of elaboration of the sustainability report to wine importer company in China.



Author: Cristina Franco López

Tutor: María Jesús Muñoz

Bachelor's Degree in Finance and
Accounting.

2015/2016



TABLE OF CONTENTS

1. ABSTRACT.....	2
2. INTRODUCTION.....	3
3. SUSTAINABILITY REPORTING.....	4
3.1. Concept.....	4
3.2. Benefits of reporting.....	5
4. CAVESMAITRE SHANGHAI WINE COMPANY PRESENTATION.....	7
4.1 History.....	7
4.2 Mission.....	8
4.3 Vision.....	8
5. STUDY OF THE WINE MARKET IN CHINA.....	9
6. ANALYSIS TO BEGIN THE CAVESMAITRE'S SUSTAINABILITY REPORT.....	13
6.1 Study of materiality.....	13
6.2 Determination of stakeholders.....	18
7. PROJECT JUSTIFICATION, PROPOSALS TO DO THE FIRST SUSTAINABILITY REPORT OF CAVESMAITRE.....	25
8. CONCLUSIONS.....	31
9. REFERENCE LIST.....	33
10. ANNEX.....	39

1. ABSTRACT

Every time, the companies are more concerned with sustainability reports. This is due to the fact that the society is becoming aware with social, environmental and economic consequences. The society is changing their lifestyle and they are trying to change their actions to be more sustainable.

The companies take a lot of decisions, and those could cause disasters because we live in a global and connect world. All the people can discover the bad information of the companies and draw up their own opinions. The sustainability reports are one of the possible mechanisms addressed to companies to control and reduce the negative impacts of their business activity.

In addition, there are countries that do not carry out sustainability reports due to their lack of knowledge or to the difficulty of adapting different models to their culture. The purpose of this final project is to help a company located in China, to know the benefits and to recognise the importance of sustainability reports to be a responsible sustainable company.

2. INTRODUCTION

The sustainability report is one of the tools that companies have with the finality of address the information to the stakeholders about the economic, environmental, social and of governance performance carried out by the companies, according to Global Reporting Initiative (s.f) webpage. The knowledge of the sustainable word has its origin in 1987, in the Brundtland Commission of the United Nations. Its report called *Our Common Future* (ONU 1987) defines the sustainability development such as ‘the development that allows the present needs without involving the future generations’ ability to reach their needs.’

For the three last decades it has had a public consciousness of the companies’ paper in the society such as the actuations consequences in its activities surroundings. Therefore, the Corporate Social Responsibility (CSR) has become a mechanism for business competitiveness. Global Reporting Initiative, an institution founded in 1997 and creator of universal memory, explains that developing a sustainability report covers the measurement, disclosure accountability functions regarding the performance of organizations with regard to sustainable development of stakeholders both internal and external. During the last years, companies, the society and the investors have driven the creation of this report type and they consider that it is the principal communication tool for the Corporate Social Responsibility (CSR).

As Global Reporting Initiative (GRI) (2014), it has increased the companies that realize this type of reports in a 300% since 1999 because they want to be more sustainable in the performance of their activities. The sustainability report offers a way that the companies could use to communicate the positive and negative sustainability impacts and these reports are the method where the companies could expose their economic, social, environmental and of government performance.

The number of companies and organizations that conduct and do publicize their sustainability performance has increased obviously (such it has indicated in the previous paragraph). Countries more implicated in carrying out memories are the ones who are members of the European Union, USA and South-America; according with GRI (s.f.), whereas growing countries are still emerging as sustainable ones. So this follow project is focused on the proposal to develop a sustainability report for an import company situated in China. China is beginning to apply policies by the Government and it is committed in the covenant with USA to reduce its emissions of greenhouse gases by 2030, according with Vidal, M. (2014).

China for the first time sets a deadline, this is interesting because this country has to fulfill and the companies must prevent the impact of these policies. It is advisable that the companies start to think in the sustainability immediately. The objective of this project is according with the Guide G4 of Global Reporting Initiative to adapt the principles of this guide to achieve that the companies situated in a country that it is growing around 8% of PIB incorporate sustainability report in their states; as El Banco Mundial (2015).

3. SUSTAINABILITY REPORTING

3.1 Concept.

The Sustainability Reporting as Global Reporting Initiative (GRI) states, it is a report made by a company to communicate economic, environmental and social impacts produced by the organizations activity in its day too day. This report shows the modus operandi and the values of the company. It could demonstrate the relationship between its strategies and commitments with a sustainable global economy.

The sustainability reporting elaboration allows the company to show its sustainable development objectives to the internal stakeholders as well as the external ones. In this report it has described the economic, environmental and social impacts through triple result reports, the social responsibility (RSE), the corporative reports, etc. It is an integrated report that combines the financial and non-financial results analysis. A sustainability report reflects the positives and negatives contributions of the organization.

The report proposal will be based on the Report Elaboration Frame GRI version G4 (2013). GRI as we could realize in its own web page, is an international and independent organization that help companies, the governments and other organizations to understand and communicate the impact of the companies in the critical points of the sustainability, such as climate change, corruption, between others. The GRI vision is a sustainable global economy where the companies responsibly manage their acts and economic, environmental and social impacts and communicate with transparency their operations.

Its vision is to make a standard practice to the Sustainability Reporting, giving orientation and support to the organizations. It could be used by every organization without size, sector or location restrictions. The elaboration Guide for the sustainability

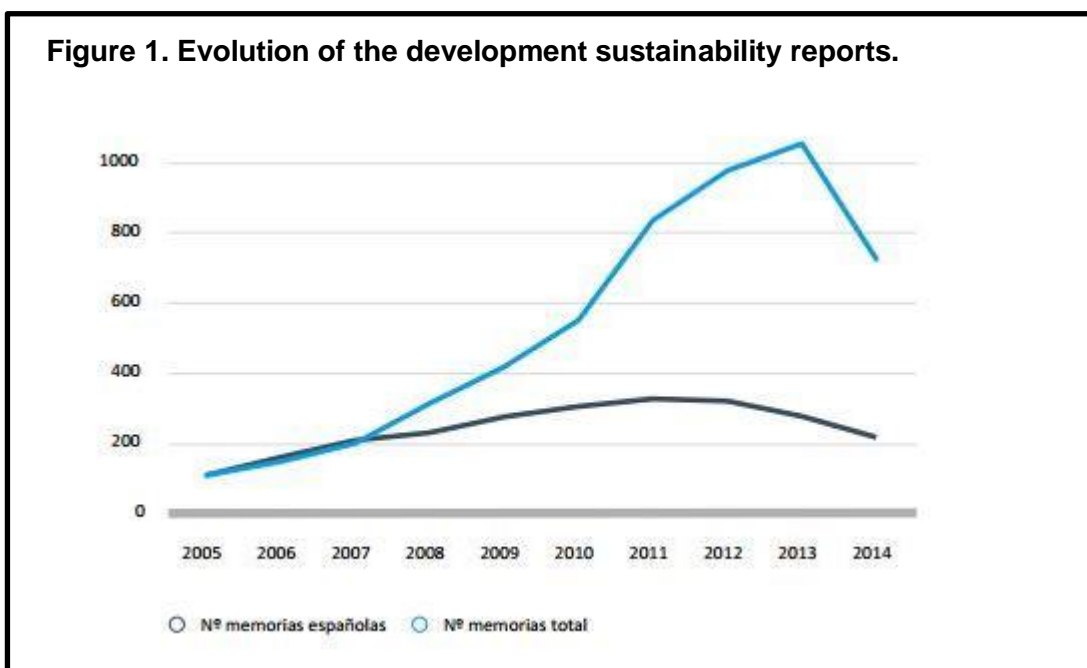
reporting has different principles with the finality of defining the content of the report and to guarantee the quality of the information that the companies will show.

The proposals why this company decides to carry out the sustainability reporting according to GRI (2013) are:

- Comparative studying and performance valuation of sustainability in relation to the normative, performance guidelines and voluntary initiatives.
- Demonstrate that how an organization can influence and be influenced by sustainable development.
- Compare the performance of an organization between different ones over the time.

3.2 Benefits of reporting.

The sustainability reporting elaboration is very important. As we can check, a lot of companies decide to published information comprised in this report because they will be reported with big benefits, but exist more reasons that this one. In the figure Forética (2015) points out the increase of sustainability reports elaboration.



Source: Adapted from 'El Informe Forética sobre el estado de la RSE', Forética, 2015.

Furthermore, it will be analyzed some beneficial reasons that are making the sustainability reporting more important as GRI (2015) and KPMG (2008) states:

- Upgrade its opportunity and risk compression. This is the primary objective. The sustainability reporting allows companies to realize the present and future risks that they are confronting to. Knowing the risks, companies can be faster to face any future problems. This is a competitive advantage for companies, they can go ahead their competence because this allows them to differentiate and get better performance in a sustainable way over the time (BBVA 2014).
- Upgrade its reputation and the company loyalty. In this globalized world the differentiation power and reputation is very important. One of the generic strategies of Porter, M. (1982) is the differentiation that allows the company's products to be perceived as something unique, special or superior. This produces that the costumers to pay a bigger price for the product than the average. The sustainability reporting allows the company to differ its product in different ways, like a great quality perception, confidence, services, or image that the public perceives of the company.
- Facilitate stakeholder understanding about the performance and sustainability impacts. It is important for a company that stakeholders perfectly know which activity the company is dedicated to, how it operates, what are their future plans, etc. Stakeholders increasingly have more power in organizations, and this power allows them to increase their control in the organization. If dialogue exists with stakeholders, the company can get a number of benefits (ORSE and CSR Europe 2009). Some of these benefits (Gomez, D. et al 2012) are gathering information to develop new processes, products and services; to be an innovative and distinct company from the rest; identifying new markets and business opportunities by understanding the current and future social, economic and environmental context; and improve risk management, due to the fact that taking control the dialogue with stakeholders the company's reputation will be higher. The differentiation of a company in a crowded marketplace can be given by the perceptions of stakeholders as indicated in Business Commitment (2006).
- Financial value production. As GRI (2013) states, sustainability reporting involves the collection, comparison and evaluation of the data on resources and use of materials. In addition, this produces that the companies get on mind the evaluation of business processes. This process helps the company to better identify opportunities for minimizing costs and income generation through a more efficient use of resources and materials of the company. With the identification of

information it is easier for companies to capture deficiencies, mitigate complaints from stakeholders, balancing the divergent interests between shareholders and other stakeholders, access to capital, solve problems, ensuring the sustainability of the company and achieve better results. (Business Commitment 2006).

