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THE DATA PROTECTION LAW'S IMPACT ON EMPLOYEES' PROPERTY RIGHTS.

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Introduction

The Business Roundtable (BRT) purpose statement announced in 2019 advocates that companies should serve the interests of all their stakeholders (Harrison, Phillips, and Freeman, 2020). “This signaled a major victory for stakeholder scholars” (Harrison, 2020 p.2). These business leader’s acknowledgment that a firm has a broader purpose beyond financial returns, and therefore should measure from multiple stakeholders’ perspective (Harrison, 2020 p.2) leads to a deeper investigation of what other stakeholders claims to include in the firm’s measuring performance (Harrison, Phillips, and Freeman, 2020; Harrison and Wicks, 2013).

Harrison, Phillips, and Freeman (2020) argue that redefining the purpose of the firm impacts some essential issues that demand better academic research. One of them is firm boundaries which is a fundamental basis to understand how the firm treats its stakeholders (Phillips, Barney, Freeman, and Harrison, 2019). This shift may threaten the violation of duties and rights. “It is reasonable to assume that the BRT must have itself consulted with numerous corporate lawyers during the debate and drafting of the Statement” (Harrison, Phillips, and Freeman, 2020 p.1229).

In line, the BRT statement raised some externalities such as the creation of investment funds and the increased demand for data dealing with how the firm treats its stakeholders, leading to the creation of private companies’ databases that use data as economic resources in business transactions (Harrison, Phillips, and Freeman, 2020). On the other hand, there are initiatives like the work of the Global Reporting Initiative (GRI) reporting on the social impact of a firm’s operations that could be adapted for stakeholder theoretic purposes (Harrison, Phillips, and Freeman, 2020).

In this regard, investors can use the reported information to assess how an organization integrates sustainable development into its strategy to identify financial risks and evaluate its long-term success. After all, the scope of value should include not only economic transactions but also relationships, exchanges, and interactions that take place among stakeholders and that can be represented by value flows (Evans et al, 2017). Moreover, the information provided by the GRI Standards can also help other information users, such as analysts and policymakers in benchmarking and forming policy, and academics in their research (GRI, 2022).

Despite the data disclosure relevance, there are other important issues about data disclosure, especially personal data. In this sense, the General Data Protection Law (LGPD) aims to protect individuals’ fundamental rights and freedoms (Walree and Wolters, 2020). The Regulation also intends to advance the free movement of personal data, strengthen the protection of personal data, and harmonize data protection law (Walree and Wolters, 2020). And the violation by the data controller leads to an infringement of the fundamental right to the protection of the personal data of the data subject (Walree and Wolters, 2020).

Therefore, we argue that personal data have economic value, and the data owner has rights to that. If we understand that stakeholders are “persons or groups that have, or claim, ownership, rights, or interests in a corporation and its activities, past, present, or future (Clarkson, 1985 p.106). And from the organizational approach, these “claimed rights or interests are the result of transactions with, or actions taken by, the corporation, and maybe legal or moral, individual or collective” (Clarkson, 1985 p.106), stakeholders’ rights should be protected by the Data Protection law. Our second thesis is that if stakeholders with similar interests, claims, or rights are classified as belonging to the same group: employees, shareholders, customers, suppliers, and communities,

the organization's total value creation is the joint stakeholders' value creation (Freeman, 1984). And it is based on trust, respect, and transparency (Harrison and Bosse, 2013; Harrison, Bosse, and Phillips, 2010) the firm has to develop a transparent, trustworthiness plan to disclose employees' data and give them an awareness of how to use his/her data in possible economic transactions.

To our best knowledge, organizations have used data to gain a competitive advantage over competitors. Therefore, the violation can enable the data controller to process additional personal data, attract more customers, prevent customers from easily switching to a competitor, have power over employees and suppliers and hide important externalities from communities and investors (Walree and Wolters, 2020). The examples are just a few of the possibilities an organization has when violating the law to use data to gain a competitive advantage.

Based on these arguments, we conducted documentary research to investigate the impacts the Data Protection Law has on the employees' data disclosure on human and social dimensions in the annual reports of the four major banks in Brazil listed in the ISEB3 (Brazilian Exchange Stock Sustainability Index) of 2018, 2019, 2020, and 2021. The research thesis is that the Data Protection Law norms can be a boundary for the firm when disclosing employees' data on its annual reports. Our investigation is limited to making a comparative analysis between Clarkson's updated employee issues list (adapted from Clarkson, 1995 p. 101) and the LGPD's criteria list data disclosure procedures on the two ISEB3 mentioned dimensions.

