



Integrated Corporate Sustainability Strategies in Latin America

Esteban Koberg, Magdalena Aninat, Ana María Abarca

In collaboration with the Association of American Chambers of Commerce in Latin America and the Caribbean (AACCLA) of the U.S. Chamber of Commerce



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The authors bear sole responsibility for the results, findings, and recommendations presented in this work.

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We are also grateful for the support of AACCLA, especially Cole Matino, and we would like to thank the 355 companies that participated in the study.

Executive Summary: Integrated Corporate Sustainability Strategies in Latin America

This study—conducted by Universidad Adolfo Ibáñez (UAI) in collaboration with the Association of American Chambers of Commerce in Latin America and the Caribbean (AACCLA)—analyzes how 355 companies operating in 11 Latin American countries are integrating sustainability into their business strategies. It explores two key dimensions: Sustainability Embeddedness and Stakeholder Openness, identifying organizational approaches and their implications for sustainability and economic performance.

The study concludes that deep, cross-functional integration of sustainability—supported by transparent stakeholder engagement—can act as a key driver of business competitiveness in Latin America. Firms that align sustainability embeddedness and openness to stakeholders tend to achieve higher performance across both sustainability and financial dimensions.

Key Findings

Diversity of Organizational Approaches

Companies that participated in the study vary widely in sustainability integration. The study identifies four approaches: Normative (44%), Strategic (31%), Cautious (15%), and Tactical (10%). Strategic firms—those with strong sustainability embeddedness and stakeholder openness—achieve the best sustainability and financial performance.

Integration Generates Multi-Dimensional Benefits

Strategic integration is associated with reduced environmental impacts, stronger community relations, enhanced innovation, and improved competitiveness and resilience.

Progress in Governance and Policy

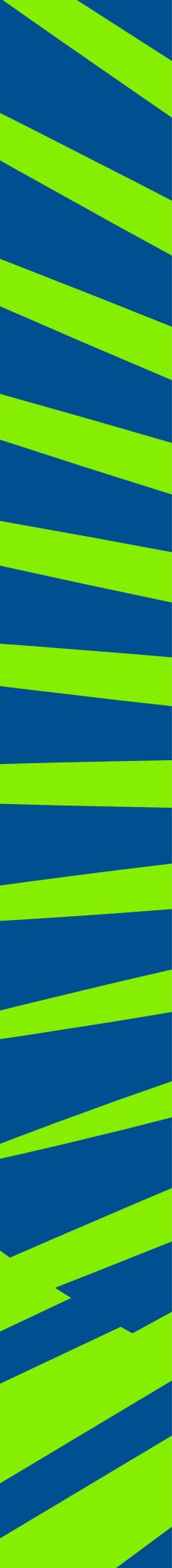
Most companies that participated in the study have sustainability policies and dedicated budgets, and 70% discuss sustainability at the board level. However, 23% still lack formal governance structures, and board-level attention remains below financial issues.

Limited Value-Chain Engagement

Employee engagement is strong, but supplier and community engagement lag behind, limiting firms' ability to manage sustainability risks across supply chains.

Uneven Transparency and Reporting Practices

While 73% publish sustainability reports, only half seek external verification. Reporting focuses on visible metrics and often omits negative impacts or mitigation plans.



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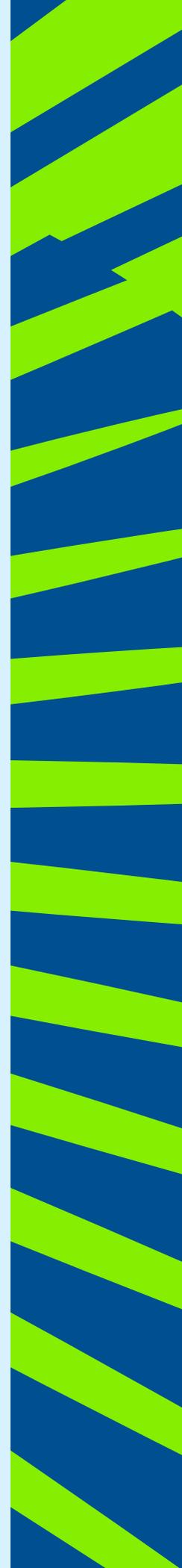
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About

The U.S. Chamber's
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Caribbean (AACCLA)

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Association of American Chambers of
Commerce in Latin America and the Caribbean

The U.S. Chamber of Commerce is the world's largest business organization, representing millions of U.S. businesses of every size, sector, and geographic region. The U.S. Chamber advocates for policies that help businesses create jobs and grow the economy, and its membership includes multinational corporations, small and medium-sized businesses, state and local chambers of commerce, trade associations, and a network of 130 American Chambers of Commerce abroad.

For more than a century, American Chambers of Commerce (AmChams) have been the most influential voice of U.S. business in Latin America and the Caribbean. AmChams bring together U.S. companies operating in the region as well as local companies that have U.S. trade and investment ties. AmChams advocate for U.S. business interests, uphold the highest commercial practices, and facilitate trade and investment between the United States and the countries in which they are established. Their extensive experience and knowledge of doing business in the region make them a key resource for any U.S. company seeking to expand



amchamCL



**AmCham
Panama**



its operations into the Latin American and Caribbean markets.

The U.S. Chamber of Commerce's Association of American Chambers of Commerce in Latin America and the Caribbean (AACCLA) unites 22 AmChams, which collectively represent more than 20,000 companies and over 80% of U.S. investment in the region. The U.S. Chamber and AmChams collaborate through AACCLA to advance a common policy agenda, strengthening the economic relationship between the United States and countries in Latin America and the Caribbean. AACCLA provides a platform for dialogue between the public and private sectors of the U.S., Latin America, and the Caribbean, allowing all the rare fora to discuss new opportunities, challenges, and share best practices. AACCLA develops policy objectives through constant dialogue with its member AmChams to identify the issues most important to the business community.

This report is the culmination of nearly one year of work between AACCLA, Universidad Adolfo Ibañez (UAI), 11 of the AmChams in our network

and their members, and AACCLA's Chair's Leadership Circle Members. The results of the featured study are an offering a quantitative and qualitative insight into how AmCham member companies are integrating sustainability into their business strategies, and how these findings compare at a sub-regional and country-specific level.

We are grateful to Brambles and DHL for sharing case studies of their own trailblazing initiatives and for their leadership in sustainability across Latin America. We would also like to recognize the 355 companies that participated in this study, and the 11 AmChams that assisted with the collection of this data. Finally, a sincere thank you to the team from UAI for their partnership and collaboration.

AACCLA is committed to working with AmChams and other partners to support companies as they integrate sustainability into their business operations in Latin America. This report serves as a valuable resource for advancing sustainability in tandem with increasing trade and investment between the United States and Latin America.



About

The Business School of Universidad Adolfo Ibáñez (UAI)

Juan Carlos Jobet

Dean
Business School
Universidad Adolfo Ibáñez



With over 70 years of experience in educating business leaders in Chile and Latin America, at the Business School of Universidad Adolfo Ibáñez we firmly believe that the business plays an essential role in the development of countries in the region. The Business School at Universidad Adolfo Ibáñez (UAI) is one of Latin America's leading academic institutions in management and economics. With a strong emphasis on academic excellence, innovation, and global engagement, the School offers a wide range of undergraduate, graduate, and executive education programs. It is the first business school in Chile to be accredited by AACSB, EQUIS and AMBA, and is recognized for its research output, close ties to industry, and commitment to developing responsible and forward-thinking leaders. The School fosters critical thinking, entrepreneurship, and sustainability, preparing its students to tackle complex challenges in both local and global contexts.

Sustainable growth is dependent on companies' ability to mobilize human and financial resources to deliver innovative solutions and provide goods and services that meet the needs of

people and organizations. However, in the current environment of increasing skepticism, sustainability should not be considered as a superficial response to external pressures, but rather as a core element of business models to strengthen the resilience and legitimacy and drive the innovative capacity of companies to provide solutions to challenges facing the world. Despite advances in the incorporation of sustainability into corporate strategies, questions regarding effective practices and the real alignment of these initiatives with business results remain unanswered.

As indicated by the authors of this study, UAI professors Esteban Koberg, Magdalena Aninat and Ana María Abarca, sustainability is not an end in and of itself, but rather a means that enables the creation of long-term value and strengthens companies' competitiveness and resilience in constantly changing environments. This applied study on integrating sustainability into business in Latin America sets out to provide practical evidence on how companies in the region are approaching this task, shedding light on the particularities of our region in its approach to this global phenomenon. The

study emphasizes that opportunities exist for businesses in Latin America (LATAM) to move towards sustainability strategies that do not merely respond to market fluctuations or regulatory requirements but are instead aimed at improving the long-term health of businesses.

This study provides a valuable conceptual model for understanding how different approaches adopted by companies have an impact on their economic and sustainability performance. This unprecedented collaboration between UAI and AmChams in eleven countries in the region has mobilized the participation of over 350 companies, thanks to the valuable collaboration of AACCLA. This widespread participation is undoubtedly a sign of the interest in corporate sustainability, its important relationship to growth, and the genuine concern among companies operating in the region to raise their sustainability standards.

We hope that its publication will not only be of interest to the participants, but that it will also help to guide business leaders throughout Latin America towards sustainable business development in the region.

Introduction: Corporate Sustainability and Business Development in Complex Settings

The long-term outlook of any company is determined by its ability to strengthen its competitive position. However, demographic, social and geopolitical transformations, as well as disruptions associated with technology innovation and climate change, can change consumer preferences, drive new regulations, impact business continuity, and determine companies' ability to attract capital. Ultimately, these factors affect companies' long-term competitiveness.

Businesses thus face a tension between achieving immediate financial results and maintaining a healthy long-term outlook. Resolving this tension requires distinguishing short-term trends and fluctuations from the deep transformations needed to ensure competitiveness in settings where conditions are increasingly difficult to predict.

This tension is especially relevant in Latin American countries, where there is a

Perception of Risk for Business

In this study, the companies analyzed anticipate predominantly negative impacts on their business in light of the main global trends. Corruption is identified as the main future risk (71%) followed by organized crime (69%), cybersecurity (68%), and political polarization (57%). In terms of climate change and natural disasters, 61% of companies anticipate negative impacts, placing physical environmental risks on the same level of concern as institutional and security risks. This data reflects a high sensitivity to systemic risks that affect institutional stability and confidence in the operating environment.

Migration stands out as the only phenomenon with a more balanced perception: 48% of companies assess this neutrally, 8% see it as an opportunity, and 27% identify it as a risk, as shown in Table 1. This finding suggests a greater ambivalence or dependence on the sectoral and territorial context to interpret its effects.



predominance of economies based on industrial sectors associated with natural resources—agriculture, forestry, mining, and marine resources, to name a few—and international trade strategies that expose them to international geopolitical fluctuations. Additionally, the region’s business sector is highly sensitive to systemic risks that affect institutional stability and confidence in companies’ operating environments, with particular concern for issues such as organized crime, corruption, and climate change (see sidebar).

In this context, it is important to analyze the value of sustainability for business development. It is especially relevant in a region where sustainability has been driven both by company priorities—either by conviction or by stakeholder pressure—and by local regulators that have achieved different levels of progress in moving countries in the region towards the increased demand from global financial regulators for compliance with sustainability standards in company operations and market reporting (Aguilera et al., 2019).

Table 1: Perception of systemic risks and impact on business in LATAM

Issue	Response Category			
	Very important and important	Neutral	Unimportant and Very Unimportant	Not applicable
Cybersecurity	68	19	10	3
Extreme Climate Events	61	28	3	8
Corruption	71	18	3	8
Organized Crime	69	18	2	11
Migration	27	48	8	17
Political Polarization	57	31	2	10

Source: Prepared by authors based on responses from AmCham member companies in Latin America (N=264).

Companies increasingly adopt voluntary sustainability policies and practices related to investors, employees, communities, suppliers, and customers that aim to improve environmental and social performance with a direct impact on the business¹. The process of integrating sustainability into business strategies responds to a set of pressures and incentives that come from both internal stakeholders (shareholders, employees, suppliers) and external stakeholders (customers, investors, regulators, public opinion), which exert different power and influence and do not always align on their expectations (Delmas & Toffel, 2008). In Latin America, boards of directors, customers, and investors are instrumental in informing the transition towards integrated sustainability (see sidebar).

Companies in the region also perceive that stakeholders have a significant influence on the integration of sustainability into attracting and keeping new business. Graph 2 shows that the greatest pressure to manage the impacts of new business comes from senior management, which reinforces its role not only in terms of governance but also as an active promoter of a sustainable vision that enables sustainability-mediated investment, expansion, and innovation

decisions. Customers are also perceived as a stakeholder whose pressure is relevant in the integration of sustainability into new business, reinforcing the importance of aligning new value propositions with consumers’ social and environmental expectations and the associated impact on the communities where they operate.

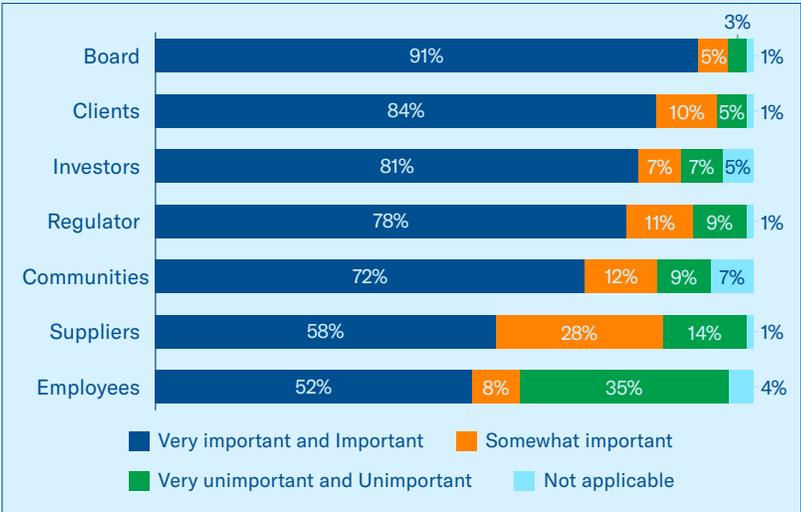
Communities and suppliers consistently rank as the stakeholders who exert the least pressure on companies to integrate sustainability into new business, although the influence of communities is significantly greater in South America than in Central America.

Besides addressing stakeholder expectations, scientific literature posits that integration of sustainability into core business processes may create differentiation advantages that strengthen the firm’s competitive position (Eccles et al., 2014; Ioannou & Serafeim, 2019). Although scientific evidence on the link between corporate sustainability and firm financial performance³ is not conclusive, recent meta-analytic studies find an overall positive relationship (Friede et al., 2015; Whelan et al., 2021). Sustainability can support value creation in multiple ways, including

Stakeholders who Inform Sustainability in Latin America

In the study, the companies analyzed in Latin America perceive that managing sustainability in their current business is relevant for all their key stakeholders, with greater relevance for primary stakeholders² such as directors, customers, investors, and regulators, as shown in Graph 1.

Graph 1: Importance of sustainability management in companies operating in Latin America, per stakeholder



Source: Prepared by authors based on responses from AmCham member companies in Latin America (N=306).

access to new markets, higher rates of product innovation and differentiation, customer loyalty, waste reduction, lower operating, resource, and input costs, and increased supply chain resilience. Recent evidence also suggests that corporate sustainability contributes to attracting better talent, more stable investors over time, and greater board capacity and attention to the environment, in addition to facilitating the development of positive relationships between the company and relevant stakeholders (Nguyen & Kanbach, 2023). Viewed as a whole, the integration of sustainability can strengthen the company’s long-term competitive capacity through risk reduction and increased opportunities for differentiation (Porter & Kramer, 2011).

However, the transition to sustainability is fraught with challenges in its implementation. These issues include the need to adopt long-term comprehensive approaches, even though results are assessed in the short term, cultural resistance to change, and difficulty of measuring results. In addition to these internal elements, firms in Latin America operate in an environment where generalized distrust of companies and a broader range of expectations regarding their

contribution to society—and to the development of individuals and communities—beyond the mere efficient production of goods and services is common. If one also considers a lack of available capacities and technologies to develop non-polluting production processes, the transition to “integrated corporate sustainability strategies” becomes even more complex.

It is in this context that this study was developed, with the aim of understanding how companies operating in Latin America are integrating environmental and social dimensions to create economic value for their shareholders and for society. Through this joint initiative between the Business School of the Universidad Adolfo Ibáñez (UAI) and the Association of American Chambers of Commerce in Latin America and the Caribbean (AACCLA) of the U.S. Chamber of Commerce, the study analyzes the key pillars that enable companies of different sizes and from different sectors and countries to integrate sustainability into their business strategy. It also provides an understanding of the effects on sustainability and economic performance associated with the integration of sustainability into a firm’s business strategy.

Graph 2: Stakeholders that exert the most pressure to manage sustainability in new business, by geographic area



Source: Prepared by authors based on responses from AmCham member companies in Latin America (N=304). The graph shows the percentage of occasions in which each stakeholder was ranked among the top 3.

Integrated Corporate Sustainability Strategies in Latin America: Study Methodology

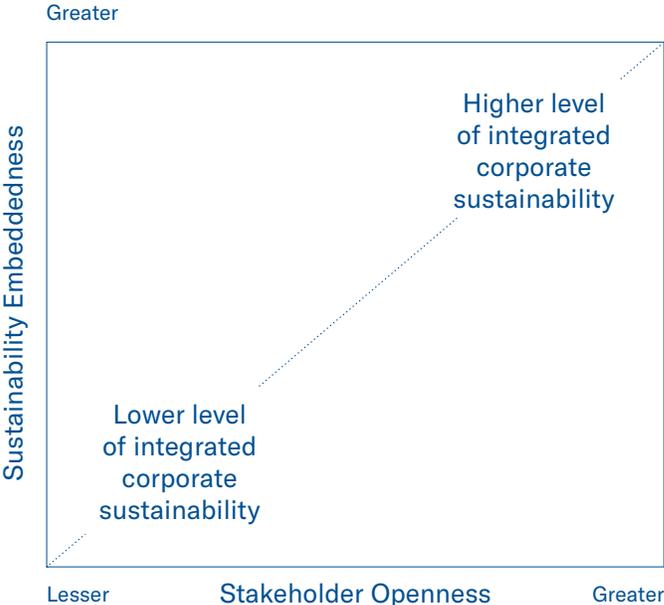
Previous studies on sustainability integration into a firm’s business strategy (Aninat, Koberg & Arredondo, 2022; Aninat & Koberg, 2024), developed jointly by the Universidad Adolfo Ibáñez and AmCham Chile, identified two relevant organizational dimensions for companies’ competitiveness over time: sustainability embeddedness and stakeholder openness. Both dimensions are pillars that improve a firm’s long-term outlook, contributing to a positive engagement between business and society.

Sustainability embeddedness means that organizations align their present decisions with future goals, integrating sustainability and its value to economic returns cross-functionally into the business strategy, with the active commitment of senior management, governance systems, and organizational policies that promote consistently responsible operational practices and facilitate the development of an organizational culture where sustainability is present (Bansal, 2005; Hahn et al., 2015).

Stakeholder openness means developing relationships of trust and collaboration with key stakeholders through greater transparency on sustainability performance, generating a proactive engagement that enriches the company’s capacity for innovation, adaptation, and legitimacy and ensures their social license to operate. In turn, societal trust in business is strengthened.

These two dimensions are essential pillars for building more resilient and competitive organizations in the long term, and are the basis for integrating corporate sustainability into the business strategy. As shown in Figure 1, this study is based on this two-axis conceptual model which contributes to understanding the degree to which companies operating in Latin America have integrated sustainability into their business strategies and the implications for sustainability and economic performance.

Figure 1: Conceptual model to analyze the level of sustainability integration into the business strategy



Source: Adapted from Aninat & Koberg, 2024



Study Purpose and Structure

This study aims to understand the approach taken by companies operating in Latin America to integrate sustainability into their business strategies. To this end, it examines the following questions:

1. To what extent do companies adopt a long-term approach when facing sustainability issues? This question looks at how companies are embedding sustainability into organizational culture and operations, with a particular focus on their governance and implementation of processes.
2. To what extent is there openness to the stakeholders? This question looks at the processes that companies develop for engaging with stakeholders as well as the sustainability information that companies provide to market agents.
3. What is the performance of companies with different integration approaches? Approaches for integrating sustainability are proposed and contrasted with sustainability and economic performance.

Accordingly, the study is structured in three chapters and two case “spotlights.” The first chapter presents the results of sustainability embeddedness in companies in LATAM, with a focus on the companies’ implementation systems. Results for stakeholder openness

are presented in Chapter 2, specifically by reviewing engagement and transparency practices. The third and final chapter presents approaches adopted by companies in the region as well as sustainability and financial outcomes.

The results are presented in aggregate to protect the confidentiality of participants, showing the total number of participating companies in the region, distinguishing between Central and South America. This distinction identifies whether there are geographic variances in the behavior of any relevant variables of the process of integrating sustainability into the business strategy analyzed in this study.

The results and profiles also identify other general characteristics of companies, such as economic sector, size, and whether they are publicly traded or regulated.

The report also includes two “spotlight” sections in which companies that operate in LATAM share specific practices that are being developed to further sustainability integration in the operations in LATAM.

Methodology

The data for this study was collected through a structured survey with items that assess the main pillars of the conceptual model presented above, contextual variables and economic and sustainability performance. The survey was conducted between November 2024 and February 2025, with the participation of 355 companies of different sizes and in different economic sectors that are members of AmCham Chambers of Commerce (AmChams) in eleven Latin American countries. The sample universe was limited to AmCham member companies and defined jointly by the research team and the

AmCham office in each participating country. The survey was anonymous and conducted online, and transnational companies were asked to respond considering only the operation in each country. The study achieved a 10% response rate in the overall sample, which is consistent with previous applied studies (Montiel & Delgado-Ceballos, 2014).

Table 2 summarizes the indicators included in the measurement instrument, and Table 3 summarizes the responses by country.

Table 2: Structure of the measurement instrument

Analysis dimension	Key element	Variables
Context	Sustainability drivers	<ul style="list-style-type: none"> • Drivers for managing environmental and social impact of current operations • Drivers for managing environmental and social impact of future operations
Sustainability embeddedness	Role of top management	<ul style="list-style-type: none"> • Top management involvement in sustainability matters • Sustainability unit • Incentives for sustainability performance
	Strategy, culture and operations	<ul style="list-style-type: none"> • Internal sustainability policies • Certifications • Adherence to international agreements • Sustainability budget
Stakeholder openness	Stakeholder engagement	<ul style="list-style-type: none"> • Suppliers • Employees • Clients • Communities • Investors
	Transparency	<ul style="list-style-type: none"> • Access to information • Reporting content
Firm performance	Sustainability performance	<ul style="list-style-type: none"> • Carbon footprint reduction • Waste management and recycling • Energy usage • Water consumption • Engagement with local communities • Transparency and reporting of sustainability results
	Economic performance	<ul style="list-style-type: none"> • Sustainability initiatives in compliance with budget • Return on investment (ROI) of sustainable initiatives • Revenue generation from products or initiatives associated with sustainable practices • Innovation in sustainable products or services



Table 3: Number of participating companies by country

Geographic zone	Country	# of responses (firms)
South America	Chile	37
South America	Colombia	13
Central America	Costa Rica	61
South America	Ecuador	5
Central America	Guatemala	61
Central America	Honduras	24
Central America	México	27
Central America	Panamá	48
South America	Perú	41
South America	Uruguay	10
South America	Venezuela	28
Total		355

Chapter 1. Sustainability Embeddedness: How is Sustainability Integrated into Companies Operating in Latin America?