- Adapt the changes in laws and regulations. Mitroff, I. et al (1997) in his classification of the different corporate crises includes laws, regulations and procedures as a point hampering the operations of the companies. When organizations are involved in changes the best course of action is not defensive, but direct actions to support these changes. When the government of the country in which the organization is seated makes reforms, companies must have the ability to discover, understand and capitalize to turn problems into business opportunities. The sustainability reporting helps companies to have the ability to understand and turn problems into opportunities and to achieve success as GRI (2013) states. It is the way of knowing the changes before they occur. For example, China is implementing its five-year plan of 2015, which is a series of reforms that companies must analyze and mitigate them (Herranz, C. 2015). One of the reforms is in the environmental field, because industrial development is impacting on water quality, soil and air; so, the companies should take action and anticipate events.

The development of the sustainability reports that includes the data collection, the communication and the answers, benefits the organizations in an internal and external level. It allows comparing the data to be able to grow and thrive.

4. CAVESMAITRE SHANGHAI WINE COMPANY PRESENTATION.

The chosen company for the sustainability reporting is a wine import and sale company in China. The origin of the wine products is from France and Spain. It is a company positioned in the market and direct sale of wine, that is imported from the best wineries.

4.1 History

This company in the wine industry, located in Shanghai with the name of Shanghai Cavesmaitre Wine (卡斯特) is committed with wineries that produce premium wines. For now, Cavesmaitre has already established in the country a leading corporate

reputation and a known brand. Besides being a selling wines company, it has successfully created a brand of French wine with a good market position; apparently it is already considered one of the best wines of France.

The harmony and tradition of the company insistently shows French brand ancestry. The company, thanks to its founder Li Tao (its European name is Daniel Li), has been implanted in China for 16 years and it was a pioneer of importing wine. This has enabled the brand that represents the company to become one of the first in the industry of high-end wine imported in China.

As can be found on its own website, the company listens to suggestions and feedback to its partners, customers and consumers. The principles of good governance that the company follows are fully listen, absorb information quickly and efficiently, and communicate for producing the full exchange of information within the business. Cavesmaitre states that listening to all ideas of its partners and employees improves it enough to become exceptional. The team makes sense in business and that is why the company values the personal development in every drop of wine in the field and in every point of the office.

The predominant feeling of the company in business and events is to establish the Cavesmaitre's brand with a unique corporate culture. Cavesmaitre tries to achieve that employees have a belonging sense, personal development and a sense of accomplishment; because the human team is the main value for them. The company is also involved in providing high quality professional services.

4.2 Mission

Cavesmaitre's mission is to make an interactive brand that reflects the wine culture in China. In collaboration with the Wines Cavesmaitre brand attempt to get that society knows the meaning of wine and everything that goes with that good quality product. Their own wines are produced in the four wineries owned by the company: Chateau Julie, Chateau Lamour, Chateau Tour Valadeand and Chateau Naudonnet. Cavesmaitre's future aspirations, as its founder states, is to be a global reference in the international arena and to develop the production of a quality wine that no one has yet succeeded in their land.

4.3 Vision

The company intends to sell the Cavesmaitre wine as a professional winery, as it is one of the largest wine importing companies with a professional team with more than

16 years of experience. The company has established a good reputation, and the brand is already well known for a large number of clients. Through its professional services they try to increase Chinese consumption and that is why they bring high quality products for the benefit of the Chinese society.

Cavesmaitre bid for French wine, and through its efforts they obtain products of excellence that people know beyond products originated in China, they introduce premium wines. The company selects a number of wines to offer a professional tasting and through that they discover wine products to Chinese people. They choose the French wine because it has the oldest and purest wine culture, perfect to enter the Chinese market.

In the future, they hope that through the creation of the subsidiary Panati, dedicated to the marketing of Spanish wines, the market development of Spanish wines in China will be promoted; which seems difficult because Chinese society is more used to know the wines of Bordeaux. As commercial manager of Spanish nationality Ezequiel Franco says, if the Chinese people could not read 'made in Bordeaux' on the bottle they would not taste it.

5. STUDY OF THE WINE MARKET IN CHINA.

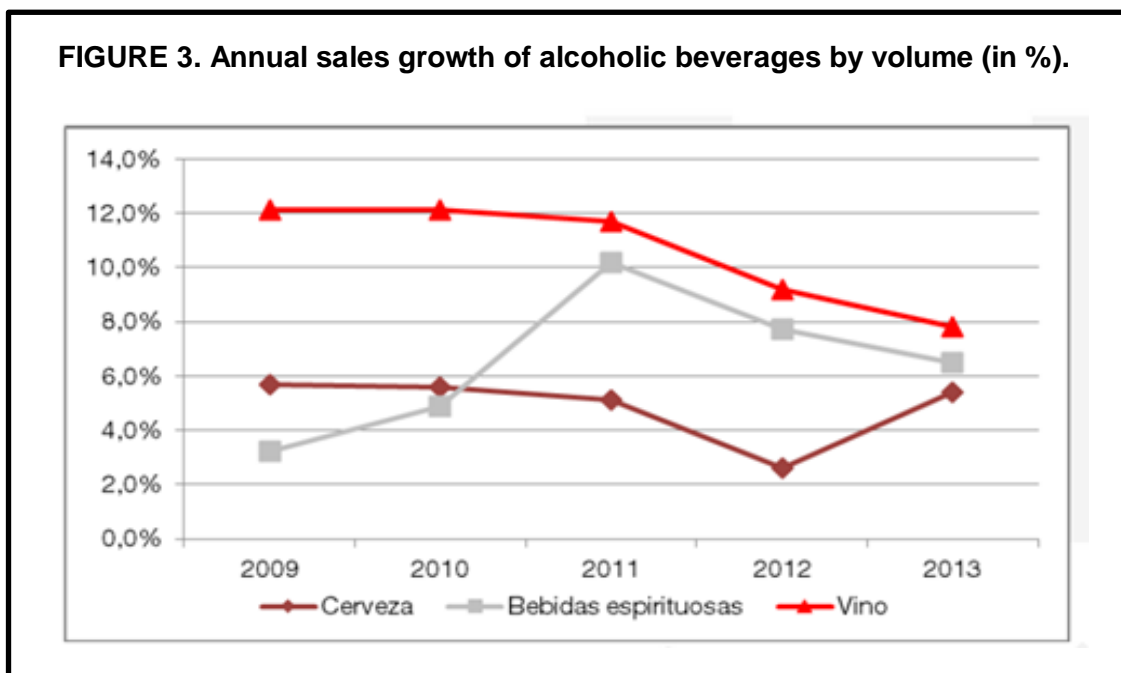
The wine market study in China made by El Instituto de Comercio Exterior (ICEX) 2014, shows that wine consumption has increased in recent years. Apparently the institution has studied that consumption has increased more than the beer, the most consumed alcoholic beverage in the country, and traditional liquors. According to ICEX (2014) the wine market in China is still being small but with high potential; although per capita consumption is still low, this country has become the fifth wine consumer. Furthermore, it appears that wine is becoming more popular and a growing number of wineries are interested in open market in the country, especially in big cities like Beijing (Beijing), Shanghai or Guangzhou.

FIGURE 3. Sales in million liters of alcoholic beverage in China (ICEX 2014).

	2007	2008	2009	2010	2011	2012	2013
Cerveza	38.640,3	40.672,7	43.000,3	45.404,3	47.738,2	48.984,3	51.649,7
Vino ³	2.452,9	2.750,9	3.083,8	3.457,0	3.861,0	4.218,3	4.546,4
Bebidas espirituosas	3.719,8	3.842,0	3.966,0	4.161,9	4.587,3	4.941,2	5.263,3
Otros	1,1	1,1	1,2	1,3	1,4	1,7	1,9
Total	44.814,1	47.266,8	50.051,3	53.024,6	56.188,0	58.145,4	61.461,2

Source: Adpated from 'El mercado del vino en China', ICEX 2014.

China has become the fifth largest wine consumer country worldwide behind the USA, France, Italy and Germany, according to the 2014 International Organization of Vine and Wine (OIV). This organization has estimated that in the period of 2000-2014, countries such as France and Italy had a negative growth rate in wine consumption, while China had grown by 57%.



Source: Adapted from 'El mercado del vino en China', ICEX 2014.

ICEX (2014) shows that the wine market is characterized as highly competitive one. It only allows participating experienced companies into export and import; besides, they must have sufficient resources to carry out long-term projects. According to this institution very few people know that China produces wine. This wine is a red wine, cheap wine and low quality, but due to an aggressive market of major Chinese brands its going deeper into the market. The main wineries with greater market share in China focus more on quantity than quality, but the report in El Mundo Vino (2010) indicates that some prestigious European wineries have already come to China to study the optimal place to produce wine, because they believe it is a sustainable long-term project.

