

Natural Revolution: Sharing Value with the First Owners. The Case of AJE in Peru

*Revolución Natural: compartir valor con los primeros propietarios.
El caso de AJE en Perú*

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This article explains how a company designed and developed a shared value initiative for a new product line, contributing to sustainable development goals in Peru. The paper aims to identify the main characteristics of collective impact achieved by shared value strategies of a Peruvian multinational company, AJE Group. The authors use an empirical case study of one of the biggest multinational companies in Peru building upon Kramer’s model for shared value initiatives, and analyze each of its five elements. The findings on sustainable managerial practices and opportunities for sustainability may orient public policy design and allow practitioners as well as to identify which of them can be implemented in other organizations.

Keywords: sustainability, sustainable development, shared value, internationalization, Peru

Este estudio demuestra cómo una empresa diseñó y desarrolló una iniciativa de valor compartido a partir de una nueva línea de productos, contribuyendo a los objetivos de desarrollo sostenible en el Perú. El artículo tiene como objetivo identificar las principales características del impacto colectivo logrado por las estrategias de valor compartido de la empresa multinacional peruana Grupo AJE. Los autores utilizan un estudio de caso empírico de una de las empresas multinacionales más grandes del Perú para construir con base en el modelo de Kramer para iniciativas de valor compartido y analizar cada uno de sus cinco elementos. Los hallazgos permiten a profesionales, así como a formuladores de políticas, identificar prácticas de gestión sostenible y oportunidades para el diseño de políticas públicas orientadas a la sostenibilidad que pueden implementarse en otras organizaciones.

Palabras clave: sostenibilidad, desarrollo sostenible, valor compartido, internacionalización, Perú

1. Introduction

Large companies that operate in difficult contexts may develop specific strategies to deal with local constraints, not only to survive, but to overcome sustainability challenges. They need to keep their track towards sustainable development and stakeholders' expectations. In this line, emerging markets' firms face several institutional weaknesses that prevent them from taking advantage of the business and development opportunities in the environment (Gao *et al.*, 2017; Young *et al.*, 2014), forcing them to find alternative mechanisms for collaboration and growth (Carroll & Fennema, 2002) in addition to achieving sustainable development.

In the context of such business environment, organizations from different sectors, such as private enterprises, have begun to reflect both on their capabilities and on impacts upon sustainability, seeking possibilities for action according to their size and economic sector. Hence, depending on the characteristics of the context, multinational companies (MNCs) are able to guide and prompt the development of local markets and organizations through its subsidiaries' influence (Aubert & Cordova, 2022). In perspective, this may expand the number and type of actors contributing to sustainable development, each with unique manners of impact according to their nature.

Latin America is indeed a complex and turbulent environment for doing business (Vassolo *et al.*, 2012). Therefore, big local business groups (BGs) as well as MNCs have created hierarchical governance structures that allow them to manage resource flow and their innovation processes (Rivas *et al.*, 2023; Schneider, 2013). Sometimes this involves pushing the local policies towards changing and adapting regulations to their economic activities (Dávila, 2013; Durand, 2019). In addition, according to Gonzalez-Perez and Piedrahita-Carvajal (2022), societies in Latin America and the Caribbean region urgently need a new social contract that includes a collective effort and a regenerative perspective towards achieving sustainable development in the region. This new social contract refers to a responsible and comprehensive response from organizations to their stakeholders, and it emerges depending on which stakeholders are involved and their local situation (Gonzalez-Perez *et al.*, 2021).

Peru is not an exception, considering the characteristics of its institutional environment, high centralization of economic and political power, social and economic inequality, corruption and informality, and public sector inefficiency (Briolo & Cordova, 2022; Durand, 2017; Ugaz, 2020; Vergara, 2018). It also seems necessary to elaborate different sustainable opportunities in connection to energy transition, education for sustainability, decentralization of the country, secure food supply chains and regulation enforcement to embrace better conditions for its businesses and social systems in the future (Cordova *et al.*, 2022). Therefore, large firms in Peru may find several important contextual constraints as well as limited resources in order to pursue their sustainable development strategies. Thus, analyzing successful business cases about how MNCs in emerging markets are developing sustainable strategies could provide valuable insights for practitioners and policymakers.

This paper aims to identify the main characteristics of the collective impact achieved by shared value strategies, specifically for the *aguaje* beverage from the recent Bio Amayu business line of AJE Group, a Peruvian MNC. Moreover, as mentioned before, it

presents a case study of one of the biggest MNCs in Peru, highlighting how the company designed and developed a shared value initiative for a new product line based in the Amazon region. The company established a specific, long-range and successful sustainable development project in the country which may become a model for replication by other international organizations.

This paper will first provide a contextualization section focused on Peru and its sustainable development advances, considering the 2030 Agenda and the country's commitments for achieving the sustainable development goals (SDGs). Secondly, the literature review draws a discussion about sustainable development and shared value, with emphasis on Kramer's model (and its five elements for shared value initiatives) as a framework. Then, we proceed to explain the methodology, a qualitative analysis based on the case study method. The case of AJE is described, explaining the general features of the Peruvian MNC and how they have designed and implemented the Bio Amayu product line, which is strongly oriented to sharing the generated value with the local communities. The section that follows presents a discussion of results, using Kramer's model to organize it, and to shed light on the achievements and gaps of the company's initiative. Finally, we conclude the article with remarks on the AJE case and propose future directions for further research.

2. Context and background

The transition between the last two centuries for emerging economies, especially in the most recent decades, can be summarized as the experience of locally unprecedented and accelerating economic growth (CEPAL, 2013). It may seem obvious that this growth has translated not only into a proportional development of productive forces, but also into an overconsumption and burnout of all the elements it requires for its sustained development. In this context, sustainability issues have only gained prominence in the past few years, as the urgency is more evident and the corresponding response action becomes more socially demanded and critically observed.

In management and academia, the creation of value in a sustainable manner as a strategy for corporations, despite its own advantages, represents a challenge. According to Ioannou and Hawn (2006), this non-traditional approach to strategy enables and "highlights the integration of environmental and social issues into a company's core business model, processes, and operations" (p. 4). The implications of this approach are amongst the internal and external (i.e., stakeholders) characteristics of the enterprise, so programming its complexity in practice is a relevant subject of study.

It is important to emphasize that the stakeholder's accountability approach of corporate social responsibility (CSR) implies that their operations and decisions should meet all relevant stakeholder expectations as per ISO 26000 signals, especially because the rising trend among companies is the adoption of a "go green" market strategy to outperform competitors (Aggarwal & Kadyan, 2014). In this context, the impact level demands significant changes to an organization's core operations. So, it stays minimal if it only involves short-term adjustments to marketing and communication strategies. In the

end, this is quite noteworthy due to the resulting disparity between the perceived and actual impact.

The context MNEs work in is an important aspect of this. We will introduce the relevant points of Peru's development, in which the Bio Amayu proposal has first started.