Considering a long-term vision in decision-making is essential for organizations that seek lasting success. A long-term vision provides a strategic framework for anticipating challenges, managing resources efficiently, pursuing innovation, investing early in transformations to maintain operational continuity, and competitive capacity. This vision allows companies to align short-term actions by making changes to processes, products, and investments necessary to reach long-term goals.

Business performance focuses on analyzing market variables and ensuring return-on-investment. Non-market variables (e.g., social, demographic, geopolitical, and climatic changes) are also increasingly affecting companies' competitive capacity and their ability to manage risks, especially in regions such as Latin America. In this regard, the task of defining an effective long-term vision requires integrating financial dimensions and such other variables (e.g., environmental) with broad analyses of risks and opportunities associated with emerging transformations that impact financial performance. Competitive resilience—understood as the strengthening of its competitive capacity over time—requires integrating the company's environmental impacts on its ecosystem, as well as the social and climatic transformations that affect the availability of resources. This integration is not enough for competitive resilience if it is limited to a reactive response to events or is easily swayed by fads or temporary leadership in organizations.

Therefore, as the first pillar of integrated corporate sustainability strategies in Latin America, the study analyzes whether companies have high embeddedness of sustainability in their governance, strategy, operation, and culture.

This chapter reviews the scenario for the region's companies in this pillar based on a review of the following issues:

- the involvement of senior management in the integration of social and environmental dimensions into the strategy;
- the organization's internal alignment through incentives tied to the fulfillment of sustainability goals;
- the relevance of governance and operational structures in the sustainability integration process, as well as the cross-functionality of their work within companies;
- the existence of formal organizational policies and the targets contained in these;
- memberships and certifications related to the integration of environmental and social performance in companies;
- resources allocated to the transformation of processes related to sustainability improvements;

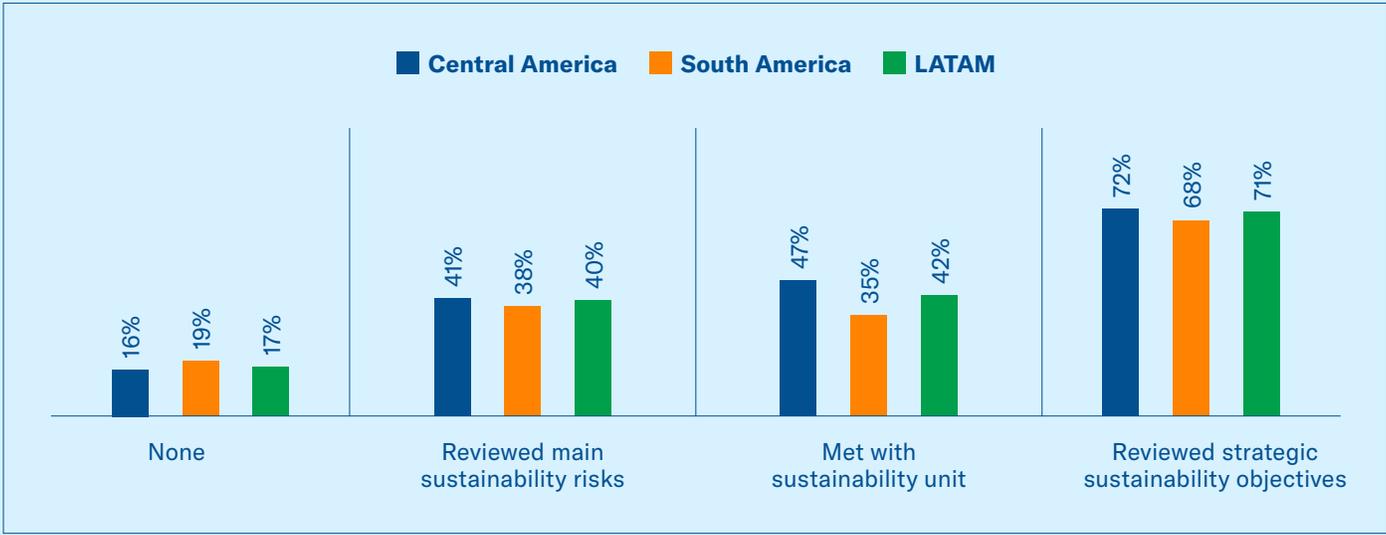


To what extent is senior management engaged in integrating sustainability in the company’s strategy?

The involvement of senior management is crucial to ensure that sustainability is not peripheral but is cross-functionally integrated into the business strategy and operation on an ongoing basis, through the appropriate allocation of resources and the promotion of a culture committed to sustainability (Lozano, 2015; Wijethilake & Lama, 2019).

One indicator of senior management’s commitment in this area is the systematic review of the analysis of sustainability goals and risks at board meetings, as well as systematic communication with the area responsible for sustainability. Graph 3 shows that more than 70% of the companies in the region incorporate sustainability issues into board meetings, with a focus on the review of strategic sustainability goals. Board interaction with the sustainability area and review of sustainability risks occurs in less than 50% of the companies in the region. In 28% of companies, senior management carried out all three actions in the last six months.

Graph 3: Actions taken by top management in the last 6 months towards sustainability integration



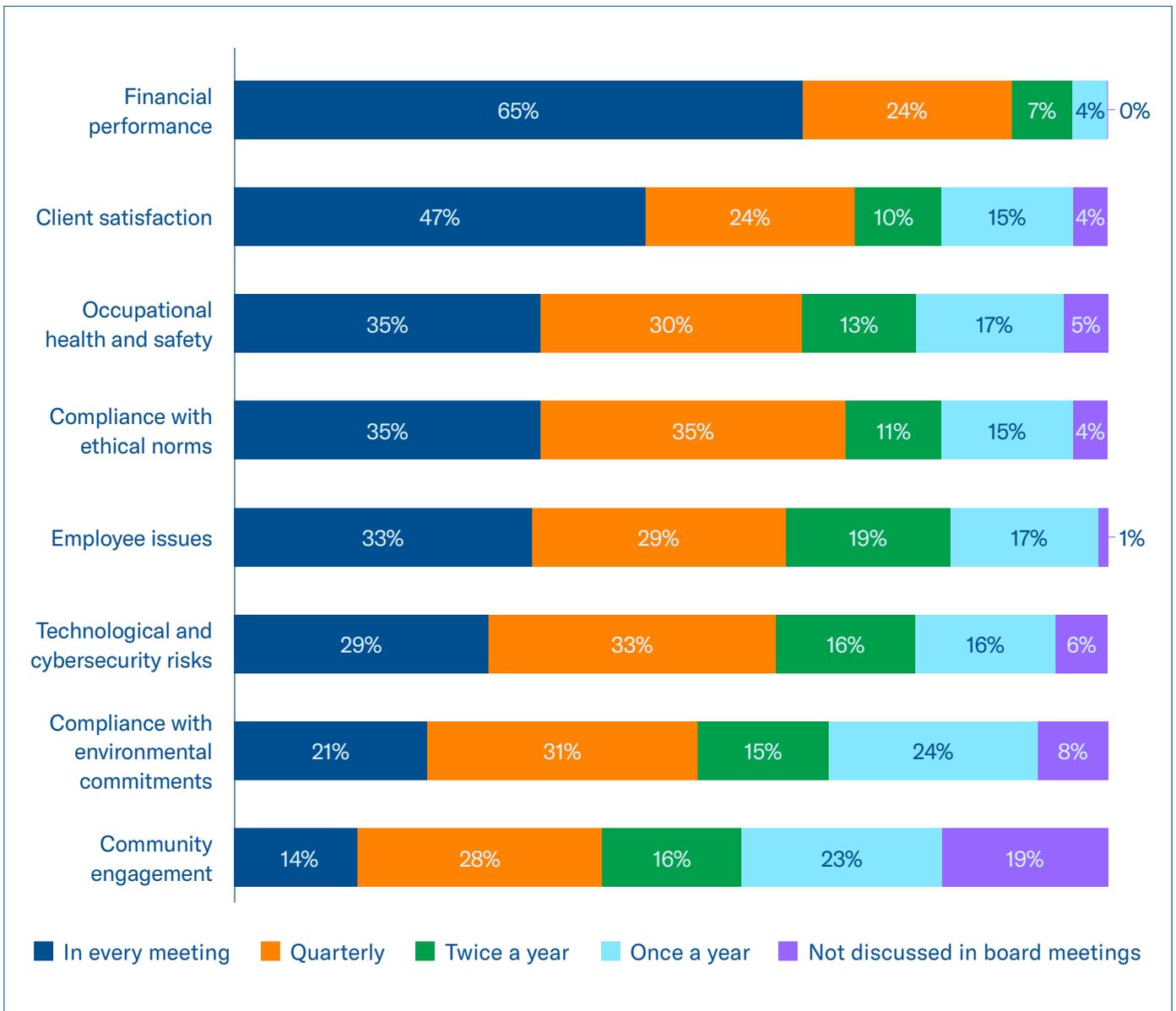
Source: Prepared by authors based on responses from AmCham member companies in Latin America (N=291).

The frequency with which sustainability issues are on the agenda of board meetings is a second indicator of senior management involvement. Graph 4 shows that the issues most frequently addressed by boards are financial performance and client satisfaction, followed by internal sustainability issues such as occupational health & safety and ethical compliance. In contrast, board attention to environmental commitments and community engagement is less frequent.

Is compliance with sustainability goals encouraged?

In addition to the involvement of senior management, the alignment of incentives is fundamental to guide different areas of the organization towards compliance with company goals for managing sustainability risks and tapping into opportunities associated with improved sustainability performance⁴.

Graph 4: Frequency of different issues on the board meeting agenda



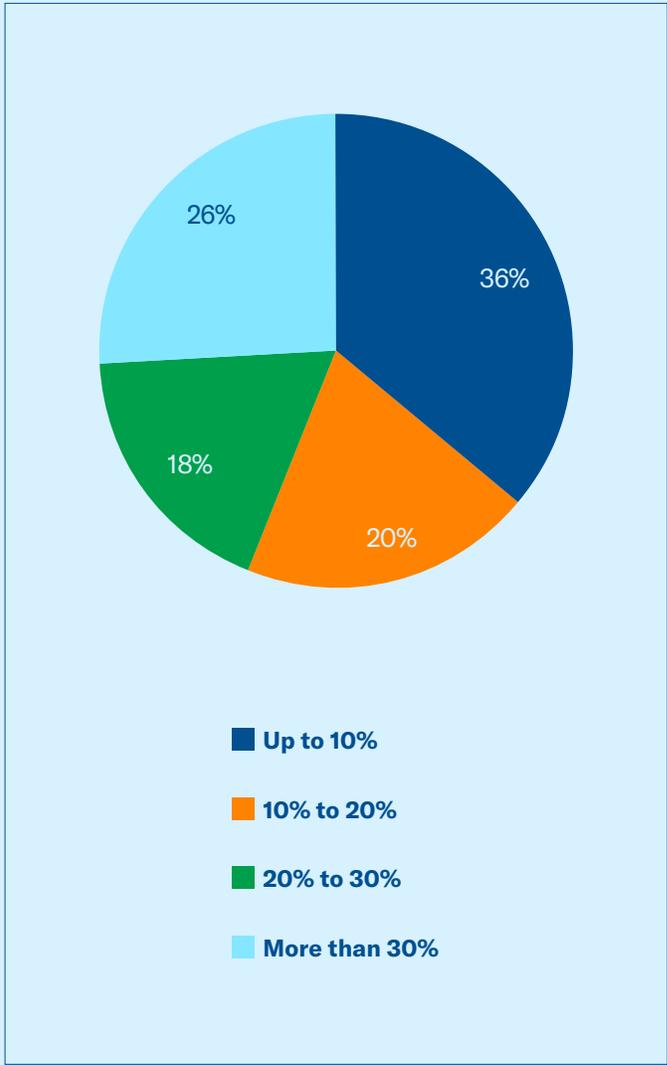
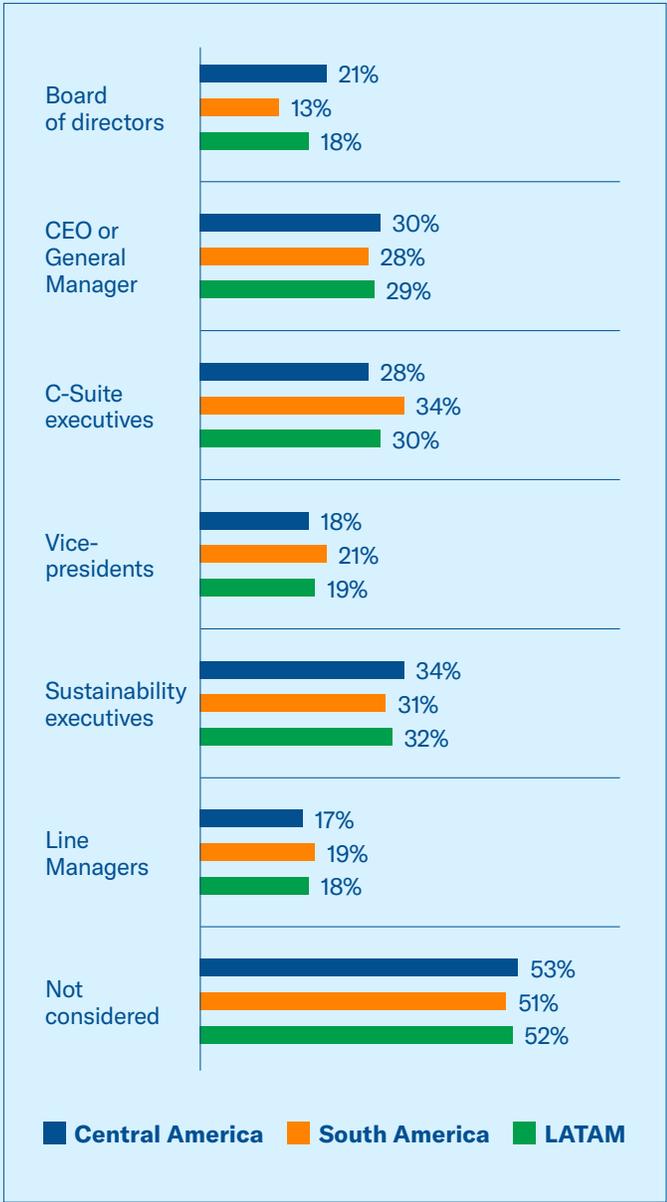
Source: Prepared by authors based on responses from AmCham member companies in Latin America (N=288).

Total variable compensation includes sustainability targets in slightly less than half of the companies surveyed as shown in Graph 5. In both Central and South America, variable compensation is more likely to include sustainability goals for executives—especially sustainability teams—front-line managers and the CEO, while it is less common for operational teams or the board of directors.

The magnitude of variable compensation associated with sustainability targets is also an indicator of the alignment of incentives to drive the company-wide transformation required by these dimensions. Graph 6 shows that in the region, when variable compensation is tied to sustainability targets, this variable percentage is usually no greater than 20% of total variable compensation.

Graph 5: Companies that include compliance with socio-environmental targets in their incentives, by hierarchical level

Graph 6: Percentage of total variable compensation associated with socio-environmental targets



Source: Prepared by authors based on responses from AmCham member companies in Latin America (N=290).

Source: Prepared by authors based on responses from AmCham member companies in Latin America. This graph only considers companies with variable compensation tied to sustainability variables (N=129).

Graph 7: Organizational structures responsible for corporate sustainability governance, differentiated by geographic area



Source: Prepared by authors based on responses from AmCham member companies in Latin America (N=293).

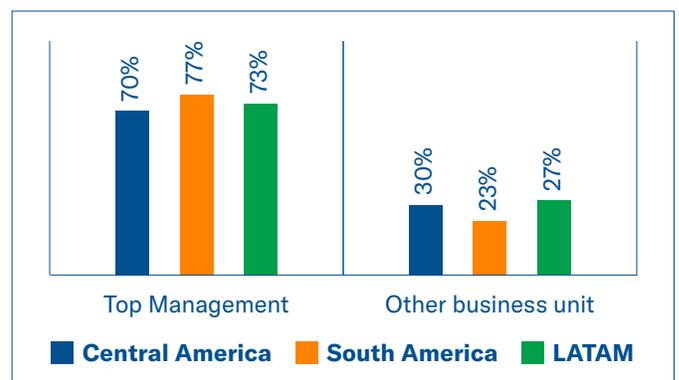
How relevant is the sustainability unit to the company’s organizational structure?

A third indicator used to analyze senior management involvement in integrating sustainability into corporate strategy is the governance structure used to address sustainability issues. As Graph 7 shows, 44% of companies in the sample have an executive sustainability committee on a senior management level and 35% have sustainability committees on a board level. In these companies, senior management involvement in the governance of sustainability issues represents a step towards their strategic institutionalization. In 38% of companies, sustainability management is led from a senior management or vice-presidency position, which indicates a more technical-operational approach.

However, 23% of companies state that they do not have any type of formal structure. Although there is a clear trend towards incorporating sustainability at upper management levels, this finding reveals that it is not a universal practice, and important differences persist in terms of where the unit responsible for sustainability is located on the organizational chart.

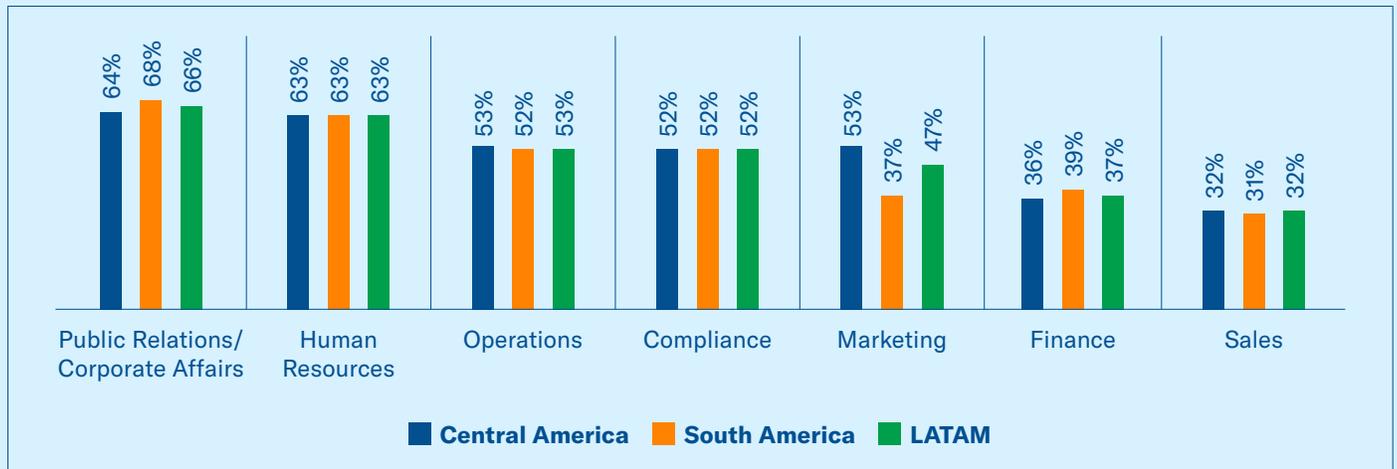
Another relevant aspect when assessing the relevance of the sustainability unit is understanding the corporate chain of command. Graph 8 shows that in more than two thirds (73%) of companies, the unit responsible for sustainability is in senior management’s chain of command, which is a positive sign in terms of strategic alignment. The remaining 27% report to other areas (such as marketing, human resources, operations, etc.), which may limit their capacity for cross-functional influence or autonomy. Based on the firms sampled in this study, in South America it is more common for the sustainability area to report to senior management, while in Central America it is more common for it to report to other functional areas.

Graph 8: Internal dependence of the of sustainability unit, differentiated by geographic area



Source: Prepared by authors based on responses from AmCham member companies in Latin America (N=293).

Graph 9: Functional units that work regularly with the sustainability unit, differentiated by geographic area



Source: Prepared by authors based on responses from AmCham member companies in Latin America (N=288).

The frequency of interactions between the sustainability unit and other functional areas is another indicator of its relevance within the organization and its ability to drive transformations in the operating model. As shown in Figure 9, the sustainability unit most frequently works with public relations/corporate affairs, human resources, and risk & compliance, followed by operations and marketing. This pattern suggests a predominant focus on external communication, talent management, and corporate governance, consistent with non-financial reporting standards. In contrast, relevant areas such as sales/commercial and finance show considerably lower levels of collaboration, which is evidence that sustainability has not yet achieved a solid integration into commercial and economic decision-making spaces. This gap limits its strategic potential and hinders its consolidation as a cross-functional action area of the business.

Do companies have formal policies in place to guide sustainability integration into the company?

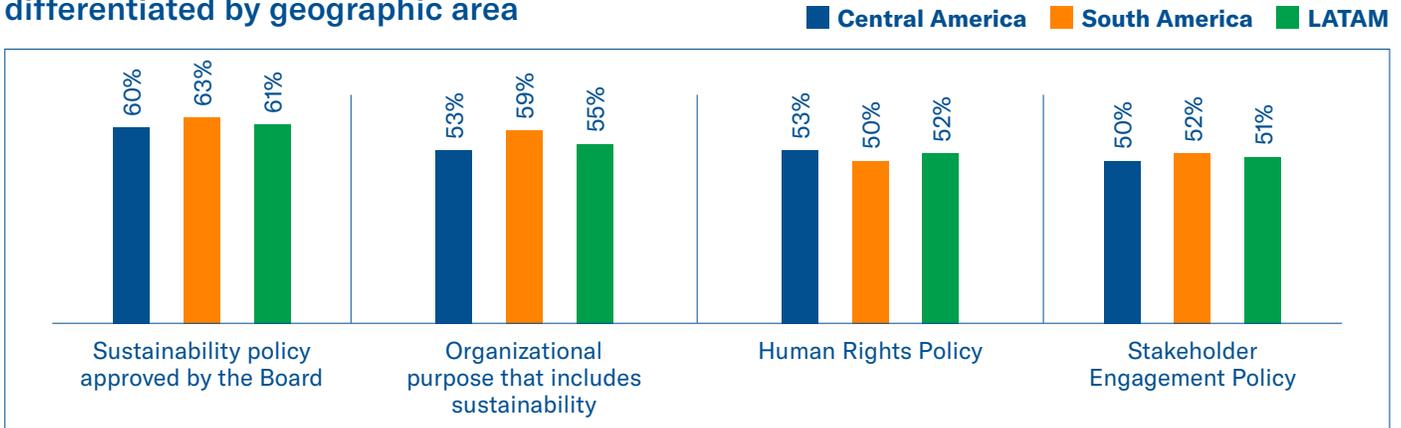
Organizational policies play a key role in increasing sustainability embeddedness, facilitating its continuity over time. By establishing a clear and structured framework, they guide decisions and actions towards responsible practices and provide continuity over time. Policies also set common guidelines and expectations for all company employees, ensuring consistency with the company’s strategic sustainability goals. Furthermore, by fostering behaviors and values in keeping with these goals, they contribute to incorporating sustainability as an integral part of organizational culture.

Graph 10 shows that most companies participating in the study have policies related to sustainability (only 10% of companies report that they have no associated policy). Furthermore, 61% of companies have a sustainability policy approved by the board of directors, and just over half of respondents have a specific stakeholder engagement policy.

