

[2017]

ANNUAL
SUSTAINABILITY
REPORT

oi



I SUMMARY

1. INTRODUCTION	02	6. ENVIRONMENTAL MANAGEMENT	53
Material topics	05	Impact mitigation	54
Consultation with stakeholders	05	Energy efficiency	55
Message from management	07		
2. ABOUT OI	09	7. SOCIAL REPORT	57
Purpose, values and attitudes	10	FINANCIAL STATEMENTS	65
Core business	13		
3. VALUE CREATION MODEL	14	8. GRI CONTENT INDEX	66
Strategic priorities	15	9. CORPORATE INFORMATION	84
Risk management	24	AND CREDITS	
4. RESULTS	26	Headquarters	84
Economic and financial results	27	Book-entry share services	84
		ADR depositary bank	84
5. HIGH-VALUE RELATIONSHIPS	30	Stock Exchange	84
Ethical and responsible relationships	31	Contacts	84
Customer satisfaction	33	Credits	84
Employee engagement	38		
Supply chain responsibility	42	10. ANNEX I – ADDITIONAL	85
Social development	43	INDICATORS	
Shareholder and investor relations	50	Economic dimension	85
Relationship with the industry	51	Environmental dimension	86
		Social dimension	94

A man with a beard and a woman with glasses are looking at a tablet together in a modern office setting. The man is pointing at the screen. The background shows a white brick wall with colorful sticky notes and a large window with a view of greenery outside. There are decorative blue and purple organic shapes on the left and right sides of the page.

01

INTRODUCTION

I INTRODUCTION

This publication contains information about our operations, policies, practices, performance and management in 2017. It describes the main points that served as guidelines for our relationships and initiatives during the year to create value for our stakeholders and the environment and to foster long-term sustainability.

This report covers all our operations in Brazil – Oi S.A. and its subsidiaries – between January 1st and December 31st, 2017 and follows the Global Reporting Initiative [GRI] guidelines, still in the G4 format, thus allowing its users to compare our profile and economic, social and environmental performance over the last seven years in which we have adopted those guidelines. For our next report, the GRI Standards will be adopted. G4-3, G4-7, G4-28

We also present data from previous years throughout the report to contextualize this year's information, as well as future prospects and goals to provide readers with an overview of the path and business model we are planning to follow.

This report has been prepared in accordance with GRI's G4 Guidelines' Core option. It also considers the Abrasca [Associação Brasileira das Companhias Abertas, or Brazilian Association of Public Companies] Criteria for Preparing Annual Reports, the Ibase Social Report, NBCT 15 [Norma Brasileira de Contabilidade Técnica 15, or Brazilian Accounting Standard 15], CPC [Comitê de Pronunciamentos Contábeis, or Brazilian Accounting Standards Committee] and Codim [Comitê de Orientação para Divulgação de Informações ao Mercado, or Guidance Committee for the Disclosure of Information to the Market]. Accounting data follow the IFRS [International Financial Reporting Standards], as recommended by the CVM [Comissão de Valores Mobiliários, or Brazilian Securities Commission]. G4-15, G4-32

LEARN MORE AT THE END OF THIS PUBLICATION

- The **GRI Index** sets out the indicators reported and their locations in this document, thus making it easier to find information.
- The **Progress Achieved** box describes our initiatives in line with the commitments we took on by subscribing to the UN Global Compact to achieve the Sustainable Development Goals.



MATERIAL TOPICS

G4-2, G4-18, G4-25, G4-26

In line with the GRI guidelines, in 2014, we consulted our stakeholders to find out what issues they considered material to the sustainability of our business – as far as their relationship with Oi is concerned – and ultimately prepare a strategic, objective report. This consultation process, as well as the findings outlining the material topics presented in the report, is described next. We intend to implement a new process to reassess materiality by 2019.

CONSULTATION WITH STAKEHOLDERS

INDUSTRY SURVEY

Rating the issues considered material to sustainability according to:

OUR **2014**
SUSTAINABILITY
REPORT

THREE PEERS FROM
THE **BRAZILIAN**
MARKET

KEY INDUSTRY
PERFORMANCE
INDICATORS OF
THE EUROPEAN
FEDERATION OF
FINANCIAL ANALYSTS
SOCIETIES (EFFAS)

THE GOVERNANCE &
ACCOUNTABILITY
INSTITUTE'S
GLOBAL STUDY
“SUSTAINABILITY -
WHAT MATTERS FOR
THE COMMUNICATIONS
INDUSTRY”.

ONLINE CONSULTATION WITH STAKEHOLDERS

G4-24

We conducted an online opinion survey with our stakeholders to find out which of the topics determined in the previous step they considered material to Oi's sustainability. We obtained 333 responses from the following stakeholders:

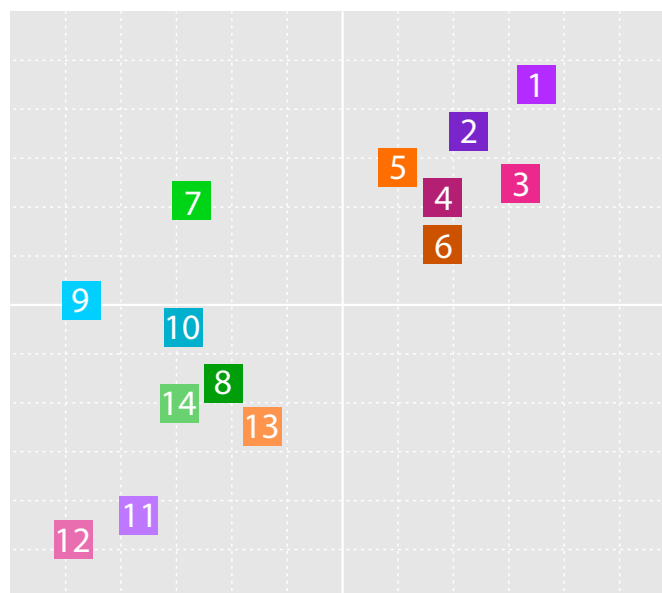
- Customers from all segments;
- Administrative service providers;
- Operational service providers;
- Direct employees;
- Independent contractors;
- Financial agents;
- Shareholders, investors or market analysts;
- Members of the Legislative and Executive Branches;
- Representatives of social entities;
- Representatives of environmental entities;
- Representatives of other telcos;
- Representatives of universities.

SENIOR MANAGEMENT'S PRIORITIES

We interviewed 20 members of Oi's senior management, including the CEO and the Chairman of the Board of Directors, and conducted a prioritization test, based on the topics determined in the first step, to find those material to our sustainability strategy in the short term.

MATERIAL TOPICS G4-19, G4-20, G4-21, G4-27

CONSOLIDATION OF FINDINGS AND MATRIX OF MATERIAL TOPICS



- 1 CUSTOMERS SATISFACTION ASSURANCE
- 2 HIGH GOVERNANCE STANDARDS
- 3 CUSTOMER'S DATA PRIVACY AND SAFETY
- 4 HEALTH AND SAFETY OF EMPLOYEES
- 5 CLEAR AND TRANSPARENT COMMUNICATION WITH CUSTOMERS AND STAKEHOLDERS
- 6 COMPLIANCE WITH LAWS AND REGULATIONS RELATED TO ITS OPERATIONS, SERVICES AND PRODUCT OFFERINGS
- 7 WELL DEFINED BUSINESS STRATEGY AND SOLID ECONOMIC PERFORMANCE
- 8 SOCIAL AND ECONOMIC DEVELOPMENT THROUGH INFRASTRUCTURE AND OFFERED SERVICES
- 9 DIGITAL INCLUSION IN BRAZIL
- 10 CONSUMPTION MANAGEMENT OF NATURAL RESOURCES IN THE COMPANY'S OPERATION
- 11 CREATION OF JOBS
- 12 PRODUCT LIFECYCLE MANAGEMENT
- 13 PROMOTION OF SUSTAINABILITY IN THE VALUE CHAIN, ESPECIALLY SUPPLIERS
- 14 INNOVATION FOR SOCIAL DEVELOPMENT AND IMPROVED ENVIRONMENTAL MANAGEMENT

About the matrix: the topics in the upper fields are considered material since our stakeholders believe they are more relevant to Oi's sustainability at present. As such, they are addressed in greater detail throughout this report.

OPEN CHANNEL

Our Corporate Financial Officer can be contacted at: pp-sustentabilidade@oi.net.br or invest@oi.net.br, for questions or suggestions. G4-31

MESSAGE FROM MANAGEMENT

In 2017, we worked on several fronts to stabilize Oi's operations as part of the Company's preparation for a new growth cycle. This year's top management priorities were: quality improvement, digital transformation, cost control, cash management and debt restructuring with the approval of the judicial reorganization plan. On each of these fronts, important advances have been registered, which have contributed to increase the operational efficiency and the profitability of our customer base, and to improve the quality of the services provided to our customers.

We spent the year of 2017 engaged in the negotiation of a judicial reorganization plan that would enable our business continuity. It was an intense year that required the engagement of all our employees, both from those conducting the negotiations and those committed in maintaining the Company's normal operations. After many discussions and revisions, the plan was approved by a significant majority of the Oi Companies'

creditors in the Creditors' General Meeting held on December 2017.

We have intensified the digitalization of customer services, sale and billing processes. In addition, we continue to invest in the development of Advanced Analytics and Big Data solutions for corporate customers as well as in new business models such as Oito, our entrepreneurial and innovation hub, launched in 2017. The goal of this initiative is to contribute to the generation of new businesses, the development of technological and digital solutions, acceleration of startups and support to social businesses.

The new offers are also aligned with Oi's digital transformation process, following global trends and seeking to offer innovative solutions in a competitive market. With digital transformation, Oi has been able to capture efficiency gains, reduce costs and improve customer experience.

Despite a year with revenue challenges and limited cash, we have significantly expanded our infrastructure and network



core investments, always aiming to improve the customer experience quality. We have invested R\$ 5.6 billion in Brazilian operations this year, an increase of 18.3% over the amount invested in 2016, reinforcing our commitment to the long term and to the transformation and sustainability of the business.

The positive outcome in operating costs in 2017 contributed to partially offset the decline in net revenue and, as a result, year-on-year recurring EBITDA of the Brazilian operations dropped 2.4% compared to 2016, totaling R\$ 6,190 million for the year. It is important to note that, even with all the challenges faced, recurring EBITDA of the Brazilian operations in 2017 was 2.3% higher than the target agreed upon in the Judicial Reorganization's Economic and Financial Report, which was negotiated with and approved by our creditors.

On another important front, we continued our efforts to increase clean energy consumption, which we started in 2015 with our Energy Efficiency Program. Since its inception, the share of clean energy in Oi's total consumption rose from 15.8% to 22.4%, generating savings of R\$ 128 million. Our goal is to reach R\$ 428 million in savings until 2019, when the percentage of clean energy will reach 42.5%.

With Oi Futuro, we work in Education, Culture, Social Innovation and Sports, with initiatives that use technology, art and entrepreneurship to strengthen connections that boost people.

Projects, that promote access to culture in the digital age, strengthen interaction between cities and bet on sports as a path to reach citizenship.

Finally, as we have seen, the year 2017 was marked by the Company's operational strengthening and the positive evolution in the judicial reorganization process. As a result, Oi Companies maintain their relevant role in the national economic scenario, investing heavily in the Country and managing an ecosystem that involves about 130 thousand direct and indirect jobs. Even though we are still under judicial reorganization in 2018, we remain committed to the continuity of the business transformation and debt restructuring process, laying the foundations for a new growth cycle, ramping up investments from the planned capital injection provided for in the judicial reorganization plan. The process is hard, but we are on the right track to create a new Oi.

Enjoy your reading!

José Mauro Mettrau Carneiro da Cunha
Chairman of the Board of Directors

Eurico Teles
Chief Executive Officer



02

ABOUT OI



PURPOSE, VALUES AND ATTITUDES



STRATEGIC OPPORTUNITIES

“Being an organization recognized for outdoing itself constantly to offer remarkable experiences and connection solutions. Accordingly, we improve people’s everyday lives, thus promoting stakeholders’ sustainable growth driven by true connections.”



PURPOSE

“Boosting connections that drive people.”

Being connected allows people to reach further, be more relevant, access more information, find satisfaction and happiness. We believe our role is to develop any and all solutions to bring together people, objects and institutions – solutions that create new possibilities and make everyday life better. That means fostering a prosperous environment for Brazilians to develop themselves, realize their dreams and conquer the world.





VALUES

CUSTOMERS FIRST

We know we must be constantly aware of our customers' trends and demands to create connections that promote change in a world evolving faster than ever.

We anticipate customers' needs and think about others before thinking of us. Our customers guide everything we do.

COMMITMENT TO EVOLUTION

We seek to promote collaborative environments, encourage an entrepreneurial spirit, innovation and curiosity in everything we do.

We know that, by contributing to people's development, we are moving society forward and fulfilling our purpose of maximizing connections that drive people.

CREDIBILITY MUST BE EARNED

We believe we must be honest in everything we do – from the connections we create to the way in which we execute our processes.

That is how we have gained trust and built sound, lasting and serious relationships and business with all our partners.

OI IS EACH ONE OF US

Oi is the pulse and vibe of each one of us, whether or not we are at work. We walk and we grow together in the same direction.

We know our every gesture, action or decision represents the entire organization. Therefore, we act as part of the whole, always in search of the best path.

OI ATTITUDES

ATTITUDE OF OWNERSHIP

We act and make decisions as if the Company were ours.

We are fully committed. We go beyond our obligation: we prioritize what is best for the business and we are aligned with the Company's ethical principles. This is how we evolve, overcome challenges and produce sustainable results.

FOCUS ON RESULTS

Our actions are driven towards reaching established goals.

We are tireless; we never give up. With attention to detail, we answer all questions and prioritize what is most important. We solve problems in a rapid and assertive manner. We like to celebrate good results!

CUSTOMER VISION

We offer efficient solutions that are suitable to both internal and external customers, in line with the business strategy.

We are always attentive. We listen to your needs. Only those who know customers well can meet their expectations and gain their trust.

COST CONTROL

We control costs in our activities and are responsible for the use of the Company's resources.

We always act with awareness. We do not tolerate waste and think about how to best use the Company's resources at all times. We plan our activities in advance and we are always seeking new ways to increase productivity.

COLLABORATIVE SPIRIT

We work collaboratively in order to ensure the delivery of results.

We share knowledge and experience. We help one another. We want everyone to grow. Together, we are stronger. Together, we can do more.



CORE BUSINESS

G4-4, G4-8, G4-9

We are one of the main integrated telecommunications service providers in Brazil, with approximately 15 thousand direct employees, bringing together approximately 59.7 million Revenue-Generating Units (RGUs) by the end of 2017. We operate nationwide, offering a variety of integrated telecommunications products that include fixed-line and mobile telephony, network usage (interconnection), data transmission (including broadband) and pay TV (also offered through double-play, triple-play and quadruple-play packages), internet services, IT services and other telecommunications

services, for residential customers, companies and government agencies.

We are present in 26 states, plus the Federal District, and we have approximately 355 thousand km of installed optical fiber cables, holding the largest backbone in Brazil. In addition, our 2G mobile coverage covers approximately 93.0% of the Brazilian population.

We have around 16.5% of the market share in mobile telephony and 33.2% in fixed-line telephony. As part of our bundling offers, we also have more than 2 million Wi-Fi hotspots maintained including in public places, such as airports and shopping malls.

G4-5, G4-6

RGUS PER SEGMENT

Residential – TV, fixed-line and broadband services

15.9 million RGUs

Personal Mobility

36.7 million RGUs

B2B¹ – Fixed-line, broadband, TV, mobile phone, data network and *Oi Soluções*

6.5 million RGUs

¹B2B: Oi's Business-to-Business sector focused on serving companies.





03

VALUE CREATION MODEL

STRATEGIC PRIORITIES

In 2017, we worked in several restructuring fronts to stabilize our operation and lay the foundations for sustainable growth. Important initiatives were implemented with a focus on operational improvement and business modernization, such as:

- Intensification of the search for operational efficiency, guaranteeing strict cost control, which resulted in gains of R\$ 1.5 billion in 2017, related to 2016;
- Improvement in customer interaction processes, which resulted in an increase in the quality of the services provided, presenting a substantial reduction in the volume of complaints with Anatel², JEC³ (small claims courts) and Procon⁴;
- Digital transformation acceleration, with digitalization of customer service, invoicing and sale processes (e-care, e-billing and e-commerce), as well as use of robotization and artificial intelligence, to guarantee the sustainable future of the business;
- Approval of the Judicial Reorganization Plan, guaranteeing debt restructuring, with a reduction of more than R\$ 33 billion, while placing the Company in levels of indebtedness close to market standards, enabling a new investment cycle;
- Cash management adequacy in accordance with the guidelines of the Judicial Reorganization Plan, providing for an amount of R\$ 6.2 billion at the end of 2018;
- Expansion of investment levels through the capital increase approved in the Judicial Recovery Plan.

² Agência Nacional de Telecomunicações, or Brazilian National Telecommunications Agency.

³ Special Civil Court, a Justice bureau created to process less complex cases.

⁴ Consumer protection agency.



OPERATIONAL IMPROVEMENT AND NEW BUSINESSES

OPERATIONAL QUALITY

We implemented several initiatives aimed at increasing operational efficiency and improving the customer experience, which reflected on continuous advances in operational and quality indicators.

We have modernized the infrastructure and expanded our network capacity, carrying out preventive actions focused on increasing productivity, improving service quality and digitalizing services and processes, which have generated synergies for the Company.

MAIN OPERATIONAL INDICATORS AND THEIR IMPROVEMENTS (2017 VS. 2016)

INCREASE OF

66.3%

IN THE NUMBER OF
DIGITAL INVOICES;

INCREASE OF

63.6%

IN ONLINE SERVICE;

INCREASE OF

59.1%

IN THE NUMBER OF
ONLINE SALES;

⁵THE AVERAGE TIME
FOR SERVICE INSTALLATION
DECLINED

11.8%

REDUCTION IN COMPLAINTS
INDICATORS WITH

ANATEL

-23.0%

AND JEC

-46.3%

⁵THE AVERAGE
WAITING TIME
UNTIL THE SERVICE REPAIR
FELL

9.3%

⁵REDUCTION OF

22.8%

IN THE VOLUME OF REPEATED CALLS
(SERVICE CALLS FOR THE SAME PROBLEM);

⁵ 4th quarter 2017 vs. 4th quarter 2016.

NEW BUSINESSES

G4-EC7

In 2017, we reaffirmed our commitment to the development of innovation-related initiatives. Thanks to the continuous investment in R&D and innovation projects, which totaled over R\$ 83 million in the year, we kept our activities in science and technology institutions and incubators in order to explore high potential business opportunities unrelated to our core business, such as Healthcare, Mobile Advertising and IoT applications.

Using the Innovation Conveyor, we developed groundbreaking projects with partners, enabling the creation of pioneering offers in the telecommunications market. Solutions like Oi Smart and Oi Saúde show that an open innovation strategy, which brings us closer to the startup ecosystem, enables us to explore opportunities associated with our core business more rapidly and effectively.

We launched *Oito*, a new entrepreneurship and innovation hub, with the vision of creating a hub for entrepreneurship and innovation, a reference in Rio de Janeiro in the generation of new businesses, acceleration of technological solutions, development of startups and support for social initiatives. The incubator *Oito* will be one of the main promoters of the activities developed in the IoT laboratory, which is the first in Latin America for Narrowband-IoT and eMTC (evolved Machine Type of Communication), technology also known as LTE-M. The projects developed or supported by the IoT laboratory will intrinsically have a distinctive technological differential in Oi's innovation ecosystem.

BENEFITS OF IOT LABORATORY



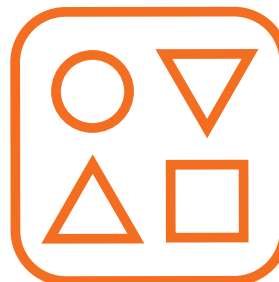
VALIDATION

The laboratory provides a diversified platform that includes fixed and mobile technologies for rapid evaluation and proof of concept. In addition, it ensures a rapid assessment for development decision and allows an environment for demonstration of current and future technologies.



CERTIFICATION

The approval and certification guarantee the functioning of product and services, not only within Oi network, but also in other similar characteristics networks. In addition to ensuring the proper functioning of implementations and solutions with certification of protocols and standards.



DEVELOPMENT

The laboratory has an exclusive platform for creating products and services and has a Network Infrastructure and dedicated professionals to assist the development process. It also streamlines the developing process of products and services.

CORPORATE GOVERNANCE

Our Bylaws, approved in September 2015, are characterized by the adoption of the highest corporate governance standards.

OI'S BEST GOVERNANCE PRACTICES

- Simultaneous, immediate and fair disclosure of material information;
- Publication of the Annual Management Report;
- Ombudsman and Grievance Mechanisms in place;
- Adoption of International Financial Reporting Standards (IFRS);
- Unrestricted adoption of principles of conduct;
- Adoption of Information Disclosure and Securities Trading Policies;
- Promotion of sustainable practices, such as publishing the Company's Sustainability Policy and Annual Sustainability Report;
- Commitment to corporate social responsibility through investments in Oi Futuro; and
- Separation between the Chairman of the Board of Directors and Chief Executive Officer positions.

For further information about Oi's governance structure, bylaws, bodies and policies, please go to: <http://www.oi.com.br/ri> > English > The Company > Boards and Committees > Executive Board. G4-34, G4-38



SUSTAINABILITY GOVERNANCE

We have been a signatory to the UN Global Compact (UNGC) since 2009 and, as such, we undertook initiatives related to the UNGC principles and the Sustainable Development Goals (learn about the connection between the information in this report and the UNGC principles next).

