


## Social, environmental, and corporate governance (ESG): Historical perspectives and key changes in organizations

 <https://doi.org/10.56238/sevned2024.010-008>

**Cássia Mara Alexandrino Silva<sup>1</sup>, Teodoro Antunes Gomes Filho<sup>2</sup>, Flávia Adriana Santos Rebello<sup>3</sup>, Marcello Pires Fonseca<sup>4</sup>, Rafael Teixeira Sebastiani<sup>5</sup>, Antonio Pereira da Silva Junior<sup>6</sup>, Franque da Conceição dos Santos<sup>7</sup>, Christiane Carvalho Veloso<sup>8</sup>, Francisco Roldineli Varela Marques<sup>9</sup>, Gilvan Duarte dos Santos<sup>10</sup>, Thabata Bispo Conceição<sup>11</sup> and Ana Luisa Gordiano de Carvalho<sup>12</sup>**

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<sup>1</sup> Highest academic background: Bachelor's degree in Agronomy (UFT) and Master's student in Sustainable Development and Extension - UFLA

Current institution: Universidade Federal de Lavras - UFLA

E-mail: cassiamarauft@gmail.com

<sup>2</sup> Doctoral student in Education (UNISINOS)

University: University of Vale do Rio dos Sinos (UNISINOS)

E-mail: teoantunes@msn.com

ORCID: <https://orcid.org/0000-0002-7391-5637>

<sup>3</sup> Federal University of Western Pará - Ufopa

Master's student in Business Administration at Must University and Bachelor of Business Administration at PUC-RS

E-mail: flaviaasrebello@gmail.com

<sup>4</sup> Master's Degree in Production Engineering.

University of the State of Amazonas /UEA

E-mail: mclfonseca1@hotmail.com

<sup>5</sup> Highest academic background in undergraduate area: Bachelor's degree in Law and Master's student in Public Health from USP

University: University of São Paulo

E-mail: rafaelts@usp.br

ORCID: <https://orcid.org/0009-0008-0880-5950>

<sup>6</sup> Graduated in Business Administration, Specialist in Public Management, Master's Degree in Education

University: Federal Institute of Piauí

E-mail: anthoniojunior@hotmail.com

ORCID: <https://orcid.org/0009-0006-1188-9353>

<sup>7</sup> Highest education: Majoring in Computer Science

University: Federal University of the São Francisco Valley

E-mail: franquecsantos@gmail.com

<sup>8</sup> Doctor in Accounting and Business Administration from FUCEPE

Full Professor at the Federal University of Piauí

E-mail: christiane.veloso@ufpi.edu.br

ORCID: <https://orcid.org/0000-0002-7545-6761>

<sup>9</sup> Highest academic background in the undergraduate area: Master's Degree in Business Administration - UFRN

Current institution: Federal Rural University of the Semi-Arid

E-mail: roldineli.varela@gmail.com

<sup>10</sup> Highest academic background in undergraduate area: Bachelor's degree in Business Administration, Master's degree in Business Administration and accounting.

University: UEMA - State University of Maranhão and Fucepe Business School

E-mail: gilvand466@gmail.com

ORCID: <https://orcid.org/0000-0002-4485-9672>

<sup>11</sup> POSTGRADUATE IN Administrative Law and Bidding – Faculty of Education of Minas Gerais-FACEMINAS

E-mail: thabata.bispo@gmail.com

<sup>12</sup> Highest academic background in undergraduate area: Master's student in Business Administration at Universidade Salvador (Unifacs), Post-Graduate in Strategic Business Management; Post Graduate in Business Management, Graduated in Foreign Trade.

University: Salvador University

E-mail: luisaagordiano@gmail.com

ORCID: 0009-0009-5534-6440



## ABSTRACT

The objective of this research was to analyze the historical perspectives of social, environmental and corporate governance (ESG) and the main changes in organizations. This was an integrative literature review. Data were collected through a survey of the Google Scholar and Scielo databases, using specific keywords and search criteria in conciliation with the descriptors "AND" and "OR". Analyses of corporate sustainability and environmental compliance show their growing importance in the contemporary business scenario.

