



**UNIVERSITAT
JAUME I**

Degree in Finance and Accounting

2015-2016

Graduation Project

**Impact of the Sustainability Memory of the GRI in the
Profitability of the Spanish Companies from the IBEX 35**

Student: Elena Raducanu

Tutor: José David Cabedo Semper

Castellón, 2016

INDEX

1. Introduction.....	4
2. Transparency and external communication of the Corporate Social Responsibility (CSR)	6
3. Global Reporting Initiative	9
3.1. History.....	10
3.2. Sustainable Memories, G4.....	11
3.3. Principles for the elaboration of the GRI sustainable memories.....	14
3.4. Basic contents and their indicators	16
3.4.1. General basic contents.....	17
3.4.2. Basic specific contents	22
4. Impact on the economic and financial profitability of the elaboration of sustainable memories	29
4.1. Methodology	29
4.2. Analyzed Information	31
4.3. Empirical analysis	35
5. Conclusions.....	41
6. References.....	43

INDEX OF FIGURES

Figure 1: Sustainability memoirs volume elaborated in accordance with the GRI (2010-2015)	10
Figure 2: Defining material Aspects and Boundaries - process overview	19
Figure 3: Visual representation of prioritization of Aspects	20

INDEX OF TABLES

Table 1. Index GRI General Standard Disclosures.....	17
Table 2. Categories and aspects in the guidelines	23
Table 3. Index GRI Specific Standard Disclosures	23
Table 4. ROE observations during 2010-2014	32
Table 5. ROE observations during 2010-2014	33
Table 6. Companies that publish GRI memories per years	34
Table 7. ROE Variance	36
Table 8. ROA Variance	36
Table 9. ROE Mean.....	36
Table 10. ROA Mean.....	37
Table 11. ROE Variance (positive values).....	37
Table 12. ROA Variance (positive values).....	37
Table 13. ROE Mean (positive values).....	38
Table 14. ROA Mean (positive values).....	38
Table 15. ROA and ROE Variance (all years)	39
Table 16. ROA and ROE Mean (all years)	39
Table 17. ROA and ROE Variance (all positive years)	39
Table 18. ROA and ROE Mean (all positive years)	40

1. Introduction

In a market more dynamic and global enterprises have been faced with a new challenge. The challenge is to be as transparent and communicate their actions carried out in the economic activity. Climate change and social protection are not only specific literature-related concepts. They have become the concerns of all people. The environmental and social impacts resulting from economic activity can cause displeasure both customers as to providers or to society as a whole. Strategies for sustainable development are proposed in this sense in the inner area of the European Union. In other words, you want to create a better quality of life both present and future. On the other hand put the accent in the risks of the current economic model that can alter this sustainability.

In the battles of the companies to capture market share, attracting customers from competition, strategies are based on creating competitive advantage. There are many theories which talk about the competitive advantage associated with social responsibility. Entrepreneurs in their strategic decisions should bear in mind not only economic and also social and environmental aspects. On the other hand, the expectations of the stakeholders have an important role in intakes of decisions of managers when it produced social and environmental strategies.

One of the organizations of international recognition to promote the communication of social responsibility is Global Reporting Initiative. It is an organization which over the years has been improving its standards for sustainable memories adapted to all types of businesses. Rather small company or large to belong to an industry or another or be localized in one part or another world is no longer an impediment to sustainable memories. The important thing is to be willed. Time is not mandatory. There are discussions on the subject, but there are few national or international laws regulating the actions of companies on environmental and social.

Besides searching for competitive advantages the companies are subject to the control of stakeholders that have contributed to the increase in reports of sustainability. Organizations have been involved more and more in making these types of reports despite being voluntary.

In line with previous ideas the aim of the study is twofold. On one hand studying the Global Reporting Initiative and on the other hand, the significant differences in the profitability of companies that are sustainable and collated reports with companies that do not make these reports analyze. It is required to analyze whether the actions of sustainability are related with the financial or economic profitability.

For the attainment of this triple objective, the rest of the work is divided into four sections. In the next (second paragraph), develops the theoretical framework of the study. We review the literature of the issues addressed. The study has been focused towards the results of transparency and communication of Corporate Social responsibility. The concept of Corporate Social responsibility approaches. It explains the communication of social responsibility through sustainable memories and its usefulness.

In the section three discusses Global Reporting Initiative guidelines to make sustainable memories. It is part of a brief history of the organization. And it describes the characteristics of a sustainable memory as Global Reporting Initiative. The section is expanded with a summary of the principles. And it deepens sustainability indicators marked by the entity.

The fourth paragraph shows the methodology data and results of the empirical analysis carried out. This empirical analysis compares the economic and financial profitability of companies listed on the IBEX35, in function to publish or not sustainable memories based on the GRI standards.

And the last paragraph reflects the main conclusions of the work, as well as the scope of the same and future lines of research that could be developed.

2. Transparency and external communication of the Corporate Social Responsibility (CSR)

In the last years enterprises have been compromised with new business ethical standards. They are indirectly forced to offer information about what it is called “triple bottom line” (economical, social and environment aspects). This information serves to communicate results to their respective stakeholders. A way to do so is by annual informs or sustainable memories.

The communication is the last phase in the implementation of Corporate Social Responsibility. But before addressing transparency and communication it is required to answer the next question: What is the Corporate Social Responsibility? There is no standard definition in the specialized dictionary about Corporate Social Responsibility (from now on CSR). The following definitions are exposed to clarify the meaning of CSR.

The CSR comprehends regulations and ethic. The activity framework of the organizations in matter of social responsibility “lies between two streams: the imposed legality and freely accepted morality” (Navarro, 2012:49). Firstly, companies must respect the law and therefore enrich their norms and go beyond if they want to be catalogued as socially responsible companies.

Another definition of CSR is “as an activity is the corporate attempt to negotiate its relationship to stakeholders and the public at large. It might include the process of mapping and evaluating demands from stakeholders, and the development and implementation of actions and policies to meet (or ignore) these demands. At a minimum, CSR focuses on the ways corporations handle economic, social and/or environmental issue” (Ihlen et al., 2011:8).

The concept “the Triple Bottom Line” mentioned before is introduced by John Elkington in 1994 in relation with the performance of the company which is fulfilled in three dimensions; economically, socially and environmentally. In first place it must please the actionist, employees and clients. At the same time it must respect the law and have an ethical behavior. Carrol and Shabana (2010) hold that the CSR takes into account a forth area: the discretionary (or philanthropic) which implies to contribute resources to the community and improve its quality of life.

The organizations which take into account aspects of the CSR create value and improve in competitiveness (Porter y Kramer, 2006). The OCDE (2011) says that the corporative responsibility leads to an increment of benefit through an improvement in competitiveness.

Saavedra et al. (2010) affirm that companies which adopt the concepts of sustainability and corporate social responsibility, if they are well managed, transparent, careful with the environment and able to dialogue with the interested parts they can adapt to critical moments and take advantage of opportunities and by that creating value on long term. The social responsibility includes two dimensions: on one hand there is the internal dimension where the organization applies practical responsibilities in the social field and environment. On the other hand there's the external dimension where the responsibility is extended to the clients and providers.

The companies are responsible of the consequences of their acts by the fulfilment of their activity regardless of having or not environmental and social commitments. If they do have it, the inexistence of a communication about their compromises is a symptom of bad management of CSR (Corporate Social Responsibility Observatory, 2013). All the CSR strategies results must be communicated and emphasize what's been done properly and what's to improve. "Words about facts and not words about the intangible. If companies are doing well, there is to inform about it, share and encourage a responsible CSR through efficient communication" (OCARE, 2015:15).

The transparency in communicating about the CSR is a way to distinguish a company. It can achieve competitive advantage and an improvement in its reputation (Breva and Mut, 2012; Fuertes and García, 2013). For this reason many companies, in their differentiation strategies aim for spreading social actions and how they carry them out. The diffusion of the information affects in the economical results. An efficient and periodic communication is important in relation with the stakeholders, clients, employees, the community and public entities. The companies which obtain good results by adopting CSR generate trust and good reputation.

The transparency (accountability) is the capacity of a company to offer information to society about the assumed social compromise. When transparency is mentioned it is not only due to information about the financial states, but also behaviour related with the CSR. The information must be "true and complete, understandable and intelligible, public and accessible" (Navarro, 2012:106). The condition of being true and complete

is fulfilled when lesser favourable aspects are not omitted. Understandable and intelligible information is the one not only for financial experts but all the involved parts. Public and accessible is the third condition and it's achieved when the companies use media channels to reach public masses.

The information about CSR aspects can be expressed through sustainability memories. It is not information of obligatory nature such as accountability informs – financial (balance, profit and loss accounts, memory) on the contrary it is of a voluntary nature. The Sustainability Memories are informs which contain aspects of sustainability defined under indications. They are useful for the involved parts but often they are hard to be understood. It is essential to emphasize that this work is based on the sustainable memories of the Global Reporting Initiative, an organization which under its indications tries to ease these difficulties.

3. Global Reporting Initiative

Global Reporting Initiative from now on GRI is an organization without profit founded in Boston, 1997, which in 2002 moved to Amsterdam. It is an official institute which collaborates with the Program of United Nations for the Environment (UNEP).