In this regard, we were involved in different national and international sustainability initiatives. We disclose information to the Carbon Disclosure Project (CDP) voluntarily and publish our inventory of greenhouse gas (GHG) emissions in the Public Emissions Registry of the Brazilian GHG Protocol Program every year. In addition, we undertook initiatives related to Termo de Mútua Cooperação contra a Pedofilia [Mutual Cooperation Agreement Against Pedophilia], which brings together telcos, the Federal Public Attorney's Office, the Brazilian Federal Police and the Safernet Brasil organization to prevent and stop crimes against children and adolescents over the internet.

G4-35, G4-42, G4-43, G4-46, G4-49, G4-50

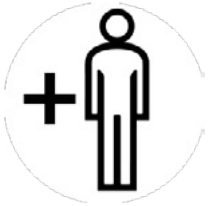
We have a number of internal committees and committees responding directly to the Board of Directors to manage sustainability issues:

- **Executive Sustainability Group:** advises the Company's Management Committee in the adoption of sustainable practices⁶;
- **Management Committee [CDG]:** a high-level internal committee formed by L1 officers (level 1 officers report directly to the Chief Executive Officer) that monitors issues material to the Company and makes decisions related to them;
- **Ethics Committee:** an internal committee formed by executives appointed by the Executive Committee, it is responsible for constantly reviewing the Code of Ethics and managing issues related to it. It examines and deliberates on violations of the Code of Ethics and decides on the sanctions to be imposed, which are reported to the Executive Committee and posted on the Decisions Board;
- **Corporate Governance and Finance Committee:** composed of independent members appointed by the Board of Directors, to which it reports directly, this committee is responsible for ensuring the best corporate governance and business conduct practices are adopted continuously;
- **Risks and Contingencies Committee:** composed of independent members appointed by the Board of Directors, to which it reports directly, this committee oversees contingency management and control and ensures the Company's management and inspection bodies work in a coordinated manner; and
- **Quality Committee:** a strategic committee, formed by L1 officers, that monitors quality indicators and material issues and makes decisions related to them, in order to improve the customer experience.

⁶With Company's judicial reorganization period, the Sustainability Executive Group is facing the restructuring process and its activities should be resumed over the next few years.

COMMUNICATION ON PROGRESS

PRINCIPLES OF THE GLOBAL COMPACT



1. BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS;



2. BUSINESSES SHOULD MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES;



3. BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING;



4. BUSINESSES SHOULD UPHOLD THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOR;



5. BUSINESSES SHOULD UPHOLD THE EFFECTIVE ABOLITION OF CHILD LABOR;



6. BUSINESSES SHOULD UPHOLD THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION;



7. BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES;



8. BUSINESSES SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY;



9. BUSINESSES SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES.



10. BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY.

SUSTAINABLE DEVELOPMENT GOALS



End poverty in all its forms everywhere



End hunger, achieve food security and improved nutrition and promote sustainable agriculture



Ensure healthy lives and promote well-being for all at all ages



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



Achieve gender equality and empower all women and girls



Ensure availability and sustainable management of water and sanitation for all



Ensure access to affordable, reliable, sustainable and modern energy for all



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Reduce inequality within and among countries



Make cities and human settlements inclusive, safe, resilient and sustainable



Ensure sustainable consumption and production patterns



Take urgent action to combat climate change and its impacts



Conserve and sustainably use the oceans, seas and marine resources for sustainable development







Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
























































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



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

ACTIONS/INITIATIVES	PAGE	CORRELATION WITH THE GLOBAL COMPACT PRINCIPLES										CORRELATION WITH THE SUSTAINABLE DEVELOPMENT GOALS																
																												
		1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
SUSTAINABILITY POLICY	18, 31, 42	•	•	•	•	•	•	•	•	•	•	•			•	•	•	•	•	•		•	•	•		•		•
OCCUPATIONAL HEALTH AND SAFETY AND ENVIRONMENT POLICY	31	•	•					•	•	•			•						•						•			
STAKEHOLDER ENGAGEMENT POLICY	31							•			•																	•
CODE OF ETHICS AND COMPLIANCE PROGRAM	19, 31, 42, 51, 97	•	•		•	•	•	•	•		•				•	•											•	
CLIMATE CHANGE POLICY	32	•	•		•	•	•	•	•		•							•				•	•	•				•
WHISTLE BLOWING CHANNEL	18, 32, 70	•	•	•	•	•	•	•	•		•				•	•											•	
ETHICS COMMITTEE OPERATIONS	19	•	•	•	•	•	•				•																•	
ONLINE ETHICS TRAINING (E-LEARNING)	96	•	•		•	•	•	•	•		•				•	•											•	
SUSTAINABILITY IN THE SUPPLY CHAIN	42, 43, 63, 96	•	•		•	•		•	•		•								•	•		•						•
DIGITAL CONVERGENCE	33, 34, 35, 36																											
IOT LABORATORY	17	•	•		•	•		•	•		•								•	•		•	•					
PERFORMANCE OF THE INTERNAL AUDIT	31, 32		•	•	•	•	•				•																•	
GHG (GREENHOUSE GAS) EMISSIONS INVENTORY	19, 89, 90, 92, 93	•	•					•	•	•								•				•	•	•				•
ANNUAL INFORMATION FOR THE CARBON DISCLOSURE PROJECT (CDP)	19, 89								•	•								•				•	•	•				•
NAVE – ADVANCED EDUCATION CENTER	46	•	•			•				•					•				•	•	•							
OI KABUM! - SCHOOL OF ARTS AND TECHNOLOGY	48	•	•			•									•				•	•	•							
LABSONICA	47	•	•			•									•				•	•	•							
LABORA	49	•	•			•		•	•	•					•				•	•	•		•	•		•		

ACTIONS/INITIATIVES	PAGE	CORRELATION WITH THE GLOBAL COMPACT PRINCIPLES										CORRELATION WITH THE SUSTAINABLE DEVELOPMENT GOALS																
																												
		1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
OITO	7, 17	•								•		•						•	•		•						•	•
CHILDHOOD AND ADOLESCENCE FUND (FIA)	49	•	•			•							•	•													•	
SUBSIDIZED SPORTS SPONSORSHIP	49	•	•			•				•				•														
CULTURAL CENTERS AND SUBSIDIZED CULTURAL SPONSORSHIP	47									•				•														
TELECOMMUNICATIONS MUSEUM	48									•				•					•									
FREEDOM OF ASSOCIATION WITH UNIONS, COLLECTIVE BARGAINING, COLLECTIVE LABOR AGREEMENTS AND WORKLOAD AGREEMENTS	96	•	•	•	•													•									•	
WASTE/SOLID WASTE MANAGEMENT PROGRAM	60, 91, 93							•	•	•									•			•			•			
ACTIONS TO REDUCE GHG EMISSIONS	90							•	•	•							•					•	•	•				•
OWN FLEET MANAGEMENT	87, 89, 90							•	•	•									•			•	•		•			
TERM OF MUTUAL COOPERATION AGAINST PEDOPHILIA	19	•	•										•		•													
MAPPING OF CORPORATE RISKS	19, 24, 25							•		•																		•
DIGITAL INCLUSION – BROADBAND AT SCHOOLS PROGRAM (PBLE)	44	•				•								•				•									•	•
DIGITAL INCLUSION – GENERAL UNIVERSALIZATION TARGET PLAN (PGMU)	44	•				•								•				•									•	•

ACTIONS/INITIATIVES	PAGE	CORRELATION WITH THE GLOBAL COMPACT PRINCIPLES										CORRELATION WITH THE SUSTAINABLE DEVELOPMENT GOALS																	
																													
		1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
DIGITAL INCLUSION - BACKHAUL	44	•				•													•								•	•	
DIGITAL INCLUSION - COMMUNICATION INTERMEDIATION CENTER (CIC) - BRAZILIAN SIGN LANGUAGE (LIBRAS) CENTRAL PLATFORM	45	•							•											•	•						•	•	
PUBLIC DISCLOSURE OF REPORTS, RESULTS, MINUTES, MATERIAL ACTS AND FACTS, NOTICES AND FILINGS	18										•																•		
INTERNAL CONTROL ENVIRONMENT APPROPRIATE FOR SARBANES-OXLEY CERTIFICATION	24										•																•		
ENERGY EFFICIENCY AND RENEWABLE ENERGY INITIATIVES	55, 56							•	•	•							•					•	•	•					

RISK MANAGEMENT

G4-2, G4-45, G4-46

In 2016, we launched Oi's Integrity Program to improve our corporate risk mitigation structure and anti-corruption mechanisms, and to optimize business processes in keeping with market's requirements regarding transparency of operations.

Our risk management and internal control processes are monitored and overseen by the Management Committee, which reports to the Board of Directors' Risks and Contingencies Committee and the Fiscal Committee.

We have a Risk Management and Internal Control Policy that has been approved by the senior management executives and published internally. This policy considers the Company's consolidated structure and its monitoring, reviewed and updated every year, in order to ensure the identification and prioritization of critical risks and the development of management strategies in order to implement actions and controls to mitigate these risks.

Our policy is in line with the best market practices:

- Best Corporate Governance practices of the Brazilian Corporate Governance Institute (IBGC);
- ABNT NBR ISO 31000:2009 – Risk Management – Principles and Guidelines;
- The Committee of Sponsoring Organizations of the Treadway Commission (COSO);
- ABNT NBR ISO 22301:2013 – Company security – Business continuity management system;
- Law 12,846/13 (anti-corruption) – to assess corruption risks.

Given the need for clear mechanisms to assess and manage the risks that affect our business, we have implemented the following components in the management process:

- Risk Dictionary: ensures a clear and objective description of the risk using a common language. It can be used not only internally, but also in the various market disclosures related to this matter;
- Methodology: formalizes the processes and procedures for identifying, analyzing, mitigating and reporting relevant risks;
- Risk Repository: gathers information associated with each relevant risk, simplifying the analysis and correlation between the various recorded risk factors, supporting the hierarchy of responses and the identification of synergies between mitigation actions.

In 2017, we strengthened our risk management model by maintaining the operation of the Business Continuity Committee, implemented in 2012. The Committee operates in compliance with standard ABNT NBR ISO 22301:2013 in order to mitigate possible risks that may impact not only Oi's operations, but especially society or the environment.

Below are the main risks to which our business may be exposed. Please refer to sections 4 and 5 of our Reference Form, available on <http://www.oi.com.br/ri>, for a detailed description of each of them and the management strategies adopted.

OPERATIONAL RISKS

Connected with:

- Process soundness;
- Reliability of internal systems;
- Customer default;
- Energy shortage;
- Network security; and
- Dependence on strategic suppliers..

FINANCIAL RISKS

The Financial Risk Management monitors the main financial risks through rules defined by the Financial Investment and Hedging Policies, which formalize the management of the Company's exposure to market (including exchange rate risk and interest rate risk), credit and liquidity risk factors. We monitor our financial transactions in order to ensure compliance with the limits set out in the policies and report to the senior management executives and the Board of Directors.

We are mainly exposed to market risks arising from exchange rate fluctuations, which impact our liabilities in foreign currency, and interest rate changes, which affect the cash flow of financial transactions.

Due to the filing of the judicial reorganization on 06/20/2016, the Company's financial liabilities are included in the list of creditors subject to renegotiation. As a result, currency and interest rate variations did not represent a cash flow

loss risk, since that during the period between filing and approval of the judicial reorganization plan by the creditors, the interest payment obligations and the principal of its loans and financing were suspended.

In relation to credit risk, the Company mitigates the risk with portfolio diversification and also applying in AAA, AA, A ratings counterparties and sovereign risk. Liquidity risk, on the other hand, is monitored to ensure that it has sufficient cash to meet operating needs and to defray capital expenditures.

A man with dark, curly hair, wearing a white button-down shirt, is seated at a desk in a warehouse. He is looking down at a laptop, with his right hand on the keyboard and his left hand holding a blue pen over an open notebook. The background shows blurred warehouse shelves filled with boxes. A large green abstract shape is on the left side of the page, and a purple-to-blue gradient shape is at the bottom left.

04

RESULTS



G4-9

ECONOMIC AND FINANCIAL RESULTS

One of our priorities in 2017, in relation to the judicial reorganization process, was rigid cash management. In this sense, we kept the cash under control, at the same time that we expanded the investments, demonstrating that we have a healthy operation, with a strong capacity to generate value. We ended the year with a cash of R\$ 7.0 billion, in line with the Judicial Reorganization Economic-Financial report. It should be noted that this cash balance is almost R\$ 2 billion

higher than the cash position we had when we entered the judicial reorganization process in June 2016.

The slow economic recovery, initiated in the middle of the second half of 2017, has not yet been strong enough to offset the losses in the business segments most exposed to the macroeconomic scenario. As a result, our revenues have also been impacted by these effects, mainly from the personal mobility segments, specifically the prepaid and B2B segments. The prepaid is directly influenced by the unemployment rate in the country and in the B2B, the economic downturn directly

impacted businesses and governments, which sought to reduce costs by narrowing the scope of its activities, reassessing contracts with suppliers or even canceling services. B2B was also impacted by the judicial reorganization process, which made it difficult to enter into new contracts with strategic clients throughout 2017.

As a result, our consolidated net revenue totaled R\$ 23,557 million in 2017, registering a 6.4% annual decline, due to the deterioration of the macroeconomic environment, the annual cut in regulated interconnection fixed-mobile

connections rates, the natural downward trend in fixed voice traffic and, to some extent, also the judicial reorganization process. On the other hand, the continuous annual growth in pay TV revenues from the residential segment and data and customer revenues from the postpaid segment in personal mobility partially offset these negative impacts in the year.



VALUE ADDED DISTRIBUTION (VAD)

In 2017, Oi distributed approximately R\$ 19 billion in value added, to:

G4-EC1	2015*		2016*		2017	
VALUE ADDED DISTRIBUTION	TOTAL (R\$ MILLION)	[%]	TOTAL (R\$ MILLION)	[%]	TOTAL (R\$ MILLION)	[%]
GOVERNMENT	13,368	95.0%	10,801	76.8%	9,126	48.0%
EMPLOYEES	2,443	17.4%	2,537	18.0%	2,529	13.3%
SHAREHOLDERS	[413]	-2.9%	[178]	-1.3%	[291]	-1.5%
RETAINED	[18,273]	-129.8%	[8,028]	-57.1%	[6,365]	-33.5%
INDEPENDENT CONTRACTORS,	16,951	120.4%	8,928	63.5%	14,008	73.7%

* The 2015 and 2016 figures have been restated. To verify the adjustments made in past periods, please refer to Note 2 (b) to the Financial Statements for 2017 of Oi S.A., filed at the CVM (Comissão de Valores Mobiliários, or Brazilian Securities Commission), on 04/12/2018.

DEBT

In 2017, our consolidated gross debt totaled R\$ 54,620 million. The increase is mainly due to the effect of the increase in interest rates and the devaluation of the real against the US dollar and the euro in the periods: + 1.50% and + 15.44% respectively in twelve months. It should be noted that on December 20, 2017, our creditors approved the Judicial Reorganization Plan, which until the end of 2017 had not been ratified and published. Therefore, for accounting and disclosure purposes, the loans and financing balances recorded in the table on the side do not reflect the new negotiated debts.

Our net debt ended 2017 at R\$ 47,621 million. The increase in net debt was mainly due to the higher gross debt, as explained before, in addition to the cash reduction [-9.31%], reflecting regulatory obligations recorded in the period and payment to creditors.

DEBT (R\$ MILLION)	DEC/16	DEC/17
SHORT-TERM	48,191	54,620
LONG-TERM		
TOTAL DEBT	48,191	54,620
IN R\$	13,448	14,835
IN FOREIGN CURRENCY	34,638	39,681
SWAP	105	105
(-) CASH	-7,849	-6,999
(=) NET DEBT	40,342	47,621

CAPITAL EXPENDITURES

Investment in Brazilian operations totaled R\$ 5,629 million in 2017, 18.3% up on 2016 demonstrating our concern with maintaining the quality of our services and the financial discipline we pursue to rationalize the application of resources, using more detailed analyzes, prioritizing investments and new suppliers' contracting models.

In 2017, we invested 83.0% of the total amount in the network, representing R\$ 4.6 billion, mainly allocated to improve the mobile network quality, the fixed network for broadband service, to optimize the platform of the Oi TV product, and to deploy and expand the 4G network.

Even in a scenario of reduced financial flexibility, by acting with responsibility in cash management, we were able to expand investments in infrastructure and network core in 2017. We invested in access infrastructure, transmission infrastructure, IP network and in the expansion of operating support systems, among other actions. Accordingly, we were able to increase the robustness, quality and capacity of the network core, by ensuring a more efficient operating performance while promoting a consistent improvement in the quality of services and users' experience, reflecting the generation of value for the business.

These investments have been preparing Oi for the beginning of a new investment cycle financed by the capital increase in the judicial reorganization plan. The incremental CAPEX will follow a strategy focusing on the customer and will be targeted to access and expand mobile coverage and high-speed broadband.

INVESTMENTS IN BRAZIL (R\$ MILLION)	2016	2017
NETWORK	4,068	4,643
IT SERVICES	447	622
OTHERS	244	364
TOTAL	4,759	5,629





05

HIGH-VALUE RELATIONSHIPS

ETHICAL AND RESPONSIBLE RELATIONSHIPS

Transparency and constant dialogue are key elements of our relationship with different stakeholders. We seek to be close to society, suppliers, customers and investors at all times in order to anticipate their needs, engage in discussions about public policies and provide any clarification that may be needed.

EN34, S05, S011, HR3, HR12, LA16

We believe we must be ethical and responsible with the environment and our stakeholders to ensure the longevity of our business. In 2017, our Whistleblowing Channel assessed and dealt with six cases considered founded, two of which related to environmental impacts, two to discrimination, and two to labor practices. We have had no record of complaints related to corruption, impacts on society or impacts on human rights.

We adopted principles and policies governing the everyday conduct of our direct and indirect employees, as representatives of Oi, considering our wide reach through thousands of employees, suppliers and millions of customers nationwide. The idea is to ensure ethical and responsible decisions and initiatives at all times.

CODE OF ETHICS:

Our Code of Ethics sets principles and values that govern employees' conduct with peers, partners, customers and suppliers. It contains principles of social and environmental responsibility and recommendations about respecting diversity, using assets and resources properly, handling confidential information, and dealing with government bodies, media, investors, customers and suppliers. An audio version is also available so people with visual impairment can also have access to our Code of Ethics.

SUSTAINABILITY POLICY:

Our Sustainability Policy consists of 27 principles governing business practices to ensure economic and financial profitability with social and environmental responsibility.

OCCUPATIONAL HEALTH AND SAFETY AND ENVIRONMENT POLICY:

This policy describes management's and employees' duty to promote the highest degree of physical, mental and social well-being for the whole staff by maintaining a healthy and safe working environment, based on health, safety and environmental risks management.

STAKEHOLDER ENGAGEMENT POLICY:

This policy governs decision-making processes related to stakeholder engagement by setting guidelines for all employees in their relationship with our different stakeholders. The purpose is to build sound relationships that create sustainability value.

ANTI-CORRUPTION POLICY:

This policy sets out the rules and guidelines that must be observed and complied with in order to ensure that the activities conform to the anti-corruption regulatory requirements.

INSTITUTIONAL POLICY:

This policy formalizes the concepts and establishes guidelines for interactions of our executives, employees and representatives with public agents or government officials.

CLIMATE CHANGE POLICY:

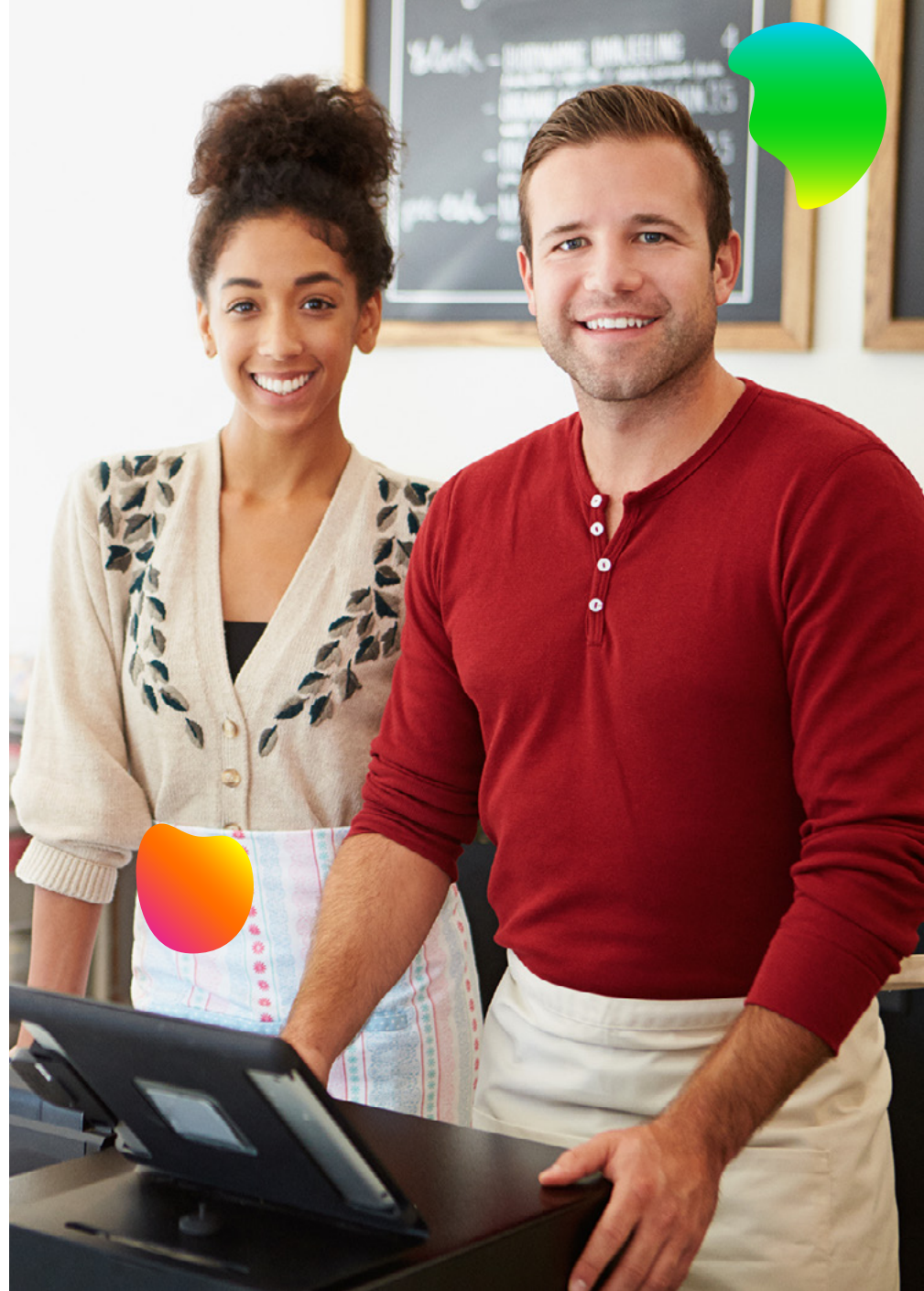
This Policy describes our climate governance strategy to manage the risks and impacts of greenhouse gas emissions and provide a basis for developing mitigation or adaptation mechanisms that ensure the Company's longevity in a low-carbon economy.

