THE DIVERSITY INDEX (IDIVERSA) HAS A NEW ENVIRONMENTAL SOCIAL AND GOVERNANCE (ESG) STRATEGY: PERSPECTIVES AND CHALLENGES

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ABSTRACT

This research aims to analyze whether IDIVERSA influences the disclosure of ESG information by regulated and non- regulated companies in [B]3. Specifically, it addresses the discussion of Agency Theory as one of the main monitoring tools for regulating conflicts of interest and presents some inferences about IDIVERSA's contribution to ESG and corporate governance of companies. The research is descriptive, quantitative, and documentary, and the population is made up of companies listed on [B]3 SA, consisting of 80 companies. The results showed that, unlike other existing indexes, this index works with a grouping thesis by considering the two socially marginalized groups, and this should help to induce ESG practices in the market and attract more investments. The research offers important contributions to the discussion related to gender and racial diversity that promote significant social, environmental and governance (ESG) disclosures by providing new evidence from companies listed on [B]3, which from the perspective of Agency Theory, are concerned with reputational and image risks and meeting the demand of investors concerned with sustainability, inclusion and diversity issues.

Keywords: DIVERSE. Disclosure. ESG.

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INTRODUCTION

The level of participation and composition of genders in the corporate governance structure of companies, as well as in senior positions, is the focus of several national and international studies (Birindelli et al. 2018; Coluccia et al. 2019; Qureshi et al. 2020; Buallay et al. 2020; Prudêncio et al. 2021). So much so that the results obtained for the most distinct scenarios indicate that, regardless of developed or developing economies, the representation of women in the governance structure is substantially lower than that of men (Brugni et al. 2018; Silveira, & Donaggio, 2019; Prudêncio et al. 2021). However, increased participation of women tends to have a positive impact on the organizational performance of companies, as it provides a greater diversity of ideas and individual characteristics that favor the decision-making process (Ntim & Soobaroyen, 2013; Coluccia et al. 2019; Wasiuzzaman & Mohammad, 2020). Although empirically there is no consensus on the effective improvement in performance and socio-environmental disclosure (ESG) as a consequence of the presence of women in corporate decision-making processes, previous studies indicate that gender diversity in companies favors the achievement of these objectives (Silveira, & Donaggio, 2019; Albitar et al. 2020; Qureshi et al. 2020; Reinaldo & Pinto, 2023).

In order to determine the best forms of management in order to make more assertive decisions and constantly maximize results, some studies have been carried out to verify whether or not gender can affect organizational development and other board duties (Rost; Osterloh, 2009; Huang; Huang; Lee, 2014; Montenegro; Brás, 2015; Sultana, 2015). These studies related genders, obtaining evidence that the presence of female individuals in management can positively affect the organization, in terms of better management and organizational performance, when compared to the exclusive presence of male managers (Huang; Huang; Lee, 2014; Low; Roberts; Whiting, 2015).

Some studies have hypothesized that specific configurations of governance mechanisms could create greater environmental awareness in organizations. Gender diversity in committees (governance, fiscal or audit), the presence of independent members, the existence of an environmental committee, the size of the board, the independence of members, the results and size of organizations are mechanisms recorded in the literature as characteristics that can favor both governance and the social and environmental performance of companies (Cucari, Esposito de Falco & Orlando, 2017; Bravo et al., 2019; Reinaldo & Pinto, 2024).

The acronym ESG only appeared in 2005, in the report "Who Cares Wins", the result of an initiative led by the United Nations (UN), under the management of Kofi Annan, in which guidelines and recommendations were proposed on how to address environmental, social and governance issues in asset management, securities brokerage services and research related to the topic ; however, the theoretical basis and conceptual justification of most ESG studies, academic or otherwise, were based on Corporate Social Responsibility (CSR) or Corporate Social Responsibility (CSR), according to several studies (e.g. Drucker, 2017; Chiudini, Cunha, & Marques, 2018; Ponte et al. 2019; Garcia et al. 2021). However, CSR gave way to Social and Environmental Responsibility (SER). Although the concept of ESG is not new, in recent years it has gained considerable prominence worldwide.