Peru has been one of the most prominent performers in Latin America in the last 25 years. With GNI per capita of US\$5,975 in 2015 (2011 PPP), its economy is one of the largest in Latin America and the Caribbean (LAC). Peru's rapid economic growth, averaging 5.3 percent since 2001, was second only to Panama's in LAC. Its population of about 31 million is relatively young, with more than half being under 30 years of age. After a massive urbanization process over the last 60 years, Peru is today a mostly urban country, with about 80 percent of the population living in urban areas (World Bank, 2019, p. 9).

In fact, Peru has been acknowledged in the region for its strength to move forward economically as it has been one of the most prominent performers in Latin America in the last quarter of century. According to the World Bank (2019), Peru is a nation that remains able to maintain solid its macroeconomic fundamentals with a low GDP to public debt ratio, considerable international reserves and credible central banking. And, it is even expected to grow post-pandemic through a higher export volume. Nevertheless, "Peru is a good example that, although economic growth is central to reducing poverty, it is insufficient without redistribution that contributes to better equity" (UNSDG, 2021, p. 17).

Balarin (2022) evaluates the sustainable development of the country and proposes what is still to be done in his book, *El Perú pendiente*, commemorating Peru's bicentennial anniversary. It provides a first answer to the enormous question of whether, after 200 years of republic ruling, this development has implied well-being for the country. It points out how just a decade ago the success of the Peruvian development model—translated into these outstanding levels of economic growth and a very significant decrease in poverty—was widely celebrated, despite the many criticisms of the limitations that remained to generate a more equitable redistribution of wealth and the creation of adequate living conditions for all citizens, not to mention the implementation of fundamental processes of institutional development.

Institutionality, understood as the capacity of a State to carry out its constitutional duties, is one of the main problems for the country and a key element for the private sector growth too (Cordova *et al.*, 2022). Lack of transparency, institutional corruption and inefficiency have consequently created generalized lack of legitimacy or trust in the government, informality, tax evasion and bureaucracy (Briolo & Cordova, 2022; Durand, 2017; Ugaz, 2020; Vergara, 2018). Chavez (2019) develops this central issue offering certain data, for example that 82% of the Peruvian population does not trust the government and another 83% believes that corruption is extended to the whole public system. On the other hand, 65% of the population is against democracy, 16% feels satisfied with democracy and 30% approves the government. This appears to create a vicious circle in which political participation is atomized, there is lack of public funding and a context of political instability, thus making large public projects almost impossible without the intervention of a private enterprise.

2.1. Reflecting on the country's progress towards the achievement of the 2030 Agenda

The United Nations for Sustainable Development Goals provides key indicators which give us with an idea of how much is pending for fulfillment of the Sustainable Development Goals (SDGs). The Agenda states that Peru ranks 61 out of 166 countries in the SDG Index for 2019 and, in the same year, it also ranks 82 out of 189 countries in the Human Development Index (HDI) (UNSDG, 2021). In this line, we may picture with a broader vision how much progress still needs to be achieved by all the actors to respond to present and future risks.

There has been a disposition from the government to pursue this path. The aim can be expressed, for example, in the National Determined Contributions (NDCs), claiming it is the Peruvian response to climate change by the Environment Minister from a participatory effort that looks forward and involves every Peruvian citizen. They are described as the main vehicle to promote environmental integrity and sustainable development globally, originally created in the Paris agreement (2015) so the countries could be able to communicate actions in the process of adaptation to adverse impacts of climate change, as well as to reduce greenhouse gas (GHG) emissions. Furthermore, the implementation of the NDCs is proposed as a collective effort that includes all economic sectors and the various different stakeholders of society (MINAM, 2019). It is important nevertheless, to mention that the impact of the pandemic crisis has meant considerable significant setbacks, although advances before the pandemic were heterogeneous globally and in many cases were still not progressing at the necessary pace to reach the targets set in the 2030 Agenda (Gonzalez-Perez, 2016). This current context makes it even more urgent to find elements which accelerate sustainable development (UNSDG, 2021).

Peru has a remarkable cultural heritage and rich ethnic diversity. Being home not only to the oldest civilization in the Americas (i.e., Caral, 3000-1800 B.C.), as well as nut to the largest empire in pre-Columbian America (the Inca empire, which spread over 2 million square kilometers). "Peru was already a land of great cultural, economic, and scientific wealth well before the 16th century Spanish conquest" (World Bank, 2019, p. 9). Nowadays, after several migration processes around the complex geography of the country, the nation has come to foster a multicultural approach for some sectors, such as education, to its diverse society, although it's not an intercultural one (Tubino, 2005). The result is probably a unique cultural mix for which it stands out worldwide.

Indigenous population of the country, also diverse, represents about one-quarter of Peru's total inhabitants and, in contrast, is largely disadvantaged in terms of access to services and poverty (World Bank, 2019). According to The United Nations Peru, the situation with the indigenous or native communities follows as this:

In Peru there are 55 indigenous or native peoples, 51 from the Amazon and 4 from the Andes, and 48 indigenous or native languages are spoken, 44 in the Amazon and 4 in the Andes. Likewise, according to the results of the last National Population Census of 2017, 25.8% of the population identifies themselves as part of an indigenous or native people, which is equivalent to 5 million 985,551 people (UNSDG, 2021, p. 28).

Today, however, they encounter several challenges. Peruvian native communities continue to face structural exclusion and discrimination that has forced them to face contexts of inequality in different dimensions which include access to education, basic and health services (including critical sexual and reproductive health), justice system and political participation, especially for those who live in the Andes and the Amazon (Grompone & Tanaka, 2009); not to mention how the vulnerable living conditions of this population has made it difficult to contain the spread of COVID-19 (UNSDG, 2021).

Tubino (2005) explains the deep problems of this era for the real citizenship of native communities in the praxis of interculturality in Latin American nation States, as they signal how interculturality is perceived as a structural problem that finally requires a new societal model, radically democratic. Therefore, this calls for a new type of national State. In this panorama, the magnitude of the gap between discourse and praxis is slowly becoming more visible as more research is carried out by academia, while government efforts to close it barely scratch the surface; and these communities still thrive among several intersectional inequalities from a tough reality and a challenging future.

This is one of the reasons why, Balarin's (2022) words for this temporal and historical Peruvian context remark that "the global community has been moving towards a conception of 'development' understood as the organized pursuit of human well-being" (cited in Gough *et al.*, 2007, p. 4), a well-being that must also be sustainable (Balarin, 2022, p. 13). Therefore, the urgency of contributing to development collectively can be truly understood as this context is recognized by each actor in a harmonious way, from a sustainable and intercultural perspective, so it can be materialized in reality and sustained in our planet over time.

3. Literature review

It seems critical for this study to consider how the conventional perspective on the Firm-theory consensus of its objectives states that a firm exists and makes decisions only to maximize its profits: "there is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game" (Friedman, 2002, p. 133). Whilst, mostly accurate—hence its consensus—, this idea, enticed by ever increasing global competition and shareholder demands for quick results, has determined a for long praxis of economic agents towards short-term emphasis, which, naturally, resulted in the economic conditions of the last few decades: "commoditization, price competition, little true innovation, slow organic growth, and no clear competitive advantage" (Porter & Kramer, 2011, p. 6).

