

# United Nation Global Compact Communication on Progress (COP)

## OdontoPrev 2018



Index	Page
<b>Declaration of the CEO</b>	<b>3</b>
<b>OdontoPrev</b>	<b>4</b>
About us	4
Mission, Vision, Values and General Principles	4
<b>Human Right Principles</b>	<b>5 to 9</b>
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	5 to 9
Principle 2: Make sure that they are not complicit in human right abuses	5 to 9
<b>Principle of Labor</b>	<b>10 to 14</b>
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	10 to 14
Principle 4: The elimination of all forms of forced and compulsory labor	10 to 14
Principle 5: The effective abolition of child labor	10 to 14
Principle 6: The elimination of discrimination in respect of employment and occupation	10 to 14
<b>Environmental Principles</b>	<b>15 to 22</b>
Principle 7: Businesses should support a precautionary approach to environmental changes	15 to 22
Principle 8: Undertake initiatives to promote greater environmental responsibility	15 to 22
Principle 9: Encourage the development and diffusion of environmentally friendly technologies	15 to 22
<b>Anti-Corruption Principles</b>	<b>23 and 24</b>
Principle 10: Businesses should work against corruption in all of its forms, including extortion and bribery	23 and 24

**Odontoprev S.A.**

Period covered by this Communication on Progress (COP)

From: January/2017 until December/2017

Declaration of continuous support by the Executive Director (CEO)

November, 2018

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, Labour, 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,

**Rodrigo Bacellar**

Director President

## About us

OdontoPrev, listed in Sao Paulo since 2006, is the leading dental benefits provider in Latin America, and the largest company in the Brazilian healthcare sector in terms of members, with more than 7 million clients. The company is a member of the Novo Mercado at B3 and a constituent of the FTSE4Good Index, with quarterly cash dividends payments to shareholders, from more than 30 different countries.

## Mission, Vision, Values and General Principles

### Mission

To become a major link between society and dentistry, adding value to this relationship by providing excellent services to both.

### Vision

To be a benchmark in dental care services for millions of people throughout the world, significantly contributing to the evolution of these services.

### Values

The Company wants everyone who interacts with OdontoPrev to feel this is an organization which is worth it. Therefore, the Company believes it is essential:

- To offer high quality and technically competent services.
- To have relationships based on respect, transparency, integrity and trust.
- To face challenges in a participative, flexible manner and firmness of purpose.
- To acknowledge and share the success with who effectively contribute to it.
- To have constant commitment, focus and competence in the pursuit of results.

### General Principles

The actions of Grupo OdontoPrev are guided by the following general principles:

- Respect and appreciation of human beings and their fundamental rights
- Adoption of effective sustainable development practices;
- Integrity, ethics and transparency;
- Commitment to excellence with beneficiaries, clients and accredited network.

## 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:

### **Ethics Committee**

The Ethics Committee is the organ responsible for the reception, valuation, investigation and improvement recommendations in processes and sanctions for transgressors, of all consequent denunciations from the internal denunciation channel, and is responsible for defining which cases must be submitted for analysis by the Director President of OdontoPrev. Due to its importance, the Ethics Committee is a multidisciplinary group, being made up of senior management of the Company, including the Human Resources Director, Financial Administration Director, Chief of the Judicial Department and the lead of Internal Auditing; In the case of denunciations involving member of the Ethics Committee, the lead of Internal Auditing, responsible for the receipt of the denunciations, should take the case to the Internal Audit Committee for acknowledgment. On the other hand, denunciations involving the Director President of OdontoPrev should be taken to the Board of Directors.

The formation and mode of operation of the Investigation and Ethics Committee are presented in the Company's Code of Ethics.

### **Whist blower 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.

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 to identify whether it is appropriate or unfounded. If appropriate, a more thorough investigation is carried out by the Internal Audit, Human Resources or Legal Department. After finishing the investigation, the case is taken to the Investigation and Ethics Committee for evaluation, application of sanctions and/or recommendations for improvements in procedures.

The coming complaints are also submitted to the Presidency and to the Audit Committee for acknowledgment. The Director President or the Audit Committee presents to the Board of Director the most relevant cases. If necessary, additional corrective actions are taken.

The sanctions and corrective actions on coming complains are presented to those responsible for the Company's Management, Internal Audit, Human Resources and / or the Legal Department, assuring constant improvement and process reliability.

