

ESG DISCLOSURE IN STATE-OWNED AND PRIVATE COMPANIES: WHICH ARE MORE ENGAGED WITH CORPORATE SUSTAINABILITY?

1 INTRODUCTION

Differences in strategic objectives and governance structures directly shape how private and state-owned enterprises respond to environmental, social, and governance (ESG) demands. Private organizations are generally driven by shareholder value creation, but increasing pressure from investors, consumers, and regulatory bodies has led to the incorporation of ESG criteria into corporate strategies (Piccioni, Bastos & Cajueiro, 2024). State-owned enterprises, in turn, go beyond economic performance by playing an expanded role in implementing public policies, ensuring the universalization of services, and promoting socioeconomic development (Octaviani & Nohara, 2019). This role is particularly relevant in strategic sectors such as sanitation, energy, infrastructure, and financial services.

These institutional distinctions help explain why the levels of engagement and ESG disclosure strategies vary across companies, ranging from practices of informational transparency to more instrumental or symbolic initiatives (Khalid et al., 2021). This raises the following research question: in Brazil, which type of company—state-owned or private—demonstrates greater coherence and depth in ESG disclosure?

To address this question, the study applies a qualitative, descriptive, and exploratory methodology, based on the analysis of sustainability reports and news articles published between 2016 and 2023, covering eight publicly traded companies in strategic sectors. The goal is to compare the degree of genuine commitment to ESG principles by assessing the consistency between discourse and practice, measured through the triangulation of institutional content and media coverage.

In doing so, the research contributes to the theoretical debate on disclosure and ownership structures, while offering practical implications for investors, regulators, and managers by identifying patterns and gaps in corporate transparency and accountability.

2 THEORETICAL FRAMEWORK

The growing relevance of practices aligned with ESG principles has driven companies to increase transparency, primarily through sustainability reports. However, questions remain regarding the authenticity of such disclosures, which may reflect either genuine commitment or symbolic legitimation strategies (Michelon et al., 2020).

Recent studies indicate shifts in communication strategies: firms have reduced the use of sustainability-related terms in public communications while intensifying their presence in corporate reports. This trend is largely influenced by regulatory pressures and the risk of greenwashing (Huang et al., 2024). Such ambivalence reinforces critiques about the integrity of these documents, which are often used as marketing instruments, exposing gaps between rhetoric and the effectiveness of practices (Meneghel, Kieling & Degenhart, 2023).

The lack of standardized indicators also hampers comparability across sectors and regions. A systematic review by Widyawati (2020) highlights this limitation and notes the predominance of analyses focused on the corporate environment, with limited attention to other institutional contexts.

In this scenario, the media plays a central role as a mechanism of accountability, exposing inconsistencies and omissions when contrasted with official narratives (Moalla & Dammak, 2023). Technological advances, such as the application of Natural Language Processing, enhance the ability to examine ESG-related information in news coverage,

strengthening public scrutiny (Fischbach et al., 2022). Thus, triangulating corporate reports with media coverage provides a more critical and comprehensive basis for analysis.

Beyond oversight, the press also contributes to social education and stakeholder engagement by translating technical ESG concepts. However, its effectiveness depends on maintaining ethical standards and editorial independence.

Sustainability reports, in turn, remain the main instruments of structured corporate communication, often based on frameworks such as GRI, IIRC, SASB, and, more recently, IFRS S1 and S2 standards (GRI, 2021; IFRS, 2023). While relevant to decisions by investors, regulators, and managers, they present limitations in terms of technical language and accessibility. Therefore, their combination with the critical mediation of the press enhances transparency, strengthens social dialogue, and reduces the risk of greenwashing, making them strategic tools to assess the authenticity of corporate practices.