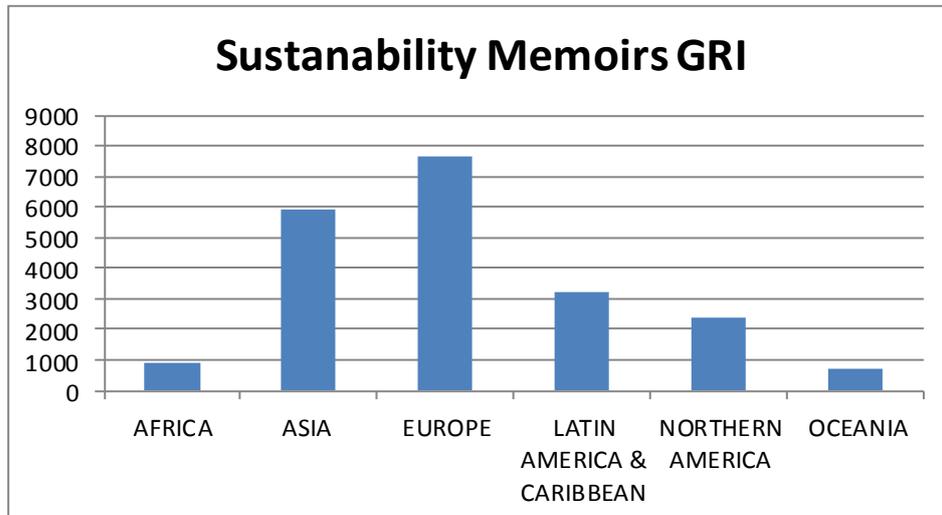
Global Reporting Initiative on its website is defined as “an international independent organization that helps businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others”.

“The GRI proposal cannot be strictly classified as Guideline of Social Responsibility (SR) it’s rather a proposal centred in the provided information and in fact it would correspond to one of the last phases in a process of the SR implantation, which is the phase of public disclosure” (Vidal and Morrós 2014:118).

The GRI vision is all companies to introduce sustainability into their strategies and the mission is to create a framework of sustainability standards that may lead to managers from around the world make decisions towards a sustainable economy. GRI offers support and resources to companies that want to develop sustainable reports. The GRI offers support and resources to companies that want to develop Sustainable Reports.

The figure 1 shows a distribution by continents of the companies that have presented sustainability reports based on the methodology proposed by the GRI. As it can be observed companies around the world apply it. It can be said that it meets one of its purposes, and year after year the organizations engage in making GRI Sustainability Reports. Businesses in Europe are the ones which most turn in performances of CSR reports.

Figure 1: Sustainability memoirs volume elaborated in accordance with the GRI (2010-2015)



Source: GRI (2016)

3.1. History

In 2000 the first Guidelines are elaborated and will form the basis for the construction of sustainability reports. After two years, the second body of Guidelines, G2, is launched at the World Summit for Sustainable Development. Over all the years the GRI improves the Guidelines due to the increase in demand. The third generation of Guidelines, G3, launched in 2006 breaks new ground with the participation of different stakeholders. In the making of it collaborates more than 3000 experts from business, civil society and the labour movement. In 2011 there is an update of the G3 known as G3.1. It is an enlargement on community and human right reports.

The first Sectoral Guidelines were published in 2008 for the Financial Services Sector. The objective of the Sectoral Directives is to include specific sustainability factors to each industry. The following year guidelines are drafted for the electricity sector. The first guide in union with ISO 26000 was developed in 2010. In the same year there are published Guidelines for the food and NGO sectors. For sectors such as mining and metals, airport operators, construction and real estate have been issued in the year 2011.

The most recent Sectoral Guidelines are published in the year 2013 for sectors such as Oil and Gas, Media and Event Organizers. In the same year it is launched the latest version of Guidelines G4, which includes two parts: Principles, basic contents and Implementation Manual. Representatives of companies, syndicates, auditors, experts in various fields, civil society, and financial markets participated in their development and collaborated regulators and government agencies of several countries. From 31 December 2015 all companies that published in accordance with the GRI Sustainable Memories were required to use the G4 Guidelines.

The Guidelines are drafted in accordance with international agreements on environmental, social and economic aspects, thus it can develop reports consistent with sustainability standards: for example, there are links to the 10 principles of the Global Agreement, ISO 26000 standards or AccountAbility AA1000 standards.

3.2. Sustainable Memories, G4

An important aspect of the G4 is the unification of strategic sustainability data with economic data. GRI sustainability reports are based on the "Triple Bottom Line". It means that the reports reflect the relationship between the three aspects of sustainability: economic, environmental and social. The economic part is not focused on the financial situation of the company. It covers the impact on the economic situation of interest groups and organizations at the local, national and international economic systems. Environmental issues include minimizing risks, reduce or eliminate environmental impacts resulting from the activity. And the social part is focused on procedures in accordance with the expectations of society.

The GRI with the latest proposal aims to promote the elaboration of sustainability reports in all kinds of organizations regardless of their size, sector or location. The purpose of GRI with the G4 version in relation to previous versions is to ease its use to develop sustainable memories. This way the organizations can focus on sustainability issues that stakeholders can be interested in. It is also attracting SMEs that will be able to carry out simpler reports by not having impacts of equal complexity as multinationals.

Easy-to-understand reports and that they can be compared is another of the purposes of GRI. It is important for stakeholders to be able to compare information from different companies. G4 guide can be used around the world and companies can provide standard and transparent sustainable memories. Transparency helps the external and internal groups to understand the process by which it has been determined the contents of the memory. Efficient and credible information that it can be compared has been the challenge of the GRI after receiving some criticism regarding the G3. The standardization on the international levels of the contents and systems of measurement in the memories of sustainability improves the quality of information for interest groups.

The levels of application A, B and C used in model G3.1, are removed. They are classifications based on the scope of requirements in the memory, being A the version with the maximum information. GRI has been criticized for being the levels of application confused as an opinion on the quality of the memory. To remove these misunderstandings GRI develops guidelines on the G4 model according to which reports must be prepared "in accordance" two options, essential and comprehensive. Also it is removed the sign "+" before the levels (e.g. + A, + B, + C) which meant that the memory had been tested by external experts. In the new formed G4, the G4-32 index collects this information. At the end of the report, there is a table with all the GRI indicators used. References for the pages where each indicator is located in the memory and the external verification if required are mentioned in the same table.

Another aspect must be remarked about the external verification of the memory. GRI does not assume the data verification and does not set requirements regarding who can make external audit. It recommends only external verification and is not a mandatory requirement to validate the conformity of the memory with the Guide. It is mandatory for organizations to support information with documents. GRI believes that the most rigorous external verification is done by interest groups. In other words, less external verification by professionals means less credibility before stakeholders. So it is mandatory that companies keep all the documentation. It is necessary that the interest groups have certainty that all memory information is documented and that it can be verified.

The GRI with the latest version offers companies the possibility to choose the option that best suits their needs. Sustainable memories can be made "in accordance" with the G4 Guide according to two methods, **essential** option, and **comprehensive** option. The **essential** option includes organization outcomes related to economic, environmental, social activity and information from Government. And the **comprehensive** option amplifies the information of the **essential** part, incorporating new indicators related to the strategy, analysis, Government, ethics and the integrity of the organizations.

In both options the GRI indicators are classified into general basic and specific content. The general basic contents correspond to all organizations. And they serve to provide general information of the company. They are segmented into seven sections: strategy and analysis, profile of the Organization, material aspects and its scope, involvement of stakeholders, profile memory, Government, and ethics and integrity. Contents of basic specific: as the name indicates, contains information on specific sustainability that is classified in three areas: economic, environmental and social. Basic contents and its indicators of sustainability will be developed later.

For organizations that carry out memories that do not comply with all the requirements "in accordance" and only reported on some of the basic content, the GRI only requires that it must be communicated in the memory along with a list of the basic contents used and their location in the memory of the organization.

Another important aspect on the GRI memories is the omission of mandatory information that must be justified. It is only justifiable if the information is confidential, there are legal prohibitions, or they are not available to the company at time of manufacture memory. Organizations have to take into account that the omission of basic contents can lead them to a memory which is not "in accordance".

GRI offers facilities for making memories. If there are data related to the mandatory basic contents mentioned in other official documents or voluntary, such as annual reports and memoirs, there is no need to include these data again. The only requirement is that it must be made reference where the information can be found.

As it is said, the G4 guide new contemplates two parts. A part is based on principles and indicators that businesses can use to identify their social, economic and environmental performance. And another part is the methodology for the application of principles and indicators.

3.3. Principles for the elaboration of the GRI sustainable memories.

In the Guide for the Elaboration of the Sustainability Memory- Principles and Basic Contents there can be found the utility of the principles “*The Principles for Defining Report Quality guide choices on ensuring the quality of information in the sustainability report, including its proper presentation.*” GRI (2015a:16).

GRI considers the Principles a basic element in the preparation of the report giving readers clear information that allows them to make timely decisions. The key to a sustainable memory is in the quality of information, not quantity. The principles developed by GRI are mandatory and mark the guidelines that should be followed to make a sustainable memory.

