
STUDY OF THE PILLARS OF ESG – ENVIRONMENTAL, SOCIAL, AND GOVERNANCE – IN THE CONTEXT OF BRAZILIAN COMPANIES

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ABSTRACT

In recent years, the term ESG has gained special attention due to a growing awareness of companies' social, environmental, and corporate governance responsibilities. This study sought to identify the adoption of practices related to the three pillars of ESG and assess the degree of adherence of Brazilian companies based on the perceptions of professionals working in them. Descriptive research was used as a questionnaire-type data collection instrument. The data was analyzed using descriptive statistics. The study sought to include companies of various sizes and sectors, not just companies listed on the stock exchange, to contribute to academic studies related to understanding the maturity of Brazilian companies regarding ESG practices. At the end of the study, it was possible to observe that the participating Brazilian companies showed more practices and maturity in terms of the governance pillar, followed by the social pillar, and, lastly, the environmental pillar.

Keywords: ESG; ASG; Sustainability management; Corporate governance; Sustainability.

INTRODUCTION

Generally, a company's main goal is to maximize shareholder returns. Therefore, for many years, most companies neglected environmental, social, and governance (ESG) responsibilities, focusing mainly on maximizing profits because they did not believe ESG pillars would add value to financial results.

However, in recent decades, the growing awareness of climate change and environmental problems has influenced society, which has demanded that governments and companies incorporate sustainability into their regulatory decisions and strategies (Billio et al., 2020). At the same time, social and governance issues have also become more pressing because of the global financial crisis, which has affected the image of many large corporations. In addition, several studies have shown that environmental, social, and governance issues positively impact companies' financial results (Fatemi, Glaum, and Kaiser, 2018; Yoon et al., 2018; Zhao et al., 2018). As a result, investors and investment funds have started to look more closely at sustainability when making investment decisions.

Although socially responsible investment (SRI) has existed since long before ESG was mentioned, only recently has it experienced a considerable increase in interest and become a general concern rather than a niche investment (Billio et al., 2020). Consequently, a growing number of funds have been created for companies that have good ESG practices. According to a study carried out by Morningstar (*apud* Pacto Global, 2021) at the request of Capital Reset in Brazil, ESG funds raised BRL 2.5 billion in 2020, with more than half of the funding coming from funds created in the previous twelve months.

Currently, there is no official regulatory body to assess whether or not a company practices ESG. Stock exchanges, such as B3, and agencies such as MSCI, Bloomberg, and FTSE use different methodologies to publish their data, classifying companies as ESG. However, these agencies use different criteria to assess these practices. These criteria are not unanimous, and no clear list of practices must be met to achieve a sufficient score and be recognized as sustainable companies or to make up ESG funds. The divergence between methodologies can also generate different results (Li and Polychronopoulos, 2020). Furthermore, with the growing demand for ESG reporting, several companies have begun to use more non-traditional methods, including websites and social media, to report on their social and environmental responsibility practices, in addition to conventional methods of making such disclosures about their sustainable practices, such as the Global Reporting Initiative (GRI) reports. Given this diversity of reports and information, it can be seen that there are not many studies

providing an overview and context of Brazilian companies within these three pillars. Therefore, this study sought to identify the best sustainability practices with regard to the three ESG pillars and assess the degree of adherence of Brazilian companies based on the perceptions of the professionals who work in them.

THEORETICAL FRAMEWORK

Sustainable development and its importance for companies

From the 1960s onwards, various movements and studies began to emerge warning of the environmental risks arising from the accelerated economic growth of the time. Since then, these risks have been investigated in such a way as to trigger a series of international discussions on the balance between the environment, society, and the economy (Geissdoerfer et al., 2017). Nevertheless, the term "sustainable development" was only discussed for the first time in 1980 in the World Conservation Strategy document drawn up by the International Union for Conservation of Nature (IUCN). This document was crucial since it emphasized the idea that instead of conservation and development being mutually exclusive activities, as had generally been argued until then, they are interdependent (Harding, 2006). The document focused on issues of environmental integrity, expressing the importance of the social, environmental, and economic pillars for achieving more sustainable growth of the economy and society through conserving living resources. Although this was the first time economic development was mentioned regarding sustainability, the term "sustainable development" was not effectively defined until a few years later.

