

Odontoprev S.A.

Period covered by this Communication on Progress (COP)

From: January/2014 until December /2014

Declaration of continuous support by the Executive Director (CEO)

May, 2015

To Participants:

I have the pleasure to communicate that OdontoPrev re-affirms its support for the Ten Principles of the United Nation's Global Compact in the areas of Human Rights, Labor, Environment and Combating Corruption. In this annual communication concerning progress, we describe our actions of improvement for the integration of the Global Pact and its principles in our business strategy, culture and daily operations and we commit to share this information with our principal stakeholders.

Yours sincerely,

Mauro Figueiredo

Director President

Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

OdontoPrev supports and respects the protection of human rights recognized internationally and guarantees its non-participation in the violation of such rights. The Company, by way of the performance of its managers, guarantees that the people who work within its installations have their rights integrally respected, as well as making every effort to avoid complicity in the abuses of human rights at all of its business units.

In order to guarantee the protection of rights, OdontoPrev has developed the following mechanisms:

Investigation and Ethics Committee

The Ethics Conduct Committee is the organ responsible for the reception, investigation and improvement recommendations in processes and sanctions for transgressors, of all consequent denouncements, being made up of accountable personnel in the areas of Financial Administration, Internal Auditing, Judicial Department and Human Resources; and is responsible for defining which cases must be submitted for analysis by the Director President of OdontoPrev. In the case of denouncements involving whatever member of the Investigation and Ethics Committee or the Director President, the organs responsible for analysis and investigation of the denouncements are the Internal Audit Committee and the Administration Board.

Denouncement and Ethical Conduct Channel

This is the principal means of communication in the case of complaint of diverse questions or situations involving coercion or harassment. They receive complaints from collaborators, clients, beneficiaries, the accredited network, partners, suppliers, shareholders and the external public about facts or situations that could cause damage to the image or to OdontoPrev's businesses, as well as questions that could be in disagreement with legal provisions, normative instruments and violations of the Company's Code of Ethical Conduct.

The complaints can be sent in by mail, e-mail, posted on the Company's homepage or made personally to the representatives of the Internal Audit Committee. The identity of the complainant is kept in secrecy. After

receiving the complaint, the Internal Audit Committee makes an initial investigation and, should the case go forward, it is taken to the Investigation and Ethics Committee for evaluation, the application of sanctions and/or recommendations for improvements in procedures. During 2014, the Denouncement and Ethical Conduct Channel received 269 contacts, of which 70 were evaluated by the Investigation and Ethics Committee.

Climate Poll

Annually OdontoPrev carries out an Organizational Climate Poll, with the objective of monitoring the Company's command of the results obtained, and to develop action plans for continued improvement in the Company's climate. In 2014, there was 85% participation by our collaborators and the overall result was 7.6 (on a scale from 1 to 10).

Climate Poll Organizational Committee

This is composed of representatives of all areas and levels, responsible for taking our collaborators requests to the Committee.

HR responds

By way of a specific e-mail, namely: rhresponde@odontoprev.com.br, our collaborators send in their doubts, eulogies, complaints and suggestions with respect to the questions that affect them on a day to day basis, not necessarily questions involving Human Resources.

HR Goes To You

This program is the key to the process of internal communication. Our Human Resources professionals regularly visit all of the Group's units and branches, even those that have only a small number of collaborators.

The object of these visits is to listen to expectations, concerns, suggestions, clarifications and guidance. This contact is carried out by way of team and/or individual meetings. In anticipation, our collaborators receive a communication concerning the presence of the Human Resources representative and can set an appointment for individual conversations during the determined time period.

Many situations are resolved / clarified *in loco*, whilst other questions are taken up by the network for a more in-depth answer and are replied to within 48 hours. Many of the questions raised have altered the



Company's procedures. During 2014 some 22 visits to 10 units (Sao Paulo, Piracicaba, Goiânia, Campinas, Rio de Janeiro, Belo Horizonte, Maceió, Sergipe, Salvador and João Pessoa) took place.

Principle of Labor

Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labor;

Principle 5: The effective abolition of child labor; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

OdontoPrev supports the initiatives of union association and values other forms of voluntary organization by its collaborators, who have the right to a free association to a union. All of our collaborators (100%) are represented by unions throughout the country.

Additionally, the Company is expressly against child labor, forced or analogous to slavery and does not accept this practice in its suppliers and third party service providers. As well, we contract suppliers and establish business relations with partners who operate with comparable ethical standards, by way of a rigorous selection process, giving ample recognition to the norms and conditions that rule the ethical behavior of our Company.

Under no circumstances, is the employment and exploration of children and / or youths below the legal working age permitted. The Company does not maintain a commercial relationship nor do it contract services from organizations that adopt such practices of infantile labor.

