

Executive summary

OECD (2024) *Sustainability Initiatives and Responsible Business Conduct in Latin America and the Caribbean*, Policy Papers, <https://doi.org/10.1787/5178fb0d-en>.



The research and survey carried out suggest a significant expansion and diversification of the landscape of sustainability initiatives across LAC over the last two decades. This is indicated by the proliferation of certification schemes in LAC since the mid-1990s. In the agricultural sector, for example, the area of certified land in LAC has grown substantially since 2010. In addition, the majority (63%) of 318 businesses surveyed by the OECD have reported voluntarily using a sustainability initiative as part of their risk analysis and processes and 82% of the surveyed businesses express their intention to adopt additional initiatives in the coming years.

The sustainability initiatives landscape in LAC appears to be dominated by international certification schemes aimed at export commodities. According to the survey responses, businesses in LAC tend to adopt international initiatives — many of which originate from Europe and North America — to meet certification requirements for key export markets driven by both market demands and regulatory pressures. In contrast, regional and national initiatives tend to focus on facilitation rather than certification or other forms of supplier- or site-level monitoring and assessment activities. Regional and national initiatives often aim to prepare businesses for compliance with international certification schemes and standards. They also serve as platforms for fostering dialogue and cooperation on sustainability issues, including for small and medium-sized enterprises (SMEs).

The initiatives landscape in LAC is primarily shaped by private and multi-stakeholder initiatives concentrating on the production segment. Approximately one third of the 39 initiatives mapped by the OECD in the agriculture and minerals sectors focus on specific key commodities such as coffee, sugarcane, palm oil, soy and beef in agriculture, as well as copper, gold, and coal in the minerals sector. In both sectors, these initiatives primarily address environmental concerns, followed by human rights, and labour issues.

Credible and well-designed sustainability initiatives can play an important role in supporting and informing responsible business practices, such as risk-based due diligence in key economic sectors in LAC. Initiatives can contribute to and guide businesses in adopting

responsible practices by facilitating and verifying certain processes. For example, the majority (70%) of surveyed businesses indicate using information gathered from sustainability initiatives for risk analysis and updating corporate policies in LAC, which are central elements of a risk-based due diligence process.

However, the effectiveness of these initiatives is often hampered by insufficient disclosure of information and data gaps, creating uncertainty and opacity.

Initiatives used in LAC mapped by the OECD vary with respect to the level of information they disclose regarding their assessment methodology, assessment results, complaints, standard setting, governance structure, and the list of participating or certified enterprises. This lack of transparency risks leading businesses and governments to use sustainability initiatives without fully understanding their specific design, scope or credibility.

These findings, along with the results from OECD's assessments of sustainability initiatives since 2016¹, underscore the diverse functions, opportunities and limitations of sustainability initiatives as tools for promoting RBC. Sustainability initiatives of different shapes and sizes will continue to play an important role in helping many businesses in LAC meet the growing sustainability demands of governments, investors and buyers.

However, sustainability initiatives face increasing pressure from civil society and other stakeholders who warn against over-reliance on audit schemes and certifications given longstanding concerns about their design, credibility and, in some cases, lack of demonstrated impact on the ground. In this context, governments in LAC can seek to foster more reliable public and centralised information on the scope and activities of individual sustainability initiatives and the role they can and cannot play in supporting companies to meet relevant policy measures. Where relevant, governments can seek to advance dialogue and peer-learning based on OECD RBC standards and the role sustainability initiatives can play to promote coherent approaches and alignment with international standards. Meanwhile, businesses should publicly disclose which initiatives they participate in, — and for what purpose — and take responsibility for verifying the quality and credibility of the initiatives they use.

¹ The OECD's Alignment Assessments assess the alignment of sustainability initiatives in the minerals, garment and footwear and agriculture sectors against OECD due diligence standards. For more information, see: <https://www.oecd.org/corporate/industry-initiatives-alignment-assessment.htm>. See Box 1.2.

Sustainability Initiatives and Responsible Business Conduct in Latin America and the Caribbean

Spotlight on key findings

63%

of businesses surveyed reported voluntarily using a sustainability initiative.

1. The research and survey carried out suggest a significant expansion and diversification of the landscape of sustainability initiatives across LAC over the last two decades.



2. Initiatives are dominated by international certification schemes aimed at export commodities.



70%

of surveyed businesses indicate using information gathered from sustainability initiatives for risk analysis and updating corporate policies in LAC.



5. Effectiveness of initiatives is often hampered by insufficient disclosure of information and data gaps.



4. Credible and well-designed sustainability initiatives can play an important role in supporting and informing responsible business practices.



82%

of the surveyed businesses express their intention to adopt additional initiatives in the coming years.



3. Initiatives are primarily shaped by private and multi-stakeholder initiatives concentrating on the production segment.



The analysis is based on a detailed mapping of 39 selected sustainability initiatives and survey data from 318 businesses in LAC.



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