# Social Responsibility, Green Marketing and Channel Management:

## The case of Small Mexican Firms

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#### **Abstract**

# **Objectives**

Analyze how small Mexican companies deal with the challenges of social responsibility and green marketing and at the same time face the requirements of big distribution chains.

## Methodology

Using ground theory we build our research on secondary data, interviews, press review and case studies.

#### **Results**

The analysis of small and medium-sized Mexican companies let us identify some of the opportunities and threats that face this type of companies which are willing to invest in social responsibility issues and green marketing. The paths and resources of these companies are very different from those of larger companies making them more vulnerable in the negotiation with big distribution chains. Their existence is often jeopardized as the risks and cost associated with the promotion of green and social-oriented models could be high and often, their resources are limited.

#### **Conclusions**

Although social responsibility and green marketing seem to be terms "a la mode", their real implementation in developing countries, like Mexico, is still far and when it takes place the process is not always easy. This is particularly the case of small companies engaged or willing to be engaged in these issues.

The insights taken from the companies studied will help us to generate some guidelines or best practices for others small companies interested to become more green and social-oriented companies in the Mexican context. It will also give some recommendations or ideas on how to make the right negotiations with distributors so that they become facilitators and not obstacles in this new business orientation. Another alternative for them is to create their own distribution channels and bypass the big organizations.

Keywords: Corporate Social Responsibility (CSR), Entrepreneurial Social Responsibility (ESR),

Green Marketing, Small Firms, México.

# Social Responsibility, Green Marketing and Channel Management:

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#### 1. Introduction

This research examine how small and medium (SMEs) Mexican companies deal with the challenges of social responsibility and green marketing, and at the same time respond to the requirements of big companies and/or go around the traditional distribution channels. The idea is to identify common patterns or practices among them that can be spread to other social and green-oriented small companies.

## 2. Conceptual framework

The conceptual framework is built around two main themes. The first theme covers the literature on Corporate Social Responsibility (CSR). The second theme introduces the Entrepreneurial Social Responsibility (ESR). Finally, the third topic explores the role of New Ventures Mexico and the growth of social responsible Mexican SMEs which are generating economic, environmental and social value for the country.

# 2.1 Corporate Social Responsability (CSR)

CSR is defined as "a concept whereby companies decide voluntary to contribute to a better society and a cleaner environment" (cited in Hartman, Rubin, and Dhanda, 2007). A CSR approach should therefore go beyond a simple quest for profit maximization (an economic goal) and also look for corporate social performance (a non-economic goal).

Achieving both types of goals, economic and non-economic, will enable the survival and success of the corporation. This implies that a company seeking to become socially responsible should integrate these values into its strategic and operational decision-making process. The impact of the CSR on the brand (or store) image, the consumers' trust and the legitimization of companies is supported by previous research (Swaen & Chumpitaz, 2008; Gupta and Pirsch, 2008; Gabriel, 2003; Currás-Pérez, Bigné-Alcañiz & Alvarado-Herrera, 2009). This engagement could emerge since the creation of the firm. In this perspective, the Entrepreneurial Social Responsibility (ESR) represents an added value and a competitive advantage for a new-born company, insofar as tomorrow it will be a requirement. Therefore, the ESR could be considered as a key facet of the CSR. However, the diffusion of the ESR is still in an early stage of development in developing countries.

## **Entrepreneurial Social Responsibility (ESR)**

The ESR offers real and tangible benefits which can be measured in various ways, basing it on either quantitative or qualitative information. A *Socially Responsible Company* is an organization which bases its vision and commitment on policies, programs, decision-making and actions that benefit not only its business but also have a positive impact on people, the environment and the communities where it operates. This type of company responds to the expectations of all the participants: investors, collaborators, management, competitors, suppliers, clients, government, social organizations and the community. However, not all of these firms have the competences and resources to market their "green products" to their consumers by themselves (Chen, 2010).