This neoclassical perspective of Firm-theory has translated into a loss of legitimacy for businesses, particularly, for ever-expanding transnational corporations, as they are blamed as cause of social inequalities, lack of infrastructure, ecological disasters, among others, in a context where "Companies are widely perceived to be prospering at the expense of the broader community" (Porter & Kramer, 2011, p. 3). In this turning point, the idea of the well-known triple bottom line (TBL) arouse and developed over time, taking in consideration the economic, social and environmental aspect of value generation as integral components. Such is so, that this concept has become one of the main battle cries

from businesses in their attempt to address sustainability (Henriques & Richardson, 2013). Organizations use different symbols to change the meaning of their actions and intentions so that they can manage their relations with stakeholders and achieve competitive advantage (Schnackenberg *et al.*, 2019).

As contradictions between firm's interests and the means they use to operate and reproduce (i.e., natural and human resources) sharpened to the point of reaching a clearly unsustainable projection, companies/firms needed to nurture, at least at a superficial level, the damage to the environment and society that came along with their most immediate profits, giving way to phenomena such as green-washing, green-hushing, green optics, etc. Nonetheless, the practices associated with traditional "green capitalism" had already fallen from the start, as they were the same part of traditional firm's short-termed planning/ thinking (Godelnik, 2021).

Taking into consideration the aforementioned traditional or neoclassical strategy of firms or enterprises, it becomes a key factor to consider that this manner of work represents to this day most of the competition in the market. The main reason for this is pointed out by Porter and Kramer (2011), a major part of the problem relying within companies, since they remain still locked in an old-fashioned approach of value creation with a short viewed perspective. Focusing mostly on the optimization of short-term financial results, they neglect significant customer needs and more extensive influences, both key to achieving long-term and compounding success. In this regard, Henriques and Richardson (2013) also remark, from the TBL perspective, that progress—or the lack of it—can be measured over a broad range of indicators linked with each of the three bottom lines of sustainability. Nonetheless, the next step should be to address this agenda in the holistic way of praxis, where it can, eventually, encounter distinct setbacks. The dynamic capabilities of MNEs to shape and adapt to changing environments is necessary for the emergence and success of the stateless ideal type meta-MNE, which keeps central authority but spreads across countries (Lessard *et al.*, 2016).

According to Ioannou and Hawn (2016), there exists an increasing interest by the investment community on sustainability (as it is understood in the broad sense of the word) that has become larger than what most of the executive community would have thought to believe. Stakeholders, by definition, will put the most value on what leads to their own interest in environmental, economic and therefore social stability: "the key challenge today therefore, is how to tackle sustainability issues while managing the more traditional and perhaps relatively better-understood economic context that is characterized by the pressure to generate shareholder returns" (p. 3). In addition, Moreau *et al.* (2017) have emphasized how social issues were left behind while companies are giving more attention to environmental and economic concerns. MNEs and their subsidiaries implement global CSR strategies by using global social brands which facilitate coordination and control among the foreign network of subsidiaries. Social brands can be used for spreading responsible practices among subsidiaries, for collaboration with NGOs, and for recruiting altruistic managers for leading roles in MNEs subsidiaries (Asmussen & Fosfuri, 2019).

On the other hand, executives seem to be struggling to first identify their non-shareholder stakeholders and then prioritize them and comprehend their limits in terms of accountability (Gonzalez-Perez *et al.*, 2021). They are frequently facing significant

challenges in setting a strategic course of effective action as an organization, especially considering the increasingly unfamiliar and rapidly changing context in social and environmental terms (Ioannou & Hawn, 2016).

In parallel, from the philanthropy approach to corporate social responsibility (CSR), various unethical practices emerge throughout evolution. For example, Aggarwal and Kadyan (2014) point out how companies are increasingly using green marketing as a superficial strategy to gain a competitive edge in the global market, and some are exploiting this practice just to show a deceptive green brand image for consumers and investors rather than for environmental matters, commonly known as "greenwashing". In this sense, we can observe the importance of a critical approach from the strategic management perspective.

Hereafter, the proposition that arose since the first decade of the 21st century (expanding into the organizational sciences field) responds to these challenges with the principle of shared value, pointed out as a solution that "involves creating economic value in a way that also creates value for society by addressing its needs and challenges. Businesses must reconnect company success with social progress. Shared value is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success" (Porter & Kramer, 2011, p. 3).

The relevant aspects mentioned above can be evaluated for the specific case of the MNC AJE Group in Latin America. Thus, we will focus on responding to which are the main characteristics of the collective impact achieved by shared value, specifically for the *aguaje* beverage from the Bio Amayu business line; and how this case presents itself as a practical example of a paradigm shift away from firm short-term approach towards long-term, actually sustainable (economically, environmentally and socially) manner of doing business.

The following is a brief description of the key elements for successful sustainability endeavors as indicated by Porter and Kramer (2011), explaining each of the element's characteristics. We consider them as effective key elements for achieving collective impact from a shared value strategy. It is then important to explain this concept, which started as a movement initiated by Kania and Kramer in 2011, who proposed it as an alternative solution for basically changing the functioning of the system by the coordinated efforts of players in all sectors together, working as a team towards a common goal, based on the idea that social problems emerge and remain due to a complex conjunction of actions and lack of actions of each actor in all sectors. The range of actors can be from members of affected populations, charitable organizations, government agencies or even enterprises (Kramer & Pfitzer, 2016).

The five elements model go as follows: i) a common responsible agenda to guide the purpose in a clear direction; ii) a shared and comprehensive measurement system stated for the growth of the strategy; iii) the dynamic of mutually and cyclically reinforcing activities as a key point; iv) frequent communication that allows each player to engage in a constant and structured information system as an adequate channel to coordinate mutual objectives and, by this, build trust too; and v) sustaining all of the above steadily as "backbone" support.

4. Method

This paper presents a qualitative study based on the case study method (Yin, 2003) to delve deep into the sustainable initiatives of AJE, a Peruvian MNC. Specifically, it analyzes one of the company's projects and how it promotes active participation from the local community and resources, sharing the value of the business initiative with them. According to Yin (1993, 1994), the case study method allows finding and highlighting the details of a specific phenomenon. It would also allow proposing new theoretical explanations regarding an already observed phenomenon such as shared value initiatives from the sustainable development perspective (Rialp *et al.*, 2005).

The case study method is used to explain complex and dynamic problems for real-life processes which lead to particular results (Vissak, 2010). The single case study allows the authors to study a phenomenon in depth and it is used to ask "how" and "why" questions (Yin, 2003; Vissak, 2010). This provides a better understanding of diverse processes in particular contexts that cannot be revealed by quantitative methods using big data (Piekkari & Welch, 2013). The findings or results follow analytic generalization (Yin, 2003). AJE is a unique case which provides insights which other organizations would not be able to offer. It is an illustration of processes which can help us understand similar ones of different companies (Siggelkow, 2007) in emerging economies.