It is worth noting that there has been an increase in the mandatory presence of women on committees and boards of directors, encouraged by Bill No. 112 of 2010 presented by Senator Maria do Carmo Alves, which provides for a minimum percentage of women on boards. This inclusion of female participation can generate rapid responses and greater strengthening of corporate governance and sustainability in organizations (Low et al., 2015). Another point to be observed in the field of corporate sustainability is the relationship between the company's true ESG performance and what it discloses through reports, known as disclosure. Whether on explanatory factors, ESG performance (Lourenço & Branco, 2013; Garcia, Mendes- da-Silva & Orsato, 2017; Miralles-Quirós, Miralles-Quirós & Gonçalves, 2018), or the level of ESG disclosure as a whole (Mcbrayer, 2018). There are also studies focused solely on the environmental dimension of disclosure, whether mandatory (Barth et al. 1997; Chen, Cho & Patten, 2014; Leal, Costa, Oliveira & Rebouças, 2018) or voluntary (Cormier & Magnan, 2015; Cormier, Magnan & Velthoven, 2005; Kim, Ryou & yang, 2020). However, some studies highlight a gap between what is disclosed and what is actually implemented, both in the social sphere (such as gender and race criteria) and in the environmental sphere and in corporate governance policies (Reinaldo & Pinto, 2024).

The following research question arises as a guiding point: How can IDIVERSA influence the disclosure of ESG information by companies listed on [B]3? As a general objective, the aim is to verify whether IDIVERSA influences the disclosure of ESG information by regulated and non-regulated companies on [B]3. Specifically, a search will be carried out through bibliometric examinations, touching on the discussion of Jensen and Meckling's Agency Theory (1976) as one of the main monitoring tools to regulate conflicts of interest and reduce agency costs, and present some inferences about IDIVERSA's contribution to ESG and corporate governance of companies.

Structurally, corporate governance constitutes a system of relationships through which companies are managed and monitored, and it is possible to see that there are internal and external governance mechanisms for monitoring management (Nascimento; Reginato, 2010; Rossetti; Andrade, 2014). It is possible to verify existing research on the gender diversity of members of the board of directors or management council, with the argument that a board with "diverse" members can make better decisions, due to the different points of view and contributions that each member can make to the business decisions of organizations, in how women differ from men in terms of communication skills, personality, commitment and diligence, generating an improvement in the quality of discussions and an increase in the capacity, whether of the board of directors or committees, to provide better supervision of company reports (IBGC, 2017).

A study conducted by the International Labor Organization (ILO, 2019) with 13,000 companies in 70 countries, in which 451 Brazilian companies participated, concluded that only a quarter of Brazilian companies have a woman in leadership. The research shows that 69% of business structures have policies for equality, diversity, and inclusion in the workplace. However, the study shows a slow evolution in the rate of women's presence in the Brazilian labor market: in the early 1990s, 43% of Brazilian women worked in companies, rising to 53% in 2018; in other words, in the last three decades, the growth was only 10 percentage points. Also, according to this study, more than 71% of companies reported that initiatives on diversity and gender equality improved their results. Of the companies that reported profit growth associated with gender diversity, 29% stated that they had an increase in profits between 10% and 15%, and 26.2% reported growth between 5% and 10%.

This argument is generally based on agency theory, as the board plays a significant role in resolving agency issues and ensuring a balance between shareholder interests and management (Coluccia, et al. 2019). However, there is little (minimal) research investigating the influence of other spheres of corporate governance, such as the fiscal council, the statutory board or the audit committee. Furthermore, the presence of women can reinforce mechanisms of engagement with stakeholders and increase the credibility of the various corporate reports, since they tend to adopt a relationship of trust more than men, thus contributing to the reduction of information asymmetry (Manetti; Toccafondi, 2012; Gul; Hutchinson; Lai, 2013).

The explanatory basis of the agency theory adopted in this research is based on the classic approach of Jensen and Meckling (1976), considered seminal in governance studies, despite the relevance of previous works. After this work, numerous empirical studies and new theoretical models were developed that go back to historical reasons, involving mismanagement scandals in large multinational companies. An example of this is the Cadbury Committee report, prepared in 1992, in the United Kingdom, dealing with the causes of several events related to the opportunistic management of companies. One of the fundamental assumptions of the agency theory is that there is a conflicting relationship between the objectives of the parties that make up a set of contracts. In short, the agency theory refers to the relationship between principal and agent, in which one-person (principal) hires another (agent) to perform something that involves the delegation of decision-making and authority. This gives rise to the agency relationship, defined as: "[...] a contract under which one or more persons [the principal(s)] employ another person (agent) to perform on their behalf a service that involves the delegation of some decision-making power to the agent" (Jensen and Meckling, 1976).