Among the social organizations that have promoted the ESR in Mexico, we can mention New Ventures. New Ventures is a Global Network of Enterprise Acceleration Centers that encourages the growth of entrepreneurial solutions to the challenges of sustainable development. It was funded by the *World Resources Institute*<sup>1</sup> in 1999. It is already presented in six emerging economies and has a portfolio of 177 innovative enterprises whose goods and services produce clear, measurable environmental benefits.

### **New Ventures Mexico**

This is the first program geared towards accelerating the growth of sustainable companies that generate elevated economic, environmental and social values in the country. New Ventures Mexico's mission is to strategically contribute to sustainable businesses that offer an innovative solution to the country's environmental and social challenges. Its acceleration process is as follows: every year, with two selection panels, New Ventures chooses a group of companies to participate in the Enterprise Acceleration Program. Each of these panels is a jury composed of renowned entrepreneurs and environmental experts who evaluate the companies according to their growth potential, viability for obtaining investment and their environmental and social impact.

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The World Resources Institute (WRI) is an environmental think tank that goes beyond research to find practical ways to protect the earth and improve people's lives. They call for visionary and ambitious action grounded in sound science and objective analysis, the kind of action that has distinguished WRI for over 25 years.

They also give mentoring to the *Green Entrepreneurs* in order that their companies could reach their commercial and expansion goals preserve their green values. The help could include everything from the formulation of a strategic plan, the establishing of commercial contacts or by supplying consultants for administrative procedures implementation.

Last year, in 2009, New Ventures Mexico undertook a pilot program pilot with nine companies to develop their sustainability reports using the *Global Reporting Initiative* (GRI) methodology. The GRI is a network of global collaboration that has developed a worldwide renowned reference frame to elaborate sustainability reports for any type of organization. Sustainability reports based on the GRI framework can be used to benchmark organizational performance with respect to laws, norms, codes, performance standards and voluntary initiatives. These reports could demonstrate organizational commitment to sustainable development; and also, compare organizational performance over time. Nowadays, there are more than 1.500 companies worldwide using this framework.

In Mexico, until last July 2010, only twelve companies had made a report of this type (ex. CEMEX, Peñoles, MetLife, PEMEX, Telefonica, Wal-Mart), of which only three were small or medium-sized companies (SMEs). Thanks to the New Ventures Mexico's pilot program nine sustainable SMEs could be now be added to the list. These companies are:

1. PRO-ORGANICO Produces and sells organic products

2. CHICZA Produces and sell organic rainforest gum

3. MIR AMBIENTAL Water Treatments

4. ALLTOURNATIVE Rural Tourism

5. ECOBLOCK INTERNATIONAL Self-production and self-construction housing

6. MIA. Low-income Rural Housing Construction

7. DISEÑO NEKO Industrial design and sustainable architecture

8. ECHERY POTTERY Exporter of lead-free pottery and Mexican crafts

9. ARIA Candy Factory Exporting manufacturer of quality candies

10. BIOFABRICA Produces and sells bio fertilizers

# 3. Study context and research question

Taken into account that few Mexican SMEs have actually communicated and certified their engagement and practices on entrepreneurial social responsibility, we were interested in analyzing how a selected group of these type of companies deal with the challenges of SD, implement green marketing practices and at the same time, face the requirements of big distribution chains or decide to built their own channels of distribution.

## 4. Methodology

Using ground theory we built our research mainly on secondary data coming from companies 'websites and the GRI sustainability reports available. Nowadays, companies' websites are playing a key communication vehicle among consumers, companies and other stakeholders, making them a fertile research field (Cacho-Elizondo, 2006). There were also four interviews: two interviews done to New Ventures Mexico's Director and Manager, an interview to Malinaloe's ex-CEO (this company was selling products made from Aloe Vera but due to struggling demands from Wal-Mart, it closed its activities); and an interview made with Echerry Pottery's Owner-Manager (during a Mentoring session of New Ventures).

