

**MULTINATIONALS ENTERPRISES SUBSIDIARIES ENGAGEMENT TO THE
UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS**

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1. INTRODUCTION

This thesis examines how multinational companies subsidiaries incorporate the United Nations (UN) Sustainable Development Goals (SDGs) into their strategy and contribute to their achievement.

Sustainable development has already been recognized as vital for governments, business, and civil society worldwide (Donovan et al., 2016; UN, 2012; UNCTAD, 2012). Topple et al. (2017) remind us that, despite the emergence of the SDGs, focusing on such a topic is not a recent pursuit. However, the authors point out that the recent introduction of the 2030 Agenda for Sustainable Development by the United Nations (UN), along with the 17 Sustainable Development Goals (SDGs), has reinforced a call to action by the global community to join efforts for the collective benefit of people, planet, and prosperity.

Initially proposed to countries' leaders, all countries and all stakeholders were asked by the United Nations Secretary-General Antonio Guterres to engage in three levels of action: global, to secure more outstanding leadership, more resources, and more innovative solutions; local, embedding the needed transitions in the policies, budgets, institutions and regulatory frameworks of governments, cities, and local authorities; and people, including youth, civil society, the media, the private sector, unions, academia, and other stakeholders, to generate an unstoppable movement pushing for the required transformations (Guterres, 2019 September 24). The SDGs embrace three significant pillars of sustainable development: economic development, environmental sustainability, and social inclusion, together with 17 specific goals (Sachs, 2015). Coordinated actions of all sectors of society should be able to reach even the most remote places on Earth to minimize all sorts of inequalities and promote human dignity.

One of the principal paradigms shifts of the last 10 years has been an increased comprehension of the fundamental role of business in society and an ever-increasing engagement of business as a key partner in development. (Stibbe and Prescott, 2020). According to the authors, business has a substantial environmental, economic, and societal footprint due to the wide reach of its activities and the multiple relationships that it holds across its supply chains and with different stakeholders. Van Tulder and Van Mil (2023) state that the private sector involvement regarding initiatives to the SDGs achievement could unlock an estimated annual \$12 trillion in business opportunities by 2030, while creating hundreds of millions of much-needed jobs along the process.

Multinational Enterprises (MNEs) are considered relevant players given their global influence and ability to deal with a range of issues in both home and host markets (Ghauri et al., 2022). Topple et al. (2017) reaffirm that the private sector is a critical player in achieving the SDGs, so learning more about the dynamics between multinational companies (MNEs) and host countries is essential to making important advances and contributions. Donoher (2017) heats up the debate by questioning whether and how they will do it.

According to Heras-Saizarbitoria et al., (2022), little is known about the progress towards the SDGs at the organizational level. Studies on aspects related to location and different degrees of development of the countries where the companies are installed are scarce. Even recent papers state that there is a large field still unexplored concerning the relation among SDGs, MNEs, and subsidiaries, especially in emerging markets. Khalique et al. (2021) affirm that there is still a "paucity of research on the role played by MNEs from developed nations in emerging economies in achieving Global Goals" (Khalique et al., 2021, p. 103). We also identified several opportunities for understanding how multinationals are dealing with current and complex issues such as global climate change (Ghauri et al, 2021), linked to SDG #13.

1.1 Research problem definition

According to Low et al. (2023), a descriptive analysis revealed that publications on corporate SDG reporting have increased, although the focus is mostly on developed nations (most

concentrated in European regions). Additionally, we have observed that very few studies focus on subsidiaries, especially located in emerging markets.

The degree of SDG engagement and the legitimization approaches and the institutional/stakeholder pressure are some of the trends that emerged. The authors remark that only a limited number of studies (e.g., Acuti et al. 2020; Gunawan et al. 2020; Landau 2020; Borges et al. 2022) disclosed the gaps between corporate practices and SDG targets within specific contexts, which constitutes an avenue for further research.

From the SDGs standpoint, due to time and resources restrictions, and aiming to conduct a deeper investigation, we will restrict our scope to 4 out of the 17 SDGs. Despite we recognize the chosen ones are interconnected to the others not covered by this thesis, the selection criteria relies on two pillars: the effective contribution MNEs can make in the goals achievement as the main drivers considering their specific features, and relevance of recent facts MNEs are related to, considering issues as the climate change, waste generation and unemployment rates all over the world (especially higher at developing economies). According to Stibbe and Prescott (2020), larger national and multinational enterprises will normally have sustainability, corporate social responsibility or public affairs units that can be a valuable first port of call. These authors also point that business can bring to table resources like expertise in marketing, communications, having direct access to customers, suppliers and employees, technological innovation investment, focus on efficiency and management by objectives, among others.