3 METHODOLOGY

The research adopts a qualitative approach, descriptive and exploratory in nature, suitable for investigating complex phenomena such as ESG. The study focuses on eight Brazilian publicly traded companies — four state-owned and four private — operating in the sectors of water and sanitation, banking, energy, and oil and gas. The time frame (2016–2023) includes the enactment of Law No. 13.303/2016 (the State-Owned Enterprises Law), a regulatory milestone that expanded transparency requirements (Brasil, 2016).

Data collection was based on two main sources: sustainability reports available on corporate websites or in CVM/B3 repositories, and news articles from major national media outlets, such as G1, UOL, and Folha de S. Paulo. The choice of these sources is justified by their credibility, national reach, and frequent coverage of ESG-related.

The sample was defined according to two criteria: (i) companies registered with the CVM, which requires periodic disclosure, and (ii) inclusion among the largest economic groups in the country, as listed in the Valor 1000 ranking (Valor Econômico, 2022). In each sector, one state-owned and one private company were selected, as shown in Table 1.

Table 1 – Companies selected for data collection

Sector of Activity	State-owned	Private
Water and Sanitation	Sabesp	Aegea
Banking	Banco do Brasil	Itaú Unibanco
Energy	Eletrobras	CPFL Energia
Oil and Gas	Petrobras	Raízen

Source: Authors' elaboration (2025).

The analysis followed three stages: (i) classification of the news by ESG pillar, material theme, and reported facts; (ii) verification of the presence and treatment of these events in the sustainability reports; and (iii) assignment of scores ranging from –2 to +2, according to criteria of completeness, detail, and explicitness of impacts (Table 2).

Table 2 – Scoring scale for each logical reasoning

Score	Logic (p, q, r)	Interpretation
+2	$p \wedge q \wedge r$	Complete and transparent report
+1	$p \wedge \neg q \wedge r$ ou $p \wedge q \wedge \neg r$	Partially complete report
0	$p \wedge \neg q \wedge \neg r$	Basic report
-1	$\neg p \wedge \neg q \wedge \neg r$	Absent (omitted) report
-2	$\neg p \wedge \neg q \wedge r$	Very insufficient report

Source: Authors' elaboration (2025).

The scores were converted into percentages ranging from -100% to +100%, which allowed companies to be classified into five qualitative levels (Very Transparent, Transparent, Neutral, Omissive, Very Omissive). The comparison between state-owned and private firms aimed to identify average differences, predominant narrative patterns, and the most critical material themes, providing evidence on the influence of ownership structure on the consistency of ESG disclosure.

4 ANALYSIS AND DISCUSSION OF RESULTS

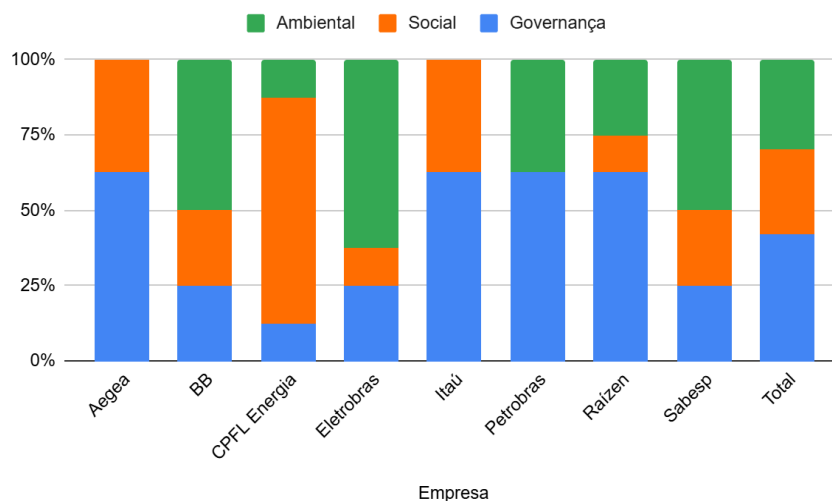
This chapter presents: (i) a descriptive analysis of the sample of 64 news articles (11 outlets), with distribution by ESG pillars, company types, and sectors; and (ii) the application of the coherence score between media coverage and sustainability reports, culminating in the company ranking.