The Brazilian Institute of Corporate Governance (IBGC, 2017) recommends that there be gender diversity on the company's Board of Directors to provide a plurality of ideas, thus valuing the characteristics of members with richer debates and, therefore, for better decision-making (Martins & Júnior, 2020). Despite the evidence of benefits arising from individual, ethical and social differences of women's participation in the governance structure of entities (Santos, Santos, & Leite Filho, 2019; Silveira, & Donaggio, 2019; Martins & Junior, 2020; Prudêncio et al., 2021).

Over the last decade, there has been a consensus in international literature that greater gender diversity in corporate governance structures can improve firms' socio-environmental and financial performance (Qureshi et al., 2020; Albitar et al., 2020), in addition to generating positive reputational impacts (Bear; Rahman; Post, 2010; Reinaldo & Pinto, 2024). In some countries, this gender diversity has been supported by the enactment of standards and policies that require the mandatory presence of women on boards (Coluccia; Fontana; Solimene, 2018; Reinaldo & Pinto, 2024). As a consequence, there has been an increase in the number of publications that analyze the relationship between the presence of women and the socio- environmental and financial performance of companies (Bear; Rahman; Post, 2010; Ntim; Soobaroyen, 2013; Boulouta, 2013; Brugni et al. 2018; Martins; Ventura, 2020; Prudêncio; Forte; Crisóstomo; Vasconcelos, 2021).

Previous studies generally indicate that greater gender diversity on boards is related to better indicators of corporate social responsibility, better ethical and social reputation, greater compliance with laws and regulations, and better quality of reports disclosed (Abbott & Parker, 2000; Abbott, Parker, Peters, & Raghunandan, 2003; Peleias, Segreti, & Costa, 2009; Furuta & Santos, 2010; Cunha, Pletsch, & Silva, 2015; Camargo & Flach, 2016; Silveira, & Donaggio, 2019; Reinaldo & Pinto, 2024). The central idea is that women can provide different points of view in discussions, which would improve decision-making processes, including ESG decisions and disclosure strategies. Therefore, more women (diversity) in the governance structure would increase the quality of the decision-making process and this would potentially have a positive impact on performance (Qureshi et al. 2020; Bektur & Arzova, 2020).

Many studies have shown the effective improvement in socio-environmental performance and disclosure as a consequence of the presence of women in decision-making processes and the premise that this gender diversity favors the achievement of ESG goals seems to be unanimous (Boulouta, 2013; Garcia, Mendes & Orsato, 2017; Birindelli et al. 2018; Bravo & Reguera - Alvarado, 2018, Coluccia, Fontana & Solimene, 2018; Buallay & Al-Ajmi, 2020; Qureshi et al. 2020; Albitar et al. 2020; Reinaldo & Pinto, 2023).

Lião et al. (2015) found a positive relationship between the percentage of women on boards of directors and environmental disclosure. Ben-Amar et al. (2017) investigated 541 Canadian companies between 2008 and 2014 and found that female board participation was positively related to voluntary disclosure of climate change information. Bravo and Reguera-Alvarado (2018) analyzed the link between female representation on audit committees and specific ESG disclosure attributes of 93 Spanish companies from 2012 to 2015. Using panel data, the authors found a positive association between gender diversity and the quality of ESG disclosure.

Gender diversity in board meetings can bring benefits, such as greater experience and training to the group, resulting in a diversification of views in decision-making or problem-solving, which may not occur in a homogeneous board of directors, causing groupthink (Low, Roberts and Whiting 2015). It is important to note that this review is not intended to be exhaustive, and considering as some of the most significant studies those that meet at least the following assumptions: i) gender and racial diversification will enable more efficient management, making the board more independent; ii) diversification may minimize possible conflicts in the group and more complex decisions; iii) the existing studies on the constructs of this research present effective theoretical consistency . After outlining this initial framework, some inferences and contributions on the possibilities inherent to IDIVERSA will be presented.