As ICEX (2014) says the price of wine depends on whether imported or domestically produced. In China most of this product is imported, as said during this work, because national wineries are based on quantity, not quality. Apparently the price analysis made

by trading institutes indicates that the import causes a price increase, and the price of wine in a restaurant is multiplied by 7 or 8 times. The reasons indicated by the ICEX (2014) are the import tariffs, taxes, logistics costs (usually high) and also by the amply extended consideration of understanding the wine as a luxury reserved for special occasions. This particular reason is a market imperfection that allows importers and traders to raise their margins.

Maintaining a conversation about wine trade can reach the point that all Spaniards with viticulture practices (and even without them) wonder why the wine bought by foreigners it is usually French, and in this case why China imports more French wine than Spanish one. The answer according to El País (2015) is that Spain exports large quantities of bulk wine at bargain prices. Exemplary data that are published in this same source, is that Spain exported during the 2014 1,246 liters of bulk wine at 1.11 euros per liter. The same product is re-exported, used for making alcohol; mix it with other wines of different origins or countries like France and Italy sells at a much higher price, as stated in A. Carbajosa (2015) article.

ICEX (2014) in their report indicates the following: i) the image of Spanish wine is associated with a low-priced wine; ii) Chinese society ignores the Spanish wine regions, and iii) there are also unknown Spanish grape varieties such as Tempranillo and Monastrell in China (to which must be added the difficult to pronounce). The institute also marks that only enthusiastic and Chinese expatriates can learn aspects of Spanish wine because they've bothered to learn. Instead, they are better known for them varieties of French red wine such as Cabernet Sauvignon, Merlot, Shiraz or Pinot Noir.

Apparently, access to the wine product by the Chinese society is very limited, only society with high purchasing power and settled in big cities can consume this product. The acquisition channels are hotels, restaurants and karaokes. This channel as explained the Chamber of Commerce of Valencia (2010) is known as the HORECA channel and manages the sales to two-thirds of the population, which indicates poor accessibility for households to consume the product every day.

In terms of distribution there are different types as indicated by the ICEX (2014): i) the major Chinese brands with aggressive marketing; ii) large international chains that have created their own distribution channel and they sell only their products; iii) the imported product distributors as Cavesmaitre, the company which this work it is about, and its commercial manager indicates that in 2014 they had imported 4,800,000 bottles getting categorized as the third largest importer of all China; iv) and many newly

created with high volatility grade. Foreign companies must face up difficulties to enter the market because major Chinese brands dominate the distribution channels.

Other important aspect that should be mentioned and have an impact on wine are the measures from the Chinese government and the evolution of the Chinese market. China as indicated by Paulo M. (2013) is in an economic downturn and one of the measures the Chinese government has decided is to restrict the spending on gifts and celebrations, which affects high-priced wines and also, the growth of the wine market. Because of this, the market is undergoing a restructuring process; and some of the actions provided in the ICEX and included in the study of the Wine Market in China (2014) are:

- The professionalization of the distribution chain.
- The reduction of the excessive margins that are established nowadays.
- Higher expansion on the wine sales in the Chinese hinterlands.

This will produce as consequence a drop on the number of distributors on the market, and also a drop on the wine price.

To learn how the demand for wine products is characterized ICEX (2014) reports that it is important to study Chinese culture. Chinese culture is deeply rooted at the gifts, and wine is a common one. Gifts are made during major Chinese holidays (Spring Festival or Chinese New Year, Labour Day, National Day, Western Christmas, birthdays ...) and when business, friendships and personal relationships are made, which in Chinese is called 'guanxi' (relationships).

In short, the wine is associated with status, purchasing power and a position in society, like Michel, I. (2012) says. When the price is higher is more demanded for Chinese society, who considers that the more expensive the product is, the more economical capacity can be shown. ICEX (2014) adds that Chinese people have in mind the presentation of the label and packaging of the bottles. We can conclude that Chinese buy the product for its price and its presentation. This is due to the null wine culture. His conception of wine is rice wine called 'baijiu' which is like a brandy with a high percentage of alcohol. Finally, as Cavesmaitre's commercial manager (company object of this paper) states, the Chinese consumer is characterized by drinking the wine in one gulp like brandy to which they are accustomed, and if you want the Chinese to have wine culture, they must be trained in the habit and in the drinking ways.

6. ANALYSIS TO BEGIN CAVESMAITRE'S SUSTAINABILITY REPORT.

6.1 Study of materiality.

Global Reporting Initiative (2013) indicates in its report 'Materiality: what topics should organizations include in their reports?' that sustainability reports are a vital step to achieve intelligent organizations and the company allows growing combining long-term profitability, compliance with the law and environmental care. Being a transparent company is important to care the stakeholders, because the organization can measure, monitor and manage future impacts.

The organizations transparency (Cerón, L. 2014) to disclose and reflect on how the company manage the impacts clearly and accessible to its stakeholders and how the company put influence in the decisions and evaluations of the stakeholders. Transparency enables knowledge, builds confidence and facilitates accountability to its stakeholders.

The materiality point out that aspects are the most important to be reported. To determinate if one aspect is material (GRI 2013) we must begin by analyzing internal and external elements, such as, the mission of the organization, the competitive strategy, the concerns expressed by stakeholders, the social expectations, the influence of the organization above (the supply chain) and below (customers), the expectations of standards and agreements that should be achieved. These elements could create, preserve or erode the image of the company; and people have access to the information through Internet (Forética 2012). With the sustainability reports, the negative impacts can be improved better.

GRI (2013) says that the sustainability report does not only include financial aspects, it includes these aspects that affect the needs of the present generations without compromising the needs of future generations. Companies only report the annual accounts because they are required by law. The annual accounts are not only the important information; there is other information more interesting to the organization. To know which aspects, the company should report it.

Definitely, following 'Reporting Guidance for Defining Content' and applying 'Reporting Principles for Defining Content' in the GRI Sustainability Reporting Guidelines G4 (2013), we are going to carry out the Cavesmaitre's materiality study with the finality of i) recognize and address the opportunities and risks; and ii) understand their value in the financial and non-financial items. Due to the activity of Cavesmaitre (import and

commercialize wine in all the China communities), the items more materials that consider Guide G4 (2013) are:

1. Management and economic impacts.

This item is defined (Guide G4 2013) in how the economic dimension of self-sustainability of organizations affects the economic dimension of the stakeholders.

The company is situated in China, so apparently Globalasia (2015) indicate that the China's economy currently presents a big dependence of the exports and the foreign capital investments in the development of the industry. This is due to the cheaper workforce. China also has an important environmental problem and a growing inequality between income levels of its population. The economic recession of 2009 produced consequences in its exportations, and the interruption of the steady growth of the country. El Banco Santander (2015) says owing to the global economic slowdown, Chinese growth slows to 7.4% in 2014, according to these studies the lowest level in 24 years. In October of 2015 the Communist party leaders met to discuss the economic and social plan for the period 2016-2020, according to explanations of Herranz, C. (2015). Nowadays the Government worries reside in the society, the environmental deterioration, the corruption and the increasing inequalities. The reforms under discussion are the objectives of promoting domestic consumption and foment the technologic innovation.

Cavesmaitre contributes to foment the domestic consumption with the sales of the wine bottles. It dedicates to import a non-consolidate product in the country with the finality of getting that Chinese people could enjoy it. It is a national economic activity. El Banco Santander (2015) talks about the differences about the life levels between the city and the camp, urban coastal zones and the interior, and the west-east. For its part, Cavesmaitre is also trying to reduce these differences with travels and tastings for society, to make possible that they can know the wine products. As the owner explains, the company reaches the Chinese people inside the product, the company gives the opportunity to teach and experience the product for themselves and also know the health claims it has.

Besides selling wines, Cavesmaitre teaches society different customs (different from their own) with its wines. Cavesmaitre disclosed Europe customs and it also teaches winemaking habits of European. As the company says, it opens the mind of the Chinese people. The winemaking production is beginning in China (chapter 5), famous wineries are thinking of China to produce wine and Cavesmaitre has the

objective to sell wine of its country. So, this objective also helps to foment the economic development with its investment in other fields.

2. Environmental evaluation of the suppliers.

The trading companies do not produce the product and Cavesmaitre is a trading company. As well we have to talk about supply chain, the suppliers. As we can see in 'The Sustainability Reporting Guidelines G4 of GRI (2013)', this handbook values the directives that adopt the organizations to evaluate and choose its suppliers, in this case the wineries. The Cavesmaitre's method is appearing in the wineries. The commercial manager says that they carry out constant visits to the vineyards and wineries. In these visits enologists introduce the vineyards, explain their method, show the installations and perform tastings. All this makes the company to value and to select the suppliers with its experiences.

The company values the raw material, the grape harvest, the workforce, the grape-juice transformation, the storage in barrels, the years of storage, the phytosanitary care, the age classification to the company can provide wide market niche, the bottling, the quality certificates, the wineries standing and especially the price.

The grape harvest (finals August- beginning September, and middle October) is important to Cavesmaitre because during it, the grape selection is done, this is the process due to success of all the vinification. The company also takes in mind how the grape harvest is, if the process is manual or mechanic. Fernandez, J.I. (2009) and Bodegas H. Calvente (2015) mention the difference of both processes. The manual method is used for the production of high quality wines. In this method the vintner selects the brunches very carefully, one to one, with the finality of impeding the unwanted fermentation. The mechanic method is cheaper due to the lower cost of workforce.