CONFIDENTIAL WHISTLEBLOWING CHANNEL FOR FILING GRIEVANCES ABOUT VIOLATIONS OF THE CODE OF ETHICS:

- Interactive (internal stakeholders)
- 0800 282 2088
- On Oi's website: <http://www.canalconfidencial.com.br/oi/>

All incidents reported are examined by the Legal Audit Team to determine the appropriate course of action. To read our policies, go to:

<http://www.oi.com.br/ri> > English > The Company > Sustainability and
<http://www.oi.com.br/ri> > English > The Company > Codes and Policies
for our policies





CUSTOMER SATISFACTION

CONVERGENCE AND DIGITAL

G4-EC7

In 2017, we have joined efforts to overcome the challenges when maintaining our operational efficiency while continuing the judicial reorganization process, since both are critical to business sustainability. In order to continue delivering better quality services,

our teams have reaffirmed their commitment to innovation and investments in digital transformation across all work fronts, reflecting from process efficiency to the delivery of more autonomous offers to customers.

As a pioneer Company in expanding our relationship channels, our indicators portfolio of digital transformation encompasses the set of initiatives aimed at the digitalization of various services and processes, contributing to the improvement of customer experience and reduced costs, enhancing Oi's operational

efficiency. Our biggest challenge is to transform our relationship with customers and understand their behavior in the digital world, following their journey in our channels and creating attractive and easy-to-understand solutions that make their daily life easier.

The corporate customer segment follows the continuous movement of improving the customer journey, focusing on ensuring speed and efficiency in interacting with the Company while reducing operating expenses. In customer care (e-Care) and also in the sales channels (e-Commerce), the sector has a new positioning in offers with the Oi Mais Empresas platform, with 92% approval level by customers.

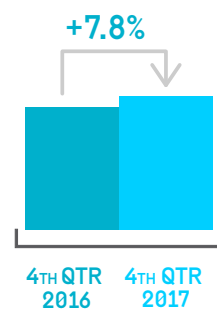
In order to serve customers in this segment, in addition to the Virtual Technician, we launched at the end of 2016 the innovative Digital Activation solution, which reduces the activation time of data communication services from 2 hours to 15 minutes. The solution gives more autonomy to the technicians in the installation process and increases the quality of deliveries. Another new feature recently made available was the Oi Contas B2B Portal, where customers can digitally check their bills, without the need to send them on paper, as well as generate reports. The initiative has already reflected in the reduction of around 18% in the printing and posting volume and in savings amounting to more than R\$ 300 thousand.

SERVICE IMPROVEMENT

In 2017, the prioritization of initiatives aimed at increasing operational efficiency and improving customer experience reflected in continuous advances in quality operational indicators.

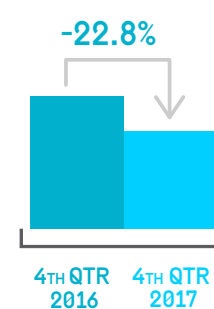
CUSTOMER SATISFACTION*

Indexed



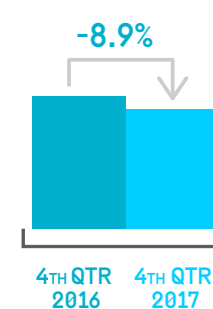
NUMBER OF REPEATED CALLS

Indexed



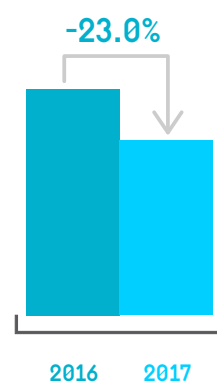
SERVICE COST

Indexed



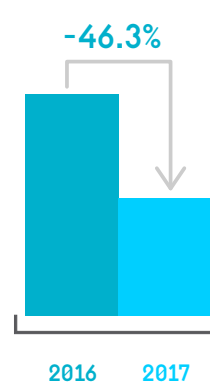
COMPLAINTS TO ANATEL

Monthly Average. Indexed



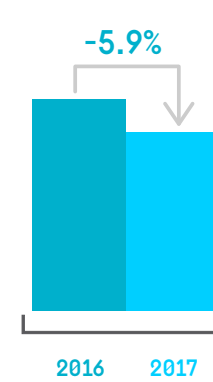
COMPLAINTS TO SPECIAL CIVIL COURT (JEC)

Monthly Average. Indexed



COMPLAINTS TO PROCON

Monthly Average. Indexed



*- Customers who call our call center are contacted within 24 hours after the call and are asked how satisfied they are with the service provided by the operator. The results of this survey are used to determine the operators' variable remuneration and the suppliers' bonus.

G4-PR5

In order to continue improving, we conduct an outbound phone survey to assess the satisfaction level of customers contacting our Customer Service Center (CSC) one business day after the contact at most. Those customers are asked by a voice message to rate their latest contact from 0 to 10.

This survey allows us to monitor satisfaction on a daily basis, use the results to make decisions related to products or partners and take corrective action whenever we detect significant problems. In 2017, the phone surveys conducted by the Customer Service Center showed an overall satisfaction rate of 7.02, representing an improvement of 11.1% over 2016.

	MOBILE		RESIDENTIAL	
	2016	2017	2016	2017
AMAPÁ, MARANHÃO, PIAUÍ, PARÁ AND CEARÁ STATES	6.08	7.24	6.16	6.92
DISTRITO FEDERAL, AMAZONAS, MATO GROSSO DO SUL, RONDÔNIA, RORAIMA, GOIÁS, ACRE, MATO GROSSO AND TOCANTINS STATES	6.33	7.11	6.95	7.03
MINAS GERAIS AND ESPÍRITO SANTO STATES	6.06	6.92	6.33	6.87
RIO GRANDE DO NORTE, PARAÍBA, BAHIA, ALAGOAS, PERNAMBUCO AND SERGIPE STATES	6.13	7.11	6.47	7.03
RIO DE JANEIRO STATE	6.22	7.27	6.43	6.95
SÃO PAULO STATE	5.76	7.04	6.17	6.46
PARANÁ, RIO GRANDE DO SUL AND SANTA CATARINA STATES	6.40	7.14	6.95	7.05

Oi conducts several studies, through quantitative and qualitative research, to have the consumer's perception regarding their tensions and / or needs, as well as to identify their use behavior and vision about the positioning of the brand and the market. In quantitative surveys with our base we also mapped customer satisfaction. These inputs are used in the planning of new offers, adjustments, lines of communication and other topics in the Company's internal processes.

In 2017, we conducted 40 quantitative surveys by telephone, exploratory researches, e-mail surveys and other digital platforms and social listening in social networks to have this channel with the voice of the consumer.

All our telecom services comply with Law 9,472/97 (Lei Geral de Telecomunicações, or General Telecommunications Act); RGC [Regulamento Geral dos Direitos do Consumidor dos Serviços de Telecomunicações, or General Regulations on the Rights of Telecommunications Service Consumers], approved by Anatel (Agência Nacional de Telecomunicações, or Brazilian National Telecommunications Agency) Resolution 632/2014; and Anatel's specific regulations on each service. In the specific case of the Conditioned Access Service (SeAC), we also comply with Law 12,485/2011 and Ancine's [Agência Nacional de Cinema, or Brazilian National Cinema Agency] standards. Therefore, there are specific definitions and requirements for the features and provision of each service.

RGC is concerned with users' and carriers' rights and obligations. For example, users have the right to receive an invoice with a detailed description of the services used, as well as the respective charges and taxes. One of the duties of service providers is to handle users' queries, complaints, compliments, etc.

In this regard, we have a 24/7 customer service call center and contact channels at our stores or on our website. In addition, we are working to offer better digital channels to speed up customer service. G4-PR3



CUSTOMER DATA SECURITY

Our initiatives to ensure the security of customer information flowing internally comply with the applicable legal standards. They are intended to set technology standards for our network and raise staff's awareness, mainly in the fields of business, information technology and engineering.

A series of approvals will determine whether the user really needs that information. Information security management ensures the minimum security requirements in product R&D and in the testing phase, prior to production. The process is also necessary for customer information disclosure.

We seek to improve our internal processes constantly to increase customer data security.

Customers' personal data and other phone communication information are only disclosed to government authorities in the cases

of legal or Constitution breach of telecommunication confidentiality.

In 2017, we received 819 complaints through Anatel channels about the misuse of personal data, representing a 17% decrease over 2016.

G4-PR8

COMPLAINTS ABOUT MISUSE OF PERSONAL DATA

	2015	2016	2017
OI - BROADBAND	476	105	44
OI - FIXED LINE	656	396	365
OI - MOBILE	439	438	371
OI TV	46	44	39
TOTAL	1,617	983	819

By 2018, the Company intends to strengthen security systems, adopting increasingly secure access protocols, in accordance with best market practices.

EMPLOYEE ENGAGEMENT

WORKFORCE PROFILE

G4-9, G4-10

EMPLOYEES BY POSITION	2015			2016			2017		
	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE
EXECUTIVE BOARD	114	99	15	94	83	11	93	82	11
MANAGERS	883	641	242	791	553	238	816	576	240
SUPERVISORS/ COORDINATORS	923	584	339	874	547	327	909	421	488
STAFF	14,637	9,198	5,439	12,672	7,854	4,818	12,975	8,179	4,796
TOTAL ⁽¹⁾	16,557	10,522	6,035	14,431	9,037	5,394	14,793	9,258	5,535
CONTRACTORS ⁽²⁾	125,816	-	-	116,460	-	-	117,520	-	-
APPRENTICES ⁽³⁾	101	40	61	116	51	65	138	66	72
INTERNS ⁽⁴⁾	346	189	157	340	172	168	141	75	66
TOTAL	142,820	10,751	6,253	131,347	9,260	5,627	132,592	9,399	5,673

¹ All employees are permanent in accordance with CLT (Brazilian Labor Act) and work full time.

² All contractors are hired in accordance with CLT. The term of their work contracts and working hours are exclusively determined by the Company. Oi does not monitor individual service providers' data; therefore, it cannot show their breakdown by gender.

³ All apprentices are on a fixed-term contract in accordance with CLT and work 4 hours a day.

⁴ Interns are on a fixed-term contract, governed by Lei do Estágio (Internship Act), and work 4 or 6 hours a day.

EMPLOYEES BY LOCATION	2015			2016			2017		
	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE
SOUTH	1,817	1,342	475	1,539	1,101	438	1,674	1,222	452
SOUTHEAST	9,606	5,929	3,677	8,464	5,193	3,271	8,668	5,275	3,393
MIDWEST	1,331	954	377	1,189	858	331	1,246	875	371
NORTHEAST	3,022	1,776	1,246	2,603	1,461	1,142	2,577	1,458	1,119
NORTH	781	521	260	636	424	212	628	428	200
TOTAL	16,557	10,522	6,035	14,431	9,037	5,394	14,793	9,258	5,535

DEVELOPMENT

G4-LA9, G4-LA10

The Company has a Corporate Education Program that aims to leverage learning by ensuring the mapping and dissemination of key knowledge through educational practices and actions that stimulate the creation, acquisition, diffusion, use and sharing of employees' knowledge.

Launched in 2016, Oi Educa continues as our main training management tool, enabling better process control and offering more learning resources and experiences. In addition to traditional e-learning, the platform offers video aids, virtual classroom, document library, chats and forums, creating an environment that fosters collaboration and interaction between employees. We believe in the social learning concept, in which collaboration and knowledge sharing are key drivers of people development and, consequently, the evolution of the business.

In the period, training totaled 156,336 hours.

OTHER INITIATIVES

Among the programs aimed at all employees, three main axes stand out:

Technical Skills Development trails - mapping critical knowledge project linked to the processes of the areas, built in partnership with the executing teams.

Leadership Development Training - Company's leaders training program, aiming at excellence in the execution of its activities, focused on the best management practices.

Knowledge Tracks about the Business, in the various formats and methodologies, such as face-to-face and online actions - programs aimed at business teams focusing on the specific knowledge of the products and offers of the Company.

HOURS OF TRAINING BY GENDER

GENDER	2015	2016	2017
MALE	142,368	157,313	118,521
FEMALE	44,056	53,458	37,815
TOTAL	186,424	210,772	156,336

For 2018, we intend to increase employee participation by 20% in trainings provided at Oi Educa.

HEALTH AND SAFETY

G4-LA5, G4-LA7, G4-LA8

We greatly value our employees' health and safety. Consequently, we seek to identify all possible risks inherent in the business and manage them in a proactive and careful manner. This concern also applies to our contractors.

The activities performed by our employees are considered to involve low risk for occupational diseases. Nevertheless, we have Internal Accident Prevention Committees [CIPAs], representing 68% of our workforce, and Volunteer Fire Fighting and Prevention Brigades, representing 41% of our workforce.

We also manage occupational safety actively and carefully to maintain a culture of prevention, mainly in field activities, thus mitigating all possible risks.

We provide employees with Personal Protective Equipment (PPE) and Collective Protective Equipment (CPE), in compliance with legislation. In addition, we provide medical, hospital and dental care, and drugstore discounts for employees and their dependents, in accordance with collective bargaining agreements.

NATIONAL ACCIDENT REDUCTION AND SAFE LABOR PLAN HIGHLIGHTS



320

CIPA
MEMBERS
WERE TRAINED

THE "RISK PERCEPTION AND SAFE TASK
PLANNING" COURSE WAS DELIVERED TO

1,324 EMPLOYEES

453

TRAINING COURSES ON
"CONSCIOUS AND
DEFENSIVE DRIVING",
TO REINFORCE THE NEED
TO RAISE AWARENESS
AMONG EMPLOYEES ABOUT
THE APPROPRIATE USE OF
VEHICLES BOTH AT WORK
AND OUTSIDE IT.



1,194

EMPLOYEES
RECEIVED TRAINING ON HOW TO
WORK SAFELY WITH ELECTRICITY
AND AT HEIGHT IN ORDER TO
ENSURE THE HEALTH AND SAFETY
OF WORKERS DIRECTLY AND
INDIRECTLY INVOLVED IN THESE
ACTIVITIES.

We implemented the Safety Supervisor project, with 868 e-learning training available at Oi Educa. The content focused on risk management and good practices in field activities.

The program went beyond training, bringing the concept of prevention to the field. In 2017, our safety team conducted more than 1,364 field inspections and raised the awareness of over 6,127 employees about safety through actions including the Weekly Safety Dialog. The Internal Week for Workplace Accident Prevention (National SIPAT) had the participation of 5,072 people, with lectures and educational material made available internally and awareness campaigns about safe work.

Aiming to work in health in an integral way and focused on the preventive model, through the Oi Vida em Dia [Oi Up-to-Date with Life] program, which was launched in 2014, we have been fostering initiatives designed to value, care for and recognize our human capital. In addition to the legal obligation of the clinical examination, the Company complements with laboratory tests that help the early investigation of any disease or risk factor to the employee's health.

In 2017, 2,937 additional examinations

were carried out, which are optional, and which help us to monitor the health of our employees more closely and to plan quality of life actions.

Through a multidisciplinary team and a variety of intervention, orientation and self-care tools, our health monitoring programs reached approximately 1,654 employees and/or dependents, helping to minimize future complications of people with chronic conditions and diseases, such as: arterial hypertension, cardiovascular and pulmonary diseases, diabetes and potential risk of pathological imbalance.

The Pregnancy Program, on the other hand, provides medical follow-up to the expectant mother - employee or dependent - during pregnancy to reduce the risk of complications for her and for the baby, reaching 345 women.

HEALTH AND SAFETY INDICATORS

G4-LA6

INJURY RATE	Annual Consolidated			By region 2017				
	2015	2016	2017	NORTH	MIDWEST	NORTHEAST	SOUTH	SOUTHEAST
MALE	0.19	0.19	0.16	-	0.12	0.14	0.45	0.19
FEMALE	0.14	0.17	0.21	-	-	0.09	-	0.31
TOTAL	0.18	0.18	0.18	-	0.08	0.12	0.12	0.24
INDEPENDENT CONTRACTORS	1.11	1.83	1.42	1.87	0.67	2.14	1.36	1.24
TOTAL LOST WORKDAYS								
MALE	4.84	4.50	3.23	-	10.37	2.07	4.05	3.03
FEMALE	2.40	2.56	2.32	-	-	1.38	-	3.34
TOTAL	3.94	3.78	2.89	-	7.35	1.77	1.08	3.15
INDEPENDENT CONTRACTORS	33.48	18.75	16.90	22.13	14.31	22.01	20.94	12.62
TOTAL ABSENTEEISM								
TOTAL HC - OI	-	14.431	14.516	620	1.224	2.536	1.660	8.476
TOTAL HDM - OI	-	3.809.784	3.832.224	163.680	323.136	669.504	438.240	2.237.664
DAYS LOST (ABSENTEEISM) BY OI EMPLOYEES	-	45.773	41.361	1.807	3.323	8.258	3.751	24.222
TOTAL ABSENTEEISM OF OI EMPLOYEES	1.40	1.20	1.08	1.10	1.03	1.23	0.86	1.08
TOTAL ABSENTEEISM OF CONTRACTORS	WE DO NOT CONTROL CONTRACTORS' DOCTOR'S NOTES.							

Learn more about our health and safety indicators in the additional indicators annex (learn more on page 85).

SUPPLY CHAIN RESPONSIBILITY

SUPPLY CHAIN PROFILE

We had a total of 1,390 suppliers in 2017. We paid them around R\$ 9.96 billion, 99.7% of which to Brazilian companies.

Our suppliers are mainly Network Service Providers (NSPs), call center companies and technology and equipment providers, which account for about 60% of total payments to suppliers. They work in key points for our operational quality and service excellence.

- NSPs: implementation and maintenance of the external plant, optical fiber infrastructure and specialized licensing and site acquisition services.
- Technology and equipment companies: mobile network equipment, equipment for customers (data, satellite and voice), switching, transmission (radios and backbones), technical support, platforms and specific equipment for the digital TV segment.
- Call center: handling calls from and to customers of all our segments.

SHARING GOOD PRACTICES AND JOB TRAINING

GOOD PRACTICES

According to the supplier selection process, set out in 2016, we request all suppliers to accept our Sustainability Policy and Code of Ethics, as well as meet requirements defined in the social and environmental annex, which addresses health, safety, environmental and human rights issues.

We used the new sustainability criteria to assess 95 (11.9%) of all the suppliers audited in 2017. Our diversified criteria to select and contract suppliers cover issues such as occupational, environmental and social impacts; compliance with legal requirements; and social and environmental responsibility.

The Third Party Management Division and the Health, Safety and Environment Division monitor supplier compliance through the Supplier Qualification Index (IQF) assessment process.

We conducted 30 IQF assessments of those suppliers in 2017. We focused mainly on HR and Occupational Health and Safety (OHS) management of ten previously selected suppliers. The evaluation generates a grade based on the compliance with processes and the action plan, under the responsibility of the contract manager and the evaluated supplier in order to remedy any possible non-compliance observed in the IQF and ultimately increase operational efficiency and reduce occupational accidents and labor claims for both the Company and the supplier.

By 2018, we aim to carry out at least 35 IQF assessments in 13 suppliers.

TRAINING

In addition, we have been assessing and monitoring the sustainable practices of suppliers critical to the longevity of our business, as well as those of suppliers considered relevant by the social and environmental criteria, such as NSPs and call center companies, actively and continuously. In addition, we check the Brazilian National Registry of Dishonest and Ineligible Companies, a database maintained by the Office of the Comptroller General of Brazil intended to identify companies that have suffered sanctions barring them from participating in public tenders or entering into contracts with government bodies.

All contracts are based on standard drafts, with clauses covering all the items listed above, in compliance with Brazilian anti-corruption laws or any other applicable anti-corruption laws, especially the U.S. Foreign Corrupt Practices Act (“anti-corruption regulations”), and a commitment to abstain from any acts in breach of anti-corruption regulations.

SOCIAL DEVELOPMENT

G4-PR1, G4-PR2

As part of our social development goal based on access to telecommunications, we promote the responsible use of technology and telecommunications by engaging users and raising awareness of situations that may bring risks to society.

