COLÓQUIO
REVISTA DO DESENVOLVIMENTO REGIONAL
FACCAT
ISSN 2318-180X

BUSINESS ASSOCIATIONS AS ESG INTERMEDIARIES: CONTRIBUTIONS AND LIMITATIONS FOR SUSTAINABLE REGIONAL DEVELOPMENT IN SANTA CATARINA

Débora Soares Souza Marins [1]
Emerson Cardoso Marques [2]
Cristine Vanz Borges [3]
Roger Francisco Ferreira de Campos [4]
Eliana Resende Adami [5]

Abstract The transition to sustainable production models requires capabilities that extend beyond individual firms and territorial coordination among business organizations, public authorities, educational institutions, workers, and civil society. This study examines how a business association acts as an intermediary in environmental, social, and governance (ESG) governance for regional development. A qualitative documentary case study was conducted on the Federation of Industries of the State of Santa Catarina (FIESC), Brazil, drawing on its 2024 Sustainability Report, 2024 Annual Report, and supplementary institutional documents. Thematic analysis was guided by five dimensions: the translation of sustainability agendas, actor coordination, regional capacity building, collective accountability, and tensions between legitimacy and substantive transformation. The findings show that FIESC translates global frameworks into territorial priorities, coordinates decarbonization and water-governance initiatives, strengthens capabilities through vocational education, innovation, and occupational health, and establishes formal disclosure mechanisms. However, the available evidence is dominated by effort and reach indicators, while longitudinal evidence, independent assurance, and the participation of stakeholders outside the industrial sector remain limited. Business associations can therefore function as regional ESG intermediaries when they convert broad agendas into collective capabilities; however, their contribution to sustainable development depends on the materiality of their initiatives, the verifiability of results, plural stakeholder participation, and evidence of territorial impacts.

Keywords: Regional development; ESG governance; sustainable development; intermediary organizations; industrial federation.

ORGANIZAÇÕES EMPRESARIAIS ASSOCIATIVAS COMO INTERMEDIÁRIAS ESG: CONTRIBUIÇÕES E LIMITES PARA O DESENVOLVIMENTO REGIONAL SUSTENTÁVEL EM SANTA CATARINA

[1] PhD candidate in Development and Society in the Graduate Program in Development and Society at Alto Vale do Rio do Peixe University (UNIARP). Master of Science from the University of São Paulo (USP). Faculty member at Alto Vale do Rio do Peixe University (UNIARP). Victor Baptista Adami Street, 800, Downtown, Caçador, Santa Catarina, 89500-199, Brazil. ORCID: https://orcid.org/0000-0002-5109-1278. Lattes: http://lattes.cnpq.br/8297705492890411. Email: debora.soares@uniarp.edu.br
[2] PhD candidate in Development and Society in the Graduate Program in Development and Society at Alto Vale do Rio do Peixe University (UNIARP). Faculty member at Alto Vale do Rio do Peixe University (UNIARP). Victor Baptista Adami Street, 800, Downtown, Caçador, Santa Catarina, 89500-199, Brazil. ORCID: https://orcid.org/0000-0001-7452-7399. Lattes: http://lattes.cnpq.br/8297705492890411. Email: emerson.cardoso@uniarp.edu.br
[3] PhD in Agronomy from São Paulo State University Júlio de Mesquita Filho. Faculty member in the Graduate Program in Development and Society at Alto Vale do Rio do Peixe University (UNIARP). Victor Baptista Adami Street, 800, Downtown, Caçador, Santa Catarina, 89500-199, Brazil. ORCID: https://orcid.org/0000-0002-3682-7910. Lattes: https://lattes.cnpq.br/5689703694600858. Email: cristine.vanz@uniarp.edu.br
[4] PhD in Civil Engineering from the Federal University of Technology - Paraná. Faculty member in the Graduate Program in Development and Society at Alto Vale do Rio do Peixe University (UNIARP). Victor Baptista Adami Street, 800, Downtown, Caçador, Santa Catarina, 89500-199, Brazil. ORCID: https://orcid.org/0000-0001-9064-0383. Lattes: http://lattes.cnpq.br/9523087825034013. Email: roger@uniarp.edu.br
[5] PhD in Pharmacology from the Federal University of Paraná. Faculty member in the Graduate Program in Development and Society at Alto Vale do Rio do Peixe University (UNIARP). Victor Baptista Adami Street, 800, Downtown, Caçador, Santa Catarina, 89500-199, Brazil. ORCID: https://orcid.org/0000-0003-3358-0550. Lattes: http://lattes.cnpq.br/2551016065277441. Email: elianaradami@yahoo.com.br

Resumo *A transição para modelos produtivos sustentáveis depende de capacidades que ultrapassam os limites de empresas isoladas e exigem coordenação territorial entre organizações empresariais, poder público, instituições de ensino, trabalhadores e sociedade. Este artigo analisa como uma organização empresarial associativa atua como intermediária da governança ambiental, social e de governança (ESG) no desenvolvimento regional. Realizou-se estudo de caso qualitativo e documental da Federação das Indústrias do Estado de Santa Catarina (FIESC), com base no Relatório de Sustentabilidade 2024, no Relatório Anual 2024 e em documentos institucionais complementares. A análise temática foi orientada por cinco dimensões: tradução de agendas de sustentabilidade, coordenação de atores, desenvolvimento de capacidades regionais, prestação de contas coletiva e tensões entre legitimidade e transformação substantiva. Os resultados indicam que a FIESC traduz referenciais globais para prioridades do território, articula iniciativas de descarbonização e governança da água, amplia capacidades por meio de educação profissional, inovação e saúde ocupacional e estrutura mecanismos formais de divulgação. Entretanto, predominam indicadores de esforço e alcance, enquanto permanecem limitadas as evidências longitudinais, a verificação independente e a participação de partes interessadas externas à indústria. Conclui-se que organizações associativas podem funcionar como intermediárias ESG regionais quando convertem agendas gerais em capacidades coletivas, mas sua contribuição ao desenvolvimento sustentável depende da materialidade das ações, da verificabilidade dos resultados, da participação plural e da demonstração de impactos territoriais.*

Palavras-chave: *Desenvolvimento regional; governança ESG; desenvolvimento sustentável; organizações intermediárias; federação industrial.*

1 Introduction

The sustainability of industrial regions does not result merely from the sum of initiatives undertaken within individual firms. Processes such as decarbonization, the energy transition, water management, circularity, workforce development, and innovation require coordination among firms, representative bodies, governments, educational and research institutions, workers, and civil society. From this perspective, sustainable regional development depends on a territory's capacity to articulate actors, build consensus, share resources, and translate broad agendas into solutions suited to its productive, social, and environmental characteristics (Dallabrida, 2015; Sant'Anna; Oliveira, 2020).