The Internal Audit keep a track record of complaints and denouncements:

Number of contacts received by the Whist blower Channel in 2017: 406 (44% higher than 282 in 2016)

Number of complaints received by the Whist blower Channel in 2017: 20 (51% below than 41 in 2016)

Number of complaints cleared in 2017: 19 (52% below than 40 in 2016)

Number of founded complains in 2017: 5 (64% below than 14 in 2016)

In relation to founded complaints, the following sanctions were applied and required the consequent corrective actions: orientation of employees, termination of employees, rules disclosure for employees, termination with partners / suppliers, refund request values for partners / suppliers, operational process improvement, policy or procedures elaboration, etc.

## Climate Poll

OdontoPrev works in a continuous and focused way on the professional development of our employees, as well as in our internal climate improvement. The poll measures the collaborators' satisfaction level, and also considers the engagement level. All data are tabulated by a specialized and independent company, allowing comparisons between the Company's and other companies' results, be in the healthcare sector or and from other sectors and industries.

The research is applied to 100% of employees, and has maintained until 2016, the average of 85% of response. Exceptionally in 2017, we had a 91.2% participation rate, a record since the beginning of its application. The survey consists of 8 questions blocks distributed in themes: Company Image, Strategy, Internal Environment, Work Planning and Organization, Leadership, Development, Engagement, Organizational Relationship and Remuneration and Benefits. There are also two open questions, for the most positive and negative aspects. In these open questions, the participation is around 80%, showing that, in average, mostly employees answers these questions completely.

“Comparing the 2016 and 2017 results, all climate poll factors had an significant increase in their grades, of more than 10 percentage points. The level highlights that the actions have been effectively on climate and environmental perception for the collaborators”, explains Rosana Vaiano, Human Resources Development Manager.

The result of the Climate Pool is presented annually to the entire organization, from the Board of Directors, Executive Directors, to all levels.

Usually, the climate is always positive, and the Company maintain Climate groups in order to evaluate and elaborate solutions to increase even more the collaborators' satisfaction. The results of this work is seen within the high levels of engagement and commitment.

As a result of the climate and professional valorization, there was a stabilization in turnover rate, between 2016 and 2017, of 7.2%, a considered low level, comparing with the market and with the total number of Company's collaborators.

Managers have an “evolution corporate goal” in climate result of their departments, with a 5% weight on individual corporate goals. The rest of employees' do not have any corporate goals related to organizational environmental, avoiding thus, any kind of influence on the quality of the responses of employees.

Action plans are also prepared with the priority points for improvement. These plans have their implementation monitored throughout the year.

## **Climate Poll Organizational Committee**

In a more dynamic and competitive landscape, companies need to find solutions in order to become more solid ahead of changes and innovation. Towards that scenario, in 2016 the Climate Poll Organizational Committee was created and it is composed by leaders that are truly engaged with the Company, and influence for the construction of an entrepreneur culture. This group evaluated a list of 135 actions suggested by the collaborators and classified them into categories, electing three actions as main features for 2017.

The main goal of the group is to improve the engagement and satisfaction of all employees with actions that make sense on a daily basis for them and are also aligned with the company's culture and values. These actions are validated by the Management, which has been supporting the group in the development of a competitive company that is attractive in the labor market.

## **HR responds**

By way of a specific e-mail, namely: [rhresponde@odontoprev.com.br](mailto: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.

The aim of the Human Resources department is to answer the requests addressed to them over a period of 48 hours, which has been fulfilled. In 2017, 5,401 requests were received (13% down from 6,177 requests in 2016). The e-mails are analyzed and forwarded to the responsible department. Approximately 88% of requests are served directly by the Human Resources department, the majority being related to questions about benefits and salary.

## **HR Goes To You**

We have the "Leadership Chat" program, where the Company's directors goes to the subsidiaries to talk about their departments and business strategies. Of which, in 2017, we had 21 visits in 7 subsidiaries, with a total of 240 collaborators participation. Besides, the HR Goes To You program took 7 visits in 2017. The program is part and key to our internal communication process. The Directors and/or the Human Resources often visits the units, the group subsidiaries, branches and the headquarters. Those encounters include all departments and levels.



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.