Our findings show that the LGPD is not a boundary to employee data disclosure. It has helped companies with stakeholder orientation practices. The four investigated companies' reports addressed more employees' issues after the law was sanctioned and explained better how and why employees' specific issues were collected. They also developed digital platforms where employees can consult the data the firm has about him/her. They all have to authorize data disclosure. ISEB3 2021 included questions about how the companies are addressing the law's orientation. Finally, the law raised an important debate on the concept of property rights. It is not an absolute concept and stakeholders have partitions to facets of a single resource, such as data. Therefore, the law seems to give back to the owner of the data and its property. That means that the information about employees that companies used to have and were not obliged to disclose and therefore may have been used as power and influence tools in negotiations and to gain a competitive advantage may not be used for that purpose any longer.

This investigation contributed to a better understanding of how the BRT statement helps the shift toward a stakeholder orientation approach (Harrison, Phillips, and Freeman, 2020) demonstrating that the use of personal data is based on the legal status, economic dependence, social convention, ability to control, common interests, ability to create and distribute value (Harrison, Phillips, and Freeman, 2020).

Stakeholders' Property rights

Property has been one of the most important subjective rights of humanity throughout history. The ideal of property as an inalienable good, linked to the religious character, has long been perpetuated, from antiquity to modern times, every time with its proper particularities. The institution of property considers the orientation of fundamental rights granted by the second and third generations or dimensions of rights. The Second Generation of Fundamental Rights is those linked to equality values and social, economic, and cultural rights. They are rights of collective ownership and require the action of the State. The Third Dimension of Fundamental Rights is those linked to the value of fraternity or solidarity, related to development or progress, the environment, the self-determination of people, as well as the right to property over the common heritage of

humanity and the right to communication. They are the trans-individuals intended for the protection of humanity (Guimarães, de Oliveira, Ribeiro, Sales, and dos Reis, 2017).

In the Business field, the dominant narrative gives property rights exclusively to the owners of the company or its shares. However, one way to understand managing for stakeholders is to take the question of right seriously, so what are the rights of other stakeholders rather than shareholders? (Freeman,2017). A good answer may embrace the definition of rights in business. Freeman (2017) argues that although shareholders have legal rights to the stakes and shares of the organization, it is not absolute. Therefore, shareholders may not use their properties to reduce the rights of others. The shareholders' rights should not be used to violate the rights to the life of others. Managers should then think about what customers, suppliers, employees, investors, and communities owe, in virtue of their stakes and their basic humanity.

Therefore, property rights include any social institutions that bound the variety of privileges regarding specific resources granted to individuals. Additionally, it has the economic implication of accepting many different people holding partitions of rights to facets of a single resource (Asher, Mahoney, and Mahoney,2005). Employees may have property rights concerning issues such as notification of layoffs, payments, or pension benefits. Intangible issues, especially embedded in a company's social and human capital may require different organizational structures to handle stakeholders' rights on that. Data such as employees' knowledge about companies' resources may be treated as property rights risks (Asher, Mahoney, and Mahoney,2005).

Risk management is then a material theme in both the ISEB3 questionnaire and companies' annual reports. To address employees' rights risks, the human resource department should define issues to be managed such as communications with employees, training and development, career planning, retirement, and termination counseling, lay-offs, redundancies, plant closings, stress, mental health, absenteeism, turnover, health and safety, employment equity and discrimination, women in management, performance appraisal and daycare (Clarkson, 1995; Clarkson,1988). All those issues generate data collection that may be used by the organization in different situations. However, we argue that different stakeholders have partitions of rights to facets of these data, and the Data Protection Law can be a boundary for its disclosure and therefore its economic use as a competitive advantage.

On the other hand, a corporate code of conduct and ethics may be evidence of the responsibilities the organization has over employees. However, companies do not inform how this evidence is implemented. The GRI standards may be a guide for companies to disclose data on employees' claims and rights addressed by companies in their stakeholder management process. Table 1 Employees' issues, describes these rights and claims extracted from Clarkson (1995, p.101) and used to guide our investigation.

Table 1: Employees' issues

General policy	Dismissal and appeal
Benefits	Termination, lay-off, and redundancy
Compensation and rewards	Retirement and termination counseling
Training and development	Employment equity and discrimination
Career Planning	Women in management and on the board
Employee assistance program	Daycare and family accommodation
Health promotion	Employee communication
Absenteeism and turnover	Occupational health and safety

Leaves of absence	Part-time, temporary, or contract employees
Relationships with unions	Respect, inclusion, honesty, and belonging

Source: adapted from Clarkson, 1995 p. 101 and Harrison, 2020 p.2.

