



OdontoPrev

UNITED NATIONS

GLOBAL

COMPACT

COMMUNICATION
ON PROGRESS (COP)
ODONTOPREV 2018



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COMMUNICATION ON PROGRESS (COP) ODONTOPREV 2018



Odontoprev S.A.

Period covered by the Progress Communication (COP)
From January to December/2018

Continued Support Statement by Chief Executive Officer (CEO)

November, 2019

To all participants:

I have the pleasure to communicate that Odontoprev S.A. reaffirms its support to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Fight Against Corruption. In this annual communication, we describe our improvements for the integration of the Global Pact and its Principles in our business strategy, culture and daily operations and we are committed to share this information with our main stakeholders.

Cordially,

Rodrigo Bacellar
Chief Executive Officer (CEO)



L01

ODONTOPREV



ABOUT ODONTOPREV

For over 30 years, OdontoPrev has been exclusively dedicated to one mission: bring society closer to Odontology. And we are very proud that today we deliver high quality oral care solutions to our more than 7 million beneficiaries through our accredited network with over 28 thousand dentists, covering approximately 2,600 Brazilian municipalities. We are a public company since 2006, leader in dental plans in South America, and the largest healthcare operator in Brazil in terms of number of clients. The Company is listed in the B3 New Market, participates from the British Index FTSE4Good, and quarterly distributes results to shareholders in over 30 countries.

In 2018 we made significant progress in several aspects. The company continued to present solid and consistent results with growth acceleration, cash generation, shareholders remuneration and net income, adding value to our stakeholders.

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.



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GENERAL PRINCIPLES


The actions of the 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.




KEY ACHIEVEMENTS IN 2018


BUSINESS




11% increase in Net Income;




Acquisition of **Odonto System**;



44.5%, Dental Care Ratio, best performance since 2009;



Record number of **shareholders**, surpassing **10 thousand**



Our **General Satisfaction Index** reached **8,57**, above 2017.

EXCELLENCE AND INNOVATION



14 digital squads with an average term of **3 months** for each new delivery.




42 thousand hours of development of software and applications.




R\$ 7 million invested in innovation.


ENVIRONMENTAL




Emission of **684 tons** of CO₂, **29%** lower than 2017




Compensation of more than **20%** the amount of emissions in the last 10 years by planting trees.




We have saved **363 thousand kw/h of energy**;




Reduction in all discards, with focus on paper, **reduced by 60%**.



Recycling of **18kg of amalgam** since the beginning of the project in 2005



We saved **10 million** papers and X-rays due to the Rede UNNA application.



We saved **2,1 tons of paper** (equivalent to **23 trees**) with the application for brokers.

SOCIAL



20 supported institutions of which **15** have been supported for over 20 years.



6,854 children assisted in 2018



6,700 dental treatments concluded in 2018



7 social events, that impacted **1,050 children**.

03

SUSTAINABILITY VISION





The concept of sustainable development has been a part of OdontoPrev’s culture since its creation. For us, sustainability is the process of continuous creation of value, and fosters the balance between the economic, social and environmental fields, known as “Triple Bottom Line”. In order to structure activities around the theme, OdontoPrev has taken sustainability to the institutional frameworks of the company, which must be followed by every team.

Since 2008, OdontoPrev is a signatory of the Global Compact, an initiative promoted by the United Nations Organization (UN), which intends to mobilize the business community for the adoption of sustainable values. In our daily work routine, we actively work with programs connected to the 10 principles determined by the Global Compact in the pillars of Human Rights, Labor Relationships, Environmental Management and Anticorruption System.



THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT



HUMAN RIGHTS PRINCIPLES

Business should:

- 1. Support and respect the protection of internationally proclaimed human rights.
- 2. Ensure that they are not complicit in human rights abuses.

OBJECTIVES:

Objective 3: Health and well-being

Ensure a healthy life and promote well-being for all, at all ages.

Objective 5: Gender equality

Achieve gender equality and empower all women and girls.

OdontoPrev Actions

- Internal Climate Survey;
- HR vai até Você (HR Goes to You);
- Women’s Empowerment Principles
- Whistleblowing Channel;
- HR Responds;
- Diversity Group.



LABOR PRINCIPLES

Business should:

- 3. Uphold the freedom of association and the effective recognition of the right to collective bargaining.
- 4. The elimination of all forms of forced or compulsory labor.
- 5. The effective abolition of child labor
- 6. Elimination of discrimination in respect of employment and occupation.

OBJECTIVES:

Objective 4: Quality Education

Ensure inclusive and equitable quality education, and promote lifelong learning opportunities for all.

OdontoPrev Actions

- Young Entrepreneurs Program;
- Internal Accident Prevention Committee (CIPA).



ENVIRONMENTAL PRINCIPLES

Business should:

- 7. Support a precautionary approach to environmental challenges.
- 8. Undertake initiatives to promote greater environmental responsibility.
- 9. Encourage the development and diffusion of technologies that do not harm / impair the environment.

OBJECTIVES:

Objective 6: Clean water and sanitation

Ensure the availability and sustainable management of water and sanitation for all.

Objective 12: Responsible consumption and production

Ensure sustainable production and consumption patterns

Objective 17: Partnerships and means of implementation

Strengthen the means of implementation and revitalize the global partnership for sustainable development.