Our Company is compromised with a Human Resources policy directed towards respect and the valuation of the human being and that person's fundamental rights, adopting practices effective towards sustainable development, integral, ethical and transparent performance. Part of the admission process is the submission of each new collaborator to an electronic training program and the tests related to such a theme. Periodically the course is revised and all collaborators again go through training.

OdontoPrev assumes the compromise concerning the National Pact for the Abolition of Slave Labor, which represents the compromise of the non-admission of slave labor in the productivity chain, as well as being against child labor and the non-acceptance of this practice in our suppliers and service providers.

Additionally, written in OdontoPrev's Code of Ethical Conduct is freedom of association, collective bargaining, the elimination of forced, infantile and discriminating labor; and in order to guarantee access to these policies, as well as the review on admission, our collaborators and all the public who are integrated with OdontoPrev have access to the Code by way of our Portal.

The promotion of diversity is constantly sought after by the Company and is demonstrated by way of the following programs:

Apprentice Program

Focusing on the inclusion of the young older than 16 years, the Company promotes technical training. The program, of two year duration, occurs under the guidance of SENAC and the accompaniment by the Human Resources area. During 2014, thirty eight (38) young apprentices were contracted.

Internal Opportunity Program

For the replacement or contracting of collaborators, OdontoPrev's Human Resources policy establishes that firstly the professional must be sought internally, following basic requirements, such as having been at least one year with the Company, having achieved at least 90% of the goal of the last performance evaluation and the requirements that the position demands. Of the 62 vacancies divulged internally during 2014, thirty six (36) were filled with collaborators. This had made possible that collaborators of the Central Attendance / cleaning teams have conquered opportunities in other areas.

In order to make professional growth possible, the OdontoPrev University is made available to collaborators, thus allowing them to take courses that focus on their development and employability and for leadership positions the formation is internal and by way of a specific program (Key People).

During 2014 some 537 contractions took place, in the majority of cases related to Central Attendance; and there were 114 promotions.

Health and Safety

The Company maintains an Internal Commission for Accident Prevention (ICAP), which is made up of collaborators who, as well as activities linked to their position, act as multipliers and agents focusing on the reduction of accidents and occupational illnesses.

During 2014 the health area was in action every day of the week with the presence of a nurse and a doctor. The responsibility of this area is to accompany the collaborator's health, providing guidance in the promotion of good health practices. During 2014 some 2,593 attendances to collaborators were registered.



The Company constantly seeks, with the support of the building's administration area, to accompany, inspect and monitor its installations, in such a manner that all collaborators have comfortable installations and are not exposed to risks. This was an indicator highly evaluated and recognized by our collaborators in the Climate Organizational Poll.

Environmental Principles

Principle 7: Business should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

OdontoPrev is pledged to preventative approaches to environmental challenges, as well as promoting environmental responsibility in its operations through actions of conscientiousness, environmental education and consumer conscious education and signs off its compromise via its Environmental Policy, where the compromise of making its activities compatible with the conservation of the environment, within the Principles of Sustainable Development, are realized.

All of our activities, products and services are in harmony with the environment, always looking towards its conservation for future generations, and making certain that our activities attend to legal requirements and the applicable environmental norms, together with a continual improvement in the work involving environmental degradation prevention. Additionally, we have the compromise of reducing the environmental impact on our processes, products and services, incentivizing research into new technologies, processes and raw materials that minimize these impacts and make every effort to maintain an open dialogue with the community, clients and suppliers, as seen through the exchange of information concerning relevant environmental themes.

OdontoPrev realizes various activities and actions that provide support to the concepts laid out in the Environmental Policy, such as:

Apoena Project

This project is the umbrella of the environmental programs, created by the Sustainability Committee and looks to minimize our Company's impacts in its interaction with the environment, valuing the performance of responsible manner, always aligned with the ethical values that direct the manner in which the Company performs. The project involves and spreads through various publics.

It begins with the adhesion of our collaborators to its concepts and practices, disseminating through these instructors, with daily determination, together with clients and suppliers, consolidating when encountering the echo necessary for an understanding of society in which each individual and organization must comply with its role for a future where there is harmony with nature.

Carbon Compensation Program

This program strives to compensate for greenhouse gases emissions generated by our collaborators' transportation, energy consumption and air travel. During 2014, our Company planted 2,350 trees in order to compensate some 609 tons of CO₂ emitted during the year 2013, thus totaling 11,363 trees planted in the Paraíba Valley region , contributing to the project known as the Associação Corredor Ecológico Vale do Paraíba – ACEVP (Paraíba Valley Ecological Corridor Association).