The content of the sustainability policy is also relevant, especially in terms of specific targets. The inclusion of specific targets in the sustainability policy embeds a tangible and

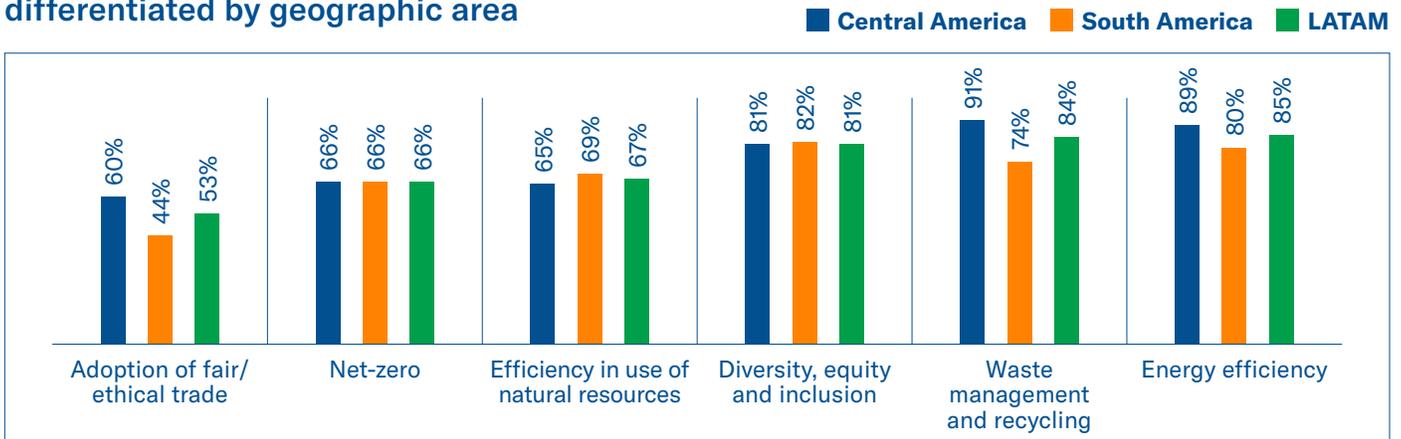
subsequently measurable company commitment to social and environmental performance⁵. It is commonplace for the subset of companies with a board-approved sustainability policy to include resource efficiency and waste generation targets, as well as targets associated with workforce composition. It is less frequent to find targets associated with the value chain (slightly more than half of the cases), although companies in Central America publish targets in this dimension more frequently than in South America, as shown in Graph 11.

Graph 10: Companies that have formal policies related to relevant sustainability aspects, differentiated by geographic area



Source: Prepared by authors based on responses from AmCham member companies in Latin America (N=284).

Graph 11: Targets included in companies' board-approved sustainability policies, differentiated by geographic area



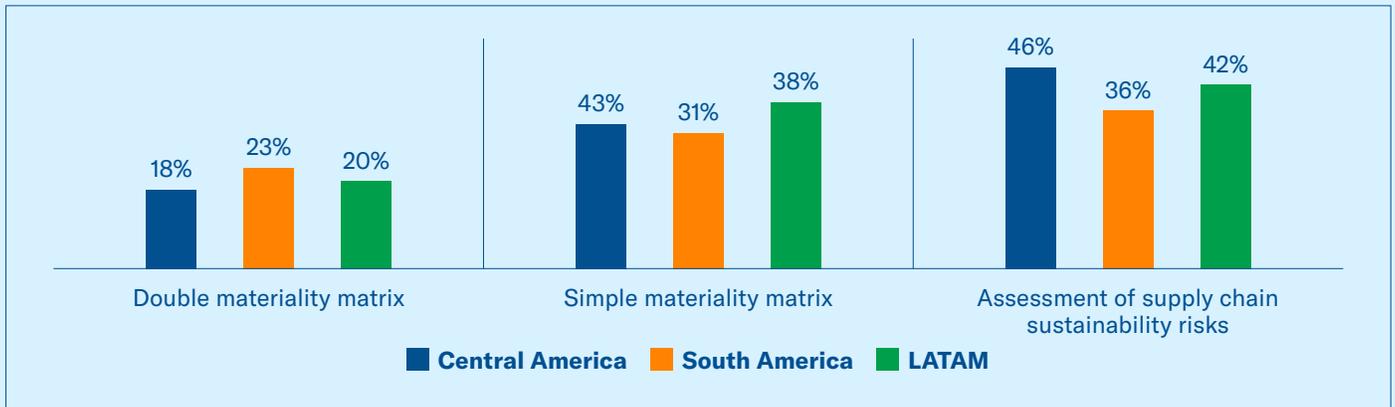
Source: Prepared by the authors based on responses from AmCham member companies in Latin America that have a board-approved sustainability policy (N=150).

In terms of tools used to identify the priority sustainability issues to be managed, Graph 12 shows that the most widely used tool is the supply chain risk assessment. It is also commonplace for companies to use materiality matrices to identify and prioritize issues and risks most relevant to the company’s sector, individual market circumstance, and their stakeholders. Less than 20% of companies include a double materiality matrix in their sustainability policy, which incorporates the financial dimension into the materiality analysis. In the analysis by geographical area based on this study, South America shows a greater concern with integrated risk analysis, with 23% of companies carrying out a double materiality matrix. In Central America, the use of the simple materiality matrix is more frequent.

How involved are companies in certifications and organizations that help them to improve their environmental and social management?

Just as internal policies provide a clear frame of reference for action, membership in international initiatives contributes to companies’ institutional sustainability by facilitating shared learning and integration of new knowledge for the transition towards integrated sustainability. Likewise, certifications provide an external standardized assessment that offers a comparison of the adoption level of shared sustainability standards.

Graph 12: Risk management tools included in the sustainability policy



Source: Prepared by the authors based on responses from AmCham member companies in Latin America that have a board-approved sustainability policy (N=150).

The grouping of certifications and memberships reveals patterns in terms of the integration of sustainability standards in companies operating in Latin America. Graph 13 shows that while about 28% of companies do not have formal certifications, there is a high adoption level of integrated certifications and memberships such as ISO 26000, Dow Jones Sustainability Index and the Global Compact, especially in South America. This region also shows a higher proportion of environmental certifications, such as ISO 14001 and Leadership in Energy and Environmental Design (LEED), suggesting a more robust commitment to environmental management in the built environment. In contrast, adoption of social certifications is lower throughout the region, suggesting that the social dimension of sustainability, particularly in supply chains, is more complex and still nascent.

Do companies allocate resources to the sustainability integration process?

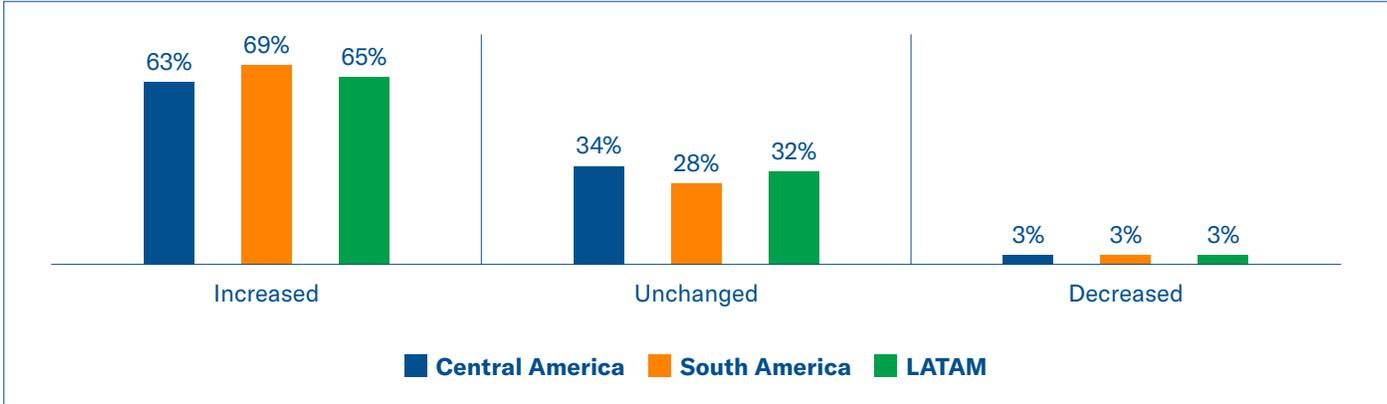
Formal approval of resources to implement sustainability initiatives is another indicator that reflects sustainability embeddedness. Of the total number of organizations that responded to this question, 70% indicated that they had an approved budget specifically for sustainability targets, which is a sign of institutional sustainability within organizational planning. Additionally, over the past 3 years, resources approved for sustainability initiatives have grown in 65% of organizations and only decreased in 3%. Growth in resources is slightly higher in organizations in South America (69% vs. 63%), as shown in Graph 14.

Graph 13: Companies with memberships and certifications associated with socio-environmental issues, differentiated by geographic area



Source: Source: Prepared by the authors based on responses from AmCham member companies in Latin America (N=277).

Graph 14: Changes in the approved budget for sustainability, by geographic area



Source: Prepared by the authors based on responses from AmCham member companies in Latin America (N=189).

In summary, the results show that a large majority of companies in Latin America have structures and processes in place to support the participation of senior management in the definition and monitoring of sustainability goals. However, the attention level given by senior management to these goals is much lower in comparison to financial dimensions. Likewise, nearly a quarter of companies have no formal structure in place to carry out ongoing review processes for the integration of such sustainability variables in their organizations.

There is also diversity in the relevance of the structures responsible for operationalizing this integration within companies, and they are not always fully cross-functional. Furthermore,

although about half of participating companies have variable incentives that include sustainability targets, not all these incentives affect all levels of the companies, and they generally do not exceed 20% of compensation.

Among widespread practices that contribute to sustainability embeddedness is the fact that a majority of companies have board-approved sustainability-related policies that in many cases include resource use and waste generation targets. However, all indicators identify that companies do not have the necessary mechanisms to strengthen sustainability integration in the company and ensure its continuity over time.



Chapter 2. Stakeholder Openness: How do Companies Operating in Latin America Engage with their Stakeholders and Report on Sustainability Performance?

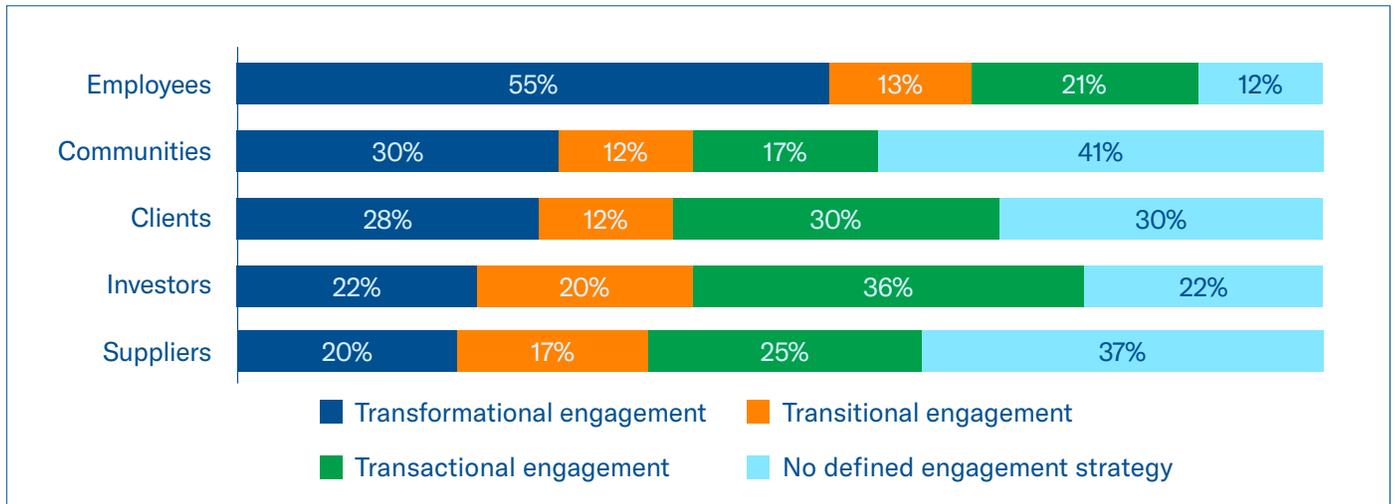
Companies' engagement with different stakeholders can lead to friction and result in both the risk of conflict and opportunities for creating value for both parties. In recent decades, evidence shows that the long-term competitive projection of companies over time can benefit from a proactive approach to stakeholder engagement (Harrison et al., 2010; Kujala et al., 2022). Engaging stakeholders broadens a company's perspective on sustainability and by enabling interactions grounded in trust and collaboration. These interactions often lead to innovative results that may not emerge independently. Proactively involving stakeholders may address risks early while building strong community relationships essential for long-term success. Ongoing engagement also provides valuable feedback, ensuring strategies stay relevant and fostering continuous improvement toward sustainability goals.

Companies that can strengthen their stakeholder engagement activities—i.e., develop ties based on collaboration and trust—may experience lower levels of stakeholder conflict and greater social legitimacy, which is an enabling factor for business development.

A company's openness to its stakeholders—including employees, suppliers, customers, communities, and shareholders—requires the positive participation of all these groups in its activities, fostering relationships based on trust and cooperation whenever possible. In turn, relationships based on trust and collaboration enable the company to understand the concerns and needs of its stakeholders and develop viable plans to address them (Gupta et al., 2020). This engagement also increases the possibility of collaborations and partnerships to develop new solutions, share resources, and align sustainability goals more effectively. These collaborative efforts often result in innovative approaches that the organization could not have developed on its own. An openness to the ecosystem can lead to the creation of economic, environmental, and social value that characterizes sustainable companies in their present management and future projection.

As the second pillar of integrated corporate sustainability strategies in Latin America, the study analyzes stakeholder openness through a set of key variables that identify how the company engages with its most prevalent stakeholders and how transparent the company is in reporting sustainability activities and performance. This chapter reviews the scenario

Graph 15: Type of engagement with the most relevant stakeholders



Source: Prepared by authors based on responses from AmCham member companies in Latin America (N=269).

for the region’s companies in this pillar based on a review of the following issues:

- the depth of companies’ relationships with their various stakeholders;
- the type of sustainability performance they report to the market;
- information included in sustainability reporting, including targets⁶.

How deep is the relationship between the company and its most relevant stakeholders?

To characterize the type of engagement that exists between the company and its stakeholders, this study focuses on stakeholders that are directly related to the companies’ development (primary stakeholders)—i.e., employees, customers, suppliers, and communities.

One academic paper offers a useful framing for evaluating engagement processes in three levels of depth (Bowen et al., 2010). According to the authors, the most superficial level is known as transactional engagement, where the

interaction is mainly unidirectional from the company to stakeholders, providing stakeholders with information and developing reports or volunteer programs in which company employees participate, for example. The intermediate level, called transitional engagement, implies some degree of bidirectional interaction—i.e., stakeholders give feedback to the company—through consultation processes, focus groups, and other similar strategies, for example. The deepest level is known as transformational engagement, where the interaction between the company and its stakeholders is completely bidirectional, sharing resources and information, for example, through joint projects or community-led development programs.

Graph 15 shows a wide variation in the depth and intentionality of engagement with different stakeholders in the companies in the region that participated in the study. Employees are positioned as the stakeholder group where the highest percentage of companies have developed transformational engagement, whereas this type of deeper engagement reduces significantly for suppliers, as shown in Graph 15. In more than one third of companies (37%), no form of supplier engagement has been defined. This gap confirms a low sustainability projection for the supply chain.

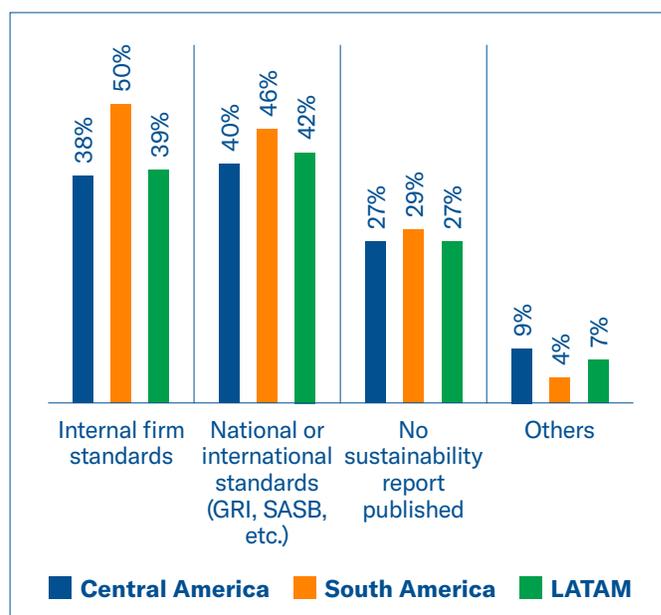
When comparing engagement levels by geographic area, the results are consistent for suppliers and investors. However, engagement with customers and employees runs deeper in a higher percentage of companies in Central America, while South America shows a higher number of organizations with deep community engagements, as shown in Table 4.

How do companies report social and environmental performance to the market?

Transparency is key to promoting sustainability both within and outside of organizations (Liu et al., 2023). It builds trust between the organization and its stakeholders, such as employees, customers, investors, and the community. By reporting on their environmental and social practices and performance, organizations can build and maintain strong trust-based relationships. Publishing clear and accurate reports on sustainability initiatives and results enables stakeholders to assess the organization’s commitment and actual progress. Furthermore, transparency about sustainability efforts and achievements enhances the organization’s reputation, helps to avoid penalties from regulators, and ultimately builds trust in the organization and social license to operate (Gerged et al., 2023; Schnackenberg & Tomlinson, 2014).

Graph 16 shows that 73% of companies in the region disclose sustainability information through a dedicated or integrated report. In developing the report, companies in the region are guided by internal standards almost as often as by national or international standards. Almost one third of companies (27%) in the region still do not formally report on sustainability issues.

Graph 16: Type of publication for accrediting and reporting socio-environmental performance, differentiated by geographic area



Source: Prepared by authors based on responses from AmCham member companies in Latin America (N=270).

Table 4: Type of stakeholder engagement, differentiated by geographic area

Type of stakeholder engagement	Clients			Communities			Employees		
	Central America	South America	LATAM	Central America	South America	LATAM	Central America	South America	LATAM
Transformational engagement	27%	30%	28%	28%	32%	30%	57%	50%	55%
Transitional engagement	15%	8%	12%	12%	13%	12%	11%	16%	13%
Transactional engagement	29%	32%	30%	14%	22%	17%	21%	21%	21%
No defined engagement strategy	30%	30%	30%	46%	33%	41%	11%	13%	12%

Source: Prepared by authors based on responses from AmCham member companies in Latin America (N=269).

Considering the subset of companies that produce a sustainability report, Graph 17 shows that just over half (55%) have their reports externally verified, which can enhance transparency and accountability. In the comparison between regions, there is a greater use of certifications or public indexes in South America.

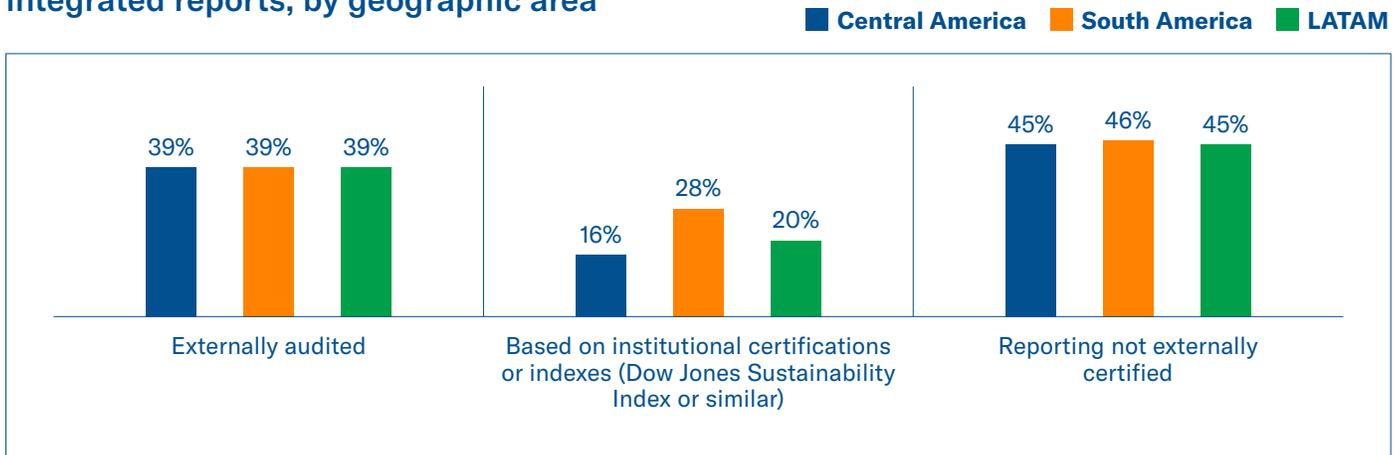
or reputationally relevant. Most companies include information on their sustainability strategy and contribution in alignment with the framework developed by the Sustainable Development Goals (SDGs)⁷. However, it is uncommon for sustainability reports to include details about gaps, non-compliance with local regulations and environmental targets, or plans to mitigate social impacts.

What do companies include in their sustainability reports?

Graph 18 shows that companies that report their environmental and social performance tend to focus on visible, operational, and socially sensitive targets, prioritizing aspects that are more easily measurable

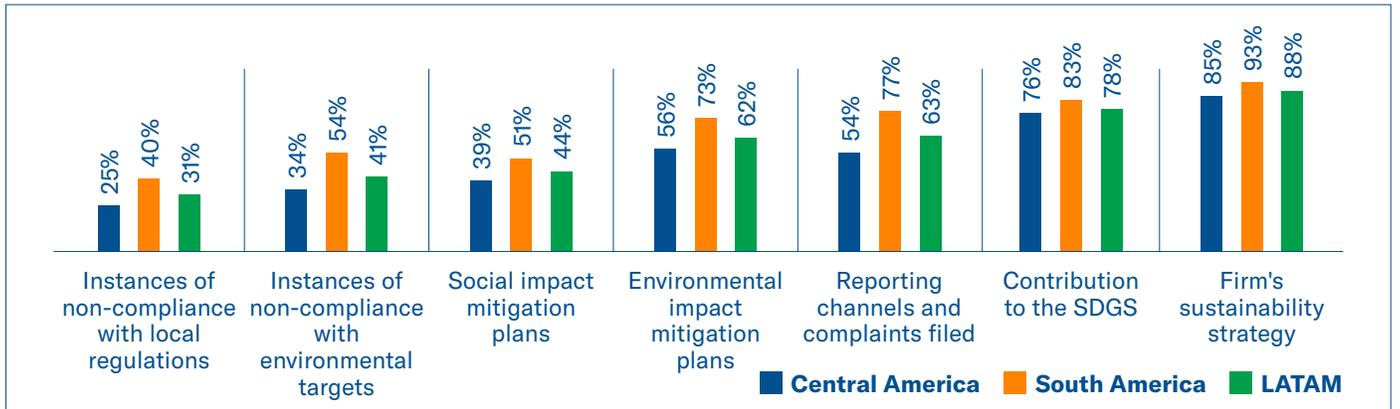
In the comparison between regions, there is a trend towards greater comprehensiveness in the reports from companies operating in South America, especially in relation to regulatory gaps or non-compliance with relevant environmental laws, as well as disclosures on grievance channels and complaints made.