It was only in 1988 that the document "Our Common Future" by the World Commission on Environment and Development (WCED), also known as the Brundtland Report, published one of the most widely used definitions of sustainable development (Gray and Milne, 2002):

[...] a process of transformation in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are harmonized and strengthen present and future potential to meet human needs and aspirations (World Commission on Environment and Development, 1988, p. 49).

This definition makes it clear that one of the basic principles of sustainability is the need for a long-term vision. In this way, they point out that sustainable development is

development that meets the needs of present generations without compromising the ability of future generations to meet their own needs (Brundtland, 1987). Thus, the focus becomes the consequences of human actions today for future generations.

Since then, the term sustainable development has taken on different concepts. Several authors have even commented on the difficulty in formulating a single, consensual definition of sustainable development, with only agreement on the need to reduce environmental pollution, eliminate waste, and reduce the world poverty rate (Baroni, 1992). Despite the different definitions, the spread of this concept has led institutions to reflect on the direction of their investments and the social and environmental impacts generated (Brüseke, 1998). Furthermore, the inclusion of this concept in organizations received special attention when John Elkington (1998) coined the term Triple Bottom Line (TBL) (Orsiolli and Nobre, 2016), or sustainability tripod, directing companies towards a consistent relationship with the three pillars: economic, environmental, and social, and not just one pillar focused on profitability (economic) (Elkington, 1998). According to Elkington (1998) and Da Rocha et al. (2015), the three dimensions of companies need to be connected in such a way that, in the economic aspect, there is a need to preserve the company's profitability; in the social aspect, stakeholders must be considered; and a balance must be found between organizations and stakeholders; while in the environmental aspect, natural resources must be used as long as they do not harm future generations. This view has further contributed to the widespread dissemination of the term and its more contemporary understandings (Geissdoerfer et al., 2017).

With all the dissemination of the concept and studies on the importance of a better equation between man and planet, sustainability was strongly institutionalized on policymakers' agendas, and consequently, there was a global phenomenon influencing companies to adopt sustainable practices.

Specifically, when the concept of sustainable development is applied to companies, it is called corporate social responsibility (CSR) and implies the incorporation of the goals of social equality, economic efficiency, and environmental performance into their operating practices (Labuschagne et al., 2005).

International organizations such as the World Trade Organization (WTO) and United Nations (UN) agencies, such as the International Labour Organization (ILO) and the Global Compact program, have encouraged companies to adopt codes of conduct and principles related to preserving the environment, improving working conditions, and respecting human rights (Garcia and Orsato, 2020).

In 2015, for example, the UN launched the 2030 Agenda, in which member countries committed to taking bold and transformative measures to promote sustainable development over the next 15 years and which, despite being a more global initiative, brings a great deal of direct responsibility to companies.

In addition to global demands for more sustainable measures, public awareness of the role of companies in society and interest in social, environmental, and ethical issues has also grown considerably (Reverte, 2009). Climate change, natural resource depletion, poor working conditions, and corporate scandals "have increased society's expectations of companies' environmental, social, and ethical responsibilities (Money and Schepers, 2007, p. 2)." This has led to a growing emphasis on their corporate social responsibilities.

Although concern for the environment has been present in the literature and company discussions for decades, it is only in recent years that companies have paid special attention to this pillar with the popularization of the term "ESG."

Environmental, Social, and Governance, ESG

ESG stands for "environmental, social, and corporate governance." It corresponds to an organization's environmental, social, and governance practices. Some authors argue that the term ESG is the evolution of the idea and concept of Elkington's Triple Bottom Line (TBL) (Costa and Ferezin, 2021). Costa and Ferezin (2021) explain that the ESG concept has replaced the economic factor with the term corporate governance, as it broadens the vision and not only encompasses the commercial result but also transparency in this disclosure, audit committees, corporate conduct, and the fight against corruption. Cucari et al. (2018) argue that because ESG practices cover several issues related to the environment, social responsibilities, and corporate governance, they have emerged as part of corporate social responsibilities.