OdontoPrev Actions

- Reforestation program;
- Amalgam Recycling Program;
- Investment in Easy Dental technology



ANTICORRUPTION PRINCIPLES

Business should:

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

OBJECTIVES:

Objective 16: Peace, Justice and Effective Institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

OdontoPrev Actions

- Anti-Corruption Program;
- OdontoPrev is nonpartisan, does not make contributions and does not endorse political campaigns.

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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 internationally recognized human rights and ensures the non-participation in the violation of such rights. The company, through the actions of its managers, ensures that the people who work at its facilities have their rights fully respected, and are committed to avoiding complicity in human rights abuses in all business units.

In order to ensure the protection of such rights, OdontoPrev developed the following mechanisms:

Whistleblowing Channel

The Whistleblowing Channel is the primary method for communication of employees, customers, beneficiaries, accredited network, partners, suppliers, shareholders and external public to confidentially report cases of violation of the Code of Ethical Conduct from OdontoPrev, including situations of coercion or harassment, which may cause harm to the image or business of the Company, as well as issues that are inconsistent with legal provisions and regulatory instruments.

Complaints and/or denunciation may be made to the Internal Audit Department in person, by letter, e-mail, or via the Whistleblowing Channel, available on the website of the Company. The identity of the complainant is treated confidentially. Upon receipt of the complaint, the Internal Audit Department makes an initial investigation

to identify whether such complaint and/or denunciation is well founded or unfounded. If appropriate, a more thorough investigation is performed by the Internal Audit Department, Human Resources or the Legal Department. Suspected cases are brought to the Verification and Ethics Committee for review, sanctions and/or requests for corrections or process improvements.

Well-founded complaints are also presented to the Presidency and the Audit Committee for information purposes. The Presidency or the Audit Committee presents the most relevant cases to the Board of Directors. If necessary, additional corrective actions are taken.

Sanctions and corrective actions on complaints are presented to those responsible for the Management, Internal Audit, Human Resources and/or the Legal Department of the Company, ensuring the constant improvement and fairness of the processes.

Internal audit maintains a record of reports received:

	2017	2018	Variation 2017 x 2018
• Contacts Received	496	401	-19%
▶ Complaints received	20	22	+10%
▶ Complaints investigated	19	18	-5%
▶ Well-founded complaints	5	13	+160%

With regards to well-founded complaints, the following sanctions were applied and the following correctives actions were requested: employee orientation, dismissal of employees, release of rules for employees, termination of contracts with partners/suppliers, requesting the reimbursement of amounts to partners/suppliers, improvement of the operational processes, creation of policies or procedures.



Investigation and Ethics Committee

The Investigation and Ethics Committee is the organization responsible for receiving, assessing, investigating, and recommending process improvements and sanctions to violators of all complaints received through the Whistleblowing Channel; the Committee is also responsible for monthly reporting to the OdontoPrev Chief Executive Officer, and every six months to the Audit Committee of the Company. Considering its importance, the Investigation and Ethics Committee is comprised by an interdisciplinary, senior and senior management group of the Company, including the Director of Human Resources, the Chief Administrative and Financial Officer, the Chief of the Legal Department

and the Chief Auditor. If any report involves any member of the Investigation and Ethics Committee, the Head of Internal Audit, responsible for receiving all reports, shall report the matter to the Audit Committee. On the other hand, complaints involving the President of OdontoPrev are forwarded to the Board of Directors.

The composition and mode of operation of the Investigation and Ethics Committee are presented in the Code of Ethical Conduct of the Company, a practical, personal and professional guide that must be used by every employee and managers in the respective interactions and daily decisions.





Climate Survey

OdontoPrev works in a continuous and focused manner in the professional development of its employees, as well as in the improvement of the internal climate. In addition to measuring the satisfaction level, the survey considers the degree of engagement of employees. Data are tabulated by a specialized and independent company, enabling the comparison of results with other companies, whether from the health sector or from other segments.

The survey is applied to 100% of the employees, with 85% participation in 2016, 91.2% in 2017 (record since the beginning of its application), and 88% in 2018. It consists of 8 question blocks distributed among the following themes: Company Image, Strategy, Physical Environment, Work Planning and Organization, Immediate Leadership, Development, Engagement, Organizational Relationships and Compensation and Benefits. There are also 2 open questions, for the most positive and negative aspects. In these questions the participation is around 80%, that is, the majority of the employees answer quite completely these open questions.

The results of the climate survey presented annually to the entire organization, from the Board of Directors, Executive Directors, to the teams.

The climate is usually very positive, and the Company maintains climate research groups to evaluate and think about solutions to further improve employee satisfaction. The success of the work is seen in the very high grades and level of engagement.

As a result of the climate and the appreciation of professionals, turnover was stable between 2017 and 2018, in the order of 7.4%, a result considered low compared to the market and in view of the total number of employees working in the Company. The index showed a slight increase of 0.2 percentage points compared to 2017.

Managers have a climate change target for their area that weighs 5% on individual goals. The other employees have no goal related to the organizational climate, thus avoiding any kind of influence on the quality of employee responses.

This initiative allows for the identification of strengths, weaknesses and priority improvement points in the relationship with the internal public and the establishment of action plans to continue evolving. The implementation of these plans is monitored throughout the year.