The principles are linked between themselves; However GRI presents them in two blocks. On the one hand there are principles to determine the contents of the memory and principles for determining the quality of memory. Content principles determine that information must be reflected in the memory. This refers to the information on the activity of the Organization, the impact and the expectations and interests of the stakeholders. Apart from quality GRI pursues a memory which provides an objective image of the organization with consistent and reliable information. Under these objectives GRI determines the second block of principles. It should be pointed out that each of these principles and their usefulness in memory.

Principles to determinate the content of the memory

There are four Principles to determine the contents of the memory: participation of the groups of interest, context of sustainability, materiality and completeness. These principles are vital when deciding which information is relevant into the memory.

The principle of the participation of interest groups is an important aspect for GRI memory and must contain information about the stakeholders of the organization. Interest groups should be identified and how it responds to their interests.

The principle of sustainability puts spotlight on the actions of the Organization in the broader sense of sustainability. An organization should reflect their activity between environment and social impact both at local or regional level and internationally. It must be informed in detail both positive and negative influencing climate change and/or community development.

Another important principle is the materiality. The materiality is defined by the set of issues that reflect the significant economic, social and environmental impacts of the Organization. The Mission of the Organization, the strategy, the bargaining power with suppliers or customers, the concern of stakeholders, these internal and external factors have influences on the decisions of the interest groups.

And finally, the completeness is an extension of the principle of materiality. It mentions the material aspects and its coverage. Under this principle the memory should address all the material aspects and its coverage in order to have an image of significant economic and environmental impacts. This principle not only references made past but also predictable future predictions of inevitable or irreversible character. Thus interest groups can evaluate the performance of the organization.

Principles to determinate the quality of the memory

The next block that presents GRI (2015a) contains principles to determine the quality of the memory. They are six in total: balance, comparability, accuracy, timeliness, clarity and reliability.

The principle of balance is connected to the principle of materiality. And it is to say that the memory must present an objective image of the organization. It is intended to show the trend of activity is negative or positive, nothing more than a comparison between periods of activity.

Comparability is a principle that puts spotlight on the chronological coherency of the data. It seeks an easy comparison with previous years or other companies. If there are significant variations they must be identified and explained.

Under the principle of precision the memory must be elaborated with accurate and detailed information. There can be found qualitative or quantitative information based on the characteristics of the indicators.

The memories are presented by an interval of time previously established. Stakeholders cannot take decisions objective if they rely on outdated information. The principle of timeliness requires that the data is recent and reliable in accordance with the agreed timetable.

The ease of understanding the information of the memory is governed under the principle of clarity. Difficult technical terms should be avoided. The memory must be understandable for all stakeholders, not just for experts in accounting and finance.

The principle of reliability leads relationship with data verification. The Organization should save and sign all documents that have been used for the elaboration of the memory to be checked in the event of an external verification.

3.4. Basic contents and their indicators

Memories of sustainability "in accordance" GRI are built based on a series of requirements on general and specific aspects of the activity of the organization both in the Essential as in the Comprehensive option. The information is classified in General basic content and Basic content.

GRI presents the General content of the core organizing information in seven categories: strategy and analysis, profile of the Organization, material aspects and coverage, participation of stakeholders, profile memory, Government and ethics and integrity. For the Essential option GRI marks 34 required indicators from a total of 58. And for the comprehensive option these 58 indicators are referred.

Specific basic contents on one hand require information on the approach to the management of the company and on the other hand include a series of indicators. GRI develops 91 indicators divided into three areas: Economic, Environmental and Social. More than half of these indicators are related to Social performance. And are sorted into four subareas: labor practices and decent work; Human rights; Company and

product liability. It must be mentioned that the information about management for the identified material aspects approach is mandatory in both options. The difference between an option and the other consists on the possibility to choose an indicator or another. Organizations that opt for a memory "in accordance" essential option can choose a specific indicator for every material aspect. On the other hand a report "in accordance" comprehensive option is to provide information on all the indicators proposed by GRI.

Most of these indicators have references standards or principles elaborated from international agencies. For example: the International Labor Organization; the Organization for cooperation and economic development (OECD); the United Nations or the international standards Board Accountants (IASB).

3.4.1. General basic contents

The information is structured for all organizations and presents general aspects of the company. GRI organizes the general basic contents in seven areas: strategy and analysis, profile of the Organization, material aspects and coverage, participation of stakeholders, profile memory, Government and ethics and integrity. We remind that the comprehensive option is an extension of the essential option. Elaborate indicators GRI of binding on the essential and comprehensive options are collected in table 1.

Table 1. Index GRI General Standard Disclosures

REPORT "in accordance"	MATERIAL ASPECTS	INDEX	
		CORE	COMPREHENSIVE
GENERAL STANDARD DISCLOSURES	STRATEGY AND ANALYSIS ORGANIZATIONAL PROFILE MATERIAL ASPECTS AND BOUNDARIES STAKEHOLDER ENGAGEMENT REPORT PROFILE GOVERNANCE ETHICS AND INTEGRITY	G4-1 G4-3 to G4-16 G4-17 to G4-23 G4-24 to G4-27 G4-28 to G4-33 G4-34 G4-56	G4-1; G4-2 G4-3 to G4-16 G4-17 to G4-23 G4-24 to G4-27 G4-28 to G4-33 G4-34 to G4-55 G4-56 to G4-58

Source: GRI (2015, b)

Inside the area of **Strategy and analysis** there can be found two indicators G4-1 and G4-2. GRI needs information about the importance of sustainability for the company and is obligatory in both options. It is a declaration of the executive director on the strategy to short, average and long term in relation with the sustainability. GRI chases the entail of the responsible maximums with the preparation of the memory. It is probably because of the suspicions that the memory isn't read by the executives. Another GRI's requirement, G4-2, is the spreading of information about the principal effects, risks and opportunities in area of the sustainability and with the groups of interest. One seeks to reflect the management of the effects, risks and opportunities. For example the relation has to be mentioned by the legal rights of the groups of interest. It must be mentioned that G4-2 is not obligatory for the Essential option.

The characteristics of the organization come gathered in 13 indicators of the category **Profile of the organization**. The information about the name, location, size, products or brand offers us the general image of the company. With the indicator G4-10 GRI he evaluates the information about employees in relation with the type of contract and I generate. Another relevant indicator of this category is G4-12 where it is necessary to describe the chain of supply of the company. The indicators from 14 to 16 gather the relation of the organization with procedure and international beginning of economic, environmental and social character. All the indicators of this field are obligatory in both options.

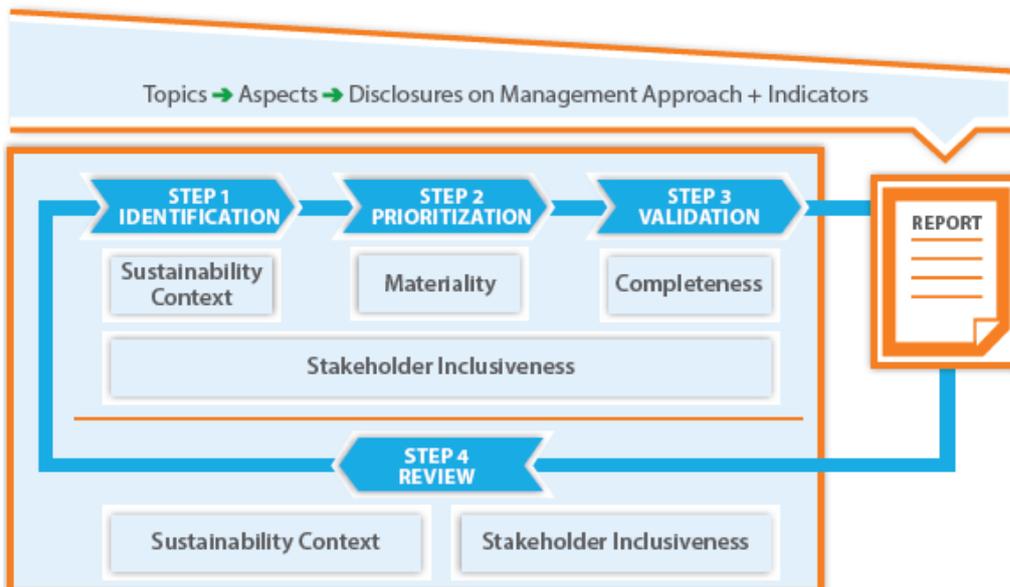
For the area of **Material aspects and Coverage** it is necessary to detail the information. First there must be clarified the meaning of material Aspects. As Cohen (2013) said in his blog, the term of materiality is in use so much, from the conference of presentation G4 in Amsterdam on May 22-24, 2013, that in a little time nobody remembers to have done a memory without it. The materiality includes the most important impacts of the organization in "Triple Bottom Line "of Elkington." Material Aspects ploughs those that reflect the organization's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders " (GRI, 2015a: 45).

The concept of materiality comes from the area of audit where a few significant levels are established for the economic facts and his influences in the financial reports. Inside the sustainability this concept wide to any information and incomplete information alters the opinion of the stakeholders about the company.

