



Hapvida 2021  
**Sustainability**  
report



# Summary

## **Presentation**

### **The Hapvida System**

### **Governance and integrity**

### **Operation and performance**

### **Focus on the client**

### **Care for the team**

### **Socio-environmental management**

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## Preface

### A new chapter of our history is being written

Two leading Brazilian companies in supplementary health care, Sistema Hapvida and Grupo NotreDame Intermédica (GNDI) completed their merger in early 2022, a move that strengthens the sector in the country and democratizes access to quality medical and hospital services. The company resulting from this union represents the most extensive supplemental health care system in Brazil and Latin America, with about 15 million beneficiaries and more than 68 thousand employees.

The two companies have a long history in medical care and are consolidated as a national reference, continuously seeking to promote the best medical care in an accessible and affordable way. Approval for the merger between the companies took place in two stages: in June 2021 by the National Supplementary Health Care Agency (ANS), and in December 2021 by the Administrative Council for Economic Defense (Cade).

With market presence throughout Brazil, the Hapvida system began in Fortaleza, in 1979, when the oncologist Candido Pinheiro De Lima inaugurated the Antonio Prudente Hospital, one of the most modern medical centers in the city. The project came about in 1993, when Canido created the medical service provider Hapvida Health. From then on, the service provider began its expansion throughout the national territory. The company was one of the first in the supplementary health care sector to hold an IPO in Brazil in April 2018.

The Grupo NotreDame Intermédica (GNDI) was founded in 1968. The company is a pioneer in preventive medicine, a field it has been operating in since 1982 through the promotion of programs that offer integrated health care and dentistry to both business and individual clients. The company also went public in 2018, a milestone that further boosted its investment capacity.

Similar in their management philosophy, the two companies provide a wide range of products, hospital structures, and health care solutions with geographical complementarity. Both embody the values that they believe are fundamental to mental health for the provision of quality health care services to a wide range of people. The merger of the two companies allows full integration of this model of health care into Brazil, for which continued growth is the greatest challenge. We continue to focus on the sustainability of our business and on the goal of becoming a reference in this sector. Based on the experience of both companies, whenever there is a business integration, improvements and synergies are discovered that add value to employees, clients, patients, and shareholders.

We are very excited about this new moment in the history of GNDI and Hapvida and look forward to what is to come. We can say with full conviction that what brought us here was the work and commitment of our teams. We want to make this journey a great opportunity for growth, experience, and discovery.



# Message from Management

[GRI 102-14]

We ended 2021 more resilient and hopeful than ever after the second year of the greatest health crisis in recent history, which demanded from the Hapvida system — and all of society — what seemed impossible: even greater effort than expended in 2020. In parallel to the fight against the pandemic, we worked tirelessly to resume elective health care services and procedures that had been suspended the previous year. Thanks to the continuous work of our employees and professional partners, we remain firm in dealing with Covid-19, sparing no resources or efforts to preserve lives, families, and stories — all the while seeking to provide, even in the most difficult cases, all the comfort and caring possible.

We resized our service network, opened thousands of new hospital beds in more critical periods, such as the one in early 2021, and invested 349 million in medicines, inputs, and personal protective equipment. On another front, we developed an effective engineering and logistics project, directly related to one of the central pillars of our company: innovation. With internally developed technologies, we began providing access to quality health care for more people in all the regions of the country.

At the end of the year, at a time when we were observing with optimism the sharp decrease in the number of hospitalizations, we had to face the third wave of the pandemic caused by the Omicron variant and an influenza epidemic — which substantially increased the demand for emergency care in our units, as well as telemedicine appointments. Thus, the challenges

inherent to the pandemic were overcome, one by one, demonstrating the solidity of our system and the assertiveness of the corporate strategy that we have executed in recent years.

Part of this strategy is the successful business combination between Hapvida and Grupo NotreDame Intermédica GNDI, an operation that marks a milestone in the history not only of the company but also in supplemental health care in Brazil, as a direct reflection of our resilience. As a result of this union, we have now formed the largest supplementary health care system in the country and in Latin America, with about 15 million beneficiaries and more than a thousand employees.

Similar in their management philosophy, the two companies complement each other geographically and a wide range of products, medical infrastructure, and health care facilities. Both embody values that we believe are fundamental for the provision of quality health care service for so many people. In addition, we ended 2021 hitting the mark of 7.5 million beneficiaries, with 4.3 million covered by medical insurance plans and 3.2 million by dental insurance plans. In 2021, we welcomed 534 thousand health care clients and 192 thousand dentistry clients through the company's organic growth and from the acquisitions completed in 2020.

The financial results were also significant. Our annual net revenue reached 9.9 billion in 2021, a growth of 15.5% compared to 2020. We maintained a strong pace of expansion and remained committed to increasing

our own service network and qualifying our operations. Investments in our physical infrastructure totaled more than 5.4 million, with 13 thousand square meters built or renovated. We ended the year with 41 healthcare units among hospitals, emergency care units, healthcare clinics, and diagnostic units.

We also accelerated our acquisitions with the purchase of the Dia Cetro Hospital in Lagoinhas, the Madrecor Hospital in Uberlandia MG, the Iventi hospital in Brasilia, DF, and the Hospital Maternidade Octaviano Neves, in Belo Horizonte MG. In line with our inorganic expansion strategy, we finalized the acquisition of Grupo H Saúde, composed of a vertical operator with about 12 thousand beneficiaries in the interior of Sao Paulo. The purchase contract was signed for Grupo H Saúde, a health insurance company with about 0 thousand benefits located in Lagoas, Paraiba, and Distrito Federal.

The last stage of the integration of the Grupo São Francisco was finalized, with all units incorporated and integrated. In parallel, we moved forward with integrating the newly acquired assets, such as the incorporation of the insurance operations and health care units of the Grupo Medical and Grupo São José less than one year after purchasing them. We remain focused on the systematization of these assets so that they become regional platforms and the number of beneficiaries continually grows.

***"As a result of this union, we have now formed the largest supplementary health care system in the country and in Latin America, with about 15 million beneficiaries and more than a 68 thousand employees."***

Throughout 2021, we raised R\$ 5.5 billion, which was divided into two operations to continue our plans for expansion. Both operations were successfully concluded, with the highest possible investment rating (AAA), according to the credit rating agency Fitch Ratings.

To support growth, our management structure continued to evolve towards best practices. As a reflection of our commitment to the subject, we created the Integrity and Compliance Board, linked to the Vice-Presidency of Corporate Affairs. The new structure seeks to align these themes — as they are essential to ethical conduct — with the different areas and particularities of our business to identify risks to the integrity of the company in a more agile way.

Throughout the year, we worked intensively on the restructuring of our governance mechanisms, creating four advisory committees to the Board of Directors, which, in addition to the other five, act strategically to assist in company decision-making. Strengthening Hapvida's commitment to safe and quality medicine, the Quality Assistance Committee was created in order to improve the healthcare and treatment model applied by the system, keeping the focus on the patient. In addition, they have been in charge of advising our Board of Directors, as well as the committees of Strategic Projects, Integrations and Strategy, Marketing, and Branding.

On this journey, we concluded the structuring of the company's Sustainability Department, defining the priority actions for the sustainable growth of the Hapvida

system. For that purpose, we consolidated our ASG (environmental, social and governance) strategy, based on an extensive diagnosis and subsequent planning. As a result, one ASG goal for Hapvida was defined as follows: “to influence society and the environment, promoting greater access to quality health care services through technology and innovation”. This vision reinforces the company system's premises in relation to business sustainability and meets our purpose to ensure access to quality health care for our people.

We understand that the sustainable development of society involves providing an increasing number of people with adequate conditions to prevent and treat diseases. Unfortunately, in our country, 75.5% of the population does not have access to supplemental health care — a desire that the difficulties brought on by the pandemic have exacerbated even more. This is precisely the scenario that worries us daily, and which drives us to mobilize the system to lead the change.

This kind of protagonism is only possible by the sheer dedication, courage, and commitment of each of the over 39 thousand professionals that make up Hapvida's outstanding team. To them, we owe all our recognition. And to the other publics who walk beside us — clients, investors, suppliers, communities and so many other partners — thank you for supporting what we do. We are certain that the continuity of our journey will be full of insights and shared value.

**Dr. Jorge Pinheiro**  
Chief Executive Officer





# The Hapvida **System**

## Corporate Profile

[GRI 102-1; 102-2; 102-3; 102-4; 102-5; 102-6; 102-7]

Consolidated as one of the largest group providers of supplementary health care and dentistry in the country in terms of the number of beneficiaries, the Hapvida system has about 7.4 million clients in all regions of Brazil. Hapvida was founded in 1979 in the city of Fortaleza (CE) — the location of the company’s headquarters — with only one health clinic, and today has a health care structure of 49 hospitals distributed throughout the country.

Following the trend of expansion and acquisition of large national health care operators of recent years, 2021 was marked by new transactions, mainly in the southeast, along with investments in infrastructure and the acquisition of equipment, materials, and medicines to cope with the Covid-19 pandemic, which continued to require the tremendous dedication of the entire system.

The company operates its own network of hospitals, emergency rooms, clinics, and diagnostic centers with imaging and laboratory collection facilities. All this infrastructure mainly meets the demands of the beneficiaries of Hapvida health care insurance plans.