Graph 17: Companies that obtain external certification on their sustainability reports or integrated reports, by geographic area



Source: Prepared by authors based on responses from AmCham member companies in Latin America (N=270).

Graph 18: Main topics included in the sustainability report or integrated report, by geographic area



Source: Prepared by authors based on responses from AmCham member companies in Latin America (N=186).

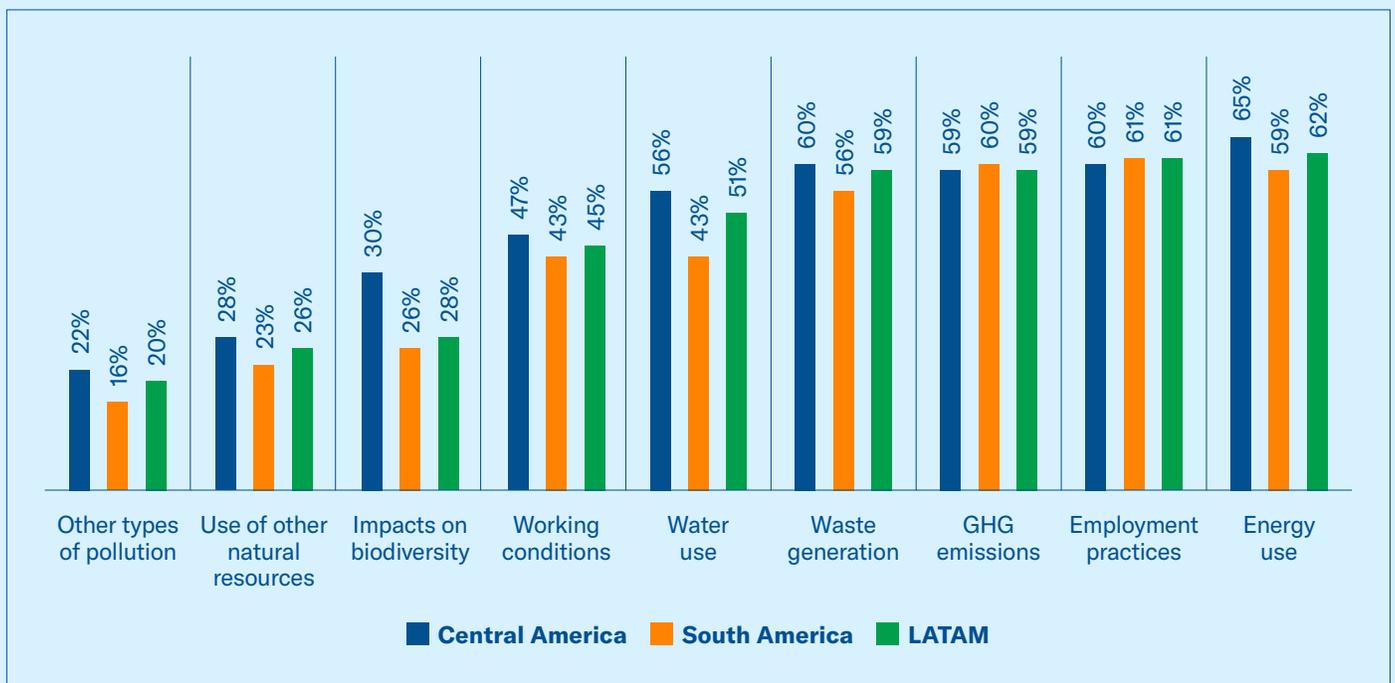
What kind of sustainability targets do companies disclose?

In the region, companies mainly communicate targets related to environmental and labor aspects in their sustainability reporting, as shown in Graph 19. In contrast, targets on the impact on biodiversity, the use of other natural resources, and other types of perceived pollution appear less frequently in reports. This difference may be due to the measurement complexity or

to a lower public visibility of these issues. It is noteworthy that 17% of surveyed companies do not include targets associated with any of the topics assessed.

In terms of the analysis by geographic area, companies operating in Central America include more targets related to efficient use of water and other natural resources, as well as more targets associated with the impact on biodiversity and waste generation.

Graph 19: Targets included in the sustainability report or integrated report, by geographic area



Source: Prepared by authors based on responses from AmCham member companies in Latin America (N=186).

In summary, in the stakeholder openness pillar, companies participating in the study show different engagement levels with their primary stakeholders, with greater openness towards employees and room to deepen integration levels with suppliers and communities if appropriate and material.

Regarding the disclosure of sustainability information, a large majority of companies

use dedicated reports or integrated reports to inform their stakeholders and the market. The content of such reports mainly regards the firm's sustainability strategy and often its relationship to the SDGs, and less frequently also environmental and labor targets. However, there are relevant disparities in terms of reporting gaps or non-compliance with regulations, as well as in targets associated with biodiversity and natural resource use.



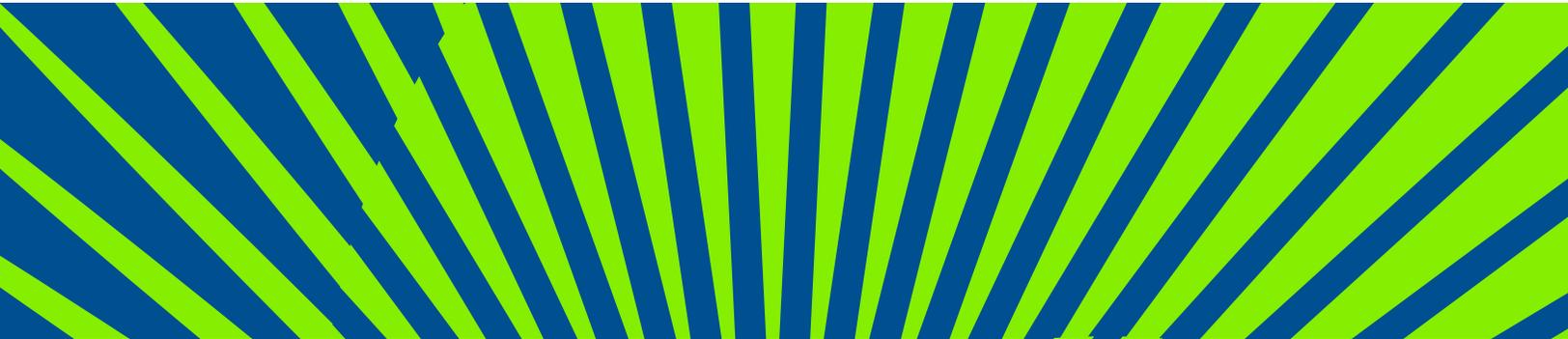
Chapter 3. Business Approaches to Sustainability Integration in Latin America and their Implications for Company Performance

To analyze how companies approach their transition to integrated sustainability, this section categorizes companies in the region based on the conceptual model presented in the introduction. Specifically, it combines sustainability embeddedness with stakeholder openness in a 2x2 matrix, as shown in Figure 2. Each quadrant in the matrix corresponds to an organizational approach with specific characteristics and performance implications. Those companies with less stakeholder openness and less sustainability embeddedness adopt a “normative” approach, while those more open and with greater institutional sustainability take a “strategic” approach. The “cautious” approach characterizes firms where sustainability is embedded but stakeholder openness is more restricted, while firms that adopt a “tactical” approach are open to stakeholders but with lower levels of sustainability embeddedness.

Figure 2: Business approaches to integrated sustainability



Source: Adapted from Aninat & Koberg, 2024.





The integration of sustainability into firm business models, as seen throughout the study, implies adopting a series of practices that require internal changes in operating models, governance systems, and culture (Silvestre et al., 2022). The analysis of its effect on the company's bottom line in the short- and medium-term is still in the development process, although international evidence suggests that sustainability integration is associated with better sustainability performance without detriment to economic performance. Research has shown positive effects on the bottom line and business value of high sustainability companies compared to low sustainability companies in the medium-term (Eccles et al., 2014). These effects include access to new markets, higher rates of product innovation and differentiation, customer loyalty, waste reduction, lower operating costs, and, above all, reduced supply chain risks. Evidence also suggests that improving sustainability standards contributes to attracting better talent, more stable investors over time, greater board capacity, and attention to the environment. Viewed as a whole, these mechanisms suggest that sustainability integration improves the company's profitability through risk reduction and greater capacity for innovation (Porter & Kramer, 2011).

However, evidence in the Latin American context is still scarce.⁸ Therefore, this section analyzes the performance reported by companies in the region in comparison to the industry average, reviewing key indicators related to economic dimensions, social dimensions relevant to enabling business, and environmental dimensions related to negative impacts on their ecosystem. There are significant differences in the performance of these three dimensions depending on the type of approach used by companies to integrate sustainability.

As shown in Graph 20, on a scale of 1 to 5, where 1 represents performance⁹ far below the industry average and 5 represents performance far above the average for the industry in which they operate, companies with a strategic approach achieve higher sustainability and economic performance. This study finds statistically significant differences in sustainability and economic performance reported by firms with strategic and normative approaches.

Graph 20: Socio-environmental performance and economic performance, by approach



Source: Prepared by authors based on responses from AmCham member companies in Latin America (N=290).

Companies with a Normative Approach: low sustainability integration and low sustainability and economic performance

44% of companies in the region take a normative approach to the transition to sustainability integrated into the business strategy. Companies in the service sector, representing 66% of the sample, are overrepresented in this approach, with 77% applying a normative approach. Companies with only local operations are also overrepresented in this approach, with 38% (vs. 30% in the sample).

Performance Implications

As Graph 20 shows, companies that adopt a normative approach to integrating sustainability in business strategy report lower performance in all sustainability and economic dimensions. These companies face environmental and social challenges with a focus on regulatory compliance. Less sustainability embeddedness combined with less stakeholder openness limits the company's ability to innovate and invest in sustainability. Given the focus on the short-term and on internal stakeholders, sustainability may be perceived as an additional cost that needs to be minimized. This point of view restricts the organization's ability to consistently integrate environmental and social goals into its strategy.

Cautious Approach: focus on risks, missed opportunities to generate greater economic value

15% of the companies in the region adopt a cautious approach to the challenge of integrating sustainability into the company. This approach is prevalent in Central America, which is home to 70% of the companies that take this approach, even though Central America represents 62% of the sample.

Performance Implications

The cautious approach addresses environmental and social challenges from a risk perspective. High sustainability embeddedness makes it

possible to anticipate and adequately manage environmental and social risks, but lower levels of stakeholder openness may limit the firm's capacity to detect opportunities associated with sustainability when in markets where sustainability performance is relevant. This perception is reflected in Graph 20, which shows positive sustainability results in companies with a cautious approach, but outperformed by the strategic approach in the economic performance dimensions, especially in compliance with budgets for sustainability initiatives and capacity to generate income from sustainable products.

Tactical Approach: more openness, less sustainability embeddedness and lower sustainability performance

Companies that follow a tactical approach represent 10% of the companies in the region. This approach is overrepresented in South America, which contains 46% of the companies with a tactical approach despite being 38% of the total sample. Likewise, the industrial sector, despite being 25% of the total sample, concentrates 43% of companies that take a tactical approach.

Performance Implications

When taking a tactical approach, sustainability efforts are mainly directed at external stakeholders. As shown in Graph 20, companies

using this approach tend to report the highest revenue from products or initiatives tied to sustainable practices, but generally demonstrate lower overall sustainability performance. Greater stakeholder openness enables these firms to spot sustainability opportunities early, resulting in economic outcomes similar to those seen with strategic approaches. However, because sustainability embeddedness is low, these companies struggle to fully integrate such opportunities into core operations. Efforts to capture sustainability-related prospects are often undertaken as isolated projects—mainly to address immediate operational needs or gain approval for new ventures—rather than being part of a cohesive strategy.

Strategic Approach: increased sustainability embeddedness combined with stakeholder openness results in higher sustainability and economic performance

31% of companies in the region take a strategic approach to the transition to integrated sustainability. This approach is predominant in multinational companies—81%—compared to companies with only local operations—19%. This approach is also overrepresented in the agricultural and industrial sectors, with 15% and 30%, respectively (vs. 9% and 25% in the sample).

Performance Implications

This approach combines high levels of sustainability embeddedness and stakeholder openness. It allows companies to enhance their capacity for innovation and integrate sustainability opportunities into their business model. Graph 20 demonstrates double

performance gains, showing consistently positive results for both sustainability and economic measures. By combining high sustainability embeddedness with high levels of stakeholder openness, the strategic approach allows firms to manage environmental and social risks and capitalize on opportunities that arise around sustainability issues. Like the cautious approach, embeddedness makes it possible to anticipate environmental and social risks. But as with the tactical approach, stakeholder openness increases the ability to anticipate such risks, proactively manage stakeholder expectations, and more easily identify sustainability opportunities. The strategic approach enables companies to achieve positive results consistently and simultaneously in all environmental, social, and economic dimensions.

In summary, companies operating in Latin America show significant diversity in the way that they approach sustainability integration. Companies that take a strategic approach—combining high sustainability embeddedness and stakeholder openness—report higher sustainability and economic performance. The cautious approach, with high sustainability embeddedness but low stakeholder openness, is associated with increased sustainability performance but lower economic results. In contrast, the tactical approach—more open

to stakeholders but with low sustainability embeddedness—is associated with acceptable economic performance but with weaker sustainability performance. Finally, companies that take a normative approach report the lowest performance in both dimensions, reflecting a superficial and reactive integration of sustainability. These findings indicate that deep, cross-functional integration can turn sustainability into a consistent source of business value.



Integrated Sustainability at DHL in LATAM



1. What sustainability goals has DHL set for 2025 and beyond, and how are they being implemented in Latin America?

DHL Group is committed to reducing—even as the business grows—absolute CO₂e emissions to 29 million metric tons in 2030 (* From 40m metric tons CO₂e in 2021,) and to net zero by 2050. We are focused on eliminating emissions from our operations—pushing the limits on what is technically feasible and commercially viable.

As part of our new Strategy 2030, we introduced a new fourth bottom line “Green Logistics of Choice.” This will ensure sustainability becomes a fundamental part of all business activities.

In Latin America, as in other regions worldwide, we are examining every link in the supply chain to identify opportunities for reducing associated emissions. For instance, we have installed 70,755 square meters of solar panels across our DHL Supply Chain facilities, and DHL Express operates 10 sites in the region equipped with solar panels. Additionally, our DHL Express operations have introduced approximately 620 electric vehicles throughout the Americas. We are also collaborating with Sustainable Aviation Fuel (SAF) producers and airlines to enhance our usage of SAF.

2. What are the main challenges DHL faces in sustainability, and how are you addressing them?

One of our main challenges is that logistics is a carbon-intensive industry. We require new technical solutions, but these cannot reduce service quality and efficiency. And new technologies are more costly – at least initially. At DHL, we embrace this challenge.

Additionally, we need more of a supply of sustainable fuels and technologies for other heavy-duty transport modes, such as long-distance trucking, and marine shipping is equally limited currently.

We are tackling these challenges by continuously identifying and implementing the most effective solutions that offer the lowest abatement costs and minimal operational disruption. Second, we’re making a special effort in aviation, due to its high share of our emissions. Third, we are investing ahead of the curve, specifically to provide suppliers with the confidence to innovate and scale solutions. Fourth, we are increasing sales of premium, emission reduced services as a commercial imperative.



3. How does DHL aim to be the Green Logistics partner of choice for its customers?

We aim to lead the way in low-carbon logistics, provide the best sustainable commercial offerings, and deliver trusted and equitable solutions for all our customers.

To support our customers' decarbonization efforts, DHL introduced GoGreen Plus in 2021. GoGreen Plus products are based on true value chain decarbonization – insetting – rather than carbon compensation or offsetting. The mechanism we employ for our insetting products is called 'book & claim.' Book & claim enables us to directly replace fossil fuels with sustainable fuels with our network and allocate environmental benefits to paying customers, even when their shipments are not physically transported with the assets using these fuels. This means we can help reduce the environmental impact throughout our own supply chain, in the air, across the ocean, and on the road. We can also provide solutions for dedicated local operations in warehousing and transportation.

DHL Global Forwarding Argentina has reduced its carbon emissions, energy consumption, and water usage with the construction of a new sustainable warehouse. Thanks to the adoption of environmental standards such as LEED, EDGE, and ISO Certification, they have achieved a 43% reduction in energy and a 23% reduction in water usage, just to name a few results.

4. What innovative technologies is DHL using to reduce its carbon footprint in logistics, particularly in Latin America?

DHL is leveraging a range of technologies to reduce emissions, including the transition to electric vehicles, route optimization, and the implementation of data-driven insights. By optimizing routes, we analyze traffic patterns and road speeds to minimize fuel consumption and emissions. Through data analytics, we monitor emissions from our fleets and establish reduction targets. Additionally, we are utilizing alternative fuels, such as Sustainable Aviation Fuels (SAF) and Sustainable Marine Fuels (SMF), to further our sustainability efforts.

5. Is DHL a trendsetter in sustainable logistics? If so, how do you differentiate yourselves?

We do consider ourselves trendsetters in sustainable logistics. In surface transportation we are at the forefront of electric vehicle use in the industry with a target of 2/3rds for Pickup and Delivery (PuD) activities in 2030. Globally, our electric vehicle fleet has almost doubled (+96%) from 2021 to 2024. DHL operates more than 42,000 EVs and more than 25,000 bikes.

In aviation, we most recently signed a 7-year contract with World Energy to secure 668 million liters of Sustainable Aviation Fuel (SAF), and an earlier 800-million-liter SAF deal with our SAF partners Neste and BP.

We have set clear standards for our building emissions. Since 2022 the standard for all our new owned buildings is to be carbon neutral. Additionally, more than 90% of our electricity comes from renewable sources. Since 2020, DHL Express has been opening pop-up stores throughout Latin America that feature a solar-powered system with backup batteries charged at the local service centers to help reduce energy consumption. In Latin America, these pop-up stores are in Chile, Colombia, Mexico, and Panama.

DHL Global Forwarding inaugurated a new facility in Costa Rica in 2023 with an investment of \$35 million and 22,000 m². The facility includes charging stations for electric vehicles, a water recycling system, solar control window film, and an LED lighting system with control to optimize electricity consumption.

Our ambition is to build larger, circular solutions that extend the value of our customers' products and reduce their environmental impact by giving them a second, or even a third life. In Brazil, for example, DHL Supply Chain introduced returnable isothermal packaging for perishable products, achieving a 95% recycling rate. In Colombia, DHL Supply Chain developed reusable passive containers for the cold chain and maintained the use of recycled cardboard in various operations.

6. What strategies will most effectively accelerate sustainability in the future and what is the role of top management in DHL's sustainability strategy?

One of the ways we can most effectively accelerate sustainability in the future is to get more customers to join us. If more customers demand emission reduced products and solutions, who are also willing to pay a premium, it will help create demand and it becomes easier to achieve scale.

We need sensible regulation that accelerates investment in the infrastructure required for electric vehicles to operate effectively and for buildings and facilities to obtain more renewable energy.

Our Corporate Board fully endorses our green journey and that's why Sustainability has been added as one of our four bottom lines for Strategy 2030.

ENVIRONMENTAL SUSTAINABILITY IN DHL LATIN AMERICA

Delivering In Four Key Areas



Air/Ocean: **30%**

Aiming for 30% utilization of sustainability fuel across all transport modes by 2030



Surface Transport: **~620**

Electric Vehicles (EVs) in DHL Express Americas

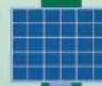
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EV & hybrid vehicles in DHL Supply Chain

Infrastructure:

- By 2024, **97%** of DHL Supply Chain LATAM's owned buildings achieved operational carbon neutrality.*
- DHL Supply Chain LEED certifications: **4** in Brazil, **2** in Mexico
- Solar panels at **10** DHL Express LATAM sites
- DHL Express solar-powered systems in pop-up stores: Colombia, Chile, Panama and Mexico
- **92%** of electricity used by DHL Global Forwarding Americas was sourced from renewable energy

* Following DHL's carbon credit guidelines



Packaging & Recycling (DHL Supply Chain):

- Returnable isothermal packaging in Brazil with a **95%** recycling rate
- Reusable passive containers developed in Colombia
- **47%** recycled waste achieved in Mexico

While logistics is inherently carbon-intensive, we are focused on implementing what is technically feasible and commercially viable now.

A lot has been done, but we've only just begun!

Excellence. Sustainably Delivered.
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Chapter 4. Conclusions and Recommendations

The study shows that sustainability integration into the business strategy of companies operating in Latin America is an ongoing process, with significant progress and relevant opportunities. Based on the analysis of more than 350 companies operating in 11 countries in the region, the following five central findings emerge:

1. Diversity of organizational approaches

Based on the firms surveyed for this study, companies operating in the region adopt different approaches to sustainability integration. Most of the surveyed firms follow a normative approach while one third of the sampled firms follow a strategic approach. Understanding the variety of approaches adopted by different companies can inform the development of more effective roadmaps for embedding sustainability into business strategy.

2. Integrating sustainability yields social, environmental, and economic benefits

Companies note that adopting corporate sustainability positively affects these areas. However, the companies with a high integration level—those that adopt a strategic approach—achieve not only high performance, but also consistency in the reduction of environmental impacts, social engagement that strengthens their social legitimacy and reputation, and the creation of economic and innovation opportunities that strengthen their competitive capacity.





3. Progress on internal policies and governance

A significant number of companies surveyed in this study have formal sustainability policies and active involvement of senior management. However, systematic attention to sustainability issues among the board of directors is sporadic, and 23% of the companies lack a formal structure to lead these processes, which may weaken the continuity of current efforts towards the companies' medium-term strategy.

4. Opportunities for greater engagement in the value chain

The firms in this study reported high levels of engagement with employees but comparatively lower levels of engagement with suppliers and communities. Greater engagement with their value chain may allow firms in the region to map risks and opportunities associated to sustainability more effectively.

5. Opportunities to improve voluntary sustainability reporting

Most participating companies report on sustainability, focusing on material risks, but the level of detail—especially regarding targets, negative impacts, and mitigation plans—varies. Only half seek external verification. Inconsistency in contents and limited validation suggest opportunities for greater rigor in sustainability reporting. Rigorous reporting can help stakeholders, including shareholders, make informed capital decisions, promote growth, and recognize strong sustainability performance.

Given the participation of companies operating in the region in this study, and based on these findings, below are some recommendations applicable to the private sector and to the public policy that defines the regulatory environment in which companies operate in LATAM.

Recommendations for Companies Operating in LATAM

1. Considering a strategic approach to sustainability

Integrating sustainability as a cross-functional pillar of the business strategy can provide opportunities to manage risks and capitalize on emerging market trends. The data suggests that companies in LATAM with stronger integration often indicate opportunities to achieve both financial and sustainability benefits. This process could involve strengthening sustainability embeddedness and enhancing openness to stakeholders. Prioritizing core business issues can also help align sustainability integration with the broader business model.

2. Senior management involvement

The data suggests that companies in LATAM where senior management is involved in assessing sustainability risks and goals often make greater progress in embedding sustainability across the organization. Opportunities lie in integrating sustainability considerations into regular executive decision-making, risk assessments, and strategic planning processes.

3. Sustainability and the supply chain

The data collected for this study shows that there are opportunities for companies in LATAM to collaborate with suppliers around sustainability issues. Mechanisms such as joint monitoring, dialogue, and incorporating sustainability criteria into purchasing processes can offer benefits, particularly as regulatory trends in

some regions are increasingly requiring such approaches. Companies that explore these opportunities may be better prepared for evolving market and regulatory contexts.