Every organization has his own characteristics because of it GRI marks a few general guidelines to identify the material Aspects and his scope. The companies must demonstrate why an aspect is considered to be a material, since they have evaluated it and the management of these impacts. The relevant impacts can take place inside or out of the organization. Where the impact takes place it is another aspect that the organization must identify.

Four steps must be followed to identify the material Aspects. And they are: identification, prioritize, validation and review. In every step two beginning is applied, see figure 2. Every organization decides that it applies methods to realize these steps depending on his characteristics. It is not a requirement indispensable following all the steps but it is obligatory to apply to the principles.

Figure 2: Defining material Aspects and Boundaries - process overview

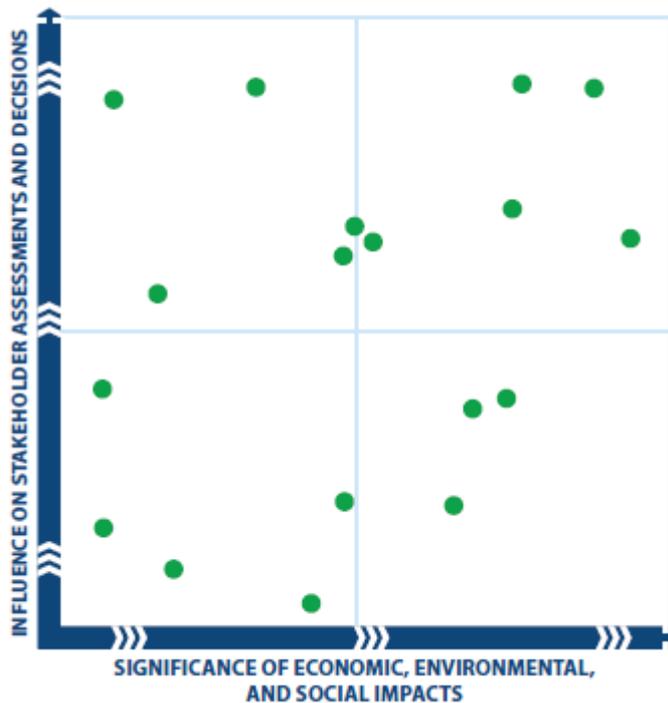


Source: GRI (2015, b: 33)

In the first step two principles are used: context of sustainability and participation of the groups of interest. It comes to say that the organization must identify the impacts of the activity that take place inside and / or out of the organization in social area and in relation with the stakeholders. Once identified the impacts a study is realized to identify the relevant aspects.

This process is based on the Principle of materiality and participation of the groups of interest. The information is finished in a map in two dimensions on the one hand the influence in the decisions of the stakeholders and for other one the relevant identified aspects, see figure 3. The third step is the result of the first ones two and consists of a list of material Aspects and its Coverage. GRI chases that the organizations identify material Aspects from past and future.

Figure 3: Visual representation of prioritization of Aspects



Source: GRI (2015, b: 37)

On the basis of it it is necessary to to apply the Principle of exhaustividad and the participation of the groups of interest. The last step is the review of the memory and is realized after publication, more exact, in the following cycle of preparation. This process returns to use the beginning of the first step and the impacts of the organization happen. It is not advisable to take of base the Aspects of the previous period; they can turn out to be different from a period from other one.

GRI enunciates seven obligatory indicators in the category material Aspects and Coverage. The whole process described previously to identify material Aspects and to define the content of the memory is gathered under the indicator G4-18. For example it can be mentioned also the indicators G4-20 and G4-21. In these indicators the GRI

needs information about the Coverage of every material Aspect inside the organization and the limitation of every Aspect out of the organization.

The Participation of the groups of interest is very important in the production of the GRI memory. It is necessary to identify which groups are linked to the organization. The information about these groups is gathered in three indicators and is obligatory in both options. With these indicators the GRI wants that the organizations report on the participation of the groups of interest in the production of the memory. The degrees of participation of the stakeholders and those relevant aspects have been identified across the participation of them are other relevant aspects for GRI.

Inside the category **Profile of the memory** we find basic information of the memory. GRI exposes six obligatory indicators in both options. For example it is possible to mention: the calendar of presentation, date of the last realized memory and cycle of presentation of memories. It is important to emphasize G4-32 that it is the Index of content GRI, where there is annotated that option “of conformity “has chosen the company and the reference to the Report of external check if it proceeds. G4-33 contemplates GRI's recommendations on external and internal check of the memory. It proposes an external check realized by foreign professionals of the organization. It must be emphasized that for the GRI it is not an obligatory requirement the external check.

The penultimate category of information needed by GRI is **A Government**. This information has been extended with regard to the version G3. Now the requirements spend from 17 to 21. Only the information about structure of government notifies GRI of obligatory in the Essential option. Other indicators are demanded in the Exhaustive option. GRI's requirements in this category are gathered in crowds in seven paragraphs and look for the commitment of the organ of government in the production of sustainable memories. More exact: in the determination of the intention, the values and the strategy of the organization; in the management of risks; in the production of memories of sustainability; and in the evaluation of the economic, environmental and social performance. Other relevant information for GRI is the evaluation of competitions and the performance of the organ of government. With this information it is possible to identify if the organization has some process to improve the knowledge of the organ of government. The information about remuneration and incentives does not stop being less important, alone for this information GRI elaborates five indicators.

Ethics and integrity contributes information about the procedure, the values and the beginning of the organization. The indicator that gathers this information is G4-56 and is obligatory in the Essential option. GRI also values the internal and external mechanisms of the organizations such as promoting the ethical conduct as in denouncing the illicit conduct. This information is gathered by the indicators G4-57 and G4-58 and is obligatory only in the Exhaustive option.

3.4.2. Basic specific contents

Before developing the basic specific Contents it should be remembered that GRI demands information about approach of management in both options “of conformity”. There are also a few shades on the use of indicators. In the Essential option the organizations can choose an indicator for every material identified Aspect. Nevertheless in Exhaustive option GRI it is required information in all the indicators.

In the preparation of the Information on approach of management GRI it marks three generic Directives. The organizations must report on the impacts such as positive as negatives of every identified Aspect. This one would be the first step. In the following step it is necessary to reveal information about the management of the identified Aspects and his impacts. It has to be sufficient in order that the users understand better the management of the organization. This process must conclude with an evaluation of the approach of management. Internal or external audit or opinions of the stakeholders can use as base to prepare the evaluation.

The basic specific Contents are organized in three categories: Economic; Environment and social Performance. The information about social Performance this one mitigated in four subcategories: labor Practices and worthy work, Human rights, Company and Responsibility on products. For every identified Aspect it is required Information on approach of management and information across the Indicators. A generic vision of the material Aspects for every category this withdrawal in the table 2. And all the indicators removed by every aspect are compiled in the table 3.

Table 2. Categories and aspects in the guidelines

Category	Economic	Environmental			
Aspects ^{IV}	<ul style="list-style-type: none"> Economic Performance Market Presence Indirect Economic Impacts Procurement Practices 	<ul style="list-style-type: none"> Materials Energy Water Biodiversity Emissions Effluents and Waste Products and Services Compliance Transport Overall Supplier Environmental Assessment Environmental Grievance Mechanisms 			

Category	Social			
Sub-Categories	Labor Practices and Decent Work	Human Rights	Society	Product Responsibility
Aspects ^{IV}	<ul style="list-style-type: none"> Employment Labor/Management Relations Occupational Health and Safety Training and Education Diversity and Equal Opportunity Equal Remuneration for Women and Men Supplier Assessment for Labor Practices Labor Practices Grievance Mechanisms 	<ul style="list-style-type: none"> Investment Non-discrimination Freedom of Association and Collective Bargaining Child Labor Forced or Compulsory Labor Security Practices Indigenous Rights Assessment Supplier Human Rights Assessment Human Rights Grievance Mechanisms 	<ul style="list-style-type: none"> Local Communities Anti-corruption Public Policy Anti-competitive Behavior Compliance Supplier Assessment for Impacts on Society Grievance Mechanisms for Impacts on Society 	<ul style="list-style-type: none"> Customer Health and Safety Product and Service Labeling Marketing Communications Customer Privacy Compliance

Source: GRI (2015, a: 62)

Table 3. Index GRI Specific Standard Disclosures

REPORT “in accordance”	MATERIAL ASPECTS	INDEX
SPECIFIC STANDARD DISCLOSURES	DISCLOSURES ON MANAGEMENT ECONOMIC ENVIRONMENTAL SOCIAL: <ul style="list-style-type: none"> LABOR PRACTICES AND DECENT WORK HUMAN RIGHTS SOCIETY PRODUCT RESPONSIBILITY 	G4-DMA G4-EC1 to G4-EC9 G4-EN1 to G4-EN34 G4-LA1 to G4-LA 16 G4-HR1 to G4-HR12 G4-SO1 to G4-SO11 G4-PR1 to G4-PR 9

Source: GRI (2015, b)

In the **Economic** part it's not focused on radiography of the financial situation of the company, it is wanted to form the impact of the organization in economic local, national and international environment and in the economic situation of the groups of interest. GRI presents nine indicators under four material Aspects: economic performance, he attends on market, practices of acquisition and economic indirect consequences. One of GRI's directives for this category is the obligation of the companies to compile financial information on the basis of international or national procedure of international recognition.