4.1 DESCRIPTIVE ANALYSIS OF THE DATA

A total of 64 news articles from 11 outlets were analyzed; G1 accounted for 32 reports (50%) and UOL for 19 (29.69%), together comprising approximately 80% of the corpus. The predominance of these portals reflects their national reach, constant updates, and relevance in economic-institutional coverage.

Figure 1 confirms Governance as the most reported axis (27/64; 42.19%), followed by Environmental (29.69%) and Social (28.13%).

Figure 1 – Percentage distribution of news articles by ESG Pillar and by Company



Fonte: Source: Authors' elaboration (2025)

The result aligns with the centrality of transparency, compliance, and accountability in the public agenda, with emphasis on cases of corruption, fraud, conflicts of interest, and board changes. Petrobras, Itaú, and Aegea concentrate governance-related articles; Eletrobras, Sabesp, and Petrobras stand out in the Environmental pillar; while the Social pillar is less visible, with relevant mentions in CPFL Energia and Aegea. The focus on Ethics and Compliance (12 occurrences) mirrors media concern with integrity and reputational risks (García-Sánchez et al., 2022), while Customer Satisfaction (10) and Environmental Risk Management (8) reinforce the weight of materially sensitive issues (Cheng & Huang, 2024).

4.2 APPLICATION OF THE SCORE AND RANKING

Table 1 presents the final score (-2 to +2, converted into %). Aegea recorded the best performance (12 pts; 75%); among state-owned firms, Banco do Brasil stood out (10 pts; 62.5%). Itaú had the worst result (-13 pts; -81.25%). Aggregate averages indicate a slight advantage of state-owned (9.38%) over private firms (7.81%), though both remain below expectations. This finding is consistent with the regulatory and social pressure placed on public companies and with the heterogeneity among private firms (some mature; others reactive).

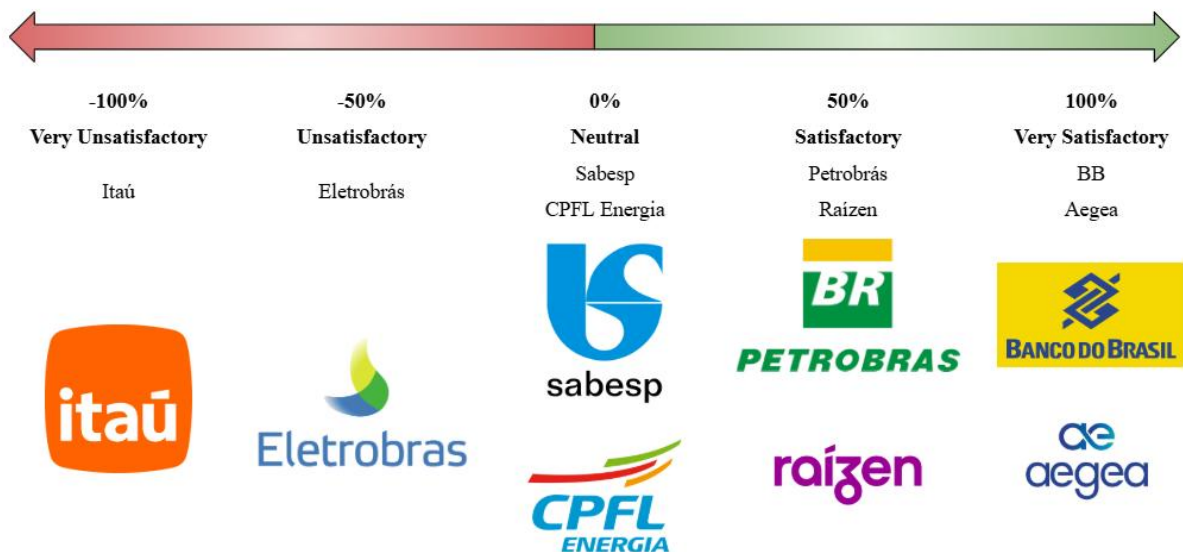
Table 1 – Final score by company and type of ownership

