

Innovation in the adoption of ESG principles in a Hospital Institution

Increased competitiveness in the corporate environment and the continuous search for profitable growth are factors that make up the current market situation. In order to achieve notoriety in this scenario, organizations need to go beyond the barriers of regulatory compliance considered basic to the sector of activity and adopt good practices to meet the needs of key stakeholders, maximizing the creation of value for internal and external players. Taking into account the complex environment in which institutions operate, it is essential to seek a balance between economic priorities and social and environmental aspects, and one of the alternatives for achieving this is to adopt ESG (Environmental, Social and Governance) principles in business operations.

The acronym ESG, or translated into Portuguese as ASG, refers to the set of environmental, social and governance criteria that need to be considered when managing risks and opportunities, as well as assessing the respective impacts generated by the organization's activities, with the aim of guiding sustainable actions, businesses and investments. These criteria can be adopted by all types and sizes of organizations, and are not restricted to the industrial sector. Furthermore, institutions with outstanding performance in ESG practices improve their image in the eyes of society and customers, providing reputational gains. It is worth noting that profitability is also a factor to be observed in the financial market, putting an end to the dilemma that sustainable actions involve giving up profit; on the contrary, for an organization to be able to invest in sustainability, it must first be able to sustain itself financially.

In view of these findings, the Brazilian Association of Technical Standards (ABNT) published a normative document in December 2022 to guide the steps needed to incorporate ESG principles into organizations, the ABNT PR 2030. Due to the document's flexibility and the importance of hospitals in promoting well-being and curing diseases, a right guaranteed by the Brazilian Constitution, it is appropriate to apply this structured guide to apply environmental, social and governance practices in the hospital segment, after all, for hospitals to be able to maintain their operations uninterrupted, Although they are essentially socially responsible, there is a need to establish sustainability strategies in their operations, with the aim of increasing stakeholder satisfaction, promoting public and environmental health through conscious action.

Thus, the first step in establishing the ESG journey in the hospital is to know the path to be taken, i.e. to establish sustainable objectives and goals to be achieved, through organizational knowledge and the perception of the material criteria involved in the healthcare activity. Next, the organization must establish in its strategic planning a commitment to intentionally bring ESG practices into its activities, with the clear involvement of senior management and corporate leadership at this stage. The third step consists of a diagnosis, which begins with a survey of sustainable practices, the level of structuring, available resources, processes applied, results obtained to date and performance indicators. After understanding what already exists in the organization, it is necessary to create an action plan to plan the institution's ESG scope, putting the pending actions into practice so that progress can be made on the sustainable journey. After implementing the planned actions, it is essential to measure and monitor whether what

has been planned is actually being applied; ESG indicators are essential for visualizing the generation of value over time, allowing the risks and impacts associated with this process to be managed. At the end of the actions, it is essential to establish a channel of transparency between the interested parties, reporting and communicating the progress of the sustainable journey with the stakeholders.

Following these steps, it was possible to see positive progress in relation to the ESG journey. In terms of the environment, the Health Services Waste Management Plan (PGRSS) was strengthened, as were internal recycling programs and water quality maintenance, as well as the prominence of the Chemical Product Safety Data Sheets (FISPQ) and the management of indicators involving environmental impacts, such as land use, gas emissions, water and electricity consumption. Important changes were made to the environmental policy, establishing good practices for the conscious consumption of water and energy, as well as creating projects to reduce the use of paper in internal records and, when establishing commercial relations, prioritizing suppliers who apply sustainable criteria in their operations. With regard to the social axis, there was a focus on actions for patients based on Private Social Investment (PSI), educational support for employees' children and strengthening internal and external communication about the dignity policy and the organizational code of ethics, prioritizing relationships with internal and external stakeholders. Studies involving the governance axis are still underway, but practices involving data security and publication of reports on institutional activities on the hospital's website are already being applied, favoring transparency in operations.

Thus, it is possible to see that adopting ESG practices in institutional strategy is a path in the making, but with no turning back. In addition, the triple play based on revenue, economic profit and progress in ESG tends to bring remarkable returns for all types of organization, strengthening risk and opportunity management, organizational purpose and generating shared value for stakeholders.

Dr. Délvio Venanzi

Sorocaba College of Technology - FATEC

delvio.venanzi@fatec.sp.gov.br

Vanessa Farinon

Sorocaba College of Technology - FATEC

vanessa.farinon@fatec.sp.gov.br

Further reading

ABNT PR 2030 (2022). Environmental, social and governance (ESG) - Concepts, guidelines and evaluation model for organizations. ABNT.

DOHERTY, Rebecca; KAMPEL, Claudia; KOIVUNIEMI, Anna; PÉREZ, Lucy; REHM, Werner. Triple play: growth, profit and sustainability. McKinsey & Company, Aug. 2023.

Venanzi, D., Orsi, R. J. de S., De Lima, N. S., & Rodrigues, L. N. (2023). The implementation of ESG (Environmental, Social and Governance) in the service sector - case study: Hospital ABC. *Revista Caribeña de Ciencias Sociales*, 12(3), 1053-1067. <https://doi.org/10.55905/rcssv12n3-005>