Climate and Culture Group

In an increasingly competitive and dynamic market, companies must find solutions that make them more solid in face of changes and innovations. Considering this scenario, since 2016, we have created the Climate and Culture Group, composed by leaders that are highly engaged with the company and influence the construction of an entrepreneurial culture. In 2018,



among the main initiatives of this group, we highlight the Career Workshop and “Show your Department”, which consists in presenting the daily routine, activities and projects from several departments within the company to every interested employee.

The objective of the group is to improve even more the engagement and satisfaction of employees with actions that make sense in the daily lives of people, that are aligned with the culture and values we seek to strengthen in the company. These actions were validated by top management, that has supported the group for the construction of a competitive and attractive company in the labor market.

HR Answers (RH Responde)

Through a specific e-mail, employees submit their doubts, compliments, complaints and suggestions regarding matters that affect their daily lives, not necessarily related to Human Resources matters. The goal of the Human Resources department is to answer the requests receives within a period of 48 hours, which has been fulfilled. In 2018, a total of 5,184 requests were received (4% below the 5,401 requests received during 2017). These e-mails are analyzed and forwarded to the department in charge. Approximately 96% of the requests are answered directly by the Human Resources Department, where the majority is related to doubts regarding benefits.

HR Goes to You (RH Vai Até Você)

We have the “Chat with Leadership” program, where the company directors go to branches to talk about their departments and business strategies. In 2018 we had 16 meetings in 13 branches. This program is part of the internal communication process. The Executive Directors and/or Human Resources regularly visit the units, group branches and headquarters. The meetings include all departments and levels.

The objective of these visits is to listen to expectations, concerns, suggestions, provide clarification and orientation. Beforehand, employees are notified about the presence of a Human Resources representative and may schedule individual conversation at determined periods of time.

Many situations are resolved / clarified in loco, while other matters are taken to headquarters, for further understanding and answered within 48 hours. Many of the matters raised alter company processes.



Women Empowerment (Empoderamento Feminino)

With the objective of empowering women and promoting gender equality, OdontoPrev maintains constant contact with UN Women and the Global Compact, in 2017, with the objective of becoming a signatory of the Women Empowerment Principles that establish directives to help the business community incorporate values and practices that aim for equality and empowerment of professionals. And in 2018, the Company took an important step, becoming the signatory of the Women Empowerment Principles, created in 2010 by the United Nations Organization and Global Compact.

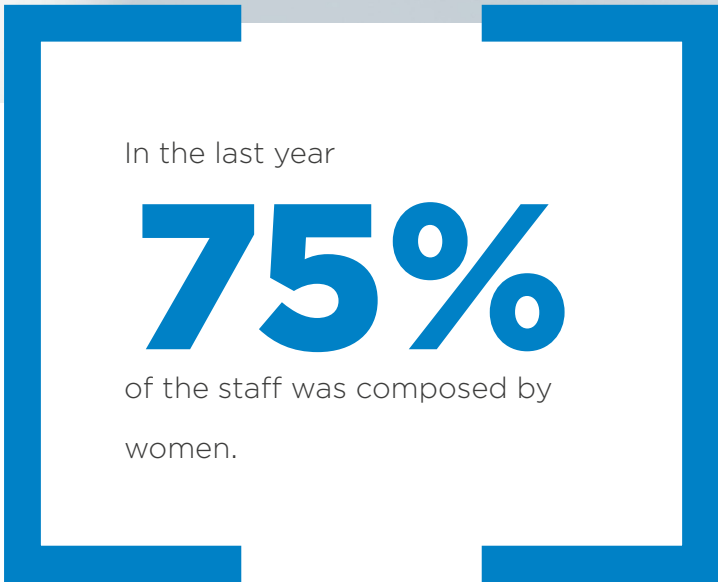
Therefore, the Company became part of a group with over 1,700 companies around the globe (155 companies in Brazil) that made a public commitment to empower women and promote gender equality in the workplace, in its value chain and in the communities where these companies operate.

The measure is supported by practices already adopted by OdontoPrev. Among such, the support to pregnant women or that return from maternity leave; the sole criteria, independently of gender, for recruitment, performance evaluation, training, mentorship and retention, is salary equality for genders in the same job position.

In the last year, about 75% of the staff was composed by women, as well as 42% of professionals in the network of accredited dentists.

Diversity Group (Grupo de Diversidade)

In June 2018, OdontoPrev employees created the OdontoPrev Diversity Group, whose purpose is to discuss and propose ways to make the environment of the company more inclusive and diverse. In just one semester, seven face-to-face meetings and numerous discussions were held by the group. This action has already resulted in two concrete actions, which were an internal notice and an introductory lecture on diversity. The initiatives aimed to highlight the issue for all employees and reinforce the commitment of the Company to the theme.



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PRINCIPLES OF LABOUR



PRINCIPLE 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

PRINCIPLE 4:

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 union association initiatives and values other forms of voluntary employee organization, who are entitled to free association with labor unions. All employees are represented by unions across the country.

Additionally, the company is expressly against child, forced or slave-like labor and does not accept such practice from suppliers and service providers. In addition to contracting suppliers and establishing business relationships with partners that operate with compatible ethical standards, through a rigorous selection process, giving extensive knowledge of the rules and conditions governing the ethical behavior of the company. It is noteworthy that OdontoPrev was never associated with any kind of child labor.