### Service structure (as of 12/31/21)

Region	Hospital	Emergency Care Units	Clinics	Diagnostic centers	Total
North	6	3	17	20	46
Northeast	23	15	79	75	192
Midwest	4	6	32	20	62
Southeast	15	25	75	61	176
South	1	0	2	2	5
<b>Total</b>	<b>49</b>	<b>49</b>	<b>205</b>	<b>178</b>	<b>481</b>



**Our locations** (as of 12/31/2021)

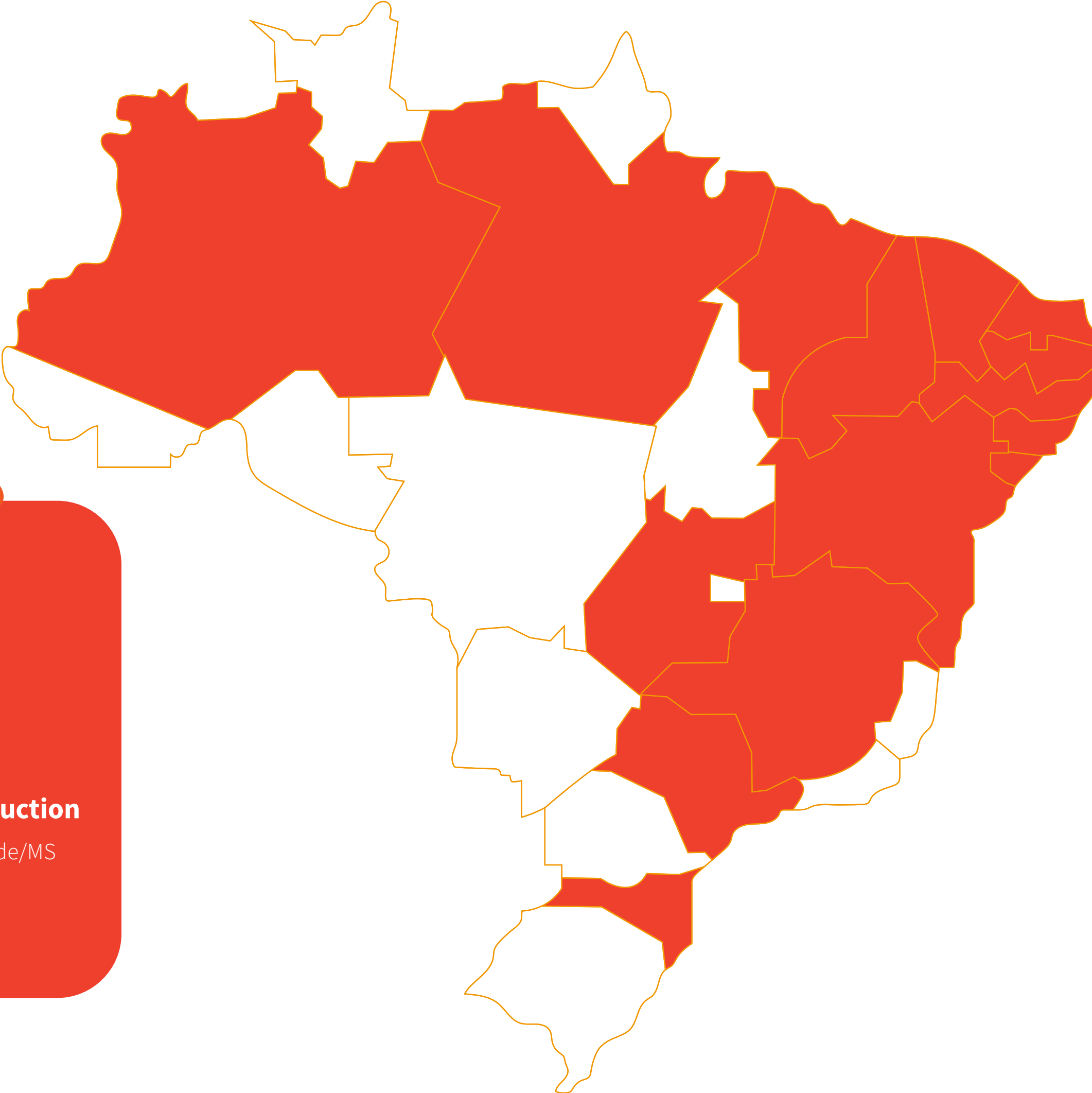


Click on the states learn more about our structure

- ALAGOAS
- AMAZONAS
- BAHIA
- CEARÁ
- GOIÁS
- MARANHÃO
- MINAS GERAIS
- PARÁ
- PARAÍBA
- PERNAMBUCO
- PIAUÍ
- RIO GRANDE DO NORTE
- SANTA CATARINA
- SERGIPE
- SÃO PAULO

**49 hospitals**  
**3,028 hospital beds**  
**205 clinics**  
**49 Emergency Care Units**  
**178 diagnostic centers**  
**+ 6 hospitals under construction**

- 1. Anápolis/GO
- 2. Bauru/SP
- 3. Brasília/DF
- 4. Campo Grande/MS
- 5. Recife/PE
- 6. Manaus/AM





## Coping with the pandemic

The start of vaccination against Covid-19 in the country in January 2021 was an important step toward coping with the pandemic. As this process took place gradually throughout the year — with a large increase in the number of cases registered in the first half — Hapvida did not measure efforts in the management of different preventive and palliative actions to provide care to the contaminated beneficiaries, reaching the mark of 28 thousand recovered in its health care network. These actions, coordinated by a multidisciplinary crisis committee, included investments, reallocation of supplies and teams, in addition to the systematic evaluation of the necessary measures to offer the most appropriate assistance in each scenario. Support for beneficiaries includes a call center specific to the pandemic scenario, which has doctors, nurses, and a chatbot available 24 hours a day.



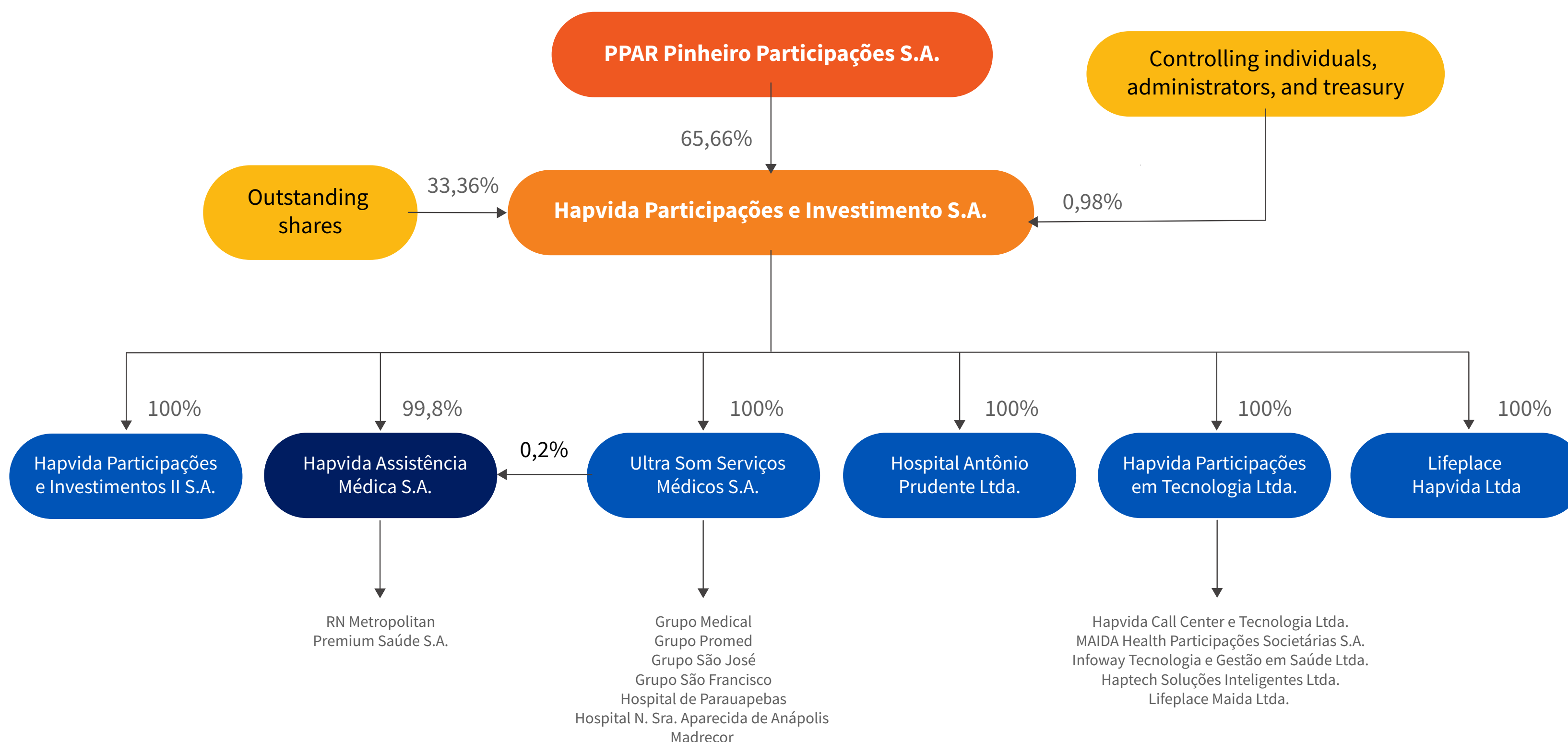
## Featured actions: fighting Covid-19

- Investment of **R\$ 349.1 million** in PPE, inputs, and equipment.
- **100 thousand** teleconsultations and chatbot client support sessions.
- **Opening of hospital beds** according to local needs.
- **Hiring professionals** for reinforcement during the pandemic.
- **Daily monitoring** of the scenario and risks by the Crisis Commission.
- **Evolutionary medical protocol** for the treatment of Covid-19 with specific medical board.
- **Sending professionals and inputs** to the most affected regions through chartered aircraft.
- **Dissemination of Hapvida News**, a daily newsletter published on our different social network channels, presenting the evolution of cases treated in the Hapvida system, such as the number of hospitalizations, confirmed and suspected cases, and deaths registered.
- In 2020, **Maida Health**, a Hapvida company, launched and made available to the entire Brazilian health care system **a software program based on artificial intelligence** that performs screening of cases of patients suspected of Covid-19 based on X-ray images and chest computed tomography.



# Corporate structure

A Hapvida Participações e Investimentos S.A. is a publicly traded holding company, with shares traded in the special listing segment B3 New Market since 2018, under the ticker HAPV3. The company ended 2021 with 3,891,569,750 shares, with 33.36% of this total corresponding to outstanding shares and 65.66% belonging to its majority shareholder, PPAR Pinheiro Participações S.A.



## Shareholding Composition (31/12/2021)

Shareholders	Shares	Percentage of total
PPAR Pinheiro Participações S.A.	2,555,329,620	65,663%
Controlling individuals	8,224,660	0,211%
Related Individuals	6,424,650	0,165%
Directors and Board Members	15,000	0,000%
Treasury	23,180,980	0,596%
Outstanding shares	1,298,394,840	33,364%
<b>Total</b>	<b>3,891,569,750</b>	<b>100%</b>

# Operating segments

[GRI 102-2]

## Health care insurance plans

Hapvida offers two categories of insurance plans: individual/family and group. Among the group plans, those of the corporate modality, designed for companies with at least 100 employees, are the most sought after.

A specialized team of commercial managers is responsible for the relationship with partners and representatives. These managers have sales targets for individual/family plans, group plans via membership, and corporate plans for companies, because based on the company's experience, there is a profile similarity between these types of clients.

In addition, the network of Hapvida sales representatives is formed by brokers and commercial representatives. In order to stimulate sales in this group, the company adopts a certification policy for representatives based on performance. Another team has the task of gaining new clients among family members, neighbors, and friends of our current beneficiaries in order to extend service within their relationship circles.

