

DR. JEANE TSUTSUI, CEO OF GRUPO FLEURY, one of Brazil's leading medical diagnostic businesses, began her career with the company in 2001 as a cardiologist. The daughter of Japanese immigrants—her father a merchant, her mother a homemaker—she was the first doctor in the family, and did post-doctoral research at the University of Nebraska Medical Center.

She earned an MBA in research, development and innovation and, in 2007, Fleury invited her to lead a research and innovation specialty, starting her down a management path. She has since also served as Chief Medical Officer.

challenges in this regard. Waste generation is the company's main environmental aspect.

"We are confident that, with the necessary energy and discipline, the company will mobilize to achieve the targets set."

In the interview below, Dr. Tsutsui describes the challenges of managing more than 22,000 employees, 4,900 doctors and almost R\$7 billion (\$1.4 billion) in gross annual revenue. She also shares with us her views on the evolution of ESG and the pressures on her business to meet changing standards. True sustainability, she says, implies a long-term profitability that can only exist on a firm foundation of social and environmental engagement.

ESG CHECKUP in BRAZIL

In 2021 she was named Grupo Fleury's CEO.

"Perhaps the link here is a connection with purpose," she told us in an interview from Fleury's newly opened headquarters in São Paulo. "It's something I really believe in. As a doctor, you have an impact on a patient's life, even many patients. But as a manager of a health company, you have an impact on a whole sector, on society. So the connection with purpose continues."

Founded 98 years ago, the company is a standard bearer of the health sector in Latin America. Under Dr. Tsutsui's watch, Fleury completed a transformative merger last year with Hermes Pardini group, consolidating its position as the third-largest healthcare company in Brazil. Fleury shares are traded on the São Paulo stock exchange and the group's current market value is about \$1.8 billion.

The company is highly regarded for its transparency and performance for ESG. Fleury has long factored in strong governance and social engagement to ensure it can best deliver its services to Brazil's highly diverse population. But it also has now set net-zero targets for 2050 and biological waste reduction targets of 20% by 2025.

"Those targets are challenging and force us to always innovate," Dr. Tsutsui says. "We are structuring our decarbonization journey towards a net-zero commitment so that we are clearer about our

As a practical matter, long-term success demands ESG discipline, says **DR. JEANE TSUTSUI**, CEO of Brazilian medical diagnostics company Grupo Fleury. She speaks with Brunswick's **ROBERTA LIPPI** and **DANIEL WIEDEMANN** about her journey.

How did your career as a doctor lead you to become CEO of a multibillion-dollar company?

The mindset of a cardiologist, who thinks systemically about the cardiovascular system, ends up being quite interesting at a time of so many challenges in the health system. We bring a systemic vision to the way we think about Fleury's strategy today. We're building a health ecosystem. We have added more layers of common responsibility to our work, such as the ESG targets and expanding access to healthcare. Companies today aren't just focused on profits for investors; they're focused on all stakeholders. That means being able to adjust your tactics and your strategy to fit the changed expectations.

How do you view some of those changed expectations, like DEI, for instance?

Being a CEO means not just thinking of yourself as a manager, but you also need to set up complementary teams that bring you other skills and competencies.

So, you have to see and value diversity in your team leaders. You need diversity to be able to push beyond individual abilities. That's the beauty of diversity, that you can bring in people with different profiles and mindsets so that they complement each other, and together you have a better-performing team.

We are naturally diverse because of our national presence. Brazil is increasingly debating the challenges of creating an equal, safe and welcoming environment for all people in society. But more than just ensuring expression and respect for people's uniqueness, valuing diversity and inclusion involves an ongoing search for cooperation and solutions that matter to everyone, everywhere, to create collaborative and inclusive environments in which people feel good and safe to be who they are. That reflects the diversity of all the markets in which we operate.

There are areas that we still need to work on. For instance, nearly 80% of our employees are women. As you get higher, above coordinators, it's 60% and in C-suite it's 30%—we also have representation on the board. Our *Elas na Liderança* (“Women in Leadership”) program is set up to encourage and develop more talent, focusing specifically on Black women. This is a challenge we have, this intersection of women in leadership and equality for Black women.

How do you counter those who see a lack of merit-based promotion in affirmative action?