## Principles of Labour

**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 labour;

**Principle 5:** The effective abolition of child labour; 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 labour, 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. It is worth mentioning that OdontoPrev never associated with any type of child labour.

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 labour.

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 Labour, which represents the compromise of the non-admission of slave labour in the productivity chain, as well as being against child labour and the non-acceptance of this practice in our suppliers and service providers. The

Company adopt contractual clauses that emphasize the non association of our collaborators, partners, suppliers and other publics to slave labour nor child labour.

Additionally, written in OdontoPrev's Code of Ethical Conduct is freedom of association, collective bargaining, the elimination of forced, infantile and discriminating labour; 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:

### **Performance Management Cycle**

All collaborators are eligible to the performance valuation process that consider the goals and competences valuation. This cycle contemplate formal meetings of feedback and has as a goal the alignment of career expectations, clarify the strengths and improving points in order to define an individual development plan. In 2018, the competences valuation will be taken in the 360° methodology for the management level, and the other levels in the 90° valuation, or in other words, an auto valuation and the immediate supervisor valuation.

### **Young Entrepreneurs**

This is a one-year recruitment and development program targeted to recently graduated college students and encourages participants to develop a comprehensive and systematic view of the Company. The participants conduct a multidisciplinary project and are stimulated to take part in strategic decision-making processes. The young entrepreneurs close the cycle ready to assume responsibility functions, such as analyst and senior consultant.

In 2017, five undergraduates in electric engineering, production engineering, marketing and accounting entered the Program. Since its creation, in 2010, 32 young entrepreneurs were hired, of which 21 remain at the Company (66% retention ratio). Some of the participants in this program now serve in management positions.

One of the differentials of the program is the coaching process given to participants, who have the chance to improve their skills during eight individual sessions. In line with OdontoPrev's objective of forming leaders, the coaching process seeks to empower young professionals so that they can play a central role when conducting their own projects.

## **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 specialized partners on development of young, such as Via de Acesso and Ser Mais, besides the accompaniment by the Human Resources area. During 2017, 58 young apprentices were contracted (9% above the 53 contracted in 2016), 10 of whom were hired at the end of the period and 2 hired as interns.

The process of evaluation of apprentices is held by the same procedure of other employees, composed by competences evaluation and individual goals evaluation, in which the first has a focus on career and development process and the second, is an input for bonus process.

## **Internal Opportunity Program**

For the replacement or hiring 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 100 positions advertised internally during 2017, 44 were filled with collaborators, that is, an occupancy rate of 44%, in comparison to 48 vacancies divulged in 2016, and 317 filled, or 35%. This has made possible, for example, that collaborators of the Call Center / cleaning teams have conquered opportunities in other departments.

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, learning about new content and employability. For leadership positions, we have a Leadership Development program that also comprises formation of behavior training, on-line, lectures and practical exercises that allows managers to develop leadership competences.

## **Attracting Talents**

During 2017, 436 contractions took place (in comparison to 258 in 2016), and there were 102 promotions (in comparison to 116 in 2016). Below, the contractions composition made in 2016 and 2017:

Gender	% of total	
	2016	2017
Female	75%	69%
Male	25%	31%

Age group (years)	% of total	
	2016	2017
Under 30	65%	62%
30 to 50	34%	35%
Above 50	1%	3%

Geographic localization	% of total	
	2016	2017
Southeast	94%	97%
Northeast	3%	2%
South	3%	1%
North	0%	0%
Midwest	0%	0%

## Leadership Development Program – Leadership in Action

In 2017, we launched our 1st Leadership Development Program that comprises all Company's leadership levels. A diagnostic was made to understand the company's leadership necessities, and according to it, of assessments applied to this public, we developed a customized and updated content, with theoretical and practical contents, exchange of knowledge and important reflections for the leadership exercise. The modules were designed in accordance with the expected for each level and some actions complemented the program, such as "*Papo de Líder*", which is an encounter with market leadership, that share experiences and results in an open chat, allowing insights through the good practices exchanges. Besides, we also have newsletter with relevant content regarding the subject. There are 6 modules for managers, superintendent and supervisors, 4 modules for leaders, and 2 workshops for directors. We had a 100% participation rate from the leadership and a high level of satisfaction.