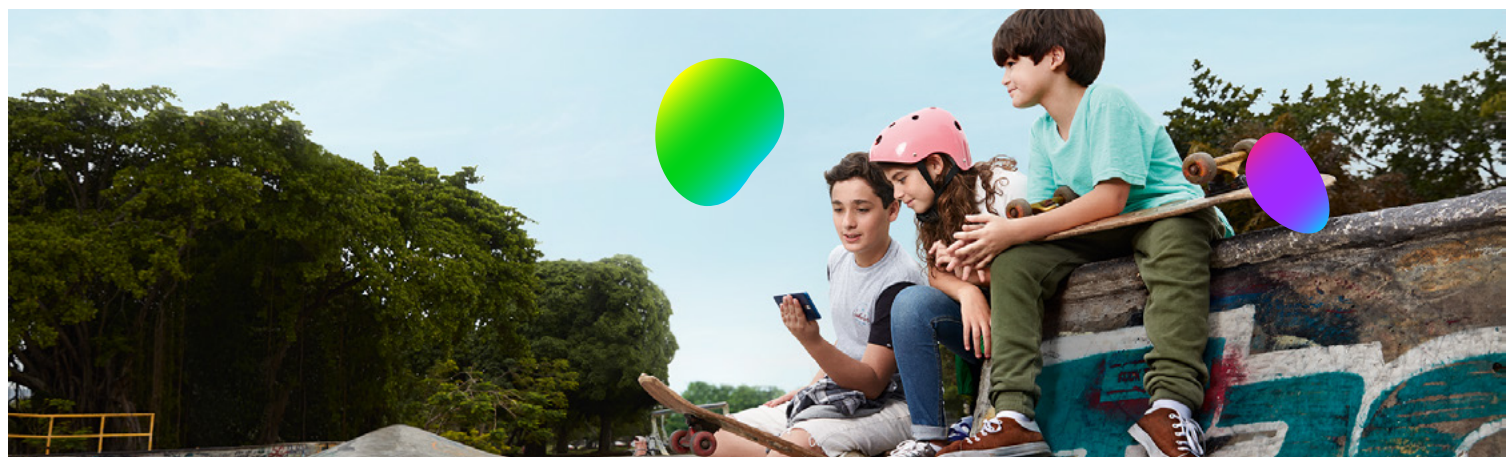
It is worth mentioning our activity does not pose risks to customers’ health and safety. Electromagnetic radiation from our cell sites is within the limits prescribed by law and is much less energetic than that from radio and TV stations. The coverage of our cell sites ranges from tens of meters to around five kilometers. Noise levels are also within the limits prescribed by federal law.

We monitor those levels continuously and submit regular reports to Anatel about the intensity of those radiation fields and the adoption of measures to reduce noise levels.

G4-15

We seek to create value through our activities to further social development by increasing access to telecom services and digital inclusion, and by focusing our corporate social investment on educational, culture and social innovation projects through Oi Futuro.

Next, learn more about the main initiatives we undertook in 2017.



ACCESS TO TELECOM SERVICES AND DIGITAL INCLUSION

G4-EC7

PROGRAMA BANDA LARGA NAS ESCOLAS (PBLE)

The PBLE (Programa Banda Larga nas Escolas, or Broadband at Schools Program) is designed to provide internet access equal to or higher than 2MB for all urban public elementary, middle and high schools and teacher training schools for elementary, middle and high school teachers, indicated by the MEC [Ministério da Educação e Cultura, or Ministry of Education and Culture], based on the National Institute of Educational Studies and Research (INEP) by 2025.

In 2017, 354 new urban schools were served. Currently, the total number of urban schools served is 53,245, of which 36,077 are in Region 1 and 17,168 in Region 2.⁷

In addition, Oi currently serves 3,691 schools in rural areas.

⁷ Region 1 corresponds to the states: AM, RR, PA, AP, MA, PI, CE, RN, PB, PE, AL, SE, BA, MG, ES and RJ.
Region 2 corresponds to the states: AC, RO, MT, TO, GO, DF, MS, PR, SC and RS.

PLANO GERAL DE METAS DE UNIVERSALIZAÇÃO (PGMU)

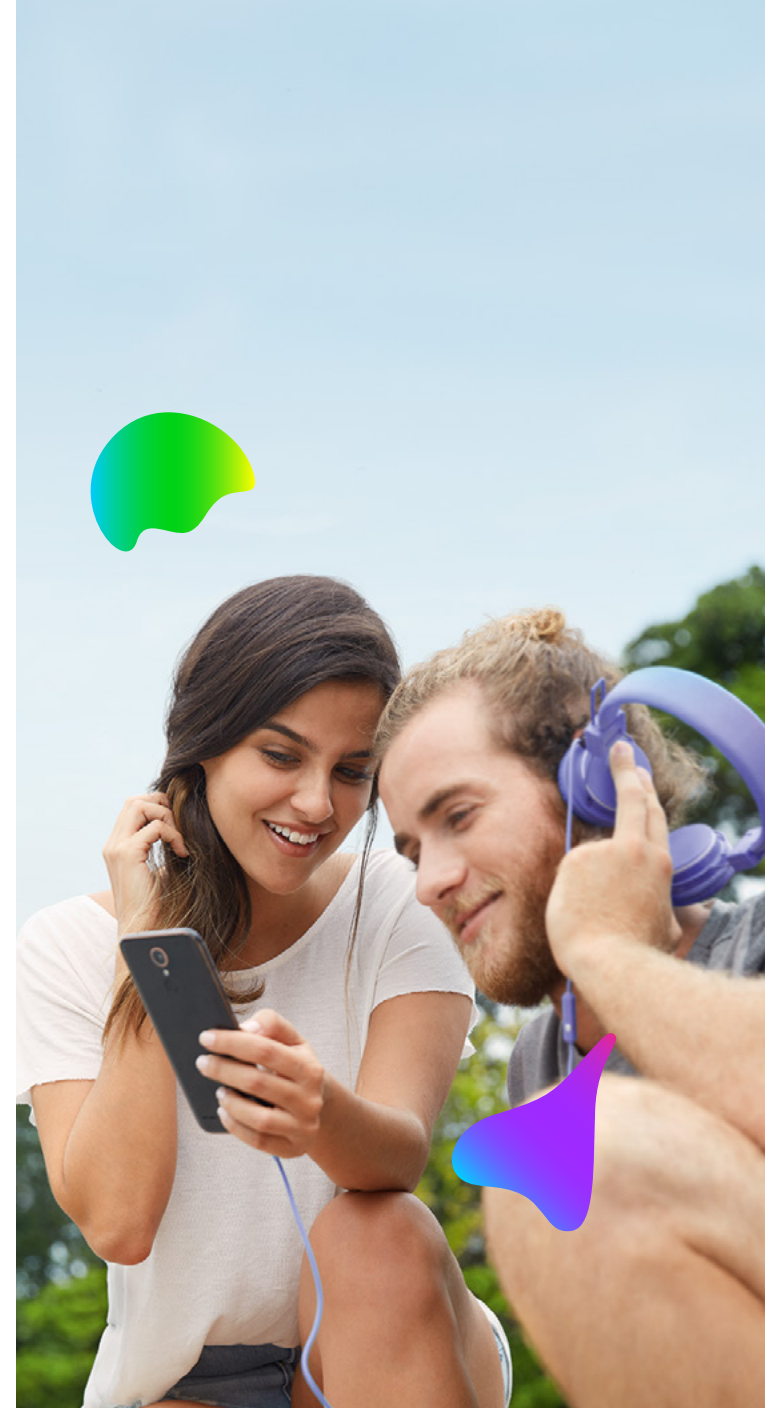
We are involved in PGMU (Plano Geral de Metas de Universalização, or General Target Plan for Universal Access), intended to increase access to fixed line services. We invested over R\$ 4.16 million in 2017 covering 129 locations, of which R\$ 2.34 million (40 locations) related to individual access - fixed line service in locations with more than 300 inhabitants -, and R\$ 1.84 million (89 locations) to public access [pay phones].

Also, in 2017, Oi invested more than R\$ 12.25 million for the installation of Public Telephone Services in 687 rural locations, of which 27 villages (R\$ 0.52 million), 25 settlements (R\$ 0.52 million), 557 schools (R\$ 9.85 million), 58 health centers (R\$ 1.00 million), 10 Federal Highway Police posts (R\$ 0.18 million) and 10 quilombola communities (R\$ 0.17 million).

BACKHAUL

In 2017, we invested R\$ 28.4 million in the Backhaul project, 145% more than in 2016, to install broadband services in cities and upgrade speeds provided.

At present, the Backhaul project is present in over 3,164 Brazilian cities and towns, which indicates excellent result.



SERVICES FOR THE BRAZILIAN ARMY AND NAVY

We provide telecom services for the Brazilian Army to help it protect Brazilian borders, thus contributing to national security. Overall, we are present at 66 points in border regions, in ten Brazilian states.

By ensuring fixed and mobile voice, data and TV services to the Comandante Ferraz Antarctic Station, we have enabled the military and research teams that work on the base to communicate with their families, other Brazilian universities and research centers, and the outside world in general.

CENTRAL DE INTERMEDIÇÃO DE COMUNICAÇÃO – CIC (INTERMEDIATION COMMUNICATION CENTRAL) – BRAZILIAN SIGN LANGUAGE CENTRAL PLATFORM

CIC entered into operation in November 2017, in compliance with the applicable provisions of Resolution 667 from May 30, 2016. It is intended to mediate the telephone communication between Users with Hearing Impairment (UDA) and any user destination (listener), including with the SAC of the provider. A telephone operator, who is a Brazilian sign language (LIBRAS) interpreter triangulates the communication of the hearing impaired person through video calls and the hearing user through telephone audio. Access is done over the internet, from any compatible device with internet access.

In this sense, Oi and other providers associated with ABR Telecom (Brazilian Association of Telecommunications Resources) were responsible for implementing the complete solution for CIC, with centralized management at ABR Telecom, responsible for the operational management of the service throughout its chain.

SOCIAL INVESTMENT

G4-EC8, G4-S01

We invested our own and incentive funds in social projects through the Sponsorship and Events division and Oi Futuro, our innovation and creativity institute, which promotes, supports and develops innovative and collaborative initiatives to improve society's quality of life. With educational, cultural, social innovation and sports activities, the institute promotes initiatives that foster personal and collective development, encourage innovation experimentation, collaborative solutions and nurture connections among organizations, ideas and people.

We invested our own and incentive funds in social projects through Oi Futuro.

MAIN INVESTMENTS AND PROJECTS OF OI FUTURO AND THE SPONSORSHIP AND EVENTS DIVISION IN 2017

G4-EC4

(R\$,000)	2013	2014	2015	2016	2017
EDUCATION	14,828,654	17,748,406	16,478,242	8,907,144	6,281,013
CULTURE	50,726,996	52,507,145	57,121,725	36,071,379	39,344,012
SOCIAL INNOVATION	4,795,575	5,226,162	4,986,839	3,283,887	3,221,631
SPORTS	7,980,600	23,185,711	28,983,029	21,620,514	22,032,611
OI FUTURO'S ADMINISTRATIVE STRUCTURE*	4,503,187	4,401,795	4,160,759	5,060,773	4,151,341
TOTAL	82,835,012	103,069,220	111,730,593	74,943,697	75,030,608
DIRECT INVESTMENT	37,565,407	43,861,206	43,243,120	26,492,296	27,976,916
THROUGH TAX BENEFITS	45,269,605	59,208,014	68,487,473	48,451,402	47,053,691

EDUCATION

We work for an education that inspires new ways of learning and teaching. We act as a laboratory, experimenting with educational methodologies that promote a broad training of young people, their preparation for the job market and the full exercise of citizenship.

NAVE

Created in 2006, the Núcleo Avançado em Educação [Nave, or Advanced Education Center] has the purpose of promoting the development of innovative practices and methodologies in High School, replicable for public networks, putting technologies at the service of integral education of the XXI century and training autonomous, supportive and transformers young citizens.

Developed in partnership with the Rio de Janeiro and Pernambuco States Education Departments, NAVE has two full-time state public high schools integrated with vocational education, where technical courses are offered for the digital and creative industry: Programming, Multimedia and Script. Students are encouraged to develop entrepreneurship and establish their first professional connections through projects related to the innovation market. Currently, NAVE has about 1,000 students and 70 educators from regular and technical disciplines.

In 2017, we launched “Geração NAVE”, an initiative in partnership with the Oi People Department, which hired 10 graduates to work in the Company’s Digital area. In addition, 24 students and 24 executives from Oi and Oi Futuro, were involved with “NAVE Ambassadors”, a project that conceived and carried out NAVE+, two events that mobilized around 2,500 visitors in both schools.

Focused on systematization of NAVE, we mapped more than 60 original and innovative pedagogical practices implemented in both schools in structured format. Still in regard to systematization, we participated in the “Innovative Practices for Higher Education” digital platform, developed by the Center for References in Integral Education, which brings together contemporary practices, encompassing two main axes: School management and Teaching-learning. We have also engaged students in the production of the “Navigating the School” series through videos that showcase their favorite learning experiences. The series already has over 100,000 views on Facebook.

Another pillar of the NAVE in 2017 was the dissemination of its methodologies. In partnership with the Pernambuco State Department of Education, we trained principals and pedagogical coordinators in the “Educador Orientador” (EO) methodology - instrumentalising 180 educators from 10 state technical schools to implement EO strategies in their teaching units. In partnership with Planetapontocom, we developed trainings in “Mídiaeducação” for 73 state public schools in Rio and Pernambuco, involving 260 principals, pedagogical coordinators, support educators and teachers.

Learn more at: <http://www.oifuturo.org.br/educacao/>



CULTURE

In the cultural area, the institute acts as a creative catalyzer, encouraging people through art, stimulating collaborative production. We work for artistic creation and dissemination, inspiring empathy, collaboration and celebrating diversity. With new technologies, we believe that artistic making has become an endless field for experimentation and research.

LABSONICA

In 2017, we launched LabSonica, a Laboratory of Sound and Musical Experimentation, created to stimulate creativity and innovation in the field of sound. With the new laboratory, we offer technical conditions and physical structure for artistic production, such as recording studio, rehearsal rooms, studio, auditorium and coworking space. LabSonica will host artistic residencies, workshops and pocket shows, privileging independent labels, researchers and budding artists - all over Brazil - while betting on the exchange between thinkers and professionals.



OI FUTURO CULTURAL CENTER

The Oi Futuro spaces have their own curators, and their mission is to further and disseminate new artistic languages by investing in the combination of art, technology and science. In 2017, the program had important acknowledgments. In the performing arts, highlights were “Love, Love, Love,” “Agosto,” “Tom na fazenda,” and “Janis.” We had 42 nominations for the theatrical performances held in the Cesgranrio, Shell and APTR prizes. In the visual arts, highlights were the exhibitions “Outras Ideias - OIR”, “Nam June Paik” and “Miguel Rio Branco”, the latter was cited by the O Globo newspaper as one of the years' highlights.

TELECOMMUNICATIONS MUSEUM

The Museum, a permanent attraction of Oi Futuro Cultural Center, celebrated its 10th anniversary and received more than 14,000 visitors in 2017. With free admission, the space preserves and divulges the history of telecommunication in Brazil and in the world. The Museum's permanent exhibition is the result of a continuous research work on the historical collection maintained by Oi Futuro in its Technical Reserve, which now has about 120 thousand items among objects, photographs, recordings and documents from different eras.

In 2017, the Museum launched an unprecedented Gamification Call for Proposal, selecting a technological solution - among games, applications, virtual reality installation or other device - that turned the visit into a more fun experience for all audiences.

OI SPONSORSHIP PROGRAM FOR CULTURAL PROJECTS RECEIVING INCENTIVES:

This is a support program for projects in all Brazilian regions selected through calls for proposals, thus reaffirming Oi's and Oi Futuro's commitment to Brazilian artistic production.

This year, we launched a new, more flexible call for proposal format, with the elimination of categories and artistic areas - such as music, theater, visual arts - valuing the convergence of languages. During the year, 68 cultural projects were supported.

Emphasis is given to Colaboramerica, the largest festival of new economies in Latin America, which discussed innovation, technology and more sustainable alternative economic models. The event, held in Rio de Janeiro, had the attendance of almost one million people.

OI KABUM!

Oi Kabum! School of Arts and Technology offers creative economy courses - photography, graphic design, web design, computer graphics and video - to youth from low-income urban communities, public school students or graduates. The project is carried out in partnership with the Rio de Janeiro State Secretariat, the City of Rio Secretariat and the CECIP. In 2017, we launched Lab.IU, an urban intervention laboratory that offered artistic training to 60 young people.

Learn more at:
<http://www.oifuturo.org.br/cultura/>



SOCIAL INNOVATION

LABORA

Oi Futuro launched Labora, a Laboratory of Social Innovation, a point of connection, learning and creation for social entrepreneurs committed to the impact transformation. Labora boosts and strengthens impacting organizations, projects and businesses on different phases of maturation, through training and acceleration programs. In addition, Labora stimulates the articulation of collaborative entrepreneurs' networks, aiming the search for innovative solutions.

In 2017, 25 initiatives went through the Acceleration of Labora, which had as technical partners Yunus Social Business and Ekloos Institute.

We also support the Summer Job project from C.E.S.A.R [Centro de Estudos Avançados do Recife or Recife's Advanced Study Centre], which involved students to develop a social solution for the community of Pilar - 2nd worst HDI in the municipality of Recife. The group of students worked for six weeks under the mentorship of C.E.S.A.R and Oi Futuro and created a prototype of a digital platform for the development of children and youth in the community.

PROTECTION OF CHILDHOOD AND ADOLESCENCE PROMOTION PROGRAM

Oi and Oi Futuro support the local, state and national Councils for the Rights of Children and Adolescents through the FIA (Fundo da Infância e da Adolescência, or Fund for Children and Adolescents). Through this initiative, Oi and Oi Futuro contribute to strengthening public policies that ensure the rights of children and adolescents from all over the country. In 2017, eight initiatives were supported.

Learn more at:
<http://www.oifuturo.org.br/inovacao-social/>

SPORTS

Oi and Oi Futuro also invest in sports projects that connect people and promote inclusion and citizenship through the Programa Oi de Patrocínio Esportivo Incentivado [Oi Sponsorship Program for Sports Projects Receiving Incentives]. The program sponsors sports and parasports projects intended to promote the culture of a healthy, responsible, collaborative lifestyle and value accessibility and diversity. In 2017, seven sports projects were supported, impacting more than 1,000 beneficiaries.

Learn more at:
<http://www.oifuturo.org.br/esportes/>



SHAREHOLDER AND INVESTOR RELATIONS

RELATIONSHIP

We have a dedicated Investor Relations (IR) team that organizes events, meetings and conference calls with Brazilian and foreign investors; Apimec (Associação dos Analistas e Profissionais de Investimento do Mercado de Capitais, or Association of Capital Market Analysts and Investment Professionals) public meetings; and Oi's participation in conferences and road shows in Brazil and other countries, as well as in conferences for investment and capital markets professionals. The purpose is to ensure the Company will provide information for the market in a responsive and assertive manner.

The missions of the IR department are to develop and implement an appropriate and consistent transparency and information disclosure policy; build a close relationship with analysts and investors; and be the main communication channel with Brazilian and international capital market agents.

IR issues announcements and posts information through the official channels indicated by the regulatory bodies of the capital markets in which the Company is listed, and our Investor Relations website [which has a mobile version].



RELATIONSHIP WITH THE INDUSTRY

We greatly value cooperation in the industry, for example, in infrastructure sharing, and participate actively in discussions about key issues for the consolidation of telecommunications in Brazil.

The Company has Institutional Representatives who maintain contact with the regulatory agencies – mainly Anatel, the Ministry of Science, Technology, Innovation and Communication, and Ancine – and the local, state and federal Legislative and Executive branches of government. The department follows the guidelines set by our Code of Ethics and Institutional Practice Policy of Oi Companies to ensure an ethical relationship.

Our CAPLE (Comitê de Acompanhamento das Proposições Legislativas, or Legislative Monitoring Committee) monitors and examines bills floating in local, state and federal Legislatures concerned with issues related to the telecommunications industry. In 2017, it met eight times to discuss and follow up on 148 bills. Created in 2009, the CAPLE has examined 1,499 bills either with a direct impact on the telecommunications business or of general interests to the private sector in Brazil.

FEDERAL LEGISLATION ON THE TELECOMMUNICATIONS INDUSTRY

G4-14, G4-16

Some important issues related to the Brazilian federal legislation on the telecommunications industry were discussed in 2017. We participated jointly with SindiTelebrasil (Sindicato Nacional das Empresas de Telefonia e de Serviço Móvel Celular e Pessoal, or Brazilian National Association of Telephone and Cellular and Personal Mobile Service Companies) in discussions about different federal bills, including contributions to PL (Projeto de Lei, or Bill) 3,453/2015 (PLC Supplementary Bill 79/2016), which restructures the sector's legal framework, especially regarding obligations under the concession model. Meet the following other relevant projects monitored in 2017:

- PL 3434/2015, on the Conduct Adjustment Agreement (TAC);
- PL 5845/2016 and PL 5846/2016, on theft of cables;
- PLC 330/2013 and PL 4060/2012, on protection of personal data;
- PL 7415/2012, concerned with alterations in the prepaid credit validity period for mobile phones;
- PDS 14/2016, which addresses the franchise of fixed broadband data; and
- Several Provisional Measures concerning the telecommunications industry, especially those dealing with tax matters.

In compliance with Law 9504/1997, we do not support or contribute to political parties or related institutions because we are a public utility.

G4-S06

STATE AND LOCAL LEGISLATION ON THE TELECOMMUNICATIONS INDUSTRY

Some of the issues we discussed with local and state political leaders were:

- Laws regarding the installation and expansion of mobile phone services;
- Urban and environmental licensing for telecommunications infrastructure;
- Land use legislation;
- Right-of-way on state highways;
- Laws against the theft of cables and batteries;
- Undergrounding in urban areas;
- Confaz (Conselho Nacional Fazendário, or National Finance Policy Council) Agreement 56/2012;
- Confaz Agreement 102/2013 or implementation of a law that allows using ICMS credits to pay expenses on telecom services hired by the states;
- Rules for shutting off service for lack of payment;
- Rules for offerings of services through telemarketing;
- Rules for including/removing consumer names in/from bad credit lists;
- Incentive laws for cultural activities and sports.