Environmental, social, and governance criteria, commonly referred to as ESG, have become one of the principal frameworks used by organizations to structure sustainability commitments, risk management, social responsibility, and long-term value creation. The expansion of this agenda has encouraged the adoption of targets, indicators, and reports, but it has also intensified concerns regarding selective disclosure, symbolic compliance, and the gap between institutional narratives and effective socio-environmental transformation (Brooks; Oikonomou, 2018; Friede; Busch; Bassen, 2015; Van der Byl; Slawinski, 2015).

Much of the ESG literature focuses on publicly listed companies, financial performance, investor assessment, and market responses. Although this focus has generated important contributions, it has paid less attention to business associations, including industrial federations, chambers, cooperatives, employers' associations, and sectoral organizations. These organizations do not directly control all productive activities undertaken by their members, but they may influence entire networks by representing interests, disseminating standards, providing education and technological services, mobilizing resources, and mediating relationships among firms, the state, and society (Ansell; Gash, 2008; Provan; Kenis, 2008; Selsky; Parker, 2005).

Within the field of regional development, this intermediary position is particularly relevant. Local actors can convert external impulses into endogenous capabilities when they combine knowledge, institutional coordination, collective learning, and territorial planning (Sant'Anna; Oliveira, 2020). Similarly, territorial governance involves relational processes through which public, private, and social actors define priorities, mobilize resources, and establish decision-making and monitoring mechanisms consistent with territorial specificities (Dallabrida, 2015, 2022). A business association may therefore act not only as a representative of economic interests but also as institutional infrastructure for regional sustainability transitions.

This study examines this issue through the case of the Federation of Industries of the State of Santa Catarina (FIESC). The organization occupies a strategic position in Santa Catarina's industrial ecosystem by linking unions, firms, workers, educational and technological institutions, public-sector actors, and development agendas. Its institutional documents describe initiatives related to decarbonization, water governance, vocational education, innovation, occupational health, social responsibility, and sustainability disclosure (Federação das Indústrias do Estado de Santa Catarina, 2024, 2025).

The research question is: **how does a business association act as an intermediary in ESG governance for sustainable regional development?** The objective is to analyze how FIESC translates sustainability agendas, coordinates actors, builds regional capabilities, and structures accountability mechanisms, while also identifying limitations that hinder evidence of substantive territorial impacts.

The theoretical contribution lies in proposing the concept of **regional ESG intermediation** to describe the role of business associations that connect broad sustainability standards with the capabilities and challenges of a territory. The empirical contribution derives from examining an organizational form that remains underexplored in ESG research. At the practical level, the article presents criteria for strengthening the governance and disclosure practices of these organizations: materiality, verifiability, plural participation, and transformative capacity.

Following this introduction, the next section connects regional development, network governance, and ESG. The regional and institutional context, methodological procedures, results, and discussion are then presented. The concluding section summarizes the study's contributions, limitations, and implications for business associations and future research.

2 Sustainable regional development and institutional coordination

2.1 Territory, actors, and development governance

Regional development cannot be reduced to growth in production or income. It involves expanding the economic, social, institutional, and environmental capabilities that enable a territory to respond to challenges, reduce vulnerabilities, and create broadly distributed opportunities. Sustainable development further requires the reconciliation of present and future needs while recognizing ecological limits and intergenerational responsibilities (World Commission on Environment and Development, 1987; Sen, 1999).

The territorial approach emphasizes that regions are social constructions shaped by relationships, institutions, identities, assets, and conflicts. A territory is not a passive recipient of policies, but a space in which different actors interpret problems, contest priorities, and mobilize resources. Dallabrida (2022) argues that territory, governance, and territorial heritage are integrated dimensions of development planning and management. The quality of governance therefore depends on its capacity to recognize territorial assets, generate coordination, and establish democratic forms of monitoring.

The literature on endogenous territorial development also emphasizes that local agents can transform external resources and stimuli into development when they possess organizational capacity, knowledge of the productive structure, and mechanisms for cooperation. Actor integration, consensus building, and the strengthening of local forms of capital are necessary if competitiveness and well-being are to cease being treated as separate objectives (Sant'Anna; Oliveira, 2020). This argument is particularly relevant in industrial regions, where innovation, workforce development, and environmental transition depend on decisions distributed across multiple organizations.

Territorial governance does not imply the absence of the state or the replacement of the public interest by private agreements. Rather, it refers to the coordination of interdependent actors with different resources and capabilities around problems that cannot be solved unilaterally. The legitimacy of such arrangements depends on balanced representation, transparency, opportunities for contestation, and accountability for results. When participation is restricted to the most economically powerful actors, the regional agenda may be defined too narrowly, and social and environmental costs may be externalized.

2.2 Business associations and network governance

Business associations operate through influence, representation, and coordination rather than through the hierarchical control typical of a firm. Their effectiveness depends on member engagement, trust, institutional legitimacy, and the ability to reconcile heterogeneous interests.

Network governance provides an appropriate lens for understanding this form of organization because it addresses structures in which autonomous organizations cooperate around shared objectives while retaining their own competencies and agendas (Provan; Kenis, 2008).