4. Engagement with communities

Developing stronger engagement with communities can help anticipate conflicts and create opportunities for legitimacy and shared value. The data points to the potential benefits of structured dialogue, stakeholder participation, and co-development of initiatives, which may provide valuable inputs for improving business models.

5. Reporting and transparency standards

Improving the quality and verification of voluntary sustainability reporting could enhance market confidence. Voluntary sustainability reporting may offer companies in the region an opportunity for providing stakeholders, including shareholders, with information that helps make more informed capital-allocation decisions.

6. Share best practices for transformation

Sustainability integration often involves transformations in operating models, technology, and culture. Sharing best practices and lessons learned at local and international levels can provide opportunities to accelerate this process, especially by drawing from benchmarks that are already showing positive results in comparable organizations.

Recommendations for Policy-Makers in LATAM

1. Consider incentives for corporate sustainability

Incentives can serve as market signals to support corporate sustainability integration. Evidence suggests that improving environmental performance often requires upfront investments that may be burdensome for firms. Financing mechanisms or tax incentives could play a role in accelerating integration of sustainability in business models, especially among SMEs. Public procurement policies can also create opportunities by giving preferential access to companies that demonstrate greater sustainability integration in strategic sectors and value chains.

2. Develop frameworks for feasible reporting and disclosure

The 2023 update of the G20/OECD Principles of Corporate Governance (Lie, 2023) highlights the potential value of high transparency standards

for strengthening market credibility and investor confidence. Regulators could explore opportunities to establish common sustainability disclosure requirements with processes designed through dialogue with the private sector, industry experts, and academics. Such approaches may help ensure feasibility and gradual compliance while incorporating both local and international practices.

3. Develop sustainable taxonomies and sectoral standards

Sustainability taxonomies and differentiated sectorial frameworks can offer a harmonized nomenclature for companies, investors, and consumers regarding sustainability standards. This standardization could provide opportunities for smoother integration. Alignment with environmental regulations and a focus on materiality may also help avoid duplicities that create unnecessary burdens and costs.



How Brambles' Circular Economy Model Exemplifies the Business Case for Sustainability

Brambles

Co-Authors

Paola Floris – CEO CHEP LATAM

Sandra Leyva Martinez – Head of Sustainability, Americas

Brambles, through its CHEP brand, showcases how embedding sustainability into core operations can deliver measurable environmental, social, and economic benefits to its business, customers, and the planet.

At the heart of Brambles' business is a circular economy model, where pallets, crates, and containers are shared, repaired, and reused throughout the global supply network. Rather than relying on single-use packaging, Brambles enables manufacturers, producers, distributors, and retailers to reuse these resources, significantly reducing waste and lowering operational costs. With more than 350 million shipping platforms in circulation among ~300k global partners in 60 countries, Brambles is one of the largest B2B circular businesses globally.¹

This business case examines how numerous economic and environmental challenges can be addressed through sustainability measures that mitigate risks while creating value. It then leverages Brambles to exemplify the strategic advantages of a sustainable model and shares how Latin American organizations can adopt similar practices.

The Sustainability Imperative in Latin America

The following environmental and economic challenges in Latin America make sustainability both a necessity and an opportunity:

Deforestation

Between 1990 and 2020, Latin America experienced a loss of approximately 138 million hectares, representing ~13% of the region's forests.ⁱⁱ

Resource inefficiency

According to the Circularity Gap Report, the region's secondary material consumption (or Circularity Metric) is below 1%. This is well below the rate of circularity for the global economy, currently estimated at 7.2%ⁱⁱⁱ

Regulatory momentum

Countries like Brazil, Chile, Mexico, and Colombia are introducing Extended Producer Responsibility (EPR) laws and circular economy frameworks that require businesses to rethink waste management and resource use.

Consumer activism

Half of Latin Americans actively seek out companies that offer ways to offset their impact on the environment, and 44% have stopped buying products due to their impact on the earth.^{iv}

For businesses operating in this context, sustainability is essential for compliance and risk mitigation, brand reputation and performance, and overall resiliency in increasingly competitive markets.

Circularity and Resilience

Since its founding, Brambles has been leveraging circular advantages and operational efficiencies to proactively tackle supply chain challenges such as:

Cost volatility

By progressively reducing its reliance on single-use materials, Brambles slows down the need for new resources, minimizing risks from fluctuations in raw material prices and ensuring more stable cost management.

Supply chain disruptions

Brambles' global network advantage, sustainable operating model, and supply chain expertise enable the organization to support evolving markets and customer needs. Circularity reduces demand for natural resources, plus strategic lumber procurement strategies help Brambles navigate market fluctuations. Business resiliency is furthered by ongoing investment in network and product performance through quality upgrades of the pool, automated repairs, platform design enhancements, material innovations, and operational improvements.

Regulatory compliance

By designing its solutions to align with shifting regulations, such as deforestation policies, supply chain due diligence, and extended producer responsibility laws, Brambles has positioned itself as a scalable solution for both current and emerging regulatory requirements. As global and regional policies continue to evolve, Brambles is well-equipped to help organizations adapt.

Circularity and Value Creation: Unlocking Competitive Advantage

Over time, Brambles' circular model has grown into a strong source of competitive advantage through:

Innovation

Brambles takes a customer-centric approach to innovate new sustainable products for automated systems and digitally-enabled services, meeting market needs while improving asset control and efficiency. The organization's circular model has catalyzed innovation in material science to improve asset durability and lifespan. Additionally, by combining new digital technology with its unrivalled pooling experience and scale, Brambles increases network visibility for its customers and has its sights set on continued innovation in this space.

Circular Savings for Customers

In FY2024, Brambles helped customers avoid 1.861 million tons of CO₂-equivalent emissions, conserve 4.265 million liters of water, and preserve 2.2 million cubic meters of timber, equivalent to protecting 4,400 hectares of forest annually^v. Additionally, through its Zero Waste World initiative, 491 partnerships have eliminated physical waste, eradicated empty transport miles, and reduced inefficiencies across the supply network.

Data transparency

0.04 inBrambles has built stakeholder trust through third-party validated data, ISO 14040 Life Cycle Assessment (LCA) standards, and robust certifications like FSC Chain of Custody for 100% sustainably sourced timber. Its transparent reporting and leadership in the circular economy have positioned it as the No. 4 most sustainable company globally, according to Corporate Knights' Global 100^{vi} and TIME Magazine^{vii}.

Lessons from Brambles' Sustainability Leadership Journey

1. Start Small and Scale Strategically

Sustainability goals can start small to deliver quick wins:

- Pilot initiatives such as reusable packaging or delivery route optimization.
- Measure early success: Track the impact of small changes (e.g., cost savings or emissions reduction) to build momentum.

2. Set Ambitious yet Achievable Targets Following Global Standards

Define your sustainability program goals and set clear targets aligned with international frameworks such as GHG Protocol, GRI, SASB, ISSB, and CDP:

- Engage with stakeholders (employees, customers, suppliers, and community members) to gather insights and ensure that targets reflect shared values and priorities.
- Break down overarching sustainability objectives into specific, measurable targets.
- Establish a schedule for reviewing progress against your targets. Use data analytics to assess performance and adapt goals as necessary based on emerging trends, regulatory changes, or new scientific findings.

Example: Brambles committed to achieving net-zero emissions across its value chain by 2040; ten years ahead of the Paris deadline.

3. Embed Sustainability into Core Operations

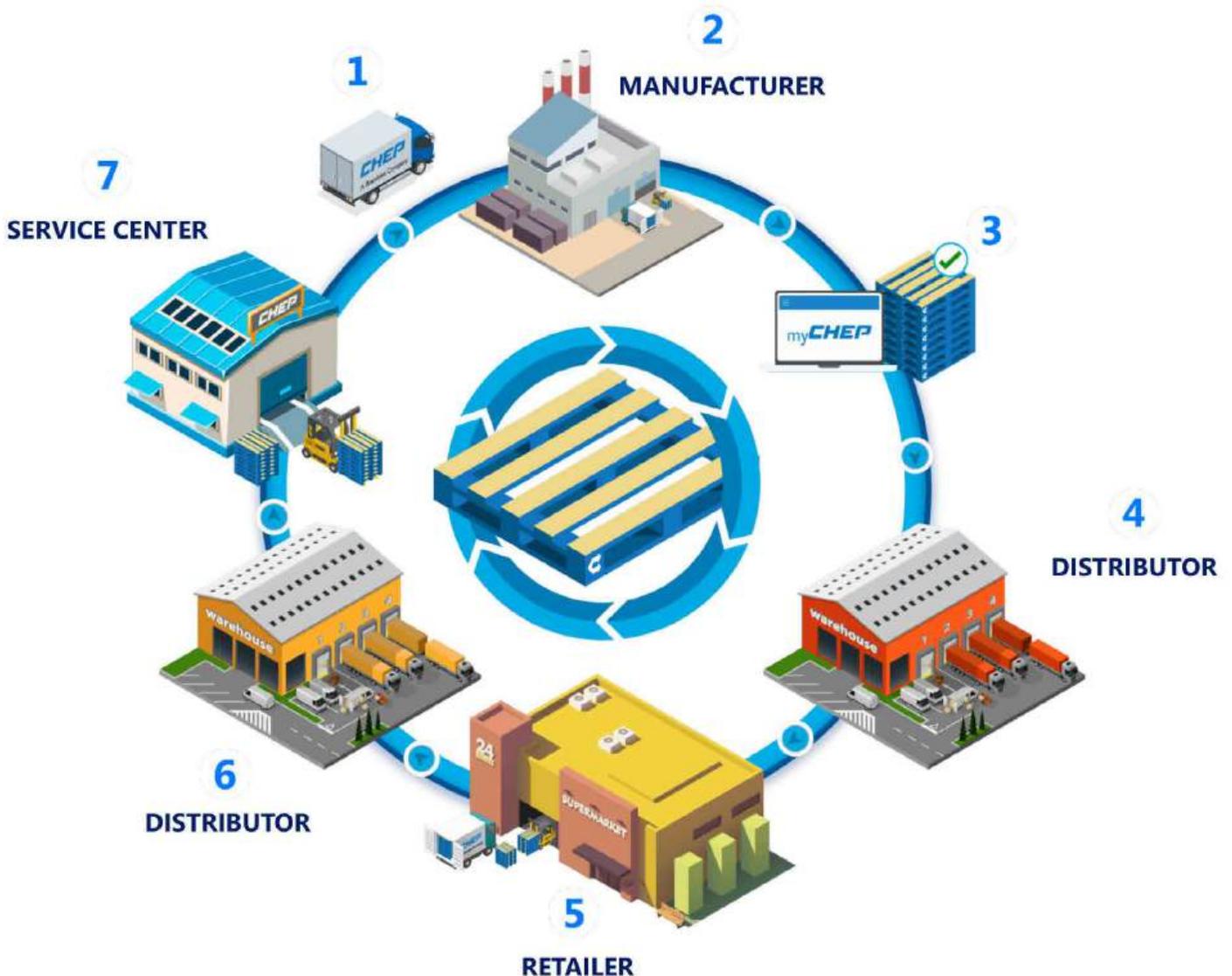
For sustainability to be effective, it must become part of the company's DNA:

- Embed sustainability considerations into core business functions such as procurement, product design, and finance.
- Raise awareness across departments by integrating sustainability metrics, such as resource use, circularity metrics, and emissions reductions, into performance reviews.

4. Collaborate Across Supply Chains

Collaboration amplifies results across the value chain:

- Adopt market-ready / plug-and-play solutions like CHEP's pooling system to promote circularity throughout supply chains.
- Form partnerships with customers and suppliers to co-create solutions that reduce waste and emissions.



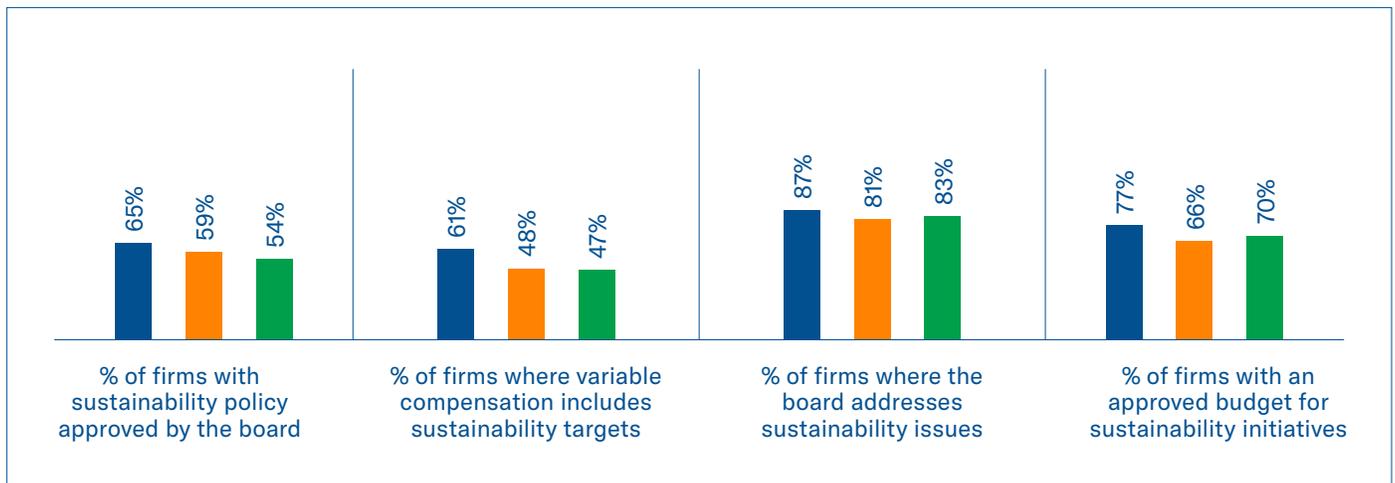
Summary of Results for Selected Countries

Chile
(N=31)