Therefore, our studies will focus on subsidiaries contributions to promote decent work and economic growth (SDG #8), responsible consumption and production (SDG #12), combat global climate change (SDG #13) and how they revitalize global partnership for sustainable development (SDG #17). Finally, these SDSs were also chosen due to their impact on global and local value chains, contribution to minimize the climate change, and through partnerships engagement, influence different stakeholders to work together for a common purpose, as well. The State of Progress: Business Contributions to the SDGs report, a 2020-2021 study developed by GRI, analysed a sample of 206 GRI reporters which publicly communicate their support and actions in relation to the SDGs, based on published sustainability reports and information from their websites and listed SDGs # 8, 12 and 13 as the most common goals publically supported by companies and the most prioritized goals by businesses.

Considering this context, we aim to answer the following research question: "How do emerging markets subsidiaries from developed countries MNEs incorporate the selected SDGs in their strategies?"

1.2 Objectives

1.2.1 General Objective

We aim to understand how Latin American subsidiaries from developed countries MNEs integrate SDGs # 8 - decent work and economic growth, #12 - responsible consumption and production, #13 - climate change, and #17 - partnership for sustainable development into their strategy.

1.2.2. Specific Objectives

Aiming to contribute to the general objective achievement, we propose the following specific objectives:

- a) Identify the role of the headquarter and the subsidiaries.
- b) Understand how subsidiaries influence strategy design, how they deal with the institutional challenges in emerging countries and their impact on project selection.
- c) Understand how these companies engage in alliances with other stakeholders.

1.3 Research relevance and contributions

SDGs embrace three significant pillars of sustainable development: economic development, environmental sustainability, and social inclusion, together with 17 specific goals (Sachs, 2015). Coordinated actions of all sectors of society should be able to reach even the most remote places on Earth to minimize all sorts of inequalities and promote human dignity.

Business has a substantial environmental, economic, and societal footprint due to the wide reach of its activities and the multiple relationships that it holds across its supply chains and with different stakeholders (Stibbe and Prescott, 2020). According to Tulder (2018), there is a variety of reasons why corporations are considered relevant in addressing the challenges presented by the SDGs: corporations (close to governments) are the largest technology developers and investors, having the ability and willingness to innovate and take risk, generate jobs, products and services, have great ability in scaling activities across sectors, borders and products, stimulated by competition they seek for efficiency, scale economy, and investment, due to their various sizes, they have strengths. Size matters in many different ways: big companies are often more competent to innovate and scale, smaller companies are better flexible while dealing with short term challenges; small start-up social enterprises are often better in tackling social challenges in an entrepreneurial manner, but scaling and reaching sufficient impact on the more complex sustainability problems will be difficult for them.

Considering SDGs' adoption only in 2016, there is a large horizon ahead until we see how MNEs specifically address them. Topple et al. (2017) reaffirm that the private sector is a critical actor in achieving the SDGs, so, therefore, learning more about the dynamics between MNEs and host countries is essential to make advances and relevant contributions.

MNEs with businesses spreading across oceans are expected to move beyond meeting their legal, economic, and ethical responsibilities in the country where they are headquartered (Carroll, 1999). International business (IB) has a long tradition of dwelling on foreign direct investment (FDI) and its effect on host-country development. Notwithstanding, sustainable development demands a restructuring of the predominant focus on economic growth (Oberhauser, 2023). According to the author, the holistic nature of the SDGs includes a relevant number of extra-economic goals. This idea is supported by Kolk et al. (2017), who defend that MNEs can be essential in implementing the SDGs.

Ghauri, et al. (2021) affirm that SDGs poses both challenges and opportunities for MNEs. According to them, new realities such as sustainable development and climate change will impact firms' strategies: global value chains activities locations will be affected by energy transitions, investors and consumers green activists will demand diverse strategies and green technologies offer new opportunities to be incorporated.

According to Teekasap and Frutos-Bencze (2022), research on multinational firms and SDGs focuses on three main research themes: (1) the role of MNEs in fulfilling the SDGs, (2) international business and corporate social responsibility (CSR), and (3) Corporate Sustainability in the context of multinationals. Conversely, future opportunities were cited but not deepened.