Table 1 lists tangible and intangible employee's value -use (Harrison, 2020; Clarkson, 1985). The value may be allocated through the material or financial benefits stakeholders receive from the firm. Employees receive material compensation through wages and benefits, bonuses, and profit-sharing (Harrison and Bosse, 2013).

Additionally, to these issues, trust is in the stakeholder theory grounding rules (Harrison and Bosse, 2013; Harrison, Bosse, and Phillips, 2010). It is defined as the mutual confidence that no party to exchange will exploit another's vulnerabilities (Barney and Hansen, 1994; Sabel, 1993). In this regard, one outcome of the new BRT Statement would be an openness to providing, collecting, organizing, and sharing stakeholders' relevant data and respecting stakeholders' property rights and claims. If stakeholders believe the company is distributing more value than it is obligated to do so, then they will probably reply. Meant for employees, this could mean sharing valuable information with the company (Harrison and Bosse, 2013).

Besides trust and respect, justice and fairness are core matters in managing stakeholders. Among several factors, there are two that lead to fair relationships between companies and their stakeholders (1) history and expectation of fair distribution of value to stakeholders, and (2) a history of giving voice to stakeholders as managers make strategic decisions. Those may unlock sensitive information about stakeholder utility functions (Harrison and Bosse, 2013; Harrison, Bosse, and Phillips, 2010), giving companies data to gain a competitive advantage over their competitors. A firm that is sensitive to stakeholder interests may expend resources to support activities that have high appeal to certain stakeholders but do not directly add to their economic welfare (Harrison and Bosse, 2013 p.315).

If respect, inclusion, honesty, and belonging are issues embedded in the concept of stakeholder rights and claims, and if the Data Protection Law aims to protect individual personal data ownership, our thesis is that the Data Protection Law norms can be a boundary for the firm when disclosing employees' data on its annual reports.

The Brazilian Data Protection Law

The Brazilian General Data Protection Law (LGPD - Law Nr.13,709/18) was sanctioned by the Brazilian President on August 15, 2018, but it entered into force on September 18, 2020. In 2021, companies were allowed to adapt their processes to comply with the new law. As of January 1st, 2022, companies that violate the LGPD are subject to warnings, fines, suspensions, and partial or total bans to perform their activities by the Brazilian National Data Protection Authority (ANPD). Fines can reach up to 2% of the organization's revenue, up to R\$50 million per violation (LGPD, 2018).

The LGPD's purpose is to protect personal data from being misused by data controllers. Personal Data is all information, online and offline, that identifies or can identify a natural person, including his/her name, identification (ID) numbers, address, and internet protocol (IP) number, among others (Article 5th, I of the LGPD). Sensitive Personal Data is all personal information, online or offline, related to racial or ethnic origin, religious beliefs, public opinions, affiliations to trade unions or organizations of religious, philosophical, or political purpose, health or medical records, sexual orientation, and genetic or biometric data when related to private individuals

(Article 5th, II of the LGPD). Processing of personal data comprises all operations performed with personal data, such as collection, production, reception, classification, use, access, reproduction, transmission, distribution, filing, storage, deletion, evaluation, control, modification, communication, transfer, diffusion or extraction of data or information (LGPD, 2020).

The LGPD contemplates certain rights for the data subject, which are: (1) confirmation that the data has been processed or transferred to third parties by the controller; (2) access to personal data to correct incomplete or inaccurate personal data; (3) deletion of unnecessary personal data or on request of subject's data; (4) anonymization of personal data; (5) personal data portability to another service provider; (6) possibility of non-consent to provide personal data and the consequences deriving from this denial and, (7) revoke of consent provided for personal data processing. Besides complying with the LGPD rules, companies operating in Brazilian territory have also to follow the Brazilian Labor Law when establishing contacts and relationships with employees (LGPD, 2020).

The Consolidation of Labor Laws (CLL, in Portuguese CLT) is the main legal framework for companies to establish a contract with their employees. Despite any contract established by a company and its employees or any entitlement established by the applicable collective bargaining agreement, the Brazilian labor law, and the Federal Constitution, entitle fully-fledged employees to certain rights which cannot be reduced or suppressed by the company. Therefore, the Brazilian Labor Law, maybe a constraint for companies to implement procedures to contemplate employees' issues listed in Table 1 (Clarkson, 1995, p 101.) and have fair relationships with stakeholders. In association, the LGPD may also be a constraint for the firm to disclose employees' data.

Compliance with personal data protection laws has been transformed from a merely ethical scenario, almost situated in the moral field, to a requirement of the international market (North, 1994). After all, more than one hundred countries have already adopted some type of personal data protection law. Therefore, in this world scenario of concern with the processing of personal data, it is important to observe both the informational and institutional requirements necessary to reach global markets efficiently (North, 1994) and, simultaneously, observe all the stakeholders' expectations. In this sense, our investigation contributes to the BRT lawyers in understanding the tension legal boundaries a firm faces when taking a stakeholder-oriented approach (Harrison, Phillips, and Freeman, 2020).