The term was made official in 2004 in a publication by the Global Compact in partnership with the World Bank called *Who Cares Wins*, which was the result of an initiative by the United Nations (UN). The *Who Cares Wins* conference brought together for the first time institutional investors, asset managers, global consultants, and government and regulatory bodies to examine the role of environmental, social, and governance (ESG) value practices in asset management and financial research. According to the conference report, there was a remarkable degree of agreement among participants that ESG factors play an significant role in the long-term investment context.

Since then, the acronym has gained prominence, especially in recent years, as society has begun to value and care about how organizations respect the world around them. From 2011 to 2019, the percentage of the largest companies in the United States that published sustainability reports as a result of ESG practices increased from 20% to 90% (S&P Global, 2021a).

According to a report published in July 2021 by PWC, 77% of institutional investors said they plan to stop buying non-ESG products next year (PWC Global, 2021b). A survey conducted by Verizon Media (*apud* Pacto Global, 2021), a consultancy specializing in content, advertising, and technology, also revealed that the environment, political issues, and social agendas are the three most relevant topics for Generation Z.

In this same context, investors and investment funds have also started to look more carefully at these criteria when deciding where to invest. In addition, a growing number of studies and evidence report the positive impact of these practices on companies' financial results (Fatemi, Glaum, and Kaiser, 2018; Yoon et al., 2018; Zhao et al., 2018). Solomon (2006) points out that investors and institutional analysts, previously uninterested in environmental disclosure, have now turned their attention to this information, creating a growing demand for sustainability reports. Indeed, the literature shows that these types of stakeholders now explain companies' non-financial disclosure in their decision-making processes about which company to invest in (Berthelot, Cormier, and Magnan, 2003; Gupta and Golar, 2005; Moneva and Cuellar, 2009). Consequently, companies interested in gaining access to more financial resources have also begun to mobilize to adopt and disseminate these practices to investors and their consumers. A PWC study in 2021 (PWC Global, 2021a) showed that almost three-quarters (74%) of respondents said that companies care much more about the environment now than they did ten years ago.

The pandemic caused by COVID-19 in 2020 also contributed significantly to the increase in concern about ESG practices. A study by Global Compact Brazil and Stilingue (Global Compact, 2021) reveals that searches for ESG-related topics were six times higher in 2020 compared to 2019.

As these are subjective factors, it is unclear to companies which practices they should adopt to be more sustainable. In addition, because these practices require capital investment, companies often end up prioritizing different practices (Baldini et al., 2018). Based on this, previous studies suggest that the disclosure of ESG practices varies between countries and companies (Joannou and Serafim, 2012; Reverte, 2009) because the information to be disclosed and how it is presented are at each company's dis-

cretion. Furthermore, given that ESG disclosure is a subset of non-financial information, its practices do not follow a standardized format as in the case of financial information (Elzahar et al., 2015). Although many companies adhere to the Global Reporting Initiative (GRI) guidelines when reporting their ESG performance (Vigneau et al., 2015), more recently, in addition to conventional methods of making such disclosures, companies have increasingly used non-traditional methods, including websites and social media, to report their ESG practices (Eberle et al., 2013).

ESG in Brazilian companies

The study by Miralles-Quirós et al. (2018) analyzed the ESG performance score of companies listed on B3 between 2010 and 2015. In total, there were 73 companies from 24 sectors of activity. **Table 1** shows the average environmental, social, and corporate governance performance of each business sector during the years under study. The study points out that the results were taken from the analysis of Thomson Reuters Eikon, a multinational company specializing in financial information, which provides an annual score between 0 and 100 points for each company. This allows identifying companies with strong ESG practices (50–100 points) or weak ESG practices (0–49 points).

Several aspects stand out in **Table 1**. Of the three ESG pillars, the social pillar has the highest average score of the group of companies listed on the Brazilian stock exchange, followed by the environmental pillar, and, finally, the governance pillar, which, unlike the previous two, is the only one with an annual overall score below 50, indicating that corporate governance is still an underdeveloped area in Brazilian companies.