The data was collected from diverse primary and secondary sources: free public information, interviews with AJE employees at managerial level on site, field testimonials, archives data retrieved by websites and other private organizational documents shared by company representatives with the first two co-authors of the study for the purpose of this investigation.

Criteria for selecting these subjects had the purpose of gaining access to key information and indicators at a managerial level, as well as gaining subjective perspectives from both shareholders and stakeholders. In this line of research, it is important to underline this investigation's exploratory scope as an initial approach. Furthermore, interviews with AJE executives were conducted to carry the conversation towards not only their individual perspectives about the project but also the identification of key objective indicators for the investigation process. Nonetheless, we argue that access to more specific information was restricted.

The first interviews were unstructured, had exploratory purpose, and were made entirely through a meet videoconference. The first one lasted 50:05 minutes and was made to the General Manager of Bio Amayu and Global Sustainability Manager of AJE Group, the second one lasted 21 minutes and was made to the Global Chief Manager of Sustainability and Communications. After that, the second and last interview with the General Manager of Bio Amayu and Global Sustainability Manager of AJE Group was held partially through WhatsApp platform and finished through some audio notes using the same media. This interview was guided by a semi-structured interview protocol regarding the key elements of the study.

The interviews were audiotaped and transcribed through Tactiq, then translated to English and coded according to the model of analysis. The authors used personal connections to access the interviewees and to gain access to the fieldwork observation

site. The authors also used official sustainability strategy documents of the corporation and testimonial videos made in collaboration with the United Kingdom Embassy that were given to them after the interviews.

Regarding the data analysis, full pattern matching was used (Sinkovics, 2018) according to the variables of the present theory listed in Table 1.

Table 1. Variables of the study

Actors	Shared value ecosystem
Results	
Strengths	
Challenges	
Agenda	
Measurement system	
Articulation	
Communication	
Support team	

Source: own elaboration.

The results were compared and enriched by the personal observations of the authors from the primary and secondary sources. Subsequently, these observations were triangulated with archival data from information from the website and other documents publicly available.

4.1. Case study

First, we describe the corporation as the object of our study and then we evaluate their shared value strategy elements for the Bio Amayu natural beverages line.

4.1.1. AJE: 4th largest Latin American multinational company

AJE is a Peruvian MNC founded in 1988 by the Añaños Jeri family in Ayacucho, Peru. Originally, the company focused on manufacturing fizzy/sparkling beverages which are similar in flavor to then fleeing-from-conflict foreign competitors and to consumer markets which foreign competitors would not reach. Eventually, AJE's success in Ayacucho allowed country-wide expansion from 1991 up, reaching the country's capital, Lima, in 1997. It presented a characteristic policy of "democratization" of prices in contrast of foreign competition, becoming a trademark for middle to low-income consumers inside of emerging economies (Grupo AJE, 2014). Since its origins, the founding family understood the reciprocal relationship between human acts and nature through the concept of *ayni* (Grupo AJE, 2020). AJE explains that this was the reasoning behind several pro-environment activities financed by the company, such as the *taricaya* turtle repopulation project in Pacaya

Samiria National Reserve, where their raw materials are collected, and also the successful alliance in Machu Picchu to turn its town into a sustainable city model for Latin America that can manage 100% of its solid waste.

AJE Group achieved significant growth in the beverages sector as they managed to operate several plants in most Peruvian cities, including the capital, serving millions of Peruvian families. Moreover, an ever-expanding business mindset determined new goals that went even further. As a case study on the internationalization process of Kola Real (their brand favorite) points clearly: “they have expanded to three more countries in a short period of time with annual sales exceeding several times those of the country itself, which is simply spectacular” (Ferre & Natividad, 2003, p. 1). This achievement has become another cornerstone into the path of the organization building towards future development.

The expansion was characterized not only by AJE’s policy of developing low-cost price/high quality products which appealed to low-income populations of developing economies, but by “a clear internationalization strategy of linking with local and already established partners which provided the necessary market knowledge” (Grupo AJE, 2014). From this millennia on, AJE has reached multinational status first through regional expansion (Venezuela in 1999; Ecuador and Panama in 2000; México in 2002; Costa Rica in 2004; Guatemala, Nicaragua and Honduras in 2005; Colombia in 2007; Brazil in 2007), and then towards Asian (India, Vietnam and Indonesia in 2011) and African markets (Nigeria in 2013, Egypt in 2015, Cameroon in 2022) (Peru Retail Press Editor, 2022), establishing a reputation for high performance in international business, sustaining remarkable business strategies and achievements.

The business model of the Peruvian “multilatina” AJE Group, as mentioned, has led it to become one of the preferred brands for medium to low-income consumers, offering high quality products with affordable prices. This model has 92% of its sales to external distributors and small merchants and 8% to wholesale distributors, which ensures that it reaches this niche of consumers, which is actually the majority of the population for the economically emerging countries where it operates (Grupo AJE, 2014).

At the point of AJE’s main period of expansion, unprecedented and accelerated growth inside of emerging economies had already started to proportionally affect their own sustainable development, with multinational companies adopting short-term environmental policies which were mostly ascribed to substantially vague cases of green-washing or green optics that were in most cases either environmentally ineffective or economically unsustainable. AJE’s sustainability department, following the company’s already standing pillars of product democratization and local partnerships/alliances, came up with Bio Amayu. “Sustainability has always been part of AJE’s DNA: it is its inherent value differential. Nonetheless, companies change, grow and evolve, for which we are not an exception” (Grupo AJE, 2020).

AJE Group as an organization is self-reportedly composed of three main pillars: development, management and innovation; and three fundamental axes for business: the people, the environment and the value chain. For AJE Group (2020), the conjunction of these principles expresses itself in nine different dimensions for sustainability that come to simultaneously satisfy a series of Sustainable Development Goals (SDGs), which are described and analyzed one by one in the following section.

Positive impact portfolio

AJE's products are designed to promote healthy living and well-being for everybody at all stages of life (Grupo AJE, 2020), with a practice of keeping their beverages ingredients, nutritional values and servings within reasonable limits whilst keeping low or "democratic" prices. All of AJE's products promote well-being for most of the population through native superfruits based products, and upon a vision of large-scale replicable business models for massive markets that makes it accessible, supporting good health (SDG 3).

Sustainability culture

The same purpose/mission is shared among all members of the organization. This increases the capabilities of collaborators to contribute to the objectives and live the company's culture of sustainability (Grupo AJE, 2020). Given that AJE's original conception has permeated its structure through its expansion, sustainability permeates its whole DNA. Together with sustainability training and the creation of sustainability teams, this dimension focuses on decent work, economic growth and reduction of inequalities (SDGs 8 and 10, respectively).

Talent for sustainability

Through investment in R&D, together with constant communication of ideas within executives and teams that work in the field, talent and ideas get their way into many different sustainability projects. "In AJE, the development of capacities is facilitated, and spaces are provided to promote, identify and recognize 'disruptive' ideas for sustainability" (Grupo AJE, 2020). The innovation that comes from this is one the key factors in AJE's success, given that it constitutes one of the corporation's main pillars, which comes in favor of national industry, innovation and infrastructure (SDG 9).