## Women's Empowerment

Aiming towards the empowerment of women and the promotion of gender equality, OdontoPrev maintained an ongoing relationship with UN Women and the Global Compact in 2017, with the objective of becoming a signatory to the Women's Empowerment Principles, which sets out guidelines to help business communities incorporate values and practices of gender equality and the empowerment of female professionals. The Company expects to become a signatory of this initiative in 2018.

Among current actions and practices, the Company offers support for pregnant women and those returning from maternity leave, creates awareness of gender equality, inclusion and non-discrimination environment for all workers, which is one of the Company's guidelines.

All female and male employees have the same criteria for recruiting, performance evaluation, education and training, mentoring, retention and other work conditions, with no distinction. The Company also embraces equal pay for both women and men for the same position, and has achieved and intends to maintain gender equality in middle management positions.

## 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.

In 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 2017, 4,966 attendances to collaborators were registered (in comparison to 46,276 in 2016).

The Company constantly seeks, with the support of the building 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.

Regarding Health, we have a Chronic and Healthy Pregnancy Program, that, with the help of Bradesco, we can make a detailed monitoring and follow-up of these collaborators.

## 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.

Sustainability and sustainable development concepts have always been part of the Company's organizational culture and are present in OdontoPrev's actions since its foundation, and, therefore, before becoming recurrent in social discussions.

The Company has always made sure that its activities, products and services be in accordance with the legislation and to current environmental laws. Additionally, we established our Sustainability Policy in 2004, that reinforces our commitment to reconcile our activities with the conservation of the environment, in accordance with the sustainable development principles.

Aware of the importance to incorporate social responsibility criteria in the strategic business management, the Company promotes initiatives towards the society well-being, monitors its actions and seek for the continuous improvement with focus in the balance of these three pillars of Sustainability: environmental, social and economic.

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. 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.

In 2015 we developed a mandatory training, which was applied in 2016, and involves knowledge about the three pillars of Sustainability: Social projects, Environment and Governance. The implementation took place in 2016 and all employees ended the training to date.

OdontoPrev conducts various activities and actions that provide support the principles laid out in the Environmental Policy, such as:

### **Apoena Project**

The Apoena Project is OdontoPrev's main environmental initiative and it has been designed to minimize its environmental impacts by means of conscious consumption, waste reduction and recycling. Apoena is a Tupi word, meaning "one who sees further".

In line with the concept of sustainability development, which puts a great value in the well-being of future generations, the initiative aims to engage and influence both the internal and external audiences. Initially, the project expects to have the adhesion of the Company's employees. Once engaged, they are responsible for disseminating the concept and encouraging conscious consumption on the part of clients and suppliers. This way, the principles will have the required echo in society, so that each citizen and each organization plays their role in building a more nature-friendly future. All OdontoPrev's projects aims to ensure the positive impact for its beneficiaries, with no restrictions of any kind.

Within this project are the following actions:

### **Carbon Compensation Program**

Since 2008 OdontoPrev counts on the support of an environmental consulting firm specializing in the monitoring of carbon emission from energy consumption, employees commuting (by road or by air), fleet fuel and hauling. Based on calculations, such consulting firm verifies the necessary amount of trees to be sowed to neutralize the equivalent carbon and compensate the emissions of greenhouse gas emission.

In 2017, there was an emission of 1981.79 t of CO<sub>2</sub> (scope 1), parameter not monitored previously. The elements that comprise scope 1 for the Company are: diesel stationary combustion by the generator, emission of buildings, emission of cooling gases and CO<sub>2</sub> from extinguisher. Regarding electricity acquisition (scope 2), OdontoPrev accounted for 121.82 t of CO<sub>2</sub> – approximately 14% lower than the



previous year. Due to the Company's business model characteristics, the most significant emissions are related to scope 3, as described in the table below:

Emission of CO2 (t)			
Scope 3	2015	2016	2017
Long-distance air travels	60.38	62.15	53.88
Mid-distance air travels	245.48	204.59	251.36
Short-distance air travels	214.98	172.63	138.01
Motor vehicles	16.1	123.03	124.97
Shuttle bus	28.21	25.62	36.57
Urban shuttle service	1.17	0.55	34.36
Scope 2	2015	2016	2017
Electricity	152.52	141.27	121.82
Scope 1	2015	2016	2017
Stationary combustion (commercial and institutional)	0	0	67.09
Fugitive emissions	0	0	39.7
Septic tank	0	0	92