The Client Relations Team is in charge of customer loyalty and acts in the after-sales period to ensure that the demands of the beneficiaries are met.

## Dental insurance plans

Dental coverage covers all states of the country. However, due to the lower complexity of the procedures and the wide service range of professionals, Hapvida operates differently: exclusively through an accredited network, a position that enables a value chain between the company, the beneficiary, and the dentists.

Accreditation of professionals is carried out on the basis of the sufficiency conditions of the network. To assist this process intelligently, the company uses software with georeferencing technology through which it is possible to identify the availability of dental schedules in regard to the demand of Hapvida beneficiaries.

As with medical appointments, the dental insurance plans are marketed by teams focused on retail and corporate areas, through the performance of independent brokers and sales representatives, as well as through alternative sales channels conducted by partners.

**Among the collective plans, those of the corporate modality, directed to companies with at least 100 employees, are the most representative.**



# Verticalization

Hapvida's culture values operational excellence, cost control, innovation, and, above all, quality care. The efforts in the search for new solutions through several ongoing initiatives are aimed at increasing the efficiency of operations and improving the client's perception of the quality of the services provided.



Click on the numbers to learn more about the verticalization model



## Verticalization in numbers

In the vertical and integrated business model, the concern taken with user experience begins with the sale of the plan and follows through to the realization of a highly complex procedure. Thus, Hapvida accompanies the client's journey from start to finish through its system, which allows the analysis and centralized control of all procedures.

In 2021 Hapvida recorded an average stay of 4.14 days of hospitalization among beneficiaries.

### % of procedures performed within the Hapvida

<b>Hospitalizations</b>	95,07%
<b>Appointments</b>	85,25%
<b>Exams and treatments<sup>1</sup></b>	80,39%

<sup>1</sup>The result includes the volumes of treatment, according to the Auxiliary Diagnostic and Treatment Service (SADT).

### Hospitalization time (in days)<sup>2</sup>

Month	Average
January	3.95
February	4.12
March	4.99
April	5.30
May	4.71
June	4.45
July	3.85
August	3.68
September	3.59
October	3.70
November	3.56
December	3.72
<b>Annual Average</b>	4.14

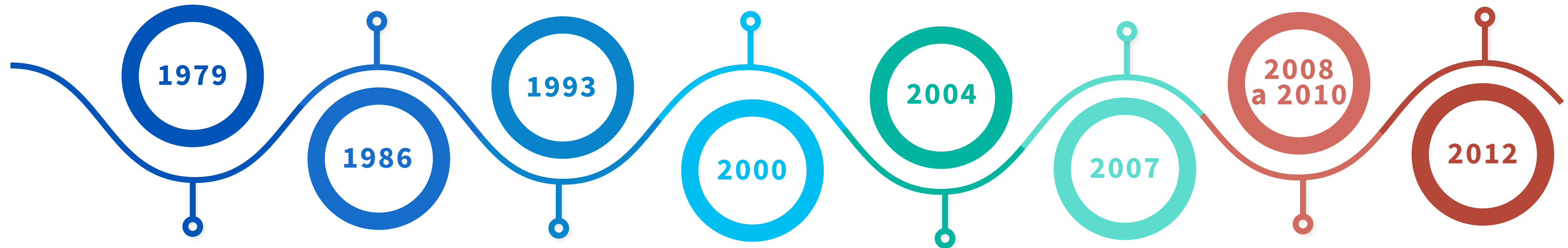
<sup>2</sup>The increase in hospitalization days in the period between February and June 2021 is due to the large growth in the number of patients infected by Covid 19 in the country.

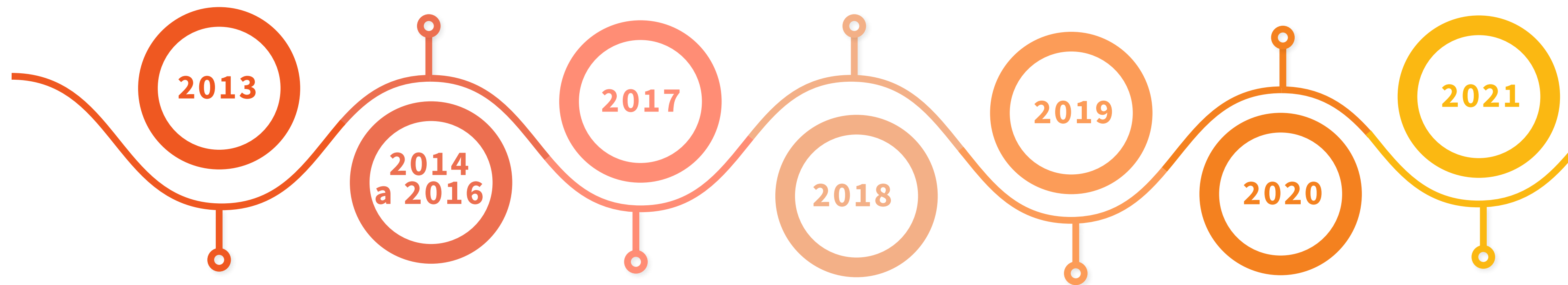


# Timeline



Click on the years and learn [more about Hapvida's history](#)







## Business model

[GRI 102-2; 102-6; 102-10]

Hapvida's business model focuses on the capillarity and control of equipment and inputs essential to providing excellent service to the beneficiaries. The SSE model is anchored in the verticalization of the business and, therefore, differs from that adopted by most health care operators in Brazil.

In this sense, in 2021 the company announced the business merger with the Grupo Notre Dame Intermédica -- an acquisition that was completed in 2022 (see more on Page 19) -- and continued the company's expansion and consolidation movement, especially in the Southeast region, through the purchase of five other organizations already established in the Brazilian private health care market.

The verticalization strategy is also reflected in the acquisitions made in previous years, effectively integrating into the Hapvida system in 2021 the following networks: São Francisco, São Jose, and Medical -- all of which posed a great challenge in the face of the resurgence of the Covid-19 pandemic. The following is a list of the acquisitions and contracts entered into over the past year:

### Southeast

#### Minas Gerais

##### Hospital Madrecor

In September, Hapvida announced the R\$ 120-million purchase of Hospital Madrecor, Uberlândia (MG). With, two thousand square meters of built area and 11 operating beds, of which 20 are ICU beds, the hospital was founded in 200 in one of the largest cities of the Minas Gerais Triangle, encompassing other healthcare-provider cities of the region such as Uberaba, Araxá, Ituiutaba, Frutal, Patos de Minas and Patrocínio, totaling a population of 1.7 million people. Before the acquisition, Hapvida already had 70 thousand clients in the region.

##### Hospital Octaviano Neves

Continuing the expansion in the state of Minas Gerais, with a greater focus on the capital, the purchase of Hospital Octaviano Neves was announced in November. Valued at R\$ 134 million for the purchase of 100% of the shares, Hapvida acquired 73% of them at this initial moment. Founded in Belo Horizonte in 1964, the hospital has 7.9 thousand square meters of built area and 16 operating beds, including 4 ICU beds. Hapvida already has 320 thousand beneficiaries in the Metropolitan Region of the capital of Minas Gerais.

#### Sao Paulo

##### HB Saúde

In September, the purchase was announced of 9% of the Grupo HB Saúde of Sao Jose do Rio Preto (SP) in the amount of R\$ 33, million. The group, which presented an annual turnover of R\$ 310 million in 2020, is composed of the health care operator of the same name, as well as Hospital HBS Mirassol, eight outpatient units, a pediatric clinic, clinical and diagnostic centers, preventive medicine and occupational medicine clinics, and cancer treatment centers. The health care region that also encompasses Sao Jose do Rio Preto, Barretos, Fernandópolis, Votuporanga, Catanduva, Aracatuba and Três Lagoas has a population of 3 million inhabitants, where Hapvida already has 70 thousand beneficiaries of its health care insurance plans.

***In 2021, the company announced a Business merger with the Grupo NotreDame Intermédica, which was completed in 2022 followed by expansions and consolidations, especially in the Southeast region.***



## Northeast

### Bahia

#### Hospital Dia Cetro

The Hapvida system announced the purchase of 100% of the Centro Especializado em Traumatologia, Reabilitação e Ortopedia Ltda. (Hospital Dia Cetro), located in Alagoinhas (BA). The purchase price, which includes the property of 2 thousand square meters of built area, was R\$ 25 million. The hospital has 12 active hospital beds and capacity for up to 16 hospital beds, in addition to ten medical consultation offices, two emergency care units, and two operating rooms. The company will make investments in the expansion and modernization of the infrastructure and upgrading of machinery and equipment throughout 2022. The acquisition of Hospital Dia Cetro will verticalize the hospital care of the existing portfolio in Alagoinhas of about seven thousand beneficiaries, rivers, as well as sustain Hapvida's plan for organic growth in the region for the short term.



## Midwest

### Distrito Federal

#### Hospital Viventi

The purchase of Viventi Hospital located in Brasilia (DF) for R\$ 22 million was announced in October 2021. In addition to the right of use of the Hospital, which is in the noble Asa Sul region of the country's capital, Hapvida also acquired the physical structure of 6.6 thousand square meters of built area for the value of R \$ 200 million. It includes 114 operational beds, one surgery ward, chemotherapy and hemodynamic services, as well as a diagnostic unit — all located in a very populous region of the country, where the company already has 21 thousand health healthcare insurance plan beneficiaries.



## Grupo NotreDame Intermédica - GNDI

In 2022, Hapvida concluded the business merger with the Grupo NotreDame Intermédica (GNDI), which began in 2021, representing the steady pace in the expansion and qualification of the company's operations. In essence, the transaction — approved in December by the Administrative Council for Economic Defense (Cade) — was an exchange of shares between the two companies, verticalized by a governance agreement. The market value of the two companies at the time of the announcement of the business merger reached R\$130 billion. In the combined group, about 53.6% of the shares were retained by Hapvida shareholders, while NotreDame Intermédica shareholders received about 46.4%.

With complementary geographic coverage, the union of Hapvida and Intermédica enabled the creation of a national giant and effectively made them market leaders in the Brazilian market of medical insurance. The merger is an important step towards increasing the company's capillarity in previously unexplored regions and markets and has the potential to reduce claims, improve the best practices of the two companies, and leverage the company's own network with the provision of medical and hospital services to third parties.

After approval by Cade, the National Supplementary Health Care Agency (ANS) and verification of all other suspensive conditions, the operation was completed and consummated on February 11, 2022 in an act subsequent to the period reported in this report.





