2019 SUSTAINABILITY REPORT

SUSTAINABLE GROWTH: CONNECTING PEOPLE, CULTURE AND BUSINESS



Intangible Assets

We are part of the group Algar, recognized by pioneering, with family control and professional and sustainable management. We constantly invest in innovation, as recognized by our corporate governance practices. Moved by the purpose of People serving People, we value relationships and human potential, placing employees and customers first. Learn more about our main intangible assets: brand, People serving People, sustainability, and innovation.

Brand

Since Algar Telecom was founded in 1954, we are pioneers in the telephony sector in Brazil and have expanded the Telecom business to new markets, maintaining our principles of high-quality service and customer satisfaction.

In 2019 we continued to reinforce the brand by stressing other attributes of the organization: our commitment to service, innovation and reliability. This involved marketing campaigns focusing on the digital media, sponsorship and other initiatives – among them, the continued sponsorship of Santos Futebol Clube. In addition to visibility in the athletes' uniform, the logo stands out in merchandising materials, social networks and electronic media, in the press room of Vila Belmiro (which receives the name Algar), as well as actions of relationships with current and potential clients. The action "Um Sonho de Santista" connected the soccer passion to the desire that moves Algar Telecom to make dreams come true.

Algar Telecom connects the soccer passion to the hope of making dreams come true in the "Um Sonho de Santista" campaign

The initiative happened in December 2019, when we made available a web portal, through which we received testimonials by video, text or audio from Santos fans who wanted to make a big dream come true, either of their own or of someone special.

The story of the fan Breno Alves Pinto, from Mirassol (SP), was selected among over 500 received. Breno has cerebral palsy and dreamed of visiting the Baixada Santista to watch a soccer game with Santos team. He and his father visited Vila Belmiro stadium, talked to players, won club items and were able to watch, from the vip box, the team's victory against Chapecoense, on December 1st. Click here to see the dream made true by Algar Telecom.

People serving People

"People serving People" represents our business purpose, it underpins our culture, our activities and our strategy. We build ethical, respectful, and transparent relationships with our employees and with all other stakeholders, both internal and external.

Our actions made us recognized for the good quality of our products and services and also one of the best companies to work for in Brazil and Minas Gerais – <u>click here</u> to find out more – having UniAlgar as an important resource in this sense, as a national reference in corporate university and distance learning – <u>click here</u> to find out more.

Sustainability

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Our vision on sustainability is based on how our business can contribute to resolving current and future challenges to society, and how we relate to our stakeholders. We aim to maintain strict ethical business standards; to present high value-added solutions to the market; to be connected, simple, speedy and smart in the way we work; and to take responsibility for the impact of our activities on the environment and on people's lives. We believe that all this is related to sustainability. So our sustainability initiatives, campaigns and projects are based on four strategies: social projects, climate governance, sustainable influence (related to our ability to make our relationship network aware of sustainable practices) and compliance.

As a way to generate mobilization in light of these and other commitments, we have a Sustainability Committee that meets on a quarterly basis and it is consisted of 67 representatives from all regions of Algar Telecom's operations. It is noteworthy that Instituto Algar, a non-profit association with actions on the educational and tax incentives fronts (<u>click here</u> to find out more).

The maturity of our management of sustainability was recognized for the seventh consecutive year by the Exame magazine Sustainability Guide – see more Awards and Recognition. Visit Environmental Performance and learn more about our sustainable management and how we are aligned with international agendas.

Innovation

We are committed to developing new trends and new technologies; creating opportunities for collaboration with other companies or startups, both partners and customers, and with institutions and the community; undertaking quick trials and analyzing them consistently; and posting results that allow us to innovate in our internal processes and in solutions for customers and their value chains. Our offers are aligned with digital transformation, multiconnection, automation and artificial intelligence, and are applicable to various business segments. In this sense, it is worth to highlight Brain, a Private Institute of Science and Technology (*Instituto Privado de Ciência e Tecnologia*), and the Estação project (<u>click here</u> to find out more).