The unit of analysis for this study is the SMEs engaged in ESR. For this study, we considered ten SMEs Mexican companies identified as being socially responsible companies by New Ventures Mexico. Nine of them just presented their first GRI sustainability report for 2010 as previously mentioned.

## 5. Main Learnings

## **Companies' Values and Green Marketing Strategies**

Based on the information gathered from the 10 companies analyzed, we have elaborated a small description of each of them, highlighting their values, beliefs and also their green marketing practices and distribution strategies. The sectors covered are: Agriculture, Construction, Organic Food, Pottery, Industrial Design and Tourism. Appendix 1 shows some illustrations of the companies' logos and also some products commercialized by these companies.

## **PRO-ORGANICO**

A family company, based in Monterrey, N.L., offers high quality and healthy organic products for urban people. Its operation started after nine years of experience embracing organic principles of sustainable agriculture applied to an orange grove. Pro-Organico has been granted the international organic certification as a grower, by *Oregon Tilth Certified Organic*. The company responds to standards demanded by the international organic market and sells to American companies, HEB, Wal-Mart and the main chains of supermarkets in Mexico. Products, more than 40 organic vegetables, are marketed under two brands: "*Nature's Way*" and "*Dorita's Organic Farms*".

The company is part of the *reusable container program*, where plastic containers are sanitized and reused. A *new packing shed* is being built to respond with sustainable building and operating practices.

The company communicates the following values or believes:

"Aims to help the integral development of farmers in rural communities of Mexico"

"Organic production is a viable alternative for small scale growers who are being forced out of the market by the large conglomerates".

"Producing organic food is a lifestyle rather than a market segment".

### **CHIZCA**

The company was created by the members of the Consorcio Chiclero in Chetumal, Quintana Roo. The Consorcio is composed of 56 cooperatives of around 2,000 *chicleros* (*in the states of Campeche and Quintana Roo*) working in an area of 1.3 million hectares of rainforest. The Consorcio Chiclero coordinates and manages the production, the logistics, the trade and the finances for manufacturing the gum from the chicozapote tree. The chicle is part of the cycle of efficient oxygen factories called the rainforest, producing and recycling atmospheric carbon naturally. The giant chicozapote trees (*Manilkara zapota*) capture carbon and fix it in solid and liquid compounds, the wood and sap of the tree.

The popularity of chewing gum has promoted the growth and consolidation of the chiclero cooperatives for almost a century. These cooperatives have been able to survive the wave of *political control* that either terminated or neutralised most Mexican agro-coops during the 1970s. The concept of Sustainability is central to the work of the Consorcio Chiclero. Its long term goal has been "to transform chicle from a simple ingredient into a finished product by its

own". In that sense, fair trade schemes have brought much better economical dynamics to the gum producers: "each chiclero make and sell the chewing gum giving him an income 6 times higher than what he would earn as a mere provider of raw materials". The process to bring Chicza (organic rainforest gum) to the market took five years.

The company communicates the following values or believes:

"It is not only about preserving natural resources, but also about allowing equal and balanced exchanges among many individual elements: the forest, the farmers and their families, the manufacturing, transportation and sale of Chicza to consumers who believe in fairness".

"Everyone who chews Chicza is making a personal and direct contribution to a better life for a chiclero and his family. In return, the farmer continues to preserve the forest where he and his family live".

## MIR AMBIANTAL

The company, founded in 2001 in Monterrey, Nuevo León, helps to the sustainable development of the region and the country through "effective and permanent actions". Its main activities include: dust collectors, water treatments, inverse osmosis, environmental solutions, recovering of contaminated grounds. The company's philosophy is rooted on sustainable foundations looking for "an economic, social and environmental benefit with appropriate technologies and long-lasting improvement processes". It operates under principles of trustworthiness, quality and efficiency.