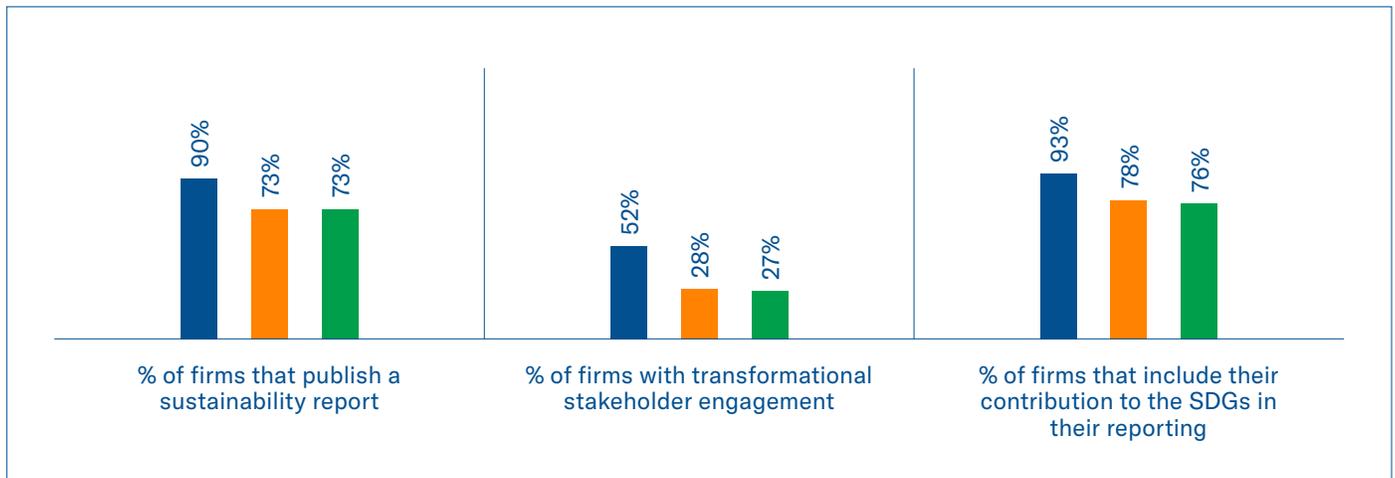
amCham **CL**

Sustainability Embeddedness

■ Chile ■ South America ■ LATAM

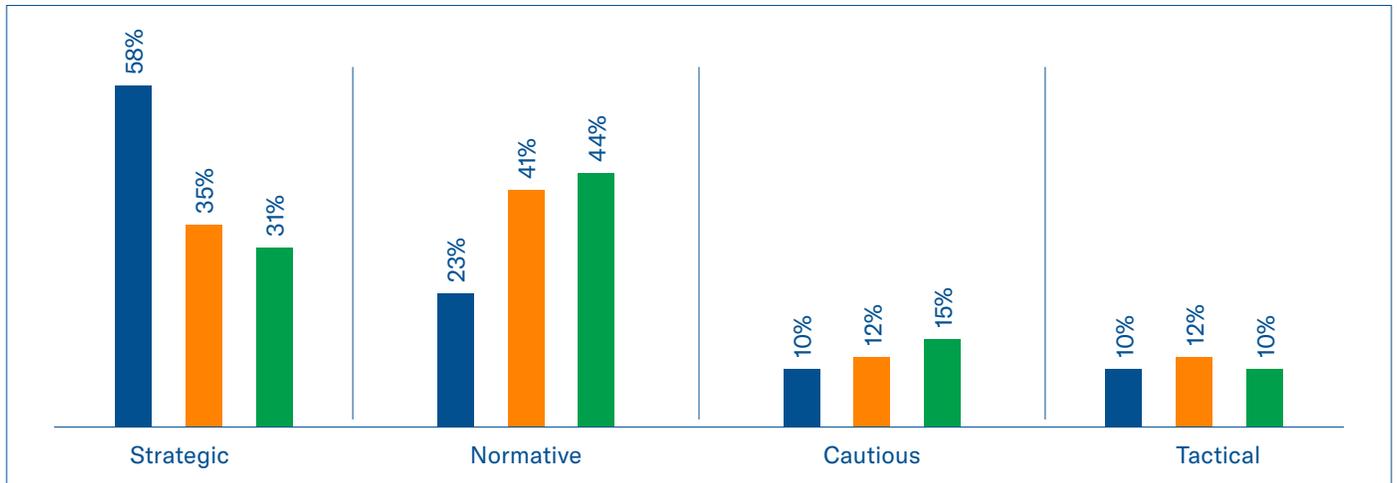


Stakeholder Openness

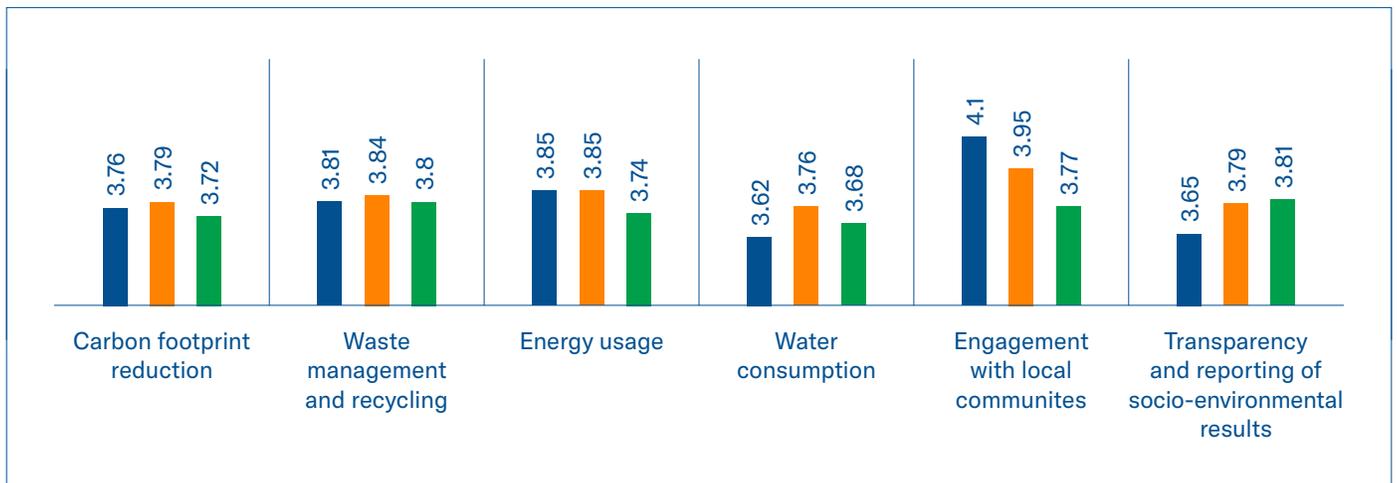


Integrated Sustainability Approaches

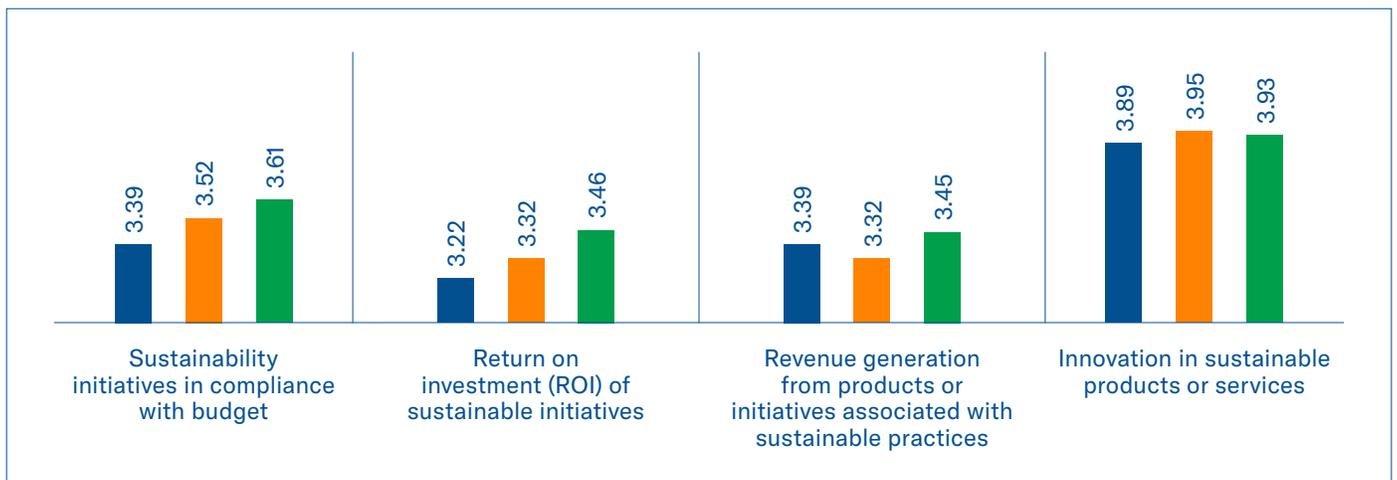
■ Chile ■ South America ■ LATAM



Sustainability Performance¹⁰



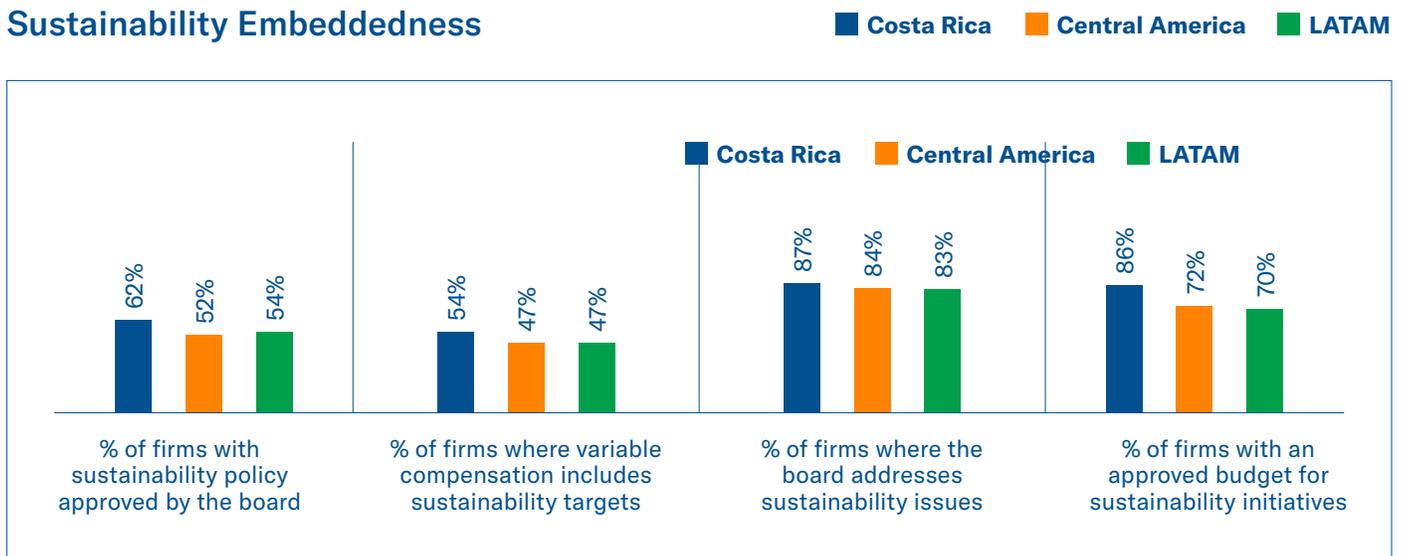
Economic Performance¹¹



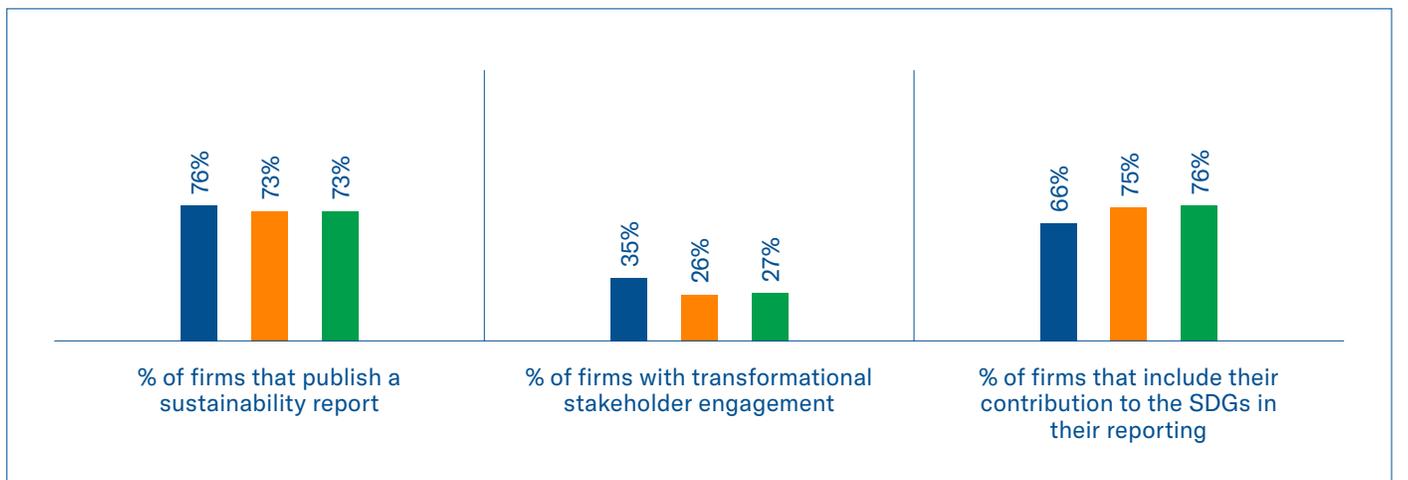
Costa Rica (N=52)



Sustainability Embeddedness

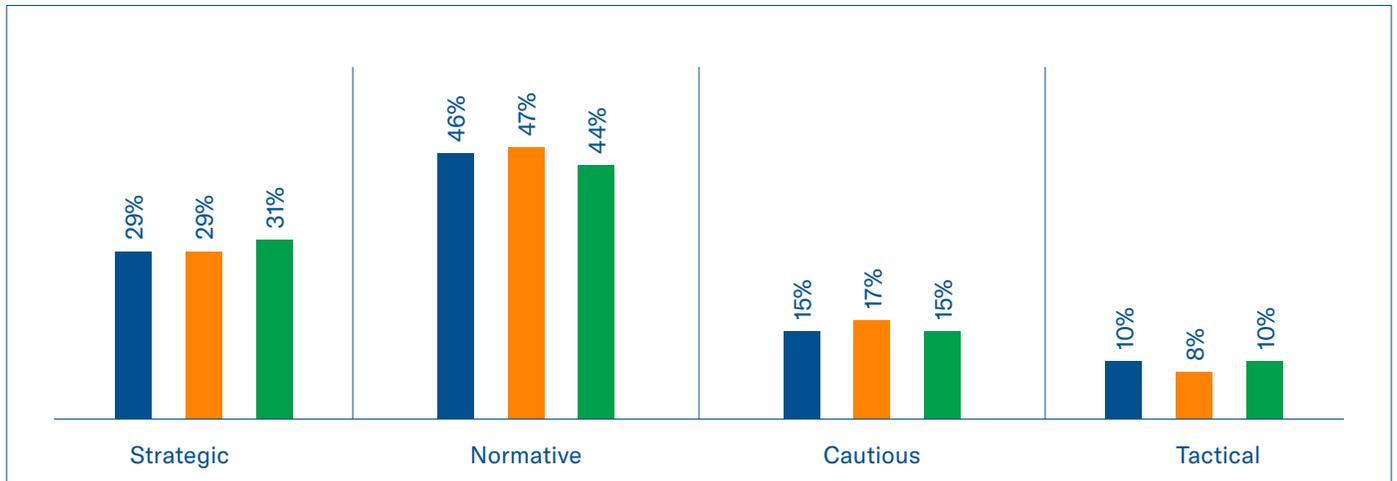


Stakeholder Openness

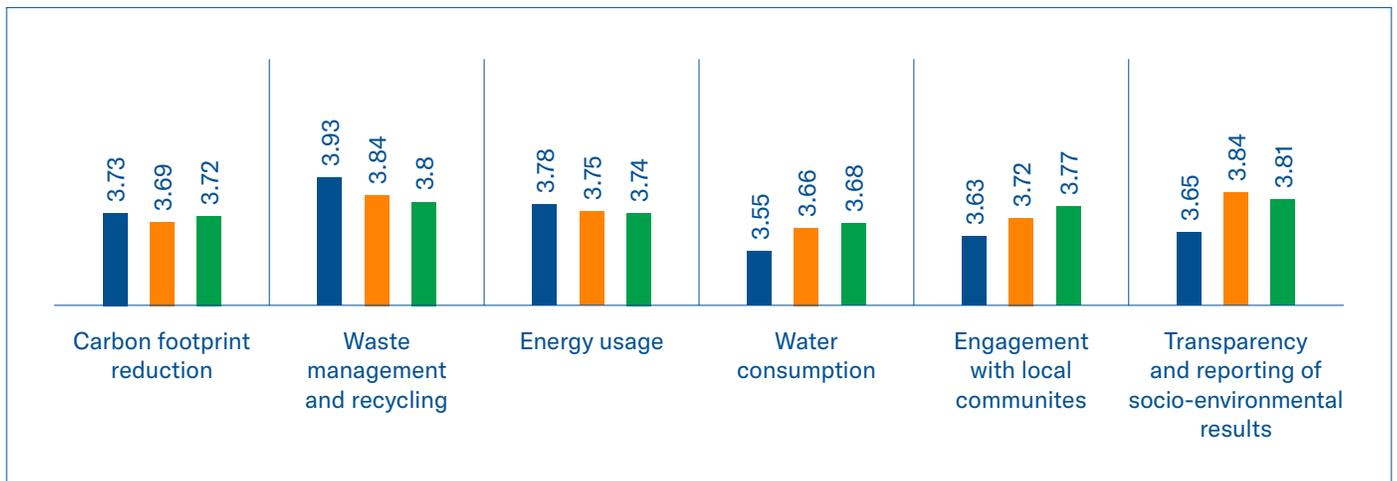


Integrated Sustainability Approaches

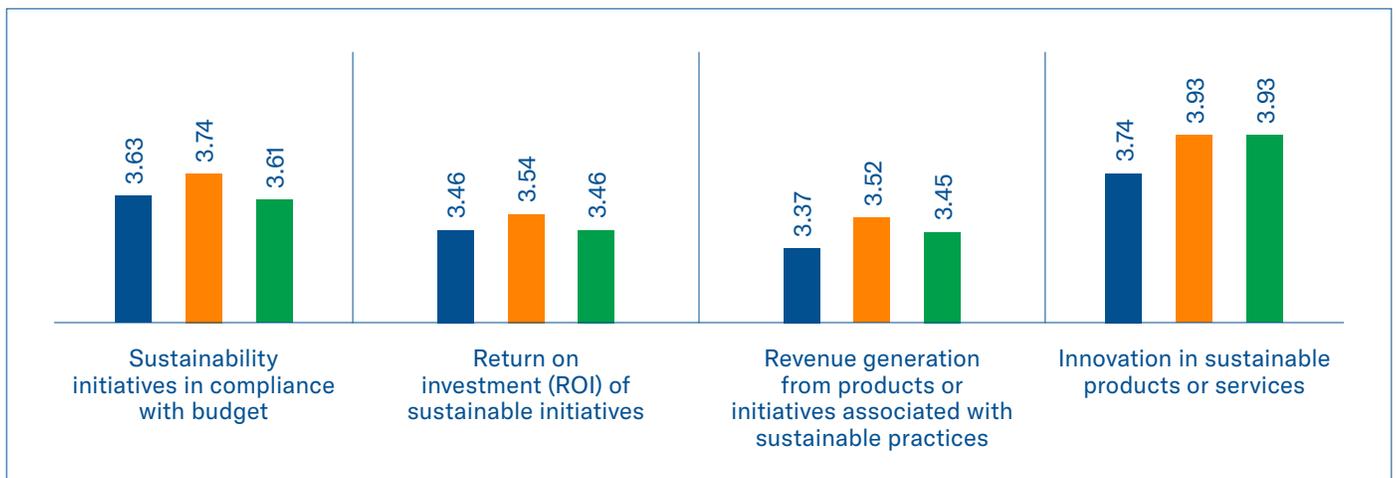
■ Costa Rica ■ Central America ■ LATAM



Sustainability Performance¹²



Economic Performance¹³

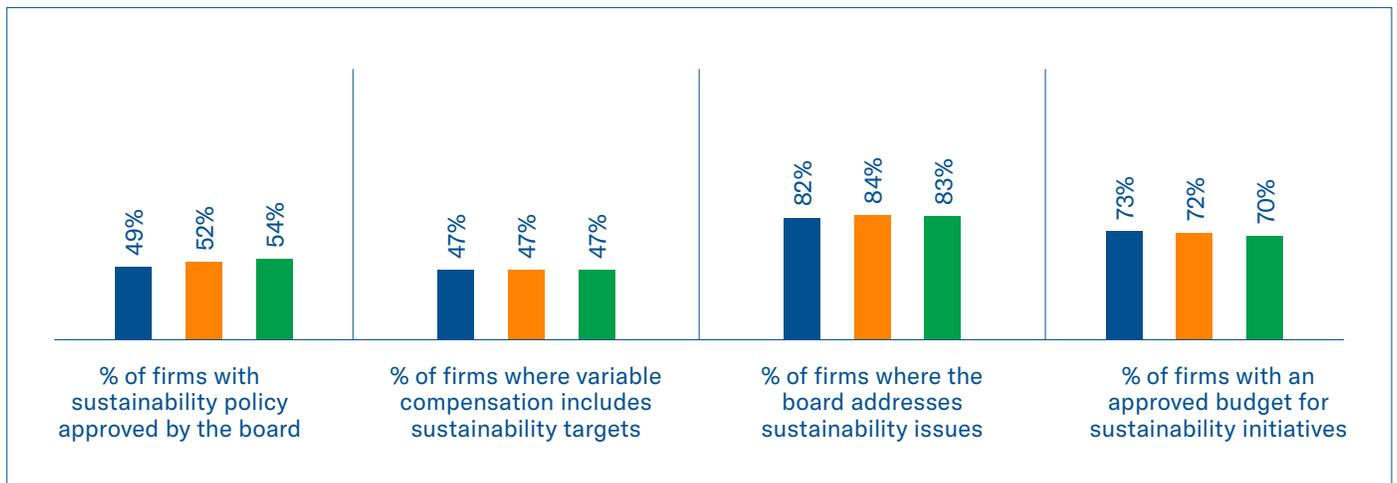


Guatemala (N=45)

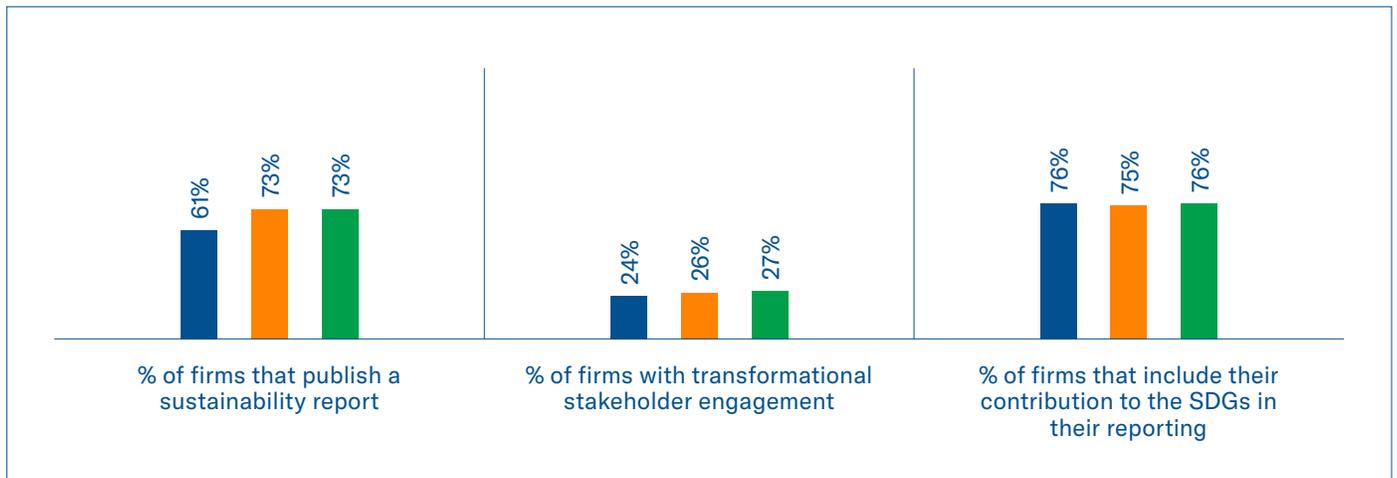


Sustainability Embeddedness

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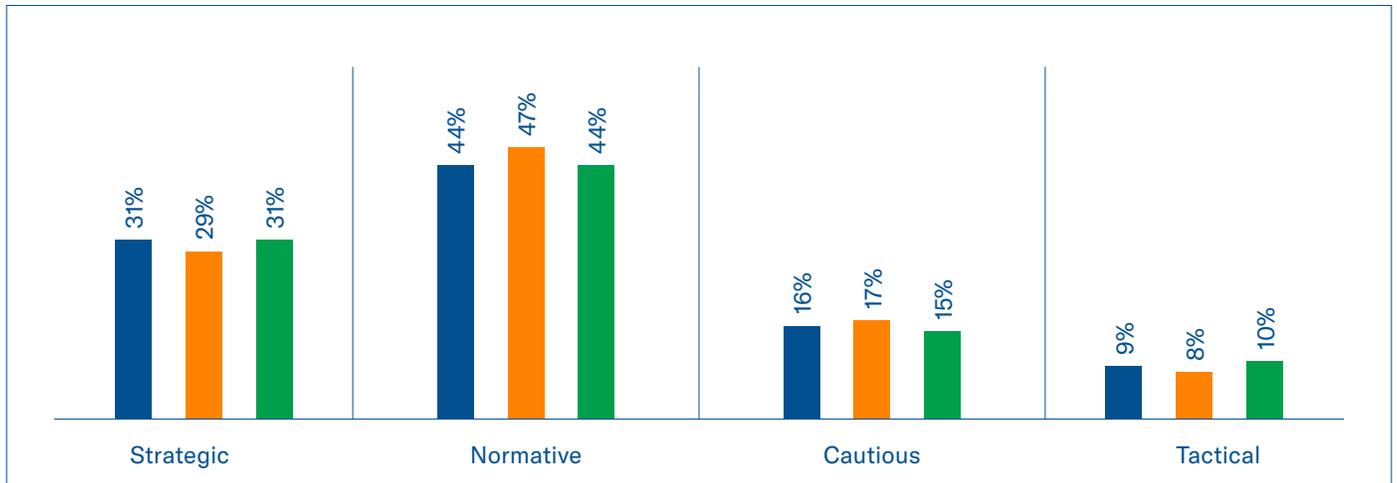


Stakeholder Openness

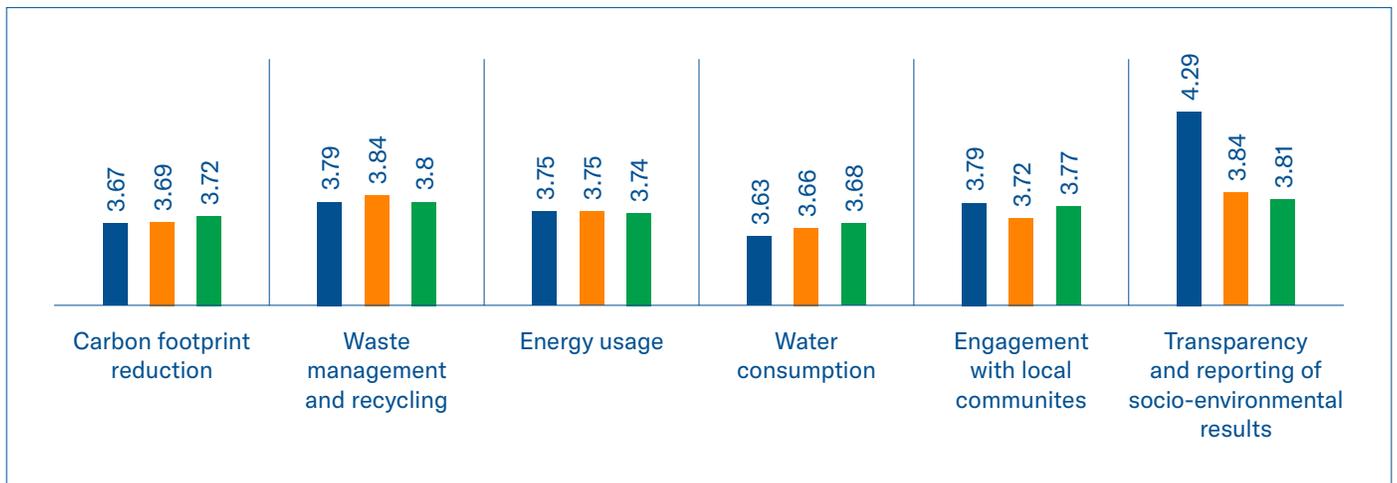


Integrated Sustainability Approaches

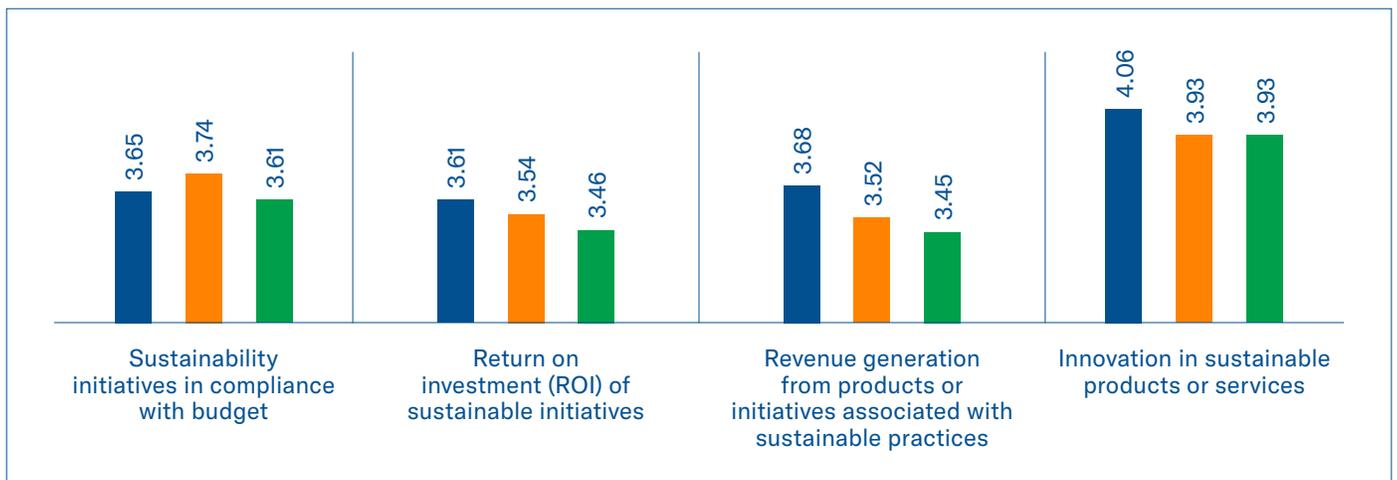
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Sustainability Performance¹⁴



Economic Performance¹⁵



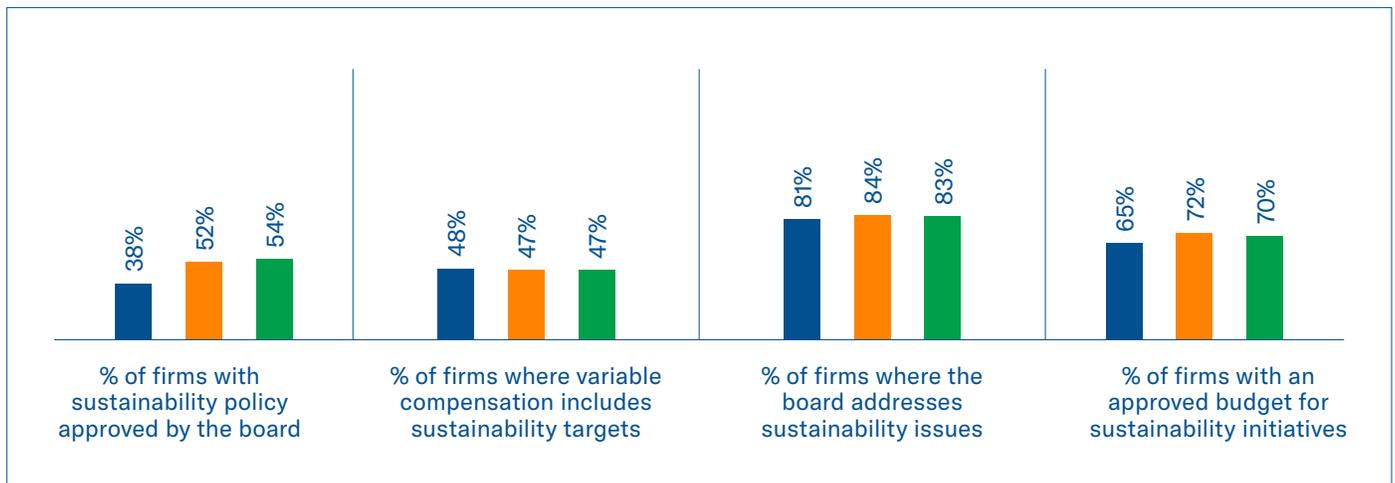
Honduras (N=21)