From the analysis in **Table 1**, it can be concluded that environmental performance is above 50 points for 13 of the 24 business sectors considered, with mobile telecommunications, beverages, chemicals, and the aerospace and defense sectors standing out, along with banks, as they all have a rating of more than 80 points. In their study, Miralles-Quirós et al. (2018) point out that the companies with the best ratings in these sectors are Tim Participações, Ambev, Braskem, Embraer, and Banco do Brasil, respectively. It should be noted that environmental performance, according to the author, measures the company's work in terms of minimizing resources, reducing emissions, and innovating products. Specifically, resource use refers to a company's performance and ability to reduce the use of materials, energy, or water and find more eco-efficient solutions by improving supply chain management. In contrast, emissions reduction measures a company's commitment and effectiveness in reducing environmental emissions in production and process operations. Product

Environmental Performance		Social Performance		Governance Performance	
Telecommunications Furniture	87.67	Forestry and Paper	94.00	Household Goods and Construction	52.54
Beverages	87.07	Banking	92.90	Forestry and Paper	50.37
Chemicals	86.72	Mobile Telecommunications	91.75	Financial Services	44.38
Aerospace and Defense	84.13	Aerospace and Defense	91.60	Construction and Materials	41.33
Banking	81.61	Chemicals	84.67	Banking	37.32
Electronic and Electrical Equipment	78.07	Gas, Water, and Utilities	79.13	Personal Goods	36.48
Forestry and Paper	74.02	Electronic and Electrical Equipment	75.28	Telecommunications Furniture	32.74
Personal Goods	66.22	Household Goods and Construction	71.67	Industrial Transportation	29.53
Electricity	60.89	Electricity	71.17	Food Producers	27.23
Food Producers	54.08	Personal Goods	70.11	Beverages	26.53
Gas, Water, and Utilities	53.18	Industrial Transportation	66.93	Non-Life Insurance	26.01
Household Goods and Construction	53.17	Food Producers	65.12	Chemicals	24.53
Industrial Transportation	50.86	Financial Services	61.82	Software and Computer Services	23.91
Construction and Materials	48.08	Construction & Materials	50.41	Electricity	22.88
Oil and Gas Producers	43.86	Beverages	49.56	Aerospace and Defense	22.10
Financial Services	43.62	Oil and Gas Producers	45.33	Gas, Water, and Utilities	19.43
Industrial Metals and Mining	39.24	Real Estate Investments and Services	39.73	Oil and Gas Producers	18.60
Real Estate Investments and Services	34.76	Industrial Metals and Mining	39.21	Electronic and Electrical Equipment	18.38
Non-Life Insurance	34.26	Non-Life Insurance	37.96	General Retailers	17.65
General Retailers	27.01	General Retailers	36.40	Real Estate Investments and Services	17.51
Health Equipment and Services	22.69	Software and Computer Services	29.48	Industrial Metals and Mining	12.75
Alternative Energy	19.68	Alternative Energy	22.28	Food and Drug Retailers	9.82
Food and Drug Retailers	15.55	Health Equipment and Services	22.27	Health Equipment and Services	9.44
Software and Computer Services	10.85	Food and Drug Retailers	11.10	Alternative Energy	7.52

Table 1. Average environmental, social, and corporate governance performance, by sector
 Source: Study by Miralles-Quirós et al. (2018).

innovation reflects a company’s ability to reduce environmental costs and burdens on its customers, thus creating market opportunities through new technologies and environmentally friendly processes or products, as the author points out in his article.

As far as social performance is concerned, just over half of the business sectors have strong overall social practices, as they score over 50. In addition, the forestry and paper, banking, mobile telecommunications, aerospace, and defense sectors stand out, with scores above 90; the best-rated companies are Fibria Celulose, Banco do Brasil, Tim Participações, and Embraer, respectively.

The social pillar measures aspects relating to the quality of employment, respecting human rights, relations with the community, and responsibility for product quality. Specifically, it measures a company’s effectiveness in creating job satisfaction and a healthy and safe workplace, maintaining diversity and equal opportunities, respecting fundamental conventions on human rights, being a good citizen, protecting public health, and respecting business ethics; and its ability to produce quality goods and services that integrate health, safety, integrity, and the privacy of customer data.

