

Analysis of diversity actions in the social pillar of ESG reports and their association with the inclusion of people with disabilities in Brazil: an analysis in light of Institutional Theory

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Introdução

ESG (Environmental, Social, and Governance) practices are strategic for companies due to societal, investor, and regulatory pressures, signaling corporate compliance and responsibility. By 2023, over a third of companies globally had committed to socially responsible investments, using ESG for risk management. However, engagement across the three pillars is uneven, since companies often prioritize governance and environmental issues for business growth, while the social pillar receives less attention.

Problema de Pesquisa e Objetivo

Also, a significant gap exists in the social pillar, where widely discussed practices like diversity are frequently narrowed to only performance and gender equality, neglecting broader inclusion. The Brazil's ISE/B3 sustainability index emphasizes diversity communication but does not mandate compliance with the national Quota Law of people with disabilities (PwD). This research investigates if ESG social practices disclosure is associated with fulfilling people with disability quotas and understanding the factors driving people with disabilities inclusion.

Fundamentação Teórica

The main theoretical framework guiding this manuscript is the social pillar of ESG, positioned from a perspective of institutional theory (see DiMaggio and Powell, 1983 and Martiny et al., 2024). The focus of this study is on actions related to diversity management (Yadav and Lenka, 2020; Buettgen et al., 2024) concerning the fulfillment of quotas for people with disabilities. The lens of institutional theory examines diversity actions for the inclusion of people with disabilities, investigating the relationship between these actions in building a socially just and equitable social pillar.

Metodologia

Quantitatively analyzes data to identify if isomorphism mechanisms (coercive, mimetic, normative) and diversity management practices (e.g., training, inclusive recruitment) were linked to effective quota fulfillment. Secondary data published by 139 Brazilian companies participating in the ISE index were analyzed. The research began with an exploratory phase to identify relevant variables from the ISE dataset through documentary and content analysis of social practices. This was followed by descriptive statistics and logistic regression.

Análise e Discussão dos Resultados

The study reveals that large industrial firms listed on Brazil's B3 exchange are less compliant with disability quotas. The research identifies that as organizations' penalty scores increase, so do their social practices. It also identifies risks of "social washing", inconsistencies in the B3's methodology, and finds that more social practices do not guarantee effective impact, like filling quotas. However, establishing diversity targets and using GRI reporting standards were found to be crucial for effective people disability inclusion.

Considerações Finais

The research highlights a risk of socialwashing in ISE/B3, while ESG frameworks offer a chance to improve inclusion, simply having more diversity practices does not guarantee real impact. Key drivers for effective inclusion are setting specific diversity targets and adopting GRI reporting standards. The findings expose a gap between corporate ESG rhetoric and actual practices, urging regulators and decision-makers to use these insights for better policies and accountability. Furthermore, this research should be considered when proposing the minimum requirements for ISE/B3's social pillar.

Referências

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Palavras Chave

social pillar, ESG, diversity and inclusion

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