Collaborative governance occurs when public and private actors participate directly in collective decision-making processes through established rules, forums, and deliberative mechanisms. Ansell and Gash (2008) show that initial conditions, institutional design, facilitative leadership, and trust building influence the outcomes of these arrangements. Collaboration is necessary in sustainability-related matters because emissions, water resources, waste, workforce development, and innovation cross organizational and sectoral boundaries.

Cross-sector partnerships can mobilize complementary resources and generate more comprehensive responses, but they may also diffuse responsibility, obscure power asymmetries, and prioritize solutions aligned with the interests of the most influential participants (Selsky; Parker, 2005). For business associations, the challenge is to reconcile the legitimate representation of members with responsibilities toward workers, communities, governments, and the environment. This requires mechanisms that extend beyond service provision to include learning, standards coordination, and collective evaluation.

Associational action can support environmental, economic, and social sustainability by sharing infrastructure, disseminating knowledge, and creating scale for initiatives that would otherwise be inaccessible to smaller organizations (Hülse, 2020). In regional innovation ecosystems, intermediary institutions also help connect education, science, technology, and productive demand. Recent literature emphasizes that human-capital formation and knowledge transfer should be assessed in terms of their social and territorial impacts, rather than solely by technological outputs or the number of services provided (Scortegagna et al., 2026).

2.3 ESG governance, materiality, and disclosure

ESG governance seeks to integrate environmental, social, and governance factors into strategy, decision-making, and performance assessment. Frameworks such as the Global Reporting Initiative Standards and ABNT Recommended Practice 2030-1 provide vocabularies, categories, and processes that support the organization and comparability of information (Associação Brasileira de Normas Técnicas, 2022; Global Reporting Initiative, 2021). The adoption of a standard, however, does not in itself guarantee quality or transformation.

Materiality is essential for distinguishing relevant initiatives from peripheral actions. Material issues are those capable of significantly affecting the organization, its stakeholders, and the socio-environmental systems with which it interacts. Khan, Serafeim, and Yoon (2016) demonstrate that performance on material issues has different implications from performance on matters that are only weakly related to the core activity. In an industrial federation, decarbonization, energy, water, circularity, workforce development, occupational health, innovation, and governance standards are likely to be more material than generic social-responsibility initiatives.

Sustainability disclosure can strengthen transparency by making commitments, targets, and indicators visible. Higher-quality reports facilitate comparison, scrutiny, and organizational learning (Hąbek; Wolniak, 2016). Nevertheless, lengthy and visually sophisticated reports may still concentrate on favorable information, reach indicators, and success narratives. Boiral (2013) notes that reports can function as idealized representations when they fail to disclose contradictions, adverse impacts, and implementation constraints.

Legitimacy theory explains why organizations seek to align their discourse and practices with societal expectations. Legitimacy is necessary for mobilizing resources and maintaining institutional relationships, but it is ambivalent: it may encourage substantive adaptation or merely symbolic compliance (Ashforth; Gibbs, 1990; Suchman, 1995). *Greenwashing* arises when positive communication is disproportionate to actual practices and impacts, a situation fostered by information asymmetry, limited assurance, and reputational incentives (Delmas; Burbano, 2011; Lyon; Montgomery, 2015).

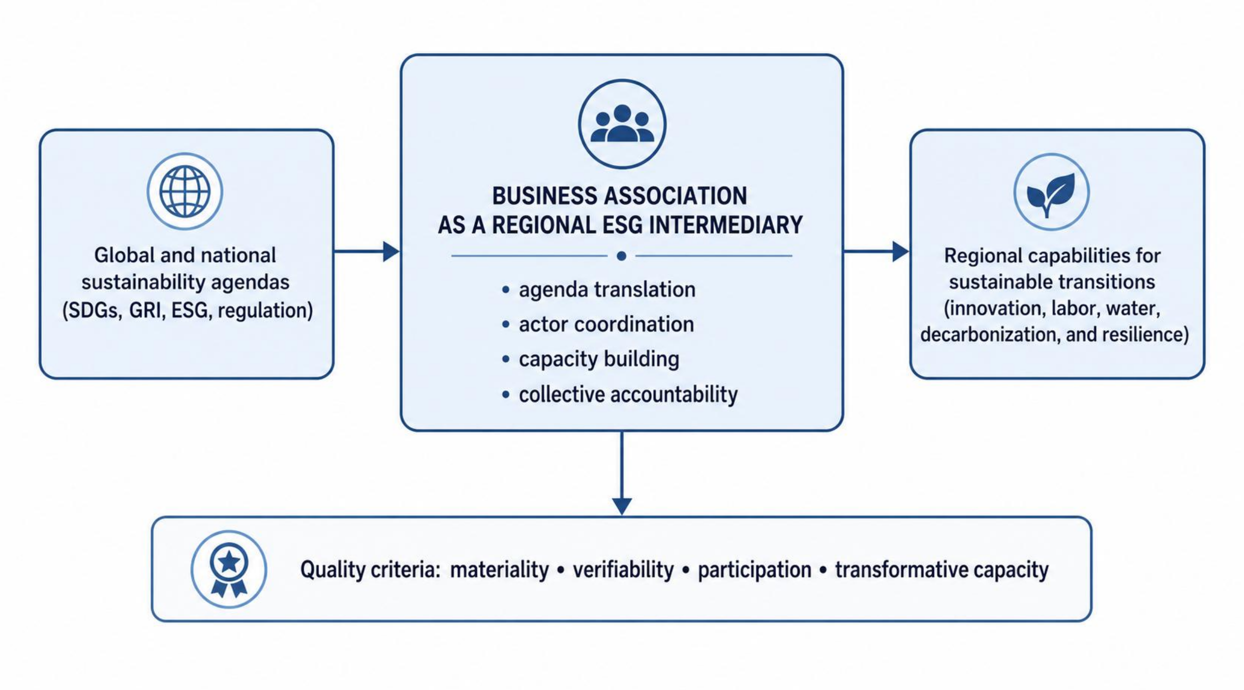
The distinction between symbolic and substantive sustainability should not be applied as a binary classification. Organizations may implement relevant initiatives while simultaneously displaying gaps in measurement, participation, and transparency. Analysis should therefore focus on the integration of initiatives into strategy, the clarity of measurement boundaries, the availability of time-series data, independent assurance, and the willingness to disclose unmet targets (Michelon; Pilonato; Ricceri, 2015; Camilleri, 2022).