## Strategy and competitiveness

[GRI 102-16]

The strategy of the Hapvida system focuses on offering highly qualified medical-dental care to the population, with the greatest possible capillarity, and is aligned with the goal of "ensuring access to quality health care for our people". To this end, the company develops products and services with affordable values and broad coverage, investing heavily in preventive medicine, technology, and innovation.



### Competitive advantages

#### Own network and capillarity

The Hapvida system has an exclusive network that allows full control and real-time analysis of operations, which enables it to accompany the progress of each service offered by the company to each beneficiary. In this way, the company consolidates its purpose of ensuring access to quality health care to as many people as possible.

To ensure the effectiveness of this exclusive and wide network, Hapvida distributes the locations of its units among several neighborhoods in the cities in which the system is present, which facilitates access to public transport and client service. In the capital cities of greater geographical and demographic dimension, the company prioritizes the operation of units in peripheral regions, in order to prevent beneficiaries from traveling long distances to receive assistance. The clinics, diagnostic imaging and emergency care units, as well as laboratory collection stations also possess the capillarity to welcome patients with quality and efficiency.



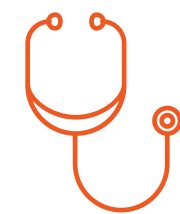
**OUR OWN NETWORK OF HOSPITALS, CLINICS AND DIAGNOSTIC CENTERS**  
 Providing quality services at efficient costs, within its own service network, avoiding waste and fraud.



**PREVENTIVE AND PREDICTIVE MEDICINE**  
 Providing care through health prevention programs to ensure more quality of life and well-being.



**OUR OWN DIGITAL PLATFORMS**  
 Ensuring full control of information and process management.



**STANDARDIZATION**  
 Standardization of the provision of care to beneficiaries in emergency care units.



**DOCTORS ENCOURAGED CORRECTLY**  
 Medical teams focused on the quality of service and aligned with the purpose of the company.



**STRATEGIC LOCATIONS**  
 Intelligent and competitive distribution of service units thanks to our robust geographical expansion.

**Complementary business: Resgate**

Following the vertical and integrated operation model of Hapvida, Resgate is right beside Maida (the system's health-tech — see more on Page 56) on the company's list of complementary businesses. Resgate is a national leader in highway emergency ambulances, responsible for pre-hospital care and the management of the system's ambulance fleet. Check out the highlights of Resgate below:

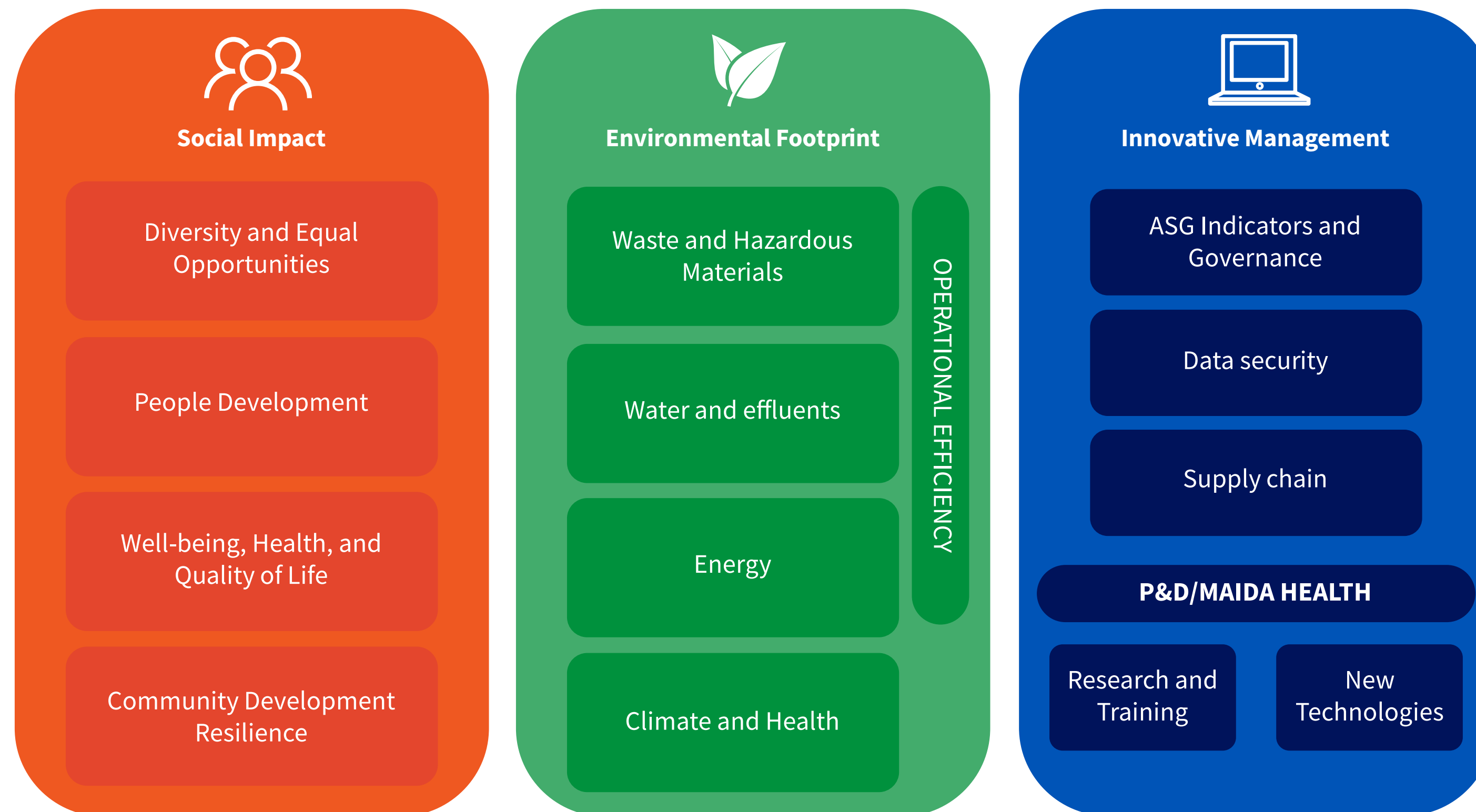
- **+ 3,000 employees**
- **Pioneer in the creation of the Medical Regulation Center**
- **41% of market share in emergency highway rescue**
- **200 support bases**
- **Fleet of 300 ambulances**
- **Presence in seven states**



## ASG strategy

Hapvida's ASG strategy underwent a consolidation process in 2021 and is aligned with good sustainability practices and guided by respect for environmental legislation, human rights, and ethical and transparent business conduct. The most important step in this direction was the effective performance of the Governance, People and Sustainability Committee, which has the function of supporting the Board of Directors in accelerating the process of incorporating ASG aspects into the company's business strategy.

To establish the priority actions for the sustainable growth of the system, the committee monitored on a monthly basis the advances in the stages of strategic planning and structuring of the area — a process that had the help of a consulting firm throughout 2021. As a result of this planning and diagnosis, a vision was defined for Hapvida: "to influence society and the environment by expanding access to quality health care services through technology and innovation". This vision reinforces the system's premises in the three areas of sustainability — environmental, social and governance — and summarizes the company's ASG strategy, which, at the end of strategic planning, was structured thusly:



Among the company's main fronts for promoting sustainable practices, in 2021, initiatives focused on diversity and inclusion stand out. Learn more in the chapter Caring for the Team (page 57). Regarding environmental aspects, Hapvida was committed to improving the waste management of hospital units in the system, with emphasis on training and qualifications for the use of the National Information System on Solid Waste Management, in addition to promoting the culture of sustainability through environmental projects and actions such as the elimination of the use of plastic cups in administrative units. Check out the data and more information on advances in the chapter on Socio-Environmental Management (page 72).

### Sustainable Development Goals and alignment with the 2030 Agenda

The Sustainable Development Goals (SDGs) represent the international action plan for “people, the planet, and well-being” defined by the 2030 Agenda for Sustainable Development, adopted by all United Nations member states in 2015. The 17 SDGs are a call to the urgent need for action for all countries to act in partnership for a better world. Aware of its potential to multiply good practices and thus contribute to advancements in the agenda in Brazil, Hapvida's SGA strategy integrates goals related to the SDGs. The company's first public commitment in this regard was the company's membership in UN Women, which has gender equality (SDG 5) as its main focus. Other important accessions were made by the system in this direction: the commitment made to the LGBTQIA+ Business and Rights Forum and to the Corporate Social Inclusion Network (REIS) — which together positively impact SDGs 10, 11, and 12. In January 2021, Hapvida entered FTSE4Good's ranking of emerging markets. The index of the Financial Times Stock Exchange Russell Group (FTSE) — a British company that is part of the London Stock Exchange Group – analyzes the environmental, social, and governance performances of publicly traded companies around the world.



# Governance and **integrity**





## Governance structure

[GRI 102-18]

Hapvida is part of the B3 Novo Mercado, a special listing segment of the stock exchange that requires adherence to corporate governance standards higher than those required by current regulations. Therefore, the company is committed to maintaining practices that reflect its commitment to transparency, equity, the provision of financial statements, integrity, ethics, and corporate and socio-environmental responsibility.

### Board of Directors

The Board of Directors takes care of the return of the investment of Hapvida shareholders and is responsible for preserving the company's values, in addition to supervising compliance to the strategic guidelines of the business. Thus, it validates strategic planning and corporate decisions according to the interests of the organization, taking into account economic, social, environmental, and corporate governance factors.

At the end of 2021, the Board of Directors was composed of seven members, of whom five were external, with no participation in the executive management of the company, in addition to two independent members, representatives of minority shareholders. Throughout the year, the Board held 12 ordinary meetings, with no absence of board members, and six extraordinary meetings, with seven absences. See detailed information about the meetings in Attachment 1 of this report.

### Board of Directors

(as of 12/31/21)

#### Candido Pinheiro Koren de Lima

Chairman of the Board of Directors

#### Jorge Fontoura Pinheiro Koren de Lima

Member

#### Candido Pinheiro Koren de Lima Junior

Member

#### Lício Tavares Ângelo Cintra

Member

#### Geraldo Luciano Mattos Júnior

Member

#### Márcio Luiz Simões Utsch

Independent Member

#### Igor Xavier Correia Lima

Independent Member

*The board of directors ensures the return on investments of Hapvida's shareholders and is responsible for preserving the Company's values.*

## Advisory Committees

To advise the Board of Directors, nine multidisciplinary committees hold meetings and address strategic issues for the company's decisions. In 2021, the committees of Strategic Projects, Integrations, Care Quality, and Strategy, Marketing and Branding assisted the Board of Directors in the integration of acquired businesses, in the development of new projects, in the search for excellence in providing service to the beneficiaries, as well as in the branding of the company in light of its different stakeholders -- all crucial themes for this moment of expansion of Hapvida. Next, we report on the active committees at the end of the year, as well as the number of meetings held by each throughout 2021 (see detailed information on the meetings in Attachment 1).