Organizations still face challenges in incorporating the SDGs into their strategic agendas. *“Despite the availability of guidelines from leading practitioners, such guidance often lacks the scientific insights provided by academia.”* (Berrone et al, 2023, p. 318).

This thesis aims to contribute to the advancement of studies in the areas of strategy and international business through the connection between theory and practice regarding MNEs from advanced countries and their subsidiaries installed in emerging markets in Latin America, and their lessons to incorporate the SDGs in their business. By deepening the analysis of the proposed theme, it will be possible to learn from the strategy approaches exploited by the firms in this research which might be useful for further insights and/or applicable to other realities in emerging countries. Finally, we also plan to develop suggestions for future studies to further refine the understanding of how multinationals, strategy and SDGs can be successfully related.

2. THEORETICAL BACKGROUND

2.1 The United Nations Sustainable Development Goals (UN SDGs) antecedents

The concept of Sustainable Development (SD) was historically coined by the United Nations Commission on Environment and Development's (Brundtland Commission) report, in a document entitled *Our Common Future*, through the Oxford University Press in 1987, in recognition of Gro Harlem Brundtland, former Norwegian Prime Minister and Chair of the World Commission on Environment and Development (WCED). This concept advocates that development must be thought aiming to “meet the necessities of the present generation without harming the future generation's capacity to meet their own” (Brundtland, 1987, p. 8 and 9). However, according to Govindan et al. (2013), one of the main challenges for sustainability is to operationalize the resolutions of the Brundtland Commission and advance to organizational decisions.

Earlier policy initiatives – as the Millennium Development Goals (MDGs), were the antecedents of the SDGs. In 2000, during the Millennium Summit (New York City, USA), 189 member states of the UN agreed to help citizens in the world's poorest countries to achieve a better life by 2015. The framework for this progress is outlined in the MDGs. They derived from the Millennium Declaration and were the “world’s first explicit development partnership framework between developed and developing countries” (McArthur, 2014: 20). All 191 United Nations member states, and at least 22 international organizations, committed to help achieve the following 8 MDGs by 2015: 1 – Eradicate extreme poverty and hunger; 2 – Achieve universal primary education; 3 – Promote gender equality and empower women; 4 – Reduce child mortality; 5 – Improve maternal health; 6 – Combat HIV/AIDS, malaria and other diseases; 7 – Ensure environmental sustainability; and 8 – Encourage global partnerships for development. Unfortunately, operational failures caused by stakeholders from both poor and rich nations, unkept promises of official development assistance and failure of proper implementation by the UN member countries led to the formation of Post-2015 UN Development Agenda for the purpose of working out the sustainable development program (Bello and Kazibwe, 2022).

The partial success of the MDGs in transforming developing countries led to the creation of a more global agenda, the SDGs. Unlike the MDGs, which mainly targeted developing and underdeveloped countries, the SDGs explicitly call for a more balanced participation from advanced and developing nations, and acknowledge the important role played by the private sector. The idea of creating the SDGs emerged in the Rio+20 United Nations Summit of 2012, in which members of states agreed to adopt a set of guidelines towards global development aiming to increase the baseline for developing countries and poorer populations (Gupta and Vegelin, 2016), as well as to build a stronger commitment towards people-centered development, human rights, and environmental sustainability (Jayasooria, 2016).

The SDGs expanded the 8 MDGs to 17 goals to be achieved by 2030. They are 1 – No poverty; 2 – Zero Hunger; 3 – Good Health and Well Being; 4 – Quality Education; 5 – Gender Equality; 6 – Clean Water and Sanitation; 7 – Affordable and Clean Energy; 8 – Decent Work and Economic Growth; 9 – Industry, Innovation and Infrastructure; 10 – Reduced Inequalities; 11 – Sustainable Cities and Communities; 12 – Responsible Consumption and Production; 13 – Climate Action; 14 – Life Below Water; 15 – Life on Land; 16 – Peace, Justice and Strong Institutions and 17 – Partnerships for the Goals.

2.2 Corporate engagement to the SDGs achievement – why it is relevant and levels of engagement.

“Unlike their predecessor, the Millennium Development Goals, the SDGs explicitly call on all businesses to apply their creativity and innovation to solve sustainable development challenges.” (SDG Compass, 2015). UN Secretary-General Ban Ki-moon commented:

“Governments must take the lead in living up to their pledges. At the same time, I am counting on the private sector to drive success” And complemented: “The SDGs are unprecedented in their ambition – but the fundamental ways that business can contribute remain unchanged. First, companies need to do business responsibly and then pursue new opportunities. In short, companies must not make our world’s problems worse before they try to make them better.” Helen Clark, at the time head of the UN Development Programme, added that “the new sustainable development agenda cannot be achieved without business” (UN News Centre, 2015).