Positive impact on the environment

AJE's innovative products are such that they make large-scale high-impact sustainable action profitable. In this way, they are also able to "promote the sustainable use and conservation of ecosystems and their services" (Grupo AJE, 2020) to the rest of the world, and upon that solid base they start to invite the consumers not only as clients, but as committed citizens requested to join the movement by becoming "guardians of the Amazon" through marketing campaigns that increase awareness, guaranteeing the life of land ecosystems and their biodiversity (SDG 15).

Operative excellence for sustainability

From the incorporation of a sustainable perspective in their overall strategy and experienced knowledge of the corporation's operations, AJE's internal regulation establishes efficiency procedures and parameters that seek to maximize efficiency in resource consumption (water, energy, paper, fuel, etc.), together with minimizing pollutant emissions. This comes

as an effective action for the climate together with water preservation and the use of clean energy (SDGs 13, 6 and 7, respectively).

Innovation for reducing environmental impact

All innovation projects are adapted and guided towards achieving the most efficient resource consumption together with reducing or eliminating pollution. Responsible production and consumption in either raw materials or finished products comes from a series of analysis carried out by specialized consultants, promoting a new type of enterprise that moves forwards from the industrial revolution to what they have defined as a “Natural Revolution” (Grupo AJE, 2020).

Strengthening of local economies

Through contracts and communication with local agents in diverse decentralized regions, local outsourcing and the development of localized processing plants in order to reduce costs, AJE “guarantees the sustainable development of the local communities with which it interacts” (Grupo AJE, 2020). The promotion of sustainability through business, culture and education with the agents and communities conducts business, together with equal job opportunities and fair-trade payments, becoming an especially transformative operation for historically excluded communities in the amazon local economies (SDG 11).

Sustainable purchases

Empowering the value chain responsibly from the beginning steps comes along with enormous efforts along the path to differentiation through traceability—which has become one of their biggest achievements—, with some native communities as suppliers. Nevertheless, AJE’s own principles determine that any purchase of raw materials, services, etc., has to adhere to a series of environmental and social criteria, guaranteeing decent work conditions and climate action (SDGs 8 and 13). In addition, the inclusion of women in the beverage value chain as suppliers is a key factor for high social impact from the sourcing, particularly in the case of woman in the Amazon communities in this areas, reducing wage disparity, moving them away from human trafficking networks and working as a first step into developing fair conditions for other types of inequalities (SDG 5).

Promoting a circular economy

Although this is a particular challenge, strongly linked with consumers and solid waste management systems, the goals for closing the life cycle of a product in more sustainable ways to mitigate the negative impacts are set clear for the organization as “Aje evaluates and executes strategies to reduce the input of virgin material into its processes and those of others, closing economic and ecological flows of resources” (Grupo AJE, 2020), and committing their activities with sustainable consumption and production patterns (SDG 12). A very relevant example of this is the collaborative project “Machu Picchu, Carbono

Neutral”, which achieved the removal of this well-known Peruvian archaeological site from the list of World Heritage Sites at Risk through attaining high reduction percentages of carbon dioxide (Stakeholders, 2022), contributing with climate change action (SDG 13).

Below, the described elements can be observed in Figures 1, 2 and 3.

Figure 1. The SDGs associated to AJE’s sustainable strategy



Source: own elaboration.

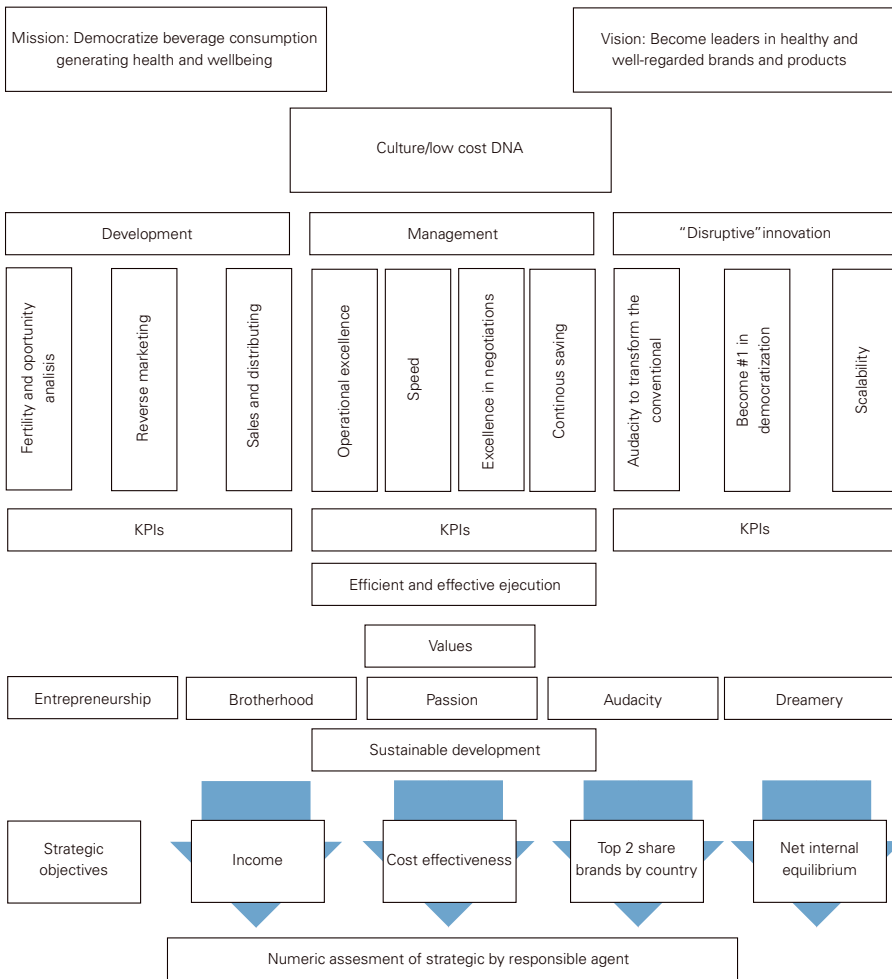
Figure 2. The nine dimensions of AJE’s sustainable strategy

Nine strategic goals = nine dimensions of evaluation

Impact axis	Corporate pillars		
	Development	Management	"Disruptive innovation"
People	Impact portfolio	AJE sustainability culture	Talent for sustainability
Environment	Positive impact on the environment	Operative excellence for sustainability	Innovation for lessening environmental impact
Value chain	Strengthening of local communities	Sustainable shopping	Encouragement of circular economy on the productive chain

Source: Grupo AJE (2020).

Figure 3. The 10 pillars and principles of AJE's strategy



Source: Grupo AJE (2020).

Related to this organizational strategy, AJE presented its first sustainability report in 2020, in which they highlighted that “Sustainability is not an obligation or an extension of the Group’s actions, but is part of its culture, its way of being” (Grupo AJE, 2020). Thus, the Bio Amayu line not only reflects this mindset, but has also served as an inspiration through its essential components.