The literature has shown that gender diversity in the corporate governance structure of companies and, more specifically, in the board of directors, contributes to greater engagement and disclosure of ESG aspects (Bear, Rahman & Post, 2010; Al-Shaer & Zaman, 2016; Arif et al., 2021; Wasiuzzaman & Mohammad, 2020). However, research has focused on analyzing only the composition of the board of directors to the detriment of other components of the governance structure that may impact the relationship. There is little evidence that considers the representation and diversification of gender and race (together) in the other Committees and their effects on ESG disclosure (Bravo & Reguera-Alvarado, 2018; Arif et al., 2021; Reinaldo & Pinto, 2024). Thus, this research aims to analyze whether IDIVERSA influences the disclosure of ESG information by regulated and non-regulated companies in [B]3.

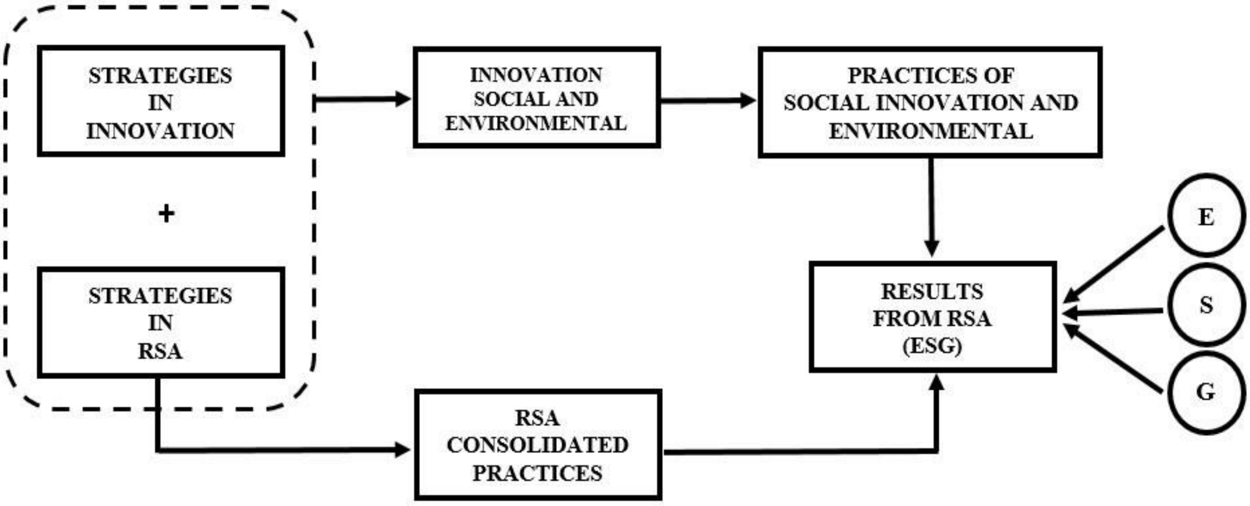
METHODOLOGY

This study is classified as descriptive and qualitative, based on the studies of Patton (2015) that seeks to examine and reflect on perceptions that bring an understanding of the topic addressed in a descriptive way of the aspects defined in documents, bibliographic materials and pertinent legislation, where the characteristics of IDIVERSA, the diversity index with a focus on gender and race of [B]3, will be presented. This new indicator is a way of recognizing listed companies that stand out in diversity, in addition to promoting greater representation of underrepresented groups, such as women, black people and indigenous people in the market.

In order to understand this indicator, this research used content analysis, which is a set of communication analysis techniques aimed at obtaining, through systematic and objective procedures, descriptions of the content of messages that allow the inference of knowledge related to the conditions of production/reception of these messages (Bardin, 2018).

In view of these preliminary aspects, the analytical framework and methodological approach of this study are structured in two moments, summarized in Figure 1 and briefly explored below.

Figure 1: Framework of the methodological path



Source: Reinaldo & Pinto, 2024.

It is worth noting that these moments did not occur in a linear manner, as is the case in this research. It involved a long process of "interobjectification", as described in the studies by Cefai (2003) and Zask (2004), where they state that the experience is then considered on two levels: at the level of observed reality, in which the actors and their environment are perceived from the perspective of interaction, and at the level of the empirical procedure itself, which configures (through the investigation) an interobjectification of knowledge between researcher(s) and investigated(s). However, due to the object of study proposed in this research, the path of RSA strategies was used, where IDIVERSA is intrinsically related to the Social (S) and Governance (G) axes.

IDIVERSA B3 aims to make diversity indicators visible and tangible to the market and generate comparability in companies' performance, encouraging them to adopt best practices in relation to diversity. It is a total return index that seeks to reflect not only the variations in the prices of the assets included in the index over time, but also the impact that the distribution of profits by the companies issuing these assets would have on the index's return.