Contrastingly, Tulder (2018) reminds us that the extent to which corporations leverage their capabilities to support the Sustainable Development Goals (SDGs) and achieve a net positive effect is conditioned by a complex interrelation of factors: the wickedness of the challenge, the regulatory environment they face in many countries, what their competitors are doing (competitive environment), technological possibilities and the willingness of customers to pay, what lead us to conclude that external factors also influence the strategy to be designed and its alignment to the goals.

Furthermore, a qualitative examination of individual reports indicates that company involvement is largely symbolic and intentional, rather than substantive. This implies that companies view the SDG as a framework with non-committal implications, aimed at impression management and learning. Therefore, it can be concluded that the current lack of understanding of corporate SDG involvement implies in a research gap (Waal and Thijssens, 2020).

2.3 Multinational Enterprises (MNEs) subsidiaries and their engagement in the UN SDGs: drivers and challenges – a systematic literature review

There is a large field still underexplored concerning the connections among the United Nations Sustainable Goals (UN SDGs), multinational enterprises (MNEs), and their subsidiaries strategy. Our analysis is focused on a systematic literature review of how International Business (IB) research has explored the drivers and challenges subsidiaries initiatives face to incorporate the SDGs in their strategy. Based on two pillars (the effective contribution MNEs subsidiaries can make in the goals achievement considering their specific features, and relevance of recent facts they are involved into, regarding issues as the climate change, waste generation, unemployment rates (especially in developing countries) and partnerships MNEs subsidiaries are engaged, we selected 4 key goals to deepen our investigation: our studies will focus on subsidiaries contributions to promote decent work and economic growth (SDG #8), responsible consumption and production (SDG #12), combat global climate change (SDG #13) and how they revitalize global partnership for sustainable development (SDG #17). Having searched at Web of Science, Scopus and Ebsco Business Source Premier databases and analyzed 28 articles from 16 journals listed in the 2021 Academic Journal Guide by the Chartered Association of Business Schools (CABS-AJG, 2021) considering the fields of knowledge Strategy and International Business, our study revealed that there are several unexplored aspects considering subsidiaries experiences related to the theme (details in Figure 1 - Protocol for Search, Selection, Inclusion and Exclusion).

Considering data analysis, all 28 articles were inserted in Atlas.ti, version 24, a Computer-Assisted Qualitative Data Analysis Software – CAQDAS, which was used to organize the documents and coding of deductive and inductive categories.

The reviewing process comprehended a first and second cycle, which allowed the emergence of thematic categories (Miles et al., 2014; Saldaña, 2013).

Figure 1 – Protocol for Search, Selection, Inclusion and Exclusion

<p>A. Criteria for delineating the subsidiaries and their relation to the SDGs literature:</p> <ul style="list-style-type: none"> • Directly and explicitly recognizes subsidiaries AND #8, #12, #13 and #17 SDGs terms • Available in English language • Studies published from 2015 to 2024
<p>B. Search strategy and scope:</p> <ul style="list-style-type: none"> • Key Search by topic: Subsidiar* or "foreign affiliate*" or "foreign branch*" AND "sustain* development goal*" or "Sdg*" or "development goal*" or "inequalit*" or "development-oriented polic*" or "development polic*" or "sustain* development" or "poverty eradication" or "SDG 8" or "decent work" or "economic growth" or "economic productivity" or "innovat* production capital" or "productive employment" or "work creation" or "job creation" or "decent job" or "forced labor" or "slaver*" or "human traffic*" or "child labor" or "forced labour" or "child labour" or "work environment" or "labor rights" or "labour rights" or "youth employment" or "disabilitit* employment" or "migrant work*" or "sustain* tourism" or "SDG 12" or "responsible consumption" or "responsible production" or " global resource efficiency in consumption" or "resource efficiency in production" or "sustain* management" or "efficient use of resource*" or "food waste" or "food loss*" or "waste" or "prevention" or "reduc*" or "recycl*" or "reus*" or "sustain* information" or "sustain* practic*" or "sustain* procurent" or "sustain* development" or "sustain* tourism" or "fossil-fuel subsid*" or "renewable energy" or "sustain* tourism" or "SDG 13" or "climate action" or "natural desasters" or "climate change" or "climate-related hazards" or "climate hazards" or "Green Climate Fund" or "carbon footprint" or "greenhouse gas*" or "GHG" or "carbon stock" or "carbon inventor*" or "SDG 17" or "partner*" or "cooperat*" or "association" or "engage*" or "alliance".
<p>C. Databases search and inclusion and exclusion criteria:</p>
<p>Web of Science (June 2024): Document Type: “Reviews” or “articles”; Web of Science Categories: Management, Business, Economics, Environmental Studies, and Development Studies 951</p>
<p>Scopus (June 2024): Document Type: “Review” or “Article”; Subject Area: Business, Management & Accounting, Economics, Econometrics and Finance and Environmental Science 1.241</p>
<p>EBSCO Business Source Ultimate (June 2024): Document Type: “articles” 1 151</p>
<p>After excluding repeated papers: 1.956</p>
<p style="text-align: center;">↓</p>
<p>Papers published in the 2021 Academic Journal Guide (CABS-AJG 2021): 1.152</p>
<p style="text-align: center;">↓</p>
<p>Papers published in fields “Strategy” and “IB & Area” journals: 368</p>
<p style="text-align: center;">↓</p>
<p>Abstracts analysis considering alignment with research question: 123</p>
<p style="text-align: center;">↓</p>