- **Audit, Risk and Compliance Committee**

- 12 ordinary meetings — 8 more meetings than that provided for in the bylaws.

- **Finance and Capital Markets Committee**

- 12 regular meetings.

- **Governance, People and Sustainability Committee**

- 11 ordinary meetings and 1 extraordinary — 5 ordinary meetings more than that provided for in the bylaws.

- **Mergers and Acquisitions Committee**

- 7 ordinary and 3 extraordinary meetings — 1 ordinary meeting more than that provided for in the bylaws.

- **Novation, Transformation, and Operational Excellence Committee**

- 10 ordinary meetings, 4 more than that provided for in the bylaws.

- **Care Quality Committee (created in June)**

- 6 ordinary meetings and 1 extraordinary.

- **Strategic Projects Committee**

- 12 ordinary meetings.

- **Strategy, Marketing and Branding Committee**

- 11 ordinary and 2 extraordinary meetings.

- **Integration Committee**

- 11 ordinary and 11 extraordinary meetings.

See detailed information on committee meetings in 2021 in Attachment 1 of this report.

## Executive Board

Based on the guidelines of the Board of Directors, the Executive Board is assigned to conduct the execution of the corporate strategy, ensuring the proper management of risks and opportunities in all dimensions of the business. In the company's administrative structure — which underwent a reformulation in 2021, transforming the two boards into a single executive board — ten directors are dedicated to the fundamental areas of Hapvida's growth strategy.

## Executive Board

(as of 12/31/21)

- **Jorge Fontoura Pinheiro Koren de Lima**

Chief Executive Officer

- **Lício Tavares Ângelo Cintra**

Vice President - Commercial and Relationship Director

- **Alain Benvenuti**

Vice President of Operations

- **Mauricio Fernandes Teixeira**

Chief Financial and Investor Relations Officer

- **Fábio Luciano Gomes Selhorst**

Vice President of Corporate Affairs

- **Majô Campos**

Vice President - People, Management and Diversity Director

- **André Melo**

Vice President - Administrative Director

- **Jaqueline Sena**

Executive Director of Dentistry

- **Heraldo Silva**

Vice President of Integrations

- **Kleber Linhares**

Vice President of Technology and Innovation

# Ethics

[GRI 102-17; 205-2; 205-3; 406-1]

Aiming to establish instruments to ensure a transparent corporate environment and become a reference in integrity in the field of health care, Hapvida underwent expansions and in 2021 initiated important actions to consolidate its commitment to ethical and sustainable management. As an initial step in this process, the company launched a new code of ethics and conduct, directly related to the pillars of the organizational culture of its system (see image below).



## Service and Technical Quality

Qualified professionals, adequate structures, protocols, and processes for providing responsible and quality care.



## Caring for People

Empathy, receptivity, care, and proximity are central to building humanized relationships and trust with clients and employees.



## Innovation via Solutions

The continuous search for innovative solutions at all stages of the value chain ensures control, continuous generation of value, and differentiation.



## Cost efficiency

Efficient management of people and processes, optimization of resources and time to maximize results and investments.



## Collaboration among teams

The value of teamwork is based on respect, dialogue, and sharing knowledge to achieve common goals.

The purpose of the Code of Ethics is to inform, guide, establish and internalize the ethical and integrity principles by which business and relations with the internal and external publics of Hapvida are guided. Thus, it serves as a model, applicable to employees and other stakeholders for the conduct of the company's activities. In the Code of Ethics, topics are addressed such as the quality and safety of the services provided, negotiations with the government and anti-corruption issues, the accuracy of accounting records, communication among employees and management, conflicts of interests, as well as guidelines and best practices to guide Hapvida's relationships.

The new Code of Ethics was launched in December 2021, after its approval by the Board of Directors — the body responsible for the validation of all integrity and compliance policies established by the company.

### Integrity and Compliance Board

Another action aligned with this purpose was the creation, in April 2021, of a specific integrity and compliance department linked to the company's legal sector. In August, another relevant step was taken in this direction: the structuring of a board dedicated to these topics and composed of four employees, who now report directly to the Vice President of Corporate Affairs. The new structure combines integrity and compliance with the company's processes, as well as the particularities of each area of the business. Thus, risks are identified in a more agile and effective

way, ensuring the implementation of corrective or mitigatory actions in the event of a misstep in the company's ethical conduct. As a result, this new board began to perform the following functions — some of which were previously performed in other sectors of the company:

- Strengthen in Hapvida the culture of integrity;
- Engage top leadership on integrity and compliance issues;
- Communicate, inform, and engage employees regarding the importance of these topics to the system;
- Compose the Ethics Committee of the company;
- Participate in the agendas of the Audit, Risk and Compliance Committee;
- Develop integrity and compliance policies and regulations;
- Assess third-party risks and integrity through due diligence;
- Speak out regarding possible conflicts of interest arising from any relationship with third parties;
- Prepare and plan training programs and memos on the topic.

Based on these premises, between April and December 2021, the Integrity and Compliance Board promoted different training and communication actions in order to disseminate the culture of integrity into the Hapvida system. Examples of these actions were the 22 training sessions “Coffee with Compliance”, with the total participation of 400 collaborators. In addition, the raising of awareness and sensitization of 118 company leaders was promoted, including the company’s CEO, vice-presidents, and directors during the event “The Company’s Strategic Planning”.

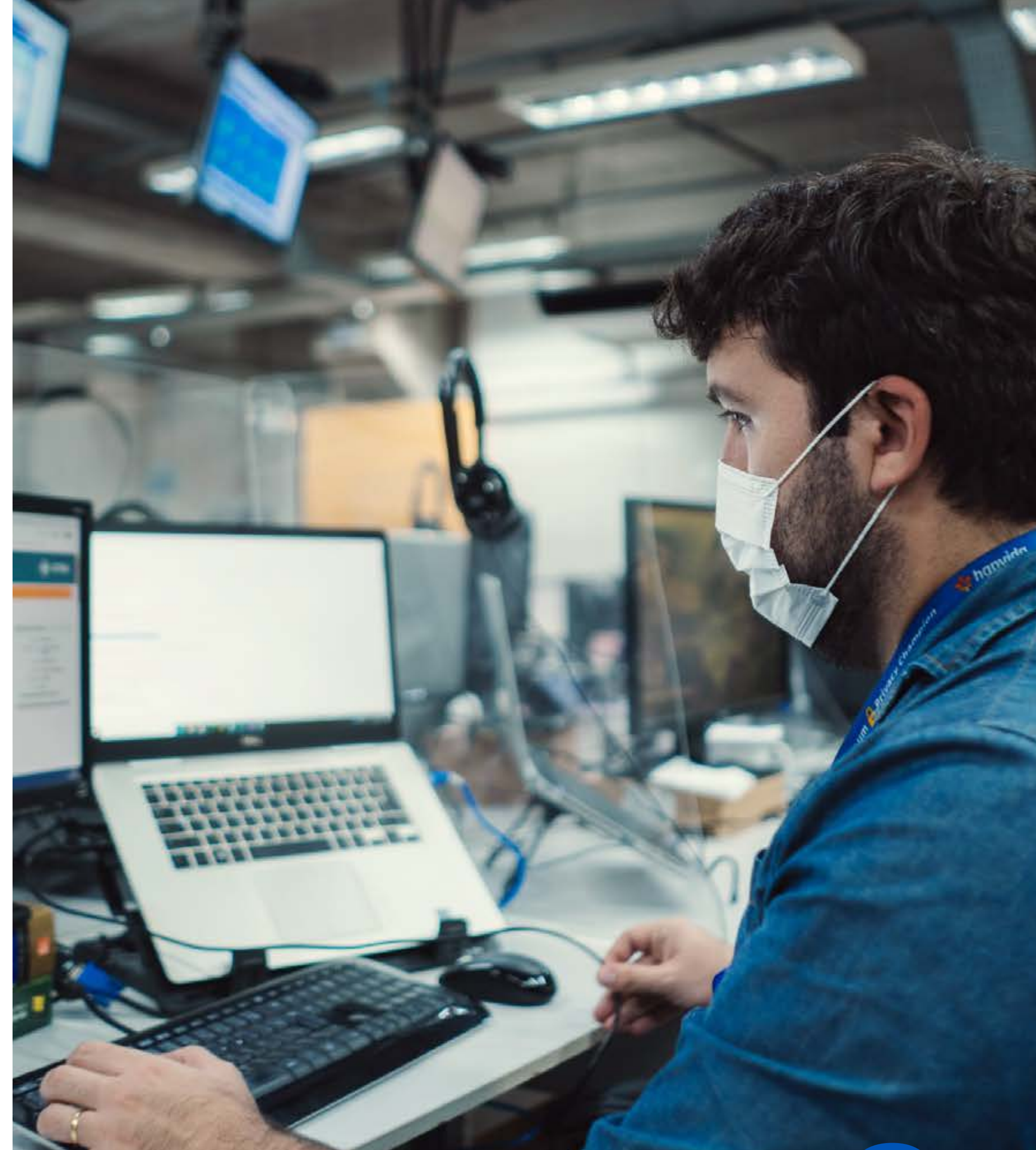
The communication campaign “#You Matter”, focusing on personal behaviors and ethical conduct, resulted in the production of nine memos on the subject sent by email to Hapvida’s 18 thousand employees. In addition, the board also worked on specific campaigns throughout 2021 related to the fight against corruption and the new anti-corruption law.

In addition to The New Hapvida Code of ethics, six policies were developed or revised throughout the year — all approved by the Board of Directors:

- Anti-Corruption Policy
- The Compliance Program
- Income distribution policy
- Securities Trading Policy
- Investment Policy and Minimum Cash Limits
- Risk Management Policy

To provide greater transparency and disclosure on the topic, a policy tab was made available on the company’s digital platforms, such as its website, intranet, and app.

In order to further strengthen the integrity of the system, Hapvida also holds regular prevention and verification practices of situations that may involve a certain type of risk to the company’s reputation, which include conducting due diligence processes, audits, and careful analysis of sensitive contractual relations. Thus, in 2021, the new board conducted more than 400 due diligence analyses of third parties — including suppliers, service providers, and acquired companies — and attended to about 300 different consultations, such as inquiries regarding conflicts of interest, doubts expressed by professional employees, company compliance practices, as well as other topics that reflect the interest of employees in relation to these topics.