The employment and exploitation of children and young people below the legal working age is not permitted under any circumstances, as we do not maintain business relationships or hire services from organizations that adopt any form of child labor.

The company is committed to the Code of Ethics and Conduct, aimed at respecting and valuing human beings and respective fundamental rights, adopting effective sustainable development practices, integrity, ethics and transparency. Part of the recruitment process is the submission of each new employee to electronic training and related tests. Periodically, the training course is reviewed and all employees undergo training again.

OdontoPrev has made a commitment to the National Pact for the Eradication of Slave-like Labor, which represents a commitment as not to admit slave labor in the production chain, as the Company is against child labor and does not accept this practice from suppliers and service providers.

The Company adopts contractual clauses that emphasize the non-association of its employees, partners, suppliers and other interested parties with slave and child labor.

Additionally, the OdontoPrev Code of Ethical and Conduct provides for freedom of association, collective bargaining, the elimination of forced and child labor, and discrimination; and to ensure access to these policies, in addition to acknowledgement when recruited, employees and all audiences interacting with OdontoPrev have access to the Code of Ethical Conduct through the Portal. Partners and suppliers also sign an acknowledgement term, which attests full knowledge of the contents of such document.



Performance Management Cycle (Ciclo de gestão de desempenho)

Every employee is eligible to the performance assessment process which contemplates the assessment of goals and competencies. This cycle contemplates formal feedback meetings and aims at aligning career expectations, clarify strong points and improvement points and define the individual development plan. Since 2018, the competency assessment will use the 360º Methodology for the management levels and remaining levels will undergo the 90º assessment or self-assessment and assessment of the immediate manager is made.

Young Entrepreneurs (Jovens Empreendedores)

Recruitment and development program for recently graduated young professionals, lasting one year, stimulates participants to develop a systemic and comprehensive view of the Company. These young professionals conduct multidisciplinary projects and are encouraged to participate in strategic decisions processes and conclude the cycle ready to assume positions with differentiated responsibility, such as business analyst and senior consultant. In 2018, 4 recently graduated professionals entered the program. Since its creation, in 2010, 36 Young Professionals were hired, and 20 of them remain in the Company (55% retention). There are cases of participants occupying managerial positions today.

One of the differentiating aspects is the coaching work, through which these Young Professionals can improve competencies throughout eight individual sessions. Aligned with OdontoPrev objective in capacitating leaders, the coaching process seeks to encourage the

participant to be a protagonist and to take a proactive role in directing their own project.

Apprentice Program (Programa Aprendiz)

With a focus on the inclusion of young professionals above 16 years of age, the Company promotes their technical capacitation. The program was designed to deliver a complete training with distance learning (ODL) and face-to-face activities, in order to prepare the Young Apprentice for future challenges and for the continuous improvement of daily activities. The program, lasting 15 months, occurs under the guidance of partners specialized in youth training, such as the “Vias de Acesso” and “Ser Mais”, as well as monitoring by the Human Resources Department. In 2018, 33 Young Apprentices reached the end of the contract, and 40% were hired by the company.

The apprentice assessment process is carried out in the same way as other employees, composed by a competency assessment and focus on the career and development process.

Internal Opportunity Program (Programa de Oportunidade Interna)

The OdontoPrev Human Resources Policy establishes that first a professional should be sought internally, following basic requirements, such as having at least one year of company experience, have reached at least 90% of the goal in the last performance evaluation and the requirements necessary for the position. In 2018, approximately 300 employees participated from recruitment processes in the internal opportunities program. In total, 46 vacancies were released internally and 33 candidates were approved, in order words, an occupancy rate of 72%, a 28% increase when compared to 2017. This has enabled, for example, Call Center employees / cleaning teams to gain opportunities in other departments and self-manage their careers according to their interests.

In order to enable access to new knowledge, we have the OdontoPrev University, which allows employees from all levels to attend courses focusing on development, learning new content and employability. For leadership positions, we have a Leader Development Program that covers behavioral training, online training, reading and practical exercises that enable managers to improve leadership competencies.



Since its creation, in 2010,

36 Young Professionals were hired

and 20 of them remain in the Company **(55% retention).**



Talent Attraction (Atração de Talentos)

In 2018, 397 professionals were hired (compared to 426 in 2017 and 258 in 2016); and 131 promotions (compared to 102 in 2017, and 115 in 2016). Below, the composition of the professionals hired in 2016, 2017 and 2018:

Gender	2016	2017	2018
Female	75%	69%	77%
Male	25%	31%	23%

Age Range	2016	2017	2018
Up to 30 years old	65%	62%	62%
From 30 to 50 years old	34%	35%	37%
Over 50 years old	1%	3%	1%

Location	2016	2017	2018
Southeast	94%	97%	95%
Northeast	3%	2%	3%
South	3%	1%	2%
North	0%	0%	0%
Midwest	0%	0%	0%

Leadership Development Program - Leadership in Action (Programa de Desenvolvimento de Liderança- Liderança em Ação)

In 2017 we launched the 1st Leadership Development Program that covers all leadership levels of the Company. A survey was carried out to understand the company leadership needs and, based on this survey, in the assessments applied to this audience, we developed a customized and updated content, with theoretical and practical content, knowledge exchange and important considerations for the leadership exercise. The modules were designed in accordance to each level and some actions complement the program, such as the Chat with Leadership which is a meeting with market leaders who share their experiences and results in an open chat, providing some insights and the exchange of good practices. In addition, we also have newsletters with relevant content related to the matter. There are 6 modules for managers, superintendents and supervisors, 4 modules for leaders and 2 workshops for directors. We had 100% leadership participation and a high level of satisfaction.