MAIN ENTITIES IN WHICH THE INSTITUTIONAL AREA OPERATES

ENTITY ABBREVIATION	ENTITY NAME
ABDTIC	ASSOCIAÇÃO BRASILEIRA DE DIREITO DA TECNOLOGIA DA INFORMAÇÃO E DAS COMUNICAÇÕES
ABR	ASSOCIAÇÃO BRASILEIRA DE RECURSOS EM TELECOMUNICAÇÕES
ABTA	ASSOCIAÇÃO BRASILEIRA DE TELEVISÃO POR ASSINATURA
ABRAFIX	ASSOCIAÇÃO BRASILEIRA DAS CONCESSIONÁRIAS DO SERVIÇO TELEFÔNICO FIXO COMUTADO
ACDF	ASSOCIAÇÃO COMERCIAL DO DISTRITO FEDERAL
ACEL	ASSOCIAÇÃO NACIONAL DAS OPERADORAS CELULARES
ACIEG	ASSOCIAÇÃO COMERCIAL E INDUSTRIAL DO ESTADO DE GOIÁS
ADVB PA	ASSOCIAÇÃO DE DIRIGENTES DE VENDAS E <i>MARKETING</i> DO BRASIL
FEBRATEL	FEDERAÇÃO BRASILEIRA DE TELECOMUNICAÇÕES
GSMA	GROUP SPECIALE <i>MOBILE ASSOCIATION</i>
IBRAC	INSTITUTO BRASILEIRO DE ESTUDOS DE CONCORRÊNCIA, CONSUMO E COMÉRCIO INTERNACIONAL
SETA	SINDICATO NACIONAL DOS TRABALHADORES EM SISTEMAS DE TELEVISÃO POR ASSINATURA E SERVIÇOS ESPECIAIS DE TELECOMUNICAÇÕES
SINDITELEBRASIL	SINDICATO NACIONAL DAS EMPRESAS DE TELEFONIA E DE SERVIÇOS MÓVEL CELULAR E PESSOAL
TELCOMP	ASSOCIAÇÃO BRASILEIRA DAS PRESTADORAS DE SERVIÇOS DE TELECOMUNICAÇÕES COMPETITIVAS
TELEBRASIL	ASSOCIAÇÃO BRASILEIRA DE TELECOMUNICAÇÕES



06

ENVIRONMENTAL MANAGEMENT

IMPACT MITIGATION

In 2017, we continued with positive results in our energy management. Since the establishment of the Energy Executive Area, a significant reduction in energy consumption was observed. In 2015, our energy consumption fell 5.53% compared with 2014 and, in 2016 it declined 2.58% compared with 2015. For 2017, a reduction of 0.68% compared to 2016 was presented.

To achieve these results, a strategic plan was drawn up contemplating several actions. Among them are energy efficiency projects in lighting and air conditioning, with emphasis on the replacement of 100 thousand light bulbs with LED bulbs. Aiming at actions that allow more active management in reducing energy consumption, periodic meetings are held with the Operations team, called the “War Room”. Another process that also contributed to the result was the implementation of an energy management system that allows real-time visualization of consumption and demand for the company’s 200 largest units, which represent 38% of total consumption.

The strategy of our Energy area is based on the following goals:

- I. To reduce energy costs;
- II. To plan and control energy consumption;
- III. To improve and optimize processes;
- IV. To introduce management procedures for processes and results related to energy consumption;
- V. To implement energy projects;
- VI. To create a culture of energy rationalization at the Company; and
- VII. To build closer ties with utilities.

G4-EN28

Another measure aimed at reducing impacts is the Oi Troca Fácil offer, initiated in 2016 through a partnership that was maintained in 2017. Aligned with the different consumption model of the traditional, conscious, concerned about the impacts on the environment and in the path of the circular economy trend, we offer discounts on the purchase of a mobile device for our customers who take their old devices to our stores. Used equipment is collected by our partner, carefully reviewed and tested by a team of specialized technicians to be resold with a three months warranty. In total, 4,850 devices were exchanged in 2017.

We also mitigate the indirect impacts of our business through the provision of collection boxes for the disposal of cell phones, batteries and accessories in our stores, as well as the collection of batteries in our administrative buildings.

ENERGY EFFICIENCY

MAIN ENERGY EFFICIENCY ACTIONS AND PROJECTS CARRIED OUT IN 2017

WAR ROOM

- Weekly meetings attended by executives of the Energy and Operations areas with the goal of implementing actions designed to reduce energy consumption and promote the rational use of electricity at Oi's units.
- **Primary focus:** shutting down equipment and sites during idle time and using natural light and ventilation more effectively.
- **Secondary focus:** turning on equipment automatically on a local scale by installing timers and thermostats.

ENERGY MANAGEMENT SYSTEM

- Implementation of an energy management system that allows us to effectively manage energy consumption and online real-time demand at 200 sites, accounting for around 38% of the Company's energy consumption.

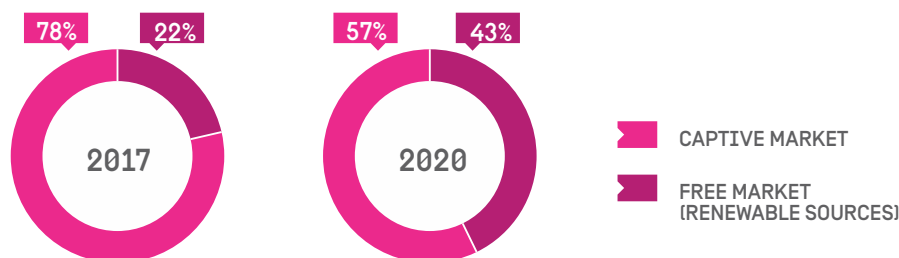
Projects

- Exchange of 100 thousand fluorescent lamps for more economic LED type lamps, providing a monthly gain exceeding R\$ 200 thousand.
- Replacement of air conditioning equipment by more modern ones, generating electricity savings, in addition to secondary gains for the Company.
- Approval of approximately R\$ 2.5 million in the 2017 budget for the implementation of projects aiming at energy efficiency and consumption reduction; and
- Investment planning of R\$ 12.5 million in 2018.

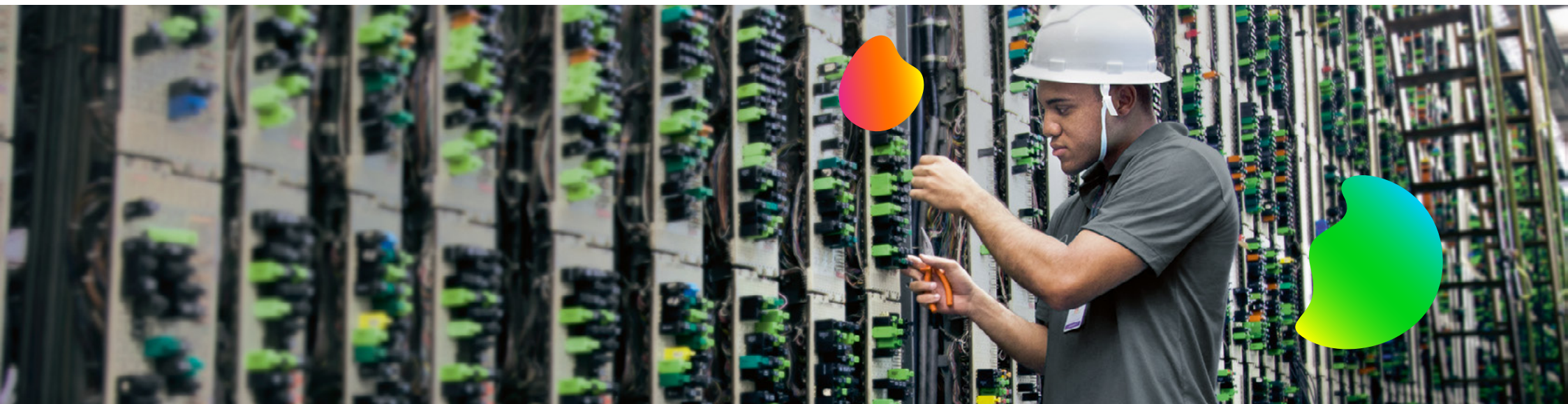
FREE MARKET

- In 2017, 33 units migrated to the free market, representing more than 45,167 MWh of energy from renewable sources and another 156 units are expected to migrate in 2018, representing over 72,897 MWh in renewable energy.
- We expect 42.5% of the total energy consumed by the Company to come from renewable sources in 2020.

OI'S ENERGY CONSUMPTION MIX



Learn about other environmental aspects related to our business and performance in 2017 in the annex to this publication (learn more on page 85).



DATA CENTER MODERNIZATION

The migration project for our data center from Belo Horizonte to Brasília, started to meet a contractual obligation, is being worked as an opportunity to update technologies, implement improvements and reduce costs for the Company. With the move to be completed in 2018, several servers are being virtualized, a worldwide trend that reduces the use of physical servers and decreases the need for space to accommodate equipment, generating savings with maintenance and consumption of electricity. The expectation is to use half the energy we use today, or even less, and about 1/3 of the physical servers currently used.

The project modernizes our structure by increasing performance and safety.

Check out the main improvements made with the project:

BELO HORIZONTE (2017)	BRASÍLIA (UNTIL 2018)
1,330 PHYSICAL SERVERS	500 PHYSICAL SERVERS
2,877 LOGICAL SERVERS	2,000 LOGICAL SERVERS
1,400 M ² USED DATA CENTER SPACE	500 M ² USED DATA CENTER SPACE
1,840 KW (POWER CONSUMPTION PER MONTH)	920 KW (REDUCTION OF AT LEAST 50%)
46% VIRTUALIZATION	70% VIRTUALIZATION
25 VMWARE SERVERS	35 VMWARE SERVERS
32 FRAMES OF STORAGE	6 FRAMES OF STORAGE
5 BACKUP OPEN ROBOTS	2 BACKUP OPEN ROBOTS
100 DRIVES	70 DRIVES
3,400 SLOTS	1,800 SLOTS

A man with a beard and glasses, wearing a denim shirt and a brown leather apron, is looking down at a tablet computer. He is standing in what appears to be a cafe or bar, with shelves of bottles and glasses visible in the background. A large, abstract, multi-colored shape (purple, blue, and green) is overlaid on the left side of the image.

07

SOCIAL REPORT

SOCIAL REPORT

1 - BASIS OF CALCULATION

	2016 – R\$ THOUSAND	2017 – R\$ THOUSAND
NET REVENUE (NR)	25,996,423	23,789,654
OPERATING RESULT (OR)	-5,079,781	-5,557,540
GROSS PAYROLL (GP)	2,536,981	2,528,681
TOTAL VALUE ADDED (TVA)	14,060,177	19,007,286

2 – INTERNAL SOCIAL INDICATORS

	2016				2017			
	R\$ THOUSAND	% OF GP	% OF NR	% OF TVA	R\$ THOUSAND	% OF GP	% OF NR	% OF TVA
MEALS	201,711	7.95%	0.78%	1.43%	182,901	7.23%	0.77%	0.96%
PAYROLL TAXES AND BENEFITS	546,978	21.56%	2.10%	3.89%	453,486	17.93%	1.91%	2.39%
PRIVATE PENSION PLAN	57,698	2.27%	0.22%	0.41%	43,097	1.70%	0.18%	0.23%
HEALTH	162,445	6.40%	0.62%	1.16%	175,084	6.92%	0.74%	0.92%
OCCUPATIONAL HEALTH AND SAFETY	8,437	0.33%	0.03%	0.06%	6,316	0.25%	0.03%	0.03%
EDUCATION	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%
CULTURE	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%
PROFESSIONAL TRAINING AND DEVELOPMENT	9,574	0.38%	0.04%	0.07%	9,318	0.37%	0.04%	0.05%
DAYCARE OR DAYCARE ASSISTANCE	11,831	0.47%	0.05%	0.08%	11,264	0.45%	0.05%	0.06%
SPORTS	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%
PROFIT SHARING	84,000	3.31%	0.32%	0.60%	298,789	11.82%	1.26%	1.57%
TRANSPORT	41,424	1.63%	0.16%	0.29%	37,168	1.47%	0.16%	0.20%
OTHER	17,005	0.67%	0.07%	0.12%	17,023	0.67%	0.07%	0.09%
TOTAL – INTERNAL SOCIAL INDICATORS	1,141,104	44.98%	4.39%	8.12%	1,234,447	48.82%	5.19%	6.49%

3 – EXTERNAL SOCIAL INDICATORS

	2016				2017			
	R\$ THOUSAND	% OF OR	% OF NR	% OF TVA	R\$ THOUSAND	% OF OR	% OF NR	% OF TVA
EDUCATION	8,907	-0.18%	0.03%	0.06%	6,281	-0.11%	0.03%	0.03%
CULTURE	36,071	-0.71%	0.14%	0.26%	32,587	-0.59%	0.14%	0.17%
HEALTH AND SANITATION	83	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%
SPORTS	21,621	-0.43%	0.08%	0.15%	1,856	-0.03%	0.01%	0.01%
COMBATING HUNGER AND SUPPORTING FOOD SECURITY	197	0.00%	0.00%	0.00%	41	0.00%	0.00%	0.00%
SECTOR INDICATOR	-	-	-	-	-	-	-	-
OTHER	8,345	-0.16%	0.03%	0.06%	7,332	-0.13%	0.03%	0.04%
TOTAL CONTRIBUTIONS TO SOCIETY	75,225	-1.48%	0.29%	0.54%	48,097	-0.87%	0.20%	0.25%
TAXES (EXCLUDING SOCIAL CONTRIBUTIONS)	11,230,516	-221.08%	43.20%	79.87%	8,863,211	-159.48%	37.26%	46.63%
TOTAL – EXTERNAL SOCIAL INDICATORS	11,305,741	-222.56%	43.49%	80.41%	8,911,308	-160.35%	37.46%	46.88%

4 – ENVIRONMENTAL INDICATORS

4.1 - INVESTMENTS RELATED TO THE COMPANY'S PRODUCTION/OPERATIONS	2016				2017			
	R\$ THOUSAND	% OF OR	% OF NR	% OF TVA	R\$ THOUSAND	% OF OR	% OF NR	% OF TVA
LAND EXPROPRIATION	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
ENVIRONMENTAL LIABILITIES AND CONTINGENCIES	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
TECHNOLOGICAL AND INDUSTRIAL DEVELOPMENT PROGRAM	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
ENERGY CONSERVATION	1,570	-0.03%	0.01%	0.01%	1,497	-0.03%	0.01%	0.01%
ENVIRONMENTAL EDUCATION	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
SECTOR INDICATOR	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
OTHER	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
TOTAL INVESTMENTS RELATED TO THE COMPANY'S PRODUCTION/OPERATIONS	1,570	-0.03%	0.01%	0.01%	1,497	-0.03%	0.01%	0.01%

4.2 – INVESTMENTS IN EXTERNAL PROGRAMS AND/OR PROJECTS	2016				2017			
	R\$ THOUSAND	% OF OR	% OF NR	% OF TVA	R\$ THOUSAND	% OF OR	% OF NR	% OF TVA
COMMUNITY ENVIRONMENTAL EDUCATION PROJECTS	366	-0.01%	0.00%	0.00%	12	0.00%	0.00%	0.00%
PRESERVATION AND/OR RECOVERY OF DEGRADED ENVIRONMENTS	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
OTHER	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
TOTAL INVESTMENTS IN EXTERNAL PROGRAMS AND/OR PROJECTS	366	-0.01%	0.00%	0.00%	12	0.00%	0.00%	0.00%
TOTAL INVESTMENTS IN THE ENVIRONMENT [4.1 + 4.2]	1,936	-0.04%	0.01%	0.01%	1,509	-0.03%	0.01%	0.01%

DISTRIBUTION OF INVESTMENTS IN THE ENVIRONMENT:	2016		2017	
	R\$ THOUSAND	% OF THE TOTAL	R\$ THOUSAND	% OF THE TOTAL
TOTAL INVESTMENTS IN ENVIRONMENTAL PREVENTION INITIATIVES	0	0.00	0	0.00
TOTAL INVESTMENTS IN ENVIRONMENTAL MAINTENANCE INITIATIVES	0	0.00	0	0.00
TOTAL INVESTMENTS IN ENVIRONMENTAL COMPENSATION INITIATIVES	0	0.00	0	0.00
NUMBER OF ENVIRONMENTAL, ADMINISTRATIVE AND COURT PROCEEDINGS FILED AGAINST THE ENTITY:	814		359	
AMOUNT OF THE FINES AND INDEMNIFICATIONS RELATED TO ENVIRONMENTAL ISSUES RESULTING FROM ADMINISTRATIVE AND/OR COURT PROCEEDINGS:	NOT REPORTED		NOT REPORTED	
REGARDING THE ESTABLISHMENT OF ANNUAL TARGETS FOR MINIMIZING WASTE AND CONSUMPTION IN GENERAL DURING PRODUCTION/OPERATIONS IN ORDER TO INCREASE EFFECTIVENESS IN THE USE OF NATURAL RESOURCES, THE COMPANY:	() HAS NO TARGETS () MEETS FROM 0% TO 50% () MEETS FROM 51% TO 75% (X) MEETS FROM 76% TO 100%		() HAS NO TARGETS () MEETS FROM 0% TO 50% () MEETS FROM 51% TO 75% (X) MEETS FROM 76% TO 100%	

5 – WORKFORCE INDICATORS

	2016 – IN UNITS	2017 – IN UNITS
NUMBER OF EMPLOYEES AT THE END OF THE PERIOD	14,431	14,793
NUMBER OF EMPLOYEES HIRED IN THE PERIOD	2,154	2,682
NUMBER OF EMPLOYEES DEPARTED IN THE PERIOD	4,291	2,365
NUMBER OF OUTSOURCED EMPLOYEES	116,460	117,520
NUMBER OF INTERNS	340	141
NUMBER OF EMPLOYEES OVER 45 YEARS OLD	2,984	3,321

NUMBER OF EMPLOYEES BY AGE:	2016 – IN UNITS	2017 – IN UNITS
UNDER 18 YEARS OLD	0	0
BETWEEN 18 AND 35 YEARS OLD	6,629	5,938
BETWEEN 36 AND 45 YEARS OLD	4,818	5,534
BETWEEN 46 AND 60 YEARS OLD	2,659	2,854
OVER 60 YEARS OLD	325	467

NUMBER OF EMPLOYEES BY LEVEL OF EDUCATION:	2016 – IN UNITS	2017 – IN UNITS
ILLITERATES	0	0
MIDDLE SCHOOL	67	38
HIGH SCHOOL/VOCATIONAL EDUCATION	6,412	6,115
COLLEGE DEGREE	6,447	6,955
POSTGRADUATE DEGREE	1,505	1,685
NUMBER OF WOMEN WORKING AT THE COMPANY	5,394	5,535
PERCENTAGE OF SENIOR POSITIONS HELD BY WOMEN	27%	28%
NUMBER OF MEN WORKING AT THE COMPANY	9,037	9,258
PERCENTAGE OF SENIOR POSITIONS HELD BY MEN	73%	72%
NUMBER OF BLACK PEOPLE WORKING AT THE COMPANY	NOT REPORTED	NOT REPORTED
PERCENTAGE OF SENIOR POSITIONS HELD BY BLACK PEOPLE	NOT REPORTED	NOT REPORTED
NUMBER OF EMPLOYEES WITH DISABILITIES OR SPECIAL NEEDS	290	257



GROSS REMUNERATION DIVIDED BY:	2016 – IN UNITS	2017 – IN UNITS
EMPLOYEES	NOT REPORTED	NOT REPORTED
MEMBERS OF MANAGEMENT	NOT REPORTED	NOT REPORTED

DIFFERENCE BETWEEN THE LOWEST SALARY PAID BY THE COMPANY AND THE (NATIONAL OR REGIONAL) MINIMUM WAGE:	2016 – IN UNITS	2017 – IN UNITS
DIFFERENCE BETWEEN THE LOWEST SALARY PAID BY THE COMPANY AND THE MINIMUM WAGE	210	219
SOURCE	FPW PAYROLL	FPW PAYROLL