Lastly, corporate governance performance refers to the company’s management (structure and functions of the board of directors, remuneration policy, and others), shareholders’ rights, and the company’s vision and strategy. In particular, it measures a company’s commitment and effectiveness when it comes to following the principles of good corporate governance practices, its effectiveness regarding the equal treatment of shareholders, and the reporting practices concerning economic-financial, social, and environmental aspects considered in its decision-making processes. This level of ESG performance is the weakest for Brazilian listed companies, with only household goods, construction, and the forestry and paper sectors scoring above 50, where Gafisa and Fibria Celulose are the best-rated companies in each respective sector. The other sectors still show weaknesses in corporate governance, with scores below 50.

METHODOLOGY

As mentioned above, this study aimed to assess the degree to which Brazilian companies are aligned with good sustainability practices regarding the three ESG pillars: environmental, social, and economic/governance.

The results were collected using structured, non-disguised questionnaires applied to executives of companies operating in Brazil. To this end, five phases were followed to achieve the objective.

Phase I determined the type of research. It was decided to carry out a descriptive survey, and, as a data collection technique, an online questionnaire was drawn up to be applied to executives and other employees of Brazilian companies.

Phase II defined the variables. Based on the GRI and the analyses carried out by the ISE B3 to classify a company as ESG, the researchers divided the sustainability construct into three dimensions: environmental, social, and governance, selecting a total of 51 variables related to the ESG pillars to structure the questionnaire. Of the 51 practices listed, 15 were related to the environmental pillar, 21 to the social pillar, and 15 to the corporate governance pillar.

Phase III was characterized by the development of the questionnaires. The type of questionnaire prepared by the researchers was structured and undisguised so that the respondent knew the purpose of the survey, and the same questionnaire was applied to all respondents. The survey initially consisted of questions to understand the respondent company's profile. Next, each company's good practices related to sustainability, the social sphere, and governance were listed for the entrepreneurs to analyze and answer on an 11-point Likert scale. The degree of conformity or concordance of the statement with the practices adopted by the company where it operates was set between 0 and 10.

The survey was applied anonymously, and there was no need to identify the company where the respondent worked since the data was treated globally. The questionnaire was posted on LinkedIn, a business social network, on the participants' profiles and sent via WhatsApp and email to the businesspeople in the team's contact network.

After administering the questionnaires, Phase IV began by organizing and analyzing the data to better understand the context of Brazilian companies based on the respondents regarding good ESG practices. Macro analyses were carried out, grouping the information together and identifying similarities and divergences in the answers, using graphs to better understand the results. Finally, once all the data had been organized, Phase V began, characterized by the collected data's statistical treatment.

RESULTS

The analysis model used to make this study possible can be seen in **Figure 1**.

In the model, the ESG construct we are trying to understand has been broken down into environmental, social, and economic/governance dimensions/pillars.

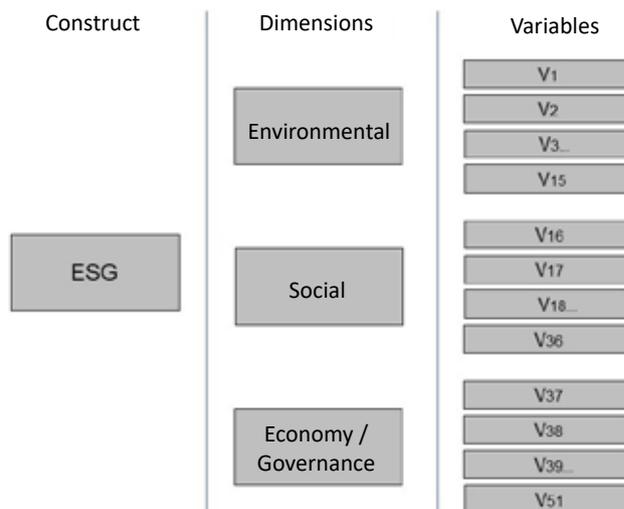


Figure 1. Analysis model

Source: The authors.