2.4 Business associations as regional ESG intermediaries

Based on the integration of territorial development, network governance, and ESG, this study proposes that business associations may perform four intermediation functions. The first is **translation**, through which global and national standards are converted into priorities, language, and instruments suited to the regional context. The second is **coordination**, which brings firms, unions, governments, educational institutions, and other actors together around shared agendas. The third is **capacity building** through education, technological services, innovation, and institutional infrastructure. The fourth is **collective accountability**, which establishes indicators, commitments, and monitoring mechanisms for the network.

These functions do not automatically produce sustainable development. Their quality depends on four cross-cutting criteria: materiality, verifiability, participation, and transformative capacity. Materiality requires a connection with the territory's most relevant problems; verifiability requires consistent data and independent assessment; participation broadens the perspectives that shape priorities; and transformative capacity requires evidence of change beyond the organization's internal activities.

Figure 1 - Analytical model of a business association as a regional ESG intermediary



Source: prepared by the authors based on the theoretical framework.

3 Regional and institutional context

Santa Catarina has a diversified productive structure, with industrial activities distributed across different regions and value chains that include agribusiness, food processing, textiles, metalworking, wood, paper, technology, and other sectors. This diversity strengthens economic capacity but also creates heterogeneous challenges related to environmental transition, innovation, workforce development, and infrastructure. In a territory characterized by distinct productive specializations, uniform policies may not adequately address the needs of firms, workers, and communities (Federação das Indústrias do Estado de Santa Catarina, 2025).

FIESC represents the industrial sector of Santa Catarina and coordinates organizations that provide education, vocational training, occupational health and safety, technology, and business services. This configuration places the Federation in an intermediary position among productive units, industrial unions, educational institutions, public authorities, and development agendas. The 2024 Annual Report describes a decentralized operating structure with services and programs focused on the business environment, workforce development, and innovation (Federação das Indústrias do Estado de Santa Catarina, 2025).

Within the environmental dimension, the 2024 Sustainability Report presents initiatives such as the Decarbonization Hub, the Water Agenda, efficiency measures, and support for circular-economy and low-carbon solutions. The social dimension emphasizes vocational education, occupational health, well-being, and workforce training. The governance dimension includes planning, compliance, and disclosure mechanisms aligned with recognized frameworks (Federação das Indústrias do Estado de Santa Catarina, 2024).

FIESC was selected as an instrumental case for three reasons. First, its statewide coordination capacity makes it possible to examine the relationship between organizational sustainability and regional coordination. Second, its programs encompass environmental, social, technological, and institutional dimensions. Third, the availability of public reports enables simultaneous analysis of the initiatives and the ways in which the sustainability narrative is constructed. The case is therefore not intended to represent all industrial federations, but to examine intermediation mechanisms that may also be present in similar organizations.

4 Methodological procedures

The study adopts a qualitative, descriptive-analytical approach and a documentary case-study strategy. A qualitative approach is appropriate because the objective is not to estimate causal effects, but to interpret how ESG governance practices, priorities, and mechanisms are constructed and communicated within a business association. The case study allows the phenomenon to be examined in depth while accounting for the porous boundaries among the organization, its member network, and the regional environment (Denzin; Lincoln, 2018).

Documentary analysis treats documents as institutional artifacts that record information while simultaneously constructing interpretations of organizational reality. Accordingly, the reports were not treated as neutral reflections of impacts, but as sources that reveal initiatives, indicators, frames, and omissions. This position is consistent with the documentary-analysis approach proposed by Cellard (2008) and with the critical literature on sustainability disclosure.

The primary corpus comprised FIESC's **2024 Sustainability Report** and **2024 Annual Report**, supplemented by institutional documents and webpages related to the programs mentioned in those reports. Scientific literature was used to develop the interpretive categories and to compare institutional claims with debates on regional development, collaborative governance, materiality, legitimacy, and disclosure quality.

Table 1 - Documentary corpus and analytical purpose

Source	Material analyzed	Analytical purpose
Institutional reports	FIESC 2024 Sustainability Report and 2024 Annual Report	Identify priorities, programs, targets, indicators, and governance mechanisms.
Supplementary institutional documents	Public information on decarbonization, water, education, health, innovation, and social responsibility	Contextualize initiatives and understand the coordinating role attributed to the organization.
Scientific and normative literature	Regional development, territorial and network governance, ESG, materiality, legitimacy, and disclosure	Develop categories and critically interpret the documents.

Source: prepared by the authors based on the research design.

The analysis proceeded in three stages. First, the documents were read in full to identify recurring themes, commitments, indicators, referenced actors, and coordination mechanisms. Second, the relevant passages were classified into deductive categories derived from the theoretical framework. Finally, the categories were reinterpreted in light of the research question, distinguishing internal activities, intermediation mechanisms, and evidence of regional outcomes.

Table 2 - Analytical dimensions of regional ESG intermediation

Dimension	Guiding question	Evidence sought
Agenda translation	How are broad sustainability frameworks converted into regional priorities?	Material issues, targets, sectoral programs, and adaptation to the productive context.
Actor coordination	How does the organization mobilize autonomous participants?	Forums, partnerships, public-private coordination, and participation by educational institutions.
Capacity building	Which collective resources are expanded?	Education, training, innovation, technical assistance, health, and learning.
Collective accountability	How are commitments and results made visible?	Reports, indicators, standards, time series, assurance, and transparency.
Tensions and limitations	Which factors constrain substantive transformation?	Self-reporting, effort indicators, power asymmetries, and gaps in participation and impact.

Source: prepared by the authors based on the research design.

The interpretation avoided two extremes: treating every institutional statement as evidence of impact or classifying every limitation as evidence of *greenwashing*. Claims were assessed according to materiality, coherence, verifiability, participation, and regional scope. Because the study relied exclusively on public documents, it involved neither human participants nor identifiable personal data.

