



Written by:  
[Javieria Gracia](#)

# Companies see inevitable ESG adaptation as opportunity generator

Published: 08/03/2022

[Private Investment](#) [Legislation & Regulation](#) [Climate change](#) [ESG](#) [Clean Energy Transition](#)



Environmental, social and governance ([ESG](#)) standards vary so much across different countries and institutions that investors are now looking at the divergent ESG assessments and wondering whether businesses are truly sustainable.

“There’s inconsistency between different indicators used by different entities with completely different objectives, who serve completely different stakeholders, so it’s difficult to compare them,” Elanne Almeida, corporate government and sustainability partner at [Ernst & Young](#) (EY) said during a webinar on ESG standards held by the Chile-Pacific Foundation.

When BNamericas asked whether unified ESG standards across Latin America would help with this, the executive replied that it would “add even more complexity to a list of frameworks and indicators that is already very wide.”

Nevertheless, she highlighted that there is great pressure on businesses to adopt ESG guidelines, as insurers expect [climate-related losses](#) to continue rising, reaching well over US\$100bn per year worldwide.

The abundance of agencies and different frameworks has also led to very different outcomes, according to Alfredo Enrione, head of the corporate government and society center at Chile’s Universidad de Los Andes.

He pointed to the example of electric car manufacturer Tesla, which could either seem to be the most sustainable firm in its sector or the least sustainable, depending on the ESG framework or the entity measuring it.

“Which index should be chosen by an investor that is looking for a consumer who is also seeking a sustainable company? It’s absolutely confusing,” he said.

Another problem is public outreach, since institutions in both the public and private sectors in Latin America have suffered crises of credibility.

In the case of Latam airlines, the challenge is daily due to its nature as a service company, the firm’s corporate affairs and sustainability director Juan José Tohá said during the event.

“For passengers to understand all of this is a major challenge. What emissions are, explain how they are offset, and to explain that this offsetting actually took place,” he stated, adding that additional efforts must be made in terms of transparency in order to reduce fears of [greenwashing](#).

When BNamericas asked how Latam was offsetting CO2 emissions from the firm’s aircraft, Tohá said that this mostly consists of reforestation and conservation actions in areas, with the largest one covering 200,000 hectares of land in Colombia.

The airline’s goal is to offset 50% of its emissions by 2030 and become carbon neutral by 2050.

## Related news (3)

[How to achieve green mining and reduce the carbon footprint](#)

Published a month ago

['Companies that don't establish the best ESG practices are destined to fail'](#)

Published 2 months ago

[Private sector urged to prepare for brave new climate-disclosure world](#)

Published a year ago

#### Related companies (1)

[Ernst & Young Global Ltd.](#)

Updated 3 years ago

#### Related people (1)

[Javiera Gracia](#)

Updated 3 years ago

The information in this document is for personal use. It is strictly forbidden to share any part of this document with any third, without a written consent of Business News Americas. Copyright 1996-2019 All rights reserved.

#### Need help?

Email: [info@bnamericas.com](mailto:info@bnamericas.com)

Phone: [+56\(2\) 2232 0302](tel:+56(2)22320302)

Account manager: Ricardo Lillo ([ricardo.lillo@bnamericas.com](mailto:ricardo.lillo@bnamericas.com))