### Planting of Native Trees

Aiming to replant trees in degraded parks of large Brazilian cities, this project underwent reformulation in 2016 and 2017 with the objective of making society more aware of ecological issues, as well as providing green spaces for leisure. Until 2016, the planting of native trees was done in riverheads and/or deforested regions, contributing to the creation of an ecological corridor in the Vale do Paraíba (SP) region. In 2017, the initiative was held at the Parque Cândido Portinari park in São Paulo and will continue to plant trees in city parks within São Paulo's metropolitan areas over the next few years. The idea behind this change is to impact and contribute to the maintenance and growth of green areas in the urban scenario.

Since the beginning of the project, 13,277 trees have been planted, equivalent to 13 soccer fields (93,800 m<sup>2</sup> of recovered areas).

### *Dentista Amigo da Natureza*

OdontoPrev created tools and processes that allow saving of natural resources in activities executed by its accredited network, thus encouraging dentists' engagement in sustainable actions. In order to identify which actions were to be taken, the Company created the seal: *Dentista Amigo da Natureza* (Dentists Friends of the Environment).

The tools that were developed are user-friendly and provide gains in the clinic's daily routines as well as for the preservation of natural resources. The platforms allow, for example, the electronic transferring of images and exams, as well as keeping information on a patient's treatment online. These tools include:

- UNNA Network App;
- Digital File;
- UNNA Network Portal;
- X-ray image uploader.

### **Amalgam Recycling Program**

Amalgam is a material consisting of heavy and toxic metals, including mercury and silver, used by dentists to fill cavities caused by tooth decays. If disposed of inappropriately, amalgam can contaminate people and nature. Aware of the importance of recycling this material, OdontoPrev maintains a partnership with University of São Paulo - USP and with the accredited network of dentists for the development of new technology to recycle amalgam.

The project involves negotiation with government health and environment agencies, such as São Paulo State's Environmental Authority (Cetesb), Research and Measurement Institute (Ipem) and São Paulo's Health Secretariat. In addition, amalgam packaging and transport are special and certified by the Technology Research Institute (IPT).

Since the beginning of the project, in 2005, around 3,100 accredited dentists have adhered to the initiative and already forwarded 18 kg of amalgam, from which approximately 8.5 kg of mercury and silver could be recovered.

1. Dentists are provided with a kit containing handling instructions and a container to accommodate the amalgam waste.
2. Professionals are instructed to forward the amalgam waste to USP's Chemical Waste Laboratory in the municipality of Bauru, State of São Paulo.
3. The material is submitted to a recycling process.
4. The recycled material is sold.

## Recycling – waste management

OdontoPrev manages its solid waste, which allows to appropriately dispose of such waste, monitor the volume of solid waste generated by the Company, and establish a plan for reduction. The waste is forwarded to an outsourced company for recycling and inventory-taking of the waste. The specialized company hired for this service has the Cadri (Certificate of Environmental Waste Transportation) certification duly updated. This certificate is issued by Cetesb (São Paulo State's Environmental Authority), which approves the transportation of environmental waste for reprocessing, storage, treatment or to final disposal sites.

OdontoPrev receives, on a monthly basis, a consolidated report made by the building's management on the generation of organic and recyclable waste, allowing the Company to control, compare data between periods and consequently, take actions towards reduction.

In early 2017, OdontoPrev centralized its waste disposal points and removed its employees' individual waste bins. This resulted in the increase of recyclable waste by 1,110%, indicating that it was a correct approach for waste management.

The Company also recycles office supplies and obsolete communication parts, including monitors, computer keyboards and flyers. Other materials intensively used are disposable plastic cups and printing paper. It is worth mentioning that all A4 paper acquired derives from certified reforestation sources. In 2017, the Company reduced consumption of printing and recycled paper by requesting passwords at its printers.

The waste is sealed with an identification clamp and sent for measurement and correct disposal (landfill or recycling). The effectiveness of this management is assessed through internal reports.