Economic performance includes information on: income and expenses; risks and opportunities in the climate change; plans of presentations for the employees and the helps or subsidies of the condition. It is not necessary to refer alone to expenses related to the activity and also to community investments. In fact it is not relevant for GRI to reflect the information about investments of infrastructure for the own organization and it is on the contrary. The requirements on investments refer to investments in hospitals or schools for employees and his families. GRI thinks that it is relevant for the stakeholders that the information of how is distributed the created economic value. The climate change is another important aspect. It can provoke significant changes in the flows of cash of an organization. The organization must identify how it affects the climate change.

The second material Aspect of the economic category is **The Presence on market**. Here the GRI presents two indicators. One asks for information about the relation between the salary removed by gender and the local minimum wage. This indicator demonstrates how the organization helps to the well-being of the employees by means of salary. The second indicator demands information about the percentage of managerial high places proceeding from the local community.

The Aspect **economic indirect Consequences** have relation with the investments in infrastructure of the community. The investments in infrastructure can have influences in the local economy. On the one hand we find an indicator that needs information about the impact of the investments in the infrastructures. For example GRI enunciates investments in: transport, supply of water and electricity, social community equipments, sports centres, centres of health and social assistance, etc. On the other hand there is asked information about economic indirect significant impacts so much positive as negatives. For example: deterioration or improvement of the wage or environmental conditions; changes in the productivity.

Practices of acquisition it is the last aspect of this category and offers information about operations with local suppliers. GRI looks for information that could cause negative impacts in the chain of supply. Under this aspect we find an indicator that needs information about the percentage of the expense that corresponds to local suppliers. If the purchases realized across the local suppliers the investments in the zone they are increased.

The consequences of the impact of the organization in the natural system such as the consumption of natural resources and damages are gathered in the second category, **Environment**. In the area of the environment we find aspects on: materials, energy, water, biodiversity, emission, effluent and residues, transport, regulative fulfilment, products and services, general, environmental evaluation of the suppliers, mechanisms of environmental claim. GRI has prepared 34 indicators in this category.

By being a very wide category we are going to summarize the information needed in the indicators stressing some relevant aspect. For example, in the aspect **Materials** GRI it is required information about the management of material resources used in the production. Efficiency in the use of materials and the capacity of the organization to use recycled materials it can reduce costs of production.

The information needed about the **Energy** consumption does not limit itself only to the internal consumption of the organization and also to the external consumption of the organization. It is required a quantification of expense in energy in the whole chain of value, from the acquisition of raw material up to coming to the consumer.

The **Water** usage is another aspect that can have influences in the habitat. GRI includes aspects on the volume of water capture according to the source and the volume of recycled or re-used water. To local, regional or national level the policies of reduction of the water consumption always have been present. GRI values the reduction of the water consumption by means of the reutilization and recycling.

Regarding the **Biodiversity** the information has to be focused on the policies of management on aspects of the biodiversity. There is needed information about the location of the activity in areas protected or not protected from great value for the biodiversity. Depending on the nature of the direct or indirect impacts on the biodiversity GRI he identifies a series of aspects. For example: the construction or utilization of factories, mines and infrastructures of transport; introduction of substances

or species that they do not present of natural form in the habitat; changes in the ecological processes like the salinity or changes in the groundwater levels. Also it is required information about the duration of the impacts if they are of reversible or irreversible character. A bad management of the impacts on the biodiversity can damage the reputation of the organization even it is possible to lose license to operate.

One of the factors that contribute to the climate change is the **Gas emission**. The organization must report if his activity is subject to policies on the emission or to regulations of regional, national or industrial character. GRI demands information on volume of emission of greenhouse gases and of emission of substances that exhausts the ozone.

An important aspect for GRI is the **environmental Evaluation of the suppliers**. The indicators of this aspect need information about the percentage of suppliers that examined depending on environmental criteria and also information of environmental impacts negatives identified in the chain of supply. This one information relieves the stakeholders the degree of the knowledge of the organization with regard to the negative significant impacts in environment of the chain of supply. In all the aspects mentioned previously GRI evaluates the measures adopted as the organization to improve the positive impacts and to reduce the environmental negative impacts.

The third category, **social Performance**, contemplates forty eight indicators that reflect the output in social systems all that that immediately after the activity of the organization has influences in social area where it operates. GRI divides social Performance in four subcategories, aspects on:

- Labour practices and worthy work (equality of remuneration man-to-man and women, diversity and equality of opportunities, labour practices of the suppliers);
- Human rights (necessary work, child labour, safety measures, not discrimination, rights of the indigenous population, evaluation of the suppliers as for human rights);
- Company (it fights against corruption, you practise of disloyal competition, public politics, mechanisms of claim for social impact);
- Responsibility on products (health and safety of the clients, regulative fulfilment, privacy of the clients).

Inside the subcategory **labour Practices and worthy work** GRI presents 16 indicators. For example indicators on: social presentations; reincorporation; maternity leave or paternity; labour risks; education and formation; and labor practices of the suppliers.

The indicator of the social presentations relieves the minimal presentations that the organization offers to the employees to complete day. Another important aspect for GRI is the possibility of the employees of benefiting from maternity leave or paternity. The employees who have these facilities have more predisposition of remaining in the company. Not less importantly it is the indicator that needs information about labour risks. Any organization has strategies of prevention of risks. It mustn't be left without mentioning the requirement on the labor practices of the suppliers. GRI demands information about the negative impacts in the chain of supply proceeding from labour practices.

On the aspects of **Human rights** GRI he presents 12 indicators that include information of the human rights of the stakeholders. For example there are mentioned the following indicators: of no discrimination, of equality between genders, the infantile exploitation, the collective agreements, the rights of the indigenous peoples and the necessary works. All the prepared requirements have the base the International Letter of Human rights of the United Nations. Other international references that are mentioned are 10 Beginning of the world agreement and the Directives of the OECD for Multinational Companies.

GRI demands the organizations that they identify where there are damaged the right of collective bargaining or the freedom of association. For example if it takes place: in a factory, in the chain of supply, or in a geographical zone. One tries to identify if the company adopts necessary measures to propitiate freedom of association and of collective bargaining.

Also we identify indicators with the same aims enunciated previously but moved to the area of the child labour and necessary work. There is also needed that the company identifies centres or suppliers with high risk of child labour and necessary work. Also it is asked to exemplify the measures taken to attack the abolition of child labour and elimination of necessary work.

In the subcategory Society it is needed to reflect the repercussion of the organization in the local community. 11 presented indicators show aspects on: local communities; it fights against corruption; politics publishes; practise of disloyal competitions; fulfilment; evaluation of the social repercussion of the suppliers. It must be highlighted the relation of the indicators of the Aspect local Communities with other indicators. For example, the indicator G4-SO1 that needs information about the number of operations that have been realized across programs of development has to coincide with the indicator G4-9 (number of operations of the organization). Another example would be G4-SO2. This indicator demands information about the centres of operations with negative significant effects in the local communities and does not refer to the information about the investments and donations of the organization in the local community (that would be G4-EC1).

In the last subcategory **Responsibility on products** the indicators include information about products and services that it affects the clients. GRI has prepared 9 indicators under the following aspects: health and safety of the clients; labelling of the products and services; communications of marketing; privacy of the clients and regulative fulfilment. The indicators of the aspect health and safety look for information relative to the fulfilment of the Lines Directives of the OECD for multinational companies. More exact, they look for information about the number of products and services with impact in health and safety that they have been improved. Other indicators measure the satisfaction of the clients. It must not be forgotten to mention the information about the sale of prohibited products or in litigations.

It's stressed the importance that has the limitation of Coverage of the material Aspects. As well as it has been seen in basic specific Contents the identification of the aspects it does not limit itself only inside organization. An organization must report on the whole chain of supply with the new model G4. For example: the suitable remuneration of the workers of the supply chain; rates of renovation of the suppliers; respect of the human rights; or degree of social and environmental fulfilment. For the big companies it does not suppose great difficulty of identifying the chain of supply. The problem comes when its mentioned small enterprises. It is harder to identify in this case and supposes high costs.

4. Impact on the economic and financial profitability of the elaboration of sustainable memories

Several theories claim that companies which adopt corporate social responsibility will have economic benefits. Some of these theories have been exposed in the theoretical framework of CSR. One of the objectives of the present work is to check the relationship between corporate sustainability and financial performance. It contrasts specifically, whether there are differences in profitability between companies publishing their results in the social sphere according to GRI guidelines and companies not publishing this type of report.

The analysis is carried out on the Spanish companies that are quoted on the IBEX-35. Through an empirical analysis compares the economic profitability (ROA) and financial profitability (ROE). ROA is the relationship between the profit for a period and the total assets. ROE is the profitability of own funds, it is the relationship between equity and the profit for a period.