6 – RELEVANT INFORMATION REGARDING THE EXERCISE OF CORPORATE CITIZENSHIP

	2016	2017
RATIO BETWEEN THE COMPANY'S HIGHEST AND LOWEST COMPENSATION	NOT REPORTED	NOT REPORTED
TOTAL NUMBER OF OCCUPATIONAL ACCIDENTS	105	26
THE SOCIAL AND ENVIRONMENTAL PROJECTS DEVELOPED BY THE COMPANY WERE DEVELOPED BY:	<input type="checkbox"/> SENIOR MANAGEMENT <input checked="" type="checkbox"/> SENIOR AND MID-LEVEL MANAGEMENT <input type="checkbox"/> ALL EMPLOYEES	<input type="checkbox"/> SENIOR MANAGEMENT <input checked="" type="checkbox"/> SENIOR AND MID-LEVEL MANAGEMENT <input type="checkbox"/> ALL EMPLOYEES
THE HEALTH AND SAFETY STANDARDS IN THE WORKPLACE WERE DEFINED BY:	<input type="checkbox"/> SENIOR MANAGEMENT <input checked="" type="checkbox"/> SENIOR AND MID-LEVEL MANAGEMENT <input type="checkbox"/> ALL EMPLOYEES <input type="checkbox"/> ALL + CIPA (INTERNAL ACCIDENT PREVENTION COMMITTEE)	<input type="checkbox"/> SENIOR MANAGEMENT <input checked="" type="checkbox"/> SENIOR AND MID-LEVEL MANAGEMENT <input type="checkbox"/> ALL EMPLOYEES <input type="checkbox"/> ALL + CIPA (INTERNAL ACCIDENT PREVENTION COMMITTEE)
REGARDING FREEDOM OF ASSOCIATION, THE RIGHT TO COLLECTIVE BARGAINING AND INTERNAL REPRESENTATION OF WORKERS, THE COMPANY:	<input checked="" type="checkbox"/> DOES NOT GET INVOLVED <input type="checkbox"/> FOLLOWS ILO STANDARDS <input type="checkbox"/> ENCOURAGES AND FOLLOWS ILO STANDARDS	<input checked="" type="checkbox"/> DOES NOT GET INVOLVED <input type="checkbox"/> FOLLOWS ILO STANDARDS <input type="checkbox"/> ENCOURAGES AND FOLLOWS ILO STANDARDS
PRIVATE PENSION APPLIES TO:	<input type="checkbox"/> SENIOR MANAGEMENT <input type="checkbox"/> SENIOR AND MID-LEVEL MANAGEMENT <input checked="" type="checkbox"/> ALL EMPLOYEES	<input type="checkbox"/> SENIOR MANAGEMENT <input type="checkbox"/> SENIOR AND MID-LEVEL MANAGEMENT <input checked="" type="checkbox"/> ALL EMPLOYEES
PROFIT SHARING APPLIES TO:	<input type="checkbox"/> SENIOR MANAGEMENT <input type="checkbox"/> SENIOR AND MID-LEVEL MANAGEMENT <input checked="" type="checkbox"/> ALL EMPLOYEES	<input type="checkbox"/> SENIOR MANAGEMENT <input type="checkbox"/> SENIOR AND MID-LEVEL MANAGEMENT <input checked="" type="checkbox"/> ALL EMPLOYEES
IN THE SELECTION OF SUPPLIERS, THE SAME ETHICS AND SOCIAL AND ENVIRONMENTAL RESPONSIBILITY STANDARDS ADOPTED BY THE COMPANY	<input type="checkbox"/> ARE NOT TAKEN INTO ACCOUNT <input type="checkbox"/> ARE SUGGESTED <input checked="" type="checkbox"/> ARE REQUIRED	<input type="checkbox"/> ARE NOT TAKEN INTO ACCOUNT <input type="checkbox"/> ARE SUGGESTED <input checked="" type="checkbox"/> ARE REQUIRED
REGARDING EMPLOYEES' PARTICIPATION IN VOLUNTEERING PROGRAMS, THE COMPANY:	<input type="checkbox"/> DOES NOT GET INVOLVED <input checked="" type="checkbox"/> SUPPORTS <input type="checkbox"/> ORGANIZES AND ENCOURAGES	<input type="checkbox"/> DOES NOT GET INVOLVED <input checked="" type="checkbox"/> SUPPORTS <input type="checkbox"/> ORGANIZES AND ENCOURAGES
NUMBER OF CUSTOMER COMPLAINTS AND CRITICISMS:	AT THE COMPANY	NOT REPORTED
	AT PROCON	NOT REPORTED
	IN COURT	NOT REPORTED
PERCENTAGE OF RESOLVED COMPLAINTS AND CRITICISMS:	AT THE COMPANY	NOT REPORTED
	AT PROCON	NOT REPORTED
	IN COURT	NOT REPORTED
TOTAL FINES AND INDEMNIFICATIONS TO CLIENTS AS A RESULT OF ORDERS BY COURTS OR CONSUMER PROTECTION OR DEFENSE AGENCIES:	AT PROCON	NOT REPORTED
	IN COURT	NOT REPORTED

MEASURES TAKEN BY THE ENTITY TO SOLVE OR MINIMIZE THE CAUSES OF COMPLAINTS:

	2016	2017
NUMBER OF LABOR PROCEEDINGS FILED AGAINST THE ENTITY:	37,008	36,274
UPHELD	NOT AVAILABLE	NOT AVAILABLE
DISMISSED	NOT AVAILABLE	NOT AVAILABLE
TOTAL FINES AND INDEMNIFICATIONS PAID AS A RESULT OF COURT ORDERS:	NOT AVAILABLE	NOT AVAILABLE

DISTRIBUTION OF VALUE ADDED (DVA):

	R\$ MILLION	% OF THE TOTAL	R\$ MILLION	% OF THE TOTAL
GOVERNMENT	10,801	76.8	9,126	48.0
EMPLOYEES	2,537	18.0	2,529	13.3
SHAREHOLDERS	-178	-1.3	-291	-1.5
THIRD PARTIES	8,928	63.5	14,008	73.7
RETAINED	-8,028	-57.1	-6,365	-33.5
TOTAL VALUE ADDED TO DISTRIBUTE (R\$ THOUSAND):	14,060		19,007	

7 – OTHER INFORMATION

In item 3 “Others”, we considered the Sustainability line [support for Community Development and Environment and Biodiversity projects]. The Administrative Structure of Oi Futuro was also considered - support areas [Communication, HR, Finance, Planning, Assets and Sponsorship Processing].

In item 4.2 “Number of environmental, administrative, and court proceedings filed against the company”, only the administrative proceedings are informed. The court proceedings will not be reported due to a Management/Strategic decision.

In item 5 “Number of black people” and “Percentage of senior positions held by black people”, Oi does not collect the information according to IBGE’s criterion [self-declaration] in the system.

Regarding item 6, more specifically in relation to the number of cases considered “upheld”/“dismissed”, it is not possible to provide this information because the absolute majority of the proceedings are “partly upheld”.

Adjustments were made to the presentation of the comparative Financial Statements of December 31, 2016. To verify the adjustments made in the retrospective periods see Note 2(b) to the 2017 Financial Statements of Oi SA filed with the CVM on 04/12/2018.



FINANCIAL STATEMENTS



08

GRI CONTENT INDEX

GRI CONTENT INDEX

INDICATOR		INFORMATION OR PAGE	CONNECTION WITH THE GLOBAL COMPACT COMMITMENT	OMISSIONS	PROCESS MATERIALITY
STRATEGY AND ANALYSIS					
G4-1	MESSAGE FROM MANAGEMENT	07			IMMATERIAL
G4-2	DESCRIPTION OF KEY IMPACTS, RISKS AND OPPORTUNITIES	05, 24			MATERIAL
ORGANIZATIONAL PROFILE					
G4-3	NAME OF THE ORGANIZATION	03			IMMATERIAL
G4-4	PRIMARY BRANDS, PRODUCTS AND/OR SERVICES	13			MATERIAL
G4-5	LOCATION OF THE ORGANIZATION'S HEADQUARTERS	13			IMMATERIAL
G4-6	NUMBER OF COUNTRIES WHERE THE ORGANIZATION OPERATES	13			IMMATERIAL
G4-7	NATURE OF OWNERSHIP AND LEGAL FORM OF THE ORGANIZATION	03			IMMATERIAL
G4-8	MARKETS SERVED	13			MATERIAL
G4-9	SCALE OF THE ORGANIZATION	13, 27, 38			MATERIAL
G4-10	EMPLOYEES' PROFILE	38			MATERIAL
G4-11	PERCENTAGE OF TOTAL EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS	100% OF OI'S EMPLOYEES ARE COVERED BY COLLECTIVE BARGAINING AGREEMENTS.			IMMATERIAL
G4-12	DESCRIPTION OF THE ORGANIZATION'S SUPPLY CHAIN	42			MATERIAL
G4-13	SIGNIFICANT CHANGES DURING THE REPORTING PERIOD REGARDING THE ORGANIZATION'S STRUCTURE	15			MATERIAL
COMMITMENTS TO EXTERNAL INITIATIVES					
G4-14	DESCRIPTION OF WHETHER AND HOW THE PRECAUTIONARY APPROACH OR PRINCIPLE IS ADDRESSED BY THE ORGANIZATION	51			IMMATERIAL

INDICATOR	INFORMATION OR PAGE	CONNECTION WITH THE GLOBAL COMPACT COMMITMENT	OMISSIONS	PROCESS MATERIALITY
G4-15	EXTERNALLY DEVELOPED ECONOMIC, ENVIRONMENTAL AND SOCIAL CHARTERS, PRINCIPLES, OR OTHER INITIATIVES TO WHICH THE ORGANIZATION SUBSCRIBES OR WHICH IT ENDORSES	04, 43		IMMATERIAL
G4-16	MEMBERSHIPS OF ASSOCIATIONS (SUCH AS INDUSTRY ASSOCIATIONS) AND NATIONAL OR INTERNATIONAL ADVOCACY ORGANIZATIONS IN WHICH THE ORGANIZATION: HOLDS A POSITION ON THE GOVERNANCE BODY; PARTICIPATES IN PROJECTS OR COMMITTEES; PROVIDES SUBSTANTIVE FUNDING BEYOND ROUTINE MEMBERSHIP DUES	51		IMMATERIAL
MATERIAL ASPECTS IDENTIFIED AND BOUNDARIES				
G4-17	ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS	THE REPORT AND THE FINANCIAL STATEMENTS COVER OI S.A. AND ITS SUBSIDIARIES; HOWEVER, THE SOCIAL AND ENVIRONMENTAL INDICATORS ARE RELATED ONLY TO THE PARENT COMPANY SINCE THOSE ASPECTS ARE NOT MANAGED BY ITS SUBSIDIARIES.		IMMATERIAL
G4-18	PROCESS FOR DEFINING THE REPORT CONTENT AND THE ASPECT BOUNDARIES	05		IMMATERIAL
G4-19	ALL MATERIAL ASPECTS IDENTIFIED IN THE PROCESS FOR DEFINING REPORT CONTENT	06		IMMATERIAL
G4-20	FOR EACH MATERIAL ASPECT, THE ASPECT BOUNDARY WITHIN THE ORGANIZATION	06		IMMATERIAL
G4-21	FOR EACH MATERIAL ASPECT, THE ASPECT BOUNDARY OUTSIDE THE ORGANIZATION	06		IMMATERIAL
G4-22	EFFECT OF ANY RESTATEMENTS OF INFORMATION PROVIDED IN PREVIOUS REPORTS	RESTATEMENTS ARE CONTEXTUALIZED AND EXPLAINED IN THE RESPECTIVE INDICATORS.		IMMATERIAL
G4-23	SIGNIFICANT CHANGES FROM PREVIOUS REPORTING PERIODS IN THE SCOPE AND ASPECT BOUNDARIES	THERE WERE NO SIGNIFICANT CHANGES IN SCOPE AND MATERIAL ASPECT BOUNDARIES IN RELATION TO PREVIOUS YEARS. ANY CHANGES ARE DESCRIBED THROUGHOUT THE REPORT, ON SPECIFIC INDICATORS.		IMMATERIAL

INDICATOR		INFORMATION OR PAGE	CONNECTION WITH THE GLOBAL COMPACT COMMITMENT	OMISSIONS	PROCESS MATERIALITY
STAKEHOLDER ENGAGEMENT					
G4-24	STAKEHOLDER GROUPS ENGAGED BY THE ORGANIZATION	06			IMMATERIAL
G4-25	BASIS FOR IDENTIFICATION AND SELECTION OF STAKEHOLDERS WITH WHOM TO ENGAGE	05			IMMATERIAL
G4-26	ORGANIZATION'S APPROACH TO STAKEHOLDER ENGAGEMENT, INCLUDING FREQUENCY OF ENGAGEMENT	05			IMMATERIAL
G4-27	KEY TOPICS AND CONCERNS THAT HAVE BEEN RAISED THROUGH STAKEHOLDER ENGAGEMENT, AND HOW THE ORGANIZATION HAS RESPONDED TO THEM	06			IMMATERIAL
REPORT PROFILE					
G4-28	REPORTING PERIOD	03			IMMATERIAL
G4-29	DATE OF MOST RECENT PREVIOUS REPORT	2016			IMMATERIAL
G4-30	REPORTING CYCLE	ANNUAL			IMMATERIAL
G4-31	CONTACT POINT FOR QUESTIONS REGARDING THE REPORT OR ITS CONTENT	06			IMMATERIAL
G4-32	"IN ACCORDANCE" OPTION CHOSEN (CORE OR COMPREHENSIVE), GRI CONTENT INDEX AND EXTERNAL ASSURANCE	04, 67			IMMATERIAL
G4-33	ORGANIZATION'S POLICY AND CURRENT PRACTICE WITH REGARD TO SEEKING EXTERNAL ASSURANCE FOR THE REPORT	THE REPORT WAS NOT EXTERNALLY ASSURED.			IMMATERIAL
GOVERNANCE					
G4-34	GOVERNANCE STRUCTURE OF THE ORGANIZATION, INCLUDING COMMITTEES	18			MATERIAL

	INDICATOR	INFORMATION OR PAGE	CONNECTION WITH THE GLOBAL COMPACT COMMITMENT	OMISSIONS	PROCESS MATERIALITY
G4-35	PROCESS FOR DELEGATING AUTHORITY FOR ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS FROM THE HIGHEST GOVERNANCE BODY TO SENIOR EXECUTIVES AND OTHER EMPLOYEES	19			IMMATERIAL
G4-36	WHETHER THE ORGANIZATION HAS APPOINTED AN EXECUTIVE-LEVEL POSITION OR POSITIONS WITH RESPONSIBILITY FOR ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS, AND WHETHER POST HOLDERS REPORT DIRECTLY TO THE HIGHEST GOVERNANCE BODY	COMPLIANCE EXECUTIVE AREA			IMMATERIAL
G4-37	PROCESSES FOR CONSULTATION BETWEEN STAKEHOLDERS AND THE HIGHEST GOVERNANCE BODY ON ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS. IF CONSULTATION IS DELEGATED, DESCRIBE TO WHOM AND ANY FEEDBACK PROCESSES TO THE HIGHEST GOVERNANCE BODY	STAKEHOLDERS CAN ACCESS THE HIGHEST GOVERNANCE BODY THROUGH THE OMBUDSMAN'S OFFICE AND THE WHISTLEBLOWER CHANNEL SINCE THE COMMITTEES THAT MANAGE THE CONTACTS OF THOSE CHANNELS HAVE ACCESS AND REPORT DIRECTLY TO THE BOARD OF DIRECTORS.			MATERIAL
G4-38	COMPOSITION OF THE HIGHEST GOVERNANCE BODY AND ITS COMMITTEES	18			MATERIAL
G4-39	WHETHER THE CHAIR OF THE HIGHEST GOVERNANCE BODY IS ALSO AN EXECUTIVE OFFICER	THE CHAIRMAN OF THE BOARD OF DIRECTORS IS NOT AN EXECUTIVE OFFICER.			MATERIAL
G4-40	NOMINATION AND SELECTION PROCESSES FOR THE HIGHEST GOVERNANCE BODY AND ITS COMMITTEES, AND WHETHER CRITERIA SUCH AS DIVERSITY, INDEPENDENCE, EXPERTISE AND EXPERIENCE AND STAKEHOLDER ENGAGEMENT (INCLUDING SHAREHOLDERS) ARE CONSIDERED	BOARD OF DIRECTORS' MEMBERS ARE ELECTED AT AN ANNUAL GENERAL MEETING (AGO) AND THE BOARD OF DIRECTORS ELECTS, AMONG ITS MEMBERS, THE MEMBERS OF THE COMMITTEES THAT ADVISE IT.			MATERIAL

INDICATOR	INFORMATION OR PAGE	CONNECTION WITH THE GLOBAL COMPACT COMMITMENT	OMISSIONS	PROCESS MATERIALITY
G4-41	PROCESSES FOR THE HIGHEST GOVERNANCE BODY TO ENSURE CONFLICTS OF INTEREST ARE AVOIDED AND MANAGED	THE COMPANY'S BYLAWS AND THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS ESTABLISH CRITERIA THAT PREVENT THE ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS WITH INTERESTS IN CONFLICT WITH THOSE OF THE COMPANY AND REQUIRE MEMBERS OF THE BOARD OF DIRECTORS TO REPORT ANY PERCEIVED CONFLICTS.		MATERIAL
G4-42	HIGHEST GOVERNANCE BODY'S AND SENIOR EXECUTIVES' ROLES IN THE DEVELOPMENT, APPROVAL, AND UPDATING OF THE ORGANIZATION'S PURPOSE, VALUE OR MISSION STATEMENTS, STRATEGIES, POLICIES, AND GOALS RELATED TO ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS	19		MATERIAL
G4-43	MEASURES TAKEN TO DEVELOP AND ENHANCE THE HIGHEST GOVERNANCE BODY'S COLLECTIVE KNOWLEDGE OF ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS	19		MATERIAL
G4-44	PROCESSES FOR EVALUATION OF THE HIGHEST GOVERNANCE BODY'S PERFORMANCE WITH RESPECT TO GOVERNANCE OF ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS	IN 2017, THE COMPANY'S MANAGERS DID NOT UNDERGO PERFORMANCE EVALUATION.		MATERIAL
G4-45	HIGHEST GOVERNANCE BODY'S ROLE IN THE IDENTIFICATION AND MANAGEMENT OF ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS, RISKS, AND OPPORTUNITIES	24		MATERIAL
G4-46	HIGHEST GOVERNANCE BODY'S ROLE IN REVIEWING THE EFFECTIVENESS OF THE ORGANIZATION'S RISK MANAGEMENT PROCESSES FOR ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS	19, 24		MATERIAL
G4-47	FREQUENCY OF THE HIGHEST GOVERNANCE BODY'S REVIEW OF ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS, RISKS, AND OPPORTUNITIES	THE COMPANY REPORTS ITS EARNINGS RESULTS TO THE MARKET AND THE BOARD REVIEWS OI'S RISKS AND OPPORTUNITIES AT LEAST ON A QUARTERLY BASIS.		MATERIAL

INDICATOR		INFORMATION OR PAGE	CONNECTION WITH THE GLOBAL COMPACT COMMITMENT	OMISSIONS	PROCESS MATERIALITY
G4-48	HIGHEST COMMITTEE OR POSITION THAT FORMALLY REVIEWS AND APPROVES THE ORGANIZATION'S SUSTAINABILITY REPORT AND ENSURES THAT ALL MATERIAL ASPECTS ARE COVERED	THE REPORT WAS APPROVED BY THE COMPANY'S SENIOR MANAGEMENT			MATERIAL
G4-49	PROCESS FOR COMMUNICATING CRITICAL CONCERNS TO THE HIGHEST GOVERNANCE BODY	19			MATERIAL
G4-50	NATURE AND TOTAL NUMBER OF CRITICAL CONCERNS THAT WERE COMMUNICATED TO THE HIGHEST GOVERNANCE BODY AND THE MECHANISM(S) USED TO ADDRESS AND RESOLVE THEM	19			MATERIAL
ETHICS AND INTEGRITY					
G4-56	ORGANIZATION'S VALUES, PRINCIPLES, STANDARDS AND NORMS OF BEHAVIOR SUCH AS CODES OF CONDUCT AND CODES OF ETHICS	31	10		MATERIAL
G4-57	ORGANIZATION'S INTERNAL AND EXTERNAL MECHANISMS FOR SEEKING ADVICE ON ETHICAL AND LAWFUL BEHAVIOR, SUCH AS HELPLINES OR ADVICE LINES	31			MATERIAL
G4-58	ORGANIZATION'S INTERNAL AND EXTERNAL MECHANISMS FOR REPORTING CONCERNS ABOUT UNETHICAL OR UNLAWFUL BEHAVIOR, AND MATTERS RELATED TO ORGANIZATIONAL INTEGRITY, SUCH AS ESCALATION THROUGH LINE MANAGEMENT, WHISTLEBLOWING MECHANISMS OR HOTLINES	31			MATERIAL
ECONOMIC					
ECONOMIC PERFORMANCE ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-EC1	DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	28			IMMATERIAL

INDICATOR		INFORMATION OR PAGE	CONNECTION WITH THE GLOBAL COMPACT COMMITMENT	OMISSIONS	PROCESS MATERIALITY
G4-EC4	FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT	45			IMMATERIAL
MARKET PRESENCE ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-EC5	RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE AT SIGNIFICANT LOCATIONS OF OPERATION	85	6		IMMATERIAL
INDIRECT ECONOMIC IMPACT ASPECTS					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-EC7	DEVELOPMENT AND IMPACT OF INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED	17, 33, 44, 51			IMMATERIAL
G4-EC8	SIGNIFICANT INDIRECT ECONOMIC IMPACTS, INCLUDING THE EXTENT OF IMPACTS	45			IMMATERIAL
PROCUREMENT PRACTICES ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-EC9	PROPORTION OF SPENDING ON LOCAL SUPPLIERS AT SIGNIFICANT LOCATIONS OF OPERATION	42			IMMATERIAL
ENVIRONMENTAL					
MATERIAL ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-EN1	MATERIALS USED BY WEIGHT OR VOLUME	86	7 AND 8		IMMATERIAL
G4-EN2	PERCENTAGE OF MATERIALS USED THAT ARE RECYCLED INPUT MATERIALS	86	8		IMMATERIAL

INDICATOR		INFORMATION OR PAGE	CONNECTION WITH THE GLOBAL COMPACT COMMITMENT	OMISSIONS	PROCESS MATERIALITY
ENERGY ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-EN3	ENERGY CONSUMPTION WITHIN THE ORGANIZATION	87	8		IMMATERIAL
G4-EN5	ENERGY INTENSITY	87	8		IMMATERIAL
G4-EN6	REDUCTION OF ENERGY CONSUMPTION	54	8		IMMATERIAL
G4-EN7	REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES	87	8 AND 9	BECAUSE THERE IS NO SECTORIZED MEASUREMENT, IT DOES NOT PRESENT REDUCTIONS SPECIFICALLY LINKED TO EACH PRODUCT OR SERVICE, BUT IN GENERAL. THIS INFORMATION IS NOT SCHEDULED TO BE DISCLOSED.	IMMATERIAL
WATER ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-EN8	TOTAL WATER WITHDRAWAL BY SOURCE	88	7 AND 8		IMMATERIAL
BIODIVERSITY ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-EN13	HABITATS PROTECTED OR RESTORED	88	7 AND 8		IMMATERIAL
EMISSIONS ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-EN15	DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)	89	7 AND 8		IMMATERIAL
G4-EN16	ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2)	89	8		IMMATERIAL

