

# Transparency in sustainability reporting: a case study of Natura Cosméticos S.A. on the practice of voluntary disclosure

*Transparência dos relatórios de sustentabilidade: um estudo de caso da Natura Cosméticos S.A. sobre a prática de divulgação voluntária*

Jorge Yoshio Kanda <sup>1</sup>

Miriã Michaela de Souza Bandeira <sup>2</sup>

<sup>1</sup> PhD in Science, Professor, School of Social Studies, Federal University of Amazonas, Manaus, AM, Brazil

E-mail: jkanda@ufam.edu.br

<sup>2</sup> Undergraduate student in Administration, School of Social Studies, Federal University of Amazonas, Manaus, AM, Brazil

E-mail: miria.bandeira@ufam.edu.br

doi:10.18472/SustDeb.v16n2.2025.57643

Received: 26/03/2025

Accepted: 18/08/2025

ARTICLE- VARIA

## ABSTRACT

Sustainability reports stand out as key communication tools for environmental, social, and economic issues with stakeholders, meeting the demands of a market to integrate environmental considerations into organisational practices. The objective of this research is to analyse the level of transparency in sustainability reports and the reliability of information in Natura Cosméticos S.A.'s annual disclosures. This research is classified as exploratory qualitative and incorporates an analysis of documents by examining Natura Cosméticos S.A.'s sustainability reports from 2020 to 2023. The results reveal a selectivity of information, prioritising optimistic disclosures to favour the company's self-image and the maintenance of its social contract. This research contributes to scientific advancement in the field of environmental management and encourages interdisciplinary studies focused on legitimate transparency.

**Keywords:** Environmental Management. Voluntary Disclosure. GRI. Corporate Communication.

## RESUMO

*Os relatórios de sustentabilidade destacam-se na comunicação sobre questões ambientais, sociais e econômicas com as partes interessadas, atendendo às demandas de um mercado que busca integrar o meio ambiente às práticas organizacionais. O objetivo desta pesquisa é analisar o nível de transparência dos relatórios de sustentabilidade e a confiabilidade das informações nas divulgações anuais da Natura Cosméticos S.A. Esta pesquisa é classificada como qualitativa exploratória e incorpora a análise documental ao examinar relatórios de sustentabilidade da Natura Cosméticos S.A. no período de 2020 a 2023. Os resultados revelam uma seletividade das informações, priorizando divulgações otimistas a*

favor da autoimagem e manutenção do contrato social. A pesquisa contribui para o avanço científico na área de gestão ambiental e estimula pesquisas interdisciplinares voltadas para a transparência legítima.

**Palavras-chave:** Gestão Ambiental. Divulgação Voluntária. GRI. Comunicação Empresarial.

## 1 INTRODUCTION

Eco-efficiency is a business philosophy that describes the practice of environmental management by corporations (Almeida, 2002). According to the author, the basis for sustainable development promotes the creation of new technologies for more efficient production from an economic and environmental point of view, whether through regulations (Giakoumelou *et al.*, 2024), subsidies (Liu; Xu; Wang, 2022), or competitive advantages (Xu *et al.*, 2020).

Sustainability reports are a communication mechanism that organisations use to communicate sustainability issues to all those with whom they interact (Laine; Tregidga; Unerman, 2021). For Swarnapali (2020), these reports should highlight corporate responsibilities regarding the impacts of their actions on society and the environment, in addition to demonstrating a commitment to sustainable development. The disclosure of sustainability reports is an institutionalised practice among large organisations (Larrinaga *et al.*, 2020).

Abeysekera (2022) points out that the Global Reporting Initiative (GRI) standards are the most widely used framework for preparing sustainability reports. Therefore, they are a valid path to consolidating transparency, which implies the openness of organisational activities. Companies must share information transparently with their stakeholders to help them make the best decisions, serving as a basis for guiding the disclosure of sustainable actions (Tang; Higgins, 2022).

A survey conducted by KPMG (2022) entitled “Big Changes, Small Steps – Global Sustainability Reporting Survey 2022” revealed that 76% of companies in Brazil provide sustainability information. It is noteworthy that the main methodology used in sustainability reports in the country is based on the GRI framework, which was found in 93% of the companies analysed, whose disclosure has occurred voluntarily over the last 30 years.

Laine, Tregidga, and Unerman (2021) indicate that reporting transparency is a voluntary practice; thus, it is commonly questioned. Corroborating this, Crous *et al.* (2021) state that through an optimistic structure, reports can present discourses geared toward managing greenwashing and diverting public attention from unsustainable practices. This situation compromises the credibility of the information regarding the indicators used to evaluate the reports quantitatively (“hard”) and qualitatively (“soft”).

In this context, the research is guided by the following question: how transparent are sustainability reports as a corporate communication mechanism to stakeholders? Given this question, the main objective of the research is to analyse the transparency of sustainability reports and their level of reliability when disclosed. To achieve this, the following specific objectives were defined: i. to report how sustainability information is disclosed; ii. to identify the level of “hard” and “soft” information; iii. to analyse the quality of transparency regarding the information disclosed.

Natura Cosméticos S.A. was chosen as the study subject because it is the only Brazilian company ranked in the Sustainability Leaders 2024 and is one of the three most sustainable organisations in the world (Globescan, 2024). Additionally, the cosmetics industry has been strongly influenced by sustainable demand (Bom *et al.*, 2019), and since 2000, the company has published annual reports in accordance with GRI standards (Natura, 2021).