Inclusion Criteria	Exclusion Criteria
<ul style="list-style-type: none"> • Clear relationship between subsidiaries initiatives, strategy, and the SDGs • Article describes drivers that led to the SDGs implementation • Article focuses on the challenges faced to connect subsidiaries strategies and the SDGs • Relationship and roles played by headquarters and subsidiaries while dealing with the SDGs explored in the paper • Article focus on subsidiaries initiatives highly connected to the SDGs (e.g. carbon footprints reduction) 	<ul style="list-style-type: none"> • Article focuses on aspects not related to initiatives on SDGs (e.g. the MNE internationalization process). • Subsidiaries ESG strategies focuses on governance only • Paper focuses on challenges involving headquarter and subsidiaries implementation and/or relations without considering SDGs initiatives • State-owned multinationals enterprises studies • Article data was collected before 2015
Full paper analysis considering Inclusion and Exclusion criteria: 28	

Source: prepared by the author (2024)

The articles provided the following drivers considering the approaches adopted by subsidiaries while incorporating the SDGs:

1. Regulatory and Policy Drivers – a) Government mandates and legislation: Mandatory CSR Spending (e.g., India’s Sect. 135 of the Companies Act 2013) (Nuruzzaman et al., 2024); b) Adoption of local regulations and standards (e.g., environmental and social regulations in different countries) (Ike et al., 2022); and the adoption of Global Reporting Initiative (GRI) standards (Topple et al., 2017) and c) international agreements and guidelines, such as the Greenhouse Gas Protocols and Carbon Emission Guidelines (Topple et al., 2017).
2. Market and Competitive Pressure – Legitimacy and brand reputation: influence of competitors (e.g., Unilever’s initiatives compared to P&G) (Roh et al., 2024) and consumer and market expectations (Terpstra-Tong, 2024).
3. Internal Strategic Drivers – Alignment to corporate strategy and objectives – a) Integration into corporate strategy (e.g., alignment with corporate sustainability goals) (Terpstra-Tong, 2024) and intra-MNC cooperation and innovation orientated to sustainability (Asmussen & Fosfuri, 2019; Le & Morschett, 2023); b) Resource allocation; balancing internal and external cooperation for Green Innovation (Asmussen & Fosfuri, 2019); c) environmental policies and aligning subsidiary practices with corporate and SDGs (Topple et al., 2017);
4. Stakeholder Influence – External stakeholders: pressure from NGOs, consultants, and auditors (Aubert et al., 2024); local community expectations (e.g., local trade and employment benefits) (Ike et al., 2022) and internal stakeholders such as employees and workplace rights (Topple et al., 2017) and enhancing transparency and accountability and providing critical information for stakeholders (Varma et al., 2015)
5. Technological Innovation and Competitive Advantage - balancing exploratory and exploitative innovations (Nippa & Reuer, 2019; De Marchi et al., 2022); enhancing investments in R&D for sustainable innovations (Nippa & Reuer, 2019) and Green Innovation seeking resource efficiency (Asmussen & Fosfuri, 2019)
6. Cultural and Market Diversity – international diversity and differentiated strategies: tailoring CSR strategies to different countries (Aubert et. Al., 2024) and balancing global and local needs (Rosca & Bendul, 2019, cited by Roh et al. (2024).