Environmental compliance emerges as an essential tool to ensure compliance with environmental standards, mitigate legal risks and promote ethical management. These approaches reflect a paradigm shift in business practices, prioritizing social and environmental impact. By taking a holistic view, businesses can improve their financial performance and contribute to sustainable development. Despite the challenges in implementing compliance and sustainable practices, the benefits are evident, strengthening credibility, attracting investors aligned with corporate values and ensuring long-term success in an increasingly conscious context on social and environmental issues.

**Keywords:** Social, Environmental and Corporate Governance (ESG), Sustainability, Management.



## INTRODUCTION

Concern about the environmental issue has become increasingly pressing in the face of the challenges faced by the planet. Climate change, biodiversity loss, and ecosystem degradation have led to a growing awareness of the need to adopt sustainable practices across all sectors of society. Companies and organizations are being called upon to assume their environmental responsibility, seeking to reduce their ecological footprint, minimize the waste of natural resources, and adopt cleaner and more efficient production practices (LIMA et al., 2024; LIMA et al., 2024).

In this context, the ESG (Environmental, Social and Governance) concept has gained prominence as a comprehensive approach to evaluating the performance of companies in relation to environmental, social and corporate governance issues. ESG considers not only the environmental impacts of an organization's activities, but also its role in society and the quality of its internal management. Companies that adopt an ESG approach seek not only to maximize their profits, but also to contribute positively to the environment and the communities in which they operate, while maintaining high ethical and transparency standards in their operations (RIGON; DEGENHART; RIBEIRO, 2023).

In organizations, ESG integration can manifest itself in a variety of ways, from implementing robust environmental and social policies to diversifying boards of directors to ensure more inclusive and accountable governance. In addition, companies are increasingly incorporating ESG metrics into their financial reporting and adopting responsible investment strategies, considering not only the financial return, but also the social and environmental impacts of their activities (MACHADO; CHECON, 2023).

In a global scenario marked by the urgency of environmental and social issues, ESG is becoming an essential tool for organizations seeking to remain competitive and sustainable in the long term. By integrating ESG considerations into their strategy and operations, companies can not only reduce their risks and costs, but also strengthen their reputation, attract investment, and cultivate stronger relationships with customers, employees, and other stakeholders (DOUEK; ANGELO, 2022).

In view of the above, the objective of this research was to analyze the historical perspectives of social, environmental and corporate governance (ESG) and the main changes in organizations. It is hoped that the results of this research will contribute to the advancement of academic and practical knowledge on the topic, offering useful guidance for companies, investors, regulators, and other actors interested in promoting more sustainable and socially responsible business practices.



## METHODOLOGY

The research was conducted through an integrative literature review, an approach that allows for the synthesis and critical analysis of pre-existing studies on a given topic. This methodological choice was justified by the need to compile and examine a variety of information sources to gain a comprehensive understanding of the historical perspectives of social, environmental, and corporate governance (ESG) and their implications for organizations.

To collect the necessary data, a survey was carried out in the Google Scholar and Scielo databases, using specific keywords and search descriptors such as "corporate governance", "corporate sustainability" and "ESG", combined with the Boolean operators AND and OR to refine the results.

Strict inclusion criteria were applied to select relevant studies. The research focused exclusively on scientific articles published between 2018 and 2023, written in Portuguese and available for free and in full. In addition, only Brazilian studies directly associated with the ESG theme were considered, while other types of documents, such as theses, abstracts, and reports, were excluded to ensure the quality and relevance of the data.

Data analysis was conducted in two distinct stages. In the first stage, the abstracts and titles of the articles were reviewed to identify those that met the inclusion criteria and were aligned with the research objective. In the second stage, the selected articles were read in full and subjected to a detailed analysis to extract relevant information about the historical perspectives of ESG and its implications for organizations. At the end of the process, a sample of three scientific articles was chosen to compose the basis of analysis and discussion of this research.