For Hepper *et al.* (2017), sustainability guides companies toward business opportunities, serving as a springboard for economic success. Solio (2018) reiterates that good sustainability practices are directly linked to ethics, transparency, and fairness, which are indispensable elements in corporate communication.

The paradox between the transparency of sustainability reports and the legitimacy of organisations justifies this research, which is relevant to administration and environmental management, as the critical analysis of the transparency and reliability of sustainability reports is a key element in corporate communication. Given the ongoing quest for legitimacy and the growing demand for clarity in environmental disclosures, the study investigates the inherent contradiction of transparency, evidenced by the selectivity of information and the prioritisation of subjective (“soft”) data over quantitative (“hard”) data. This approach is crucial to understanding how voluntary disclosure is shaped by corporate self-image and the maintenance of the social contract, which impacts stakeholder perceptions and raises questions about the integrity of communication and the presence of greenwashing. Thus, the work contributes to the scientific advancement of environmental management, encouraging future interdisciplinary research focused on transparency practices for new managers.

## 2 THEORETICAL FRAMEWORK

### 2.1 VOLUNTARY DISCLOSURE AND GREENWASHING

Public and private institutions face constant pressure from customers, competitors, partners, regulatory agencies, and society to adopt environmentally sustainable business practices (Martin; Lunardi; Dolci, 2020). This has led to an increase in the number of companies that voluntarily publish their sustainability reports (Larrinaga; Bebbington, 2021). However, both assumptions fail to consider how diluted the information disclosed becomes, given the proliferation of reports that lack adequate consistency in the content described.

Sustainability reports should assist stakeholders with sustainability-related issues (Villiers *et al.*, 2022). However, Laine, Tregidga, and Unerman (2021) point out that the lack of standardisation in the preparation of information results in different ways of environmental and social disclosure. This heterogeneity implies that reports require a structure that allows for comparisons with each other. Although some reports follow certain standards, such as the GRI, they may not cover all corporate interactions, especially those that are financially immeasurable, complex, and non-auditable and non-assurable (Boiral; Heras-Saizarbitoria, 2020).

The voluntary nature of sustainability reports can contain manipulated information to positively influence stakeholders and contradict the logic of including negative aspects to avoid greenwashing (Machado; Dias; Fonseca, 2021). Under these conditions, organisations would be free to define the information to be disclosed according to their own criteria and interests. This approach undermines the quality of disclosures and prioritises only one part in the complex relationship between companies and stakeholders.

The deceptive communication strategy that camouflages unsustainable environmental practices is known as greenwashing (Corrêa; Machado; Braga Júnior, 2018). Companies use greenwashing as a strategy to improve their reputation and the legitimacy of their environmental actions (Torelli; Balluchi; Lazzini, 2020). This structural weakness jeopardises the integrity of voluntary disclosure by making it susceptible to bias.

## 2.2 TRANSPARENCY AND LEGITIMACY

Transparency in sustainability reports is difficult to achieve collectively due to heterogeneity (Quattrone, 2022). Boiral and Heras-Saizarbitoria (2020) point out that transparency in sustainability reports is a major challenge given the complexity of the different demands and expectations involved in these reports. This scenario assumes that, even given the disclosure standards proposed by the GRI, the confluence of multiple interests is a determining factor that can distort the reports from their initial objective.

Tang and Higgins (2022) emphasise that despite organisations' enthusiasm for publishing sustainability reports as an approach to transparency, doubts persist about whether they deliver on their promises. The main criticism is that reports are constructed to maintain a corporate reputation at the expense of what is considered true. In this way, it is understood that organisations are not spontaneously interested in being more transparent but rather seek to attract the interest of their most relevant audiences through this approach.

This paradigm of transparency in disclosures is intrinsic to the Legitimacy Theory, which leads to the existence of a reciprocal relationship between entities, in which organisations are constantly influenced by the society in which they operate and, at the same time, influence this same society (Deegan, 2002). Once the idea of a social contract is established, Miotto and Youn (2020) argue that organisations seek to adopt behaviours aligned with societal norms and values, especially given the social preference for demonstrating a solid commitment to sustainable issues. Thus, the survival of organisations is interconnected and substantially dependent on the social contract, and once this contract is violated, it can be considered a threat to legitimacy.

Veltri *et al.* (2023) present two distinct approaches to preserving legitimacy. The first, called substantive, identifies a true commitment to sustainability, while the other, called symbolic, is marked by a more disinterested yet sufficiently camouflaged approach to sustainability issues. This distinction is crucial to understanding the intricate dynamics in which organisations operate in their daily lives, and it does not exempt them from the demands of public attention regarding their commitment to acting with full transparency.

## 3 METHODOLOGY

The research adopts a qualitative approach to discuss the transparency of the sustainability reports of Natura Cosméticos S.A. This methodology provides an interpretative analysis of the data, deepening the understanding and contextualisation of the issues studied (Soares, 2019).

The quality of the information disclosed by the company was assessed through content analysis. This method, according to Cardoso, Oliveira, and Ghelli (2023), allows us to interpret the meanings of communications in their production and reception. The nature of the research is documentary, as data collected from Natura Cosméticos S.A.'s annual sustainability reports are prepared by the GRI standard, published from 2020 to 2023 (Natura, 2020, 2021, 2022, 2023).

The sustainability disclosure indices proposed by Clarkson *et al.* (2008) and Voges, Broietti and Rover (2021) were used as a basis to identify the transparency levels of the sustainability reports of the organisation selected for this research. These indices are classified as "hard" when the information is quantitative and "soft" when it is qualitative.