The methodological limitations stem from reliance on information produced by the organization itself and the absence of interviews with managers, workers, member firms, public-sector actors, and communities. It was also not possible to causally attribute regional changes to the initiatives examined. The results therefore describe institutional mechanisms and potential, without claiming definitive impacts.

5 Results

5.1 Translation of sustainability agendas into regional priorities

The documents indicate that FIESC does not merely reproduce global sustainability terminology. Its agenda is organized around issues connected to Santa Catarina's productive structure, including industrial decarbonization, energy, water-resource management, waste recovery, education, and innovation. This selection links ESG criteria to concrete territorial problems and demonstrates a process of institutional translation.

The Decarbonization Hub exemplifies this function. The initiative is presented as a platform for awareness raising, learning, and industrial coordination around the low-carbon economy. Its regional relevance derives from the fact that emissions reduction does not depend solely on internal decisions made by large firms. Small and medium-sized organizations require technical knowledge, access to technologies, measurement parameters, financing, and regulatory coordination. A business association can reduce information barriers and provide a common language for sectors at different levels of maturity.

The Water Agenda likewise demonstrates how a socio-environmental problem can be translated into an issue of regional governance. Supply, quality, scarcity, and extreme events simultaneously affect production, communities, and public policy. By treating water as a strategic agenda, the Federation extends the debate beyond the operational efficiency of individual firms and acknowledges the interdependence of industry, territory, and public infrastructure. The strength of this contribution, however, depends on how diagnoses and proposals are connected to river basins, municipalities, and affected social groups.

References to circularity and waste recovery across productive chains, including energy solutions based on agro-industrial residues, reveal another dimension of regional materiality. The circular economy seeks to retain the value of resources and reduce the degradation associated with the linear model of extraction, use, and disposal (Ellen MacArthur Foundation, 2013; Geissdoerfer et al., 2017). In regions with a strong agro-industrial presence, biogas and waste-valorization solutions can combine climate mitigation, efficiency, and innovation. Their assessment, however, requires data on scale, coverage, and net environmental effects.

The analysis therefore shows that institutional translation is more consistent when the ESG agenda is linked to the territory's productive chains, risks, and capabilities. Simple alignment with the Sustainable Development Goals or reporting standards has less explanatory value than evidence showing how these frameworks guide decisions and investments in materially relevant problems.

5.2 Actor coordination and the formation of shared agendas

The second function identified is coordination. The documents portray FIESC as a coordinator of firms, unions, organizations within the Industry System, public authorities, and educational institutions. This position enables the creation of forums and programs at a scale beyond that of any individual firm. In network governance, convening and mediation capacity is an important institutional resource, particularly when actors have different interests, resources, and time horizons.

In the decarbonization and water agendas, coordination is presented as a condition for organizing technical knowledge, aligning priorities, and bringing public policy closer to productive needs. Associational action can reduce transaction costs, support the diffusion of standards, and represent collective demands. At the same time, this function creates broader responsibility: the organization is no longer accountable only for its own operations, because it also influences which problems become visible and which solutions are considered feasible.

The coordination observed in the documents involves strong participation by actors linked to industry and technical-service provision. The documentation provides less evidence of permanent mechanisms for the participation of communities, environmental organizations, workers outside the institutional structure, and groups affected by productive impacts. This asymmetry does not invalidate the existing forums, but it limits their characterization as fully plural forms of territorial governance.

The challenge is to transform sectoral coordination into regional coordination. The former seeks to align industrial interests and capabilities; the latter must incorporate public goods, distributive conflicts, and impacts extending beyond the sector. Sustainability forums should therefore make explicit their representation criteria, decision-making processes, disagreements, and public monitoring arrangements. Legitimacy increases when external participants can influence priorities rather than merely validate pre-defined agendas.

5.3 Regional capacity building

Vocational education, innovation, and occupational health constitute the broadest core of the social and economic contribution described in the reports. Through its affiliated organizations, FIESC provides education, training, technological services, and innovation support. These activities can be interpreted as capacity building because they expand the human, technical, and organizational resources available within the territory.

Sustainability transitions require new competencies. Decarbonization, digitalization, resource efficiency, and circularity require workers who can operate technologies, interpret data, and adapt processes. They also require smaller firms to gain access to knowledge and infrastructure that are usually concentrated in larger organizations. Shared provision can reduce capability inequalities among firms and regions, provided that services are territorially accessible and connected to local needs.

The documents present indicators of enrollment, services delivered, investments, and institutional provision. These data demonstrate scale and organizational effort, but they do not, in isolation, support inferences about improvements in employment, income, inclusion, or sustainable productivity. The literature on regional innovation ecosystems reinforces the need for metrics of social and territorial impact in addition to traditional indicators of knowledge and technology production (Scortegagna et al., 2026).

Occupational health and well-being also appear as dimensions of the social pillar. Prevention, safety, and assistance programs can improve working conditions and support firms that lack their own structures. Service coverage, however, is not equivalent to fewer accidents, a stronger worker voice, or the transformation of structural risks. More robust findings would require time-series data, disaggregated indicators, and evaluation centered on workers' experiences.

The contribution to regional development will be greater when education, innovation, and health are addressed in an integrated manner. Training must be aligned with productive transitions; innovation should incorporate social and environmental impacts; and health should be treated as a condition of development rather than merely as a productivity variable. Such integration prevents the social pillar of ESG from being reduced to philanthropy or the simple counting of services provided.

5.4 Disclosure and collective accountability

The publication of reports and the adoption of recognized frameworks indicate an effort to institutionalize sustainability. The documents organize programs, commitments, and indicators, enabling external audiences to identify priorities and monitor some of the initiatives. The use of GRI Standards and Brazilian ESG guidance helps standardize categories and reduce arbitrariness in communication.

Disclosure also has an internal effect. By selecting indicators and targets, the organization determines which aspects will be monitored and which units must provide information. This process can bring sustainability closer to planning, budgeting, and governance, preventing it from remaining confined to institutional communication. In this sense, reporting can function as a potential mechanism for learning and coordination.

