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# Corporate Social Responsibility and Sustainability in Corporate Strategy: Brazilian Cases Studies

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## Abstract

The chapter presented the evolution of Corporate Social Responsibility and Sustainability concepts and frameworks developed in order to integrate them into management (norms, certifications, indicators, standards, reports and indexes). Then it presents 3 case studies of successful companies that are benchmarking references in CSR - Sustainability strategies and practices and how they achieved their results. The first one is Natura, from cosmetic sector, recognized for its pioneering role in socio-environmental activities and investments in product innovation, in particular the Ekos' line that extracts raw materials from Amazon rainforest, while preserves it. The other two belong to agrobusiness sector. One is Native, brand of the Balbo Organization (1946), a traditional family for the sugar and ethanol sector. It had changed its operational processes and launched the Native brand for organic sugar. Today is a reference for the organic market, operating in 70 countries, being the world's largest producer of organic sugar and alcohol. The other one is BSBIOS, a vertical company of agroenergy. Founded in 2005, today is the largest national producer of biodiesel to national and international market. They all attend to sustainability model, but it is embedded in different ways into their corporate strategy.

**Keywords:** corporate social responsibility, sustainability, triple bottom line, business model, social-environmental management

## 1. Introduction

The globalization process requires companies to incorporate the socio-environmental dimension into management as by enforcements or by social sanctioning. This process has broadened public and government concern about issues such as climate change, industrial pollution, food security, degradation of natural resources, among many others. As a consequence, it is ever more common to observe consumers demanding products and services from socially responsible companies, governments establishing policies, defining more restrictive regulations and also investors estimating the environmental and social risks of investments.

In Brazil, more and more companies are including social, environmental and ethical issues in management and corporate strategies, invested resources in the social development of communities, in the quality of life of workers, in socio-environmental management, in the reduction of waste and sustainable innovation. There is an expressive movement of Corporate Social Responsibility

and Sustainability involving a significant number of companies, civil society organizations, business associations, multilateral agencies and academia. Today, the Brazilian companies occupy a leading position on the international scene and are a reference for the management of Corporate Social Responsibility and Sustainability [1].

“Corporate Social Responsibility” and “Sustainability” turned to be part of official reports, considered into pieces of corporate communication, into executive statements, into the mission and values of companies. In sum, societal issues have invaded the business world and the consequence was a movement of private sector in order to respond to the expectations of society. Managers today are increasingly aware that they must consider the impacts of business in society, provide decent working conditions, quality and safe products, preserve the environment and be profitable and competitive.

However, there is no sense yet of what the integration of Sustainability and Social Responsibility in business really means and the implications for the organizational management. Many terms have been used by companies and academic community to address these concepts. As a consequence, concepts vary widely. Some common terms are Corporate Social Responsibility, Sustainable Enterprise, Stakeholder Management, Stakeholder Capitalism, Conscious Capitalism, Social Business, Social Impact Business or variety of other terms.

In addition to this variability of terms, these concepts have been constantly evolving, which leads to necessity of presenting here the basic concepts to understand the tools and different approaches that integrate the environmental and social dimensions into the management.

The chapter is structured in four sections. First it reviews the literature related to Sustainability and Corporate Social Responsibility (CSR). Then the main tools, standards and norms developed to integrated management are described. Third section presents the case studies. Fourth is the conclusion.

The case studies are based in the literature revision, raising secondary data in documents, annual reports and, in-depth interviews with company's key managers. The purpose is to present the evolution of the concepts of Corporate Social Responsibility and Sustainability and how companies are including the ethical, social, environmental dimensions in their strategies and changing their business models. In Brazil, there are many companies that apply standards based on CSR certifications, report following GRI principles and participate in the capital market by Sustainability Index Rankings [2]. Nonetheless, among these enterprises, some go beyond, and become reference not only for its strategies but as taking advantage of business opportunities that CSR and Sustainability have brought.

It'll be presented 3 case studies of successful companies that are benchmarking references to entrepreneurial environment in Brazil and discuss how they developed their CSR - Sustainability strategies and their results and opportunities for business.

Natura is a company in cosmetic products sector, founded in 1969, recognized for its pioneering role in socio-environmental activities and investments in product innovation, in particular the Ekos product line that extracts raw materials from the Amazon rainforest while preserving the forest. In 2016 Natura acquired the Australian cosmetics chain Aēsop. In 2017 it purchased The Body Shop chain and in 2019, it acquired Avon.

Native is a company in agro-industrial sector, part of the Balbo Organization (1946), which comprises six companies that produce sugar, alcohol, biodegradable plastic, electricity, animal feed and carbon certificates. The Native brand was launched in 2000 for organic sugar and today is a reference for the organic market, operating in 60 countries, being the world's largest producer of organic sugar and alcohol.

BSBIO is a vertical company of agro-energy sector, producing and transforming products and acting in the agribusiness chain. Founded in 2005, today is the largest national producer of biodiesel, operating also in international market.

## 2. Concepts and models for sustainability and social responsibility

This section explores the main concepts of (2.1) corporate social responsibility based on theory of stakeholder, (2.2) of sustainability and (2.3) the management tools (norms, certification, reporting, indexes and indicators).

Case studies will be presented and then commented vis a vis their adherence to this framework, and about this landscape.

### 2.1 Corporate social responsibility—theory of stakeholder

Corporate Social Responsibility (CSR) involves the relationship between enterprises and society and is strongly related to stakeholder management.

The theoretical concept of Social Responsibility was originated in the 1950s [6], when formal literature on CSR grown up at United States and Europe. At that time, researchers' concern was the excessive autonomy of business over society without proper responsibility for negative consequences of their activities, such as environmental degradation, labor exploitation and economic abuse. After some scandals, entrepreneurs started to engage in social activities to benefit the community, outside the scope of the companies' businesses, just as a moral obligation, in a temptation of compensating negative impacts. It is worthy to point out that when this movement started to gain density, it created a social sanction. But at that moment, it was subtle, and companies acted pretty much by reaction.

Aligned to this reactive behavior, the first vision was the **shareholder model**. This model, defended by the economist Milton Friedman (1985) [3], reflected a classic view of Social Responsibility, where it is to increase their profits, maximizing the shareholder value. He defines business as a self-search for profit: other considerations are society's responsibility and not of business. If business in its searching for economic efficiency faces conflicts with the wider social concerns, then it is the government responsibility to restrain business through legal measures that may affect economical decisions [3].

The evolution of prior model led to the **stakeholder approach** representing the firm's concept on the perspective of contract theory [4]. It tries to define social responsibility largely related to the groups of interest, which affect or are affected by corporate actions. It incorporates the notion of obligation to those groups, besides shareholders and employees.

The concept of CSR is associated with the recognition that decisions and results of companies' activities reach a universe of social agents much broader than that composed by their owners and shareholders. Many of the business decisions and activities have consequences for the local community, the environment and other aspects of society that go far beyond the targeted market [4].

Under this approach, corporate responsibility can be considered the contract between company and society. There is a cycle of social responsibility that involves critical issues to business management in order to construct a sustainable society. In other words, it implies the convergence of efforts to balance the interests of stakeholders, leading to innovation and market prosperity to meet the social, environmental and ethical expectations of civil society.