In the methodology of Voges, Broietti, and Rover (2021), the 'hard' set is divided into four categories: (1) governance structure and management system, (2) credibility, (3) environmental performance indicators, and (4) environmental expenditures. The items in each category were scored based on the

assessment of sustainable governance practices disclosed in the reports. The maximum score (one point) was assigned to a practice that was widely disclosed, the minimum score (zero points) was given for no disclosure, and half a point was given for only partial disclosure. It is noteworthy that environmental performance indicators received a score six times higher than the indicators in the other categories.

Regarding the “soft” set, the evaluation criteria are divided into three categories: (5) vision and strategic statements, (6) environmental profile, and (7) environmental initiatives. Following the methodology of Voges, Broietti, and Rover (2021), after analysing the company’s reports, one point was assigned when complete information regarding the evaluated item was identified, half a point when disclosure was only superficial or partial; and zero points if disclosure was absent.

## 4 ANALYSIS AND DISCUSSION OF RESULTS

### 4.1 EVALUATION OF “HARD” INDEXES

Table 1 presents the results of the evaluation of items from the four categories of measures in the “hard” set: (1) Governance Structure and Management System, (2) Credibility, (3) Environmental Performance Indicators and (4) Environmental Expenditures.

**Table 1** – Results of the evaluation of “hard” indexes.

<i>Item</i>	<i>Measure Assessed</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
1.1	Existence of a pollution control department and/or management positions for environmental management purposes.	0.5	0.5	0.5	0.5
1.2	Existence of an environmental and/or public discussion committee on the board.	1.0	1.0	1.0	1.0
1.3	Existence of terms and conditions applicable to suppliers and/or customers regarding environmental practices.	1.0	1.0	1.0	1.0
1.4	Stakeholder involvement in establishing corporate environmental policies.	1.0	1.0	1.0	1.0
1.5	Implementation of ISO 14001 at the factory and/or company level.	0.0	0.0	0.5	0.5
1.6	Link between executive compensation and their environmental performance.	1.0	1.0	1.0	1.0
2.1	Adoption of GRI guidelines for disclosure of sustainability reports.	0.0	0.0	1.0	1.0
2.2	Periodic independent verifications/audits of environmental performance and/or systems.	0.0	1.0	1.0	1.0
2.3	Certification of environmental programs by independent agencies.	1.0	1.0	1.0	1.0
2.4	Product certification for environmental impact.	1.0	1.0	1.0	1.0
2.5	External awards for environmental performance and/or inclusion in a sustainability index.	0.0	1.0	1.0	1.0
2.6	Stakeholder involvement in the environmental disclosure process.	1.0	1.0	1.0	1.0
2.7	Participation in other environmental organisations/associations to improve environmental practices.	1.0	1.0	1.0	1.0
3.1	IDA on energy use and/or energy efficiency.	6.0	6.0	3.0	6.0
3.2	IDA on water use and/or water use efficiency.	6.0	6.0	6.0	6.0
3.3	IDA on greenhouse gas emissions.	6.0	6.0	6.0	6.0

Item	Measure Assessed	2020	2021	2022	2023
3.4	IDA on toxic product releases.	0.0	0.0	0.0	6.0
3.5	IDA on other discharges, releases, and/or spills.	0.0	0.0	0.0	0.0
3.6	IDA on waste generation and/or management (recycling, reuse, reduction, treatment, and disposal).	6.0	6.0	6.0	6.0
3.7	IDA on land and resource use, biodiversity, and conservation.	6.0	6.0	6.0	6.0
3.8	IDA on the environmental impacts of products and services.	6.0	6.0	6.0	6.0
4.1	Summary of monetary savings by the company as a result of environmental initiatives.	0.5	0.5	0.5	0.5
4.2	Amount spent on technologies, R&D, and/or innovations to improve environmental performance and/or efficiency.	0.5	0.5	0.5	0.5
4.3	Amount spent on fines related to environmental issues.	0.0	0.0	0.0	0.0

Source: Prepared by the authors (2025).

0.5 points were assigned to item 1.1 of category (1) Governance Structure and Management System because although there is no direct mention of the existence of a pollution control department or specific actions for environmental management, the company shows concern in presenting a commitment to the sustainable cause and to the reduction of impacts, monitoring environmental issues.

In the same category, there was minimal progress in item 1.5 from 2022 onwards. When analysing the reports, mentions of the ISO 16128, ISO 45001 and ISO 31000 standards were found. However, there was an absence of ISO 14001, which establishes requirements for the concrete implementation of an Environmental Management System.

When evaluating the aspects of category (2) Credibility, no precise information was found on the GRI guidelines for 2020 and 2021 corresponding to item 2.1. Only in 2022 was this aspect covered, and for this reason, the score has increased to 1.0.

In 2020, information regarding independent audits to assess the company's environmental performance or systems (item 2.2) was missing. That same year, external awards for the company's environmental performance were also not disclosed (item 2.5). The remaining items received maximum scores because relevant information was properly disclosed in the reports.

In the context of category (3) Environmental Performance Indicators, no specific information was disclosed regarding energy efficiency or reduction in energy consumption (item 3.1) during 2022, there having been only mentions of pressures on energy prices caused by the war between Russia and Ukraine, indicating partial scope.

From 2020 to 2022, there were no specific statements about preventing the release of toxic products (item 3.4). This aspect was addressed only in 2023, highlighted by agroecological management without the use of pesticides and the human-on-a-chip methodology, which allows us to understand whether raw material is critical or not for toxicological items. The reports from 2020 to 2023 also do not mention discharges, releases, or spills of toxic products, so a score of zero was assigned to item 3.5.