The indicators observed, however, are concentrated on activities, resources invested, and reach: existing programs, people served, courses, investments, and organizational structures.

These are important *output* indicators, but they are insufficient to demonstrate *outcomes* and impacts. For decarbonization, evidence would require inventory boundaries, baselines, emissions scopes, and comparable trends over time. In education and health, relevant evidence would include career trajectories, inclusion, accident reduction, and changes in working conditions.

The absence of broad independent assurance reduces the ability to confirm reported results. External assurance does not eliminate bias, but it increases confidence in methods, boundaries, and data consistency. Disclosure would also be strengthened by presenting unmet targets, adverse effects, disagreements among stakeholders, and corrective measures. Substantive transparency is not the exclusive presentation of success; it is the creation of conditions for critical assessment.

5.5 Tensions among legitimacy, competitiveness, and transformation

FIESC operates within a structural tension: it represents industrial competitiveness while simultaneously declaring a commitment to sustainability and regional development. In many situations, these objectives may converge, as in energy efficiency, waste reduction, innovation, and workforce development. In others, conflicts arise among short-term costs, environmental ambition, the distribution of benefits, and the public disclosure of weaknesses.

The pursuit of legitimacy is necessary to mobilize firms, engage with governments, and lead agendas. It may, however, encourage an emphasis on favorable narratives and large-scale reach indicators. The documents examined indicate meaningful institutional movement, but the available evidence does not establish the extent to which the initiatives alter productive patterns at the regional scale. The most appropriate interpretation is that of governance in transition, in which substantive programs coexist with limitations in measurement and participation.

A further issue is the diffusion of responsibility. Because outcomes depend on autonomous firms, the Federation may promote guidance without controlling implementation. This does not eliminate its responsibility, but it changes its nature. Accountability should clearly distinguish what the organization directly implements, what it influences, what depends on member adherence, and what remains outside its decision-making authority.

Finally, the regional dimension still appears more as the scale of operation than as an explicit unit of assessment. The reports could better demonstrate how programs reach different regions, sectors, and firm sizes; which territorial inequalities they address; and which public benefits they generate. Without such disaggregation, statewide coverage may be mistaken for regional impact.

6 Discussion

6.1 ESG intermediation as a regional institutional function

The results support the proposition that business associations can act as regional ESG intermediaries. Their distinctive role lies not only in implementing sustainability projects, but in connecting agendas, actors, and capabilities. This function expands the traditional focus of ESG governance, which is generally centered on firms' internal structures, to a meso-organizational scale situated between firms and territory.

Translation brings global standards closer to regional productive characteristics. Coordination creates arenas for collective action. Capacity building provides shared resources for adaptation. Accountability makes commitments and results partially visible. Together, these functions form an institutional infrastructure capable of supporting transitions that would be difficult for individual firms, particularly smaller organizations.

This interpretation is consistent with network governance because the Federation does not exercise hierarchical authority over all participants. Its influence depends on legitimacy, trust, technical resources, and mediation capacity (Provan; Kenis, 2008). It also converges with territorial governance by recognizing that development emerges from relationships and decisions constructed among actors with different interests (Dallabrida, 2015, 2022).

The study's conceptual contribution is to show that regional ESG intermediation should be assessed at two levels. The first concerns the existence of institutional mechanisms: forums, services, standards, reports, and programs. The second concerns the capacity of those mechanisms to change practices, reduce impacts, and expand benefits within the territory. Maturity cannot be inferred from the first level alone.

6.2 Collective capabilities and sustainable regional development

The analysis also shows that sustainability and regional development intersect in the creation of collective capabilities. Vocational education, innovation, environmental information, technological services, and public-private coordination are assets that can increase a territory's capacity to adapt to climatic, technological, and economic change. This contribution is consistent with approaches that associate development with the expansion of freedoms and capabilities rather than solely with income growth (Sen, 1999).

In the case examined, workforce training and innovation support may facilitate the transition of productive chains. The availability of services, however, does not guarantee equitable distribution. Large firms and regions with greater institutional density may be better positioned to use the resources provided. Assessment must therefore consider territorial coverage, firm size, the inclusion of vulnerable groups, and the capacity to reduce disparities.

The Water Agenda and the Decarbonization Hub illustrate how environmental problems can serve as drivers of regional coordination. Their potential is greater when they connect diagnoses, targets, technologies, financing, and public policies. The literature on collaboration for the Sustainable Development Goals emphasizes that complex problems require arrangements capable of combining governmental, business, and social action (Florini; Pauli, 2018).

The regional capacity created by a business association should be understood as a relational good. It emerges from connections, routines, trust, and shared knowledge. Relevant outcomes may therefore not appear immediately in financial indicators. At the same time, their relational nature does not justify an absence of measurement; rather, it requires methods capable of tracking networks, learning, the diffusion of practices, and territorial impacts.

6.3 From reputational legitimacy to accountable legitimacy

The case confirms the ambivalence of legitimacy. Institutional reputation can facilitate mobilization and access to decision-makers, but it can also encourage selective communication. To convert legitimacy into accountability, the organization must create conditions under which its claims can be verified and contested. This includes disclosing methods, baselines, boundaries, unmet targets, and the responses adopted.

The literature on sustainability reporting demonstrates that formal compliance and substantive quality are not equivalent (Boiral, 2013; Michelon; Pilonato; Ricceri, 2015). The adoption of standards should be viewed as a starting point. The challenge is greater for business associations because part of their impact occurs through indirect influence. Disclosure must distinguish the organization's own operational performance, the reach of its programs, and changes induced across the network.

Plural participation is another requirement. Including workers, communities, academia, local governments, and environmental organizations may reveal impacts and priorities that are absent from predominantly business-oriented forums. Participation does not eliminate conflict; rather, it makes the criteria guiding decisions visible and ensures that groups with less economic power have channels of influence.