The stakeholder concept implies that enterprise activity is not just a market transaction, but also a web of cooperative and competitive relations of a great



number of persons, organized in diversified ways. The enterprise is an organization in which and by which many individuals and groups spend efforts to reach their goals. The model personifies social responsibilities, identifying specific groups or people that business must address to when orienting social responsibility and actions, giving names and faces to society members. Incorporating social responsibility in actions is seen as a process composed of various phases, that Wheeler describe as (i) the inclusion of stakeholders or “stakeholding, (ii) the establishment of goals, (iii) the implementation of the process and (iv) evaluation of it; all of them, based on cooperation and on building the relationship with stakeholders. This relationship is based on trust and integrity, focused on long term sustainability [5, 6].

## 2.2 Sustainability

Sustainability is a concept related largely to environmental concern, which involve economic and social dimensions. The debate polarizing economic growth and quality of life arose in the 1970, with the publication of the book *Limits to Growth* [7]. The dispute focused on traditional economic policies but set limits to income, considering population growth and which could not be met by exhausting natural resources and jeopardizing ecosystems. And this dissonance between quality of life and economic growth began to change in the 1980, when a review of concepts took place and sustainable development was adopted as the great motto for reconciling growth with quality of life [4, 7].

The most relevant work on the concept of sustainable development is the Brundland Commission Report, produced as a summary of the United Nations’s (UN) World Commission on Environment and Development [8]. The concept at its origin had wide scope, associating development and environment, where development must be bearable, viable and durable. In other words, “*a development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs*” [8].

Concern about environmental resources and the promotion of environmental awareness has become consolidated from the United Nations Conference on Environment and Development (CNUMAD), also known as ECO 92, realized at Rio de Janeiro, Brazil. A document was established at this meeting with new parameters and actions for the reversal of continuous deterioration of environmental system. It was named Agenda 21 and began to contemplate general principles and turned to be the basis for specific principles of sustainable development [9].

In 2012, RIO +20, a UN meeting to evaluate the 20 years after Rio-92, focused on themes of green economy in the context of sustainable development, poverty eradication and international governance for sustainable development. Green economy is the concept that has guided the formulation of public policies for sustainable development. The UNEP - United Nations Environment Program defines the green economy as one that results in the improvement of human well-being and social equity, reducing environmental risks and ecological scarcity. The concept of green economy does not replace that of sustainable development or sustainability; in practice, it is a development agenda that proposes a transformation in the way of facing the relationship between economic growth and development [10].

In 2015, The Sustainable Development Goals (SDGs) (Agenda 2030) approved along the United Nations Summit on Sustainable Development brought together 17 global objectives and 169 targets with the aim of ending poverty by 2030 and universally promoting economic prosperity, social development and environmental protection. It designed a common agenda for society.

The concept of sustainable development is—today—fully integrated into the concept of social responsibility: there will be no long-term economic growth without social progress and also without environmental care. All sides should be considered with equal weights as they are interrelated aspects. Just as economic growth does not sustain itself without social and environmental equivalence, corporate social or environmental programs will not be sustained if there is no economic balance of the company.

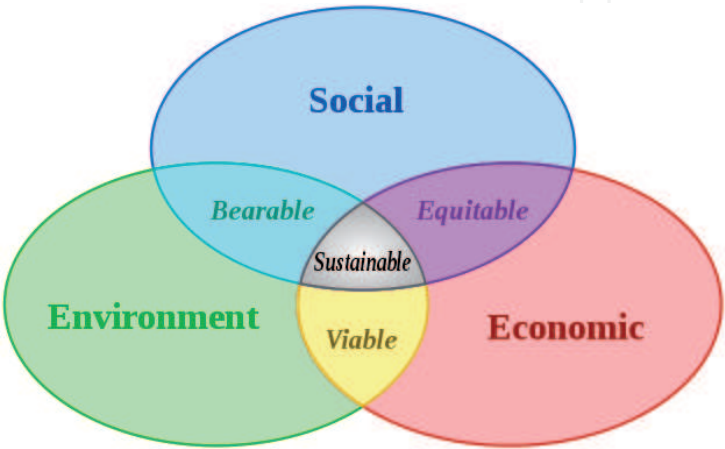
The idea of sustainability for the organizations has been represented by the raising of expectations regarding social and environmental performance in addition to the economic, translated into the concept of triple bottom line (TBL) - Profit-Planet- People - created by Elkington in 1994. It refers to the adoption of new corporate postures committed to social and environmental issues, in addition to the common goal of companies to make a profit [11, 12]. The triple bottom line is a sustainability framework that examines a company's social, environment and economic (no just financial) impact. **Figure 1** shows one of several ways this concept has been divulgated.

The triple bottom line term had become part of the business lexicon and since then influences corporate accounting, stakeholder engagement and increasingly, strategy.

It is still under course a transition in business management models, from single bottom line vision to the consideration of triple bottom line as a management system that will encompass the tripod of sustainability. The triple economic-socio-environmental dimension has been considered in the strategic business planning and in the definition of its goals and actions. Social Responsibility and Sustainability are complementary concepts and must not be interpreted as a new wave as occurred with other topics involving business management.

It remains difficult to reconcile enterprise sustainability to increasing shareholder value objectives as the language of business and sustainability are still distant. The ambiguous and multidimensional nature of sustainability increases difficulty to connect them. To this end, Hart and Milstein have developed a sustainable value framework that links challenges of global sustainability to value creation by companies. In the sustainable value creation companies are challenged to minimize losses from current operations (combating pollution, mitigate environmental impacts), while redirecting their portfolios toward more sustainable technologies and skills (clean, ecoefficient, circular economy technologys) [14].

These sustainable technological innovations are packaged as green technology management, where companies lower the net cost of meeting environmental



**Figure 1.**  
*Triple bottom line [13].*

regulations in order to create strategic advantages [15]. About this aspect, notwithstanding, it is worthy to detach that sometimes, companies absorb a pragmatic perspective oriented toward efficiency and hide fake greenery behaviors [16].

Companies are also challenged to engage into broad interaction and dialog with external stakeholders, looking at current offerings (product responsibility, social inclusion, social business), as well as developing economically interesting solutions to future social and environmental problems (vision of sustainability). Taken together, as in a portfolio, such strategies and practices have potential to reduce costs and risks, elevate the reputation and legitimacy of the company, accelerate innovation and repositioning, and crystallize paths and trajectories of growth [14]. There are some studies relating eco-innovation with culture and social structures and some characteristics include knowledge diversity within company, persistent leadership, changes in bureaucratic structures and cultural indulgence [16].

Eco-innovation is strongly influenced by cultural factors and may disrupt company's business. It is different from incremental innovations, more often chosen by companies as represent lower risk and uncertainty. An interesting result points that the government's role is fundamental to induce disruptive green innovations but not by monetary and fiscal incentives and mainly by R&D investments and others creative ways [16].