4.1. Methodology

The difference in profitability between companies that produce social memories based on the GRI and the profitability of which do not produce them in accordance with these rules is contrasted by comparing the returns half of the mentioned groups of companies. However, prior to this test has been followed a few steps for information on variances samples. Assuming that the population has a normal distribution and implicitly samples have the same distribution, has been used the statistical F of Snedecor. This statistical tool is an ANOVA test comparing the variances of two samples. It is valid for any sample size assuming normality. And it has the following equation:

$$F = \frac{s_1^2}{s_2^2}$$

The assumptions that have been raised are:

H₀: There is no significant difference between the variances samples (between the profitability of the companies that develop social reports based on the GRI and those that do not)

$$H_0: \sigma_1^2 = \sigma_2^2$$

H₁: There are significant differences between variances show them.

$$H_1: \sigma_1^2 \neq \sigma_2^2$$

If the H₀ is correct, it means that the variations samples are equals so in this case a student test proceeds for the measurement. The t formula is the following:

$$t = \frac{(\bar{X}_1 - \bar{X}_2) - (\mu_1 - \mu_2)}{\sqrt{\frac{s_1^2}{n_1} + \frac{s_2^2}{n_2}}}$$

If the proven H₀ is rejected, i.e., there are significant differences between the variances, apply Welch also based on the distribution test t student but with degrees of freedom based on the following equation:

$$df = \frac{\left(\frac{\sigma_1^2}{n_1} + \frac{\sigma_2^2}{n_2}\right)^2}{\frac{\left(\frac{\sigma_1^2}{n_1}\right)^2}{n_1 - 1} + \frac{\left(\frac{\sigma_2^2}{n_2}\right)^2}{n_2 - 1}}$$

In particular, the assumptions made to contrast the differences in yields between the two groups of companies are as follows:

Null hypothesis: the means of ROE in both samples are equal.

$$H_0: \mu_1 = \mu_2$$

Alternative hypothesis: the averages of both samples are different.

$$H_1: \mu_1 \neq \mu_2$$

Similarly there are hypotheses in the ROA:

Null hypothesis: There is no difference between the ROA increase and the publication of sustainable GRI memories. In other words, they average of both samples are the same.

$$H_0: \mu_3 = \mu_4$$

Alternative hypothesis: there are differences between the increase of ROE and the publication of sustainable GRI memories. The averages of both samples are different.

$$H_1: \mu_3 \neq \mu_4$$

Established a level of significance $\alpha=5\%$, if the p-value is major to α , rejects the void hypothesis. It means that one has not found empirical evidences that demonstrate that the averages of both samples differ significantly. If p-value is minor that to we reject the H_0 , this is, there are sufficient empirical evidences to affirm that the averages of the samples it differs significantly.

4.2. Analyzed Information

For the empirical study it has been chosen the companies that were forming a part of IBEX35 on November 1, 2015. There have been extracted two samples, companies that realize sustainable memories as GRI's directives and companies that do not realize this type of report. The information of ROE and ROA of the companies of the bank sector has been extracted from the corporate web of every entity. And for the companies of the rest of sectors there has been compiled information of the program SABI. In the tables 4 and 5 it can be found all the observations that one has worked. Information has been obtained for the period 2010-2014. The table 6 gathers all the companies depending on what publish or do not publish memories of conformity GRI.

Table 4. ROE observations during 2010-2014

	2010	2011	2012	2013	2014
COMPANIES	ROE	ROE	ROE	ROE	ROE
ABENGOA	15,58	8,82	2,67	3,54	3,23
ABERTIS INFRAESTRUCTURAS S.A.	17,77	23,21	16,90	15,61	19,20
ACS	34,23	19,90	-43,63	31,84	15,78
AENA	n.a.	-4,24	-3,78	16,37	15,90
AMADEUS	9,36	52,68	47,37	45,05	48,24
BANKINTER	5,90	6,24	3,98	6,30	7,25
BBVA	15,80	8,00	4,00	5,00	5,60
CAIXA BANK	8,10	5,70	0,80	1,40	2,70
ENAGAS	23,88	24,74	15,12	18,91	16,62
ENDESA	24,12	16,69	14,30	14,80	13,88
FCC	11,89	1,79	-53,53	-162,21	-111,45
FERROVIAL SA	25,47	7,41	12,32	13,23	7,20
GAMESA	2,17	4,12	-57,29	5,94	9,68
GAS NATURAL	13,81	13,26	14,62	14,03	10,54
IAG(IBERIA)	n.a	9,53	-19,72	5,38	21,83
IBERDROLA	12,02	10,30	8,94	3,34	8,95
INDRA	21,90	21,21	14,34	12,75	-10,17
MAPFRE	4,39	4,42	5,09	4,25	4,40
MEDIASET	2,65	10,60	3,68	-0,16	7,19
OHL	16,42	26,23	10,12	18,83	11,54
REE(RED ELECTRICA)	28,12	30,87	28,42	27,73	28,12
REPSOL	25,63	14,94	12,88	6,66	3,98
SABADELL	7,32	3,82	1,01	2,68	3,70
SACYR	4,77	-81,94	-88,11	-12,25	17,62
SANTANDER	11,80	7,12	2,91	5,42	7,00
TELEFONICA	43,87	23,69	21,20	22,85	12,00
ACERINOX	9,97	7,05	-1,10	2,14	13,13
ACCIONA	3,88	3,97	4,46	-61,08	7,36
ARCELOMITTAL	-2,45	-13,30	12,96	-6,79	-2,06
BANKIA	8,07	5,12	-474,39	-0,87	17,63
BANCO POPULAR	7,13	5,49	-23,01	2,30	2,62
DIA	29,53	169,98	173,15	155,97	75,01
GRIFOLS	22,24	4,80	20,56	23,53	22,09
INDITEX	32,25	36,14	34,32	36,91	32,90
TECNICAS REUNIDAS	46,85	44,42	35,56	34,31	36,36

Sources: web corporate of bank companies and SABI

Table 5. ROE observations during 2010-2014

	2010	2011	2012	2013	2014
COMPANIES	ROA	ROA	ROA	ROA	ROA
ABENGOA	1,55	0,89	0,24	0,32	0,34
ABERTIS INFRAESTRUCTURAS S.A.	3,83	4,51	4,04	3,66	4,16
ACS	4,52	2,59	-6,05	4,43	1,99
AENA		-0,74	-0,55	3,02	3,86
AMADEUS	1,35	13,22	14,07	15,28	14,61
BANKINTER	0,27	0,32	0,21	0,35	0,44
BBVA	0,89	0,61	0,37	0,48	0,50
CAIXA BANK	0,70	0,60	0,00	0,10	0,20
ENAGAS	6,48	6,44	7,97	8,14	5,68
ENDESA	4,04	7,12	6,51	7,12	10,41
FCC	1,79	0,24	-5,27	-4,88	-5,84
FERROVIAL SA	4,00	2,11	3,39	3,81	1,98
GAMESA	0,72	1,24	-11,52	1,27	3,15
GAS NATURAL	4,15	4,35	4,70	4,74	3,81
IAG(IBERIA)		2,74	-5,03	1,09	3,50
IBERDROLA	4,10	3,56	3,18	1,29	3,41
INDRA	7,85	6,62	4,35	3,79	-2,79
MAPFRE	3,37	3,34	3,85	3,22	3,28
MEDIASET	1,84	7,71	2,96	-0,13	5,79
OHL	3,03	4,20	2,30	4,59	2,87
REE(RED ELECTRICA)	6,77	7,80	7,38	7,78	8,08
REPSOL	9,89	5,72	5,46	2,86	2,16
SABADELL	0,44	0,24	0,07	0,16	0,23
SACYR	0,89	-12,82	-9,13	-0,96	1,98
SANTANDER	0,75	0,50	0,25	0,44	0,60
TELEFONICA	10,71	5,01	4,52	5,28	2,97
ACERINOX	4,54	3,26	-0,44	0,83	5,50
ACCIONA	1,17	1,10	1,24	-12,95	1,72
ARCELOMITTAL	-1,73	-8,85	7,95	-4,38	-1,38
BANKIA	5,73	4,92	-180,74	-0,32	11,23
BANCO POPULAR	0,48	0,38	-1,63	0,17	0,21
DIA	3,83	5,37	7,51	8,50	9,06
GRIFOLS	8,35	1,38	6,89	8,52	6,98
INDITEX	20,78	23,63	23,35	24,29	22,19
TECNICAS REUNIDAS	5,75	5,73	5,96	6,37	6,80