Cavesmaitre values the importance of environmental impacts that suppose the activity of its suppliers. The company cooperates and encourages the measure and reduction of the environmental impacts with its suppliers. The Cavesmaitre's funder says that the image of his suppliers is the image of his company. The bad activities of his suppliers affect negatively to his company. The funder tells that his team takes measures like phytosanitary treatments, pesticides, exploitation of field professionals... The company values a lot the ecological products, not only to the society; also to reduce problems with the Chinese customs like says ICEX (2014) in its study about the wine market in China. The Government requires a lot of

requirement with the wine such as: SO₂ contents, ascorbic acid, dry extract that containing wine products and labeling. The law of China Security 1th of June of 2009 indicates that all products imported in China should wear Chinese label and the bottles have to contain the following information as indicated by the ICEX (2014):

- a. Product Name (is written according to phonetics in Chinese; that is 'pinyin').
- b. Ingredients
 - The list of ingredients must be specified on the label of pre-packaged alcoholic beverage, except for alcoholic beverages made from one material.
 - The list of ingredients of alcoholic beverages must have a title "raw material" or "raw materials and auxiliary materials."
 - The different kinds of raw materials and ingredients have to be listed decreasingly based on consumption in the production process. The ingredients below 2% of the amount consumed may not be listed in increasing order.
 - For mixed alcoholic beverages (spirits), will be labeled the base wine used, plants and edible animals (or products) to be mixed by spraying, soaking and added, herbal permitted by the state and food additives.
- c. Contents of the original extract, fruit juice content.
- d. Net Contents (ml).
- e. Alcohol content (%) (V / V).
- f. Production date (year / month / day).
- g. The grape wine and other alcoholic beverages with alcohol content greater than 10% by volume may be indicate the duration of quality assurance.
- h. Storage period (year / month / day).
- i. Name and address of the distributor, importer.
- j. Country of origin.
- k. Name of wine:
 - Still wines: dry, semi-dry, half-sweet, sweet).
 - Fortified wine.
 - Sparkling wine (brut, extra dry, dry, half-dry, sweet).
 - Wine half-foamy.
 - Carbonated wine.
 - Liquor wine.
- l. Warning to alcohol.

Finally I have to add that the company only involves its activity with suppliers that guarantee: work conditions, deal of respect for all workers, realize activities responsible with the environmental and achieve the applicable laws and regulations. The company should report these facts in its sustainability report.

3. Stakeholders

As explains GRI on its web page, the social dimension of the sustainability is associated with the repercussion of the organization's activities in the social system where the company is operating. The social performance consists in good labour practices, worthy work, human rights, society and responsibility about products.

The company, according with the funder, carries out different practices to social performance. Cavesmaitre tries to achieve that its employees have a sense of belonging, personal development and a sense of accomplishment because the team is the main asset of the organization. It wants its employees to be comfortable in their jobs because the motivation is important for obtaining productivity. The Cavesmaitre's owner encourages the brainstorming to progress. He tells that the company always needs new ideas to attract the society. In addition, the commercial manager has said that the Cavesmaitre's owner is providing studies about wines, exactly the Master of Wine. This is the most prestigious title in the wine world proportioned by The Institute of Masters of Wine.

The funder knows perfectly the wine cultures and the viniculture traditions in Europe. All started when the funder's parents emigrate from China to settle in Spain. The family establishes one of the first Chinese restaurants in Madrid and the Cavesmaitre's funder perceived that the wine world, has future in his country. In China a few years ago, the viniculture traditions were uncommon as says ICEX (2014), the wine that it obtained in China was like the liqueur known in Spain.

The funder was born in China and he has lived a lot of years in Europe. He knows how to teach wine culture in China. His methods are creating value in the product. To communicate the wine, the company develops a series of activities such as: tastings and teaching how to drink the wine and the wine properties. This tastings are carried out by the best enologists. They tell their experiences with the finality that society knows different opinions reaching the transparency. The company also makes trips to the wine meccas like France and Spain. Through this methodology people can meet the product qualities with their experiences.

To be released, the company participate in wine expositions in China, France and Spain, as you can see in the web page. The company videos demonstrate that it introduces its products in exhibitions and it also performs wine tastings with famous wine people. The company also makes interviews in the media with the finality that society knows its activity and they become attracted to participate in its trips. Its purpose as well as the funder says is that Chinese society meets different cultures than its own.

6.2. Determination of stakeholders.

The company's stakeholders, according with Freeman (1984) are any group which could affect or be affected by the company's activities when it wants to reach its objectives. The companies should not only pay attention the shareholders' interests. It should pay attention to employees, customers, society, suppliers, etc. The stakeholder's analysis, according with Fernandez, J. L y Bajo, A. (2012), is the new mind based on the stakeholders' management, the needs satisfaction, expectations knowledge and the management of the stakeholders' relationships.

It is important to establish agreements with the stakeholders, such as Stanberg, L. (2010), because the company could understand and involve these groups in its activities and take decisions. The agreement will be developing actions to recognize the stakeholders' rights to be listened. The company should answer the stakeholders' questions and should include in its strategic and operational development.

The stakeholders' agreement reports benefits (Stanberg, L. 2010):

- Quick identification of trends and relevant issues. When a company has relationships with its stakeholders, it has the possibility to identify new topics that can affect in the company and in the market.
- Risk management and improved opportunities. The fact of knowing the stakeholders' views and having access of the resources help companies to manage the risks and opportunities with efficiency and effectiveness.
- Innovation and improvement. Having the expectative knowledge of the interest groups could improve the process of the companies to create new products.

- Credibility establishment. Thanks to the power process of being interactive with the stakeholders, the company could have access to the information of first-hand and obtain a competitive advantage.

The method develops agreements with the stakeholders according Stanberg, L. (2010) is based on the stakeholders' matrix to understand and to know who those individuals are interested in it. The matrix incorporates the following details:

1. Identification: who are they and which are their names?
2. Expectations: what are they looking for and expecting to?
3. Obligations: what are their rights and what are the company rights?
4. Prioritization: who are the most important stakeholders?

The problem is the fourth detail, who are the most important individuals? Freeman (1984) suggested that stakeholders can be distinguished and classified in some parameters. The stakeholders could be internal or external; contractual or non-contractual; they could be divided in primary or secondary level, such as the direct interest in the company or their success; or if they have a representative interest and influence. But it seems more convenient to classify them as the proposal of Wheeler y Shillampa (1998), that according with Álvarez, I. (2009) is the more used classification in the specialized literature. This classification divides in: social primary, non-social primary, social secondary and non-social secondary.

Once classified in primary and secondary, the next step is prioritize, that is the company has to select what individual wants to satisfy. The company, according with Mitchell (1997) has to focus on the groups that achieve some requirements: i) the **power**, this individual has the position to influence in others; ii) **legitimacy**, this individual has the moral and legal capacity over the company's behavior; iii) **urgency**, the company's relation with the individual is troubled by the time and it is fundamental for the company's functioning. This method of prioritize is the most suitable one related to the stakeholders' management because according with Vaccaro, A. (2011) it provides information about the interest of the individuals in the company and the potential to affect in the business environment. Through this form, the company could spread or control in its reputation and the time factor.

The next step (GRI 2013) is to know the information important to communicate to stakeholders and how to do it. The company has to identify what the business is carrying out, what brand needs to be given, what social agreements want to acquire

and what level of confidence wants reflect to give them. The method to know all of these aspects is known by the stakeholders' expectations and interests. Try to reach an agreement between the objectives that the company wants to achieve and the mindset of these individuals with the finality to transform the threat possible in an opportunity. This is an issue of corporate governance of the companies. The companies change their method to create value; this new method would be creating valor focus in the society. It is a question that is evolving because the individuals change their expectations and perceptions daily.

Finally it is the moment to study the possible stakeholders of Cavesmaitre. The companies should find which activities would be able to get stakeholders' feeling of being part of the company. And the company could achieve to strengthen agreements and credibility. The analysis start with four groups of stakeholders: employees, customers, suppliers and media. This analysis has been possible studying the activities of competitors of the same sector and some of services sector such as: Bodega Pirineos (2002), Vidrala (2011) y Gonvarri Steel Services Península Ibérica (2013).

1. EMPLOYEES

The measures to know the trends and needs of this group are:

- Satisfaction surveys. It is a mechanism to know the employee's opinion of direct way, without leaving of the company. It could be done in any time or situations, when the company needs it. The company whit this method can evaluate the opinions and establish improvement plans.
- Disposition of daily information in the Intranet of the company. In the corporative web, the company can communicate the news and optimal information with the finality of employees knowing information about the company (more information than their area) and they will feel part of the company.
- Assistant Manager meetings with other employees. The interdepartmental meetings are also a measure very valuable by employees. These are methods to create synergies, provide ideas, resolve issues, etc. And the directors can communicate with employees and vice versa, without hierarchy.
- Establish a motivation and encouragement system. The employee needs that the company recognizes his work. Lan, E. (2015) says that the companies have to put aside the authoritarian leader who only requires money. He has to inspire his team

and has confidence because 'a good leader inspires people to have confidence in the leader, a great leader inspires people to have confidence in themselves' (Lan, E. 2015). One measure to motivate the personnel could be that the company set up a program called 'the employee of the month'.

- Apply the empowerment. A good leader applies the empowerment, that means to give the capacity to the employees to have access and critic use of the information, have technology, abilities, responsibility and authority to use the information (Blanchard K. et al 2000). The employees should have capacity to propose ideas and to be productive. This is a tool that replaces the old hierarchy. In this case the information is shared with the employees. Ramos, E. (2015) points out that the companies which involve all the personnel, has the success, improves its productivity, reduces the personnel rotation, increases the personnel satisfaction and encourages the innovation.
- Formation of the employees. The companies can train their personnel in the area that they consider more important, such as to be more innovative. This is a method that results in more satisfied employees and they feel glad because this means that the company does not replace its personnel. Cavesmaitre is a good example of this, because, as the commercial manager says, the company facilitates him with the Master of Wine.