The great challenge in this path is how to measure relevant impacts. Profit is very easy to measure, but social and environmental impacts are more diffuse and diversified to be captured by a simple set of indicators. In part, this difficulty explains the proliferation of tentative to apprehend the adherence of companies to what is expected by society.

## **2.3 Management tools**

Many management tools were developed as well as international standards, created by specific bodies or institutions, mainly non-governmental and multilateral organizations, in order to stablish and consolidate a set of acceptable, auditable standards and indicators regard to environmental, social and governance aspects.

The adoption of standards and tools has been an important element of the CSR-movement in Brazil, and organizations in the country have turned to be pioneers in using voluntary certification schemes or contributed to development of tools, standards and certifications.

The participation and mobilization of civil society were fundamental for the development of social and environmental responsibility movement, playing the role of catalysts of these precepts, among them, the Group of Foundations and Companies Institutes (GIFE), the Ethos Institute, the National Thinking of Corporate Bases (PNBE), the Abrinq Foundation for the Rights of the Child and the Brazilian Business Council for Sustainable Development, linked to the World Business Council for Sustainable Development (WBCSD) and the Global Compact Network in Brazil, GRI, focal point in Brazil.

The most relevant tools for Brazilian companies are described as follows.

### *2.3.1 Norms and certifications*

Norms and certifications are very important to drive internal processes management. Some of the main norms are that stablished by The International Standard Organization (ISO), as ISO 9000 and ISO 14000 Standards which certify companies for their managerial capacity (quality of the production process) and respect for the environment. National equivalent standards are the

NBR 16000 and ISO 26000 which has been developed under common leadership of Brazil and Sweden [1].

The Social Responsibility standard – ISO 26000 is an integrative document of several internationally recognized management instruments in order to guide the decision-making process aligned with strategies and needs of organizations and stakeholders. Adherence to the standard is voluntary however, without certification.

Certification Schemes establish principles and criteria to attest the sustainability practices and products along the value chain, ensuring differentiation, origin identification and product quality assurance, based on parameters defined by each specific regulatory body.

Socio and Environmental labels consist on the declarations contained in the product labels, indicating their environmental, social and ethical attributes. It is a statement in which a nongovernmental organization (NGO), an institute or an association attest that a particular product has excellent environmental qualities, that their product is environmentally superior to others in the same category. The most known certification schemes are organic certification, forest production practices, fair trade, and socio biodiversity products and label. They are granted by Forest Stewardship Council FSC certification, Fair Trade, Brazilian Organic Food, accredited by the International Federation of Organic Agriculture Movements – IFOAM, Union for Ethical Bioproducts (UEBT), the last, a certification process for socio-biodiversity chains.

The UN Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals. Launched in 2000, the United Nations Global Compact is both a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices. As a multi-stakeholder leadership initiative, it seeks to align business operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption and to catalyze actions in support to UN Sustainable Development Goals (SDGs) [17].

The UN SDGs provide an agenda for identifying further opportunities to develop socially and environmentally responsible products and services. Global Reporting Initiative, GRI the World Business Council for Sustainable Development (WBCSD), and UN Global Compact developed the SGS Compass Guide, to support companies in aligning their strategies with the UN SDGs and managing their contribution to the realization of them.

Other certification defines companies as “B” corporations when they have the purpose of generating positive social and environmental impact, with expanded responsibility for consideration of their stakeholders in the short and long-term decision and commitment to transparency for measuring and reporting of their triple impact. The system is managed by Blab, a non-profit organization founded in 2006, in United States and Canada. To obtain certification, companies are analyzed through a rigorous impact assessment process in multiple dimensions: governance, business model, consumers, employees and environment and they have to achieve a minimum score on the B Impact assessment. Once certified, they formally undertake the commitments to look at their long-term impact and consider their chain as a whole in decision making. Today, more than 2500 companies are certified as B Corporations, in more than 50 countries, among that, 140 are Brazilian [18].

### *2.3.2 Indicators*

A very important trigger for CSR-management on the national and regional level have been the so called “Ethos Indicators for Sustainable and Responsible



Business”, a set of scaled indicators, to measure their performance and compare to benchmarks in the sector and countrywide on an annual basis. The Indicators are a self-assessment tool and are not meant to be a reporting or certification standard. Companies use the results internally and are not obliged to disclose the results. The application of the Indicators led many companies to the decision to adopt other CSR-certifications, in order to formalize policies and processes necessary to advance in their evaluation. More than 3.700 companies applied to the indicator’s measurement process [1].

### *2.3.3 Reports and index*

The GRI Sustainability Reporting Standards are the first and most widely adopted global standards for sustainability reporting. They were developed with multi-stakeholder in a consensual process aiming to help business, governments and other organizations to understand and communicate their impacts, provide a reporting system that promotes comparability between companies and present indicators on the three sustainability elements (economic, social and environmental), treated separately. Almost 15.000 companies follow and publish their sustainability reports, 519 are Brazilian companies [2].

Increasingly, the directors of any publicly listed company have to explain how their company’s actions will impact its employees, customers, suppliers and the environment (stakeholders).

The triple bottom line inspired multiple capital models focusing investors and financial analysts on Environmental, Social and Governance, known as ESG Approach. This framework is a set of criteria and filters that analysts, banks and investors use to assess whether companies and with which they operate are committed to the Environmental, Social and Governance aspects. Only those companies that achieve a certain score in this assessment, or submit plans to evolve, would be eligible to receive investments and/or loans.

The Dow Jones Sustainability Index (DJSI World) launched in 1999, is one of the main indexes that represent the sustainable corporate quality of companies. The analysis and selection of the recipients is made by RobecoSAM, a company specialized in asset management and products and services in the field of sustainable investments. The index assesses economic, environmental and social performance data, as well as items such as corporate governance, corporate ethical responsibility and environmental concern. The methodology consists of rules that are converted into a general score, which determines inclusion in the DJSI. The world index brings together 317 companies from 58 industries spread across 29 countries, among them six Brazilian companies [19].

The Index of Sustainable Enterprises of the Brazilian Stock Exchange, the so-called ISE Ranking, was created in 2005, being the fourth of its kind in the world. The process of construction and application of the questionnaires which is responded by publicly listed companies was formatted and applied by the Center of Sustainability Studies of Getulio Vargas Foundation (GVces) until 2018 (now ABC Associados is the technical partnership). Companies that own the 200 most liquid shares in B3 are invited to participate. Process of application of ISE starts each year in public consultations on the questionnaire and ends with the publication of the portfolio in November. Since its launch, demonstrates a very positive performance, outperforming significantly the average index of the stock exchange [20].

Rather than take this as succession of models, where the shareholder approach was replaced by the corporate responsiveness approach and so on, we suggest that these approaches exists simultaneously, each of these models co-exist in the social integration approach, representing waves of influence in the dominant approaches,

Approach	CSR Integration	Corporation Responsibility	Management Style	Management Focus
Shareholder	Corporate philanthropy	Maximize the shareholder value	Defensive	Reduce risks and compliance
Social Responsibility	Corporate responsiveness	Management of stakeholders	Reactive	Reputation adapt to stakeholder demand Competitive advantage
Stakeholder Organization	Society at large	Societal Responsibility	Proactive Collaborative	Partnership Win- Win Solutions Competitive Advantage
Sustainability Business Model	ESG approach	Societal Responsibility	Proactive Innovative	Risk analysis Business Case Evaluate the return of Sustainability Integrate into all strategic and operational decisions

**Table 1.**  
*Evolution of CSR approach.*

rather than temporally distinct conceptions. **Table 1** presents the evolution of the approach of CSR.