Company	Total Score	Total Score (%)
BB	10	62,50%
Eletrobras	-5	-31,25%
Petrobras	1	6,25%
Sabesp	0	0,00%
State-owned Avg.	1,5	9,38%
Aegea	12	75,00%
CPFL Energia	0	0,00%
Itaú	-13	-81,25%
Raízen	6	37,50%
Private Avg.	1,25	7,81%
Overall Avg.	1,375	8,59%

Source: Authors' elaboration (2025)

The transparency ranking (Table 3) places BB and Aegea as “very satisfactory” (>60%); Petrobras and Raízen as “satisfactory” (<50%); Sabesp and CPFL as “neutral”; Eletrobras as “unsatisfactory”; and Itaú as “very unsatisfactory” (-81.25%). The Itaú case illustrates the misalignment between discourse and practice, despite sectoral recognitions, reinforcing critiques of greenwashing in the financial sector (Delmas & Burbano, 2011).

Table 3 – Ranking by level of transparency



Source: Authors' elaboration (2025).

5 CONCLUSIONS

This study compared corporate sustainability engagement between state-owned and private companies in Brazil (Water and Sanitation; Banking; Energy; Oil and Gas), measuring the coherence between ESG events reported in the press and the content of sustainability reports (2016–2023). The methodology assigned scores based on three criteria — recognition of the event, level of detail, and explicit discussion of impacts — allowing a qualitative assessment of each organization’s transparency.

The results indicate an aggregate advantage for state-owned companies (9.38%) over private ones (7.81%). Although Aegea (private) achieved the highest individual performance (75%), overall consistency was greater among state-owned firms, driven mainly by Banco do Brasil (62.5%). This pattern is consistent with regulatory requirements (Law 13.303/2016) and with the duty of accountability to society and oversight bodies. In contrast, Itaú presented the worst score (–81.25%), evidencing recurrent omissions of critical events (e.g., lawsuits, tax issues) and suggesting symbolic disclosure, aligned with the warnings on greenwashing found in the literature.

Governance was the most frequently covered pillar in the media (42.19%), particularly Ethics and Compliance (12 occurrences), reflecting public scrutiny over integrity, compliance, and accountability — especially in organizations with a history of controversies or strong state presence. Environmental (29.69%) and Social (28.13%) aspects were also significant, notably in Environmental Risk Management and Customer Satisfaction. An expansion in report volumes was observed between 2018–2020 (driven by COVID-19, TCFD, and BlackRock’s 2020 letter); however, greater length ≠ higher quality, as consistency gaps persisted.

The sectoral analysis reinforced heterogeneity: Water and Sanitation had the best overall performance (+12), followed by Oil and Gas; Energy (–5) and Banking (–3) were weaker, indicating that sector materiality, reputational exposure, and governance maturity modulate disclosure practices. The qualitative ranking positioned Aegea and BB as “very satisfactory” (>60%); Petrobras and Raízen as “satisfactory” (<50%); Sabesp and CPFL as “neutral”; Eletrobras as “unsatisfactory”; and Itaú as “very unsatisfactory.”

As a contribution, the study offers a replicable tool to assess informational coherence by triangulating reports and media coverage — an approach that helps distinguish genuine commitment from instrumental communication. From a practical perspective, the findings suggest that state ownership may induce transparency, but it does not guarantee it: organizational culture, institutional pressure, and governance mechanisms are key determinants.

For future research, it is recommended to broaden the sample and sectoral/geographical scope; integrate financial and reputational indicators to test the effects of disclosure on performance and legitimacy; and monitor the adoption of ISSB/IFRS standards with regard to comparability and verifiability of ESG information.

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