2. COSTUMERS

As it is mentioned before, Cavesmaitre has two different groups of customers: the wholesale and retailing, in its shop situated in Shanghai (China). The company commercializes its wines to business owner. These buy enormous quality of wine to after sell on, for example, to restaurants. In addition, Cavesmaitre sells wine to citizens in its shop. This shop has specialized employees in the product. The problem is when the company wants to do personalized sales, focusing on the customer's expectation. The company needs to keep fluid relationships and developing a service focus on this. With the following activities the company could achieve all this (Bodega Pirineos 2002, Vidrala 2011 and Gonvarri Steel Services Península Ibérica 2013):

- B2B platforms. This is used for direct communication with the wholesales. The wholesales can explain its claims or its requests.

- Satisfaction surveys. Both with customers and employees is a very useful tool because the company can know the opinions, evaluate it and take measures to correct or develop new projects.
- Tastings with the products. Cavesmaitre already carries out tastings, because it knows the importance of the people identifying its product. This activity is a way to establish relationships seller-customer. The client is comfortable and not pressured to buy the product.
- Extra detail or promotions. It is to promote loyalty to future customers. With this the customer is very glad because he/she has achieved a benefit of the seller and he/she has been given a good behavior from the seller such Valero, M. (2015) says. This fact produces that the customer comes back to buy more products. Other aspect is the discount by volume, when the customer buy an enormous number of bottles, the seller gives them a good discount. It is a way to meet the customer's characteristics. Also it is important the 'extra detail' for example when it is the birthday of the customer, because the company establishes relationships.

3. SUPPLIERS

According with Garza, J.M. (2012) the collaborative relationships with suppliers bring mutual benefits, because all interested parts have a common aim. It is called supply chain management. But to have a relationship equal to equal with transparency these tasks should be carried out:

- Visits. To meet the supplier, its installations, its machines and its processes. And the company has to be conscious of the limitations and abilities to be able to require honesty.
- Planning product needs in advance. The company can plan its needs of products thinking in the suppliers. And the suppliers can also plan to achieve the company's expectations. The sales department could write its petitions and agree with the suppliers' deliveries, because they can gather all the resources and the company can plan its sales.
- Suppliers' evaluation. With the famous surveys (used in all the analysis), the company could have a vision approximate of the relationships' results with the

suppliers. These surveys lend to find out things like deliveries punctuality, rate of returns, damaged items... The company could check the merchandise received and verify that the suppliers do not have reclamations that it has to know it, such as payment with lack of punctuality.

- Creating a direct tie. The companies should have a purchase department because according with Perez, A. (2015) a correct management of purchases could report to companies a benefits' increase and a getting high quality products.

4. MEDIA AND SOCIAL SOURCES.

Today the society has an active presence on the Internet. The people have daily access. The Internet has become in the most important media in the world. According with Servimedia (2015) 'a 24.7% of the individuals consume online audiovisuals contents more than once time a week'. Morales, R. (2015) analyzes how to manage the brand reputation of the company in the social sources and adds information such as the society use internet to entertainment, related and keep informed. More and more individuals use the social sources to communicate with other users their opinions about brands, products, companies, etc. To manage the social sources and the media companies should carry out the following, according with Morales, R. (2015) and competitor's reports:

- Monitoring and analyzing international and national news that may affect the industry and the company. The companies should know if the society speaks about their brands, products and sector; who do it and detect their influence in the social sources. Definitely, the companies should investigate and evaluate the impacts that can affect the company in the virtual world. Nowadays, it could be useful the Volkswagen example, the new about the CO2 emissions handling of Volkswagen company. The new has affected in the company value, the economic value and the social value because it is known around the world (Muñoz, A. et al 2015).
- Issuance of press releases. As it was said before, the internet function is to keep informed. The companies with the press releases can do people to know its activities. The press is a very useful tool for the companies because they can communicate all that they want (Tomás, J. et al 2003).

- Creation of corporate channels. The social sources or corporate channels will be the new business operating system, according with Tapscott, D. (2008). Manpower (2010) says that using the social sources to connect simultaneously with big groups of people give a lot of advantages. And the experts of Quadram Mobile Solutions (2015) add that Twitter, Instagram and Facebook (the most important social sources with more users) are the billboards of the XXI century. With all of this information, we can understand that the social sources are the revolution to brands and they are in the quotidian life.

- Go to exhibitions, forums and conferences. Solá, R. (2000) studied in her investigation called 'Las ferias como escaparate de la comunicación empresarial' that these exhibitions are used to increase the business opportunities, because the companies could contact with a lot of customers and these customers go to visit the companies installations and not being vice versa as usual. The exhibitions are also used to communicate the culture, the vision and the mission of the company, to promote, to encourage the public relationships and to do publicity about the product, the brand and the company.

- Post on corporate websites the annual reports and sustainability reports. Having a section to introduce the news about the company, the events attendance and participate in sectorial bulletins. The activity published of the company shows the transparency and establishes credibility. The best mechanism to do this is having a section in the web page. There are already companies such as el Banco Santander, Iberdrola, BBVA, Acciona... that have this space in its web. However, other companies smaller such as Bodega Cuatro Rayas (2015), has a space to put the Corporate Social Responsibility (CSR) where the people could consult its policies.

To establish a dialogue with stakeholders is a method to anticipate risks and develop projects, having in mind the customer's needs. As says Tapscott, D. et al (2010) 'the success and the survival of the companies and our economy depend on the approach that we do of the transparency, the accountability, the reports elaboration and the society involvement.'

7. PROJECT JUSTIFICATION. PROPOSALS TO DO THE FIRST SUSTAINABILITY REPORT OF CAVESMAITRE.

This present project, as it has been commented, is the development of a proposal for sustainability report for a company called Shanghai Cavesmaitre Wines. The company commercializes imported wines of prestigious wineries of France and Spain to all the Chinese territory. In addition, it is also immersed in a project to produce wine; this wine is made in four wineries of its property in Bordeaux (France).

The reason for choosing the company was because its activity was previously known and the information was available of first-hand, thanks to the treatment with the commercial manager. The interviews with the founder and the commercial manager have been allowed to find out dates beyond published on the web. Another reason was the possibility to visit the company in Shanghai (China) and being part of the team during a period of time, but finally the visit was postponed for later (for a short-term future) due to structural problems.

The choice of the sustainability report was on the peak that this document has experienced today, because as indicates Mediaresponsable (2011) the sustainability report is one of the powerful channels to communicate due to its ability to reach various stakeholders and to involve all areas of the company. It is the method to measure, disclose and be accountable to interest groups in sustainable development. This topic is very current and it has a future very broad. According to GRI (s.f.) the number of sustainability memories has increased considerably since its widespread use in 2000, due to the demand of information about the social and environmental performance by the society and investors. Focus on sustainability memories for China was also interesting because as KPMG (2008) said the companies of China are not required to make this type of memories, but three of the four largest banks published their corporate social responsibility report separately to their annual reports in 2007. Since this occurrence some companies were more conscious with the RSC, and due to the Government reactions about the environmental protection and climate change, it has increased the number of companies that are interested in sustainability reports.

Then with the help of the principles guiding the preparation or reports and Implementation Handbook for GRI, contained in the Guide G4 (2013), it is going to describe proposals to facilitate the elaboration of Cavesmaitre's memory. Organizations 'in accordance' with GRI have two options: the essential and the comprehensive. To be an organization that starts for the first time with a sustainability

report is considered more convenient to carry out the essential option. This option consists of the fundamental report elements and provides a framework by which organizations transmit the consequences of social, environmental, economic and government performance (Guide G4, 2013).

The first item that the memory of Cavesmaite should include is the strategy and analysis category. This point is the place to introduce the organisation's sustainability image because the people can understand the organization's strategic issues. All this could be achieved with a **statement from the most senior decision-maker of the organization** (such as CEO, chair or equivalent senior position) about the relevance of sustainability to the organization's strategy for addressing sustainability. Analysing sustainability reports of companies such as Vinyes Domènech (2012), Grupo Codorniu (2012), Portell Vins i Caves (2011) y Bodega Pirineos (2004), the declarations must follow letter format with a formal structure, indicating their economic, social and environmental commitments.

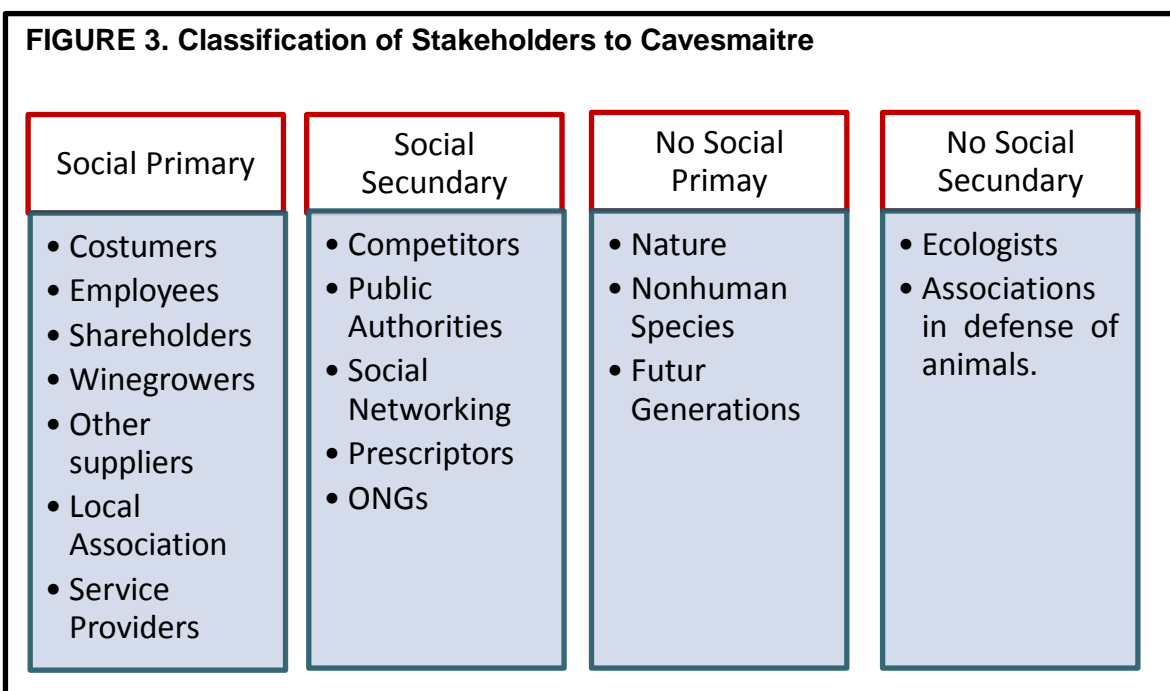
Then, in the second one, the company should introduce the **organization profile**. Adding characteristic aspects (following the precautionary principle) such as: the brands, products and services; the location of the organization's headquarters; the places where the organization operate; the nature ownership and legal form; the organization chart; the supply chain; and the participation in external initiatives. In this way like the Guide G4 (2013) says, the company can offer a general image of the organization's characteristics and this is the introduction to develop the next items of the memory.