4.2. The case of Bio Amayu: A triple bottom line proposal

Bio Amayu, as a business line inside of AJE corporation, born with the vision of becoming first a regional and then global leader in healthy and highly-valued brands and products, with minimal fruit processing together with lack of additives, is able to provide a finished product that not only establishes a milestone in nutritional values and dietary servings for industrialized beverages regarding sugar servings and vitamin intake, but also keeps a competitive price mark.

In this approach, they have developed a product line of five flavors of beverages from superfruit concentrates such as *aguaje* and *cocona*, goldenberry and *carambola*, *camu-camu*, blueberry, and *açaí* berry, which are currently positioned with their other massive products in warehouses and supermarkets across Peru. It is important to mention that the pulp is collected and cultivated from the heart of the Amazon by local indigenous communities, using sustainable agriculture techniques that help mitigate climate change. Definitely, this proposal implies a set of challenges to accomplish it, as it also offers an interesting triple value generation through collective impact.

Taking in consideration that merely creating a competitive product line in the traditional market is challenging, positioning a product with such a quality differentiation based on sustainable frames in the modern channels was in effect a new type of duty for the organization. As Bauer and Rodríguez (2019) developed in their market research about the business proposal, the corporation was able to rely upon one of their strongest advantages in the market, so that although this input cost is high, the overall manufacturing cost is low, and its placement allows accessibility of a beverage of high nutritional value at a good price for consumers, completely aligned with AJE's mission. It is important to mention that this first line of products represent the beginning of what is called, as mentioned, the Natural Revolution, that AJE is leading along with a team, a set of various actors that collaborate in the generation of this final product according to the necessity of each raw material needed.

Of course, there are many details related to developing the social, economic and environmental aspects of the initiative, so we will focus specifically on the process, value generated and key elements for the creation of the *aguaje* beverage of Bio Amayu portfolio.

5. Discussion of the shared value ecosystem findings

First, we will present several findings related to the impact of Bio Amayu so as to frame the findings on the *aguaje* beverage. We will focus on this type of product given its inherent characteristics as a plant and as one of the first pilots that has now matured its model.

Aguaje is the super fruit pulp that comes from the *aguajales*, a native tree species from the Amazon. This fruit offers significant nutritional and medicinal properties as it has high levels of vitamins A, C and E, as well as important types of oils. In addition, the *aguajales* are considered peatlands because their soil gets saturated with water for most of the year and can store large amounts of carbon—up to 800 tons of carbon per hectare (Draper *et al.*, 2014, cited in Del Aguila *et al.*, 2021)—in the peat or semi-decomposed soil organic matter. Thus, *aguajales* are directly key ecosystems for the mitigation of climate change effects (Baker *et al.*, 2019, cited in Del Aguila *et al.*, 2021).

Regarding the location where they started with this sustainable outsourcing, SERNANP reports that Pacaya Samiria is acknowledged as a National Reserve since 1972, and it is located in Requena, Ucayali and Alto Amazonas provinces, from the region of Loreto, with approximately 2,080,000 hectares crossed by Ucayali and Marañón rivers. For this ecosystem, there are reports of more than 1,025 vertebrate species, 965 species of wild plants and 59 species of cultivated plants (2019). It is clear that this space contains a significant natural heritage with a high representation of Peruvian biodiversity in the Amazon, linked additionally to the cultural heritage of indigenous ancient communities as

stakeholders, natural consumers of these beverages; and is strategically considered to exemplify the potential in sustainable models.

In this case, the impact was a collective effort as there are many actors that have been part of Bio Amayu's shared value ecosystem. The corresponding Global Sustainability Manager of AJE Group mentions now different allies that have been working with them throughout 2021, from civil society, government entities, local governments and NGOs. As an example, some of them are National Service for Natural Areas Protected by the State (SERNANP), Ministry of Environment (MINAM), Earth Innovation, Inkaterra, Green Initiative, Indigenous Chamber of Commerce, NCI, Partnership For Forests, Libélula, Amazonian Communities, British Embassy, the Municipality of Machu Picchu, Perú Sostenible and "Pacto por la Cultura al 2030" from Unesco.

Back in 2016, after initial exploration of the area by AJE Group's sustainability department, an initial meeting was set up by MINAM. This meeting was attended by representatives from different recollection and harvesting associations (coming from different communities located within the area of interest), SERNANP representatives, regional government members and local enterprises which would participate through AJE Group's outsourcing. This meeting is interpreted as a "first contact" and consisted of an exposition of AJE Group's interests and concerns, consisting mainly in developing a wholly sustainable beverage that benefited the corporation, the communities, and the environment.

From this meeting onwards, a series of field trips were organized by AJE Group's team, together with the creation of different key contacts with local communities and governmental/environmental authorities, that started to form, little by little, an initial value-chain. Eventually, the first wholesale purchase meetings were arranged and it was during these meetings that harvesting communities made explicit their main interest in keeping their family basket through *aguaje* commercialization.

Together with AJE Group's initial proposal for fixed prices, an initial price of 30 soles per sack (40 kg) was agreed upon. In this process, the harvested fruit was collected at the fruit pulper, where the sacks arrived during the harvest season. Also, to ensure that the *aguaje* came from uncut *aguajal*, SERNANP monitored the area with a team of park rangers. Traceability was ensured by sealing the bags that were harvested until they arrived at the pulper, generating a significant environmental value among a context full of informal labor and harmful practices. While SERNANP measured *aguajal* population and harvesting, Bio Amayu provided specific guidelines for harvesting methods which if not met, as part of the agreement, would have canceled the purchase from the communities, assuring the high-quality standards they offer from the developed capacities of their supplier as a key stakeholder.

Afterwards, MINAM, SERNANP, the Regional Forestry and Wildlife Development Management, the National Forestry and Wildlife Service (SERFOR), the Peruvian Amazon Research Institute (IIAP), the Ministry of Foreign Trade and Tourism, and the Regional Directorate of Foreign Trade, Tourism and Handicrafts were all officially part of the project.

It was precisely at this point that Kramer and Pfitzer's (2016) "shared vision for change and a joint approach to a solution" was achieved as AJE's concern for obtaining high quality raw materials in a way that preserved both the environment and the local

communities were joined together through their need for a stable income which could enable them to fulfill their family basket. The process took precisely a year of consecutive meetings and verbal arrangements.

Recognizing the work of its Bio Amayu brand, the AJE Group was named by the SERNANP as an “Ally for Conservation,” due to its sustainable and responsible work in the Pacaya Samiria National Reserve. Other stakeholders also participated in this initiative, such as the municipalities of Maynas, Punchana and Belén; the communities of San José de Lupuna, on the Nanay River; Puerto Alegría, on the Itaya River; and El Porvenir, on the Momón River. Currently, the *aguaje* beverage is historically the first product with a SERNANP certification on its label for being elaborated with inputs of a protected area through sustainable practices that even help its preservation.