## Complaints Channel: The Sentinel Program

In order to better guide Hapvida employees, its service providers, and third parties, the Sentinel Program promotes and assists in the adherence and practice of transparent and honest conduct, especially regarding situations that challenge corporate values. Through frequent training programs, these publics are offered guidance on how to react to these situations, while taking into account their perceptions regarding attitudes or behaviors that violate the Code of Ethics.

The Complaints Channel is in place to receive reports and complaints regarding ethics, compliance, and integrity. It is managed by an independent company and accessible to all publics, such as collaborators, clients, and suppliers. All complaints received are recorded in the database of the third-party company, which deals with the reports in order to maintain the impartiality of the process. After the content of the report is analyzed, an opinion is issued to be deliberated by the Ethics Committee, the Audit, Risks and Compliance Committee — or by the Board of Directors when the reports are found to be valid. In such cases, a penalty is applied, already provided for in the company's policy and which must also be approved by the Board of Directors. Penalties range from a verbal warning, contract termination for just cause, to criminal prosecution. False communications of substantial severity are also penalized.

### The Complaints Channel can be accessed by the following means:

 The mobile app "meuhap"

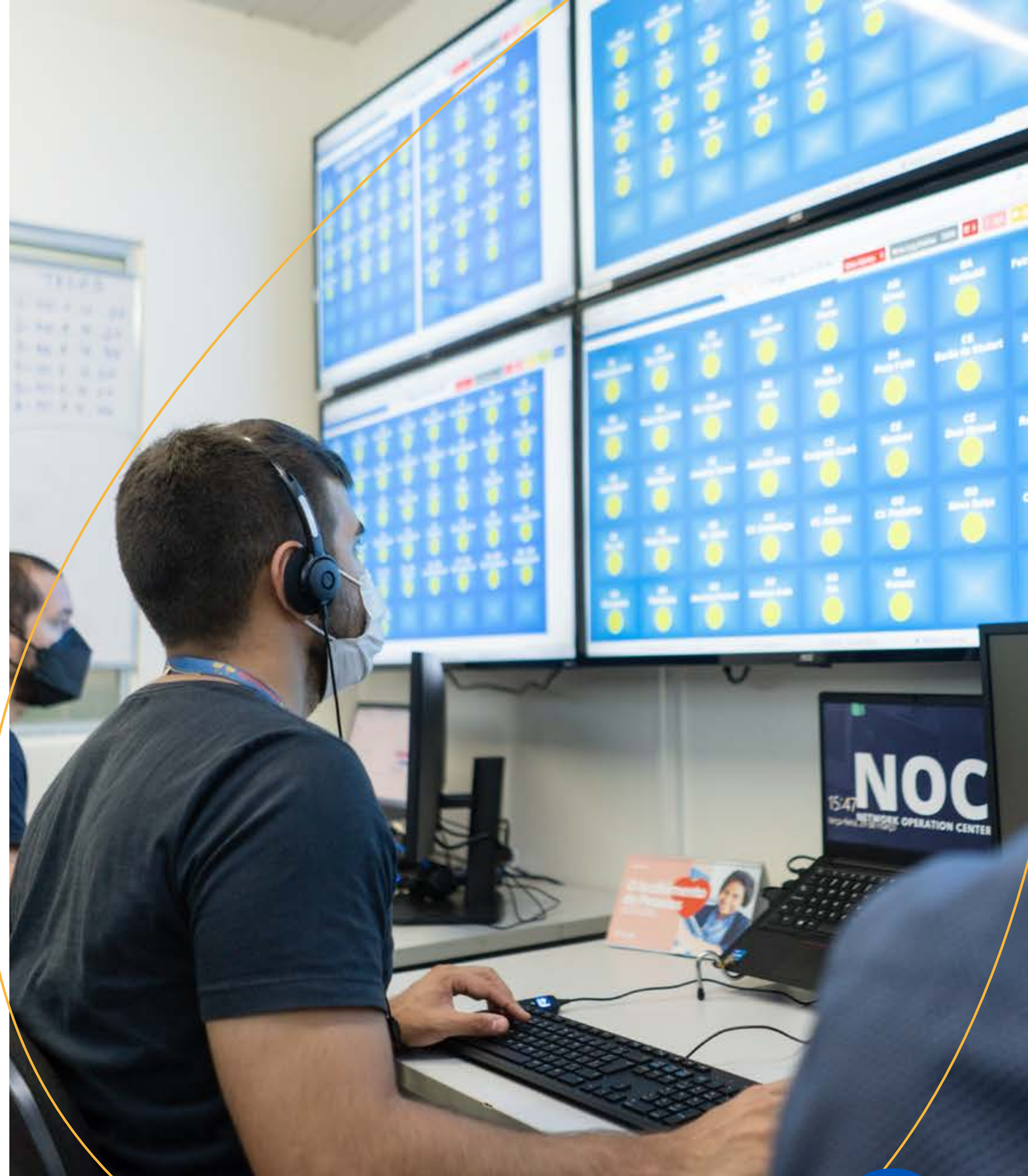
 0800 5915126

 Intranet:  
[portal.hapvida.net.br/canal-de-denuncias-sentinel](http://portal.hapvida.net.br/canal-de-denuncias-sentinel)

 Website:  
[www.canaldedenuncias.com.br/grupohapvida](http://www.canaldedenuncias.com.br/grupohapvida)

In 2021, the company recorded 13 protocols classified as discrimination. Of that total, seven were judged as valid and two remained under review until the end of the year. Each of the situations identified as discriminatory were analyzed and an action plan was prepared, with corrective measures that involved a warning, suspension, and dismissal of three employees and one outsourced employee, including additional preventive measures.

Hapvida held internal awareness campaigns, disseminating guidelines on fighting corruption. No reports of corruption were received in the period.



# Risk management

[GRI 102-15]

Aligned with best practices and management methodologies, in early 2021 the Audit, Risks, and Compliance Committee reviewed the Risk Policy of Hapvida. During that year, the Company adopted a more robust framework for risk management and corporate control mechanisms, modifying the entire risk assessment and mitigation testing methodology. In addition, the team monitored the Risk Threshold, approved by the Board of Directors, and established governance measures for risk management, acquiring a software program called GRC, which integrates the areas of Governance, Risk and Compliance.

The activities listed below are maintained on a permanent basis in the new management structure of the company:

- Continuously evaluate risks regarding their impact and probability of occurrence in order to prioritize their treatment when necessary;
- Disseminate the risk management culture in Hapvida; and
- Monitor changes in the regulatory environment, ensuring compliance of products and services to current internal and external standards.

Hapvida's Risk Management Policy determines the guidelines to be observed for the monitoring of risks and opportunities, indicating the areas of the company involved and respective attributions. Among the risks mapped by the company, the following stand out:

## Credit risk

**Description:** the probability of default of monetary obligations of clients or counterparties of financial instruments.

**Mitigation:** On a monthly basis, the company monitors its defaulting client base, establishing frequent contact through the SAC or specialized third-party collectors. In addition, overdue securities and the Provision of Doubtful Debts (PDD) are part of the indicators accompanied by the risk threshold of the company. In addition, financial instruments (cash and cash equivalents and financial investments) are reported monthly.

## Underwriting risk

**Description:** Underwriting risk involves the likelihood of the events to be paid by the company in a future period being greater than the amount of counter-installments to be received.

**Mitigation:** At Hapvida, assistance protocols guarantee patient safety and proper cost management, while the calculation of provisions and periodic reviews of rates and rules — with periodic reports issued to the Executive Board — both create a favorable environment for mitigating underwriting risk.

## Market Risk

**Description:** The measure of uncertainty related to the expected returns of the company's assets and liabilities due to macroeconomic variations such as interest rates, exchange rates, inflation indices, and stock quotes, i.e., the volatile behavior of the market on a day-to-day basis.

**Mitigation:** As a way of responding to risk, the company adopts certain control mechanisms, such as monitoring the change in interest rates of contracts, exchange rates, inflation of medical costs, investment performance, and the price of its shares on the market.

## Legal risk

**Description:** The risk of non-compliance with applicable laws, rules, regulations, agreements, practices, or ethical standards, including consideration of the risk that the nature of the product/service provided may make the institution particularly vulnerable to litigation.

**Mitigation:** Hapvida has policies, regulations, the Code of Ethics and Conduct, and the Complaints Channel, in addition to promoting employee training, as means of strengthening the ethics and integrity culture of its team. The company also adopts preventive control mechanisms in compliance with current legislation in the various areas of its business.

### Service Risk

**Description:** Abnormalities that put at risk the continuity or quality of health care provided by private health care insurance plan operators to their beneficiaries.

**Mitigation:** Hapvida has several service protocols, indicators, professionals of high technical capacity, and integrated systems that provide background information on patients to improve the quality of service and care.

### Cyber Risk

**Description:** The potential negative outcomes associated with cyberattacks that, in turn, are defined as attempts to compromise the confidentiality, integrity, and availability of data or technological systems.

**Mitigation:** The company has data security teams in two lines of defense. To that end, it periodically performs breach and vulnerability tests on its platforms, uses international frameworks as a basis for control tests, and applies mitigatory control mechanisms in the development process of the company's systems.

### Brand Image Risk

**Description:** The possibility of situations occurring that lead to unacceptable differences between how the company is perceived by its stakeholders and how it would like to be perceived.

**Mitigation:** The Hapvida system has several contact channels with its beneficiaries such as its Customer Service Channel (SAC), the Complaints Channel, the Ombudsman Channel, and social network channels, all through which it interacts and receives relevant information about the quality of its services. The company periodically performs due diligence on third parties, such as control and mitigation of integrity risks, in addition to the identification of potential conflicts of interest.

### Operational Risk

**Description:** Related to inadequacies or failures in internal processes, of people, and systems.

**Mitigation:** The company has several indicators, including preventive, detective, and directive control mechanisms in its processes, as well as systematic control mechanisms that support the entire operation of the system.

Among the risks described, three factors were evaluated as most relevant to the business in 2021 and considered central to management:

- **Cyber Risk**  
(data protection)
- **Operational Risk**  
(due to possible operational failures)
- **Service Risk**  
(Service provision to beneficiaries)

## Data protection

[GRI 418-1]

In 2021, Hapvida effectively prioritized actions related to the subject of data protection and privacy and completed its implementation of the General Data Protection Law (GDPL), in force in Brazil since August 2020. For that purpose, the company established a Data Protection and Governance Management team, directly linked to the Integrity and Compliance Board. Composed of seven employees specialized in the field, management adopted a series of important measures to complete the implementation process of the GDPL, such as contractual updates, the review of documents, the creation and implementation of policies and standards linked to the subject, as well as the acquisition and modernization of internal systems and technologies.