Further, tensions also may arise from the change that corporate sustainability calls for, as it requires firms to fundamentally modify their current patterns of activity. A final source of tensions stems from the temporal and spatial elements of the context in which the transition toward sustainability takes place. The spatial element leads to tensions when firms operate sites in developed and developing countries with different environmental or social standards (LGPD, 2020).

Drafting new policies oriented specifically to each company profile and providing systematic training sessions about LGPD and such new internal policies are fundamental to minimize the tensions that the firm can go through during the implementation of the LGPD process (Härting, Kaim and Ruch, 2020) as when taking a stakeholder-oriented approach (Harrison, Phillips, and Freeman, 2020). Additionally, as in the turn into stakeholder orientation, the process of adequate implementation of LGPD implies higher costs and a long-term commitment from the top managers. After all, "corporate growth and profitability are important, [but] it also requires the corporation to pursue societal goals, specifically those relating to sustainable development—environmental protection, social justice, and equity, and economic development" (Wilson 2003,

p. 1). Therefore, the Data Protection Law norms are not a boundary for the firm when disclosing employees' data on its annual reports, if it helps managers on how to treat employee data.

Stakeholder' Property Rights within the Brazilian Data Protection Law

Personal data protection is a fundamental right established in the Federal Constitution on February 10, 2022 (Constitutional Amendment (EC) 115, 2022). By approving EC 115, the Brazilian Congress recognizes the importance of data protection for individuals and highlights an issue that has grown increasingly prominent in recent decades considering new technology and information flows in the digital environment. As a fundamental right, companies should be aware that they must comply with certain minimum rules under LGPD to protect themselves from the risks relevant to the law which encompass the employee's labor rights and entitlements.

Therefore, when establishing contracts with employees, the firm must include clauses regarding LGPD, including the employment agreement, and remote work policy, among others. The firm must also have an internal policy to confirm the legal basis to collect the personal data and a retention personal data plan in its core activities.

Table 2 Employees Internal Policy show the four main criteria established by the LGPD and used in our investigation.

Table 2: Employee's Internal Policy

Data Protection Officer and Employee Training
Public Declarations
Records of Processing Activities and Law Basis
Risks and Data Protection Impact Assessments

Source: adapted from LGPD.

The first criterion contemplates how companies should establish a Data Protection Officer (DPO), who is the person or company in charge of processing an employee's data confirming that only necessary personal data will be processed.

It is also necessary that all employees and outsourced workers (especially those who render services inside of the company's premises) receive appropriate training about the company's privacy program, including what its goals are, what it requires people to do, and what responsibilities they have. The training must be relevant, accurate, and up to date. Training and awareness are key to putting into practice the company's policies, procedures, and measures. Companies might draft a Governance Policy that contemplates the main rules and the daily routine regarding LGPD to be adopted by the company to mitigate the risks of leakage of personal data and provide a better workplace where employees can taste the feeling of trust that their data will be processed in accordance the law and not misused for other purposes. The DPO might be able to lead and guide employees in this transparent process of adopting personal data protection policies to create greater trust and engagement relationships thus generating greater value (Radvanovsky and Brodsky, 2013; Ayala-Rivera and Pasquale, 2018).

The second criterion, Public Declarations, requires the company to demonstrate that its organization processes personal data to comply with the LGPD rules. Companies' websites must contemplate a cookies policy, the terms of use, and the privacy policy translated into a Portuguese version informing which and how the personal data will be processed, who will process the

personal data, and whether the data will be or not transferred abroad. Such public information is also important to provide greater transparency to the company's employee hiring processes since, from the moment they access the company's website to send a Curriculum Vitae, these subjects must know how the company understands the personal data procedures (LGPD, 2020).

The Record of Processing Activities (ROPA) and Law Basis criteria establish how a company must have a formal, documented, comprehensive, and accurate data record. It is based on a data mapping exercise and should be reviewed regularly. The company must identify the lawful basis for processing personal data under the LGPD rules. It should include (a) the company's name and contact details, whether it is a data controller or processor (and where applicable, the joint controller, their representative, and the DPO); (b) the purposes of the data processing; (c) a description of the categories of individuals and personal data; (d) the categories of recipients of personal data; (e) details of transfers to third countries, including a record of the transfer mechanism safeguards in place; (f) retention schedules; (g) a description of the technical and organizational security measures in place; and (h) if the company has an internal record of all processing activities carried out by any processors on behalf of the company. The ROPA disclosure is a roadmap for employees to identify how their data is processed by the company. Employees may also identify the authorized personnel who have access to their data (LGPD, 2020).