First, the role of *Elas na Liderança* isn't to just automatically move Black women into leadership. Rather, we develop a group of women so that they can compete and take on leadership positions. The issue is often that women don't lack ability, but they do lack opportunities for development. Often they don't compete for these positions because of that.

Is affirmative action worth it or not? Each organization has to find its own way. Our position is, we are a company that looks for excellence in service, technological excellence, medical excellence, while we also understand that developing and bringing in this diversity is part of a mission, a culture, and that it has advantages. We don't have quotas. What we do is discuss the importance of diversity and performance, and we encourage that discussion and the results that it can bring. That discussion helps us to broaden the pool of talent we're choosing from.

Your company is recognized for its commitments to ESG generally. Can you talk about how that aligns with your operations?

Fleury has been working on the issue of sustainability for more than 20 years. It started with a focus



on the quality of our services, and that led to the whole aspect of really having a vision of strategic sustainability, a very clear positioning of social impact. This is a story built up over 20 years that has rewarded Fleury's culture in many ways. I don't think it can be built overnight. It really is a journey that needs time to progress and mature.

When we look at ESG in Fleury today, it has a very large strategic weight in all aspects of the business. The board's ESG committee is led by the chairman of the board of directors, for instance. That shows you how important this is in strategic and governance terms. I participate all the time in the discussions of ESG as a strategy and we have an executive director of strategy and ESG. It permeates the entire business with metrics for executives deployed throughout the organization.

For many companies, the E, the environmental, is the most important aspect. But for us, for our sector, it's social. Increasing access to healthcare is incorporated into the business model—that's a clear social concern and a business concern. In order to do this and to have a financial return, you need to be more productive, because otherwise there will come a time when resources are too scarce. That motivation encourages a sustainable approach, in a way that translates to all stakeholders.

In the past, social programs were thought of more as philanthropy. That's changed and today incorporating it into the business model guarantees the sustainability of the initiatives. It's not a dichotomy, either I do this or I make a profit. As leaders, we have a responsibility to demonstrate that.

We have a series of clear metrics and objectives in each of the environmental, social and governance areas, which we monitor against a series of international parameters. We're recognized by inclusion in the ISE (Corporate Sustainability Index) of B3, the main stock exchange in Brazil, and the Dow Jones Sustainability Index. It requires attention, diligence. There's an internal educational aspect of changing the culture and an interaction with the public that we work on all the time.

We have a lot to learn still. Because we approach it as a journey, as I said.

You mentioned board-level engagement on ESG. Can you tell me how that came about? Did you need to sell them on it?

No, as I say, we began from the issue of the quality of our services, so our social framework—and later, environmental—arose from there. As soon as we became a publicly traded company, with very

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strong governance, this became something that the board of directors started to monitor more closely, with structured metrics, and started to push this agenda a lot in general. Our ESG committee was formed in 2021 as a continuation of that.

I don't believe that this can be imposed on a company; there is an aspect of culture that is important for this journey, the involvement of all levels of the organization. The top leadership needs to be committed to ESG for it to take shape, while at the same time the combination of a culture, where this is already discussed and incorporated over time, helps you boost the speed and impact that you have on ESG in the organization.

The market is constantly evolving, and pressures from various stakeholders are part of this dynamic. You see that especially in the US. However, it is a fact that resources are scarce and the international community needs to reach a consensus to mitigate the risk of scarcity now and for future generations. It is necessary to invest in a long-term vision.

The backlash against ESG in the US—do you see any of that reaction in Brazil and in the South America region?

We haven't identified any resistance to ESG goals in the national environment. What we can identify is specific resistance to change in general, because there are organizational cultures that favor or hinder change. Recent history shows us that the companies with the greatest difficulty in adapting are the most vulnerable to market fluctuations and social changes.

In closing, I'm curious to know if there was anyone in particular who inspired you in your career?

It's not so much one person, but a set of things and people that over time allow you to develop as a person, as a leader, as a manager, as a professional in different areas. You're always looking for inspiration, to be energized and motivated, because day-to-day life sucks energy. Business is very results-oriented. It's hard work. As a leader, that's part of my job, in fact, to inspire others and to have the time to do so.

You can learn and be inspired by mistakes as well as successes. Everyone wants to talk only about the good things. But you need to have people tell you about mistakes too, their mistakes and yours—people who give you tough messages and make you reflect on your career. Those are the people who, in the end, help you to develop. ♦