



### Overview

The Ethos Institute for Business and Social Responsibility (Instituto Ethos de Empresas e Responsabilidade Social) is a non-governmental organization in Brazil with the mission of mobilizing, encouraging, and helping companies manage their businesses in a socially responsible way, making them partners in the building of a sustainable and fair society.

Created in 1998 by a group of entrepreneurs and executives from the private sector, its more than 1,300 member companies represent several business sectors, have 1 million employees, and have an annual income representing about 33 percent of Brazilian GDP.

### Social Responsibility Challenge

As a result of increased investment in socially responsible companies and the use of social and environmental criteria in the actions they perform, it's becoming more necessary to monitor the results and measure the extent to which the company's efforts are meeting the objective of contributing to sustainable development.

"People mistakenly believe that only big companies have social responsibility initiatives. It's just as important to train small and medium enterprises in best practices because often they'll have the most beneficial local impact," says João Gilberto Azevedo, development and advise, Instituto Ethos.

### Solutions

Along with the Multilateral Investment Fund and the Inter-American Development Bank, the institute developed Program Loom—Weaving Sustainable Networks (Programa Tear—Tecendo Redes Sustentáveis) to increase the competitiveness, sustainability, and market opportunities for small and medium enterprises (SMEs).

*Photos: Instituto Ethos effectively teams companies of all sizes to increase the competitiveness, sustainability, and growth of these organizations.*

## Big Results With Small and Medium Enterprises

The weaving process begins by identifying at least one large company with rich corporate SR experiences from several key sectors. Each company selects between 15 and 20 SMEs in their value chain, including both suppliers and customers, and helps incorporate responsible management for internal processes and in relationships with its stakeholders. The companies monitor, assess, and report progress through an online tool.

"By teaming large and small companies, we're exponentially expanding the reach of social responsibility because those smaller businesses can then share their practices with others," Azevedo says. "Best of all, by keeping metrics, we're able to demonstrate both financial and social success to multiple audiences."

The program now has the direct participation of nine large companies that act as anchors. The results are astounding, in terms of both SR and economic development. Since 2007, more than 100 SMEs in eight value chains have involved yet another 800 companies and 23,000 people in the process.

### Measurement/Results

- SMEs found 130 new clients.
- Eight-seven percent of SMEs produced a sustainability report.
- Seventy-one percent of SMEs believed the relations within their value chain have improved.
- Thirty percent of SMEs declared that their income increased.
- Twenty-seven declared reduction of costs.

### Other SR Involvement

The institute has several other initiatives, including an education branch called UniEthos that is teaching businesses about ISO 26000 guidance.



**Organization:** Instituto Ethos  
**Location:** São Paulo, Brazil  
**Website:** <http://ethos.org.br/>  
**Founded:** 1998  
**Employees:** 50