## RESULTS AND DATA ANALYSIS

Through this integrative review, it was possible to select 3 scientific articles that met the inclusion criteria.



Environmental compliance emerges as a crucial tool for corporate environmental management, protecting the environment and generating value for companies. By seeking a harmonious coexistence between the economy and the environment, compliance contributes to the environmental preservation and economic security of organizations. Despite the challenges, such as the case of Samarco, compliance plays an important role in the search for an ecologically balanced environment, reducing risks and promoting corporate responsibility.

Authors	Objective	Methodology	Conclusion
Carvalho et al. (2019)	Analyze business competitiveness under a triple helix, addressing the main impacts of ESG on organizations	Research is applied, descriptive and quantitative	The proposed study uses an approach based on multi-criteria analysis to evaluate corporate sustainability in companies in B3's non-cyclical sector, considering financial aspects, corporate governance and sustainability. By analyzing secondary data over three years, eleven quantitative and qualitative indicators were compiled for comparative analysis. The results show a correlation between corporate governance practices, social responsibility and financial performance of the companies studied. These findings corroborate the existing literature by suggesting a direct and positive relationship between financial performance and corporate governance, as well as indicating the influence of sustainability on the economic results of organizations. The importance of a comprehensive approach to analyzing business performance is highlighted, considering not only financial aspects, but also governance and sustainability practices.
Santos e Liebl (2020)	Treat the Compliance Program and corporate governance as strategies for companies to achieve socio-environmental management	Inductive method	The compliance program, especially in the environmental sphere, appears as a crucial tool for companies to ensure transparency and compliance with environmental standards, avoiding fines and building credibility in the market. In addition to administrative and business responsibility, socio-environmental responsibility is emphasized, reflecting the search for a change in the mentality of business directors towards more ethical management and committed to environmental and social issues. Faced with corporate scandals and growing concern about environmental damage, it is imperative that companies adopt more conscious and transparent practices, seeking solutions that benefit the environment and society in general. However, current legislation alone is not enough to encourage the voluntary implementation of compliance programs, requiring greater awareness from managers about the importance of complying with legal standards and preventing illegal acts, such as money laundering. Corporate governance plays a crucial role in creating a positive image of the company in the market, helping to attract investors and business partners. Therefore, an effective compliance program, combined with solid governance, not only benefits the company that implements it, but also the entire community and the environment, promoting sustainable development.
Ribas e Costa Junior (2019)	Reflect on the importance of environmental compliance for companies as an instrument of corporate environmental management	Literature review	Environmental compliance emerges as a crucial tool for corporate environmental management, protecting the environment and generating value for companies. By seeking a harmonious coexistence between the economy and the environment, compliance contributes to environmental preservation and the economic security of organizations. Despite challenges, such as the case of Samarco, compliance plays an important role in the search for an ecologically balanced environment, reducing risks and promoting corporate responsibility.

Source: Survey data (2024).

The study conducted by Carvalho et al. (2019) adopts an approach based on multicriteria analysis to assess corporate sustainability in companies in the non-cyclical sector of B3. This methodological choice allows for a detailed analysis, considering different aspects, such as financial, corporate governance and sustainability. The use of secondary data over three years provided a solid basis for benchmarking, ensuring a consistent assessment over time.



The researchers compiled a total of eleven quantitative and qualitative indicators, allowing for a comprehensive and holistic analysis of the companies studied. This wide range of indicators provided a more complete view of business performance, going beyond purely financial aspects and including governance and sustainability practices. Such an approach reflects the current trend of considering not only financial profit but also the social and environmental impact of companies.

The results obtained by the study show a significant correlation between corporate governance practices, social responsibility and financial performance of the companies analyzed. These findings are in line with the existing literature, which suggests a direct and positive relationship between companies' financial performance and the quality of their corporate governance, as well as with their sustainability practices. This finding reinforces the importance of business management that takes into account not only the financial aspect, but also the social and environmental dimensions.

