



2019

SUSTAINABILITY
REPORT

**SUSTAINABLE GROWTH:
CONNECTING PEOPLE,
CULTURE AND BUSINESS**



Algar
Telecom



Digital Transformation

Society is going through the fourth revolution of communication and industry, a historical landmark that has already changed and will change even more the way we relate, live and work. The speed of change is high and causes abrupt changes that are transforming the world we live in, developing and incorporating new technologies into people's daily lives. In this context, connectivity is key. Algar Telecom is committed to seeking trends and disruptive solutions to follow these transformations.

In the Company, digital transformation is a reality to carry out internal processes in a more agile way, provide the best technical support to the operations, create solutions that provide a more effective customer service and add value to our portfolio.

We seek partnerships with other companies and startups to develop new solutions and make the customer experience better and better. Our offers are aligned with digital transformation, multiconnection, automation and artificial intelligence, augmented reality and Internet of Things (IoT) and are applicable to various business segments.

Being aware of the importance of constantly updating the technology of our networks, we have invested in the transition from steel networks in the concession area to optical networks, which provide GPON, SGPON and XGPON technologies, faster data traffic and higher signal quality. At the end of 2019, 57.7% of customers in this region were fiber-connected. Outside the concession area, 100% of the network is optic.

We know that the development of new solutions goes hand in hand with a structural and cultural change in the way processes are carried out. Therefore, we undertake fast trials with consistent analysis, and we seek to present results that not only generate value for customers and their value chains, but also incorporate innovations into internal processes.

Algar Telecom performs tests with 5G technology

We obtained Anatel's authorization, in August 2019, to carry out tests with the 5G technology. The first tests were carried out in the lab and, subsequently, they were open to the public for ten days. We carried out experiments in partnership with Huawei and the Computing School of the Federal University of Uberlândia - UFU [*Faculdade de Computação da Universidade Federal de Uberlândia*]. At the time, we measured variables such as the data rate achieved, network latency and energy consumption. The commercialization of the service will depend on the auction for the operation of the 5G bands, which should take place in the second half of 2020, as disclosed by Anatel.