It is worthy to register that the objective was not to exhaust all certifications, norms and other managerial instruments but just to present an overview of the landscape. Specific instruments will be commented along the cases.

3. Cases studies

**Table 2** summarizes some numbers and information that trace the profile of the three cases presented. They represent different experiences in different sectors and markets.

3.1 Natura cosmetic

Natura is a Brazilian company, present in ten countries, which celebrated its 50th anniversary in 2019. It operates in the cosmetic products sector, maintain its market leadership in Brazil, and is the preferred brand in four of the six countries in which directly operates in Latin America. It is becoming the fourth largest group dedicated to the beauty sector and the largest direct selling in the world.

The company has two industrial units, located in Cajamar (Sao Paulo), and Benevides (Para), opened in 2007, and third-party production in Brazil, Argentina, Colombia e México, with 12 distribution centers, 7 in Brazil and 5 in Latin America. It operates in the national market and in seven other countries (Argentina, Chile, Colombia, United States, France, Mexico and Peru). It involves 1.8 million personal and online consultants, 1,6 million engaged in the digital palatiform, 68.000 virtual stores. It has 489 physical stores with more than 5 million consumers [21].

Company	Natura	Native	BSbios
Origin	Public co.	Familiar	Joint Venture
Founding Year	1969	1946	2005
Activity Field	Cosmetics	Organic Food	Agroenergy
Revenues US	2,25 billion	106 million	836 million
EBITDA %	17%	23%	3%
Employees	6.820	1.689	291

**Table 2.**  
*Cases numbers and information.*

In fact, is one of the leading global companies when evaluated by sustainable business practices. It is recognized for its pioneering role in socio-environmental activities and investments in product innovation, as well by multiple international certifications. It was the first GRI reporting organization in Brazil; it was one of the first multinationals certified as a B Corp in December 2014; it was the first company to use refills in the Brazilian market. It has been listed on B3 (Sao Paulo Stock Exchange), on Corporate Sustainability Index (ISE) since 2005, on Dow Jones Sustainability Index (DSJI) for emerging markets; it was listed on the Corporate Knights ranking as the most sustainable companies in the world for 11 years and it was attested by Leaping Bunny certification, by cruelty free International (2018). It does not conduct tests on animals since 2006 - a common practice in cosmetic sector; the company's packaging is certified by the Forest Stewardship Council (FSC) and it was certificated by Union for Ethical Bio Trade (UEBT), attesting the sustainability of the natural ingredients supply chain for its Ekos Product Line. It received an award at The Climate Neutral Now Category of the 2019 UN Global Climate Action Award.

Natura has integrated socioenvironmental practices into its business model since its founding in 1969. The sustainability culture is firmly embedding in the beliefs, values, mission and vision statements. The commitment and support of the top management is fundamental for in root culture - the founders in effect create a culture to support sustainability decisions. They are recognized as an active leadership in the management and inspired all the employees of the company, that are motivated to take sustainability obligations seriously, and engaged to promote resource efficiency, conservation and innovation. Sustainability is integrated with governance mechanisms, since operational level to the policies and company's strategies, where its performance measurement and management systems include social and environmental indicators linked to remuneration in addition to financial performance. According to the supplier manager, sustainability is a cross-cutting theme throughout the company and serve as guidelines for all areas. The company also aligns their strategies with the United Nations Sustainable Development Goals and has identified the relevant SDGs aligned with their goals and mission, measuring and managing their impacts.

In 1999 under the growing concern about the degradation of the environment by man action, company made the decision to incorporate ingredients of Brazilian biodiversity in the manufacture of its products. In addition to contributing to sustainable development through the transformation of socio-environmental challenges into business opportunities, the motivation was also the possibility of developing green technologies [22].

Sustainable product-oriented supply chain management goes beyond risk-oriented and performance-oriented evaluation, whose focus is to avoid loss of

reputation caused by suppliers' problems. It is based on definitions of social and environmental performance standards to be disseminated throughout the supply chain for the manufacture of sustainable products [23].

Natura has a supply chain comprising 11,900 companies, from various sectors and sizes. It performs audit processes on critical suppliers and on new ones. In this process, the company has built partnerships for product development, such as packaging, (green plastic Brasken) and organic alcohol (Native). However, to develop a supply chain based on biodiversity is necessary to go further as it involves a relationship with the community's suppliers, with diverse cultures, traditions and expectations.

The great milestone in the company's history was the creation of the Ekos line, with ingredients of Brazilian biodiversity into its products formulation, combining traditional knowledge and local wealth generation. This initiative marked the business model transformation to sustainable economy. Its launch in 2000 materialized the company's pioneering purpose of integrating assets into its innovation platform. It was not only the creation of a new line of cosmetics, but a new business model based on the valorization of the standing forest and the socioeconomic development of the local population. The project had the Brazilian Amazon as its heart [21]. Amazon forest is considered the cradle of planetary biodiversity, there are four hundred billion trees distributed among 16.000 species, something about 300 species per hectare, is a huge carbon stock, equivalent to approximately a decade of global emissions – 330 billion tons of CO<sub>2</sub>, which, if released into the atmosphere via deforestation, would greatly exacerbate global climate change [24].

The Ekos brand since its launch was a commercial success and has played a leading role in the company's internationalization process, with high acceptance by consumers, contributing to Natura's image and reputation, identified to sustainability and innovation. The transformations brought by Ekos products led to a chain reaction in other product categories, such as the vegetalization of all soap formulas, which became 100% free of animal fat, incorporating a higher concentration of vegetable oils produced in the Amazon forest. Over the years, other sub-brands started to use these raw materials in the composition of their products. In 2019, 17,7% of inputs came from the region and they are pursuing the target established by 2020 of 30% of socio biodiversity ingredients in the composition of new products in main categories [21, 25].

For two decades, the company structured the socio biodiversity chains production. In the first year, the purchase of inputs was made indirectly, through intermediary suppliers. Soon, it was understood that the relationship with local people and communities (through cooperatives and associations) was an essential factor for maintaining biodiversity and company's commitment to fair trade, benefit sharing and transparency in the supply chain.

In 2011, Natura launched the Natura Amazônia Program (PAM), whose objective is to foster sustainable business and local development, always focusing on valuing socio-biodiversity, traditional knowledge and culture in the region. The program brought together the various initiatives, adopted the strategy of acting in sustainable territories, focusing on investments in priority geographic areas in the Amazon and respecting local vocations, resources and potentialities [25–27].