The expansion keeps going. Another example of the impacts achieved collectively is the collaborative project for the release and repopulation of *taricayas*: AJE Group, with its Bio Amayu brand, is part of this initiative along with other actors such as the municipalities of Maynas, Punchana and Belén; the communities of San José de Lupuna (Nanay River), Puerto Alegría (Itaya River) and El Porvenir (Momón River); MINAM, SERNANP, GERFOR, SERFOR, IAP, MINCETUR and DIRCETURA. Also, in the first part of 2022, AJE Group joined the project “Sponsor a taricaya, conserve Pacaya,” promoted by SERNANP, in which it sponsored 2,500 *taricaya* turtles, contributing to the conservation of this emblematic species of the Peruvian jungle, collaborating with 72 families who had been unable to carry out their normal activities due to the COVID-19 situation.

On the other hand, native communities have already established organizational structures with head representatives and a series of decision-making processes. Community representatives gathered with Bio Amayu for a business agreement, given that these local communities had already participated in the local *aguaje* market, characterized by its volatility and seasonal nature, common in the agricultural sector. In this context, Bio Amayu’s fair trade/fixed priced proposal was in their main interest, for which it was widely accepted.

Communities are concerned with maintaining a stable source of income while conserving their environment’s condition. AJE is focused on acquiring high quality raw materials whilst at a reasonable cost, for which a fixed price is negotiated. Consumers and other stakeholders are concerned with maintaining a stable environment in the Amazon rainforest.

A price is fixed independently of supply or demand inside of the *aguaje* market, in such a manner that in case of scarcity neither AJE’s costs or the communities’ livelihoods would be critically affected, or in the case of an oversupply, overly low prices would not make low scale production unprofitable for communities. This aspect is one of the most significant benefits as it has identified a relevant flaw in their traditional value chain that motivates them enough to commit to the process and requirements for sustaining the social value over time.

Finally, it is relevant to point out that this overall proposal is considered possible by one of the interviewees, thanks to a key characteristic of AJE’s governance in the shareholder nature. As these corporations remain as a family enterprise with no public shares, usually found in big companies legally formed as anonymous societies, it is easier

for the decision-making process to move forward without so many procedures and setbacks based upon economic benefits in the shortest possible time.

Next, we will describe the main findings of each element of collective impact previously mentioned, using the selected model of analysis.

6. Common agenda

After the initial exploration of the area by AJE Group's sustainability department, MINAM organized an initial meeting in 2016, where representatives from diverse recollection and harvesting associations attended coming from different communities located within the area of interest, as well as SERNANP representatives, regional government members and local enterprises, who participated through AJE Group's outsourcing. This meeting is interpreted as "first contact" and consisted of an exposition of AJE Group's interests and concerns. From this connection of motivations collectively aligned, it was possible to build together in a common direction.

This is why, from this meeting onwards, a series of field trips were organized by AJE Group's team together with the creation of different key contacts with local communities and governmental/environmental authorities, which started to form gradually an initial value-chain. Eventually, by the next year (2017), the results arrived as the first wholesale purchase meetings were arranged. It was during these meetings that harvesting communities made explicit their main interest in keeping their family basket through *aguaje* commercialization. Together with AJE Group's initial proposal for fixed prices, an initial price of 30 soles per sack (40 kg) was agreed upon, this also made possible the concretization of their mission, which made them not just feel, but also be part of it in a purposeful and beneficial way towards their territory and our homeland. In the word of Modesto Zamora, President of the Association of Natural Resource Management of Pacaya Samiria Reserve, "How couldn't we be prideful, when the fruit we have been recollecting now travels the whole world whilst we keep our forests and improve our quality of life" (Grupo AJE, 2022).

6.1. Shared measurement system

Internally, AJE supervises the amount of biomass preserved through net tonnage of sustainably harvested *aguaje*, as well as the number of communities that are adhered to the project and its criteria. On the other hand, local communities manage *aguaje* income, harvesting and deliveries through "harvesting associations" that act as a separate legal body, with its representatives and functionaries.

Together, AJE Group and the harvesting communities agree upon an annually fixed price per *aguaje* kilogram, as well as the annual movement of the raw materials from its source to the initial processing plant. This "single short list of indicators" serves for the discussion of the following year's fixed prices as well as the environmental conditions, and, as has happened before the creation project with cold waves that severely reduced *aguaje* availability, enables future "ongoing course adjustments." On this topic, Modesto Zamora indicates that "Before our friends of AJE came, due to the big amount of competition, we

used to sell our *aguaje* at any price [...] now we receive a fair payment in exchange for our work” (Grupo AJE, 2022).

Considering the general management of Bio Amayu’s several lines of products, it is mentioned by the Global Sustainability Manager of AJE Group that they also have developed Key Performance Indicators (KPIs) for the follow-up of their sustainability strategy performance, regarding not only sales indicators but population indexes correlated to environmental carrying capacities and feedback from the communities. In this way, it becomes of interest to nurture this shared system as long as it shows it is useful for the actors that support the collective impact.

6.2. Mutually reinforcing activities

As its main activity AJE manages raw material processing up to finished product delivery and marketing, and provides as well simplified means of communication through its team in Bio Amayu—that supplies and verifies—, and the harvesting standards that are required. According to Modesto Zamora, “They helped us with training, technical assistance and organizing in order for us to select the highest quality fruit” (Grupo AJE, 2022).

On their side, harvesting associations organize their corresponding communities for recollection, the training and even the surveillance in order not to be affected by illegal logging. SERNANP assumes the responsibility that the recollection is done in a sustainable manner, auditing for illegal logging activities. The transportation from the harvesting site to the first processing plant is audited by SERNANP, not only by patrolling harvesting areas in order to prevent or sanction illegal logging, but by implementing a stamp and seal system for correctly harvested *aguaje*. The sealing is only opened at the processing plant, once a traceability checklist is ran through.

As sustainability measures are achieved, Bio Amayu is able to present a high quality and highly qualified product at a relatively low price, which allows for an expansion that enables further activity. In this manner, local communities become able to procure a long-term sufficient income and local authorities guarantee the achievement of their constitutionally determined duty to preserve a stable environment. AJE, as well, participates in the repopulation of *taricaya* turtles, an endemic species that serves a secondary economic activity for the communities as well as a stabilizer within the ecosystem’s biodiversity. Once again, this serves as fuel for the virtue circle created.

6.3. Constant communication

Communication between Bio Amayu, third parties and the local communities is constant through virtual means. Nonetheless, during harvesting season, meetings are arranged almost bi-weekly in order to coordinate deliveries. Bio Amayu first benefited with direct communication as it allowed them to build a local network of key contacts, such as outsourcing for logistics and local government authorities and community representatives—on the long term, stakeholders. In particular, for the communities not only acquire theoretical and technical knowledge from Bio Amayu’s specialists and its allies, but also receive information on the finished product’s performance, which seems to have brought

a great sense of pride amongst them. On this matter, the interviewees also mentioned the relevance of building the right channels of communication in the right time in order to generate the trust that sustains their commitments, taking into consideration the elements of the specific context. As an example, to approach a new community with a project, really extensive research has to be made so the conditions and actors are properly identified, since they rapidly change and the possibilities of communications could break down, so an initial clear message proposal would be needed fast to start identifying the actors.