When analysing section (4) Environmental Expenditures, 0.5 points were given to item 4.1, which summarises the company's savings resulting from environmental initiatives. This score was consistent across all years, supported by additional information such as the performance of business units and philanthropic initiatives, which helped establish a connection with the long-term economy, but no monetary values were found.

Regarding item 4.2, the reports mention the creation and adoption of new technologies and innovations, such as the Natura & Co Cyber Hub, mandatory training, synergistic mapping, and the identification of areas of specialisation to drive future innovation. However, no monetary values for acquisition or implementation were presented, so a score of 0.5 was assigned. Finally, for all the years analysed, no mention was made of environmental fines; thus, a score of zero was assigned for item 4.3.

## 4.2 EVALUATION OF “SOFT” INDEXES

Table 2 presents the results of the evaluation of the items in the three categories of the “soft” set: (5) Vision and Strategic Statements, (6) Environmental Profile and (7) Environmental Initiatives.

**Table 2** – Results of the evaluation of “soft” indexes.

<i>Item</i>	<i>Measure Assessed</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
5.1	Director’s statements on environmental performance in a letter to shareholders and/or stakeholders.	1.0	1.0	1.0	1.0
5.2	A statement on corporate environmental policy, values, principles, and environmental codes of conduct.	1.0	1.0	1.0	1.0
5.3	A statement on formal management systems related to environmental risk and performance.	1.0	1.0	1.0	1.0
5.4	A statement that the company conducts periodic reviews and evaluations of its environmental performance.	1.0	1.0	1.0	1.0
5.5	A statement on measurable goals for future environmental performance.	1.0	1.0	1.0	1.0
5.6	A statement on specific environmental innovations and/or new technologies.	1.0	1.0	1.0	1.0
6.1	A statement on the company’s compliance with specific environmental standards.	1.0	1.0	1.0	1.0
6.2	An overview of the industry’s environmental impact.	1.0	1.0	1.0	1.0
6.3	An overview of how the company’s operations and/or products and services influence the environment.	1.0	1.0	1.0	1.0
6.4	An overview of corporate environmental performance relative to industry peers.	1.0	1.0	1.0	1.0
7.1	A substantive description of employee training in environmental management and operations.	1.0	1.0	1.0	1.0
7.2	Existence of response plans in the event of environmental accidents.	0.0	0.0	0.0	1.0
7.3	Internal environmental awards.	1.0	1.0	1.0	1.0
7.4	Internal environmental audits.	1.0	1.0	1.0	1.0
7.5	Internal certification of environmental programmes.	1.0	1.0	1.0	1.0

*Source: Prepared by the authors (2025).*

For all items in category (5) Vision and Strategic Statements, the maximum score was assigned in the four years analysed, demonstrating that the company has been concerned with meeting the criteria on an ongoing basis.

All items assessed in category (6) Environmental Profile also received maximum scores for the years 2020 to 2023, highlighting the efforts undertaken to reduce carbon emissions, in addition to the carbon-neutral status achieved by Aesop operations and the replacement of virgin plastic with recycled plastic used in packaging.

Similarly, all items in category (7) Environmental Initiatives received maximum scores, except for the first three years in item 7.2. For this criterion, a company response plan for environmental accidents was not found, as it was reported only in 2023.

### 4.3 ANALYSIS OF RESULTS

Natura Cosméticos S.A. has been dedicated to consolidating its position as a recognised sustainable company from 2020 to 2023. According to Souza *et al.* (2022), this commitment has materialised through the implementation of environmentally conscious corporate practices, while also contributing to the consistent performance of corporate activities. However, it is noteworthy that the company demonstrated selectivity in disclosing information in its sustainability reports, evidenced by the distinct scores for the “hard” and “soft” sets, with a greater prevalence for meeting qualitative criteria.

The scores assigned to items in the “hard” and “soft” sets elucidate their contrasting dynamics. Some items with fluctuating scores, with insignificant growth, or that remained omitted from 2020 to 2023 are shown in Table 3.

**Table 3 – Oscillating, Little Expressive or Omissive Score Indexes.**

Item	Measures Assessed	2020	2021	2022	2023
1.1	Existence of a pollution control department and/or management positions for environmental management purposes.	0.5	0.5	0.5	0.5
1.5	Implementation of ISO 14001 at the factory and/or company level.	0.0	0.0	0.5	0.5
2.1	Adoption of GRI guidelines for disclosure of sustainability reports.	0.0	0.0	1.0	1.0
2.2	Periodic independent verifications/audits of environmental performance and/or systems.	0.0	1.0	1.0	1.0
2.5	External awards for environmental performance and/or inclusion in a sustainability index.	0.0	1.0	1.0	1.0
3.1	IDA on energy use and/or energy efficiency.	6.0	6.0	3.0	6.0
3.4	IDA on toxic product releases.	0.0	0.0	0.0	6.0
3.5	IDA on other discharges, releases, and/or spills.	0.0	0.0	0.0	0.0
4.1	Summary of monetary savings by the company as a result of environmental initiatives.	0.5	0.5	0.5	0.5
4.2	Amount spent on technologies, R&D, and/or innovations to improve environmental performance and/or efficiency.	0.5	0.5	0.5	0.5
4.3	Amount spent on fines related to environmental issues.	0.0	0.0	0.0	0.0
7.2	Existence of response plans in the event of environmental accidents.	0.0	0.0	0.0	1.0

Source: Prepared by the authors (2025).