Sources: web corporate of bank companies and SABI

Table 6. Companies that publish GRI memories per years

Empresa	Publish or not publish 2010	Publish or not publish 2011	Publish or not publish 2012	Publish or not publish 2013	Publish or not publish 2014
ABENGOA	GRI	GRI	GRI	GRI	GRI
ABERTIS INFRAESTRUCTURAS S.A.	GRI	GRI	GRI	GRI	GRI
ACS	GRI	GRI	GRI	GRI	GRI
AENA	GRI	GRI	GRI	GRI	GRI
AMADEUS	GRI	GRI	GRI	GRI	GRI
BANKINTER	GRI	GRI	GRI	NOTGRI	GRI
BBVA	GRI	GRI	GRI	GRI	GRI
CAIXA BANK	GRI	GRI	GRI	GRI	NOTGRI
ENAGAS	GRI	GRI	GRI	GRI	GRI
ENDESA	GRI	GRI	GRI	GRI	GRI
FCC	GRI	GRI	GRI	GRI	GRI
FERROVIAL SA	NOTGRI	NOTGRI	GRI	GRI	GRI
GAMESA	GRI	GRI	GRI	GRI	GRI
GAS NATURAL	GRI	GRI	GRI	GRI	GRI
IAG(IBERIA)	GRI	GRI	GRI	GRI	GRI
IBERDROLA	GRI	GRI	GRI	GRI	GRI
INDRA	GRI	GRI	GRI	GRI	GRI
MAPFRE	GRI	NOTGRI	GRI	GRI	GRI
MEDIASET	GRI	GRI	GRI	GRI	GRI
OHL	GRI	GRI	GRI	GRI	GRI
REE(RED ELECTRICA)	GRI	GRI	GRI	GRI	GRI
REPSOL	GRI	GRI	GRI	GRI	GRI
SABADELL	GRI	GRI	GRI	GRI	GRI
SACYR	GRI	GRI	GRI	GRI	GRI
SANTANDER	GRI	GRI	GRI	GRI	GRI
TELEFONICA	GRI	GRI	GRI	GRI	GRI
ACERINOX	NOTGRI	NOTGRI	NOTGRI	NOTGRI	NOTGRI
ACCIONA	NOTGRI	NOTGRI	NOTGRI	NOTGRI	NOTGRI
ARCELOMITTAL	NOTGRI	NOTGRI	NOTGRI	NOTGRI	NOTGRI
BANKIA	NOTGRI	NOTGRI	NOTGRI	NOTGRI	NOTGRI
BANCO POPULAR	NOTGRI	NOTGRI	NOTGRI	NOTGRI	NOTGRI
DIA	NOTGRI	NOTGRI	NOTGRI	NOTGRI	NOTGRI
GRIFOLS	NOTGRI	NOTGRI	NOTGRI	NOTGRI	NOTGRI
INDITEX	NOTGRI	NOTGRI	NOTGRI	NOTGRI	NOTGRI
TECNICAS REUNIDAS	NOTGRI	NOTGRI	NOTGRI	NOTGRI	GRI

Sources: GRI (2016)

4.3. Empirical analysis

It attempts to determine if ranges of ratios of ROE and ROA of firms issuing GRI sustainable memories are different from companies that do not publish GRI sustainable memories. There have been performed four tests for observations of ROE to ROA. The observations have been organised in the following way: data for years; data for years but excluding negative values; data together for all the years; and data altogether for all the years but excluding negative values. On each of these datasets has done the analysis described in the previous section on methodology. It should be noted that an analysis taking into account positive and negative returns and a separate analysis considering only the latter has become. For positive values of profitability analysis is carried out in order to assess isolation enterprises which are economically profitable.

On each of the above mentioned data sets, first found the variances across a test ANOVA (Analysis of Variance). There has been used the F-Snedecor test which is a technique to compare the equality of variances. When the p-value is greater than 5% the variances are equal and not the H_0 can be rejected. In the case of one p-value less than 5% the variances are different and rejecting the null hypothesis (H_0)...

The objective of the study is to analyze stockings and this is the second part of the empirical analysis. As already noted, to contrast medium has been used the Student t test when the variances are the same and used the Welch test for unequal variances. In contrast medium if the p-value is less than the significance level of 5%, it can be said that there is empirical evidence to reject H_0 . In this case, the means are different. When p-value is greater than the significance level of 5%, there is no empirical evidence to reject H_0 and the means are equal.

In the first test there has been analyzed data for years among companies which make GRI report and companies that does it not. In the contrast of variances is rejected the H_0 (unequal variance) to the ROE in the years 2011 and 2012. And for ROA in the comments of the year 2010; 2012; 2013; 2014 results showed in tables 7 and 8.

Table 7. ROE Variance

Year	Variance ratio	F of Snedecor	P-value
2010	ROE	0.4746	0.1486
2011	ROE	0.20723**	0.001751
2012	ROE	0.027054**	0
2013	ROE	0.4413	0.1062
2014	ROE	1.2962	0.7383

* Less than 5% significance level

** Less than 1% significance level

Table 8. ROA Variance

Year	Variance ratio	F of Snedecor	P-value
2010	ROA	0.24348**	0.006557
2011	ROA	0.38471	0.05636
2012	ROA	0.0077749**	0
2013	ROA	0.15836**	0.000282
2014	ROA	0.28793*	0.01586

* Less than 5% significance level

** Less than 1% significance level

Results from the contrast of stockings are grouped in tables 9 and 10. As you can see both ROE and ROA for the p-value is greater than 5%. No empirical evidence found to reject H₀. There are no significant differences between the average of companies carrying out sustainable memories GRI and the companies that do this report.

Table 9. ROE Mean

Year/ROE	Mean of GRI	Mean of Not GRI	t-student	test Welch	P-value
2010	15.71787	18.29337	-0.55681	—	0.5817
2011	10.72118	25.04536	—	-0.8961	0.3879
2012	-0.9763593	-24.1639505	—	0.38907	0.7072
2013	4.840326	19.272091	-0.90505	—	0.372
2014	8.237775	19.042323	-1.0658	—	0.2942

* Less than 5% significance level

** Less than 1% significance level

Average profitability expressed as a percentage

Table 10. ROA Mean

Year/ROA	Mean of GRI	Mean of Not GRI	t-student	test Welch	P-value
2010	3.475217	5.290000	–	-0.8834	0.396
2011	3.027917	3.851818	-0.39017	–	0.6989
2012	1.471923	-14.434444	–	0.75892	0.4696
2013	3.076	3.138	–	-0.019397	0.9849
2014	3.229615	6.190000	–	-1.1424	0.2809

* Less than 5% significance level

** Less than 1% significance level

Average profitability expressed as a percentage

For positive values is performed in the same way than in the first. Results from the contrast of variance reflect equality only for the year 2010 in the case of ROE. The results of this contrast of variances are collected in tables 11 and 12.

Table 11. ROE Variance (positive values)

Year	Variance ratio	F of Snedecor	P-value
2010	ROE	0.54325	0.2456
2011	ROE	0.051639**	0
2012	ROE	0.03087**	0
2013	ROE	0.041216**	0
2014	ROE	0.20796**	0.003758

* Less than 5% significance level

** Less than 1% significance level

Table 12. ROA Variance (positive values)

Year	Variance ratio	F of Snedecor	P-value
2010	ROA	0.25747*	0.01086
2011	ROA	0.24815**	0.008119
2012	ROA	0.21322*	0.01175
2013	ROA	0.1748**	0.002353
2014	ROA	0.21709	0.004841

* Less than 5% significance level

** Less than 1% significance level

The contrast of stockings for positive values returns results very similar to the test for years carried out taking into account both negative and positive values. Not the H₀ can be rejected; the p-value is greater than 5%. There are no significant differences between the average of companies carrying out sustainable memories GRI and the companies that do this report. Tables 13 and 14 included these results.

Table 13. ROE Mean (positive values)

Year/ROE	Mean of GRI	Mean of Not GRI	t-student	test Welch	P-value
2010	15.71787	20.59835	-1.0561	–	0.2994
2011	15.61311	28.88015	–	-0.80221	0.4422
2012	12.03364	46.83659	–	-1.346	0.2351
2013	13.43734	37.35198	–	-1.1573	0.2901
2014	13.99190	21.68005	–	-0.88099	0.404

* Less than 5% significance level

** Less than 1% significance level

Average profitability expressed as a percentage

Table 14. ROA Mean (positive values)

Year/ROA	Mean of GRI	Mean of Not GRI	t-student	test Welch	P-value
2010	3.475217	6.070000	–	-1.2351	0.246
2011	3.919545	5.122000	–	-0.53315	0.6045
2012	3.791000	8.816667	–	-1.5865	0.1667
2013	3.766818	7.004286	–	-0.98155	0.3605
2014	3.858333	7.136250	–	-1.2229	0.256

* Less than 5% significance level

** Less than 1% significance level

Average profitability expressed as a percentage

The last two tests for the set of observations of all the years studied. The same steps are followed as in previous tests. In the tables 15 and 16 there are compiled the results of the analysis for all the observations. The variety are unequal as for the ROE as for the ROA. And the contrast between averages reports a p-value higher than 5%. There

are no significant differences between the averages of the companies which realize sustainable GRI memories and the companies which do not realize this inform.

Table 15. ROA and ROE Variance (all years)

	Variance ratio	F of Snedecor	P-value
All years	ROA	0.02478**	0
All years	ROE	0.10771**	0

* Less than 5% significance level

** Less than 1% significance level

Table 16. ROA and ROE Mean (all years)

All years	Mean of GRI	Mean of Not GRI	t-student	test Welch	P-value
ROA	2.836613	1.070408	–	0.44625	0.6574
ROE	7.488905	12.348143	–	-0.40287	0.6887

* Less than 5% significance level

** Less than 1% significance level

Average profitability expressed as a percentage

In the last round of calculations carried out observations of all the years have been collected but only values positive. Negative values have been removed. There are the results in tables 17 and 18. The contrast of variance follows reflecting some unequal variances both in the case of the ROE as in the ROA. However, the contrast of stockings returns one p-value lowers than 5%. This means that in this case rejecting the null hypothesis (H₀), there is empirical evidence to accept the alternative hypothesis (H₁). There are significant differences between the average of companies carrying out sustainable memories GRI and the companies that do not carry out this report.