This process enabled Hapvida to develop its privacy program in order to maintain, monitor, and continuously adapt to current legislation, in addition to outlining new initiatives for the governance of this area. In line with the best management practices related to the theme, the Hapvida System divulges on its website, in a clear and transparent way, the priority actions taken to ensure the digital security of its beneficiaries, according to infographic below.

### Transparency in data protection

#### Responsiveness to the rights of data owners

Data owners have the right to obtain at any time, upon request made to Hapvida by e-mail:

- Confirmation of the existence of treatment.
- Access to data.
- Correction of incomplete, inaccurate, or outdated data.
- Anonymization, blocking, or deletion of unnecessary or excessive data, or data processed in an unlawful manner.
- Portability of data to another service or product provider, upon express request.
- Deletion of personal data, done with the consent of the owner, except in certain specific cases.
- Information of public and private entities with which the controller has made shared use of data.
- Information on the possibility of not providing consent and the consequences of that.
- Revocation of consent.

#### Privacy Policy Disclosure

The policy is detailed and can be accessed at the link: <http://www.hapvida.com.br/site/politicas-de-privacidade>

#### Appointment of the Data Protection Officer (DPO)

Luis Henrique de Almeida Pereira - Hapvida Data Protection Officer ([privacidade@hapvida.com.br](mailto:privacidade@hapvida.com.br))

#### Contractual update

Beneficiaries with plans purchased before the beginning of the LGPD application period were notified of the changes in the privacy clause and informed about the processing of personal data provided to the company.

The new contracts, effective since then, were presented to clients in accordance with the requirements of the GDPL. Regarding health care providers acquired throughout the year, the company's Privacy Policy and Code of Conduct are implemented at the time of incorporation.

#### Deployment of privacy management tool

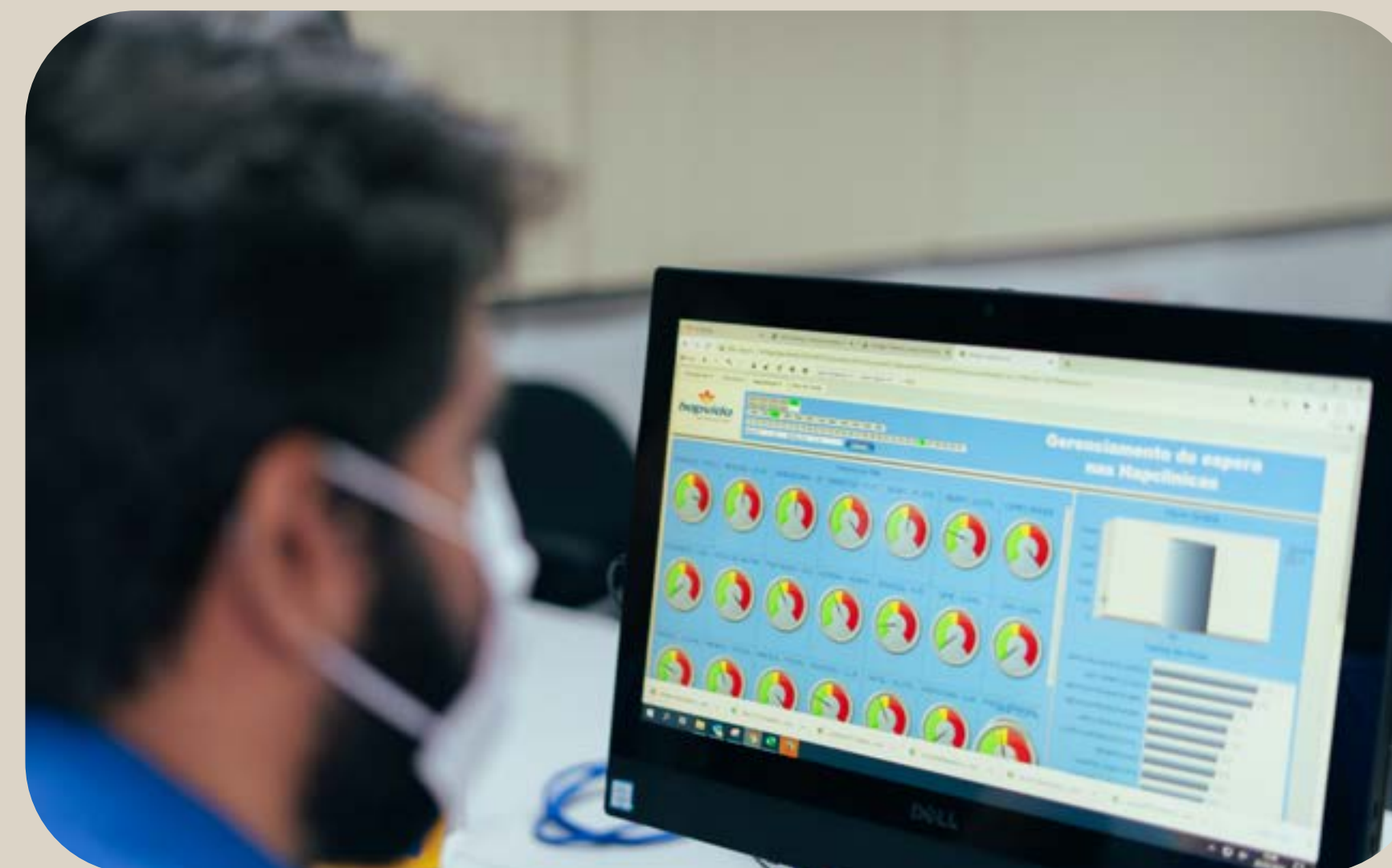
See the information and actions described in the section on [Privacy and Information Security Governance](#).



## Privacy and Information Security Governance

In order to structure its privacy management, Hapvida has increased the team that operates in this area, from three to seven employees, who contribute to executing and managing the new processes established throughout 2021.

Thus, a proposal for Governance of Privacy and Information Security was developed that could withstand the challenge of keeping beneficiaries' data safe and guaranteeing their rights in the face of the new legislation. This proposal has four modes of action:



In 2021, Hapvida used this structure to promote a training program with 30 classes on Data Protection, with more than 600 participants from all areas of the company. In partnership with the communications team, the Data Privacy Department produced four institutional videos on the topic, organized the 1st week of Information Security and Data Protection, held from 26 to 30 July, and prepared and published a booklet on information security and data protection. In addition, the team developed the Privacy Champions Program, aimed at Hapvida employees, with the objective of engaging “data privacy agents”, volunteer professionals who reinforce good practices of Data Protection and Information Security in the company’s system and units throughout Brazil. In 2021, the program was attended by 130 volunteers.

In all, that year, the privacy team accounted for 101 complaints from beneficiaries regarding data privacy and protection. These complaints were received through the company website and the Hapvida System’s SAC. In order to ensure even greater security of the data of beneficiaries, in 2021 the team carried out periodic breach and vulnerability tests in the Hapvida System.

## Investor Relations

The year 2021 was highlighted by several corporate events that engaged the company and particularly the Investor Relations Department. Hapvida announced the business merger with Notredame Intermédica and successfully completed the second subsequent primary and secondary share offering (follow on), amounting to R\$ 2.7 billion. Added to this, the company issued the second debenture in the amount of R\$ 2.5 billion and raised R\$ 1 billion in real estate receivables certificates (CRI). Such actions were relevant to the Hapvida System, which faced the challenges created by the escalation of the Covid-19 pandemic in Brazil throughout the year, in addition to the arrival of a third wave of the pandemic and an outbreak of Influenza at the end of 2021.

At the end of December, the company had 34 thousand investors, compared to 27.4 thousand in 2020 (an increase of 24.1%). Transparency is a determining factor for the relationship with our stakeholders and is assured through regular informative publications through the Investor Relations website, alert emails, videos, and teleconferences that address relevant events, such as the acquisition of other previously consolidated

supplementary health care systems in Brazil. In addition, Hapvida ensures the dissemination of reliable information through official communication channels such as the repositories of B3 and the Securities and Exchange Commission (SEC), which provide free access to materials such as:

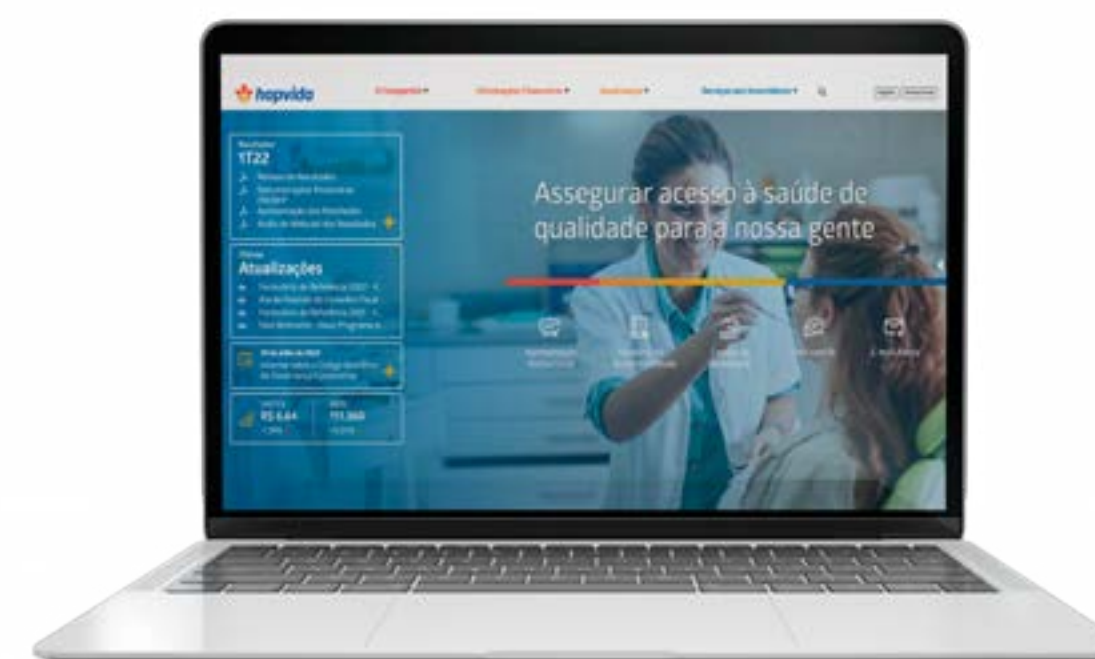
- Relevant Facts;
- Market announcements;
- Notices to shareholders;
- Quarterly performance reports and results presentations;
- Management Reports and Annual Financial Statements;
- Annual Sustainability Reports.