The most recent 2050 Sustainability Vision targets, established by the company in 2014, reinforced Natura's commitment to generate a positive impact. The company not only aspires for a positive environmental impact but also to adopt more sustainable practices relative to social biodiversity. The first milestone - 2020 Ambitions, were a set of targets related to biodiversity, waste carbon emissions, water, diversity and income generation. By 2019, it had achieved 70% of these commitments and it still strives to accelerate its efforts to fully achieve the stated



targets. The plan for the next 10 years seeks to intensify global actions, such as the climate crisis, the protection of Amazonia, the defense of human rights and considering inclusion throughout its network. Its commitment is to contribute to the preservation of 3 million hectares by 2030 and make collective efforts to ensure zero deforestation of Amazonia by 2025. It anticipates investments of US\$ 800 million over the next 10 years. The program's investments are based on three pillars:

- i. **Science, Technology and Innovation:** the principle is to promote academic and scientific research on the region's assets and ethnobotany, looking for new raw materials, vegetable ingredients and other inputs, mainly derived from socio-biodiversity. Studies are carried out along the production chain, from rural producers up to the industrial scale. The objective is also to improve the production processes and sustainable technology employed, aiming at conservation, environmental regeneration and the aggregation of local value. In 2012 they inaugurated the Natura Innovation Center in the Amazon (NINA) in order to establish a network with local and global institutions focused on science, technology and innovation. Field research is supported by research institutions, NGOs, government agencies and benefiting companies, as well as a fundamental partnership with agroextractivist communities. Partners include the Federal University of Amazonas (Ufam), the National Institute of Amazonian Research (Inpa), the Amazonas State Research Support Foundation (Fapeam) and the Brazilian Agricultural Enterprise (Embrapa). In 2014, the industrial activity in Benevides was expanded with the inauguration of Ecoparque, an industrial park whose purpose is to attract partners to boost the generation of sustainable business in the Amazon. The German company Symrise, supplier of the company settled a unit there.
- ii. **Institutional Strengthening:** empowering communities and articulating the networks of partner organizations in order to enable local development. They are multisectoral partnerships, investing in entrepreneurship, education and socio biodiversity production chains, and by fostering the formation of local development networks, contributing to the formation of leaders and supports the strengthening of associations and cooperatives. In addition, it promotes technical training aimed at sustainable agricultural management and production and invests in the aggregation of local value through assets processing by communities.
- iii. **Productive Chains:** structuring, improving and expanding sustainable production chains of sociobiodiversity, increasing and strengthening cooperatives and families to promote social inclusion and respect for diversity, generating work and income. Between 2007 and 2017, the company developed a certification process for socio-biodiversity chains together with the Union for Ethical Biobusiness (UEBT). In 2018, it was the first company to obtain the UEBT certification seal. The seal attests that all plant ingredients in the formulation of Ekos products have undergone a system that ensure the maintenance of ecosystems, fair distribution of benefits by the use of biodiversity, respect for working conditions, income generation and local development, among other points. In 2007, Natura had launched the Carbon Neutral Program, with CO<sub>2</sub> emission reduction targets through all the production chain, and offsets all the greenhouse gas (GHG) emissions possible to avoid. In its offsetting program, it supports projects that help keep the forest standing. Furthermore, it maintains a platform that share learnings

from emissions neutralization with other companies and encourages the adoption of a low carbon economy. In addition, a collaborative platform has been developed for other companies to invest in greenhouse gas (GHG) compensation of their actions, based on the experience gained by the company in the implementation of the Carbon Neutral Program in the last decade. This program was unfolded in another initiative called Circular Carbon – the company's first project to pay for carbon offset within the production chain. It has been made possible so far, the reduction of deforestation in the 126 properties through the remuneration of farmers families. Between 2013 and 2016, the deforestation rate for this territory was 0.93%; the goal is to reach zero deforestation at the end of 25 years. Between 2011 and 2019, it has been conserved 1.8 million of ha in partnership with supplier communities, non-governmental organizations, and public authorities, more than 3,6 million t CO<sub>2</sub> equivalents off set. The supplier chain involves 39 communities, 6.197 families and 26 species of biodiversity, generating US 450 million of business volume for the regions.

*“Ekos' transformative premise is to build a story in which the entire chain involved—from production to final product consumption—benefits. The supplying communities gain with the extraction of assets and the discovery of new possibilities to undertake; the processors of raw materials gain from the preparation of new products; the consultants, with the revenue generated by the sale of cosmetics; and finally, consumers gain, having at their disposal innovative beauty items, with benefits for the body's care and with aggregate socio-environmental values” [21].*

### 3.2 Native organic food

Sugar and ethanol are part of Brazilian history. Sugar is the first exportable product since colonial times, and the oil crisis of 1970s created conditions that led to the implementation of the largest renewable fuel project, the National Alcohol Fuel Program, known as Proálcool. The investment of substantial amounts of resources, in both agriculture and industry increased the country's production capacity and became the world's largest producer and exporter of sugar and ethanol [28].

Native is an organic food company, part of the Balbo Organization (1946), which comprises six companies that produce sugar, alcohol, biodegradable plastic, electricity, animal feed and carbon certificates. The Native brand was launched in 2000 for organic sugar and today is a reference for the organic market, operating in more than 70 countries, being the world's largest producer of organic sugar and alcohol.

The Balbo Group company was founded in 1946, with the establishment of the Usina Santo Antonio (Santo Antonio Mill), in countryside of Sao Paulo. Today, the group operates three units: São Francisco (SP), Santana (SP) and Uberaba (MG), in 37.800 hectares, producing 7,2 million tons of cane, generating 315 thousand tons of sugar and 405 thousand cubic meters of ethanol. The plants are self-sufficient in energy, which is obtained from burning sugarcane bagasse. The co-generation of thermal, mechanic and electric energy is under the responsibility of Bioenergia, another company from Balbo Group, which supplies the proper energy needs and generates surpluses to grid, since 1987. The surplus energy traded is equivalent to the consumption of a city with 500,000 habitants.

In 2000, they became partner in the creation of Biocycle, a new company dedicated to the increase, consolidation and development of technology, production and commercialization of Polyhydroxybutyrate (PHB), the biodegradable plastic originating from sugar cane.

The case study refers to Native brand (Sao Francisco Mill) and does not involve the other companies in the group. The family has been in the sugar business since 1903 and is recognized as traditional industry group with entrepreneurial and innovative profile. But the great milestone to the group, was the research project that revolutionized the production system of sugarcane, broke the paradigms of the sugar and ethanol sector and gave rise to Native.

The Native project changed the traditional process of sugarcane cultivation without the intensive use of fertilizers and agricultural pesticides, eliminated the fires, and so, implemented the organic cultivation. An important aspect was the transformation of sugar, a commodity product sold in bulk, to be marketed and exported as a premium packed product: organic sugar. According to Carvalho, Native is an emblematic and unique case study [29].

This change was led by Leontino Balbo Junior, agronomist that joined the family business in 1986. He soon realized that the harvesting method often used, which depended on burning sugarcane straw before harvest, was incompatible with the modern tropical farming techniques he had just studied. In the search for new methods of agricultural production, he developed a new technique inspired by the natural methods of plant and animal production and named it as Ecosystem Revitalizing Agriculture (ERA). The research project was launched as Green Sugarcane Project, required an initial investment of US\$25 million and it took almost ten years to convert plant to organic agriculture and become a business alternative for the company [29, 30].