The environmental pillar was divided into 15 variables. The social pillar was broken down into 21 variables, and finally, the governance pillar was split into 15 variables. Therefore, the ESG construct was analyzed based on 51 variables that made up the 51 statements in the data collection instrument. This analysis was carried out based on the first 100 responses collected by applying the questionnaire between August 8, 2021, and April 29, 2022. The first questions in the questionnaire sought to identify the respondent companies' profiles. Questions were asked about control of the company, main activity, number of employees, head office region, gross operating revenue, markets served, engagement with Corporate Social Responsibility practices (ISO 26000, UN Global Compact, Accountability's AA1000, OECD Guidelines, or similar), whether the company is ISO 9001 certified, and finally, whether it is ISO 14001 certified. Among the executives who answered the questionnaire, 58.8% belong to private capital companies, 61.3% serve only the domestic market, 65% work in the service sector, 52.5% work in companies with more than 500 employees, 50% in companies with a turnover of more than 300 million, and 64.4% of the respondents' companies are based in the Midwest.

Considering the respondents' profile, **Figure 2** shows the results of the descriptive analyses carried out for each ESG pillar based on the degrees of compliance indicated for each of the 51 statements proposed in the data collection instrument.

Figure 2 shows that the average level of compliance with the statements related to the “E,” “S,” and “G” pillars was 5.8, 6.6, and 6.9, respectively, meaning that the companies in the research sample have good ESG practices since the averages for the three pillars were close and relatively above “average” as well. In addition, there is a slightly higher level of maturity regarding corporate governance practices, given that this pillar had the highest average compared to the environmental and social pillars. The mode, the most frequent value, for the three pillars was 10.0. The median, a measure of central tendency corresponding to the central value of a set of ordered values, was 7.0, 8.0, and 8.0, respectively, for the ESG pillars.

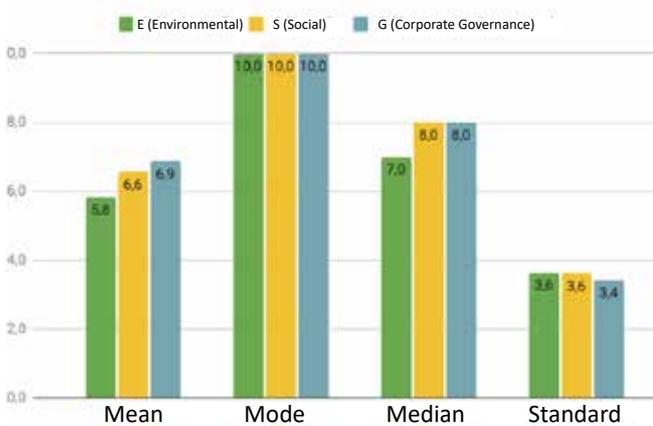


Figure 2. Summary of the Mean, Mode, Median, and Standard Deviation for each ESG pillar
 Source: The authors.

Although the mean is a commonly used statistic, the median is also a widely used descriptor to express an “average” value in a data set. The mean is determined by ordering the data collected in the survey from largest to smallest and then identifying the middle so that there are an equal number of values larger and smaller than the median, illustrating the frequency distribution. Finally, the data was also analyzed using a dispersion measure. In this case, the sample’s standard deviation was used. It was observed that the sample as a whole varied significantly, even though it had the lowest standard deviation, i.e., the degrees of agreement with the statements varied significantly between the companies and executives surveyed, and the sample was not homogeneous, also varying enormously from the mean. A large number of zero and ten degrees showed a relative discrepancy in the sample. Consequently, some companies in the sample feature a much higher level of maturity in ESG practices than others, and others show a significantly lower level of maturity in adopting ESG practices.