The following values are incorporated into the index portfolio:

- Dividends;
- Interest in equity and income (net of tax);
- Subscription rights (price with rights discounted from the ex-theoretical price);
- Value of any assets received that is different from the assets originally owned; and
- Value of any subscription rights to assets other than the assets originally owned.

ANALYSIS AND DISCUSSION OF RESULTS

At the beginning of 2023, the Securities and Exchange Commission (CVM) began to require the presentation, in the Reference Forms (FRe), of the number of employees and members of the management bodies and boards of companies grouped by gender and race, the first Latin American index to combine these criteria in a single indicator.

To join IDIVERSA, a company must have at least one woman or one black person on its Board of Directors and one woman or one black person on its Statutory Board. If only one person is in one of these areas of the company but not in another, the company's participation is invalidated. The challenge is clarity regarding intersectionality, since the company may, for example, count a black woman twice.

Based on this data, [B]3 calculated a score for each company, which it called the Diversity Score, taking into account its sector of activity. The result of the score is one of the main criteria for defining a company's entry into the new index, in addition to the liquidity criteria , which defined the selection of companies that make up this index.

Unlike other existing indexes that only look at gender or race, this index works with a grouping theory by considering the two socially disadvantaged groups. This should help to induce ESG practices in the market and attract more investments, according to a statement by Ana Buchaim, vice president of people, marketing, communication, sustainability and private social investment at [B]3.

IDIVERSA has the following inclusion criteria:

- Be among the eligible assets that, during the period of validity of the 3 (three) previous portfolios, in decreasing order of Negotiability Index (IN), together represent 99% (ninety-nine percent) of the total sum of these indicators (see B3 Index Definitions and Procedures Manual);
- Have a 95% (ninety-five percent) presence at the auction during the validity period of the 3 (three) previous portfolios;
- Not be classified as a “Penny Stock ”;
- Present a B3 Diversity Score greater than or equal to the average minus the standard deviation of the B3 Economic Sector;
- Have at least one representative of underrepresented groups on the Board of Directors, as an effective member; and
- Have at least one representative from underrepresented groups on the Statutory Board.

The exclusion criteria are:

- Assets that no longer meet any of the above inclusion criteria; and
- Assets that, during the term of the portfolio, are listed in a special situation (B3 Index Definitions and Procedures Manual[3]). They will be excluded at the end of their first trading day in this classification.

It is worth remembering that ' penny stocks ' are the shares of a company that are traded on the stock exchange for less than R$1 (one real). Translated as "penny stocks", or "penny stocks", the term is used to refer to shares of companies with little capitalization capacity and that are facing management problems or are in the process of bankruptcy.

[3] Accessed at: https://www.b3.com.br/data/files/AF/83/C4/BA/25CB7610F157B776AC094EA8/Conceitos-Procedimentos-nov2018.pdf

Because they have a low price, penny stocks suffer high volatility, offer higher risks and do not have much liquidity, as described in the B3 Index Definitions and Procedures Manual.

With validity starting August 15, 2023, the first IDIVERSA B3 portfolio includes 80 companies as per Table 1, covering ten economic sectors. This index is the tenth in the family of ESG indicators made available by the Brazilian Stock Exchange. According to [B]3, the family also includes ISE B3, this one for sustainability, IGPTW B3, which brings together the best companies to work for; and ICBIO, which monitors the prices of decarbonization credits, among others.