Finally, the Risks and Data Protection Impact Assessments criterion requests that the controller submits a Risks and Data Protection Impact Assessment (DPIA) when processing personal data to legitimated interests as the legal basis and when the data processing represents a high risk to the guarantee of the general principles of personal data protection under the LGPD rules. The DPIA will grant greater security to employees about the internal procedures to be adopted, including in the event of a personal data leak, thus ensuring that everyone must be engaged in better compliance with the LGPD rules (LGPD, 2020). Therefore, we argue that the implementation of the Data Protection Law may raise an important debate on the concept of stakeholders' rights. We argue that the law enables different stakeholders to hold partitions of rights to facets of a single resource (personal data) and that compliance with LGPD demands time, commitment, and a specialist to guide the company to proceed with a total change of internal culture regarding personal data processing.

Method

This study is an applied qualitative exploratory and descriptive research. We chose the documental research method using secondary data to investigate the 2018, 2019, 2020, and 2021 annual reports of the four companies listed in the Sustainability Index of the Brazilian Stock Market – ISEB3. The 2021 Index questionnaire is sectorized, that is, the questions change according to the type of activity of the respondent company. Therefore, we selected the banking sector. We picked the four banks that were listed in the four consecutive years. They are Bank of Brazil, Bradesco Bank, Itaú-Unibanco Bank and Santander Bank. Santander bank is the only one that is not Brazilian. The Bank of Brazil is the only one whose major shareholder is the Brazilian Federal Government. It is considered a State Bank in Brazil and has a social obligation according to the Brazilian Constitution. These are the major banks operating in Brazil. Each of them has around 90 thousand employees.

The objective of the Corporate Sustainability Index (ISE B3) is to be the indicator of the average performance of the asset quotes of selected companies for their recognized commitment to corporate sustainability and stakeholders' commitments. Companies are invited to join the Index

once a year. They should answer a questionnaire and there are two evaluations. The quantitative is the calculation of the total points obtained by each company participating in the process, resulting in the Base Score of these companies. The qualitative occurs through the analysis of documents submitted by the participating companies to evidence their answers to the questionnaire. If approved, the company is listed in the Index for a year: from January to December of the following year.

Therefore, the companies listed in the ISE B3 index each year are selected after answering voluntarily a questionnaire. The questionnaire is structured on four levels: dimensions, themes, topics, and questions. The dimensions and themes are based on the Sustainability Accounting Standards Board (SASB) model. For the content, the tools published by Global Reporting Initiative (GRI) and System Benefit companies (System B) are used as references. There are five dimensions and 28 themes that are classified into two types according to their sectoral materiality. The General ones are answered by all companies, and the specific ones are to be answered only by companies in the related specific sectors. The material themes are the ones relevant to the value-generating capacity of the companies. And there are 267 questions.

The five dimensions are (1) Human Capital, (2) Corporate Governance and High Management Business, (3) Models and Innovation, (4) Social Capital, and (5) Environment. For this research, we are analyzing the disclosure in two dimensions, Human and Social Capital, that are related to the employees' rights and claims addressed to our research question, how does the Data Protection Law impact the uses of employees' data disclosure? Human Capital contemplates three themes, which are (1) labor practices, (2) health, and safety of the worker, and (3) engagement, diversity, and inclusion of employees. The Social Capital contemplates eight themes. However, this research investigates two of them, which are related to our research question and embrace employees' rights and data protection. They are (1) human rights and community relations, and (2) data security. These five themes gather 45 questions. Appendix 1 describes the five topics and their scopes analyzed in this research. The topics are (1) labor practices;(2) health and safety of the works;(3) engagement, diversity, and inclusion of employees; (4) human rights and community relations, and (5) data security (<http://iseb3.com.br/questionario-ise-b3-2021>).

The four companies investigated disclose GRI indicators and Sustainability Accounting Standards Board (SASB) standards in the reports. Bradesco also discloses Stakeholder Capitalism metrics. We aim to compare data disclosure before and after the Data Protection Law was sanctioned (2018), but companies had an adaptation period that ended in 2020. We aim to investigate how the data protection law's implementation impacted employees' data disclosure by the companies in their sustainability reports from 2018 to 2021.

Our research is divided into three phases. Phase 1 identifies the data disclosure by each listed company based on Table 1 and Table 2. Phase two compares them and Phase three analysis Data Protection Law's impact on companies' sustainability reports on employee data disclosure dimensions.