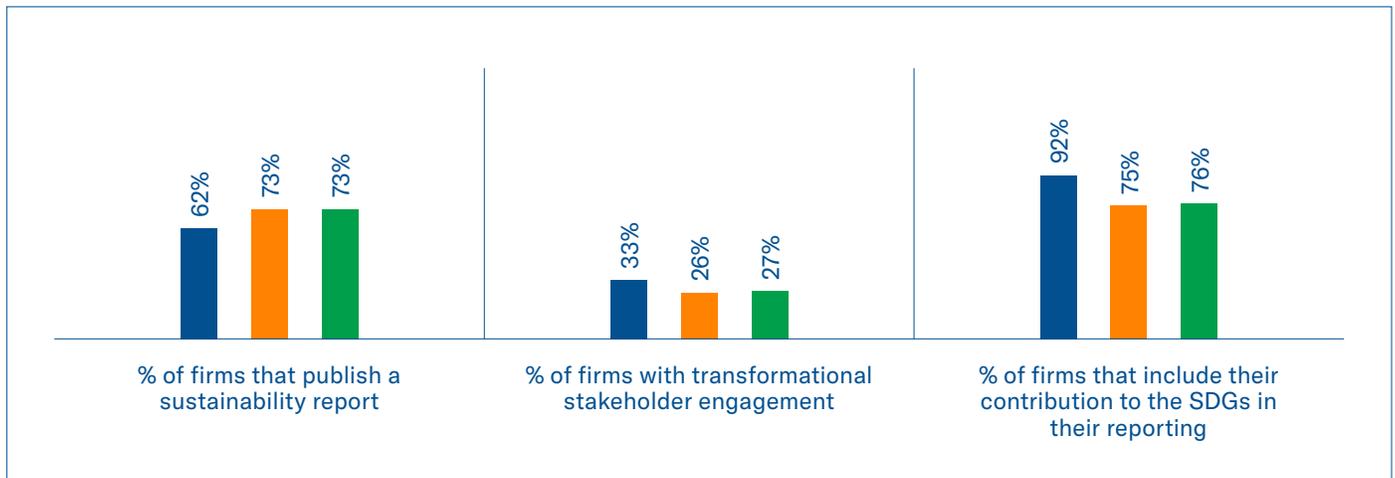
**Cámara de Comercio
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Sustainability Embeddedness

■ Honduras ■ Central America ■ LATAM

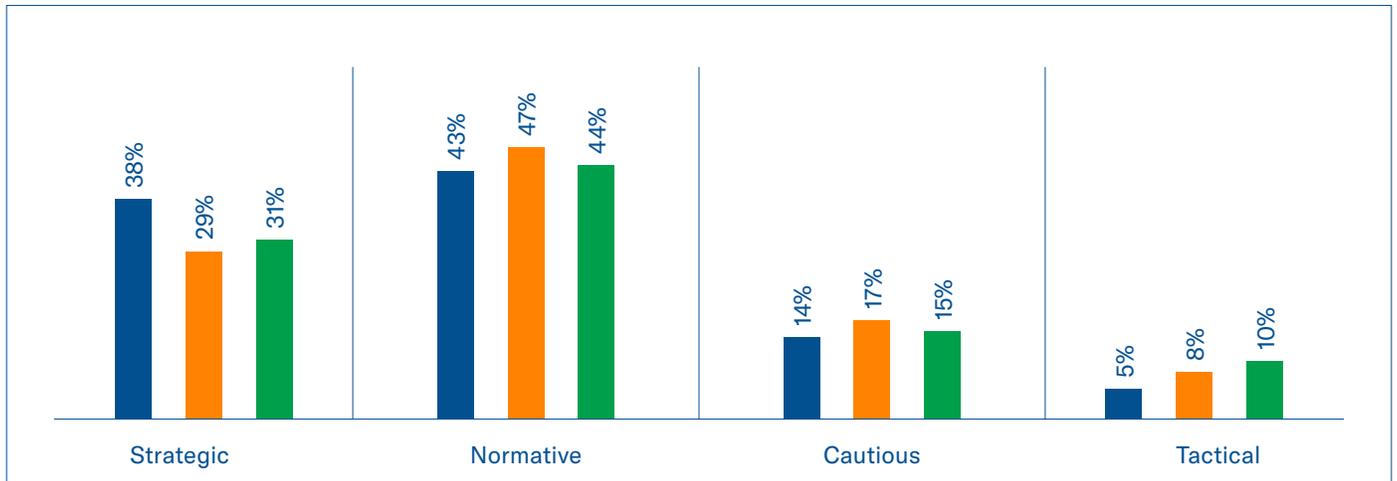


Stakeholder Openness

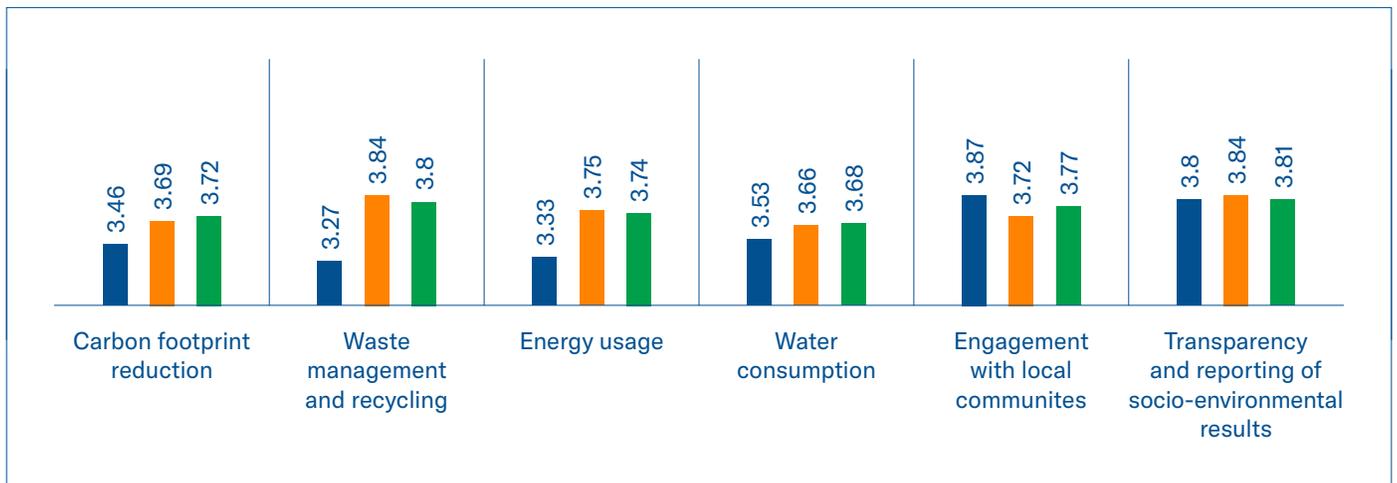


Integrated Sustainability Approaches

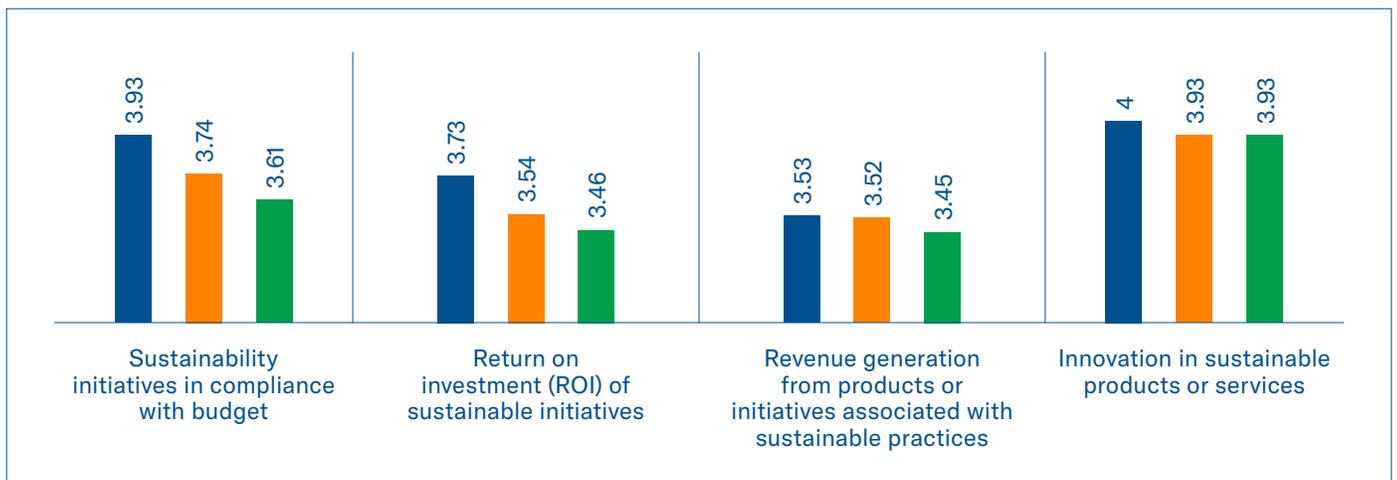
■ Honduras ■ Central America ■ LATAM



Sustainability Performance¹⁶



Economic Performance¹⁷



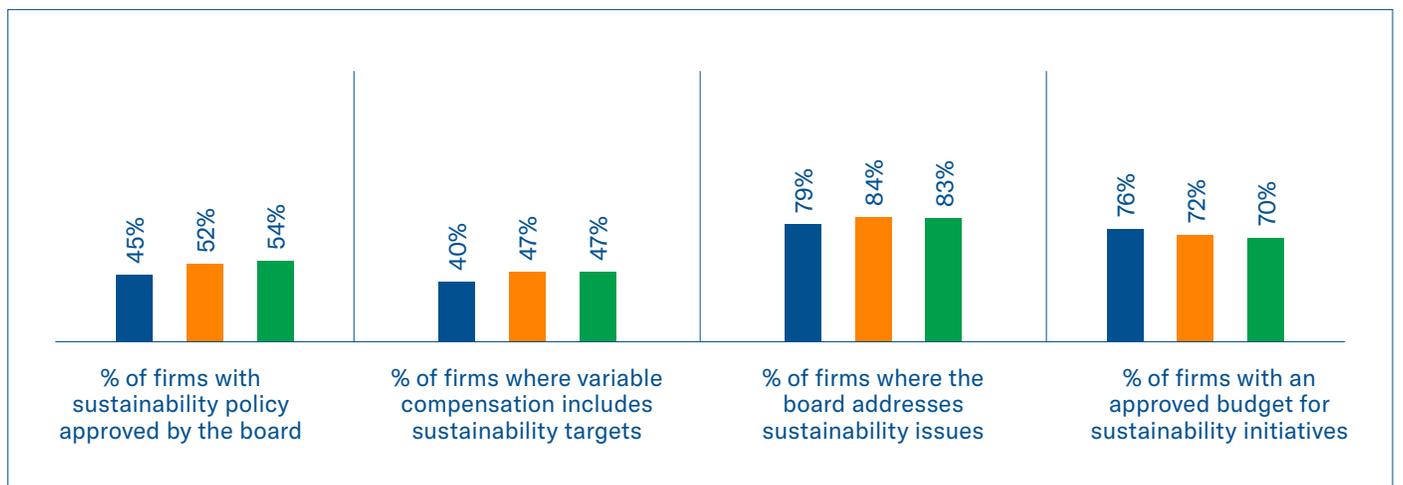
Panama (N=42)



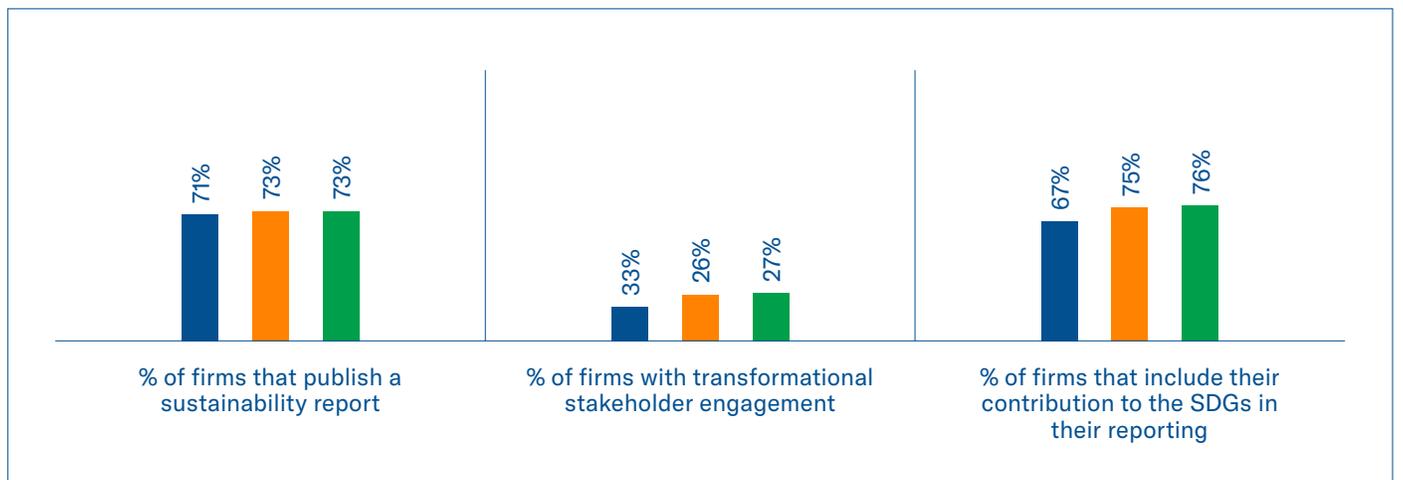
AmCham Panama held the 2024 Sustainable Leadership Recognition Ceremony, to recognize, and encourage its member companies to share their programs which contribute to Panama's sustainable economic development. This year, a record number of 25 companies participated in 3 categories-Environment, Social and Governance.

Sustainability Embeddedness

■ Panama ■ Central America ■ LATAM

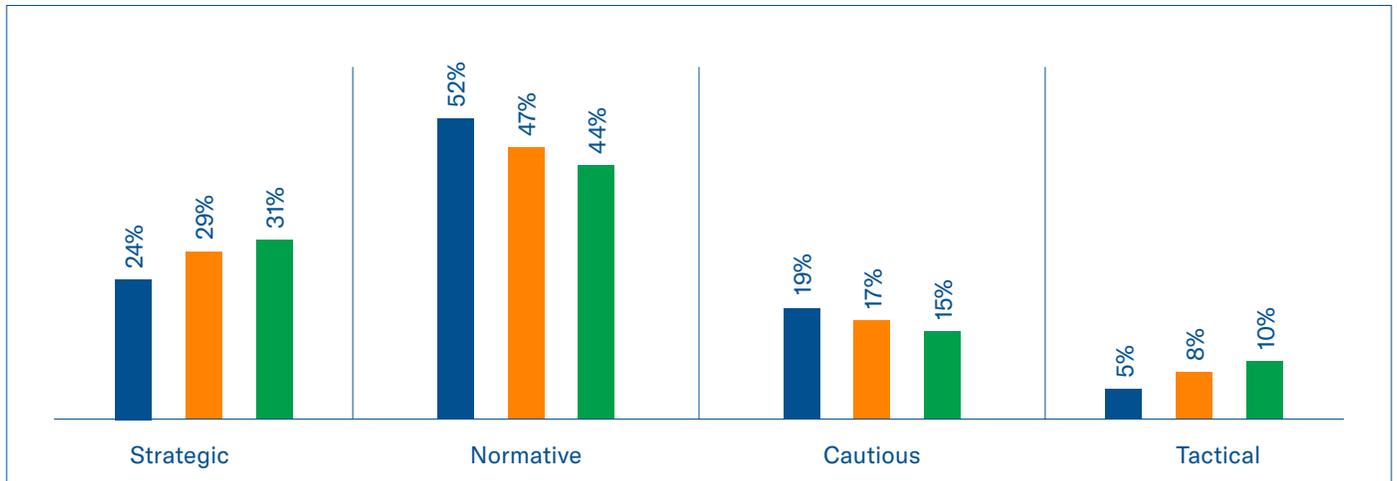


Stakeholder Openness

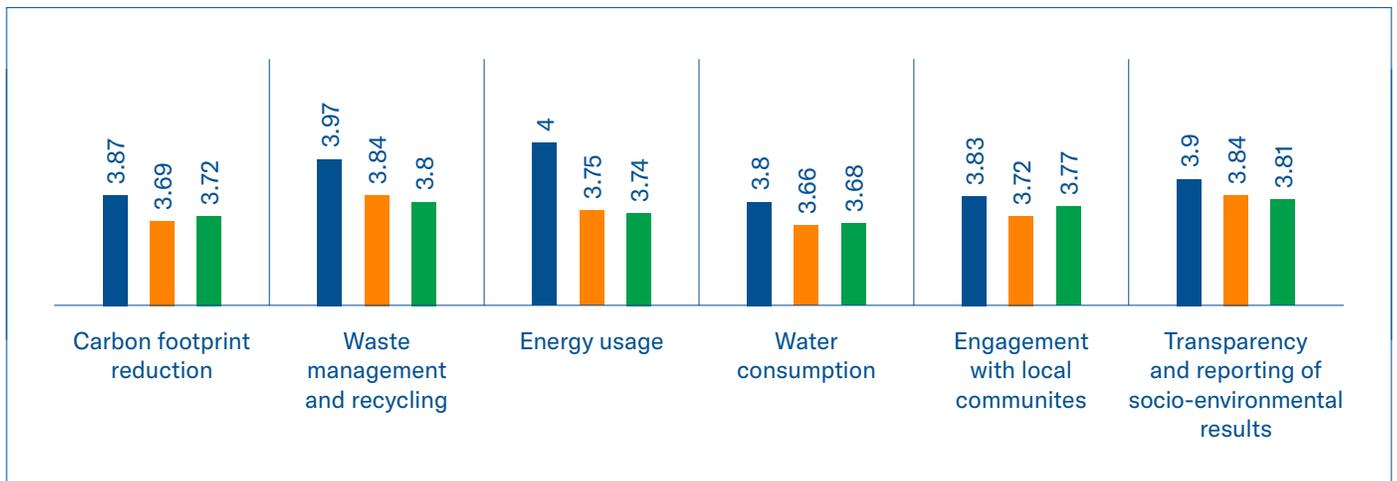


Integrated Sustainability Approaches

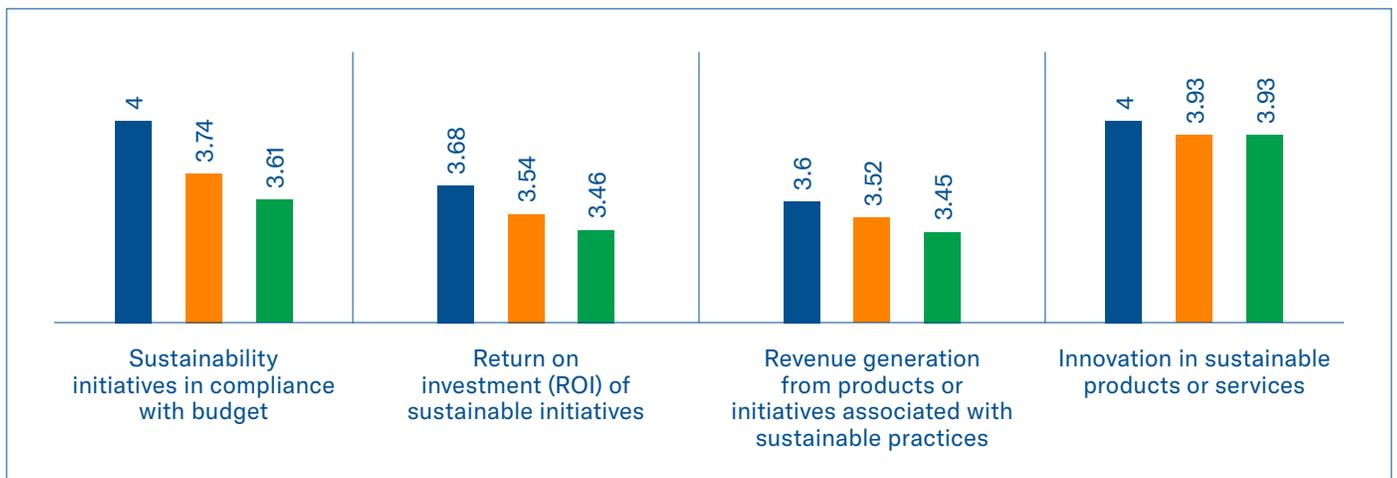
■ Panama ■ Central America ■ LATAM



Sustainability Performance¹⁸



Economic Performance¹⁹

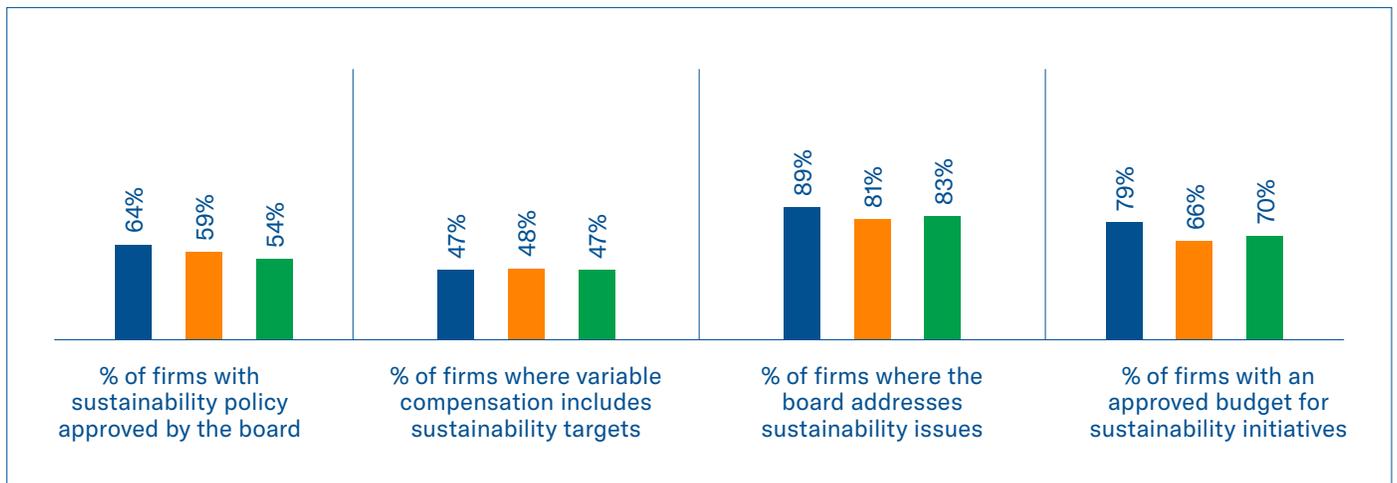


Peru (N=36)