Table 1: Companies participating in IDIVERSA B3

Ticker	Company
ABEV3	AMBEV SA
AESB3	AES BRAZIL ENERGY S.A.
ALSO3	ALIANSCE SONAE SHOPPING CENTERS SA
AMBP3	AMBIPAR PARTICIPATIONS AND ENTERPRISES S/A
ANIM3	ANIMA HOLDING SA
ASAI3	SENDAS DISTRIBUTOR SA
AURE3	AUREN ENERGY SA
BLUE4	BLUE SA
B3SA3	B3 SA – BRAZIL, STOCK EXCHANGE, COUNTER
BBAS3	BCO BRAZIL SA
BBDC3	BANK BRADESCO SA
BBDC4	BANK BRADESCO SA
BBSE3	BB SECURITY PARTICIPATIONS SA
BLAU3	BLAU PHARMACEUTICALS SA
BPAC11	BANK BTG PACTUAL SA
BPAN4	BCO PAN SA
CBAV3	BRAZILIAN ALUMINUM COMPANY
CIEL3	CIELO SA – PAYMENT INSTITUTION
CLSA3	CLEAR SALE SA
CPFE3	CPFL ENERGIA S.A.
CPLE6	PARANÁ ENERGY COMPANY – COPEL
CSAN3	COSAN SA
CVCB3	CVC BRAZIL TRAVEL AGENCY AND OPERATOR SA
CXSE3	SECURITY BOX PARTICIPATIONS SA
CYRE3	CYRELA BRAZIL REALTY SA EMPREEND AND PART
DASA3	AMERICAN DIAGNOSTICS SA
DXCO3	DEXCO SA
ECOR3	ECORODOVIAS INFRASTRUCTURE AND LOGISTICS SA
EGIE3	ENGIE BRAZIL ENERGY S.A.
ELET3	POWER PLANT ELET BRAS SA – ELETROBRAS
ELET6	POWER PLANT ELET BRAS SA – ELETROBRAS
ENGI11	ENERGISA SA
EQTL3	EQUATORIAL ENERGY S.A.
ESPA3	MPM CORPORATE S.A.
EVEN3	EVEN CONSTRUCTION AND DEVELOPMENT COMPANY INC.
FESA4	BAHIA IRON ALLOY COMPANY – FERBASA
FLRY3	FLEURY SA
GMAT3	MATEUS GROUP SA
GOLL4	GOL INTELLIGENT AIRLINES SA
HYPE3	HYPERA SA
IGTI11	IGUATEMI SA

IRBR3	IRB – BRAZIL REINSURANCE S.A.
ITSA4	ITAUSA SA
ITUB3	ITAU UNIBANCO HOLDING S.A.
ITUB4	ITAU UNIBANCO HOLDING S.A.
LAVV3	LAVVI REAL ESTATE ENTERPRISES SA
LJQQ3	QUERO-QUERO STORES INC.
LREN3	RENNER STORES SA
LWSA3	LOCAWEB INTERNET SERVICES SA
MATD3	HOSPITAL MATER DEI S/A
MDIA3	M.DIAS BRANCO SA FOOD INDUSTRY
MGLU3	MAGAZINE LUIZA SA
MILS3	MILLS RENTAL, SERVICES AND LOGISTICS S.A.
MRVE3	MRV ENGINEERING AND PARTICIPATIONS SA
MYPK3	IOCHPE MAXION SA
NEOE3	NEOENERGIA SA
ODPV3	ODONTOPREV SA
ONCO3	ONCOCLINICS OF BRAZIL MEDICAL SERVICES SA
PETR3	BRAZILIAN PETROLEUM SA PETROBRAS
PETR4	BRAZILIAN PETROLEUM SA PETROBRAS
PETZ3	PET CENTER TRADING AND PARTICIPATIONS SA
PGMN3	PAY LESS PROJECTS SA
POSI3	POSITIVE TECHNOLOGY S.A.
RADL3	RAIA DROGASIL SA
RENT3	LOCALIZA RENT A CAR SA
SANB11	SANTANDER BANK (BRAZIL) SA
SAPR11	PARANA SANITATION COMPANY – SANEPAR
SBFG3	SBF GROUP SA
SBSP3	BASIC SANITATION COMPANY STATE OF SAO PAULO
SEER3	SER EDUCATIONAL SA
SEQL3	SEQUOIA LOGISTICS AND TRANSPORTATION S.A.
SQIA3	SINQIA SA
TEND3	CONSTRUCTION TENDA SA
TIMS3	TIM SA
TOTS3	TOTVS SA
VALE3	VALE SA
VBBR3	VIBRA ENERGY SA
VIVA3	VIVARA PARTICIPATIONS S.A.
VLID3	VALID SOLUTIONS SA
YDUQ3	YDUQS PARTICIPATIONS SA

Source: Data extracted from [B] 3(2023).

The IDIVERSA B3 offer will enable the development of investment products, such as passive and active funds, as well as index funds that may increase the product offering for end investors. In addition to providing visibility and transparency to companies that stand out in their sectors in the area of diversity, indexes are essential tools for market development as they provide investors with references for evaluation, investment planning and portfolio formation.