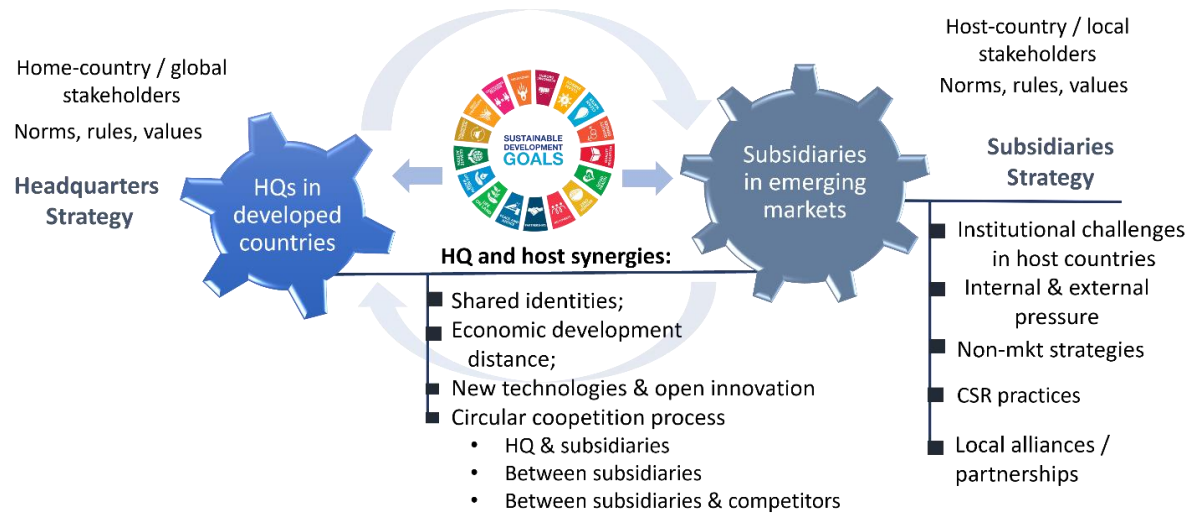
Contrastingly, the main challenges related to the MNEs subsidiaries considering the SDGs incorporation were:

1. Cultural and Organizational Challenges – a) vertical-collectivist cultural norms: hierarchical and group-oriented societal practices (Andrews & Htun, 2018) and impact on workplace behavior and performance (Le & Morschett, 2023).
2. Strategic and Governance Challenges – a) Alliance Management: Challenges in managing alliances across different cultures and time zones (Oliveira, Lumineau, & Ariño, 2023), b) Regulatory Compliance and Pressure: Difficulty in applying uniform standards across diverse regions (Roh, Xiao, & Park, 2024), c) Implementation of CSR Strategies - gap Between HQ and Subsidiaries: breaches in CSR compliance due to coordination issues and geographical distance (Aubert, Cordova, & Hernandez, 2024).
3. Economic and Operational Challenges – Resource Allocation: difficulties in managing resources effectively due to varying levels of commitment and operational practices (Nippa & Reuer, 2019)
4. Legitimacy and Compliance Challenges – Effective Pressure Mechanisms: challenges in applying effective legitimacy pressure in emerging economies (Roh, Xiao, & Park, 2024)
5. Managing Cross-Border Alliances: difficulties in coordinating cultural meanings in international strategic alliances (Oliveira, Lumineau, & Ariño, 2023).

2.4 The Emerging Market context – an additional challenge to subsidiaries from advanced markets

Emerging markets are known by its institutional voids and MNEs have no choice but to learn to deal with them. Institutions are commonly known as the “rules of the game.” More formally, institutions are defined by economist Douglass North (1990, p. 3) as “the humanly devised constraints that structure human interaction,” and by sociologist W. Richard Scott (1995, p. 33) as “regulative, normative, and cognitive structures and activities that provide stability and meaning to social behavior.” Regardless of disciplinary roots, there is a remarkable consensus on a core proposition: Institutions matter. (Peng et al., 2009). Van Tulder (2018), foresees 4 levels of corporate engagement in the SDGs: In the 1st, companies simply address failure, the 2nd, they deal with negative externalities, the 3rd, they create positive externalities and in the 4th companies engage in collective actions. Liou and Rao-Nicholson (2021) advance in this proposition arguing that, according to each level, MNEs subsidiaries engagement with the SDGs differ from each state and introduce the economic development distance between the headquarter and subsidiaries as an additional factor considering developed countries headquarters and subsidiaries in emerging economies. According to them, as the host-developing countries evolve economically and create viable institutions, the local SDGs targets will change aligning subsidiaries contextual environment with the developed MNEs, allowing the subsidiaries to transition from a separate identity to a shared one with the headquarter, promoting the introduction of strategies that engage with the SDGs effectively. These aspects were incorporated into the theoretical model below (Figure 2).