A comparison of this research with the ESG analysis carried out by Miralles-Quirós et al. (2018) reveals a divergence in the results. In the study by Miralles-Quirós et al. (2018), of the three ESG pillars, the social pillar had the highest average score in the group of companies they studied, followed by the environmental pillar and, finally, the governance pillar, which, unlike the previous two, was the only one with an overall score below 50, indicating that corporate governance is a relevant gap in Brazilian companies. This result was considerably different from that found by this study’s sample. This divergence allows a number of reflections. Firstly, adopting “Corporate Governance” practices and their variables is still relatively recent. Before its consolidation, the term ESG had not yet been presented as a single pillar of sustainability, such as the Triple Bottom Line, which already disseminated environmental and social principles but did not have a specific category for governance, as seen earlier in the literature review. As such, the survey may have been somewhat biased by the fact that the respondents did not totally grasp the concept, possibly causing them to overestimate the practices and actions within the company in which they work. In addition, the standard deviation is noteworthy, as it may have been influenced by the fact that some companies have very different profiles within the sample. The study includes predominantly large companies listed on the stock exchange and small companies with much smaller turnover, operations, and number of employees. In the study by Miralles-Quirós et al. (2018), this sample is a little more segmented, as it only included companies listed on the stock exchange. No segmentation in terms of turnover, industry sector, or number of employees, for example, was carried out in this study due to the sample size.

Moreover, the term ESG is also new. As such, many small companies may have had more in-depth contact with the term for the first time when answering the survey, making it difficult to assess the maturity of the practices in the statements. This may also have contributed to a divergence in responses and possible greater or lesser agreement with the assertion due to a lack of mastery of the variables and their meaning. Concerning the survey results is the question of when the survey was applied. Considering that the COVID-19 pandemic has brought a greater general concern for people and society, the “social” pillar may have been overvalued as a result of a general perception of greater focus by companies, when in fact, the practices and actions implemented were much more momentary than something actually disseminated internally.

CONCLUSION

This study aimed to assess the maturity level of Brazilian companies based on 51 variables that comprise the ESG pillars. The theoretical review showed that companies are more aware of the contribution their actions make to sustainable development, managing their operations in such a way as to consolidate economic growth and increase competitiveness while ensuring environmental protection and promoting ethical and socially responsible behavior. This awareness is not limited to companies but also encompasses society and investors, raising the need for entrepreneurs to adopt ESG practices and make them known to the public. Despite being a long-standing need and issue, only recently has it gained greater repercussions, mainly due to the popularity of the term ESG. However, few studies still analyze the scenario of Brazilian companies regarding ESG practices.

From this study, it was possible to observe that the participating Brazilian companies generally have more practices in terms of the governance pillar, followed by the social and, lastly, the environmental pillars. Despite this, the average responses for each pillar were very similar, with the average degree of compliance of the statements being 6.9, 6.6, and 5.8, respectively. The answers varied widely, with a higher concentration of scores of 10 and 0 in all of them, but with medians above seven in the environmental pillar and eight in the case of the social and governance pillars. Therefore, it is concluded that the general goal to assess the adherence degree of Brazilian companies to sustainability practices regarding the three main ESG pillars, environmental, social, and governance, based on the perception of professionals working in these companies was fully achieved since it was possible to analyze the degree of compliance with each assertion related to the ESG pillars based on the applied research.

As a contribution, this study sought to broaden the profile of the companies studied, not just limiting itself to companies listed on the stock exchange, aiming to contribute to academic studies related to understanding the maturity of Brazilian companies regarding ESG practices. Despite this contribution, this study has limitations that could lead to future research. It only examined the amount of data from the questionnaire sample applied, which was extremely small compared to the number of companies in Brazil. Thus, the analyses and interpretations were limited to the sample, and few conclusions or generalizations can be drawn. Furthermore, the fact that the survey was applied at different hierarchical levels within the companies means that the sample may have different perceptions depending on the respondents' experience and ability to understand the companies' management and practices. Similarly, ESG specialists may have

responded to the survey. These different experiences and visions have also contributed to a divergence in the perceptions and degrees attributed to the variables studied. Furthermore, as it was not possible to verify whether the respondents' perceptions match the practices of the companies where they work, the conclusions and analysis in this study are limited to these perceptions. Furthermore, given that ESG is a quite recent term, we do not know the level of understanding of each respondent concerning the ideas behind each pillar. This may have contributed to some differences in the scores given to the statements.

As companies become more familiar with ESG practices, include them in their agendas, promote positive impact actions, and better disclose this information to external audiences, researchers should focus on making ESG disclosure data comparable between companies and countries. Moreover, studies such as this one help to assess companies' commitment to various impact actions of the 2030 Agenda.

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