7. Dedicated “backbone” support

AJE’s environmental initiative paired with its common business practices (franchising and working with local representatives) came with the creation of Bio Amayu as a specialized business line. Bio Amayu as such, though a beneficiary of AJE’s capital investment and distribution line, works as an organically separate structure, with the General Manager of Bio Amayu and the Chief Communication and Sustainability Officer as heads of the project. Together with a specialized team (an administrative accountant, a quality and traceability director, and a permanent in-site counselor) working on-site, they’ve been able not only to build a large and effective supply network, but to develop positive and close relationships with the rest of the agents, including AJE Group given its transversal nature.

This type of separate organization with specialized knowledge allows direct communication within a much smaller team that then transfers vital information to the matrix corporation, while maintaining the freedom necessary to effectively conduct these types of businesses as well as building public trust. As pointed out by the Bio Amayu executive and AJE Sustainability Counselor, “Our team focuses first on direct action, we know the business and work from the inside, the value chain was and is constructed through our daily praxis and not from a premeditated external standpoint” (Grupo AJE, 2020).

For this final element, it is important to highlight its relevance as it sustains the viability of all the elements previously analyzed from the perspective of the corporation as an involved and committed actor looking forward to achieving a collective impact. In this case, Bio Amayu not only stands out on its role, but is actually evidence which may lead the transformation as a key node where all actors take part and are able to contribute by collaboration and with awareness of it.

In this regard, we would like to point out that this study provides a perspective in contrast to the Firm-theory consensus that companies’ only goal is to maximize profits, and this is the direction of all their decisions and their “social responsibility” (Friedman, 2002). Our case shows a transnational corporation which focused on long-term relationships with stakeholders opposed to what is highlighted in existent literature as short-term bias with high pressure and demands for quick results from the shareholders. AJE Group conducts sustainable and socially responsible business by supporting indigenous communities and organic growth. Most of the businesses, especially multinational enterprises, experience loss of legitimacy because society in general perceives that they prosper and increase their profits at the expense of the local community (Porter & Kramer, 2011).

Our paper aligns with the triple bottom line (TBL), which takes into consideration the economic, social and environmental aspects of value creation while firms address

sustainability (Henriques & Richardson, 2013). Companies represent their activities in different ways in order to balance their relations with stakeholders and at the same time achieve competitive advantage (Schnackenberg *et al.*, 2019). Henriques and Richardson (2013) provide more details about how, according to the TBL perspective, progress can be measured with diverse indicators which are linked to each of the three bottom lines of sustainability. This study builds on this perspective and shows how AJE Group managed to connect their new line of products to multiple SDGs.

Porter and Kramer (2011) point out that the main problem companies experience is that they use an out-of-date value creation approach with a short-term perspective. They focus on profit and financial aspects instead of customer needs for long-term success.

Our study also shows a contrast with Ioannou and Hawn (2016) research results, which show that most executives found it hard to believe that investors were highly interested in sustainability performance of the companies they were involved in. The main challenge to companies is to balance stakeholder interests in the social, economic and environmental aspects of sustainability, on the one hand, with the shareholders' interest in higher profits, on the other hand. As we have highlighted, in our case the executive managers were the moving force for shifting the interest to larger scale in the local community and taking the interest of the customers and the indigenous people as the company's first priority.

We also provide contributions on the topic of the three pillars of sustainability—social, environmental and economic. Moreau *et al.* (2017) have underlined that social issues are very often left behind because companies give priority to environmental and economic concerns. Our case shows that AJE Group provided more support to local communities of indigenous people by improving their social situation and taking care of their customers' interests.

This study aligns with the idea that “businesses must reconnect company success with social progress” (Porter & Kramer, 2011, p. 3).

8. Concluding remarks

In closing, we conclude that all five elements of Kramer's model for shared value initiatives show evidence of a remarkable state of development and relevance to the ecosystem dynamics. We can identify how the main results of a product like an *aguaje* beverage distributed massively in stores at a national level have a broad spectrum of impact. This goes from covering water storage for the Amazon forest, conserving of ecosystems in protected natural areas, valuing biodiversity in indigenous territories, generating opportunities that close gender and economic inequality, even developing international markets with responsible outsourcing in a context of globalization.

This results in a strong environmental, economic and social global strategy from a successful shared value ecosystem in the Peruvian Amazon. However, it has not been an easy or fast journey as it has involved challenges such as the difficult access to the territory and communications, economic and political instability, informal and illegal competitors, and so forth. Conditions in which collaboration has developed have been vital. Therefore, this case study stands out as an opportunity to delve deeper into the success factors of shared

value initiatives in complex contexts such as emerging markets in challenging areas from Latin American countries, like the Peruvian Amazon.

In this line, our study highlights Bio Amayu as a successful shared value initiative supporting not only SDGs and NDCs satisfaction by working closely with the local communities in the Amazon region, but whilst achieving sustainable economic results that are enabling its expansion (to this day, this same strategy and structure is being replicated in Ecuador, Colombia and, recently, Thailand). Furthermore, our discussion allows practitioners as well as policy-makers to identify sustainable managerial practices and opportunities for sustainability-oriented public policy design and private joint ventures. Therefore, managers must become aware of innovative practices for sharing the value with the stakeholders in order to achieve a comprehensive local sustainable development. On the other hand, policy-makers could incorporate shared value principles in their decision-making processes, while designing public policies, in order to properly support business sustainable ventures, which would be instrumental for the future of the Latin America region (Vargas *et al.*, 2022).

Our research substantially contributes to the current shared value and sustainable development literature. First, it builds upon Kramer's model for shared value initiatives, adding an empirical case that analyzes each of its five elements for shared value and its success. Understanding the practical implications of this case study will not only allow reinforcing the empirical evidence for shared value opportunities, but to identify to what extent the private sector, and specifically MNCs, are able to directly collaborate with the civil society, specifically the local communities of the Peruvian jungle region, shifting the paradigm away from neoclassical thinking. In addition, this study supports the statements of Aubert and Cordova (2020, 2022), shedding light on how MNCs could become the flagships for sustainable development in emerging economies through the influence of their business practices in the market. Finally, our findings argue in the same line of Dávila (2013), Durand (2019) and Rivas *et al.* (2023), stating that firms in Latin America need to adapt to the institutional voids in the context and develop strategies accordingly to those limitations, in order for them to acquire valuable resources, financial benefits, power and influence, and in this specific case, implement sustainable development initiatives without any particular intermediation from the local governments.

Further research would need to emphasize filling the gaps between shared value initiatives and the contextual factors that could encourage or constrain their opportunities for sustainable development. The findings of this study can be used as best practice examples for other organizations which use shared value projects. We believe that Kramer's model could properly support further research on this matter, while the Bio Amayu initiative represents an appropriate example of how shared value ventures would need to be designed and implemented. Furthermore, future research avenues could incorporate multiple case studies and cross-country analysis for shared value projects in order to shed additional light on how the context could become a key moderator for the effectiveness of shared value practices.

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