The third one is the introduction of the **mission, vision and values sustainably**. The mission according to Kotler, P. et al (2004) is an important element of the strategic planning and describes the reason to be of the company, the role to achieve its vision. The vision (Jack, F. 2000) is the way the company continues to achieve its strategic decisions for growth. And the values according to Porter, M. (1979) is where the company explains its priorities, its important items, and shows that it is above competition.

Following reports of the similar sector companies above mentioned, it is proposed that Cavesmaitre redo its mission and vision including the follow aspects: i) the stakeholders' satisfaction, ii) the respect about the environment and business ethics, iii) the economic and social development, iv) full guarantees of quality of products and services provided by the organization, v) equal opportunities. Finally due to the lack of written values it will be interesting that the values identifying the companies' objectives

and strategies to take future projects and challenges. The company could achieve a reliable and credible image perceived by stakeholders (López, I. 2009).

As Stanberg, I. (2010) added: 'it is crucial that the relationship with the stakeholders will be relevant and aligned with the strategy of the company', because according to the author the development of commitments with these individuals reports benefits. In the chapter of Stakeholders already identified and proposed methods to make the interest groups feel to be part of the company. The method proposed by Accountability (2005) says that the company has to prioritize. There are two ways to prioritize: according to the social maturity of the issues and according to the level of the stakeholders' influence and dependence. Due to the fact that it is the first memory to Cavesmaitre, it could be better the second way, prioritize according to the stakeholders' influence and dependence. Following the sustainability report of the Codorniu's Group (2012) and the Wheeler and Shillampa (1987) classification, the Cavesmaitre's stakeholders could be identified such as:



Source: own elaboration.

This table indicates the possible Cavesmaitre's stakeholders. They could affect or be affected by the actions of a company like Cavesmaitre. Exit the possibility that the company identify other individuals. Having identified the stakeholders it is recommended to include the following in the sustainability report (following the G4, 2013):

- Indicate the basis for the election of its interest groups.
- Describe the orientation that the company has designed with its interest groups.
- Add the problems that the company has had with its stakeholders, when they became part of the company and explain the company's evaluations to solve the stakeholders' impacts.

The fourth one combines 1) **governance structure and composition**, indicating which committees are responsible on economic, social and environmental issues; and 2) **ethics and integrity**, where the company should provide a vision of the organization about the values, principles, standards, and internal/external mechanisms of advice on ethical and licit conducts.

In the fifth one we have to talk about the **Disclosures of Management Approach (DMA)**. The companies can explain their methods to manage the economic, social and environmental impacts related to the Material Aspects. The material aspects reflect the important and relevant impacts for the company and should be let known; or they are also those which are significant in the stakeholders' evaluations and decisions, as shown in Guide G4 (2013). The material aspects that indicate G4 can be checked in the annexed.

In the last one the company should indicate the reason for deciding that aspect considered material (important), how the organization manages the aspects or impacts, and finally assess the management approach that deals with the company. The model 'in accordance' essential recommends one indicator for a set of material aspects which are considered to be the most important for Cavesmaitre (because there are a lot of aspects as you can see in the figure). Following the memory of the Codorniu's Group (2012) and the model 'in accordance' essential (G4 Guide, 2013), the most important aspects that I considered are:

1. Economic performance. The indicator more appropriate is 'Direct economic value generated and distributed (G4-EC1)'. This is ideal to specify Cavemaitre's information: the direct economic value generated (income), the distributed economic value (operating expenses, salaries and employee benefits, payment to providers of capital, payments to Governments, investment in communities...), and the retained economic value (which is the difference between the direct economic value generated and the distributed economic value). These data should be removed from its annual accounts audited or its management account audited internally. In this way is detailed how the company has created wealth for its stakeholders.

2. Supplier Environment Assessment. To evaluate this aspect, and the first one, people responsible of carrying out the reports have to pay attention the recommendations to make the materiality analysis that recommends GRI (G4 Guide, 2013), for example in this aspect GRI recommends the following:

Figure 4. Disclosures on management approach about the Aspect: Supplier Environmental Assessment.

.....

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH 

<p>Aspect-specific Guidance for G4-DMA-b.</p> <p>Describe the systems used to screen new suppliers using environmental criteria. List the environmental criteria used to screen new suppliers. Environmental criteria or environmental impact assessments may cover Aspects under the Environmental Category.</p> <p>Describe processes used, such as due diligence, to identify and assess significant actual and potential negative environmental impacts in the supply chain. Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.</p> <p>Describe how the organization identifies and prioritizes suppliers for assessment of environmental impacts. Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.</p>	<p>Describe actions taken to address the significant actual and potential negative environmental impacts identified in the supply chain. Explain if the actions are intended to prevent, mitigate, or remediate the impacts. Actions taken may include the adjustment of the organization's procurement practices, the adjustment of performance expectations, capacity building, training, changes to processes and terminating the relationship with a supplier.</p> <p>Describe how expectations are established and defined in contracts with suppliers to promote the prevention, mitigation, and remediation of significant actual and potential negative environmental impacts (including targets and objectives).</p> <p>Describe whether suppliers are incentivized and rewarded for the prevention, mitigation, and remediation of significant actual and potential negative environmental impacts.</p>
<p>Describe practices for assessing and auditing suppliers and their products and services using environmental criteria.</p> <p>List the type, system, scope, frequency, current implementation of assessment and audit, and which parts of the supply chain have been certified and audited. Assessments and audits of suppliers and their products and services using</p>	<p>environmental criteria may be undertaken by the organization, by a second party or by a third party.</p> <p>Describe the systems in place to assess the potential negative impacts of terminating a relationship with a supplier as a result of environmental impact assessment, and the organization's strategy to mitigate these impacts.</p>

Source: Sustainability Reporting Guidelines G4, Global Reporting Initiative (GRI), 2013.

As regard to the indicator may be more convenient 'Significant actual and potential negative environmental impacts in the supply chain and actions taken (G4-EN33)'. With this indicator the company can study the number of suppliers subject to environmental impact assessments; the suppliers have significant, actual and potential negative environmental impacts; how many negative impacts discovered in the supply chain, etc. With the indicator, the concerned individuals can understand the significant negative impacts of the company's supply chain. And the company also can take measures in this regard.

3. Employment. With the finality that the stakeholders know more in detail the company, it may use the indicator called 'Total number and rates of new employee hires and employee turnover by age group, gender and region (G4-LA1)' This point should include the total number of new employee and the rate of employee turnover; by age group, gender and region. This information indicates the organization's strategy and ability to attract skilled and diverse employees. And it also reflects the company's efforts to implement procurement practices where the company considers the talent and qualification of the workforce.

4. Occupational Health and Safety. The worker, according to the regulations of the International Training Centre of the International Labour Organization (2008), must have guaranteed their health and safety in all aspects of his work. So in this section, the company should communicate its programmes for the prevention and control of occupational hazards. The appropriate indicator is 'Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advice on occupational health and safety programs (G4-LA5)'. In this indicator the company has to specify the actuation of the performance level of the formal committees of safety and health with the management and the employees; and the percentage of employees who are represented by a formal committee. As well (Guide G4, 2013) it involves the workers in the improvement of the health and safety in their workplace, and manifests how many workers are involved in this topic.

5. Training and Education. As indicated in the previous chapters, Cavesmaitre has polices of training its employees established but the company has to communicate and improve them with the next indicator called 'Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings (G4-LA10)'. Cavesmaitre has to explain what types and the scope of the programs that are conducted to improve the capabilities of workers. With the training programs, the companies can plan and the workers obtain abilities and satisfaction.

6. Customer Health and Safety. For the customer's health safety is necessary as indicates the Guide G4 (2013) that the company evaluates the next steps in the value chain of the products: Development of product concept, Research and development, Certification, Manufacturing and production, Marketing and promotion, Storage distribution and supply, Use and service, and Disposal, reuse, or recycling.

The indicator that it is recommended to use is 'Percentage of significant product and service categories for which health and safety impacts are assessed for improvement (G4-PR1)'. In this last point, the company has to indicate what percentage of products and services are evaluated to improve their healthy and security impacts. These help the company to identify and take initiatives to offer healthy and safe products. The company will also get the customers' confidence because they expect to consume products that fulfill satisfactorily their functions and they do not add a risk for the health (Guide G4, 2013).