	INDICATOR	INFORMATION OR PAGE	CONNECTION WITH THE GLOBAL COMPACT COMMITMENT	OMISSIONS	PROCESS MATERIALITY
G4-EN17	OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3)	89	8		IMMATERIAL
G4-EN18	GREENHOUSE GAS (GHG) EMISSIONS INTENSITY	89	8		IMMATERIAL
G4-EN19	REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS	90	8 AND 9		IMMATERIAL
G4-EN20	EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS)	90	8		IMMATERIAL
EFFLUENTS AND WASTE ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-EN23	TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD	91	8		IMMATERIAL
PRODUCTS AND SERVICES ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-EN27	EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES	54	7, 8 AND 9		IMMATERIAL
G4-EN28	PERCENTAGE OF PRODUCTS SOLD AND THEIR PACKAGING MATERIALS THAT ARE RECLAIMED BY CATEGORY	54, 91	8	THE PERCENTAGE IN RELATION TO ALL THE PRODUCTS IS NOT PRESENTED AS THE ONLY INFORMATION ON RECLAIMED PRODUCTS REFERS TO OI TV'S DECODERS. THIS INFORMATION IS NOT SCHEDULED TO BE DISCLOSED.	IMMATERIAL
COMPLIANCE ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-EN29	MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS	91	8	THIS INFORMATION WAS NOT PUBLISHED BECAUSE IT IS CONFIDENTIAL AND IT IS NOT SCHEDULED TO BE REPORTED.	IMMATERIAL

INDICATOR	INFORMATION OR PAGE	CONNECTION WITH THE GLOBAL COMPACT COMMITMENT	OMISSIONS	PROCESS MATERIALITY
TRANSPORT ASPECT				
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH			
G4-EN30	SIGNIFICANT ENVIRONMENTAL IMPACTS OF TRANSPORTING PRODUCTS AND OTHER GOODS AND MATERIALS FOR THE ORGANIZATION'S OPERATIONS, AND TRANSPORTING MEMBERS OF THE WORKFORCE	92	7, 8 AND 9	IMMATERIAL
GENERAL ASPECT				
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH			
G4-EN31	TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS BY TYPE	93	7	IMMATERIAL
ENVIRONMENTAL GRIEVANCE MECHANISMS ASPECT				
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH			
G4-EN34	NUMBER OF GRIEVANCES ABOUT ENVIRONMENTAL IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	31	8	IMMATERIAL
SOCIAL: LABOR PRACTICES AND DECENT WORK				
EMPLOYMENT ASPECT				
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH			
G4-LA1	TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER, AND REGION	94	6	IMMATERIAL
G4-LA2	BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES, BY SIGNIFICANT LOCATIONS OF OPERATION	94		IMMATE

INDICATOR	INFORMATION OR PAGE	CONNECTION WITH THE GLOBAL COMPACT COMMITMENT	OMISSIONS	PROCESS MATERIALITY
LABOR /MANAGEMENT RELATIONS ASPECTS				
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH			
G4-LA4	MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES, INCLUDING WHETHER THESE ARE SPECIFIED IN COLLECTIVE AGREEMENTS	95	3	IMMATERIAL
OCCUPATIONAL HEALTH AND SAFETY ASPECT				
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH			
G4-LA5	PERCENTAGE OF TOTAL WORKFORCE REPRESENTED IN FORMAL JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES THAT HELP MONITOR AND ADVISE ON OCCUPATIONAL HEALTH AND SAFETY PROGRAMS	40		MATERIAL
G4-LA6	TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND BY GENDER	41	THE COMPANY DOES NOT CONTROL CONTRACTORS' ABSENTEEISM AND, THEREFORE, THIS INFORMATION IS NEITHER PUBLISHED NOR SCHEDULED TO BE PUBLISHED.	MATERIAL
G4-LA7	WORKERS WITH HIGH INCIDENCE OR HIGH RISK OF DISEASES RELATED TO THEIR OCCUPATION	40		MATERIAL
G4-LA8	HEALTH AND SAFETY TOPICS COVERED IN FORMAL AGREEMENTS WITH TRADE UNIONS	40		MATERIAL
TRAINING AND EDUCATION ASPECT				
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH			
G4-LA9	AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY	39	6	AVERAGE HOURS OF TRAINING BY EMPLOYEE CATEGORY IS NOT REPORTED BECAUSE THIS INFORMATION IS NOT MONITORED BY OI AND IS NOT RELEVANT TO DAY-TO-DAY TRAINING MANAGEMENT. THEREFORE, IT IS NOT SCHEDULED TO BE REPORTED. IMMATERIAL

INDICATOR	INFORMATION OR PAGE	CONNECTION WITH THE GLOBAL COMPACT COMMITMENT	OMISSIONS	PROCESS MATERIALITY
G4-LA10	PROGRAMS FOR SKILLS MANAGEMENT AND LIFELONG LEARNING THAT SUPPORT THE CONTINUED EMPLOYABILITY OF EMPLOYEES AND ASSIST THEM IN MANAGING CAREER ENDINGS 39	6		IMMATERIAL
DIVERSITY AND EQUAL OPPORTUNITY ASPECT				
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH			
G4-LA12	COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY 95	6		IMMATERIAL
EQUAL REMUNERATION FOR WOMAN AND MEN ASPECT				
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH			
G4-LA13	RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN BY EMPLOYEE CATEGORY, BY SIGNIFICANT LOCATIONS OF OPERATION 95	6		IMMATERIAL
LABOR PRACTICES GRIEVANCE MECHANISMS ASPECT				
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH			
G4-LA16	NUMBER OF GRIEVANCES ABOUT LABOR PRACTICES FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS 31	1, 2, 3, 4, 5 AND 6		IMMATERIAL
SOCIAL: HUMAN RIGHTS				
INVESTMENT ASPECT				
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH			
G4-HR2	TOTAL HOURS OF EMPLOYEE TRAINING ON HUMAN RIGHTS POLICIES OR PROCEDURES CONCERNING ASPECTS OF HUMAN RIGHTS THAT ARE RELEVANT TO OPERATIONS, INCLUDING THE PERCENTAGE OF EMPLOYEES TRAINED 96	1		IMMATERIAL

INDICATOR		INFORMATION OR PAGE	CONNECTION WITH THE GLOBAL COMPACT COMMITMENT	OMISSIONS	PROCESS MATERIALITY
NON-DISCRIMINATION ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-HR3	TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN	31	6		IMMATERIAL
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-HR4	OPERATIONS AND SUPPLIERS IDENTIFIED IN WHICH THE RIGHT TO EXERCISE FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE VIOLATED OR AT SIGNIFICANT RISK, AND MEASURES TAKEN TO SUPPORT THESE RIGHTS	%	3		IMMATERIAL
CHILD LABOR ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-HR5	OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR, AND MEASURES TAKEN TO CONTRIBUTE TO THE EFFECTIVE ABOLITION OF CHILD LABOR	%	5		IMMATERIAL
FORCED OR COMPULSORY LABOR ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-HR6	OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOR, AND MEASURES TO CONTRIBUTE TO THE ELIMINATION OF ALL FORMS OF FORCED OR COMPULSORY LABO	%	4		IMMATERIAL

INDICATOR		INFORMATION OR PAGE	CONNECTION WITH THE GLOBAL COMPACT COMMITMENT	OMISSIONS	PROCESS MATERIALITY
INDIGENOUS RIGHTS ASPECTS					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-HR8	TOTAL NUMBER OF INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLES AND ACTIONS TAKEN	96	1 AND 2		IMMATERIAL
SUPPLIER HUMAN RIGHTS ASSESSMENT ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-HR10	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING HUMAN RIGHTS CRITERIA	42	1 AND 2		IMMATERIAL
HUMAN RIGHTS GRIEVANCE MECHANISMS ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-HR12	NUMBER OF GRIEVANCES ABOUT HUMAN RIGHTS IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS.	31	1 AND 2		IMMATERIAL
SOCIAL: SOCIETY					
LOCAL COMMUNITIES ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-S01	PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS	45	1	THE PERCENTAGE OF OPERATIONS IS NOT SPECIFICALLY PUBLISHED. THE COMPANY IS CONSIDERING MONITORING AND REPORTING THIS INFORMATION, BUT HAS NO SCHEDULED DATE TO START.	IMMATERIAL
ANTI-CORRUPTION ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-S04	COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES.	97	10		IMMATERIAL

INDICATOR		INFORMATION OR PAGE	CONNECTION WITH THE GLOBAL COMPACT COMMITMENT	OMISSIONS	PROCESS MATERIALITY
G4-S05	CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN.	31	10		IMMATERIAL
PUBLIC POLICY ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-S06	TOTAL VALUE OF POLITICAL CONTRIBUTIONS BY COUNTRY AND RECIPIENT/BENEFICIARY.	51	10		IMMATERIAL
ANTI-COMPETITIVE BEHAVIOR ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-S07	TOTAL NUMBER OF LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTI-TRUST, AND MONOPOLY PRACTICES AND THEIR OUTCOMES	97			IMMATERIAL
COMPLIANCE ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-S08	MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS	OI PREFERRED NOT TO PUBLICLY DISCLOSE THE FINES AMOUNTS RELATIVES TO 2017 AS IT CONSIDERS THIS INFORMATION STRATEGIC TO THE COMPANY'S BUSINESS.			IMMATERIAL
GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-S011	NUMBER OF GRIEVANCES ABOUT IMPACTS ON SOCIETY FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	31			IMMATERIAL
SOCIAL: PRODUCT RESPONSIBILITY					
CUSTOMER HEALTH AND SAFETY ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-PR1	PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS ARE ASSESSED FOR IMPROVEMENT	43			IMMATERIAL

INDICATOR		INFORMATION OR PAGE	CONNECTION WITH THE GLOBAL COMPACT COMMITMENT	OMISSIONS	PROCESS MATERIALITY
G4-PR2	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES DURING THEIR LIFE CYCLE, BY TYPE OF OUTCOMES	43			IMMATERIAL
PRODUCT AND SERVICE LABELING ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-PR3	TYPE OF PRODUCT AND SERVICE INFORMATION REQUIRED BY THE ORGANIZATION'S PROCEDURES FOR PRODUCT AND SERVICE INFORMATION AND LABELING, AND PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES SUBJECT TO SUCH INFORMATION REQUIREMENTS.	36			MATERIAL
G4-PR4	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING, BY TYPE OF OUTCOMES.	97			MATERIAL
G4-PR5	RESULTS OF SURVEYS MEASURING CUSTOMER SATISFACTION.	36			MATERIAL
MARKETING COMMUNICATIONS ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-PR6	SALE OF BANNED OR DISPUTED PRODUCTS	OI DOES NOT SELL BANNED PRODUCTS. THE INDUSTRY IS TIGHTLY REGULATED, AND ANATEL IS STRICT WITH CARRIERS.			MATERIAL
G4-PR7	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING MARKETING COMMUNICATIONS, INCLUDING ADVERTISING, PROMOTION, AND SPONSORSHIP, BY TYPE OF OUTCOMES	THROUGHOUT 2017, THE COMPANY COMPLIED WITH THE NATIONAL COUNCIL OF SELF-REGULATORY ADVERTISING (CONAR) CODE OF ETHICS BY DISCLOSING ITS PROMOTIONAL CAMPAIGNS AND ADVERTISING, AS WELL AS PRINCIPLES OF HONESTY AND TRANSPARENCY TO CONSUMERS. NO REPRESENTATIONS WERE FILED AGAINST OI IN THIS SENSE, WHICH PROVES THAT THE COMPANY FOLLOWED AND RESPECTED CONAR'S RULES AND PRINCIPLES.			MATERIAL

INDICATOR		INFORMATION OR PAGE	CONNECTION WITH THE GLOBAL COMPACT COMMITMENT	OMISSIONS	PROCESS MATERIALITY
CUSTOMER PRIVACY ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-PR8	TOTAL NUMBER OF SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA.	37			MATERIAL
COMPLIANCE ASPECT					
G4-DMA	DISCLOSURES ON THE MANAGEMENT APPROACH				
G4-PR9	MONETARY VALUE OF SIGNIFICANT FINES FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS CONCERNING THE PROVISION AND USE OF PRODUCTS AND SERVICES.	WE DID NOT HAVE FINES APPLIED BY CADE / SENACON AND ANCINE IN THE YEAR 2017.			MATERIAL

CORPORATE INFORMATION AND CREDITS

HEADQUARTERS

Rua Humberto de Campos, 425 – Leblon
CEP: 22430-190 – Rio de Janeiro state, Brazil
Phone: [+55 21] 3131-2918
Fax: [+55 21] 3131-1144
Site: www.oi.com.br

BOOK-ENTRY SHARE SERVICES

Banco do Brasil S.A.

Rua Professor Lúcio Gama, 105, 38º andar – Centro
CEP: 20031-900 – Rio de Janeiro, Rio de Janeiro state, Brazil
Phone: [+55 21] 3808-3715
Fax: [+55 21] 3808-6088
E-mail: aescriturais@bb.com.br

ADR DEPOSITARY BANK

The Bank of New York Mellon

Oi S.A. c/o BNY Mellon Shareowner Services
Phone [toll free]: 1-888-BNY-ADRS (269-2377)
Phone [international]: +1 201-680-6825
Website: www.mybnymdr.com
E-mail: shrrelations@cpushareownerservices.com
Registered Shareholders Correspondence:

Regular Mail:

P.O. Box 505000
Louisville, KY 40233-5000

Overnight Mail:

462 South 4th Street, Suite 1600
Louisville, KY 40202

STOCK EXCHANGE

B3 – Brasil, Bolsa, Balcão (BM&FBovespa)

Ticker symbols: Oi S/A | OIBR3 and OIBR4 [on December 31, 2017]
New York Stock Exchange [NYSE] in the U.S.
ADR symbol: OIBR.C [on December 31, 2017]
OTC Markets – Pink Open Market in the U.S.
ADR symbol: OIBRQ [on December 31, 2017]

CONTACTS

pp-sustentabilidade@oi.net.br
invest@oi.net.br

CREDITS

Coordination and text

Chief Financial Officer | Compliance Officer | Sustainability and Integrity Division

Graphic design and review

Ricca Sustentabilidade

Independent auditors [on December 31, 2017]

KPMG Auditores Independentes | SEC and CVM

External assurance of the GHG Inventory

ABNT, accredited by Inmetro

ANNEX I – ADDITIONAL INDICATORS

This document, an integral part of Oi's Annual Sustainability Report, presents indicators reported previously as complementary information to the material topics covered in the main publication.

Below are our performance indicators based on GRI's G4 guidelines. They bring information about our operations and our subsidiaries' operations from January 1, 2017 to December 31, 2017.

To learn more about Oi and the relevant aspects of our current sustainability strategy, read our Annual Sustainability Report, available on:

www.oi.com.br/ri

ECONOMIC DIMENSION

G4-EC5

RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE AT SIGNIFICANT LOCATIONS OF OPERATION

Oi's employee category and salary policy does not discriminate on the basis of gender. The differences in average salaries by employee category are explained by different professional development levels and length of service.

We do not use the national minimum wage as the basis for our employees' compensation and our wage floor was set at R\$ 1,156.27 in 2017.

The lowest salary paid by the Company in 2017 was 23.4% higher than the national minimum wage.

LOWEST SALARY PAID BY OI BY STATE AND GENDER VERSUS WAGE FLOOR ESTABLISHED BY THE COMPANY

STATE	2017		
	MALE	FEMALE	CONSOLIDATED
ACRE	119%	118%	118%
ALAGOAS	103%	128%	103%
AMAPÁ	112%	163%	112%
AMAZONAS	125%	100%	100%
BAHIA	100%	100%	100%
CEARÁ	100%	100%	100%
DISTRITO FEDERAL	100%	100%	100%
ESPÍRITO SANTO	100%	113%	100%
GOIÁS	100%	100%	100%
MARANHÃO	100%	105%	100%
MATO GROSSO	100%	100%	100%
MATO GROSSO DO SUL	100%	100%	100%
MINAS GERAIS	100%	87%	87%
PARÁ	114%	100%	100%
PARAÍBA	100%	100%	100%
PARANÁ	100%	111%	100%
PERNAMBUCO	101%	101%	101%
PIAUÍ	100%	120%	100%
RIO DE JANEIRO	100%	100%	100%
RIO GRANDE DO NORTE	100%	101%	100%
RIO GRANDE DO SUL	100%	100%	100%
RONDÔNIA	100%	144%	100%
RORAIMA	101%	147%	101%
SANTA CATARINA	100%	100%	100%
SÃO PAULO	108%	104%	104%
SERGIPE	120%	100%	100%
TOCANTINS	103%	119%	103%

Note: A ratio of 150%, for example, means that the lowest wage is 50% higher than the wage floor established by Oi in the year. We are present throughout Brazil; therefore, we do not use the classification "important units" and present the information by state.

ENVIRONMENTAL DIMENSION

G4-EN1

MATERIALS USED BY WEIGHT OR VOLUME

MATERIALS USED BY TYPE	2015	2016	2017
PACKAGING MATERIALS			
BAGS PURCHASED FOR USE IN STORE SALES (IN UNITS)	112,000	300,000	280,000
INTEROFFICE MAIL ENVELOPES (IN UNITS)	0	10,000	20,000
CARDBOARD BOXES FOR SHIPPING PRODUCTS AND COILS OF CORRUGATED CARDBOARD (IN TONNES)	101	80	13
MATERIALS USED IN OPERATIONS			
METAL CABLES (IN METERS)	10,788,446	12,134,366	15,635,914
OPTICAL CABLES (IN METERS)	11,240,147	7,865,793	15,274,586
SPLICE CLOSURE (IN UNITS)	294,437	439,114	629,107
WIRES (IN METERS)	123,946,511	224,918,500	274,880,718
TERMINALS (IN UNITS)	1,173,535	1,947,346	2,638,975

G4-EN2

PERCENTAGE OF MATERIALS USED THAT ARE RECYCLED INPUT MATERIALS

Metal cables scraps from the installation process are resold to our supplier, who in turn reuses this material in the production of new cables. The volume of cable sent for recycling is reported in indicator EN23, item "Recycling through scrap sale".



G4-EN3

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

DIRECT ENERGY PURCHASED AND CONSUMED (GJ)	2015	2016	2017
POWER CONSUMPTION	5,920,860.79	5,833,897.16	5,794,371.52
LOCAL POWER GRID	4,924,414.00	4,839,258.00	4,568,774.25
FREE MARKET (BIOMASS AND HYDROELECTRIC)	996,446.79	994,639.16	1,225,597.26
CONSUMPTION IN GENERATORS AND OWN FLEET	602,841.30	1,252,563.46	1,391,715.68
DIESEL	88,155.86	137,430.39	163,721.37
GASOLINE	503,684.37	1,075,070.48	1,196,237.51
ETHANOL	10,782.03	39,791.80	29,917.44
VNG	219.04	270.80	1,839.36
TOTAL CONSUMPTION	6,523,702.09	7,086,460.62	7,186,087.19

The energy consumed by Oi is broken down into energy purchased from utilities, which accounts for around 79% of total energy consumed, and energy purchased from the free market. We consumed 1,620.53 GWh in 2017. Learn more in the Energy Efficiency chapter, on page 55.

The increase, in turn, in fuel consumption for generators and Oi's own fleet, was mainly due to the incorporation of the Rede Conecta into Oi. The network service provider became part of our operations in July 2016.

G4-EN5

ENERGY INTENSITY

The Energy Division started monitoring the energy intensity indicator in 2015, based initially on the ratio between energy consumption and the number of employees.

In 2017, the result was 8.9 MWh consumed per employee on average per month. The analysis of energy consumption showed that it fluctuated in line with annual seasonality.

Oi is an energy-intensive company, which means that equipment accounts for most of our energy consumption. As a result, the variation in headcount does not significantly impact energy consumption. Based on this information, we conclude that we have to work on this indicator to be able to set effective goals.

G4-EN7

REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES

We do not have separate measurements of those reductions due to the difficulty in obtaining related data. We have no strategy or scheduled date to disclose tentative results yet. In fact, we are going to study energy intensity indicators used in our industry to develop an action plan.

G4-EN8

TOTAL WATER WITHDRAWAL BY SOURCE

CONSUMPTION (M3)	2015	2016	2017
GROUNDWATER	67,967	75,585	89,234
RAINWATER	25,088	11,355	7,080
MUNICIPAL WATER SUPPLIES OR OTHER	1,417,395*	1,751,707	2,187,118
TOTAL	1,510,450	1,838,647	2,283,432

* 2015 figure adjusted based on the assessment by the Property area.

In 2017, we kept investing in our employees' awareness and introducing practices intended to reduce water consumption. We use groundwater and rainwater not because there is no municipal service available, but in order to allow a reduction in the use of concessionaire water to clean patios, preserve gardens and supply bathrooms, among other uses.

The increase in the municipal supply in relation to 2017 was due to the increase and improvement in the data collection in buildings that are served by the municipal supply company in all the states that were not included in our previous reports. We are constantly learning and improving the management of our resources.

By 2018, our goal is to reduce water consumption from the municipal network by 1% and to continue projects to raise employees' awareness and implement practices that aim at saving water.

G4-EN13

HABITATS PROTECTED OR RESTORED

In 2017, we proceeded to regularize the environmental licensing processes associated with the special projects described below, with all requests from public agencies serviced by the Company:

(i) Amapá (Oiapoque - Calçoene) – Aerial and underground cabling, at the state and federal levels, with the presentation of the Prad (Plano de Recuperação de Área Degradada, or Damaged Land Recovery Plan);

(ii) Mato Grosso – Underwater crossing of fiber optic cable and cable grounding in Jurueña and Juína;

(iii) Manaus (Boa Vista) – New request for renewal of the operating license due to the implementation of fiber and presentation of the Prad (Plano de Recuperação de Área Degradada, or Damaged Land Recovery Plan);

(iv) Pernambuco (Tacaratu - PE-375) – Cabling, with presentation of the Term of Reference for conducting the Studies of the Indigenous Components for Environmental Licensing to Funai;

(v) Ceará (Várzea Alegre - BR 230, KM 115,87) – Cabling, presenting manifestation in response to the notification received regarding the operation license for the enterprise by the State Superintendence of the Environment of Ceará; and

(vi) Rio de Janeiro (Maricá) – initiated pilot project for battery grounding linked to site.