Thus, it is understood that gender diversity and the expansion of women's participation can make the board of directors, as well as the audit committee, more efficient in the process of monitoring managers. This is because this diversity broadens the debate and the directors' vision on viable solutions that can be implemented to solve problems that are present in the organization's day-to-day activities (Westphal & Milton, 2000, Daily &

Dalton, 2003; Reinaldo & Pinto, 2024). These decisions are also linked to monitoring since boards of directors with greater gender diversity can be more effective in monitoring managers in earnings management practices. Srinidhi et al. (2011) showed that boards with a greater level of gender diversity have a reduction in the level of discretionary accruals that can be managed. In contrast to the findings of Srinidhi et al. (2011), the research by Sun et al. (2011) and Lara et al. (2017), found no concrete evidence that gender diversity is beneficial to the quality of financial reporting.

CONCLUSION

IDIVERSA B3 is an indicator composed exclusively of shares and units of companies listed on B3 that meet the inclusion criteria described in the methodology. This universe does not include BDRs (Brazilian Depositary Receipts, or simply BDRs, which are receipts from companies traded abroad, as described in the B3 Index Definitions and Procedures Manual) and assets of companies under judicial or extrajudicial recovery, or special temporary administration regime, intervention or, even, that are traded in any other special listing situation as described in the B3 Index Definitions and Procedures Manual.

To highlight the need for IDIVERSA, it is worth noting that, in addition to the survey conducted by the International Labor Organization (ILO) in 2019, as previously presented, there is also the Panorama Mulher survey, conducted by the partnership between Talenses and Insper, in 2019, which consulted 532 companies headquartered in Brazil, North America, and Europe and showed that only 19% of leadership positions in Brazilian companies are held by women. Women occupy 26% of board positions, 23% in vice-presidency, 16% on boards, and only 13% occupy the presidency (Talenses & Insper, 2019). As the market increases its focus on the issue of gender diversity, several affirmative action policies have been instituted around the world (such as in Norway, France, Sweden, Finland, and New Zealand) to encourage increased gender diversity in governance (Deloitte, 2019). From the above, it can be seen that this context responds to the assumptions raised previously.

As limitations of this study, it is worth noting that this indicator was inserted into the organizational context in 2023, and its results and disclosure of its scores in relation to ESG can only be analyzed from the next accounting fiscal year of 2024, thus limiting a better analysis of the available data or in a joint intersectoral or intrasectoral manner. Another point to highlight as a limitation is the information that was not found, in its entirety, on the aspects required by this indicator, in the reference forms; because the companies that are part of this initial list adhered voluntarily, which also tends to limit a more consistent analysis.

The results of this study offer important contributions to the discussion related to gender and racial diversity that promote significant social, environmental and governance (ESG) disclosures by providing new evidence from companies listed on [B]3, which, from the perspective of Agency Theory, are concerned with reputational and image risks and meeting the demand of investors concerned with sustainability, inclusion and diversity issues. In this sense, the representativeness highlighted in this study is a determining aspect in the probability of occurrence of those disclosures, and if associated with a longer term of office, can contribute to the occurrence and expansion of ESG disclosures by institutions.

As a suggestion for further investigations into the implications of the constructs presented in other governance mechanisms, management positions at the executive level of organizations, in addition to their implications in aspects related to the disclosure of results or aspects that refer to the quality of the information disclosed that assist in the decision-making process of stakeholders. As well as, increasing the number of studies on the participation of other diversities (black, indigenous, transgender) in the governance structure to analyze what impact on the decision-making process and/or organizational performance.

CONFLICT OF INTEREST

One of the obligations of scientists in their research is to disseminate their results. Science does not disclose damage or losses, but rather tested causes that benefit the understanding of the object studied to clarify specific or longitudinal situations, as well as promote new research, as was done in this study.

This study is exempt from any typology or classification of conflict of interest because it complies with what is expressed in Law No. 12,813, of May 16, 2013, which, in its article 3, item I, contains the following concept: “situation generated by the conflict between public and private interests, which may compromise the collective interest or unduly influence the performance of the public or private function” (Brazil, 2024). Furthermore, it is also in compliance with ISO 37001:2017, a standard responsible for the requirements and guidelines for implementing anti-bribery management systems, which defines conflict of interest as “situations in which business, financial, family, political or personal interests may interfere with the judgment of people in the exercise of their obligations to public or private organizations” (ISO, 2024).

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