This is an ambitious reforestation project, which, over the next ten years, is looking to transform the Paraíba Valley into an immense ecological corridor, capable of making a forestry connection between the Serra do Mar and the Serra da Mantiqueira. The goal is to connect, during these ten years, around 150,000 hectares of the Mata Atlântica (Atlantic Forest) in the Paraíba Valley, by way of the free forestry recovery of the rural proprietors who wish to participate and, cumulatively, they present consonance with the objectives identified by the project.

Amalgam Recycling Program

In partnership with the Biological Sciences Department of USP (University of Sao Paulo) and with our main suppliers (accredited dentists network), this project has as its objective the financing of research with focus on the development of new technologies for the recycling of amalgam.

Amalgam is a restoration material widely used by dentists. In its composition, heavy and toxic metals are present, among them being mercury and silver, which in large quantities are discarded in an inadequate manner, as they can contaminate human beings and the environment and for this reason, it is important that they be recycled in the correct manner.

All of OdontoPrev's accredited dentists network are invited to participate in this project. Adhering to the program, the dentist receives a kit containing a recipient for the collection of amalgam residues, a support for the recipient and a label with instructions for use. The dentist is advised to send the residues to USP's Chemical Residues Laboratory in the city of Bauru. All of the resources acquired through the commercialization of the recycled residues are passed on to USP and reinvested in research.

OdontoPrev is the sponsor of this research, re-equipping the Biochemical Laboratory, providing all of the necessary materials and remunerating the researchers. The project involves negotiations with public organs such as Cetesb, IPEM (Research and Measurement Institute), Secretary of Health, Ministry of the Navy and the Post Office (the packaging and transportation are special and certified by the IPT –

Technology Research Institute). The result is the proposition of clean technologies, with the final purpose being the conservation of the environment.

Since the start of the project, around 3,100 accredited dentists have joined, sending in some 18 kilos of amalgam, from which approximately 8 kilos of mercury, as well as silver, have been recovered.

Recycling

OdontoPrev sends for recycling the residues generated from its administrative activities, such as paper, plastics, aluminum, glass, CDs, batteries and lamps. Materials such as electronic devices in conditions of usage and furniture are donated to NGOs, partners in the Future Friends Program, part of our Company's social action program.

All of the recycling process is supervised by a specialist professional and involves duly certified companies. During 2014 our Company, in the process of changing its headquarters location, sought to install itself in a AAA building, one environmentally certified, having within it concern for the recycling of and reuse of water, selective collection of waste materials and the incentive to its tenants of good sustainable practices.

Easy Dental

With the objective of a reduction in paper consumption and the transport of clinical documentation by the accredited dentists network, our Company made available, with exclusive commercial conditions, the acquisition of Easy Dental, which is a software for the management of dental clinics.

ECONomize Program

This program seeks to create awareness in our collaborators about the importance of the responsible use of energy at home. All our collaborators are eligible to participate, presenting their quarterly energy bills, and the one who shows the highest reduction index receives an award. During the 2014 campaign, the winning collaborator presented a reduction (in KWh) equivalent to the average consumption of four of the Companies collaborators. This program is also extended to the accredited dentists network and, in this case, the top five dentists with the highest reduction index in their consulting rooms receive awards.

Yellow Card Program

All of our collaborators go on to be inspectors of the responsible use of energy program and are able to apply “yellow cards” to those who are not collaborating. Every time that someone leaves a computer monitor on, lights on in the work environment, these collaborators can receive a yellow card from a colleague. This program has the characteristic of guidance, and does not look to punish.

Anti-Corruption Principles

Principle 10: Business should work against corruption in all of its forms, including extortion and bribery.

OdontoPrev does not allow any form of corruption, inclusive in relation to the terms of Law 12.846/13 (Anti-Corruption Law). Our principles are expressed in our Code of Ethical Conduct, which covers the following aspects:

- Mission, Vision and Values of the Company;
- Conflicts of interest;
- Internal Relations and those in the Working Environment;
- Relations with Clients and Suppliers;
- Relations with Shareholders and the Capital Markets;
- Relations with Governments, Governmental Organ, Regulators and Public Agencies;
- Relations with the Media;
- Confidentiality and Information Security;
- Channel for Denouncements and Ethical Conduct.

The above aspects cover questions related to gifts, presents, benefits, advantages, favors and other courtesies; activities carried out outside of the Company; political activities; among others.

During 2014, OdontoPrev implanted its Ethics Course, mandatory for all of our collaborators; the objective being to update with respect to the items laid out in the Code of Ethical Conduct. Periodically, the Code is revised and all collaborators are informed about this and the course is revisited. Additionally, all collaborators sign a Term of Ethical Awareness, physically delivered to all at the moment of contracting or when there is a revision / updating. The Code is available on our Intranet and Internet for both our internal and external publics.

In the case of some denouncement / identification of whatever cases that could infringe the items described in the Code, these are remitted to and analyzed by the Company's Investigation and Ethics Committee.