By 2018, we expect to continue the ongoing processes, in addition to finalizing the environmental compliance process in Mato Grosso.

G4-EN15

DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)

G4-EN16

ENERGY INDIRECT GHG EMISSIONS (SCOPE 2)

G4-EN17

OTHER INDIRECT GHG EMISSIONS (SCOPE 3)

Since 2009, we have been annually mapping our direct and indirect emissions in our inventory of GHG emissions, filed voluntarily with the public registry of emissions of the Brazil GHG Protocol Program (the methodology used to prepare the inventory) and the Carbon Disclosure Project (CDP).

G4-EN15, G4-EN16

DIRECT AND INDIRECT EMISSIONS – SCOPES 1 AND 2 (TCO ₂ E)	2015	2016	2017
SCOPE 1 (GENERATORS, OWN FLEET AND COOLING GASES)	47,040.64	77,172.78	93,376.09
SCOPE 2 (ELECTRICITY PURCHASED AND CONSUMED)	203,105.17	130,527.61	146,447.79
TOTAL	250,145.82	207,700.39	239,823.88

G4-EN17

INDIRECT EMISSIONS – SCOPE 3 (TCO ₂ E)	2015	2016	2017
GOODS AND SERVICES PURCHASED	79,113.46	41,605.43	19,551.96
ACTIVITIES S RELATED TO FUEL AND ENERGY NOT INCLUDED IN SCOPES 1 AND 2 *	1,887.90	1,964.76	2,614.70
TRANSPORTATION AND UPSTREAM DISTRIBUTION	4,956.80	13,803.24	6,457.95
BUSINESS TRAVEL	4,771.10	3,950.80	4,452.33
COMMUTING	14,375.51	15,453.36	16,943.89
TOTAL	105,104.76	76,777.59	50,020.83

* Related to energy consumption from condominium apportionment.

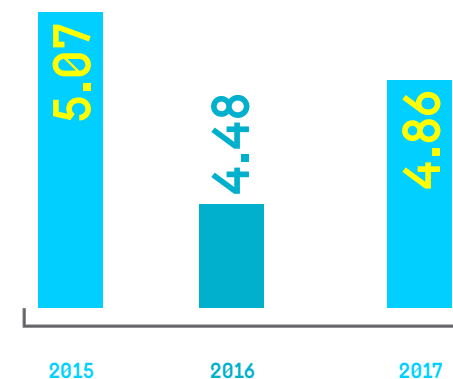
For more information on our management of GHG emissions, please access our inventory on the GHG Public Registry of Emissions website: <http://registropublicodeemissoes.com.br/participantes/79>

G4-EN18

GHG EMISSION INTENSITY

In 2013, we developed a specific indicator for the telecommunications industry – emissions (tonnes of CO₂e) per Revenue Generating Unit (RGU) – jointly with other telcos. In 2017, our emission intensity totaled de 4.86 kg CO₂e per RGU, up 8% over the previous year. The difference was mainly due to the increase in emissions of Scope 2 and the reduction of the indicator of RGUs between 2016 and 2017. Despite the Company's constant efforts to be more energy efficient, the savings achieved were not enough to offset the increase in the emission factor of the National Interconnected System (SIN), as provided by the Ministry of Science, Technology, Innovations and Communications (MCTIC).

EMISSONS PER RGU (KG CO₂ AND ESCOPOS 1+2+3/RGU)



G4-EN19

REDUCTION OF GHG EMISSIONS

The figures for our GHG emissions in 2017 show our continuous progress regarding Climate Change. Our strong commitment to reducing overall costs was crucial for the results achieved.

Evaluating the results of Oi's 2017 GHG emissions inventory, we can see a 35% reduction in Scope 3 emissions. However, despite constant efforts to optimize our activities, we can see an increase in Scope 1 emissions and Scope 2 of about 21% and 12% respectively.

The 21% increase in our scope 1 emissions was mainly caused by the incorporation of Rede Conecta to the Oi group. The company is a Network Service Provider and its emissions from mobile sources accounted for approximately 26% of total Scope 1 emissions of the Company in 2017. Previously, these emissions were accounted for in Scope 3, and their activities were internalized from June 2016.

When comparing the absolute values of energy acquired in the last two years, in 2017 we had a reduction of 0.9%. Following the localization approach from GHG Protocol Brazilian Program, the increase in Scope 2 emissions was therefore due to the increase of the National Interconnected System (SIN) emission factor, as informed by the Ministry of Science, Technology, Innovation and Communications (MCTIC). As part of the Energy Efficiency Plan established in 2015, the Company, through the purchase of energy stimulated by the Free Market, increased the share of renewable

sources in its energy matrix from 16% in 2015 to 21.5% in 2017. The goal is to reach 42.5% of renewable energy stimulated by the Free Market until 2019.

Another important measure was the partnership with GD Solar for the development of two solar plants in the north of Minas Gerais. They will have a capacity of 5 MWp, generating 1.7 GWh per month, equivalent to the monthly consumption of 10 thousand residences. The investment is part of Oi's strategic planning to diversify its energy matrix and use low-cost renewable resources, complementing the acquisition of energy from the Free Market.

In Scope 3, inversely proportional to the increase in GHG emissions described in Scope 1, there is an apparent emission reduction of 35%. As explained above, this reduction was mainly due to the exclusion of the Rede Conecta from the "Purchased Goods and Services" category in Scope 3. Another important point is the inclusion of Oi Futuro and SEREDE in the air travel report. These two companies accounted for around 10% of the mileage flown by Oi in 2017, which certainly contributed to the increase in emissions from this source.

G4-EN20

EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS)

EMISSIONS OF OZONE DEPLETING SUBSTANCES [TCFC11E] ⁽¹⁾	2015	2016	2017
HCFC-22 ⁽²⁾	2.03	1.89	2.32
HCFC-141B ⁽³⁾	0.23	0.41	0.33
HCFC-123 ⁽⁴⁾	-	-	0.02

⁽¹⁾ Values of Ozone Depletion Potential (ODP) from *The Montreal Protocol on Substances that Deplete the Ozone Layer*, UNEP (<https://unep.ch/ozone/pdf/Montreal-Protocol2000.pdf>)

⁽²⁾ Considers an ODP of 0.055

⁽³⁾ Considers an ODP of 0.11.

⁽⁴⁾ Considers an ODP of 0.02.

⁽⁵⁾ The values for 2016 were adjusted after review of the data reported in the previous year.

G4-EN23

TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD

WASTE BY TYPE AND DISPOSAL METHOD	2015	2016	2017
NON-HAZARDOUS			
WASTE SENT TO LANDFILL (IN TONNES)	511	129	132
RECYCLING THROUGH SELECTIVE WASTE COLLECTION IN ADMINISTRATIVE FACILITIES (IN TONNES) ⁽¹⁾	747	276	105
RECYCLING THROUGH SCRAP SALE (IN TONNES)	6,497	2,188	2,550
RECYCLING OF HANDSETS, ACCESSORIES AND BATTERIES (IN ITEMS) ⁽²⁾	16,086	2,527	65
MISCELLANEOUS WASTE SOLD FOR AUCTION (IN ITEMS)	69,454	69,419	16,052
HAZARDOUS			
RECYCLING OF LIGHT BULBS (IN ITEMS)	67,672	41,741	56,267
RECYCLING OF STATIONARY BATTERIES (IN TONNES)	2,549	696	833

⁽¹⁾ The values for 2015 and 2016 were ratified in this report after reviewing the data reported in previous reports. In 2017, it was not possible to measure the volume of waste sent for selective collection in the administrative buildings of SP, BA, PA, AP and RR.

⁽²⁾ In 2017, Recycling data for handsets, their accessories and batteries were reported in tons. In 2015 and 2016 these volumes were reported in items.

G4-EN28

PERCENTAGE OF PRODUCTS SOLD AND THEIR PACKAGING MATERIALS THAT ARE RECLAIMED BY CATEGORY

We reclaimed decoders – equipment required for using Oi TV – for reuse after customers' contracts were terminated. In 2017, we collected 415 thousand units, bringing savings of around R\$ 40 million to the Company. In 2018, our goal is to recover 665 thousand pieces of equipment, which would save us almost R\$ 54 million.

G4-EN29

MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

Considering that, in general, the fines applied have different grounds from Federal Law 13,116/2015, we chose not to disclose the amounts referring to 2017.

SIGNIFICANT ENVIRONMENTAL IMPACTS OF TRANSPORTING PRODUCTS AND OTHER GOODS AND MATERIALS FOR THE ORGANIZATION'S OPERATIONS, AND TRANSPORTING MEMBERS OF THE WORKFORCE

As one of the Company's main sources of GHG emissions, the displacement of our own and third-party network service providers accounted for 83% of Scope 1 and 39% of Scope 3, respectively.

We launched in 2014 a fleet management system that optimized the performance of this activity. The system consolidates the activity history of each vehicle in a friendly interface for the fleet manager, so that aspects such as aggressive driving, preventive maintenance and more efficient routes are improved. Oi's Fleet Management sprang from the innovation investment in a solution developed by an incubated company and has already aroused interest among corporate customers as an ICT solution. Internally, some results can already be observed:

- 3,000 vehicles throughout the Brazilian territory, operating in the administrative area and maintenance for the internal plant at Oi call centers;
- 18,000 vehicles nationwide, operating in the maintenance for the external plant and operations at Oi customers;
- Total of 21,000 vehicles managed by Oi Fleet Management in the Company;
- 15% average saving in fuel consumption achieved with the support of the solution;
- 25% average productivity gain with field teams with the support of the solution.

By the end of 2017, SEREDE and CONECTA, our main

network service providers (PSR), with a total of 19,317 vehicles, had 80% and 70% of their fleet tracked, respectively. The system implementation, together with several other improvement actions, allowed SEREDE, for example, to reduce 14% of its costs in 2017, equivalent to R\$ 13 million. CONECTA, in turn, achieved a reduction in the average liters of fuel consumed per vehicle of 192 liters in 2016, to 170 liters in 2017.

We monitored consumption on a daily basis, imposing policies with strict rules and controls for granting allowances (weekly, extra and travel), as well as discounts for undue use, absenteeism, days off, lack of use and proportional vacation, carrying out a new monthly budget distribution for all divisions and making individual adjustments. Vehicle monitoring was seen by the company's managers not only as a fuel management tool, but also as very relevant to track the movement of technicians, to avoid accidents by inhibiting high speeds and to provide support in cases of work-related accidents.

Concerning the impacts from different means of transportation for our employees commuting, we conduct a survey on a regular basis with employees to find out what means of transportation they use in commuting, how far they travel and what kind of fuel they use. The latest survey was taken by 3,062 employees (21% of all active employees

by the end of 2017). The findings allowed us to identify the main profiles and calculate their respective GHG emissions, reported under scope 3 of the GHG Emissions Inventory.

Business travel is also monitored. The increase in kilometers flown between 2016 and 2017 can be explained by the inclusion of Oi Futuro and Serede in the air travel data survey. Oi is committed to promoting the conscious use of this resource in the Company, encouraging the use of videoconference and video presence rooms whenever possible.

AIR TRAVEL (KM)	2016	2017	Δ(%)
SHORT DISTANCE (UP TO 500 KM)	2,935,454	3,699,290	26%
MEDIUM DISTANCE (500 KM TO 3,700 KM)	16,950,655	21,028,237	24%
LONG DISTANCE (OVER 3,700 KM)	3,699,040	2,414,420	-35%

TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS BY TYPE

ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS (R\$)	2016	2017
TREATMENT AND DISPOSAL OF WASTE (FIXED COLLECTION POINTS + DUMPSTERS) ⁽¹⁾	R\$ 1,165,996.25	R\$ 871,200.92
DISPOSAL OF BATTERIES, HANDSETS AND ACCESSORIES COLLECTED AT OI STORES ⁻⁽²⁾		R\$ 69,000 ⁽³⁾
ENVIRONMENTAL LICENSING COSTS	R\$ 732,758.21	R\$ 599,458.37
ISSUANCE OF RADIOMETRIC REPORTS, USED TO MONITOR THE QUALITY OF RADIO SIGNALS, AND PROVE IT TO ANATEL AND GOVERNMENT BODIES IN GENERAL ⁽⁴⁾	R\$ 4,856,000.00	R\$ 3,568,224.97
SOLID WASTE TRANSPORTATION AND STORAGE COSTS	R\$ 301,305.00	R\$ 312,351.91
EXTERNAL ASSURANCE FOR THE GHG INVENTORY	R\$ 19,124.00	R\$ 6,930.00
ENVIRONMENTAL PREVENTION AND MANAGEMENT COSTS ⁻⁽⁵⁾		R\$ 95,361.00
TOTAL	R\$ 7,075,183.46	R\$ 5,522,527.17

⁽¹⁾ The reduction observed in 2017 was due to the garbage collection contractual renewal at Rio de Janeiro branch. At this stage, we made a more accurate analysis of buildings with high employees and third parties movement, integrating them to the new contract and reducing extra payments to the supplier.

⁽²⁾ In 2016, mobile phone accessory, handset and battery waste collected at Oi stores were sent to Oi's logistics supply centers and distribution centers for temporary storage.

⁽³⁾ In 2017, we invested R\$ 69 thousand to purchase 1,000 new boxes to collect batteries, devices and accessories for Oi stores.

⁽⁴⁾ The amount invested in 2017 refers to: 1) R\$ 388,047.85 allocated to issuance of radiometric reports; and 2) R\$ 3,180,177.12, to comply with the conditions required by the regulatory agency (Anatel), as the health risks arising from Base Radio Stations are also parameterized by this agency.

⁽⁵⁾ In 2016, there were no expenses under "Environmental management and prevention costs" due to the temporary suspension of the Building Risk project (Environmental Pillar) in order to align Oi's internal definitions. The project was resumed in 2017, evaluating 17 administrative buildings.

SOCIAL DIMENSION

I. LABOR PRACTICES AND DECENT WORK

G4-LA1

TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION

NEW HIRES	2015	2016	2017
BY GENDER			
MALE	1,161	1,153	1,498
FEMALE	1,336	1,001	1,184
BY AGE GROUP			
UNDER 30	1,358	1,132	1,168
BETWEEN 30 AND 50	1,096	1,005	1,480
OVER 50	43	17	34
BY REGION			
SOUTH	142	193	380
SOUTHEAST	1,299	1,268	1,515
MIDWEST	140	156	230
NORTHEAST	823	444	474
NORTH	93	93	83

TURNOVER RATE (%)	2015	2016	2017
BY GENDER			
MALE	10.9	12.5	9.6
FEMALE	9.2	8.8	7.8
BY AGE GROUP			
UNDER 30	8.1	7.5	6.7
BETWEEN 30 AND 50	10.2	11.4	10.2
OVER 50	1.7	2.4	0.5
BY REGION			
SOUTH	1.9	2.2	2.1
SOUTHEAST	10.9	12.1	9.8
MIDWEST	1.6	1.5	1.4
NORTHEAST	4.7	4.3	3.4
NORTH	1.0	1.1	0.6

NUMBER OF TERMINATIONS	2015	2016	2017
BY GENDER			
MALE	2,514	2,637	1,284
FEMALE	1,758	1,654	1,081
BY AGE GROUP			
UNDER 30	1,388	1,135	768
BETWEEN 30 AND 50	2,345	2,441	1,474
OVER 50	539	715	123
BY REGION			
SOUTH	499	477	243
SOUTHEAST	2,374	2,403	1,342
MIDWEST	393	308	177
NORTHEAST	764	868	514
NORTH	242	235	89

G4-LA2

BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES, BY SIGNIFICANT LOCATIONS OF OPERATION

We offer all employees food/meal vouchers, transit passes, life insurance, health plan, dental plan, maternity/paternity leave and private pension plan, through the possibility of joining the voluntary plan – with variable contributions –, which offers retirement pensions, as well as illness and death benefits.

G4-LA4

MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES, INCLUDING WHETHER THESE ARE SPECIFIED IN COLLECTIVE AGREEMENTS

There are no such periods, but Oi's employees, as well as their representatives and union, are duly notified of any significant operational changes.

G4-LA12

COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP AND OTHER INDICATORS OF DIVERSITY

AGE GROUP DIVERSITY OF LEVEL OF STAFF (%)	2015			2016			2017		
	UNDER 30	30 TO 50	OVER 50	UNDER 30	30 TO 50	OVER 50	UNDER 30	30 TO 50	OVER 50
EXECUTIVE BOARD	0.0	72.0	28.0	0.0	0.5	0.1	0.0	0.5	0.1
MANAGERS	1.0	85.0	14.0	0.0	4.7	0.7	0.02	4.7	0.8
SUPERVISORS/ COORDINATORS	25.0	64.0	10.0	1.4	4.1	0.6	0.7	5.2	0.2
STAFF	22.0	63.0	15.0	18.4	56.9	12.5	16.4	58.7	12.6
TOTAL	21.0	64.0	15.0	19.9	66.2	13.9	17.1	69.1	13.8

GENDER DIVERSITY BY LEVEL OF STAFF (AS A % OF TOTAL STAFF)	2015		2016		2017	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
EXECUTIVE BOARD	0.6	0.1	0.6	0.1	0.6	0.1
MANAGERS	3.9	1.5	3.8	1.6	3.9	1.6
SUPERVISORS/COORDINATORS	3.5	2.0	3.8	2.3	2.8	3.3
STAFF	55.6	32.9	54.4	33.4	55.3	32.4
TOTAL	63.6	36.4	62.6	37.4	62.6	37.4

G4-LA13

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN BY EMPLOYEE CATEGORY AND RELEVANT OPERATING UNITS

Our guidelines for establishing salaries and positions do not allow gender discrimination. The differences in average salaries between men and women are explained by different professional development levels and length of service. In 2017, there was a reversal in the Executive Board category and women started to have a higher average than men.

AVERAGE COMPENSATION BY EMPLOYEE CATEGORY (R\$) IN 2017	MALE	FEMALE	RATIO F/M (%)
EXECUTIVE BOARD	40,194.52	41,733.3	104%
MANAGERS	15,170.30	14,351.38	95%
SUPERVISORS/COORDINATORS	5,718.72	4,423.75	77%
STAFF	3,939.90	3,782.04	96%

II. HUMAN RIGHTS

G4-HR2

TOTAL HOURS OF EMPLOYEE TRAINING ON HUMAN RIGHTS POLICIES OR PROCEDURES CONCERNING ASPECTS OF HUMAN RIGHTS THAT ARE RELEVANT TO OPERATIONS, INCLUDING THE PERCENTAGE OF EMPLOYEES TRAINED

In 2017, we continued our ethics and anti-corruption training programs. We held several, two-hour in average, face-to-face training sessions to over 553 employees from different areas of the Company. We updated our online training program, allowing 407 employees to learn more about the topic, totaling 597 hours. It is important to mention that, since its launch, distance-learning training has already benefited 9,437 employees and a reviewed content will be available in 2018.

G4-HR4

OPERATIONS AND SUPPLIERS IDENTIFIED IN WHICH THE RIGHT TO EXERCISE FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE VIOLATED OR AT SIGNIFICANT RISK, AND MEASURES TAKEN TO SUPPORT THESE RIGHTS

We guarantee our employees' right of association, which is at risk in none of our operations. All employees are covered by collective agreements, which contain clauses concerned with working hours, occupational health & safety, benefits and profit sharing. All collective bargaining agreements are duly entered into with the respective unions and filed with the Ministry of Labor Mediation System.

G4-HR5

OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR, AND MEASURES TAKEN TO CONTRIBUTE TO THE EFFECTIVE ABOLITION OF CHILD LABOR

G4-HR6

OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOR, AND MEASURES TO CONTRIBUTE TO THE ELIMINATION OF ALL FORMS OF FORCED OR COMPULSORY LABOR

We do not accept child, forced or compulsory labor, and all our supplier contracts provide for the duty and commitment to curb such practices. In addition, we audit suppliers critical to our business regularly to check for compliance with those legal and contractual requirements.

G4-HR8

TOTAL NUMBER OF INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLES AND ACTIONS TAKEN

We have not received a decision on the violation involving rights of indigenous people in 2017.

III. RESPONSIBILITY FOR THE PRODUCT

G4-PR4

TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING, BY TYPE OF OUTCOMES

We had no incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling whose generating event occurred in 2017.

However, procedures were initiated prior to 2017, specifically related to undue billing and violation of users' rights. They refer to 33 lawsuits, with ruling in the lower court in 2017, with a fine of approximately R\$ 113 million. It is worth mentioning that these lawsuits are part of Oi's judicial recovery and will be solved in the criteria defined in the Plan.

IV. SOCIETY

G4-S04

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

We invested in training programs, updating the e-learning program on integrity and holding several face-to-face training courses for employees and executives of areas that interact with third parties and government officials. We incorporated into our Training Plan, a monthly training program on compliance and sustainability, aiming at the training of our ethical agents.

In 2017, our Integrity Program received a new designation, now called the Compliance Program. The initiative comprises necessary actions to promote ethics management, as well as to prevent, detect and interrupt acts of fraud and corruption, also incorporated practices related to processes, risks and internal controls management.

Oi's Compliance Program is focused on enhancing governance levels, in line with the Company's priorities and supporting the business transformation process. We have the full support of senior management, imparting to all employees the importance of complying with the Code of Ethics, the Anti-Corruption Policy and corporate policies, as well as acting with integrity in all day-to-day activities.

In 2017, we have increased a number of preventive controls and monitoring routines in order to ensure the program's effectiveness, including actions associated with supplier due diligence and the identification of politically exposed persons. We drew up and published the Compliance Manual, document that details the Compliance function at Oi, its pillars of action, the main policies and other aspects associated with the subject.

G4-S07

TOTAL NUMBER OF LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTI-TRUST, AND MONOPOLY PRACTICES AND THEIR OUTCOMES

In 2017, no legal actions were filed against the Company related to this indicator.