It also highlights the relevance of a comprehensive approach to the analysis of business performance, considering not only financial indicators, but also aspects related to corporate governance and sustainability. This broader perspective allows for a more holistic understanding of the role of business in society and the environment, promoting more responsible and sustainable management. In sum, the study by Carvalho et al. (2019) contributes significantly to the body of knowledge on corporate sustainability, providing valuable insights for researchers, managers, and decision-makers.

The study conducted by Santos and Liebl (2020) highlights the importance of the compliance program, with special emphasis on the environmental aspect, as a fundamental tool for companies to ensure transparency and compliance with environmental standards. By avoiding fines and building credibility in the market, environmental compliance becomes a crucial strategy for mitigating legal and reputational risks associated with environmental infractions. The approach highlights not only the administrative and corporate responsibility, but also the social and environmental responsibility of companies, reflecting a change in mindset towards a more ethical management and commitment to environmental and social issues.

The contemporary context, marked by corporate scandals and a growing concern about environmental damage resulting from human activities, highlights the urgent need for more conscious and transparent business practices. Companies are urged to seek solutions that not only comply with current legislation but also promote the well-being of the environment and society at large. In this sense, the compliance program emerges as a key instrument to ensure legal compliance and prevent the occurrence of illegal activities, such as money laundering.

In addition, the study highlights the fundamental role of corporate governance in promoting a positive image of the company in the market. Solid governance not only strengthens the company's



credibility but also contributes to attracting investors and business partners. The combination of an effective compliance program and robust corporate governance not only benefits the company itself, but also the community and the environment as a whole by promoting sustainable development.

Ribas and Costa Junior (2019) highlight the fundamental role of environmental compliance as an essential tool for the environmental management of companies. By focusing on the search for a harmonious coexistence between economic activity and the preservation of the environment, compliance emerges as a crucial mechanism to ensure compliance with environmental regulations and promote corporate responsibility. The analysis highlights that environmental compliance not only protects the environment, but also generates value for companies, contributing to their economic security.

The study highlights that in the face of environmental challenges and growing concern about damage to the environment, environmental compliance plays a crucial role in promoting more conscious and transparent business practices. By preventing environmental violations and ensuring compliance with regulations, compliance not only protects companies from financial and legal risks, but also strengthens their reputation and image in the market.

However, the study recognizes that there are significant challenges associated with the effective implementation of environmental compliance, as illustrated by the case of Samarco. Despite these challenges, the research emphasizes that environmental compliance remains a relevant tool in the quest for an ecologically balanced environment. By reducing environmental risks and promoting corporate responsibility, compliance contributes not only to environmental sustainability but also to the sustainable economic growth of companies.

## **FINAL THOUGHTS**

The analyses carried out on corporate sustainability and the role of environmental compliance reveal the growing importance of these approaches in the contemporary business context. Through methodologies such as multicriteria analysis, it is possible to comprehensively evaluate the performance of companies, considering not only financial aspects, but also governance and sustainability practices. In turn, environmental compliance emerges as a crucial tool for ensuring compliance with environmental standards, mitigating legal and reputational risks, and promoting more ethical and responsible management.

These approaches reflect a paradigm shift in business practices, where concern with the social and environmental impact of activities is gaining more and more relevance. By taking a holistic view of their role in society, businesses can not only improve their financial performance but also contribute to sustainable development, promoting the well-being of communities and preserving the environment.



Despite the challenges associated with implementing environmental compliance and adopting sustainable practices, the benefits are evident. Conscientious and transparent business management not only strengthens the company's credibility but also attracts investors and business partners who share the same values. Therefore, investing in sustainability and environmental compliance is not only an ethical choice but also a smart strategy to ensure the long-term viability and success of businesses in a world that is increasingly concerned about social and environmental issues.





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