The project involved collaboration of important research institutions such as Embrapa, Satellite Monitoring and the Technological Research Institute (IPT-USP), plus the collaboration with the State of Sao Paulo universities such as USP, UNESP and UNICAMP [29].

The purpose of the project was to maximize the potential of sugarcane cultivation by restoring fields to their natural state. Seven major changes in the production system were implemented: (1) elimination of the sugarcane burning; (2) the adoption of the biological control to avoid harmful insects; (3) the implementation of forest biological islands; (4) the elimination of agrochemical products consumption; (5) the rational utilization of agro-industrial waste as fertilizer; (6) the development of a system for the integrity of the soil; (7) and the adoption of green manure practices in the rotational crops.

The project brought benefits to the company and stakeholders. Workers achieved good working conditions and kept their jobs, even with the mechanization of the harvest. The local community were benefited by reducing the negative impacts of traditional sugarcane production, generating income, jobs and improving quality of life. Among the environmental benefits were the improvement of volume and quality of water resources; the reduction of erosion of productive land; the reduction of greenhouse effect gases; and the increase of biodiversity in the areas of native vegetation.

Since 2002 researchers of several institutions under the coordination of the Embrapa Satellite Monitoring, have studied the fauna inventory and found significant results: over 330 species of mammals, birds, reptiles and amphibians have been identified in the surroundings of the production areas; several new species were observed; 49 of the species discovered were endangered. These results are 23 times greater than the biodiversity found in conventional sugarcane plantations in the same region [29].

The Sao Francisco Mill produces ethanol, a biofuel that reduces the GEE emissions, which means a contribution to climate change combat. Furthermore, the new way of producing also reduces GHG emissions. The greenhouse gasses emissions were inventoried between 2006 and 2007. It was based on GHG protocol,



considering the analysis of life cycle, from sugarcane farming, industrial phase of sugar and alcohol production, up to the transport, marketing and consumptions of products, both domestically and abroad. The emissions value found were lower than the average emissions normally found in the sugarcane business, due to the organic production methods [31].

The electricity cogeneration system, from the combustion of sugarcane bagasse (fuel from biomass) is neutral in the emission of greenhouse gases. In 2020, Sao Francisco Mill has just been recognized as a producer of biofuels with the Renovabio certification - granted by the National Petroleum Agency (ANP). The certification recognizes that the plant contributes to the mitigation of Greenhouse Gases (GHG) and can receive 55,655 Decarbonization Credits (CBIOs) for sale on the stock exchange for 3 years, from the date of issue of the certificate.

During the evaluation process, the producer receives a score inversely proportional to the carbon intensity of the biofuel produced (Energy-Environmental Efficiency Score). Among all 220 certified plants that produce ethanol from sugar cane, this specific received the highest energy efficiency score (71.6). In addition to the score, the certification process for the production of biofuels takes into account the origin of the energy biomass as raw material for biofuel.

The impact on business was significant. The Balbo's group farms achieved yields 20% higher than the average of farms in their region, had cost savings when avoiding the purchase of chemical fertilizers and pesticides, and recycling the residues from his own farm. Undoubtedly, this process provided strategic advantages for the company, besides the development itself of the organic products market.

In 1995, the company was consulted by North American Global Organics that was looking for organic sugar suppliers in Brazil. After initial contacts, representatives of Global Organics indicated that the production process developed by the Green Sugarcane Project was close to the one required to obtain the certificate of organic production demanded by them. The possibility of accessing the European and North American markets, both with raw and with processed sugar, encouraged the company to bet on organic production and seek certifications seals. The Native brand, launched in 1998, was the basis for the first product line whose main customers are the food industries of USA and Europe which resale the packaged product with their own brands [32].

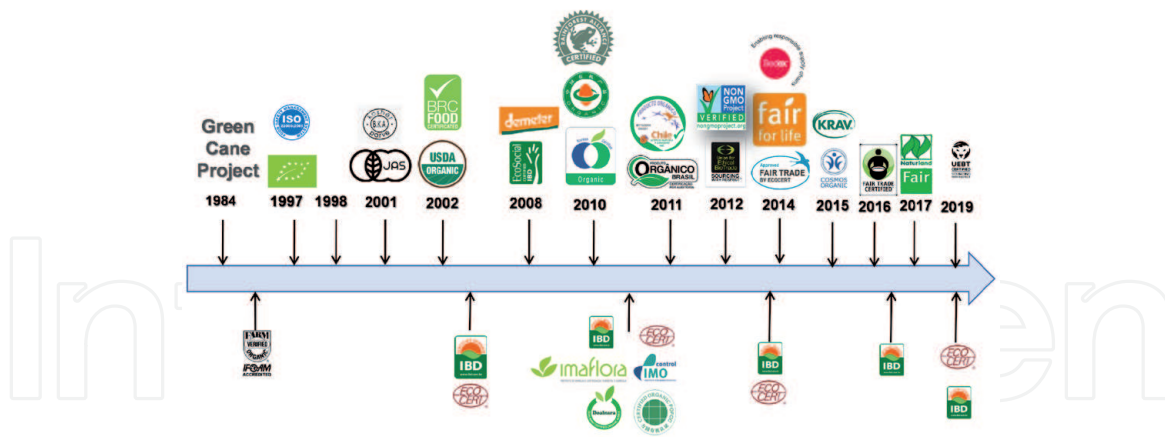
The certification seals are very important for the organic sector, gives reliability to an organic product, ensures that is produced according to standards of management and quality required worldwide for the organic products. It is only granted for production processes that do not use any chemical pesticides, industrial mineral fertilizers or genetic modified organisms. Furthermore, these processes should promote ecological balance in cultivated fields, and company should have positive social and economic impact on the community it serves.

The first organic certification obtained was from the Farm Verified Organic (FVO) program, a private North American standard recognized by International Federation of Organic Agriculture Movements (IFOAM.) Due to the demand of a European customer, the Ecocert was also obtained. Over three decades it has obtained national, international certifications and labels, between organic, socio-environmental, fair trade and product quality, as shown in **Figure 2**.

In 2006, demanded by Natura, a new opportunity arose to develop organic vegetal alcohol. Then Native gathered new customers and markets, especially for food, cosmetics and pharmaceutical industries, to use in the composition of drugs as to the production of deodorants and colognes, where it was not used until there. The production of alcohol began in 6,7 thousand tons (2007) and came to 14,2 thousand in 2018, and 9,9 thousand in 2019.



## Certification Timeline



**Figure 2.**  
*Native certification timeline.*

Native has become an organic food company, managing a production chain, with raw material suppliers, processors operating in various regions of Brazil and even abroad. In addition to organic sugar, it has developed several organic products, such as coffee, fruit juices, cocoa mix, breakfast cereals. It has a portfolio of 80 products, marketed in Brazil by the retail chain over 8 thousand points of sale. The internal market accounts for 30% of the company's revenues. It is present in more than 70 countries, the main ones are the United States, Canada, in all countries of Europe, Japan, China, South Korea, Australia, New Zealand, Chile, Peru, Argentina, Bolivia, Colombia, South Africa, Saudi Arabia, Israel. It has become the world's largest producer of organic sugar and alcohol.