In 2018, we continued the Leadership Program started in 2017 and, in order to conclude the program with practical results, participants were trained with a problem-solving methodology, having identified some challenges that the Company would like to resolve, and proposed new processes to overcome these challenges. The work was presented to the executives using the methodology learned and some groups continued the study for possible implementation in 2019.





MORE TRAINING INITIATIVES

- ▶ **Multipliers League** - Training program that unites collaborators who are reference in certain knowledge and are willing to share with other people. In 2018, 25 professionals participated as multipliers.
- ▶ **Human Resources Round Table** - Meeting with Human Resources managers from the largest companies in Brazil. The goal is to share market trends, exchange experiences and cases. In 2018, one of the themes was “Diversity in Business”.
- ▶ **3rd OdontoPrev Education Week** - The company received 24 educational partners in Graduation, Post-Graduation and MBA, Languages and Technical Courses, in the headquarters and 5 branches. At the time, discounts of up to 50% were granted for courses, some of which were extended to employees’ family members.
- ▶ **Inspier Project** - OdontoPrev was an object of study students from Inspier, of partnership between the Company and the educational institution. The students immersed themselves in the Company to analyze a specific issue. In the end, they reached important conclusions, pointing out possible improvements for 2019. It was a way of receiving a different perspective and having the corporate model tested with academic and statistical tools.
- ▶ **Language Courses** - Incentive program that provides reimbursement of up to 70% of the value of monthly payments.



HEALTH AND SAFETY

The company maintains an Internal Accident Prevention Commission (CIPA), which is composed by employees who, in addition to the activities related to their respective job position, act as multipliers and agents focused on reducing accidents and occupational diseases.

Since 2014 we have received the support from “Espaço Saúde” (Health Space), with the presence of a doctor and nurse, every day of the week. The responsibility of this department is to monitor the health of employees, providing guidance for good health promotion practices. In 2018, 5,482 medical consultations were performed (compared to 4,966 in 2017).

The Company constantly seeks and, with the support of the Building Administration Department, to accompany, supervise and monitor its facilities, so that all employees are comfortably installed and not exposed to risks. This was an indicator well evaluated and recognized by employees in the Organizational Climate Survey.

With regards to Health, we have a Chronic Disease and Healthy Pregnancy Program, which, with the help of Bradesco, we perform careful monitoring of these employee's health.



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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.

The Environmental Management performed by OdontoPrev focuses on four main aspects: energy, water, Greenhouse Gas Emissions (GHG) and residue management.

To address these aspects, the Company uses an approach to reduce the consumption through awareness-raising campaigns and more efficient technologies; reuse or recycle as much as possible; and measure the impacts in nature to neutralize such effects with compensation programs.

Aware of the importance in incorporating social responsibility criteria in the business strategic management, the Company promotes initiatives focused on the well-being to society, monitoring its performance and seeking the continuous improvement, focusing on balancing the three sustainability pillars: environmental, economic and social.

OdontoPrev is committed to preventive approaches to environmental challenges, as well as promoting environmental responsibility in its operations through awareness raising, environmental education and conscientious consumption education and is committed through the Environmental Policy, established in 2014 and updated in 2018, where OdontoPrev reinforces the commitment to make its activities compatible with environmental conservation, within the principles of Sustainable Development.

All the Company’s activities, products and services are in harmony with the environment, always aiming at the conservation for future generations, seeking to ensure that the activities comply with legal requirements and applicable environmental standards, along with continuous improvement in the work to prevent environmental degradation. In addition, the Company is committed to reducing the environmental impacts of its processes, products and services, encouraging the research of new technologies, processes and inputs that minimize such impacts, and is committed to maintaining an open dialogue with the community, customers and suppliers with the exchange of information on relevant environmental issues.

In 2015, we developed an applied training session that became mandatory in 2016 and involves knowing the three Sustainability pillars: Social Action, Environment and Governance. The training sessions occurred in 2016 and all employees concluded the training session up to date.

OdontoPrev conducts several activities and actions that support the principles defended in the Environmental Policy, such as:



Energy Management

One of the main elements for the company to achieve good environmental performance is to work in a certified eco-efficiency headquarters building.

The condominium, where the Company’s headquarters is located, has several technologies that contribute to minimize the use of natural resources. One is the intelligent air conditioning and exhaust system, which reduces the amount of equipment turned on during off-peak hours when there is less demand. Another important solution is an internal plant, which is regularly turned-on at night to generate sustainable resource optimization.

The building also has a climate control system, which provides intelligent management of electric charge demand and allows the reduction of energy consumption. The air conditioner is cooled with R407-C gas, which is used for emissions accounting. Gas is replaced only in case of leakage or maintenance and in 2018 there was no replacement or refill.