With all these material aspects and indicators provided by GRI, Cavesmaitre may carry out a sustainability report when needed. Cavesmaitre, as it has been explaining in this work, has many points in favour due to all that actions that it carries out. Now it has to demonstrate its intentions to be sustainable, respecting the economic, social and environmental impacts. The company may satisfy the information needs of its own stakeholders and achieve a good reputation. As indicates Medioresponsable (2011), one of the principal reasons about responsibility reports is the disclosure of sustainable organizational performance. Finally, adding that the main problem of the organizations when making the sustainability report is the difficulty to get all the necessary data. Cavesmaitre with this project may solve this because it has the way to do its first sustainability report.

8. CONCLUSIONS

This project addresses the performance of sustainability reporting based in the Global Reporting Initiative (GRI). The company have never considered of doing a sustainability report. The development of this project has revealed the sustainability with more detail. Apparently, the sustainability reports are very important to the companies and the stakeholders. The company object of the sustainability report proposal is very pioneering with the sustainability issues and the country too. The company sector is also very implicated with this type of reports. It was an initiative that the company had to carry out.

It has been studied that GRI have been the cause of the increase of sustainability reporting in the worldwide. GRI has provided to the companies making this recent report and has standardised the structure and the contents of the sustainability reports, as the annual accounts. It has also studied against points: i) some companies find

more standard the GRI's implementing instructions; ii) the departments responsible for their preparation have problems to find appropriate information and homogenize the reports; and iii) some companies take these reports like a marketing tool, it does not take the stakeholders' opinions seriously. In addition the guide can be quite tedious.

This project has allowed me to see in the first hand some benefits that the sustainability report implementation produce for companies such as Cavesmaitre. Some benefits are: the value of the company, the growth of the company, the communication with stakeholders to build confidence and transparency, the increasing number of customers, the problems solution and the investment attractions, among many others.

China the country where the company is installed is also increasing the sustainability reports. KPMG (2008) has allowed me to be aware that the companies are motivated in achieving sustainability reports for various reasons: the desire to prosper the company image, the desire to support the new sustainable government policies, the ethic of the younger business leaders and the media pressure. However, it is understood that there are difficulties to carry out the sustainability reports because there are many differences in regulatory requirements and disclosure of information in China; but the new requirements of the Chinese Government of doing a country more sustainable and the compliance of the global agreements on environmental issues make me think that these items could be the most important ones for companies in China developing sustainability reports.

The wine sector has some impact on sustainable issues. The wine professionals pay attention to the ecosystem to achieve better results than the competition. The news such as 'the wine sector experienced a fall in consumption in 2011 but due to realize policies to respect the environmental, the consumption remount, according to the Organización Internacional de la Viña y del Vino (OIV) (2013).

The company sample has success but with all the aspects studied and analyzed, the company achieves to be durable in the future, a challenge today.

9. REFERENCE LIST

- Accountability (2005) *El compromiso con los stakeholders. Manual para la práctica de las relaciones con los grupos de interés*. Unpublished handbook. London: Accountability Institute.
- Álvarez, I. (2009) 'Las memorias de sostenibilidad: un instrumento para la gestión de la sostenibilidad'. *Revista Española de Financiación y Contabilidad*, Vol. XXXVIII, no. 144, pp. 677-697.
- BBVA (2014). *La importancia de las estrategias competitivas en la empresa* [online] available from <<http://www.bbvacontuempresa.es/a/la-importancia-las-estrategias-competitivas-la-empresa#sthash.YXq8Vdj5.dpuf>> [5 November 2015].
- Blanchard K. et al (2000) *Empowerment takes more than a minute*. USA: Berrett-Koehler.
- Bodega Cuatro Rayas (2015) *Responsabilidad social de la empresa* [online] available from <<http://www.cuatrorayas.es/es/responsabilidad-social-empresarial/>> [7 noviembre 2015]
- Bodega Pirineos (2002) *Memoria de Sostenibilidad Bodega Pirineos no 1*. Somontano: Bodega Pirineos company place.
- Bodegas H. Calvente (2015) *La Vendimia no 2* [online] available from <http://www.bodegashcalvente.com/documentos/noticias/articulo_la_vendimia_revista_take_one_numero_2.pdf>
- Centro Internacional de Formación de la Organización Internacional del Trabajo (2008). *Guía sobre las Normas Internacionales del Trabajo* [online] available from <http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---normes/documents/publication/wcms_087344.pdf> [19 November 2015].
- Cerón, L. (2014) 'Importancia de la ética y transparencia en los negocios' *Mediolleno* [online] available from <<http://mediolleno.com.sv/oportunidades/importancia-de-la-etica-y-transparencia-en-los-negocios>> [19 November 2015]
- Compromiso Empresarial (2006). *Memorias de sostenibilidad, una nueva forma de mirar a la empresa* [online] available from

<<http://www.compromisoempresarial.com/rsc/2006/03/memorias-de-sostenibilidad-una-nueva-forma-de-mirar-a-la-empresa/>> [2 November 2015].

CSR Europe, Observatoire sur la Responsabilité Sociétale des Entreprises, Forética (2009) *Diálogo con los Grupos de Interés. Guía práctica para empresas y stakeholders*. Unpublished handbook. Spain: CSR Europe, Observatoire sur la Responsabilité Sociétale des Entreprises, Forética.

Editorial Medioresponsable (2011) *Los informes de sostenibilidad: presente y futuro*. Spain: Medioresponsable Publisher.

El Banco Mundial (2015) *Crecimiento del PIB (% anual)* [online] available from <<http://datos.bancomundial.org/indicador/NY.GDP.MKTP.KD.ZG>> [19 November 2015].

El Banco Santander (2015) *China: Política y Economía* [online] available from <<https://es.santandertrade.com/analizar-mercados/china/politica-y-economia>> [20 October 2015]

Fernandez, J.I. (2009) *Costes de vendimia mecanizada*. Unpublished booklet. La Rioja: Agrupación Riojana para el Progreso de la Viticultura.

Fernández, J.L. y Bajo, A. (2012) *La Teoría del Stakeholder o de los grupos de Interés pieza clave de la RSE, del éxito empresarial y de la sostenibilidad* no 6 vol 6. Unpublished PhD dissertation. Spain: Adresearch Revista Internacional de Investigación en Comunicación. ESIC Business & Marketing School.

Fleitman, J. (2000) *Negocios Exitosos*. México: McGraw Hill.

Forética (2015) *El Informe Forética sobre el estado de la RSE*. Spain: Forética Institution.

Forética (2012) *El valor de la transparencia no 5* [online] available from <http://foretica.org/images/stories/documentos_generales/rsearch_5.pdf> [8 November 2015]

Garza, J.M. (2012) *La importancia de las relaciones con los proveedores* [20 November 2012] available from <<http://expensereduction.eu/es/blog/la-importancia-de-las-relaciones-con-los-proveedores#.Vk2aOnYvfiU>> [10 November 2015]

- Global Reporting Initiative (2013) *Materiality: what topics should organizations include in their reports?* [online] available from <<https://www.globalreporting.org/resourcelibrary/Materiality.pdf>> [20 October 2015].
- Global Reporting Initiative (2013) *Sustainability Reporting Guidelines*. Unpublished handbook: Amsterdam. Global reporting Initiative.
- Global Reporting Initiative (s.f.a): *Benefits of reporting* [online] available from <<https://www.globalreporting.org/information/sustainability-reporting/Pages/reporting-benefits.aspx>> [15 May 2015]
- Global Reporting Initiative (s.f.b) *Materiality* [online] available from <<https://g4.globalreporting.org/how-you-should-report/reporting-principles/principles-for-defining-report-content/materiality/Pages/default.aspx>> [28 October 2015]
- Global Reporting Initiative (s.f.c) *Stakeholder Inclusiveness* [online] available from <<https://g4.globalreporting.org/how-you-should-report/reporting-principles/principles-for-defining-report-content/stakeholder-inclusiveness/Pages/default.aspx>> [4 November 2015].
- Globalasia (2015) *China intensificará las medidas para estimular el consumo* [online] available from <<http://www.globalasia.com/tag/economia-china>> [11 November 2015].
- Gómez, D. et al (2012) *Diálogo con grupos de interés en Responsabilidad Social y Sostenibilidad Empresarial 2* [online] available from <http://www.eoi.es/wiki/index.php/Di%C3%A1logo_con_grupos_de_inter%C3%A9s_en_Responsabilidad_Social_y_Sostenibilidad_Empresarial_2>[6 November 2015].
- Gonvarri Steel Services Península Ibérica (2013) *Memorias de Sostenibilidad GSS no 6*. Navarra: GSS company place.
- Herranz, C. (2015) 'China revisa su política económica en un nuevo plan quinquenal' *RFI Español* [online] available from < <http://www.espanol.rfi.fr/asia-pacifico/20151028-china-revisa-su-politica-economica-en-un-nuevo-plan-quinquenal>> [31 October 2015].