Finally, there is a favorable scenario for organic production. Studies have shown that the production and consumption of organic products in the world has grown significantly, driven by the expansion of demand for organic food and beverages in the countries of Europe and North America, in addition to China. International demand for organic products tends to rise steadily over the next few years (since 2000 the average annual growth has been 11%), as these products have been progressively associated with higher levels of safety and health for consumers and lower social and environmental impacts [33]. In Brazil, despite the fact that consumer market is considered the largest in Latin America, production and consumption of organic products also increased, but at a slower rhythm, concentrated in middle class that require healthier foods [33]. **Table 3** shows the participation of all organic products in total revenue by 70% due to minor conversion of ethanol yet [34].

### 3.3 BSBIOS biodiesel

In mid-2004, Erasmo Batistela was waiting in a bank line when some farmers asked his opinion about biodiesel. He owned two gas stations in Colorado (Rio Grande do Sul) and knew little about the subject. He decided to research on the subject and after conducting a financial study with advice from Brasil Bank and specialized consulting, decided to invest in the area and founded BSBIOS in 2005. Due to logistical issues he chose the city of Passo Fundo (RS) and the City Hall provided the area to install the industry. In 2009 he acquired the Marialva (PR) unit and in 2011 Petrobras entered as partnership (50% of shares) [35].

The company's current corporate structure is the result of a Joint Venture between RP BIO and Petrobras Biocombustível. RP BIO belongs to the ECB GROUP,

Revenues (BR\$1000)	31/03/2020	31/03/2019
Organic Sugar	272.880	276.187
Sugar	9.685	13.729
Organic Ethanol	47.952	42.828
Ethanol	99.427	84.854
Other Organic Products	31.316	30.643
Electric Energy	15.278	15.262
Other Sales	4.271	919
Services	6.027	6.721
Grow Revenue	486.836	471.143
Net Revenue	436.995	424.161
EBTDA	128.867	99.001
EBTDA %	29%	23%

**Table 3.**  
*Product participation in revenue and EBITDA.*

captained by Erasmo Batistela which operates in the field of renewable energies and advanced biofuels. Petrobras Biocombustível is a wholly owned subsidiary of Petróleo Brasileiro S.A. - Petrobras.

3.3.1 Biofuels sector in Brazil

In Brazil, the production of biodiesel was supported by National Program for Production and Use of Biodiesel – PNPB, launched in December 2004 with the purpose of add the biodiesel into the Brazilian energy matrix. In 2008, the mixing of pure biodiesel to diesel oil became mandatory. The initial mixing of 2% was gradually increased to 3% (2009), 4%, 6%, 7%, 8% (2017), 10% (2018), and will reach 15% in 2023. With the focus on social inclusion and regional development, the main result of the first stage was definition of a regulatory framework. One of the milestones was the creation of the Social Fuel Seal by the Ministry of Agricultural Development – MDA, a certification granted to biodiesel producers who acquire percentages according to the raw material region from familiar agriculturists classified in the National Program Strengthening of Family Agriculture – PRONAF.

The seal promotes the transfer of income to family farming, regional development and increased agricultural productivity. Industries benefit from federal tax exemption, access to better financing conditions and reputation gains. Farmer’s family receive a bonus and technical assistance from the producers. This policy benefits all community, government, industry and society, distributing wealth, bringing training to the field, adding new tools and technologies that contribute to the maintenance of young people in the field, paying attention to environmental issues. BSBIOs wholesomely promotes this policy by acquiring the necessary raw material directly from farming family cooperatives.

In 2016 it was launched the national biofuel policy - RENOVABIO, established by Law no 13.576/2017, based on predictability, environmental, economic and social sustainability, compatible with market growth. It introduced a new strategic view to the sector, improving economic mechanisms that allowed the organization of a decarbonization credits market. It assigns carbon intensity ratings to individual producers, in which such decarbonization credits (CBIO) can be freely negotiated. The RenovaBio program represents a major step toward implementing Brazil’s

commitment at COP 21 in Paris, putting in place the right set of measures to scale sustainable fuels and promote low carbon solutions for the transport sector.

Currently there are 51 biodiesel producing plants authorized by the National Agency of Petroleum, Natural Gas and Biofuels (ANP) for operation in the country, corresponding to a total authorized capacity of 25.9 million liters/day. The national production that started in 2005 with a volume close to 700 thousand liters, reaches 5.90 billion liters in 2019.

The definition of a legal and regulatory framework was fundamental to attract private investments in the biodiesel sector in Brazil. As a renewable fuel, biodiesel contributes to the reduction of carbon dioxide emissions into the atmosphere and the deceleration of global warming. From the economic point of view, in turn, the enormous potential for generating employment and income is highlighted, in addition to the positive contribution to the Brazilian trade balance by reducing imports of diesel.

BSBIOS is recognized for the quality of the services it provides, for supporting innovation, for socio-environmental engagement, as well as for regional development. It operates primarily in the production and distribution of biofuels, but also in the market for the sale of soybean meal, glycerin and sludge. It is the largest producer of Biodiesel in the country and operates in 14 Brazilian states, especially in Rio Grande do Sul and Paraná, as well as in six countries, with a strong participation in the production and distribution of biodiesel. BSBIOS produced in 2019, 604,827 m<sup>3</sup> of biofuel, achieving the highest volume of biodiesel delivered, with a market share of 10.28% and a consolidated profit [36].

### 3.3.2 Supply chain

The production of Biodiesel is related to the transformation of soybean into soybean meal and soybean oil. Since 2007 BSBIOS holds the Social Fuel Seal, where over 40% per year of the raw materials used in the production of biodiesel is acquired from family farming. The purchase of the product is made by family cooperatives, located in the south and northeast of the country, which have at least 50% of family farmers in their membership (family cooperatives) or are qualified as agricultural cooperatives that supply raw materials to biodiesel farmers.

In 2019, BSBIOS acquired 4,425,608 ton of grain soybeans and 4014 ton of soybean oil, 7403 ton of corn and 5000 ton of coconut oil from family farming organized in 24 cooperatives. The company has a portfolio of more than 226 suppliers, operating daily in the available soybean market, seeking to supply the demand of 3200 tons per day.

It also has a program and policy for receiving soybeans in order to mitigate the market storage deficit, receiving soybeans and crushing them during all 12 months of the year. BSBIOS offers to its suppliers the possibility to make exchange contracts for its products such as soy meal, soy husk and soy residue, adding value to the business and contributing to the production chain of region.

Animal fats have been standing out in the production of biodiesel, not only in environmental aspects, but also because it is an important supply alternative. It is a sustainable economic alternative for both the supplier and the company. Animal fat consumed in the BSBIOS production process is certified by Renovabio, being the main component for the emission of CBios. The use of animal fat from BSBIOS has been growing annually. The use started in 2011, at the Marialva unit and, in Passo Fundo, in 2015. In 2019, it represented 26.7% of its production in Passo Fundo, and 42.43% in Marialva.