MIA (attended integral improvement): Progressive House Rural MINE program

It was created with the fundamental objective "to support the low-income population with

schemes of progressive housing improvements". Its objective is to promote social

responsibility generating value for the less privileged populations. For that reason, "they look

for bonds with different partners, government, financial alliances with suppliers of materials

and other organizations, to propose a integrate proposal of progressive improvement of rural

houses". They improve the quality of life of the less-favored populations, through the

instruction of its beneficiaries, who can learn a skill that in the short term could be translated

into a job. In addition, they seek for strategic alliances with Charities which help them with

programs of: Education, Health, Nutrition, Employment, Sports.

They have divided the self-construction of a house in structured stages in such form that, "by

means of successive financings grants and the integrated technical assistance, the families

can gradually build themselves their own house with the same quality and attributes" that

with other programs of rural housing. MIA's values are: optimization, trustworthiness,

innovation, clear results, autonomy, total quality, functionality and eco-efficiency.

ECOBLOCK INTERNATIONAL: ¡Echale! A tu Casa

It offers the opportunity to build a house by means of "a self-building program and assisted

by means of its star program: Échale! A tu casa". The program gives all the benefits needed

to create "a thermal, acoustic and ecological home that adapt to the necessities of each

family", obtaining therefore a competitive advantage in the sector.

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## **NEKO Design**

It is a company specialized in Industrial Design and Architecture, founded in Mexico City in 2005. The team carries out projects in Industrial Design and Architecture. It is formed by four partners who are committed to the environment and their principal goal is "to develop sustainable projects, as well as designing, producing and distributing their own line of sustainable products".

The *Eco-design* considers environmental aspects at all levels of the product development process: "striving to create products with the lowest possible environmental impact at all stages of the product life cycle". These stages include the extraction of raw materials, the manufacturing of the product, its marketing and distribution, the use, and finally, its disposal. The aim is to "link economical factors with social compatibility making products that respond to an ecological necessity".

### **ALLTOURNATIVE**

It was founded in 1999 in Playa del Carmen (Quintana Roo) by a group of young adventurers whose dream was "to bring to the market innovative, exciting and unforgettable experiences, world-class service delivery and a company which would, through its resulting growth, bring to the region much needed economic development, cultural preservation and natural environment conservation". It was "the pioneer of ecotourism" in the State of Quintana Roo. Since then, Alltournative has developed eco-tourist projects which have been the best alternatives to reach SD in rural communities.

The tourist-based economic sustainable development is crucial to the Maya communities as an alternate occupation to adverse conditions of the land which allows only for poor subsistence agriculture.

Each ecotourism project has specific actions for cultural and ecologic preservation as well as promoting the natural and cultural treasures of Mexico. Currently, Alltournative supports three sustainable development projects involving six different communities: *Pac-Chén, Tres Reyes, Punta Laguna, Rancho San Felipe, Chikin-Há and Kantenah*. The aim is to turn these areas into natural sanctuaries whose protection is based on the agreements and goodwill that exist between Alltournative and the members of each community.

Its mission and vision have gone together with the *Code of Social Responsibility*. Because of this, Alltournative was distinguished as a *Socially Responsible Company* in February, 2007. This distinction is awarded by CEMEFI (Mexican Philanthropic Center) and alia RSE. In 2006, its CEO, Carlos Marín, was awarded by the international *Endeavor*<sup>2</sup> organization for exceptional entrepreneurial development during the last 7 years. One of his projects called "Maya Encounter", a model of sustainable development, brought tourism to a total of three Maya communities for adventure activities such as rappel, zip-line, jungle walking and canoeing, and to see and experience live Maya culture up close.

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Endeavor is a non-profit organization that searches for entrepreneurs who are leaders of innovative companies with high potential for development. They then help them turn their business ideas into a success story and a role model for others, providing knowledge and access through a network of volunteer experts and investors. The search for entrepreneurs who can become candidates for the international selection panel is done twice a year.