Results

ISE B3 Questionnaire

We identified the concepts related to our research question in the ISE glossary (<https://iseb3.com.br/questionario-ise-b3-2022>). Both stakeholder approach and employees' claims and rights are among the described concepts. We may highlight some of them: engagement,

human rights, area of influence, risk management, and stakeholder. Those concepts demonstrate the index is in line with the BRT stakeholder purpose statement. However, they do not mention any of the Data Protection Law issues.

As per the questions, the 2021 questionnaire includes 6 questions about LGPD disclosure in the Social Capital Dimension. They are demonstrated in Table 3 and the companies' answers in Appendix 2.

Table 3: Data Protection Law ISEB3 2021 Questions

1	Indicate whether the company has made a technical diagnosis of responsibilities and vulnerabilities regarding the security of the data it collects and stores.
2	Does the company have a data security training program?
3	Indicate the company's actions to ensure maximum cybersecurity.
4	Are there guarantees of data security in the products and services offered by the company?
5	Does the company have insurance that addresses the coverage of the loss, leakage, and/or fraud involving the data it collects and stores?
6	Does the company have an IT/Data Security contingency plan tested periodically?

ISE B3 Questionnaire and Annual reports results of Tables 1

The twenty employees' issues listed in Table 1 are 1. General policy, 2. Benefits, 3. Compensation, and rewards, 4. Training and development, 5. Career Planning, 6. Employee assistance program, 7. Health promotion, 8. Absenteeism and turnover, 9. Leaves of absence, 10. Relationships with unions, 11. Dismissal and appeal, 12. Termination, lay-off, and redundancy, 13. Retirement and termination counseling, 14. Employment equity and discrimination, 15. Women in management and on the board, 16. Daycare and family accommodation, 17. Employee communication, 18. Occupational health and safety, 19. Part-time, temporary or contract employees, and, 20. Respect, inclusion, honesty, and belonging. We identified that all of them were addressed in the four companies' annual reports during the four consecutive years except for Bank of Brazil related to relationships with unions and Santander and Itaú related to retirement and termination counseling. The questionnaires did not address benefits; training and development; carrier planning; termination, lay-off, and redundancy; retirement and termination counseling; and daycare and family accommodation.

ISE B3 Questionnaire and Annual reports results of Tables 2

None of the questionnaires addressed the criteria of Table 2, employees' internal policy (Data Protection Officer and Employee Training; Public Declarations; Records of Processing and Lawful Basis and. Risks and Data Protection Impact Assessments). However, Bradesco Bank addressed the criteria in its 2018 annual report. Bank of Brazil did not address criterion 1 in the 2018 and 2019 annual reports but did so in 2020 and 2021. Santander did not address any of the criteria in the 2018 report.

Annual reports data Protection Law evidence

The four banks present evidence of addressing the Data protection Law rules in the 2020 and 2021 annual arguing that the law implementation helped personal data collection and

disclosure by putting boundaries to how the firm treated employees' data, as demonstrated in the integrated reports' excerpt of Bank of Brazil and Bradesco.

“General Data Protection Act established a new legal framework to be observed in personal data processing operations and brought significant changes in the rules applicable to the processing of such data, with a set of regulations and controls to be complied with.” “Reformulation of the Privacy Policy, including mapping, inventory, and analysis of privacy risk in processes that process personal data.” “Adequacy in contracts, terms, and other instruments, with the inclusion of data protection clauses.” “Training and training of the employee.” “Established a new structure of Governance and Privacy Management, subordinated to the Data Protection Officer (DPO) and responsible for the development of the program.”

We also identified an increase in the number of pages in the report for 2020 and 2021 dedicated to employees' data disclosure with more explanation on why the data was collected. Bradesco and Bank of Brazil included SASB and Stakeholder capitalism metrics besides GRI standards in the 2020 and 2021 reports.

“Employee awareness. The Information Security area participates in meetings, forums, working groups, internal and external committees and subcommittees, and technical events to advise the PLDFT/Sanctions and Information Security/Cyber Executive Committee. Under the coordination of the Human Resources Department/Unibrad, the Organization maintains a broad training program for employees (Introduction to Information Security course, Corporate Security Booklet, Protect Yourself web series, Mobility and social media, and corporate security videos). E-learning on the topic is mandatory and includes a post-test, which requires a score equal to or greater than 70% for approval. The Corporate Information security and cyber security policy are available to employees and stakeholders on the Investors Relations website. Implementation Program of the General Law for the Protection of Personal Data (LGPD): responsible for the adequacy of processes and systems to meet the rights of the data subject and compliance with the requirements required by law.”