Materials used (thousand units)	2015	2016	2017
Plastic cup	5,462	5,475	5,122
Recycled paper	2,070	2,196	1,130
Sulphite paper	1,308	1,318	220

Recycled materials	2015	2016	2017	Variation
Paper (kg)	24,604	14,227	7,882	-44.6%
Plastic (kg)	3,021	2,970	2,793	-5.9%
Metal (kg)	91	31	323	+941.9%
Glass (kg)	96	97	154	+58.8%
Electronics (units)	316	173	449	+159.5%

## Investment in environmental impact technology

Radiographs must be included in the patient's records for purposes of analyses and support to the accredited network professional. The radiograph revelation process, however, requires the use of chemical products, such as silver. Moreover, all radiographs should be forwarded to OdontoPrev and, subsequently, returned to the accredited dentist. To minimize the environmental impacts of the revelation process and reduce the need to return them by mail, the Company has developed specific innovative technologies.

In 2013 a portal for the accredited network was created, whereby images can be transmitted over the internet. The online delivery of dental treatment images replaces the otherwise only mail delivery option. To make the delivery of images even easier, without the need of computers and intraoral or photography cameras, an app called UNNA Network was developed, making the transmission of images from dental offices simpler and more agile, ultimately speeding up the accredited network's service process.

1. The dentist accesses the UNNA Network app.
2. - When radiographs are not necessary: the dentists make photos of patients' images and documents.  
- When radiographs are necessary: the dentists use the app to transmit images, with no need of providing images physically.
3. The related data remain filed at the individual patient's records.
4. The process avoids the revelation of part of the radiographs, and the emission of CO<sub>2</sub>.

In addition to the technologies used by dental offices, a tool was developed in 2016 to be used by the accredited network's radiology centers. By using the uploader technology, radiology clinics no longer need to print radiographic documentations and can send them only by digital means to OdontoPrev, which, subsequently, makes images available to the beneficiary, and the dentist responsible for their treatment. It was implemented and announced for the accredited network, composed by 2 thousand radiologic clinics, in 2017. In the year, 70% of the accredited clinics were equipped by the uploader of radiologic exams platform.

By the "*Dentista Amigo da Natureza*" Program, OdontoPrev stimulates that the radiologic exam be taken in a digital way, eliminating printing, and consequently, waste generation.

The program's acceptance rate was quite high. By the end of 2017, 86% of the X-ray exams were already sent through the X-ray image uploader, versus 69% in 2016.

In 2017, OdontoPrev engaged a third-party service provider to recycle the X-rays the Company received. After the image is properly scanned, the recycling procedure involves the removal of metals from the X-ray paper, including silver, and the separation of plastic for reuse.

Channels of received images	% of total	
	2016	2017
Courier	31%	16%
Digital	69%	84%

Images received by the Rede UNNA app	2H15	1H16	2H16	1H17	2H17
# images	304.009	824.388	1.216.365	1.628.483	1.938.768

Images received via Portal	1H13	2H13	1H14	2H14	1H15	2H15	1H16	2H16	1H17	2H17
# images	48.131	320.151	468.801	704.189	823.657	922.935	871.848	932.529	1.051.483	1.144.433

## Easy Dental

With the objective of a reduction in paper consumption and the transport of clinical transportation 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

OdontoPrev has developed an energy consumption reduction campaign through the Environmental Management Program. The ECONomizar program proposes three related actions, for energy consumption reduction at OdontoPrev's headquarters and branches, at the dental offices of the accredited network and at the Company's employees' houses. This initiative is intended to increase everyone's awareness of the impact of the use of energy at office and at home, in order to save energy.

## Energy Management

The energy used by OdontoPrev at its headquarters comes from the electric company that supplies energy to the city of Barueri (SP). In the absence of energy, the building is self-sufficient through gas and diesel generation. The building's power plant is activated daily, during the evenings, allowing for a sustainable optimization of resources. In addition, OdontoPrev uses LED lights in its building and office areas.

The building makes rational use of air-conditioning and exhaust systems, reducing the amount of equipment connected during off-peak times, when there is less demand, adapting to the amount of people in the building. It also has an air conditioning system that intelligently manages energy demand for lower consumption. The air conditioner is cooled with R407-C gas and is considered in our emissions accounting. The gas is only replaced in case of leakage or maintenance and, in 2017, no replacements or recharges were made.

In addition to the energy use control by the headquarters' condominium, OdontoPrev also manages energy consumption by avoiding equipment being kept turned on without use.