Once a possible candidate is found, there is a rigorous process of entrepreneurial analysis which is later presented to a jury or international selection panel. Professionals from USA and from the country of origin evaluate the candidates to help find those entrepreneurs who can become *truly successful role models in their countries*.

The entrepreneurs selected by Endeavor agree to work a *plan for 12 to 18 months* with the main growth challenges of their companies. The Entrepreneurial Service area connects the entrepreneur with the available resources in the network according to the concrete requirements presented (endeavor.org).

Through all its activities, Alltournative seeks to:

- 1. Increase Maya communities' income.
- 2. Create direct jobs inside the community and avoid migration of the inhabitants.
- 3. Improve life quality for the inhabitants.
- 4. Education of the inhabitants in ecotourism practices.
- 5. Preserve and rescue customs and culture.
- 6. Preserve flora and fauna.
- 7. Foment respect for traditional customs within the community.
- 8. Offer the opportunity of cultural and professional development to the members of the community, primarily focusing on children and adolescents.

#### **ECHERY POTTERY**

A consolidator and exporter of lead-free pottery and Mexican crafts. Echery's mission is to "act as a bridge between Mexican artisans and buyers, and helps artisans gain access to new international and national markets eager for their products". The relation with the producers is structured under clear guidelines based on ideas such as: social justice, economic equilibrium, responsible use of natural resources and the remainders of the production, respect.

In this context, Echery Pottery proposes *right prices* both for producers and also for customers. For that, they "*reduce the distribution chain and try to eliminate intermediaries*". The distribution is done through its distribution centers in Los Angeles, CA (USA) and in Patzcuaro, Michoacán (Mexico). Echery strives to improve the *artisans' livelihoods* and promote community well-being. Thus, it is dedicated to ensuring that "*artisans and their communities are the principal beneficiaries from sales of their art*".

## ARIA CANDY FACTORY

Founded in 1904, Aria is exclusively a private-label confection exporting manufacturer. The company produces many product lines (ex. chocolates, sweets and confections) that can match or improve the quality and flavor of big brand products. *Value-searching consumers got an extra incentive to try lower priced private labels* which respond to their quality criteria. Aria's products can be produced as *Non-Gmo*, *All-Natural*, *Organic*, *Fair Trade*, *Conventional*, or *Sugar-Free*.

In 1995, Aria Candy began export sales of premium quality confection into the American and Canadian markets and currently also ships to Germany. Their "prices are almost always below those of U.S. suppliers" but with the same certified quality. Therefore, they place "special care in obtaining all the certifications that are relevant for their customers" (ex. Kosher supervision, Quality Assurance International, The American Institute of Baking (AIB)).

## **BIOFABRICA SIGLO XXI**

It is a socially responsible company, engaged in the promotion and diffusion of viable and desirable alternatives to improve the quality of life. Its goal is "to support the development of the farming production, articulating the work of the scientific research with the production, in a market perspective of ecological and of social responsibility".

The biofertilizantes play a key role in the formation of "a *new model of productive and respectful agricultural production*" both for the environment and for the consumers. These

products increase the productivity, diminish the production costs and contribute to the regenerate the ground.

## **Common Problems and Performance Evaluation**

These ten companies represent a large diversity of sectors; however they share some common specificities: they are young enterprises managed by young entrepreneurs with a clear social responsibility orientation and offering green products. These social entrepreneurs play a significant change role in the way business are doing in developing countries, as has already indicated on previous research (K@W, 2003). Analyzing the profile and development paths of these companies, we discovered some common problems or constraints:

- Low volume to reach economies of scale
- Lack of Trained Human Capital able to enhance company's growth
- Low negotiation power with retailers
- Low brand awareness
- Low local market sensibilization for this kind of products and business orientation

Most of these companies are fighting for their survival rather than working in new expansion strategies. Although in all cases, there is a clear and differentiated value proposition and succeed to extract value from their business model, they have problems to deliver this value proposition to the market. Not surprising, in all business models, the most difficult task is almost always how to deliver the value proposition to the customer. This points out the need to invest on logistics sophistication and mechanisms to handle volume constraints efficiently.