Discussion

Addressing the research objectives that are (1) Identifying the employees' issues (Table 1) in the Human and Social Capital dimensions of the integrated reports of the sample companies; (2) identifying the Data Protection Law (LGPD) criteria (Table 2) in the Human and Social Capital dimensions of the integrated reports of the sample companies; (3) analyzing the impacts the LGPD criteria have on the employees' issues attendance and (4) analyzing the impacts LGPD rules have on employees' data disclosure, the results show that the LGPD impacted positively on employees' data disclosure in the sample companies' annual reports.

When LGPD entered into force, many firms only envisaged additional costs to comply with this new law, an unnecessary expense, especially during a Covid-19 pandemic scenario. Most Brazilian companies have simply not started any implementation compliance with the LGPD, even if it has already totally entered into force, and numerous civil and labor lawsuits have already been filed, with requests related to the LGPD. On the other hand, certain companies, wisely, noticed that it is a growing movement that will no longer be able to retroact (AMRAM, 2020). It is expected

that, in a few years, there will no longer be companies that can produce or market products and services or have employees without observing, within their compliance rules, all ethical concepts for the treatment of personal data contemplated at the LGPD, which in turn supports a stakeholder-oriented approach to be implemented since the law forces companies to review their culture.

The need to adapt existing internal procedures, not in compass with LGPD, should also be rethought, as well as whether the guiding principles and rules of the LGPD will apply in the same way to different sized companies, from small to large ones (Harting, 2020).

Nevertheless, the implementation of an LGPD compliance program is not only a fulfillment of a legal requirement but is also seen as a considerable competitive advantage for a company that carries out operations with national and international customers. We also understand positively as defined by more transparency on how data is disclosed and guaranteeing employees access to that as informed in companies' Answers to the Data Protection Law ISEB3 2021 questions. The debate on property rights brought by the Data Protection Law's mandatory adoption seems to give back to the owner of the data and its property. That means that the information about employees that companies used to have and were not obliged to disclose and therefore may have been used as power and influence tools in negotiations and to gain a competitive advantage may not be used on that purpose any longer (Harrison, Phillips, and Freeman, 2020; Harrison and Bosse, 2013).

Even though the Law has been mandatory since the beginning of 2021, Bradesco Bank has given transparency on employees' issues since its 2018 report. We can identify improvements in the bank's reports on the LGPD reference and by the number of pages and details the bank discloses. On the other hand, the Bank of Brazil has only clearly brought data on the 2021 report and LGPD references appeared in the 2020 and 2021 reports.

Both Bradesco and Itaú-Unibanco banks clearly show concern for employees' issues besides the Labor Law obligation. Both companies' reports bring evidence on shared employee claims and rights' attendance through their value map and material themes. Respect, inclusion, honesty, and belonging, the last topic of Table 1, seem to be quite relevant in the relationship between companies and their employees (Clarkson, 1995).

Bradesco addresses its employees by saying "we want to be the company desired by high-performance professionals to live their present and build their future." The feeling of belonging and engagement seems to be a company's value. The bank states that people are the basis of their strategy, and they seek to improve the essential and transformative skills of their professionals to make the corporate strategy viable. Ethics, transparency, and respect for people are on the base of the organizational culture and they invest to have an innovative, challenging, and diverse environment which in turn contributes to a stakeholder-oriented approach that establishes these values as stakeholder theory ground rules (Harrison and Bosse, 2013; Harrison, Bosse, and Phillips, 2010). In 2020, the company revised its Code of Conduct, especially on issues concerning transparency, conflicts of interest, inside information, and valuing people and stakeholders' relationships. These issues are Data Protection Law important topics that reinforce the impact the law had on data disclosure. Employees' training on how to use the data disclosure Plataforma was also restructured and by the end of 2020, 73 thousand employees had taken the course. The company states that its content became much more practical, easier to understand, and dynamic which brings a friendly concept to data and rights concerns for employees' usage.

Bradesco has a Data Protection Officer and committees to take care of employees' issues. The report not only discloses data but also and more importantly explains why and how the company addresses each employee's issues listed in Table 1. That is evidence that transparent data disclosure but also fundamentally trust among stakeholders are premises for the organization to

make their purpose statement of managing for stakeholders into practice. It is one of the essential elements of the sharing of utility functions (Harrison, Bosse, and Phillips, 2010). Treating stakeholders with dignity, honesty, and courtesy does not raise marginal costs or benefits, but it might strengthen trustworthiness. Bradesco is seen as one of the best companies to work in and the company's corporate university developed to employees' training, improvement, capacitation, and qualification is considered one of the best in the world.