Table 3 consists primarily of measures from the “hard” indices distributed across the four sections of the set. Specifically in the categories (2) Credibility, (3) Environmental Performance, and (4) Environmental Expenditures, annual fluctuations, score gaps, and modest comparative growth were common in the years evaluated. In contrast, the “soft” indices presented only one item from category (7), Environmental Initiatives, in which these conditions were observed. Thus, the lack of consistency in quantitative data, essential for an objective assessment of sustainability practices, coexists with the predominance of qualitative information in the reports.

This disclosure pattern suggests that Natura Cosméticos S.A.’s sustainability reports from 2020 to 2023 prioritised the presentation of information that favours an optimistic perception. This is in line with Tang and Higgins’ (2022) assertions that disclosures more focused on maintaining reputation affect active transparency in communications that seek to manage corporate self-image, aiming to preserve the social contract.

The evolution of the compliance rate with sustainable criteria in the period from 2020 to 2023 by the analysed company, which emphasises selectivity in the choice of disclosure indexes, is illustrated in Figure 1.

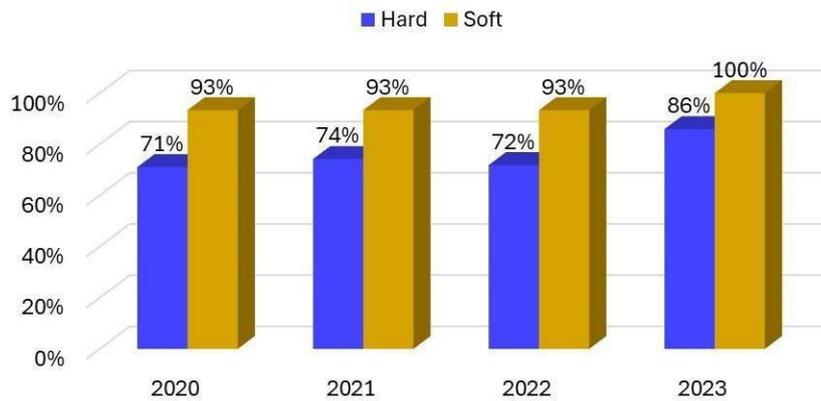


Figure 1 – Natura S.A.’s compliance rate with sustainable measures

Source: Prepared by the authors (2025).

The results of the analysis of the reports published by Natura Cosméticos S.A. from 2020 to 2023 about the items in the “hard” and “soft” sets can be compared with those found by Voges, Broiotti and Rover (2021), who analysed the degree of disclosure of environmental impacts for the same company from 2001 to 2019. Thus, it is possible to investigate the quality of the information disclosed over the last 15 years based on the timeline drawn in Figure 2.

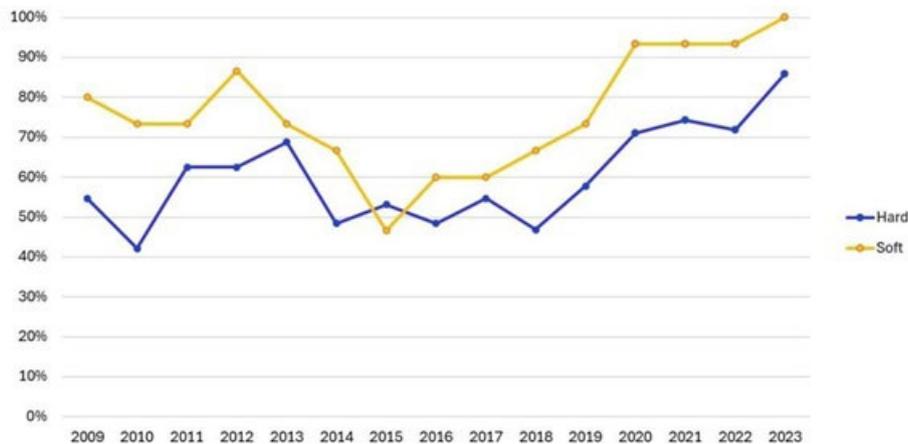


Figure 2 – Assessment of the Natura Cosméticos S.A.’s Sustainability Actions

Source: Prepared by the authors (2025).

In 2010, the “hard” set showed a significant drop compared to the previous year, marked by the lack of information on the Governance Structure and Management Systems (1) and disclosure of Environmental Performance Indicators (3). The “soft” set had only a small fluctuation due to the lack of information on Environmental Initiatives (7).

According to Voges, Broietti, and Rover (2021), compliance rates for “soft” items ranged from 13% to 73%. Information was initially limited but consistent until a decline began in 2013, leading to the lowest level in 2015, specifically for items in the Environmental Initiatives category (7). Its performance was gradually re-established in subsequent years. Regarding “hard” items, compliance rates ranged from 9% to 69%, with a period of significant instability from 2014 to 2019, especially in the disclosure of Environmental Performance Indicators (3), repeating a pattern like that observed in 2010.

In the previously discussed period from 2020 to 2023, there was a recovery in the evaluation of the criteria when compared to previous years. The disclosure of sustainability reports acquired a relative nature both in the consolidation of sustainable discourse and in the solidity of the results. Considering the entire period from 2001 to 2023, it is assumed that the information is subjected to a material analysis, which, according to Machado, Dias, and Fonseca (2021), remains controversial as to what should or should not be disclosed.

The analysis of the published sustainability reports can be enriched by the perspective of Larrinaga and Bebbington (2021), who explain the consequences of information fragmentation. The authors argue that insufficient data integration, as demonstrated in this study by the partial inclusion or omission of information, compromises the ability of reports to achieve multifaceted objectives, such as performance improvement, accountability, and transparency.