Appendix 2 presents a summary of the profile of these ten Small Mexican Firms focusing on social and green business opportunities in México. In order to evaluate the performance of these companies three types of performance indicators: economic (5 indicators), ecological (7 indicators) and human resources (2 indicators). Appendix 2 shows the list of indicators used to evaluate the companies herein.

Three of the ten companies studied were not taken into account, Biofábrica Siglo XX1, Aria Candy Factory and Alltournative, because there was no data available. The idea of this analysis was to determine which indicators were presented for each company (see Appendix 4).

Ecoblock International, Grupo Mía, Chicza and Pro Organico received significant financial assistance received from government (E4). Chicza was the only company where the related to the average hours of training per year per employee by employee was not presented (LA10). However, during the interviews made with the managers of New Ventures, one of the weaknesses highlighted was the lack of trained resources inside these companies. That is why New Ventures offer them support to improve their strategies and operations.

## 6. Limitations and Future Research

Among the limitations of this research, we could mention the sample size, only ten socially responsible SMEs were mainly considered for this study. The explorative nature of the research limits the external validity and calls for a more extensive analysis of green practices in SMEs. Future research should also extend the knowledge of ESR and promotes further examination of the impact of SMEs 'green positioning in emerging economies.

Social responsibility and green marketing seem to be terms "a la mode" but their real implementation in developing countries, like Mexico, is still in an early stage and faces some difficulties to fully spread. This is particularly the case of small companies engaged or willing to be engaged in these issues.

This analysis of small-sized Mexican companies contributes to underline opportunities and threats facing companies willing to invest in social responsibility issues and green marketing. The paths and resources of this type of companies are very different from those of larger companies making them more vulnerable, for example, in the negotiation with big retailing chains and in general, to deliver their value proposition to the market.

The growth of this type of enterprises is often jeopardized because the risks associated with the promotion of green and social-oriented business models could be higher; especially in developing countries were this business approach is not widely adopted and appreciated.

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# **Websites and Blogs**

## **New Ventures**

http://www.new-ventures.org/who-we-are

## **New Ventures Mexico**

Website: http://www.nvm.org.mx/

Blog: <a href="http://nvmexico.squarespace.com/">http://nvmexico.squarespace.com/</a>

# **Global Reporting Initiative Portal**

http://www.globalreporting.org/AboutGRI/WhatIsGRI/

### **Endeavor**

http://www.endeavor.org

http://revistafortuna.com.mx/opciones/archivo/2005/febrero/html/endeavour/endeavor.htm

## **Oregon Tilth Certified Organic**

http://www.tilth.org

## **World Resources Institute**

http://www.wri.org/

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Appendix 1: Illustration of companies' logos and products sold















The Aria Candy Factory







Appendix 2 Profile of the Small Mexican Firms focusing on Social and Green Business Opportunities

Company	Website	Sector	Year of foundation	Social and Environmental problems to solve	Services and products.
Ecoblock International Échale a tu casa	www.echale.com.mx	Construction	2007	<ol> <li>Help 6.5 million of people to improve their home</li> <li>Improve construction processes and materials.</li> </ol>	Adoblock Adopress Machine Sustainable Housing Social Housing.
Grupo Mía	www.grupomia.com	Rural Construction	2009	1) Help 550,000 families to get financial aid for housing.	Technical assistance for: credit, subsidies, logistics and training.
Neko Design	www.nekomexico.com	Industrial Design	2005	Make ecological design for firms and consumers.	14 own line of personal and home accessories. Industrial design Architectural projects.
Echery Pottery	www.aldeahome.com/echer y-pottery	Pottery	2006	<ol> <li>Mexico is the country with more bulky craft production on the continent.</li> <li>There are about 6 million artisans who can be helped.</li> </ol>	Echery Marketing Echery Shipping Echery Inside (consulting for craftsmen) Echery Living (consulting craft vendors) Echery Media (content creation).