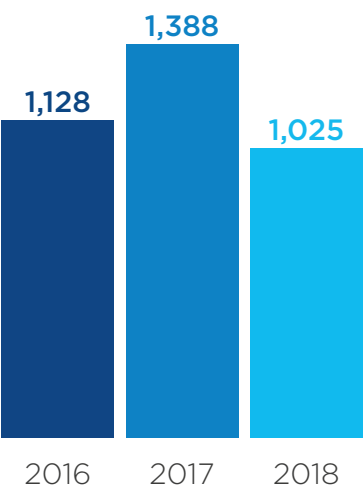
The energy used by the OdontoPrev headquarters comes from the concessionaire that supplies the municipality of Barueri (SP). In case of blackouts / lack of electric energy, the building is self-sufficient through the generation of electric energy using gas and diesel generators.

Throughout the year, other technologies were implemented in the offices for consumption reduction. The Company installed movement sensors in every room and corridors and limited the use of equipment according to period of the day – monitors would shut down automatically when were no longer used. In addition, the Company has replaced fluorescent and incandescent lamps by the much more efficient LED on all floors.

OdontoPrev has also invested in raising awareness of the rational use of natural resources. Throughout the year, the Company promoted three campaigns at the headquarters and branches, in offices of the accredited network and in homes of the Company’s employees.

With all these initiatives, the 2018 energy consumption had a significant decrease in comparison to the previous year. The total consumption was 1,025 kW/h, a 26% reduction in relation to 2017.

ENERGY (kw/h in thousands)



In 2018, we have maintained the actions carried out by the Economy Challenge Campaign, from 2017, which would invite employees to give suggestions on ways to save energy, including:

Passwords for Printers: Prevents the unnecessary printing of documents, saving energy and paper.

Access to Fire Escape Stairs: Reduces in over 50% the employee traffic in elevators. As the Company is installed in subsequent floors, requested the condominium to grant access to the fire escape stairs, in order for employees to move in between floors using the stairs.

Water Management

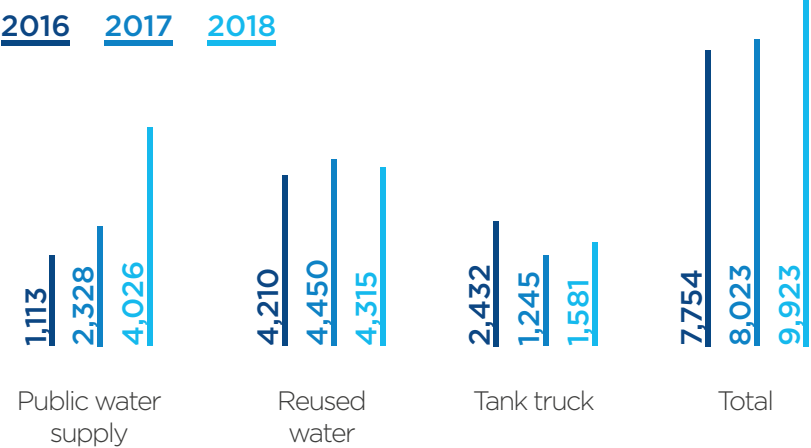
The OdontoPrev headquarters building has a Sewage Treatment Station (ETE) in which water is treated to be reused in irrigation systems for the building’s green areas, toilet flushing and as a water reserve for firefighters.

The water treatment process at the Sewage Treatment Station is effective. During the recycling process, approximately 25% of water is lost through evaporation, and virtually all of the water is reused. Of the total water used by OdontoPrev, 72% is reused and recycled. The residue left from the sewage treatment is properly discarded.

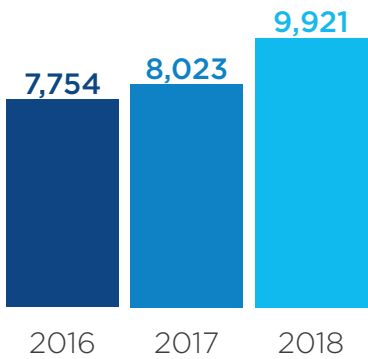
Water consumption control is done by the condominium, which prepares a monthly report to monitor expenditures and identify problems, such as water leakages. The Company has ongoing campaigns to remind employees of the importance of saving water.

In 2018, OdontoPrev consumed 9,921 m² of water originated from the public supply system. An increase of 24% was recorded in comparison to 2017.

WATER MANAGEMENT



CONSUMPTION PARAMETERS (ml)



Carbon Compensation Program

Since 2008 OdontoPrev counts on the support of a specialized environmental consulting firm for 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 number of trees to be sowed to neutralize the equivalent carbon and compensate the emissions of greenhouse gas emission.

In 2018, the Company emitted a total of 79,5t of CO₂ (Scope 1), or 29% less than 2017, results from an initiative to create a GHG Inventory, and as consequence, data control. The elements that compose the emission from Scope 1 for the company are: stationary diesel combustion by generator, effluent from building activities and fugitive refrigerant emissions and CO₂ emissions from fire extinguishers. For Scope 2 and 3 on the other hand, the inventory measured the emissions associated to the acquisition of electricity, land and air trips. A significant improvement was also detected in this group. Throughout the year, OdontoPrev accounted for 605 tons of CO₂ - 21% less than the previous year.

In total, the operations carried out by OdontoPrev emitted 684 tons of CO₂ in 2018, a reduction of 29% over the previous year. The result reflects widespread performance improvement as a result of innovation efforts for eco-efficiency and the spread of the concept of conscious consumption.