It is important to emphasise that the issue of transparency and its completeness cannot be limited to what is observable in the context of reports. Tang and Higgins (2022) warn that, although trust is a pillar for achieving transparency, its importance and the aspects valued often vary among stakeholders. For some, management competence must be validated, while for others, integrity is more important. Therefore, the diversity in how trust is built can influence perceptions about what information should be included in published reports.

The contradiction between full transparency and the reality of sustainability reporting is complex, given the symbiotic nature of the parties involved in the social contract. Boiral and Heras-Saizarbitoria (2020) note that, although sustainability reporting standards have generated significant advances in terms of social awareness, corporate accountability, and decision-making support, effective transparency in these reports remains a challenge due to the heterogeneity of expectations generated.

This condition is also addressed by the Theory of Legitimacy, which elucidates a substantially larger objective tied to the disclosure of reports. If operations are not compatible with the articles of association, managers will have to implement corrective strategies and effectively publicise them in order to bring about changes in society’s perception (Deegan, 2002).

The structural choices made regarding how Natura Cosméticos S.A. produces the content of its sustainability reports reinforce its adoption of an optimistic perspective and, consequently, result in “hard” and “soft” informational fragmentation. This creates a communication strategy aimed at preserving its position of social legitimacy and the continued support provided by society for its causes.

It is important to emphasise that the research was based exclusively on publicly available annual sustainability reports, which involve a reliance on secondary data and the company’s own disclosure strategy. Access to internal information or direct stakeholder insights could have provided a more comprehensive understanding of the motivations, structure of communication mechanisms, and impacts of Natura Cosméticos S.A.’s operational practices, but these elements were not integrated into the results.

Most suggestions for improving disclosure and transparency focus on what should be reported, but the importance of trust directs attention to how an organisation should report (Tang; Higgins, 2022). Companies would enrich their sustainability reports by providing more detailed information on partially

and fully disclosed items. This is a relevant decision, since although much information is reported, the meaning of each piece is not always clear, making the documents overly dense and misdirected, compromising basic attributes of comparability, accuracy, and reliability for many stakeholders.

This issue is pertinent for quantitative information, such as capital and expenses, and other omitted information. Tang and Higgins (2022) emphasise that, for any organisation, important data can be reported without proper context, such as emissions without benchmarks and renewable energy financing without a percentage of the portfolio. However, this decision hinders understanding and correct interpretation. Uncertainty about the adequacy of performance indicators to the organisation's impacts is an equally significant challenge, hindering the ability to evaluate the documents and, consequently, the effort invested by organisations in publishing their sustainability reports.

Considering the social contract inherent in organisations, transparency in sustainability reports is an act of legitimacy. Corporate communication of sustainability issues can be directly affected by differing stakeholder expectations, as this heterogeneity influences what is prioritised in disclosure. However, the "form" in which information is reported becomes a way to overcome the limitation of what is observable. Incorporating qualitative and quantitative data allows Natura Cosméticos S.A. the opportunity to converge toward a more evident adoption of the substantial approach proposed by Veltri *et al.* (2023). In this regard, given that legitimacy is fundamental to the survival of organisations, sustainability reports must maintain transparency and strengthen trust.

## 5 FINAL CONSIDERATIONS

The objective of this research was to critically analyse the transparency of sustainability reports in terms of the reliability of the information disclosed. The need for organisations to communicate more transparently, in contrast to the constant search for legitimacy, motivated this investigation.

Transparency constitutes the reliability of sustainability reports, and from a critical perspective, it has been identified that selectivity and heterogeneous expectations undermine the very concept of transparency. Different purposes for this organisational conduct have been identified, interacting with self-image to maintain the social contract. The consequences of this optimistic prioritisation negatively affect the transparency of sustainability reports, generating uncertainty regarding their fulfilment.

This research highlights this contradiction in transparency by analysing the disclosures of Natura Cosméticos S.A. From 2020 to 2023, the set of "hard" items showed an 87% increase, representing progress in quantitative information, while the set of "soft" items was crucial for building a sustainable self-image by representing the predominance of subjective information, reaching 100% in 2023, the best year for both sets. Furthermore, the "hard" set frequently showed annual fluctuations, scoring gaps, and minimal growth in comparisons among consecutive years.

The analysis of transparency in sustainability reports, from the perspective of the "hard" and "soft" sets, revealed that its limitation has been a predominant characteristic in the long period from 2001 to 2023. This finding, which aligns with previous studies such as those by Vorges, Broietti and Rover (2021), suggests that the information subjected to a materiality analysis generates significant controversy about what should be published.

The research's limitations include its focus on a single case study (Natura Cosméticos S.A.), limiting the generalisability of the results to the market, despite the company's reputation. It also relies exclusively on annual public reports, which restricts the analysis to secondary data, lacking access to internal information or direct stakeholder insights. On the other hand, it is noteworthy that this company is among the three most sustainable in the world (Globescan, 2024).

The study exposes how the selectivity of information and the prioritisation of subjective ('soft') data over quantitative ('hard') data compromise the reliability and perception of stakeholders. By critically analysing the search for legitimacy and the selectivity of information, the research contributes to enriching the debate on the integrity of corporate communication in the sustainability issue. Communication integrated with transparency favours the development of internal strategy, fosters social engagement, and empowers new managers, ensuring more substantive legitimacy.

Future research can contribute to a better understanding of the transparency levels of sustainability disclosures. It is recommended that comparisons be made with other cosmetics companies using the same disclosure indices, as well as alternative guidelines to the GRI, such as those of the Sustainability Accounting Standards Board (Sasb) or the Task Force on Climate-related Financial Disclosures (TCFD). This may allow for a more accurate assessment of their influence on the quality of information.