- Instituto Nacional de Seguridad e Higiene en el Trabajo (s.f.) *Manual de procedimientos de prevención de riesgos laborales*. Unpublished Handbook. Spain. Instituto Nacional de Seguridad e Higiene en el Trabajo (INSHT).
- Kotler, P. et al (2004) *Fundamentos de Marketing*. Chicago: Prentice Hall México.
- KPMG (2008) *Sustainability reporting. A guide of China*. Unpublished handbook: Huazhen. KPMG.
- Lan, E. (2013) *Arma un plan de motivación para tu equipo de ventas* [12 February 2013] available from <<http://www.altonivel.com.mx/34008-plan-de-motivacion-para-tu-equipo-de-ventas.html>> [9 November 2015]
- López, I. (2009) *La importancia de las memorias de sostenibilidad*. Spain: Villafañe & Asociados.
- Manpower (2010) *Redes sociales y empresa Cómo aprovechar el poder de los social media*. Unpublished booklet. Spain: Manpower Professional.
- Mitroff, I. et al (1997) *Cómo gestionar una crisis*. Barcelona: Gestión 2000.
- Morales, R. (2015) *Cómo controlar tu reputación de marca en redes sociales* [29 September 2015] available from <<http://bilnea.com/como-controlar-reputacion-marca-redes-sociales/>> [6 Noviembre 2015].
- Muñoz, A. et al (2015) 'Volkswagen se desploma un 34.7% en bolsa en dos días y pierde 27,852 mde.' *El Economista* [online] available from <<http://www.eleconomista.es/empresas-eAm-mexico/noticias/7020994/09/15/Volkswagen-se-desploma-un-347-en-bolsa-en-dos-dias-y-pierde-27852-mde.html>> [6 Noviembre 2015].
- OIV (2013) [El mundo del vino fija su supervivencia en la calidad y la sostenibilidad](http://elcorreodelvino.net/noticia/25/644/el-mundo-del-vino-fija-su-supervivencia-en-la-calidad-y-la-sostenibilidad) [online] Available from <<http://elcorreodelvino.net/noticia/25/644/el-mundo-del-vino-fija-su-supervivencia-en-la-calidad-y-la-sostenibilidad>> [21 November 2015]
- ONU (1987) *Our Common Future*. New York: Brundtland Commission United Nations.
- Pérez, A. (2015) *La importancia de la Función de Compras* [20 April 2015] available from <<http://meetlogistics.com/archivos/funcion-de-compras>> [10 November 2015]

- Porter, M. E. (1980) *Competitive Strategy: Techniques for Analyzing Industries and Competitors*. New York: Free Press
- Porter, M. E. (1979) *Las cinco fuerzas de Porter* [online] available from: <<http://www.5fuerzasdeporter.com/>> [18 November 2015]
- Quadram Mobile Solutions (2015) *5 razones para publicitar una empresa en redes sociales*. [26 October 2015] available from <<http://www.siliconweek.es/enterprise/5-razones-para-publicitar-una-empresa-en-redes-sociales-89968>> [6 November 2015]
- Ramos, E. (2015) *Involucrar a toda la organización, la clave del éxito* [9 November 2015] available from <<http://www.altonivel.com.mx/54265-involucrar-organizacion-clave-exito.html>> [10 November 2015]
- Serra, D (2014) 'La formación de los empleados, estrategia de éxito de las empresas' *La Vanguardia* [online] 28 August 2014. available from <<http://www.lavanguardia.com/economia/management/20140828/54413295219/formacion-empleados-estrategia-exito-empresas.html>> [18 nov 2015].
- Servimedia (2015) 'Internet gana terreno a la televisión entre los adolescentes españoles' *El Economista* [online] available from <<http://ecodiario.eleconomista.es/sociedad/noticias/7127544/11/15/Internet-gana-terreno-a-la-television-entre-los-adolescentes-espanoles.html>> [6 Noviembre 2015]
- Shanghai Cavesmaitre Wines Ltd. (s.f.) *Quiénes somos. 关于我们* [online] available from <www.chateulevin.com> [20 May 2015].
- Solá, R. (2000). *Las Ferias como Escaparate de la Comunicación Empresarial*. Spain: Jornades de Foment de la Investigació.
- Stanberg, L. (2010) *El Compromiso con los Grupos de Interés no 10*. Navarra: IESE Business School. Universidad de Navarra.
- Tapscott D. et al (2010) *One Report. Integrated Reporting for a Sustainable Strategy*. Toronto: John Wiley & Sons Ltd.
- Tapscott, D. (2008) *Grown Up Digital: How the Net Generation is Changing Your World*. Toronto: McGraw-Hill Professional.

The Institute of Masters of Wine (s.f.) *About us. History of the Institute*. [online] available from <<http://www.mastersofwine.org/en/about/history-of-the-institute.cfm>>

Tomás, J. et al (2003). *Las relaciones con los medios: El funcionamiento de los gabinetes de prensa* [online] MPhil dissertation. Murcia University <<https://www.um.es/campusdigital/Cultural/gabinetes%20prensa.htm> > [6 Noviembre 2015]

Vaccaro A. (2011) *Identificar y priorizar stakeholders, clave para una buena gestión de crisis no. 104/2011* Corporate Excellence. Centre for Reputation Leadership

Valero, M. (2015) 'Las estrategias para fidelizar al cliente' *El País* [online] [1 May 2015]. Available from <http://economia.elpais.com/economia/2015/04/30/actualidad/1430398531_279391.html> [9 November 2015]

Vidal, M. (2014) 'China se compromete por primera vez a reducir emisiones contaminantes' *El País Internacional* [online] available from <http://internacional.elpais.com/internacional/2014/11/12/actualidad/1415769117_040119.html> [12 May 2015].

Vidrala (2011) *Memoria de Sostenibilidad Vidrala no 2*. Albacete: Vidrala company place.

10. ANNEX

1. Specific Standard Disclosures Overview of Sustainability Reporting Guidelines G4 (2013). Structure and indicators of Sustainability reports according with GRI.

STRATEGY AND ANALYSIS										
G4-1	G4-2									
ORGANIZATIONAL PROFILE										
G4-3	G4-4	G4-5	G4-6	G4-7	G4-8	G4-9	G4-10	G4-11	G4-12	G4-13
							UNGC	OECD/UNGC		
G4-14	G4-15	G4-16								
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES										
G4-17	G4-18	G4-19	G4-20	G4-21	G4-22	G4-23				
STAKEHOLDER ENGAGEMENT										
G4-24	G4-25	G4-26	G4-27							
REPORT PROFILE										
G4-28	G4-29	G4-30	G4-31	G4-32	G4-33					
GOVERNANCE										
G4-34	G4-35	G4-36	G4-37	G4-38	G4-39	G4-40	G4-41	G4-42	G4-43	G4-44
G4-45	G4-46	G4-47	G4-48	G4-49	G4-50	G4-51	G4-52	G4-53	G4-54	G4-55
ETHICS AND INTEGRITY										
G4-56	G4-57	G4-58								

DISCLOSURES ON MANAGEMENT APPROACH				
G4-DMA				
Indicators by Aspects				
CATEGORY: ECONOMIC				
Economic Performance				OECD
G4-EC1	G4-EC2	G4-EC3	G4-EC4	
Market Presence				
G4-EC5	G4-EC6			
Indirect Economic Impacts				
G4-EC7	G4-EC8			
Procurement Practices				
G4-EC9				
CATEGORY: ENVIRONMENTAL				OECD/UNGC
Materials				
G4-EN1	G4-EN2			
Energy				
G4-EN3	G4-EN4	G4-EN5	G4-EN6	G4-EN7
Water				
G4-EN8	G4-EN9	G4-EN10		
Biodiversity				
G4-EN11	G4-EN12	G4-EN13	G4-EN14	
Emissions				
G4-EN15	G4-EN16	G4-EN17	G4-EN18	G4-EN19
G4-EN20	G4-EN21			
Effluents and Waste				
G4-EN22	G4-EN23	G4-EN24	G4-EN25	G4-EN26

Indicators by Aspects				
CATEGORY: ENVIRONMENTAL				OECD/UNGC
Products and Services				
G4-EN27	G4-EN28			
Compliance				
G4-EN29				
Transport				
G4-EN30				
Overall				
G4-EN31				
Supplier Environmental Assessment				
G4-EN32	G4-EN33			
Environmental Grievance Mechanisms				
G4-EN34				
CATEGORY: SOCIAL				
LABOR PRACTICES AND DECENT WORK				OECD/UNGC
Employment				
G4-LA1	G4-LA2	G4-LA3		
Labor/Management Relations				UNGC
G4-LA4				
Occupational Health and Safety				OECD
G4-LA5	G4-LA6	G4-LA7	G4-LA8	
Training and Education				OECD
G4-LA9	G4-LA10	G4-LA11		
Diversity and Equal Opportunity				
G4-LA12				
Equal Remuneration for Women and Men				
G4-LA13				

Indicators by Aspects			
LABOR PRACTICES AND DECENT WORK		OECD/UNGC	
Supplier Assessment for Labor Practices			
G4-LA14	G4-LA15		
Labor Practices Grievance Mechanisms		OECD	
G4-LA16			
HUMAN RIGHTS		OECD/UNGC	
Investment			
G4-HR1	G4-HR2		
Non-discrimination		OECD/UNGC	
G4-HR3			
Freedom of Association and Collective Bargaining		OECD/UNGC	
G4-HR4			
Child Labor		OECD/UNGC	
G4-HR5			
Forced or Compulsory Labor		OECD/UNGC	
G4-HR6			
Security Practices			
G4-HR7			
Indigenous Rights			
G4-HR8			
Assessment			
G4-HR9			
Supplier Human Rights Assessment			
G4-HR10	G4-HR11		
Human Rights Grievance Mechanisms			
G4-HR12			

Indicators by Aspects			
SOCIETY			
Local Communities		OECD/UNGC	
G4-SO1	G4-SO2		
Anti-corruption		OECD/UNGC	
G4-SO3	G4-SO4	G4-SO5	
Public Policy		OECD/UNGC	
G4-SO6			
Anti-competitive Behavior		OECD	
G4-SO7			
Compliance		OECD	
G4-SO8			
Supplier Assessment for Impacts on Society		OECD	
G4-SO9	G4-SO10		
Grievance Mechanisms for Impacts on Society		OECD	
G4-SO11			
PRODUCT RESPONSIBILITY		OECD	
Customer Health and Safety		OECD	
G4-PR1	G4-PR2		
Product and Service Labeling			
G4-PR3	G4-PR4	G4-PR5	
Marketing Communications			
G4-PR6	G4-PR7		
Customer Privacy			
G4-PR8			
Compliance			
G4-PR9			

LEGEND

 Specific Standard Disclosures

OECD Linkage to OECD Guidelines for Multinational Enterprises

UNGC Linkage to UN Global Compact 'Ten Principles'