Advances were noted such as lower energy consumption, reduced physical shipment of materials and a decrease in employee travel by motor vehicles.

Planting of Native Tree

With the objective of replanting trees in degraded parks of large Brazilian cities, this project underwent a reformulation in 2016 and 2017 with the objective of raising society awareness to 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 and 2018, the initiative was performed at the Cândido Portinari Park in the city of São Paulo and over the next few years will continue to plant trees in green areas around the city of São Paulo and metropolitan areas. With this, the idea is to impact and contribute for the maintenance and growth of green areas in the urban scenario.

For 2019 the action is planned to be performed at Gabriel Chucre Park, in the municipality of Carapicuíba - SP, near the headquarter building of the company. With the planting of Ipê Roxo, Ipê Branco, Pitangueira among other native species, the activity will be supported by our employees as volunteers.

Since the beginning of the project,
a total of

13,277
trees were
planted,

equivalent to 15 soccer fields
(109,505 square meters of
recovered area).

Waste Management

OdontoPrev manages solid residues, which allows the Company to perform the correct disposal of residues and becomes aware of the generated volume, enable the establishment of a plan for the reduction of residue.

The waste produced is destined to a third-party company, which recycles and inventories the generated waste. The contracted company is specialized in this service and holds a CADRI (Waste of Environmental Interest Handling Certificate) properly updated. Issued by CETESB (Environmental Sanitation Technology Company), the CADRI is a certificate that approved the destination of waste of environmental interest for places for the reprocessing, storage, treatment or final disposition.

On a monthly basis, the Company receives a consolidated report issued by the building's administration and related to the generation of recyclable and organic waste, allowing the control, comparison between information and, consequently, actions for reduction.

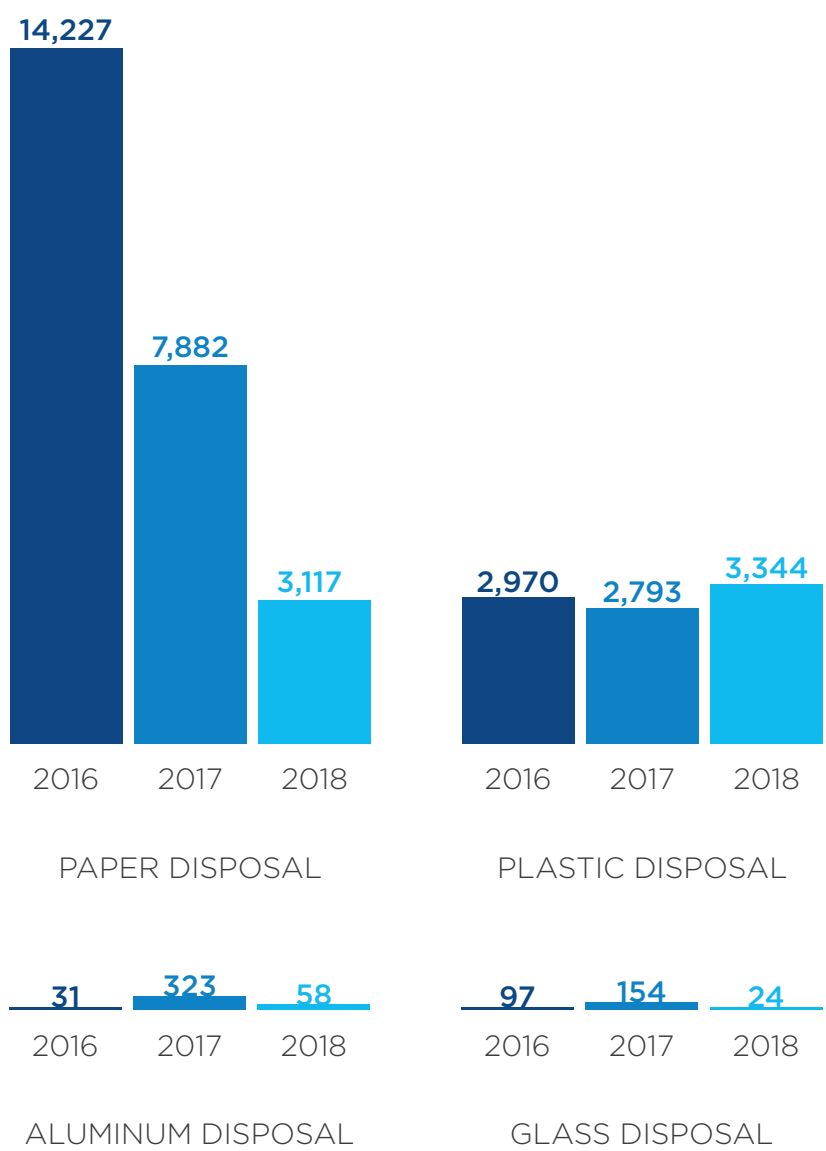
In the same manner, the Company recycles office materials and old communication articles, including monitors, computer keyboards and brochures. Other materials used in more expressive volume are plastic cups and printing paper. It is noteworthy that all A4 paper purchased comes from reforestation, with certificate.

In addition to recycling, the Company adopts technologies that help reduce waste generation. This is the case with the inclusion of passwords in the printer system in 2018. Measures of this nature, combined with conscious consumption campaigns, have resulted in a drastic reduction in paper disposal, as shown in the graph below.