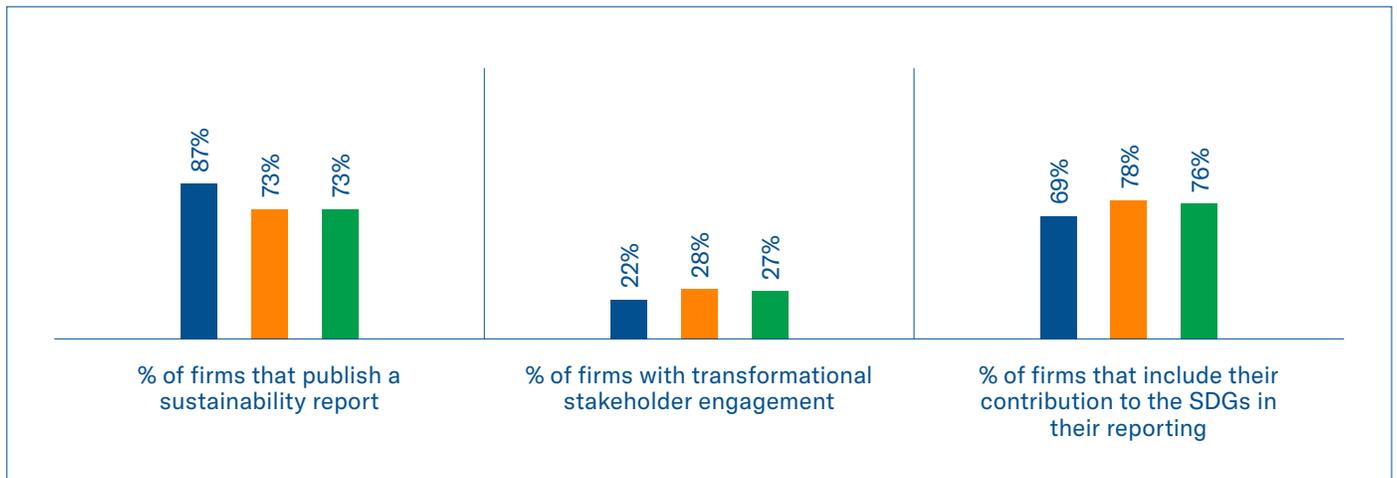


Sustainability Embeddedness

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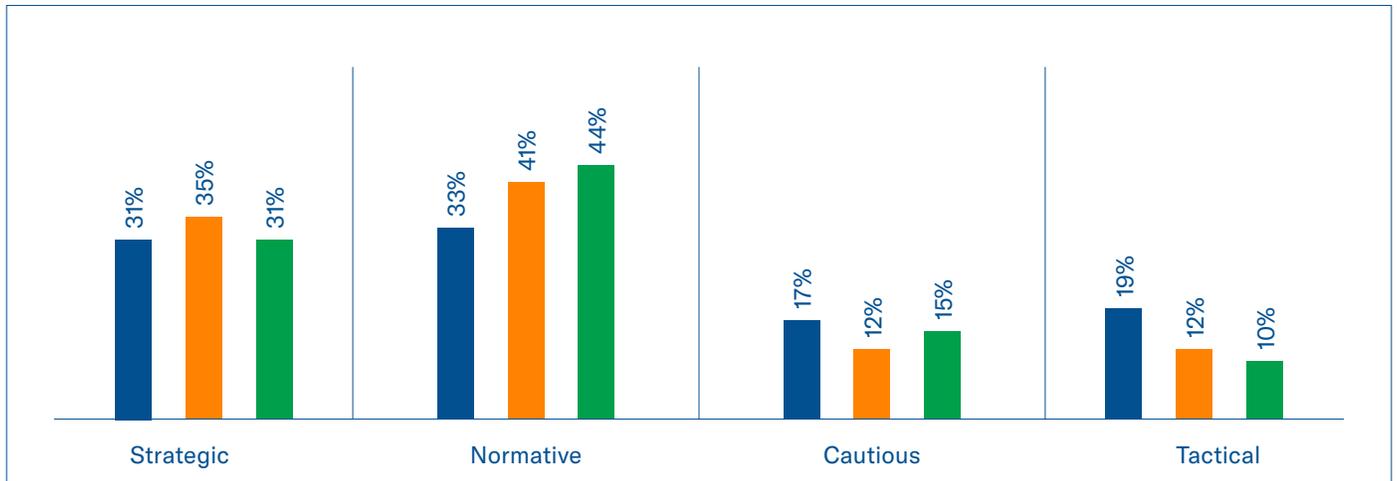


Stakeholder Openness

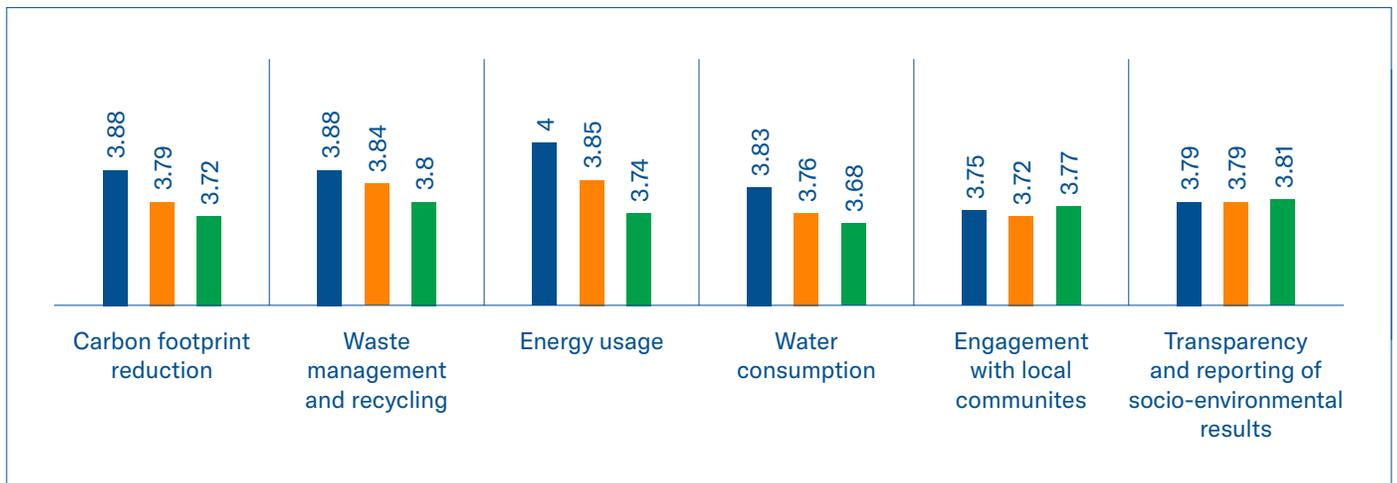


Integrated Sustainability Approaches

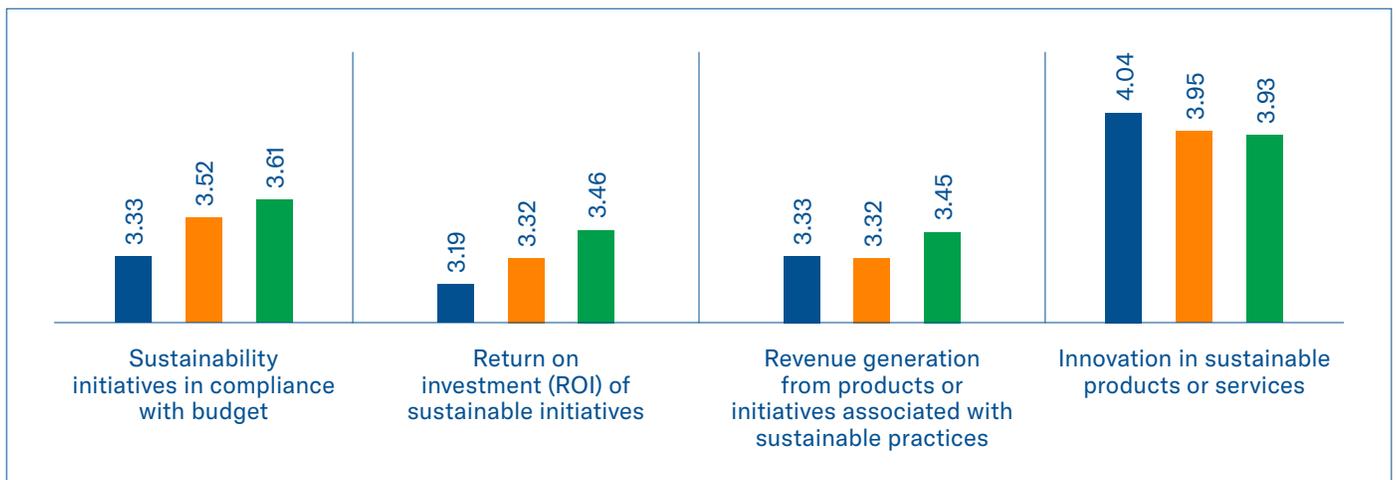
■ Peru ■ South America ■ LATAM



Sustainability Performance²⁰



Economic Performance²¹



Uruguay (N=8)

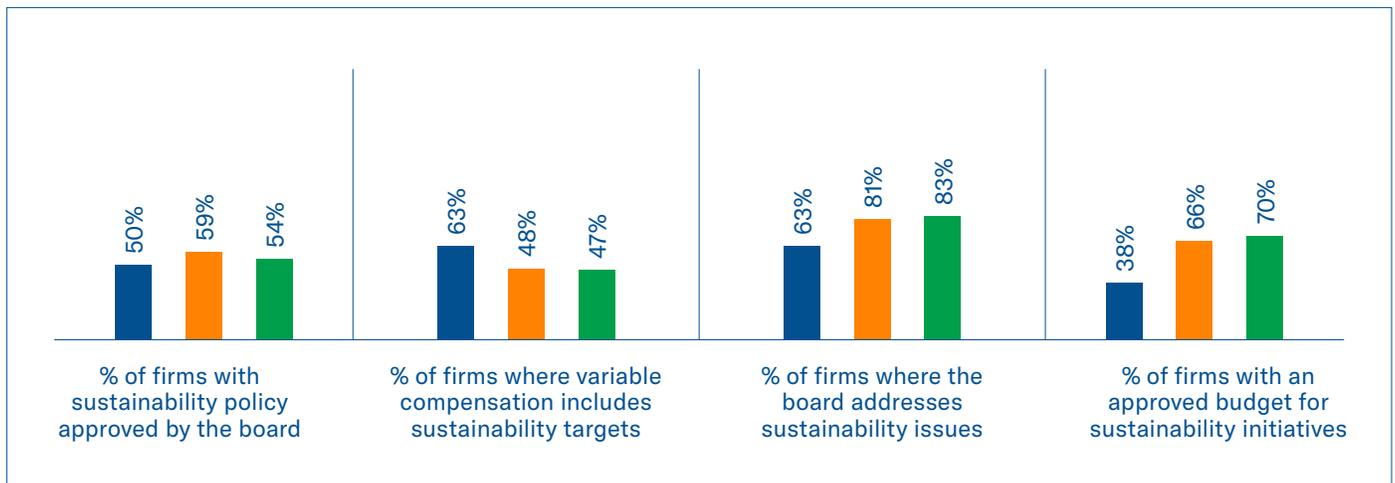


Cámara de Comercio
Uruguay - Estados Unidos

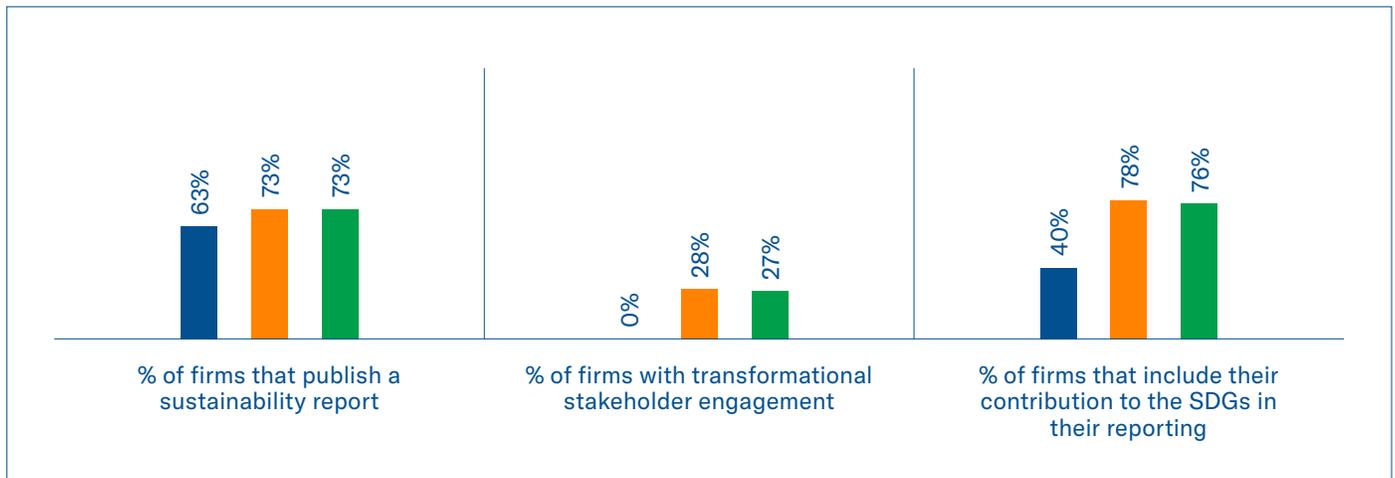
Creando oportunidades de negocios

Sustainability Embeddedness

■ Uruguay ■ South America ■ LATAM

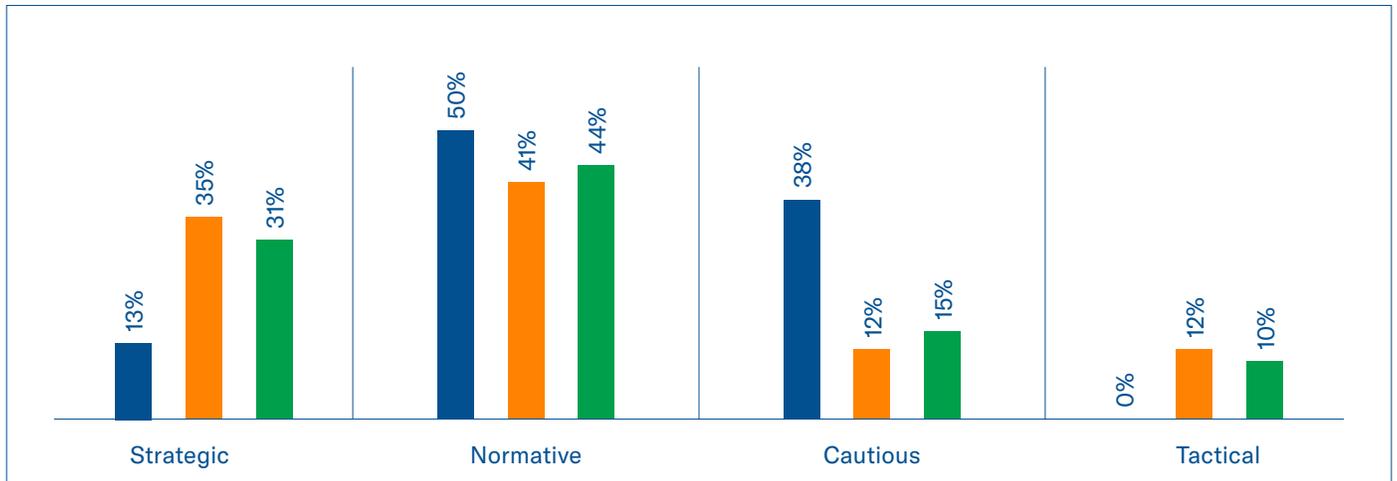


Stakeholder Openness

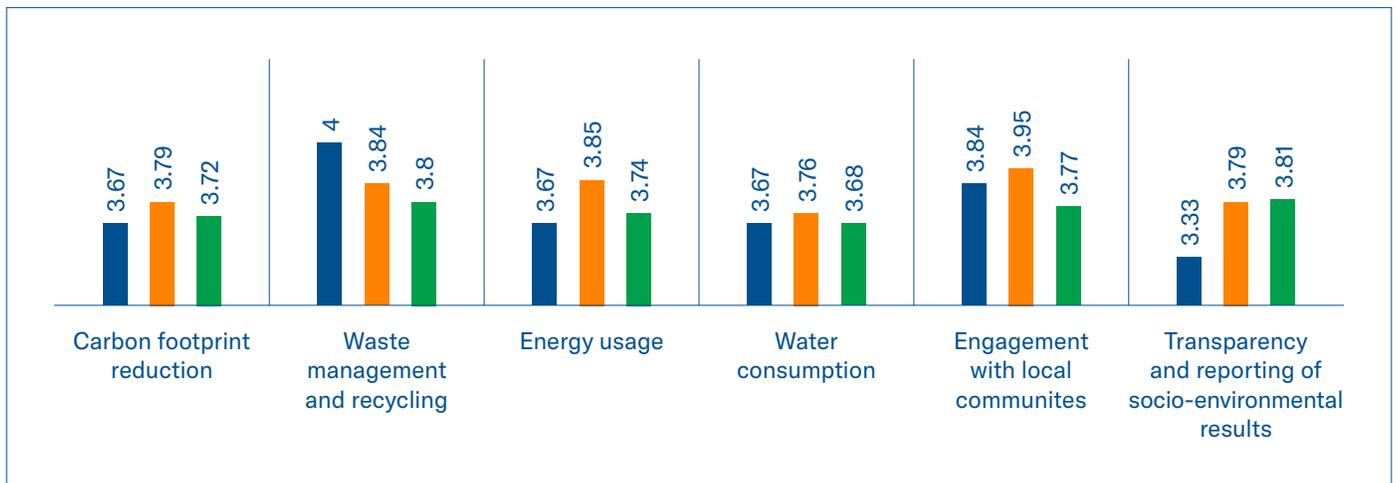


Integrated Sustainability Approaches

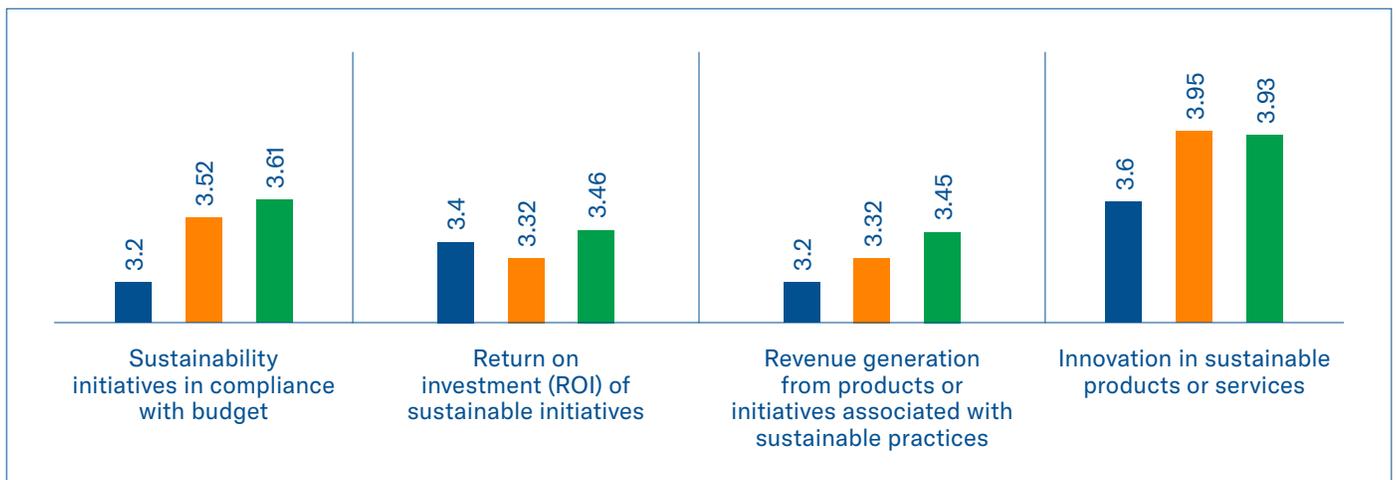
■ Uruguay ■ South America ■ LATAM



Sustainability Performance²²



Economic Performance²³



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Endnotes

- 1 96% of the world's largest 250 companies report on sustainability (KPMG International, 2024).
- 2 Scientific literature differentiates between primary and secondary stakeholders. Primary stakeholders are identified as those who have a direct and essential relationship with the company. Stakeholders who have an indirect relationship with the company are classified as secondary.
- 3 Firm financial performance refers to firm-level operating metrics such as ROA and ROE. This is distinct from investment performance, which takes an investor's perspective to assess the performance of a portfolio of stocks.
- 4 Sustainability performance variables considered in this study are specified in Table 2.
- 5 The literature on Performance Management Systems recognizes that setting targets helps companies guide strategy implementation and monitor and measure progress (Hristov et al., 2021).
- 6 Sustainability targets considered in this survey are presented in graph 19.
- 7 The Sustainable Development Goals (SDGs) are a collection of 17 global goals designed to be a "blueprint to achieve a better and more sustainable future for all". Adopted by all United Nations Member States in 2015, they are part of the 2030 Agenda for Sustainable Development.
- 8 The study conducted in 2022 with partner companies in Chile revealed that high sustainability companies have greater social legitimacy and a greater capacity for innovation in processes, products and markets than their competitors (Aninat, Koberg & Arredondo, 2022, UAI AmCham Chile).
- 9 All data is self-reported, and firms were asked to assess their own performance over the past 3 years against the performance of other firms in their industry.
- 10 This graph shows average sustainability performance.
- 11 This graph shows average economic performance.
- 12 This graph shows average sustainability performance.
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- 20 This graph shows the average sustainability performance.
- 21 This graph shows the average economic performance.
- 22 This graph shows the average sustainability performance.
- 23 This graph shows the average economic performance.
- i Brambles Limited. (2024). Brambles 2024 Investor Day. Brambles 2024 Investor Day
- ii Economic Commission for Latin America and the Caribbean (ECLAC). (2021, July). Forest loss in Latin America and the Caribbean from 1990 to 2020: The statistical evidence (ECLAC Statistical Briefings No. 2, p. 2). ECLAC Digital Repository. <https://repositorio.cepal.org/server/api/core/bitstreams/3840dd1c-ed48-4c0c-a0b9-a3461f3cd3f6/content>
- iii Circle Economy. (2023). Circularity Gap Report: Latin America and the Caribbean 2023 (p.20). Circle Economy. [https://cdn.prod.website-files.com/5e185aa4d27bcf348400ed82/6523e8206c483559b7ccc4e0_CGR%20LAC%20-%20Report%20EN%20\(2\).pdf](https://cdn.prod.website-files.com/5e185aa4d27bcf348400ed82/6523e8206c483559b7ccc4e0_CGR%20LAC%20-%20Report%20EN%20(2).pdf)
- iv Kantar. (2023). Sustain to gain—Latam 2023—Eng. Kantar. <https://kantar.turtl.co/story/sustain-to-gain-latam-2023-eng/page/3/1>
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