The energy consumption in 2017 was 1,388 thousand kW/h, 22.3% higher than the previous year due to the installation of meal stations and the use of microwave ovens, which, according to our internal climate survey, was requested by our employees. We also increased the number outsourced staff and installed new servers, reflecting in a more intensified use of equipment and facilities.

To mitigate these effects, in 2017, the Company began to automate its energy systems in order to achieve a more efficient usage control of machines and equipment. Under this automated system, devices are automatically switched off when they are not being used.

In some areas, air conditioning is generated by a central system. Meeting rooms have individual equipment with weekly maintenance and use control. According to results, measures are taken to reduce energy costs and improve air quality. This program will be expanded in 2018 and aims to reduce energy consumption by installing motion sensors in all meeting rooms and hallways, as well as monitoring traffic of people and limiting the use of equipment according to meeting schedules.

## Water management

In 2017, OdontoPrev consumed 8,023.2 m<sup>3</sup> of water originated from the public supply system or reuse. An increase of 268.7 m<sup>3</sup> in consumption was recorded when compared to 2016 and reflects the installation of meal stations and increase in outsourced staff.

Water consumption control is done by the headquarters' condominium, which prepares a monthly report to monitor expenditures and identify problems, such as water leakages. The Company has ongoing campaigns to remind employees of the importance of saving water.

The building where the Company's headquarters is located has an ETE (Sewage Treatment Station), in which water is treated to be reused in irrigation systems for the building's green areas, toilet flushing and as a water reserve for firefighters. During the recycling process, about 25% of the water is evaporated and the rest is reused. Waste sludge from sewage treatment is properly disposed. Of OdontoPrev's total water consumption, more than half (55.5%) is recycled and reused, totaling 4,449.6 m<sup>3</sup>.

Water Management	2016	2017
Public water supply	1,112.7	2,328.4
Reused water	4,210.1	4,449.6
Tank truck	2,431.7	1,245.2
<b>Total</b>	<b>7,754.5</b>	<b>8,023.2</b>

## 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 Market
- Relations with Governments, Governmental Organ, Regulators and Public Agencies;
- Relations with the Media;
- Confidentiality and Information Security;
- Channel for Denouncements and Ethical Conduct.

As presented in OdontoPrev's Code of Ethical Conduct, the Company does not tolerate any criminal act or against the law or legal framework.

The Company also disposes of an Anti-Corruption Policy, approved by the Board of Directors in May/2017, that details the commitment of repudiation regarding corruption and other illicit actions, including fraud, according to Law 12,846/13, previously quoted. The Policy also informs the sensible departments in relation to corruption acts, and their respective combat practices, responsible list and its responsibilities throughout the subject, and also serves as an additional informative with instructions for those related to the Denouncement and Ethical Conduct Channel.

This way, a Program to Combat Corruption was developed and is being announced to all Company is collaborators.

The program includes:

- 1) A Code of Ethical Conduct that is released to all OdontoPrev's collaborators and partners. The Code attest that certain expected ethical conduct is applicable to all management, employees, partners and good and services suppliers.

- 2) A corporate policy to combat corruption and other unlawful acts, with the description of the rules that must be followed by OdontoPrev employees, in addition to determining the responsibilities of each one in the process. The policy requires that the accounting records and financial statements have adequate internal controls and are audited by an independent auditor; determines that financial statements must be reviewed by the Audit Committee and the Fiscal Council; establishes rules for the relation with the public sector and to participate in public bidding; defines the process of review and approval of donations to candidates and political parties; and informs on disciplinary measures in case of violations of the integrity program. It is worth mentioning that OdontoPrev's corporate standards require a periodically evaluation and updates.
- 3) The program promotion through adhesion terms and mandatory training.
- 4) The availability of a complaints channel of communication, with assurance that the complainant identity will be kept confidential.
- 5) Definition of procedures for opportune interruption of irregularities and remediation of damages.
- 6) Verification of illicit acts in merger and acquisition processes.
- 7) Availability of a structure, with independence and authority, to review the Program's applicability.
- 8) Continuous monitoring of the Program by the Chief Executive and Audit Committee.

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 could infringe the items described in the Code, these are remitted to and analyzed by the Company's Investigation and Ethics Committee.

We emphasize that have not been identified nor reported any corruption case in the years of 2017, 2016 and 2015.