## REFERENCES

ABEYSEKERA, I. A framework for sustainability reporting, **Sustainability Accounting, Management and Policy Journal**, v. 13, n. 6, p. 1386-1409, 2022. Available at: <https://doi.org/10.1108/SAMPJ-08-2021-0316>.

ALMEIDA, F. **O bom negócio da sustentabilidade**. Rio de Janeiro: Nova Fronteira, 2002.

BOIRAL, O.; HERAS-SAIZARBITORIA, I. Sustainability reporting assurance: creating stakeholder accountability through hyperreality? **Journal of Cleaner Production**, v. 243, p.118596, 2020. Available at: <https://doi.org/10.1016/j.jclepro.2019.118596>.

BOM, S.; JORGE, J.; RIBEIRO, H.; MARTO, J. A step forward on sustainability in the cosmetics industry: a review. **Journal of Cleaner Production**, v. 225, p. 270-290, 2019. Available at: <https://doi.org/10.1016/j.jclepro.2019.03.255>.

CARDOSO, M.; OLIVEIRA, G.; GHELLI, K. Análise de conteúdo: uma metodologia de pesquisa qualitativa. **Cadernos da Fucamp**, v. 20, n. 43, p. 98-111, 2021. Available at: <https://revistas.fucamp.edu.br/index.php/cadernos/article/view/2347>.

CLARKSON, P.; LI, Y.; RICHARDSON, G.; VASVARI, F. Revisiting the relation between environmental performance and environmental disclosure: an empirical analysis. **Accounting, Organisations and Society**, v. 33, n. 4-5, p. 303-327, 2008. Available at: <https://doi.org/10.1016/j.aos.2007.05.003>.

CORREA, C.; MACHADO, J.; BRAGA JÚNIOR, S. A Relação do Greenwashing com a Reputação da Marca e a Desconfiança do Consumidor. **Revista Brasileira de Marketing - ReMark**, v. 17, n. 4, p. 591-602, 2018. Available at: <http://dx.doi.org/10.5585/remark.v17i4.4162>.

CROUS, C.; OWEN, J.; MARAIS, L.; KHANYILE, S.; KEMP, D. Public disclosure of mine closures by listed South African mining companies. **Corporate Social Responsibility and Environmental Management**, v. 28, n. 3, p. 1032-1042, 2021. Available at: <https://doi.org/10.1002/csr.2103>.

DEEGAN, C. Introduction: the legitimising effect of social and environmental disclosures – a theoretical foundation. **Accounting, Auditing and Accountability Journal**, v.15, n. 3, p. 282-311, 2002. Available at: <https://doi.org/10.1108/09513570210435852>.

GIAKOUMELOU, A.; SALVI, A.; BEKIROS, S.; ONORATO, G. ESG and FinTech Funding in the EU. **Research International Business and Finance**, v. 69, p. 102233, 2024. Available at: <https://doi.org/10.1016/j.ribaf.2024.102233>.

GLOBESCAN; ERM Sustainability Institute. **Sustainability Leaders 2024**. The Globescan: ERM Sustainability Institute Research Program, 2024. Available at: [https://globescan.com/wp-content/uploads/2024/06/2024\\_Sustainability\\_Leaders\\_Survey\\_Report.pdf](https://globescan.com/wp-content/uploads/2024/06/2024_Sustainability_Leaders_Survey_Report.pdf). Access at: 15 ago. 2024.

HEPPER, E.; SOUZA, O.; PETRINI, M.; SILVA, C. Proposição de um modelo de maturidade para sustentabilidade corporativa. **Acta Scientiarum. Human and Social Sciences**, v. 39, n. 1, p. 43-53, 2017. Available at: <https://doi.org/10.4025/actascihumansoc.v39i1.33127>.

KPMG. **Grandes Mudanças, Pequenos Passos** – Pesquisa Global de Relatórios de Sustentabilidade na América Latina em 2022. Available at: <https://kpmg.com/br/pt/home/insights/2023/05/regulamentacoes-miram-dados-relatorios-sustentabilidade.html>. Access at: 9 ago. 2024.

LAINE, M.; TREGIDGA, H.; UNERMAN, J. **Sustainability Accounting and Accountability**. 3. ed. New York: Routledge, 2021. Available at: <https://doi.org/10.4324/9781003185611>.

LARRINAGA, C.; BEBBINGTON, J. The pre-history of sustainability reporting: a constructivist reading. **Accounting, Auditing & Accountability Journal**, v. 34, n. 9, p. 162-181, 2021. Available at: <https://doi.org/10.1108/AAAJ-03-2017-2872>.

LARRINAGA, C.; ROSSI, A.; LUQUE-VILCHEZ, M.; NÚÑEZ-NICKEL, M. Institutionalization of the contents of sustainability assurance services: a comparison between Italy and the United States. **Journal of Business Ethics**, v. 163, n. 1, p. 67-83, 2020. Available at: <https://doi.org/10.1007/s10551-018-4014-z>.

LIU, Y.; XU, H.; WANG, X. Government subsidy, asymmetric information and green innovation. **Kybernetes**, v. 51, n. 12, p. 3681-3703, 2022. Available at: <https://doi.org/10.1108/K-05-2021-0422>

MACHADO, B.; DIAS, L.; FONSECA, A. Transparency of materiality analysis in GRI-based sustainability reports. **Corporate Social Responsibility and Environmental Management**, v. 28, n. 2, p. 570-580, 2021. Available at: <https://doi.org/10.1002/csr.2066>.