Table 17. ROA and ROE Variance (all positive years)

	Variance ratio	F of Snedecor	P-value
All positive years	ROA	0.23152	0
All positive years	ROE	0.066157	0

* Less than 5% significance level

** Less than 1% significance level

Table 18. ROA and ROE Mean (all positive years)

All years	Mean of GRI	Mean of Not GRI	t-student	test Welch	P-value
ROA	3.760811	6.621750	–	-2.5251*	0.01511
ROE	14.20810	29.75276	–	-2.2817*	0.02778

* Less than 5% significance level

** Less than 1% significance level

Average profitability expressed as a percentage

All tests except the last, evidence that averages are equal in the ratios of firms issuing GRI reports and companies that do not make this kind of report. The only test that provides a contrary result has been that have been considered data for all years and negative values have been removed. It should be noted, however, that in this test, as shown in table 18, the profitability of firms issuing GRI reports is less than those that do not.

5. Conclusions

The aim of the present work has been double. On one hand to analyse the Global Reporting Initiative, regarding international aspects of communication of Corporate Social responsibility and on the other, analyze whether the fact published sustainable memories under the standards of the GRI is related to the profitability of the companies.

From the study conducted on the most recent guidelines of GRI can be further enhanced the proposals of the Organization to facilitate the realization of sustainable memories in all enterprises, regardless of their size or location. To choose between making sustainable memories in a way full with all the proposed indicators, or a simpler way, using only those indicators that organizations considered relevant for every material aspect is left to the companies. In fact, these proposals come to attract small and medium-sized enterprises. Another important aspect of the GRI sustainable memories is the harmonization of indicators with international standards.

A difficulty that companies that make sustainable reports in accordance with the GRI can be addressed is the identification of impacts (economic, social and environmental) in the value and supply chain. Information of great importance for the GRI of these impacts addressed aspects on: human rights, labour practices, corruption and ethics. Regarding the external verification of the memory the GRI recommends, but does not require an external verification and assumes no verification.

For the study of the relationship between profitability and publication of reports according to the GRI guidelines have been analyzed the companies that are part of the IBEX-35. Two samples have been formed: one with the companies who publish their reports in accordance with the GRI and other companies that do not. Several data sets have been defined on these samples and performed four tests considering the years of separately, the data every year, and, for both situations, only yields positive sign.

Of the four tests performed three tell us that there is no significant difference between the financial profitability of companies carrying out sustainable memories and which do not. It seems that there is a positive relationship between profitability and social responsibility. Moreover, in the only one of the tests that have been detected statistically significant differences between the profitability of the companies that

publish reports based on the GRI and which do not, the profitability was higher in the case of the latter.

It could be found several explanations to this situation. It is possible a direct relationship but in the long term. In short term, companies invest in consolidating its social responsibility. But when they have more experience and a strengthened sustainability there may appear positive results. On the other hand it must be recognized that the analysis period is a period of economic decline. Investments have decreased considerably over the years of prosperity. They have been affected all kinds of companies inside and outside the country.

This study has limitations because it has only been worked with the companies that are quoted on the IBEX35. There are many companies in Spain which made sustainable memories as GRI. And of all the fields: public, private, non-profit. The study could be companies that are not quoted in the IBEX35. It would be interesting to study smaller companies.

On the other hand this work could continue with a larger study by periods. It would be interesting to see if changes in the ratio of profitability and sustainability can be identified in the long term. Other aspects that could be included for a future study would be the quality of sustainable memories. Indicators are used depending on the profile of the company. It would also be interesting to study for other markets not only Spanish.

6. References

ANOVA (2016) *Métodos cuantitativos: Apuntes* available from <https://aulavirtual.uji.es/course/view.php?id=33049> [12/June/2016]

Breva Franch, E. and Mut Camacho, M. (2012) 'La comunicación de la RSC: la estrategia de campofrío' *Razón y Palabra* [online] 79 (17), 155-185. available from <http://hdl.handle.net/10234/62252> [30/April/2016]

Bankia (2016) [online] available from <http://www.bankia.com/es/> [5/May/2016]

Bankinter (2016) [online] available from https://webcorporativa.bankinter.com/www2/corporativa/es/inf_financiera_cnmv/hechos_relevantes_cnmv/fechas/2016 [5/May/2016]

BBVA (2016) [online] available from <http://accionistaseinversores.bbva.com/TLBB/tlbb/bbvair/esp/financials/reports/index.jsp> [5/May/2016]

Carroll, A. B. and Shabana, K. M. (2010) 'The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice' *International Journal of Management Reviews* [online] 15 January. available from <http://onlinelibrary.wiley.com/doi/10.1111/j.14682370.2009.00275.x/abstract> [20/April/2016]

Caixa Bank(2016) [online] available from https://www.caixabank.com/index_es.html [5/May/2016]

Comisión Europea (2011) *Unas empresas más responsables pueden fomentar un mayor crecimiento en Europa* [online] 25 October. available from http://europa.eu/rapid/press-release_IP-11-1238_es.htm [23/ March/2016]

Cohen, E. (2013) *G4: It's NOT about materiality* [online] May 31. available from <http://csr-reporting.blogspot.com.es/2013/05/g4-its-not-about-materiality.html> [20/May/2016]

- Elkington, J. (1994) *Enter the Triple Bottom Line* [online] available from <http://www.johnelkington.com/archive/TBL-elkington-chapter.pdf> [1/May/2016]
- Global Reporting Initiative (2015 a) *G4 Guidelines part 1 Reporting Principles and Standard Disclosure* Amsterdam: GRI. available from <https://www.globalreporting.org/Pages/resource-library.aspx> [26/ January /2016]
- Global Reporting Initiative (2015 b) *G4 Guidelines Part 2 Implementation Manual* Amsterdam: GRI. available from <https://www.globalreporting.org/Pages/resource-library.aspx> [26/ January /2016]
- Global Reporting Initiative (2016) [online] available from <https://www.globalreporting.org/Pages/default.aspx> [26/January/2016]
- Ihlen, Ø., Bartlett, L. J., and May, S. (2011) *The Handbook of Communication and Corporate Social Responsibility*. Chichester (West Sussex): John Wiley and Sons
- Navarro García, F. (2012) *Responsabilidad Social Corporativa: Teoría y práctica*. Pozuelo de Alarcón (Madrid): ESIC
- OCDE (2011) *Líneas Directrices de la OCDE para Empresas Multinacionales*. Paris: OECD Publishing. available from <http://www.oecd.org/daf/inv/mne/MNEguidelinesESPANOL.pdf> [01/March/2016]
- OCARE (2015) *La comunicación de la RSC en España: radiografía y diagnóstico* available from http://foretica.org/Comunicacion_rse.pdf [06/May/2016]
- Observatorio de Responsabilidad Social Corporativa (2013) *Responsabilidad Social Corporativa en las Memorias Anuales de las Empresas del IBEX35* [online] available from http://www.observatoriorsc.org/Informe_memoriasRSC_ibex_2013_completo.pdf [06/May/2016]
- Porter, M. E., and Kramer, M. R. (2006) 'Estrategia y sociedad' *Harvard business review* [online] 84(12), 42-56. available from <http://www.fundacionseres.org/Lists/Informes/Attachments/12/Estrategia%20y%20Sociedad.pdf> [01/March/2016]

Popular Bank (2016) [online] available from <http://www.grupobancopopular.com/ES/AccionistasInversores/InformacionEconomicaFinanciera/Paginas/inicio.aspx> [5/May/2016]

Saavedra Robledo, I., De la Cuesta Gonzáles, M., and Muñoz Torres, M.J. (2010) *Introducción a la sostenibilidad y la RSC*. Oleiros (La Coruña): Netbiblo

SABI (2016) [online] available from <https://sabi.bvdinfo.com> [5/May/2016]

Sabadell Bank (2016) [online] available from <https://www.grupobancosabadell.com/es/> [5/May/2016]

Santander Bank (2016) [online] available from http://www.santander.com/csgs/Satellite/CFWCSancomQP01/es_ES/Corporativo/Accionistas-e-Inversores.html [5/May/2016]

Vidal Martínez, I., and Morrós Ribera, J. (2014) *Responsabilidad Social Sostenibilidad GRI e ISO 26000*. Madrid: Fundación Confemetal

Fuertes, A.T. and García, L.C. (2013) 'Análisis de los factores determinantes de la transparencia en RSC en las empresas españolas cotizadas' *Intangible Capital* [online] 9 (1), 225-261. available from <http://dx.doi.org/10.3926/ic.311> [1/May/2016]

Welch's t-Test (2016) [online] available from <http://msemac.redwoods.edu/~darnold/math15/spring2013/R/Activities/WelchTTest.html> [11/June/2016]