Independent assurance and longitudinal assessment are equally important. Annual reach indicators may demonstrate effort, but changes in emissions, water quality, occupational safety, innovation, and inequality require time. Comparable series make it possible to assess persistence, additionality, and the distribution of results. Credibility increases when external evaluations confirm methods and identify gaps.

6.4 Criteria for assessing intermediary business associations

Based on the theoretical framework and the case study, four assessment criteria are proposed. 1- **Materiality** assesses whether initiatives address issues that are relevant to the territory and the represented network. 2- **Verifiability** examines whether claims are supported by indicators, baselines, transparent methods, and independent assessment. 3- **Participation** considers the diversity of actors that influence priorities and monitor results. 4- **Transformative capacity** assesses whether the organization induces changes beyond its internal operations.

Table 3 - Quality criteria for regional ESG intermediation

Criterion	Evaluation question	Risk if absent
Materiality	Do the initiatives address impacts and vulnerabilities that are relevant to the territory?	Proliferation of peripheral initiatives and limited regional contribution.
Verifiability	Are there comparable data, clear boundaries, and independent validation?	Reliance on self-reporting and difficulty distinguishing performance from communication.
Participation	Do diverse stakeholders influence priorities and assessment?	Agenda capture by more powerful actors and the invisibility of impacts.
Transformative capacity	Are there demonstrable changes across the network and territory?	Confusion among activities, institutional reach, and substantive impact.

Source: prepared by the authors based on the research design.

These criteria avoid both uncritical celebration and automatic accusations of *greenwashing*. An organization may have strong coordination capacity while displaying low verifiability. It may build relevant capabilities while maintaining restricted participation. Multidimensional assessment identifies progress and gaps and guides gradual improvements in governance.

For FIESC and similar organizations, the practical implications include conducting materiality assessments with external participation; establishing regional baselines and targets; publishing indicators disaggregated by territory and firm size; distinguishing *outputs* from *outcomes*; adopting independent assurance; and creating permanent channels for the participation of workers, communities, and socio-environmental organizations. These measures would strengthen the connection between associational action and sustainable regional development.

7 Conclusions

This study examined how a business association acts as an intermediary in ESG governance for sustainable regional development. The documentary analysis of FIESC identified four functions: translating broad agendas into regional priorities, coordinating actors, building capabilities, and providing collective accountability. These functions help explain why federations and similar organizations can influence sustainability transitions even without hierarchical control over the firms they represent.

The documents indicate a structured agenda that links decarbonization, water, circularity, vocational education, innovation, occupational health, and disclosure mechanisms. The materiality of several of these issues and the organization's institutional mobilization capacity demonstrate its potential to contribute to regional development. The principal strength of the case lies in connecting service infrastructure with sectoral coordination at the statewide level.

Nevertheless, the available evidence remains concentrated on programs, investments, services, and organizational structures. There is less evidence of long-term environmental and social outcomes, independent assurance, the participation of actors outside industry, and the territorial distribution of benefits. It is therefore not possible to conclude that all initiatives generated substantive transformation. The evidence instead supports the existence of institutional mechanisms with transformative potential, whose effectiveness depends on more robust measurement and governance.

The theoretical contribution is the concept of regional ESG intermediation, defined as a business association's capacity to convert sustainability agendas into coordination, learning, services, and collective accountability within a territory. The proposed model integrates regional development, network governance, materiality, and legitimacy, thereby providing a framework for studies of federations, chambers, cooperatives, and other intermediary organizations.

As a practical implication, business associations should strengthen participatory materiality processes, establish outcome and impact indicators, adopt independent assurance, and present data disaggregated by region, sector, and firm size. They should also clarify which results depend directly on the organization, which arise from influence over members, and which require public policies and interinstitutional cooperation.

The study is limited by its reliance on public documents and the analysis of a single case. Future research could incorporate interviews with managers, firms, workers, public-sector actors, and communities; compare federations across different states; and monitor programs longitudinally. Comparative studies could identify the conditions under which ESG intermediation produces more inclusive, verifiable, and transformative regional capabilities.

References

ANSELL, C.; GASH, A. Collaborative governance in theory and practice. **Journal of Public Administration Research and Theory**, v. 18, n. 4, p. 543-571, 2008. DOI: https://doi.org/10.1093/jopart/mum032.

ASHFORTH, B. E.; GIBBS, B. W. The double-edge of organizational legitimation. **Organization Science**, v. 1, n. 2, p. 177-194, 1990. DOI: https://doi.org/10.1287/orsc.1.2.177.

ASSOCIAÇÃO BRASILEIRA DE NORMAS TÉCNICAS. **ABNT PR 2030-1: ESG - conceitos, diretrizes e modelo de avaliação e direcionamento para organizações - Parte 1: visão geral e fundamentos**. Rio de Janeiro: ABNT, 2022.

BOIRAL, O. Sustainability reports as simulacra? A counter-account of A and A+ GRI reports. **Accounting, Auditing & Accountability Journal**, v. 26, n. 7, p. 1036-1071, 2013. DOI: https://doi.org/10.1108/AAAJ-04-2012-00998.

BROOKS, C.; OIKONOMOU, I. The effects of environmental, social and governance disclosures and performance on firm value: a review of the literature in accounting and finance. **The British Accounting Review**, v. 50, n. 1, p. 1-15, 2018. DOI: https://doi.org/10.1016/j.bar.2017.11.005.

CAMILLERI, M. A. Walking the talk about corporate social responsibility communication. **Business Ethics, the Environment & Responsibility**, v. 31, n. 3, p. 649-661, 2022. DOI: https://doi.org/10.1111/beer.12427.

CELLARD, A. A análise documental. In: POUPART, J. *et al.* **A pesquisa qualitativa: enfoques epistemológicos e metodológicos**. Petrópolis: Vozes, 2008. p. 295-316.

DALLABRIDA, V. R. Governança territorial: do debate teórico à avaliação da sua prática. **Análise Social**, v. 50, n. 215, p. 304-328, 2015.