Waste is sealed with a clamp for identification and sent for measurement and correct disposal - disposal to landfill or recycling. The effectiveness of this management is assessed through internal reports.

Recycled Material	2016	2017	2018	Variation 2018 x 2017
Paper Disposal (kg)	14,227	7,882	3,117	-60%
Plastic Disposal (kg)	2,970	2,793	3,344	+20%
Aluminum Disposal (kg)	31	323	58	-82%
Glass Disposal (kg)	97	154	24	-84%

RECYCLED MATERIALS (Kg)



Investment in Technology with Environmental Impact

Radiographs must be included in the patient’s record for analysis and support to the OdontoPrev accredited network professional. In the process of processing x-rays, however, the utilization of chemical products, including silver, is required. In addition, all radiographs should be forwarded to OdontoPrev and subsequently returned to the office. To minimize the environmental impacts of the processing process and reduce the necessity for mailing, OdontoPrev has developed specific and 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 prevents the processing of a portion of the radiographs, and the emission of CO₂.

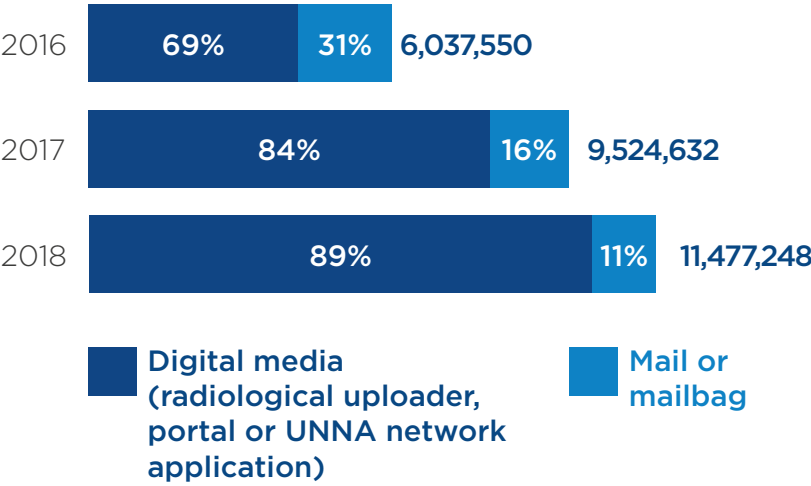
In addition to the technologies used by dental offices, a tool was developed in 2016 to be used by the accredited network’s radiology centers. By using the uploader technology, radiology clinics no longer need to print radiographic documentations and can send them only by digital means to OdontoPrev,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

Though 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. With this, by the end of 2018, 89% of the radiological exams were already submitted through the X-ray image uploader, versus 69% in 2016.

In 2017, OdontoPrev started a contracting process of an outsourced company to recycle the printed radiograph received. After the image is properly scanned, the recycling procedure involves the removal of metals from the radiograph paper, including silver, and the separation of plastic for reuse.

PROPORTION OF IMAGES RECEIVED THROUGH ANALOGIC AND DIGITAL CHANNELS



Channels to Receive Images	2015	2016	2017	2018	%
Images sent via Portal	1,746,592	1,804,377	2,195,587	2,595,687	23%
Images sent via app Rede Unna	304,009	2,040,753	3,567,251	6,460,606	39%

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.

Nature Friendly Dentist (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 the set of actions to be taken on the theme, the Nature Friendly Dentist (Dentista Amigo da Natureza) seal was created by the Company.

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

- Rede UNNA Application;
- Digital File;
- Rede UNNA Portal;
- Uploader of radiological images.

Amalgam Recycling Program (Programa de Reciclagem de Amálgama)

Amalgam is a material used as a restorer by dental surgeons and is composed by heavy and toxic metals, including mercury and silver, thus, when improperly discarded, may contaminate human beings and the environment. 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 a partnership with government health and environment agencies, such as Environmental Sanitation Technology Company (Cetesb), Research and Measurement Institute (Ipem) and São Paulo 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 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.

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ANTICORRUPTION 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, inclusively with regards to the terms determined by Law Number 12,846/13 (Anticorruption Law). These principles are expressed in the 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 Complaints and Ethical Conduct.

To ensure the best Corporate Governance practices, in addition to maintaining business in accordance with current legislation, OdontoPrev has developed its Code of Ethical Conduct.

As presented by the OdontoPrev Code of Ethical Conduct, the Company does not tolerate any criminal act or act contrary to current laws and norms.

The Company also has an Anticorruption Policy and Other Illicit Acts, approved by the Board of Directors in May/2017, which details the commitment in repudiation regarding corruption and other illicit acts, including fraud, according to the aforementioned Law Number 12,846/13. The Policy also informs the sensible departments in relation to corruption acts, and the respective combat practices, responsible list and respective responsibilities regarding the matter, and also serves as an additional information with instructions for those related to the Complaint and Ethical Conduct Channel (previously mentioned under the Human Rights Principles).

In the same manner, a Fight Against Corruption Program was developed and is being released to every employee of the Company.

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

In 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 case of any complaint / identification of any cases that may infringe the items described under the Code, these shall be forwarded and analyzed by the Verification and Ethics Committee of the Company.

We further highlight that corruption cases were neither identified nor denounced for the years of 2015, 2016, 2017 and 2018.





OdontoPrev