

The 2025 Disclosure Dividend

Brazil and Latin America

Assessing business resilience in a rapidly changing world



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Environmental risk is financial risk. As Brazil positions itself as a global leader in sustainable development, understanding and managing the impacts of climate change and nature loss is essential to its long-term economic resilience. The costs of inaction are mounting: the World Bank estimates that Brazil faces an annual average loss of **US\$2.6 billion** due to more frequent and intense extreme weather events like drought, wildfires and flooding.

Yet, as CDP data shows, acting on these risks can unlock opportunity. In Brazil, companies investing in physical climate risk mitigation could gain **US\$3** in return for every **US\$1** invested in resilience, according to CDP's 2025 Disclosure Dividend analysis, based on data from around 25,000 companies that reported in 2024. In other Latin American countries, companies could achieve an even higher return: up to **US\$6** for every **US\$1** invested in resilience.

The immediate financial opportunity is substantial. Acting on these risks makes good business sense – and opens new commercial opportunities.

Brazilian companies disclosing through CDP reported approximately **US\$20.6 million** in environmental opportunities, with an average cost of only **US\$2.6 million** to realize them – delivering an eightfold return. Across the wider Latin America region, approximately **US\$15.3 million** in environmental opportunities were reported, with an average cost of just **US\$2.1 million**, representing a sevenfold return.

Disclosure is the engine driving this transformation. More than half of Brazilian companies (**53%**) identified environmental opportunities, and **13%** of them estimate having unlocked around **US\$ 38 billion** in value in 2024 alone. While this demonstrates significant progress in opportunity identification, the majority of companies have yet to translate awareness into measurable, Earth-positive action.

For Brazilian and Latin American companies, the strategic advantages are clear: environmental action represents smart business strategy. The challenge now lies in turning disclosure and plans into measurable impact. The business case for action has never been stronger.

Environmental opportunities far outweigh the costs to realize them



Environmental action is smart business –
but not enough companies are taking advantage



Brazil

53% identified opportunities

13% have realized opportunities so far

US\$ 38 bn opportunities realized this reporting year

Latin America

56% identified opportunities

12% have realized opportunities so far

US\$ 44.3 bn opportunities realized this reporting year



The data is clear; by cutting emissions you cut costs

- Annual savings linked to emissions reduction initiatives
- Emissions savings from most popular initiative

Brazil



Top emissions saving initiative:

Brazil
Low-carbon energy generation

Latin America



Latin America
Energy efficiency in production processes

Note on methodology

This analysis uses data derived from a subset of over 24,800 organisations that submitted environmental issue response data via CDP during the 2024 disclosure cycle. The median benefit-cost ratio is based on companies' self-reported estimates of the potential financial impact of physical climate risks over medium and long-term horizons (whichever is higher), and the associated response costs. Figures vary widely across companies within the same industry, likely due to differences in geography, size, risk exposure, and methodologies.



Case Study

How Grupo Boticário Engages its Value Chain

The 2025 Disclosure Dividend report shows that acting on environmental risks not only reduces costs but also creates growth opportunities. One of the most significant avenues is the supply chain: on average, 75% of corporate emissions come from suppliers.

Grupo Boticário, one of the largest cosmetics companies in Latin America, demonstrates in practice how to turn this challenge into an opportunity. As a member of the CDP Supply Chain, the company collects annual greenhouse gas (GHG) emissions data from its suppliers, generating transparency and guiding action plans.

Initiatives include:

- Strategic supplier selection, based on market value, alignment with sustainability principles, and potential for positive impact.
- Dedicated procurement team, focused on supporting supplier development and capacity-building.
- Personalised engagement, adapting support to each partner's maturity level, with collaborative action plans.
- Recognition and incentives, rewarding environmental achievements and creating new business opportunities.

By combining robust data with structured engagement, Grupo Boticário demonstrates how companies can turn Scope 3 risks into a competitive advantage, accelerate the climate transition, and generate a positive impact for the Earth.



For more information, and to read the full report, scan or click the QR code.