DALLABRIDA, V. R. Implicações teórico-metodológicas da acepção de território, governança e patrimônio territorial, no processo de planejamento e gestão de prospectivas de desenvolvimento inovadoras. **COLÓQUIO - Revista do Desenvolvimento Regional**, v. 19, n. 2, p. 59-74, 2022. Available at: https://seer.faccat.br/index.php/coloquio/article/view/2481. Accessed on: June 21, 2026.

DELMAS, M. A.; BURBANO, V. C. The drivers of greenwashing. **California Management Review**, v. 54, n. 1, p. 64-87, 2011. DOI: https://doi.org/10.1525/cmr.2011.54.1.64.

DENZIN, N. K.; LINCOLN, Y. S. (org.). **The SAGE handbook of qualitative research**. 5. ed. Thousand Oaks: SAGE, 2018.

ELLEN MACARTHUR FOUNDATION. **Towards the circular economy: economic and business rationale for an accelerated transition**. Cowes: Ellen MacArthur Foundation, 2013. Available at: https://www.ellenmacarthurfoundation.org/towards-the-circular-economy-vol-1-an-economic-and-business-rationale-for-an-accelerated-transition. Accessed on: June 21, 2026.

FEDERAÇÃO DAS INDÚSTRIAS DO ESTADO DE SANTA CATARINA. **Relatório anual 2024**. Florianópolis: FIESC, 2025. Available at: https://fiesc.com.br/sites/default/files/2025-09/relatorio-anual-2024.pdf. Accessed on: June 21, 2026.

FEDERAÇÃO DAS INDÚSTRIAS DO ESTADO DE SANTA CATARINA. **Relatório de sustentabilidade 2024**. Florianópolis: FIESC, 2024. Available at: https://fiesc.com.br/sites/default/files/publications/RELATORIO_DE%20SUSTENTABILIDADE_FIESC_2024-3-compactado.pdf. Accessed on: June 21, 2026.

FLORINI, A.; PAULI, M. Collaborative governance for the Sustainable Development Goals. **Asia & the Pacific Policy Studies**, v. 5, n. 3, p. 583-598, 2018. DOI: https://doi.org/10.1002/app5.252.

FRIEDE, G.; BUSCH, T.; BASSEN, A. ESG and financial performance: aggregated evidence from more than 2000 empirical studies. **Journal of Sustainable Finance & Investment**, v. 5, n. 4, p. 210-233, 2015. DOI: https://doi.org/10.1080/20430795.2015.1118917.

GEISSDOERFER, M. *et al.* The circular economy: a new sustainability paradigm? **Journal of Cleaner Production**, v. 143, p. 757-768, 2017. DOI: https://doi.org/10.1016/j.jclepro.2016.12.048.

GLOBAL REPORTING INITIATIVE. **GRI Standards**. Amsterdam: GRI, 2021. Available at: https://www.globalreporting.org/standards/. Accessed on: June 21, 2026.

HÜLSE, L. **Sustentabilidade nas fundações privadas, associações e cooperativas: a contribuição do associativismo para a sustentabilidade ambiental, econômica e social**. Rio de Janeiro: Lumen Juris, 2020.

HĄBEK, P.; WOLNIAK, R. Assessing the quality of corporate social responsibility reports: the case of reporting practices in selected European Union member states. **Quality & Quantity**, v. 50, n. 1, p. 399-420, 2016. DOI: https://doi.org/10.1007/s11135-014-0155-z.

KHAN, M.; SERAFEIM, G.; YOON, A. Corporate sustainability: first evidence on materiality. **The Accounting Review**, v. 91, n. 6, p. 1697-1724, 2016. DOI: https://doi.org/10.2308/accr-51383.

LYON, T. P.; MONTGOMERY, A. W. The means and end of greenwash. **Organization & Environment**, v. 28, n. 2, p. 223-249, 2015. DOI: https://doi.org/10.1177/1086026615575332.

MICHELON, G.; PILONATO, S.; RICCERI, F. CSR reporting practices and the quality of disclosure: an empirical analysis. **Critical Perspectives on Accounting**, v. 33, p. 59-78, 2015. DOI: https://doi.org/10.1016/j.cpa.2014.10.003.

PROVAN, K. G.; KENIS, P. Modes of network governance: structure, management, and effectiveness. **Journal of Public Administration Research and Theory**, v. 18, n. 2, p. 229-252, 2008. DOI: https://doi.org/10.1093/jopart/mum015.

SANT'ANNA, A.; OLIVEIRA, G. B. Os atores locais como promotores do desenvolvimento territorial endógeno. **COLÓQUIO - Revista do Desenvolvimento Regional**, v. 17, n. 4, p. 187-208, 2020. DOI: https://doi.org/10.26767/1812.

SCORTEGAGNA, P. A. *et al.* O papel das instituições de ensino superior nos ecossistemas de inovação e desenvolvimento regional. **COLÓQUIO - Revista do Desenvolvimento Regional**, v. 23, n. 1, p. 1-24, 2026. Available at: https://seer.faccat.br/index.php/coloquio/article/download/4197/2459. Accessed on: June 21, 2026.

SELSKY, J. W.; PARKER, B. Cross-sector partnerships to address social issues: challenges to theory and practice. **Journal of Management**, v. 31, n. 6, p. 849-873, 2005. DOI: https://doi.org/10.1177/0149206305279601.

SEN, A. **Development as freedom**. Oxford: Oxford University Press, 1999.

SUCHMAN, M. C. Managing legitimacy: strategic and institutional approaches. **Academy of Management Review**, v. 20, n. 3, p. 571-610, 1995. DOI: https://doi.org/10.2307/258788.

VAN DER BYL, C. A.; SLAWINSKI, N. Embracing tensions in corporate sustainability: a review of research from win-wins and trade-offs to paradoxes and beyond. **Organization & Environment**, v. 28, n. 1, p. 54-79, 2015. DOI: https://doi.org/10.1177/1086026615575047.

WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT. **Our common future**. Oxford: Oxford University Press, 1987. Available at: https://sustainabledevelopment.un.org/content/documents/5987our-common-future.pdf. Accessed on: June 21, 2026.