MARTIN, A.; LUNARDI, G.; DOLCI, D. Motivos que influenciam as organizações na adoção de práticas sustentáveis na área de Tecnologia da Informação. **Revista de Tecnologia Aplicada**, Campo Limpo Paulista, v. 9, n. 3, p. 3-19, 2020. Available at: <http://doi.org/10.48005/2237-3713rta2020v9n3p319>.

MIOTTO, G.; YOUN, S. The impact of fast fashion retailers' sustainable collections on corporate legitimacy: examining the mediating role of altruistic attributions. **Journal of Consumer Behaviour**, v. 19, n. 6, p. 618-631, 2020. Available at: <https://doi.org/10.1002/cb.1852>.

NATURA. **Compromisso com a Vida - Visão 2030**. Available at: <https://www.natura.com.br/sustentabilidade>. Access at: 17 jul. 2025.

NATURA. **Relatório Anual Natura & Co 2020**. Available at: <https://api.mziq.com/mzfilemanager/v2/d/67c3b7d4-64ea-4c2f-b380-6596a2ac2fbf/a2c3f871-6d79-fea0-9f80-75d9d7bdd9ab?origin=1>. Access at: 30 set. 2024.

NATURA. **Relatório Anual Natura & Co 2021**. Available at: <https://api.mziq.com/mzfilemanager/v2/d/67c3b7d4-64ea-4c2f-b380-6596a2ac2fbf/8af17a31-2f9f-56d6-aaa2-5b297c97512d?origin=1>. Access at: 30 set. 2024.

NATURA. **Relatório Anual Natura & Co 2022**. Available at: <https://api.mziq.com/mzfilemanager/v2/d/67c3b7d4-64ea-4c2f-b380-6596a2ac2fbf/b018e31a-fdde-bc9e-e95e-35f1f678dc0b?origin=1>. Access at: 30 set. 2024.

NATURA. **Relatório Integrado Natura & Co 2023**. Available at: <https://api.mziq.com/mzfilemanager/v2/d/67c3b7d4-64ea-4c2f-b380-6596a2ac2fbf/1358a21d-147d-0df4-c298-6db5764c5f6a?origin=1>. Access at: 30 set. 2024.

QUATTRONE, P. Seeking transparency makes one blind: how to rethink disclosure, account for nature and make corporations sustainable. **Accounting, Auditing & Accountability Journal**, v. 35, n. 2, p. 547-566, 2022. Available at: <https://doi.org/10.1108/AAAJ-04-2021-5233>.

SOARES, S. Pesquisa Científica: uma abordagem sobre o método qualitativo. **Revista Ciranda**, v. 3, n. 1, p. 168-180, 2019. Available at: <https://www.periodicos.unimontes.br/index.php/ciranda/article/view/314>.

SÓLIO, M. Comunicação organizacional e sustentabilidade: o eco de um discurso. **ALCEU**, v. 18, n. 36, p. 70-90, 2018. Available at: <https://doi.org/10.46391/ALCEU.v19.ed36.2018.105>.

SOUZA, L.; BRAGA, I.; DUARTE, A.; BEZERRA, L. Natura: criando valor sustentável com base no modelo de Hart e Milstein. **Revista de Tecnologia Aplicada**, v. 11, n. 1, p. 34-49, 2022. Available at: <http://dx.doi.org/10.48005/2237-3713rta2022v11n1p3449>.

SWARNAPALI, R. Consequences of corporate sustainability reporting: evidence from an emerging market”, **International Journal of Law and Management**, v. 62, n. 3, p. 243-265, 2020. Available at: <https://doi.org/10.1108/IJLMA-12-2017-0294>.

TANG, S.; HIGGINS, C. Do Not Forget the “How” along with the “What”: improving the transparency of sustainability reports. **California Management Review**, v. 65, n.1, p. 44-63, 2022. Available at: <https://doi.org/10.1177/00081256221094876>.

TORELLI, R.; BALLUCHI, F.; LAZZINI, A. Greenwashing and environmental communication: effects on stakeholders’ perceptions. **Business strategy & the environment**, v. 29, n. 2, p. 407-421, 2020. Available at: <https://doi.org/10.1002/bse.2373>.

VELTRI, S.; BRUNI, M.; IAZZOLINO, G.; MOREA, D.; BALDISSARRO, G. Do ESG factors improve utilities corporate efficiency and reduce the risk perceived by credit lending institutions? An empirical analysis. **Utilities Policy**, v. 81, p. 101520, 2023. Available at: <https://doi.org/10.1016/j.jup.2023.101520>.

VILLIERS, C.; LA TORRE, M.; MOLINARI, M. Global Reporting Initiative’s (GRI) past, present and future: critical reflections and a research agenda on sustainability reporting (standard-setting). **Pacific Accounting Review**, v. 34, n. 5, p. 728-747, 2022. Available at: <https://doi.org/10.1108/PAR-02-2022-0034>

VOGES, C.; BROIETTI, C.; ROVER, S. Disclosure ambiental dos relatórios corporativos da empresa Natura à luz da teoria da divulgação voluntária. **Ambiente Contábil**, v. 13, n. 2, p. 100-120, 2021. Available at: <http://dx.doi.org/10.21680/2176-9036.2021v13n2ID21751>.

XU, H.; MEI, Q.; SHAHZAD, F.; LIU, S.; LONG, X.; ZHANG, J. Untangling the Impact of Green Finance on the Enterprise Green Performance: a meta-analytic approach. **Sustainability**, v. 12, n. 21, p. 9085, 2020. Available at: <https://doi.org/10.3390/su12219085>.