Figure 2 – Theoretical framework of strategy dynamics in incorporating the SDGs by EM Subsidiaries from Developed Countries MNEs (Strategy Drivers in EM Subsidiaries)






Source: prepared by the author (2024)

2. DATA AND METHODS

In terms of methods, we present an exploratory qualitative study through a multiple case study. Regarding the development of the theory, we will adopt the abductive approach, considering that, in this research, data collection aims to explore a phenomenon, identify themes and patterns, and locate them in a conceptual framework aiming at their incorporation in the existing theory, if applicable, or proposing its modification (Saunders et al, 2019). The research strategy chosen will be the case study. According to Yin (2014), the case study is an empirical investigation that researches a contemporary phenomenon within its real-life context, particularly when the boundaries between the phenomenon and context are not clearly stated. This research can be defined as an integrated multiple case study (in which there are multiple units of analysis and multiple cases), to be performed in three different MNEs, in their specific contexts. Companies selection was based on the criterion of intentional sampling proposed by Patton (1990) where we consider cases rich in information that can generate in-depth studies, specific and aligned with the purpose of the research (in our case, global market-leading companies that have incorporated the SDGs into their strategy and have subsidiaries installed in emerging markets). The three multisectoral companies chosen (Samsung Electronics, Honda and Coca-Cola) are known for having incorporated the SDGs into their strategy and implemented relevant and impactful actions aligned with them in their subsidiaries in Latin American countries. The three are global leaders in the electronics (TVs) and mobile phones, motorcycles and non-alcoholic beverages markets with their headquarters located in advanced markets (South Korea, Japan and the United States respectively). The subsidiaries to be studied are the manufacturing facilities installed in the following emerging Latin American countries: Samsung – Brazil and Mexico, Honda – Brazil, Colombia and Argentina and Coca-Cola – Brazil and Mexico. The segments were chosen due to their relevant impact on sustainability. Nowadays, electronic waste is the fastest growing domestic waste stream worldwide due to the accelerated consumption of electrical and electronic equipment, with short life cycles and few repair options. According to the UN's Global E-Waste Monitor 2020, 53.6 million tonnes of e-waste were generated worldwide in 2019 (an increase of 21% in five years), with a projection of 74 million tonnes by 2030. In addition, only 17.4% of 2019 electronic waste was collected and recycled. Another current theme concerns efforts to reduce the burning of fossil fuels and replace them with non-fossils, closely related to global warming and climate change issues. Around 60 million motorcycles are sold annually worldwide, and more than

2.2 billion two-wheel motor vehicles are circulating today (Agresti, 2021). How to deal with scrap is another challenge. The last segment chosen is known for its extensive water consumption, environmental issues involving packaging and health problems associated with the components of its products, especially sugar. Figure 3 shows the companies main indicators, challenges and SDGs commitments according to their last sustainability reports.

Figure 3 – Samsung, Honda and Coca-Cola Main Indicators, Challenges and SDGs addressed in their Sustainability Reports:

	<ul style="list-style-type: none"> • Revenue (USD Billion): 194 (aprox) • Head office: South Korea • Latin American Mfg Subsidiaries: Brazil and Mexico • Major Challenge: Reach net zero direct and indirect carbon emissions until 2050. It expects to reduce the equivalent of about 17 million tons of carbon dioxide-equivalent (CO2e) emissions based on 2021 figures (SDG 13) • Leadership: electro-electronics • # of Subsidiaries (total): 232 (31 production sites) • SDGs addressed: 10,8,3,13,12,6,4,5,7,9,15,17
	<ul style="list-style-type: none"> • Revenue (USD Billion): 10,721 • Head office: Japan • Latin American Mfg Subsidiaries: Brazil, Colombia and Argentina • Major Challenge: introduce electric motorcycles, with plans to roll out at least 10 models worldwide by 2025 as part of the company's goal of achieving carbon neutrality in the coming decades (SDG 12 & 13) • Leadership: motorcycles • # of Subsidiaries (total): 313 (including cars) • SDGs addressed: 8,11,3,13,12,16,5,10
	<ul style="list-style-type: none"> • Revenue (USD Billion): 45,754 • Head office: United States • Latin American Mfg Subsidiaries: Brazil and Mexico • Major Challenge: committed to making 25% of their packaging reusable or refillable by 2030 (SDGs 12 & 13) • Leadership: non-alcoholic beverages • # of Subsidiaries (total): 46 • SDGs addressed: 1,2,3,5,6,7,8,10,12,13,14,15,17

Source: prepared by the author (2024) based on respective institutional websites and sustainability reports.