Appendix 2 : Profile of the Small Mexican Firms focusing on Social and Green Business Opportunities

Company	Website	Sector	Year of foundation	Social and Environmental Problems to be solved	Services and Products.
Chicza	www.chicza.com	Agriculture	2008-2009	1) Produce gum to generate economic value to the forest and to contribute to ecological balance.	Chicza natural gum (mint-flavored gum, mint and lemon).
Mir Ambiental	http://4118.mx.all-biz.info	Water	2001	1) In Mexico, only 4.45% of storm water is reused, the aquifers are overexploited, only about 30% of water is treated and 60% of rivers are polluted.	Technical and chemical products for water treatment.
Pro orgánico	www.pro-organico.com	Agriculture	2003	1) Promote and encourage biodiversity, biological cycles and soil biological activity.	Certified organic products for the fresh market (fruits, vegetables, fertilizers, etc.)
Biofábrica Siglo XXI	www.biofabrica.com.mx	Agriculture	2000	1) Support the development of responsible agricultural production.	Biofertilizers
Aria Candy Factory	www.aria.com.mx	Organic Food	-	-	Candies
Alltournative	www.alltournative.com	Rural Tourism	2002	1) Ecotourism is one of the best alternatives to attain true sustainable development in rural communities.	Tours, transportation and destination guides.

Appendix 3
Description of the Performance Indicators Evaluated

Economic Performance Indicators				
Code	Description			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and government.			
EC2	Financial implications and other risks and opportunities for business activities due to climate change.			
EC4	Significant financial assistance received from government.			
EC5	Ratio of the standard starting salary of the company and the local minimum wage, in place with significant operations.			
EC6	Policies, practices and proportion of expenditure on local suppliers, in place with significant operations.			

<b>Ecological Performance Indicatos</b>				
Code	Description			
EN8	Total Consumption by source water.			
EN10	Percentage and total volume of water recycled and reused.			
EN12	Description of significant impacts arising from activities, products and services of the organization, in protected areas and in areas of high biodiversity and unprotected.			
EN22	Total weight of waste generated by type and method of treatment.			
EN26	Initiatives to reduce environmental impacts of products and services, and the extent of such reduction.			
EN27	Percentage of recovered products and packaging.			
EN28	Cost of the more significant fines and total number of non-monetary, for breach of laws and regulations on environmental matters.			

Human Resources Performance Indicators				
Code	Code Description			
LA1	Breakdown of employees by position, contract and region.			
LA10	Average hours of training per year per employee by employee category.			

Appendix 4
Performance Indicators Analysis for the selected
Small Mexican Firms focusing on Social and Green Business Opportunities

	Performance Indicators				
Company	Economic Environmen		Social		
Ecoblock International Échale a tu casa	EC4	EN12, EN27 EN28.	LA1 LA10.		
Grupo Mía	EC1, EC2, EC4, EC5, EC6.	EC1, EC2, EC4, EC5, EC6.	LA1 LA10		
Neko Design	EC1, EC2, EC6.	EN8, EN22, EN26, EN28.	LA1 LA10		
Echery Pottery	EC1, EC5, EC6.	EN8, EN22, EN26, EN28.	LA1 LA10		
Chicza	EC2, EC4.	EN8, EN12, EN22, EN28.	LA1		
Mir Ambiental	EC2, EC5, EC6.	EN8, EN12, EN22, EN 26, EN28.	LA1 LA10		
Pro orgánico	EC4, EC5, EC6.	EN8, EN10, EN22, EN27, EN28	LA1 LA10		
Biofábrica Siglo XXI	NA	NA	NA		
Aria Candy Factory	NA	NA	NA		
Alltournative	NA	NA	NA		