The activities for the production of Biodiesel are so integrated that a product becomes input to another, generating a mutual benefits cycle on the entire chain and adding value.

In 2018 and 2019 the GHG emissions inventory of Passo Fundo and Marialva units was carried out, following the GHG Protocol. Among the positive factors for GHG emissions, it was the use of modal transport in the unit of Passo Fundo, biomass in the boiler and the purchase of renewable electricity.

### *3.3.3 Certifications*

The Soybean Meal produced by BSBIOS complies with Good Manufacturing Practices criteria, being in consonance with tolerable levels of raw material used, established by specific legislation, regarding pesticide residue and inorganic and microbiological contaminants. The products certified were GMP + B2 and GMP + B3, attesting its compliance with international requirements for Food Security in its production and marketing chain.

BSBIOS was certified by the National Biofuels Policy (Renovabio), being qualified to participate in the CBios (Decarbonization Credits) market, having certified the production of biodiesel from animal fats. The energy-environmental efficiency score (NEEA) was 81.3 grams of carbon dioxide to Passo Fundo and 81 grams to Marialva. This allows the plants to emit, respectively, one CBio for each 370.9 and 372.3 liters of biodiesel manufactured. Fuel distributors have an annual goal of acquisition of credits. The CBIOS expected to negotiate 28.7 million bonds in 2020.

Since 2016, it publishes sustainability reports following the GRI guidelines and applying the Ethos Indicators for Sustainable and Responsible Business. Since then, important advances can be observed, such as a stakeholder engagement structure, formulated and instituted policies and mapped critical suppliers. The Compliance, RenovaBio and Sustainability committees are created to involve the areas in management and decision-making, a necessary condition for sustainability to be consolidated in the organization. Bsbios have been recognized by the social investment in the development of the communities of Passo Fundo and Marialva, expanding and maintaining partnerships with local entities. All these actions contribute to building a culture of sustainability.

## **4. Conclusions**

The three companies are innovative and have established sustainability as a driver of their business model. Each one had its turning moment; Natura with the creation of the Ekos line, Native (Sao Francisco Mill) with the Green Sugarcane project and BSBIOS, when created a new biodiesel fuel. But context and corporate alignment were different for them.

Natura used all its skills and social responsibility management to set up a new business using biodiversity assets, a step ahead of incorporating sustainability to strategy, changing business model. Natura has demonstrated the potential of Amazon, despite all logistic challenges and other difficulties imposed by this region and culture. Restructured all production chain and broadened to all portfolio. It is possible to say that the company is always the best in the class, a benchmarking reference to other companies and society and had been more aggressively proactive. Sustainability is part of the company's way of doing business and goes beyond, showing that sustainability is an opportunity to develop business and generate value for the company, stakeholders and to society for now and for the future.

The case of Native is emblematic, recognized by innovation and entrepreneurship showing that organic agriculture can be more productive than conventional and that is possible to produce without the use of chemical, pesticide or genetically



modified seeds. Native had to restructure its sugarcane cultivation process, along all productive chain, breaking paradigms of the sugar sector, one of the most traditional in the country. It invested for more than ten years to reap the results and went beyond, developing a new market for organic products. It showed that is feasible to meet quality standards, preserve the environment, generate sustainable value for the company and stakeholders, in the present as for the future.

The Bsbios case demonstrated the importance of existing public policies to incentive and attract private resources to build business. The environment was favorable for the business, but the ability of an entrepreneur to identify the opportunity to undertake was fundamental. The history of the biodiesel sector is merged with BSBios history, as it was pioneer. BSBios went beyond short-term benefit and restructured all the production chain under the same paradigm.

We can say that they are sustainability business cases, that investments made led to significant and relevant returns to justify them. The three cases are companies that occupy leadership positions and significant economic results. Some additional comments should be made about corporate culture.

There is a consensus that implementing sustainability is fundamentally different than implementing other strategies in the organization. Goal should be simultaneously achieved as excellence in social, environmental and financial performance. For that, sustainability must be an integral component of corporate strategy, and some points can be detached.

Leadership must be committed and provide the resources to develop the organizational competences as sustainability strategies must be supported with mission, culture and people.

The 3 companies have corporate culture of sustainability, but undoubtedly Natura has Sustainability in its DNA. Since emerged the Ekos line, sustainability can be seen at the leadership of its founders, at the way of being of the company, and how it outlined the Amazonia project. The impacts of the project had a huge reach, from the community to consumers spread in several countries where it operates and a team of consultants. The incorporation of sustainability in DNA is what allows it to go further in its ambition.

The Native company has a strong leadership in the figure of Leontino and the family. The operational and technical culture linked to agrobusiness had to be reformulated to commercialize and create a marketing culture. Besides marketing, innovation was also in the operational area and circular economy technology.

Sustainable product oriented in the management of supply chain was crucial for the tree companies. Nonetheless it was especially important for Natura and Native and the certifications schemes have been a way chosen by both to develop suppliers and communities. Without these certifications Native would not open the external market. But in other hand, it's not easy to manage more than 20 certifications to ensure the quality standard of organic products.

Bsbios has a strong leadership, a crop focused on the soybean and biodiesel sector of commodity market, where certifications meet market definitions. The tools of sustainability have not been used abroad; it has started this process with the preparation of the Sustainability report.

We are in the new millennium, economic, social, environmental, ethical – societal – and business issues are in constant debate. The period is turbulent in the sense that it is characterized by significant changes in the economy, technology, society and global relations. “Climate change”, “Poverty Reduction”, “Pandemic Risks” have put Sustainability in the top of the biggest challenge for companies in the 21st century, as their business model is questioned. Socially responsible and sustainable companies are more structured to respond to this challenge.

The three cases have challenges to face, also due to the political and institutional context, as there are problems of logistics infrastructure and market. However, all of the demonstrated that sustainability is a business opportunity, offering ways for lowering cost and risk, growing revenues and market share through eco-innovation, and generate sustainable value for the company and for society.

Cases testify some characteristic present in prior studies. All of them promoted disruptive innovation with diversified knowledge, strong leadership, high managerial capacity, changes in their management structure and system and changes along their production chain. Nature has environment responsibility in its DNA and created Eko's line under this principle since beginning. Then it was spread throughout portfolio. Native transformed a traditional familiar business and BSBios, a traditional product, both had typical Schumpeter's entrepreneurship innovation.

Although it was not part of our focus, it is worthy to point out that these efforts were possible as their starting points were far from basic. The sum of investments was not negligible and maturity of them had long-term nature. A relevant condition besides individual starting points, could be national environment for developing these businesses, as certifications schemes, indexes, reports, seals, public research institutions, consumers market, all items considered into their strategies.

In the meantime, it will be necessary profound changes in market rules to enable the environment, social and economic agenda and create investment opportunities that guarantee future generations. Changing the business model is not a role only for business, it evolves governments and civil society organizations and individuals. This desired disruptive innovation requires an environment integrating multiple agents for transforming what today is a niche into a general rule. There is a long way to track.

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