The intense role of companies chosen according to their size, visibility, global reach, and economic influence (in terms of taxes collected, foreign direct investment (FDI), number of jobs generated, and relevance when negotiating with different actors (especially institutional representatives) are some of the characteristics that allow them to deal with major challenges, considering that their actions interfere in different stages of the value chain. Its initiatives related to themes such as reverse logistics and circular economy minimizing waste generation, environmental impact and rational use of natural resources have relevant impact where they operate.

Data collection - We will use primary and secondary data. The script of interviews for Brazilian subsidiaries was submitted and approved by the Committee for Ethical Compliance in Research Involving Human Beings (CEPH-FGV). The choice of units of analysis is justified by its adherence to the profile necessary for conducting the research aimed at understanding how Latin American subsidiaries from developed market companies incorporate the SDGs in their strategy, considering the importance of their respective segments for issues related to the SDGs. Considering the sources of primary data, Yin (2014) points out that semi-structured interviews are indicated in studies aiming to generate data for the development of theory, since they allow the interview script to direct the conversation, while providing freedom and adaptability for the researcher to guide each interview according to the interviewee's answers. Considering our objective, questionnaires with semi-structured questions will be applied to managers of different levels (managers/directors/vice-presidents) involved with the company's strategy design and implementation regarding the SDGs incorporation. Interviews will be recorded and transcribed. We'll try to access the headquarters as well. Respondents may, if deemed necessary, suggest the participation of other (s) manager (s) who can contribute to deepen their (s) answer (s), technique known as snowball (Atkinson & Flint, 2001). Notes will be taken to complement the interviews. Interviews will start in Brazil with the subsidiaries manufacturing facilities installed in the Industrial Pole of Manaus – Amazonas. Access will be provided by managers who have worked

with the researcher in the past. We aim to interview at least two executives from each subsidiary of each company in each country. Interviews in the other countries will be performed in the sequence. Latin American offices are located in Sao Paulo (Samsung and Honda) and Rio de Janeiro (Coca-Cola) and are closer to headquarter directions for the region. We propose the following questions:

I – SDGs incorporation in the company’s strategy; HQ and subsidiaries roles and relationship

- Company x has been recognized by its initiatives regarding sustainability like xxx and xxx since xxx. What is new regarding SDGs?
- How does the company define its sustainable and social initiatives and connect them with the UN’s sustainable development goals (SDGs) and strategy?
- Regarding SDGs # 8 - decent work and economic growth, #12 - responsible consumption and production, #13 - climate change, and #17 – partnership, how were they incorporated into the company’s strategy?
- What is the role of headquarter? And how subsidiaries contribute? How do they interfere in the strategy design and implementation? How does the headquarter monitor the results?
- How are alliances built? How does engagement with other stakeholders occur? What role(s) does the multinational play concerning other actors?

II – Institutional challenges

- How being in an emerging market interfere in the company’s strategy regarding the SDGs? What are the main challenges?
- How do the stakeholders pressure for sustainable products affect the business?

Secondary data collection: Secondary data will be obtained from class reports, research, content published in newspapers, magazines and websites, reports provided by companies and related to other international organizations such as the UN and others alike. Subsequently, it will be possible to use these multiple data sources to compare them and thus produce knowledge, technique known as triangulation (Creswell, 2013).

Data analysis - All interviews will be transcribed and uploaded to the Atlas.ti, version 24, along with secondary sources. The findings will later be consolidated under two perspectives - by company and by country. We will produce in-depth analysis case by case aiming to identify patterns related to the way subsidiaries are incorporating the SDGs in their strategy. We will adopt the structure proposed by Gioia et al. (2013) so, based on the cross-analysis of the patterns that will emerge, we can identify the concepts of first order, the second order themes and aggregate dimensions that will support the answer to our research question and contribute to the achievement of the general and specific objectives. We also will seek for the common themes and dimensions so we can verify the propositions and enhance the proposed theoretical model.

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