Therefore, the propriety right concept is not absolute. The idea that the company or shareholders are the owner of the property is no longer acceptable. Stakeholder theory argues that stakeholders' rights and claims must be considered as shareholders are. We argue that the results evidence the fact that companies can no longer do whatever their owners and managers want to. Stakeholders' rights and claims are as important as companies'. However, as property rights are not absolute, neither the company nor any of its stakeholders have the right or claims fully addressed. It has to be a joint value creation process to guarantee business performance and stakeholders' issues attendance simultaneously.

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Appendix

Appendix 1 ISE B3 Human and Social Dimension

Dimension	Human Capital	Scope
Topic 1	Labor Practices	This topic should address the company's ability to maintain commonly adopted standards for workplaces, including compliance with labor laws and internationally accepted standards . It includes, but is not limited to, guaranteeing basic human rights related to child labor, forced or compulsory labor, fair wages and overtime pay, and other basic workers' rights. It also includes minimum wage policies and benefit provision, which can influence how a workforce is attracted, retained, and motivated. The theme also addresses the company's relationship with workers' organizations and freedom of association.
Topic 2	Health, and safety of the worker	This theme should address the company's ability to create and maintain a safe and healthy work environment, free of injuries, fatalities and diseases . This may be accomplished through the implementation of security management plans, development of training for employees and contractors, and regular audits on their own and subcontractors' activities. It should include how companies ensure the physical and mental health of the workforce, through technology, training, organizational culture, regulatory compliance, monitoring and testing, and personal protective equipment.
Topic 3	Engagement, diversity, and inclusion of employees	This topic should address a company's ability to ensure that its hiring and promotion culture and practices include building a diverse and inclusive workforce that reflects the composition of local talent groups and customer base. It should address issues of discriminatory practices based on race, gender, ethnicity, religion, sexual orientation, and other factors.
Dimension	Social Capital	
Topic 4	Human rights and community relations	This theme should address the management of the relationship between companies and the communities in which they operate, including, but not limited to, management of direct and indirect impacts on fundamental human rights and the treatment of indigenous peoples. More specifically, such management can cover socioeconomic impacts on the community, community engagement, environmental justice, local workforce development, impact on local businesses, license to operate, and environmental/social impact assessments. The issue does not include environmental impacts, such as air pollution or waste, which while they may affect the health and safety of members of local communities, are addressed on separate issues.
Topic 5	Data security	This topic should address risk management related to the collection, retention, and use of sensitive, confidential, and/or customer-owned data. It should include social issues that may arise from incidents such as violations in which personal information and other user or customer data may be exposed. It should address a company's strategy, policies, and practices related to IT infrastructure, personnel training, record keeping, cooperation with law enforcement authorities, and other mechanisms used to ensure the security of customer or user data.

Source: adapted from ISE B3 Questionnaire general View 2021.

Appendix 2 Companies' Data Protection Law ISEB3 2021 Answers

Item	Questions	Alternative	Bradesco Bank	Bank of Brasil	Santander Bank	Itau-Unibanco Bank
1	Indicate whether the company has made a technical diagnosis of responsibilities and vulnerabilities in relation to the security of the data it collects and stores.	It was carried out by a specialized team, from the company itself or external.	yes	yes	yes	yes
		It was ensured by independent external audit	no	no	no	yes
		It is carried out or updated regularly, on a basis compatible with the evolution of the company's technology and operations	yes	yes	yes	yes
2	Does the company have a data security training program?	Yes, in a mandatory and periodic way for all employees	yes	yes	yes	yes
3	Indicate the company's actions to ensure maximum cybersecurity.	Keeps your information technology equipment and operating technologies up to date to reduce cyber attack risks.	yes	yes	yes	yes
		Periodically updates your security protocols, access controls and equipment usage rules to reduce cyberattack risks	yes	yes	yes	yes
		Monitors cyber attack risks and events	yes	yes	yes	yes
		Periodically conducts tests to verify cybersecurity conditions	yes	yes	yes	yes
4	Are there guarantees of data security in the products and services offered by the company?	The company has data security certification for its products and	yes	no	no	yes
		The company uses service channels that have data security certifications	yes	no	no	yes
		The company periodically conducts audits to verify data security conditions in its products, services and service channels	yes	no	yes	yes
		The company has action procedures in cases of cyber attack	yes	yes	yes	yes
		The company communicates its customers, suppliers and partners about cases of cyber attacks	yes	yes	no	yes
5	Does the company have insurance that addresses the coverage of the loss, leakage, and/or fraud involving the data it collects and stores?	uniqueChoice: Yes or No	no	no	yes	no
6	Does the company have an IT/Data Security contingency plan tested periodically?	uniqueChoice: Yes or No	yes	yes	yes	yes