Also accessible via the website, the channel “Chat with IR” enables direct contact with Hapvida’s Investor Relations team. In 2021, 545 there were customer service sessions through this channel, and in 2020 there were 503. Interaction is strengthened through the promotion of videos and conference calls, which show presentations of company results and meetings with market analysts. The 545 consultations performed covered approximately 2,900 participants, with whom the company interacted throughout the year.

### Interactions performed

Other highlights of the Investors Relations Department in 2021 include:

- 19 virtual conferences held with financial institutions.
- 20 presentation meetings held with institutions and managers who showed interest in getting to know the company better.
- Several roadshows for the promotion of Hapvida emissions: follow-ons, debentures, and CRI.
- The company got first place in seven categories of the 2021 Institutional Investor Awards, including Best CEO in IR, Best IR Professional, and Best IR Team.



# Operations and **performance**



## Macroeconomic and sectoral context

The second year of the Covid-19 pandemic was, in general, marked by a recovery in economic growth and high inflation — a trend observed in Brazil and worldwide. The Gross Domestic Product (GDP) grew by 4.6%, totaling R\$ 8.7 trillion, according to data from the Brazilian Institute of Geography and Statistics (IBGE) released in March, 2022. The increase compensates for the decrease of 4.1% observed in 2020.

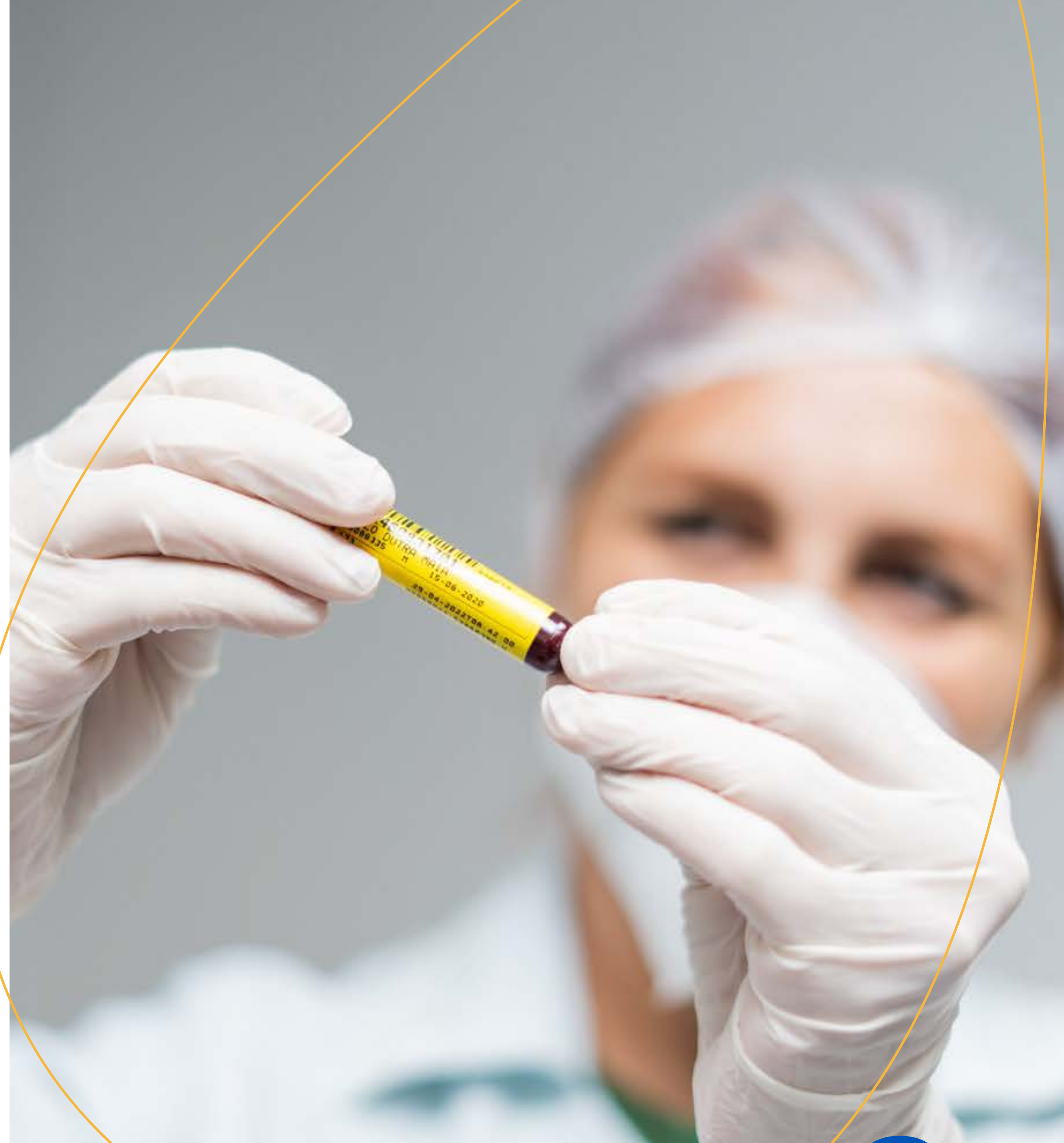
With the vaccination against coronavirus, and the consequent resumption of the routine and habits of most people, Brazilian economic activity began a recovery that was above what was expected in some segments. According to IBGE, the industry and services sectors closed the year with growth of 3.9% and 10.9%, respectively. In agriculture, the Institute recorded a decrease of 0.2% in 2021 — attributed in part to climate issues that impacted the year's harvest.

High inflation, with the worst result since 2015, had an impact on growth, with the deterioration of household purchasing power. The National Broad Consumer Price Index (IPCA) showed a variation of 10.06%, while the National Consumer Price Index (INPC) recorded 10.16% for 2021. The

uncertainties brought on by the pandemic and its developments also influenced the financial market. The basic interest rate (Selic) reached 9.25%, and a high of 7.25 p.p. in the year, while the dollar (Ptax) hit the mark of R\$ 5.58 — at the end of 2020 it was quoted at R\$ 5.19.

In the labor market, the effects of the economic recovery were felt, although still modestly. Data released by IBGE indicate that 2021 ended with the unemployment rate at 11.1%, 3.1 percentage points less than that recorded in 2020, when 14.2% of the population was unemployed. Despite the decline, this percentage still represents 2.4 million unemployed people in the country.

***With the coronavirus vaccinations, and the consequent resumption of the routine and habits of most people, Brazilian economic activity began a recovery above what was expected of some segments.***





## Medical inflation

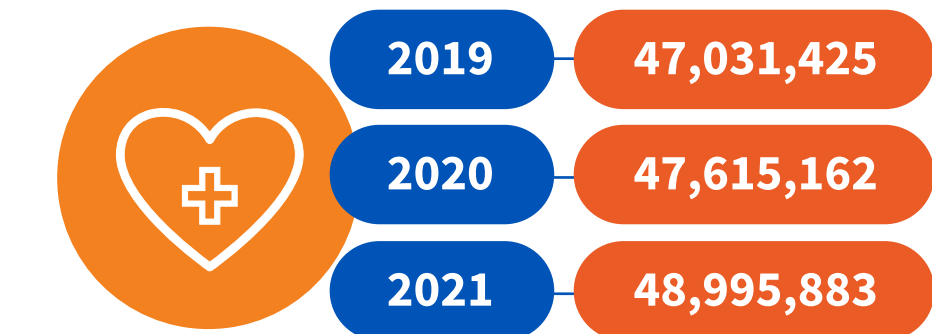
The second year of the Covid-19 pandemic was marked by unexpected variations in Medical-Hospital Cost (VCMH), also known as “medical inflation”, compared to that recorded in 2020. While in the first year of the health crisis the VCMH presented a deflation of 4.6%, it is estimated that there was an increase of 8.1% in 2021, according to the Global Medical Trends report published in November 2021.

In Brazil, according to the Institute for Supplementary Health Care Studies (IESS), medical inflation fell by 1.9% in 2020. For 2021, although the data were not yet available on the date of publication of this report, this index should follow the global trend and reach a positive percentage. According to IESS, the VCMH reached 18.2% in the 12 months leading to June 2021, compared to the same period of the previous year. Based on this variation, the National Supplementary Health Care Agency (ANS) determines the maximum percentage of readjustment that can be applied by operators to individual or family insurance plans. Thus, considering the retraction of 2020 and the exceptional character of the pandemic, for the period between May 2021 and April 2022, the index authorized by the regulatory body was reduced by 8.19%.

## The healthcare sector in Brazil

As occurred in 2020, the number of beneficiaries in health care insurance plans — with or without dental coverage — rose again in 2021 in Brazil. According to the ANS balance sheet, there was a rise of 3.2% in the comparison between December 2020 and December 2021, with an additional 48.9 million people with health care insurance plans, the highest rate since March 2016.

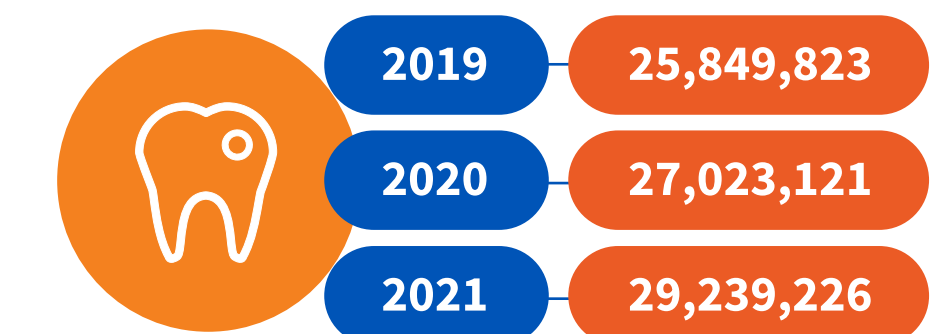
### Health care insurance plan beneficiaries in Brazil



Source: Beneficiary Information System SIB/ANS/MS

The segment of exclusively dental care also continued to grow in 2021, with a new all-time record of around 29.2 million users, a high of 9.6% in the comparison between December 2021 and December 2020.

### Beneficiaries of dental care plans in Brazil



Source: Beneficiary Information System SIB/ANS/MS

# Operational Performance

[GRI 103-1; 103-2; 103-3]

In the last months of 2021, Hapvida completed the integration of the companies acquired in 2020 of the groups São Francisco, Medical and São José. Thus, the system will present the data on the movement of client lives geographically, as the portfolios of beneficiaries of the acquired companies were integrated into a single operator (Hapvida Assistência Médica). Hapvida Assistência Médica also celebrated an organic increase in the sales of health insurance plans for new beneficiaries.

## Beneficiaries and market share

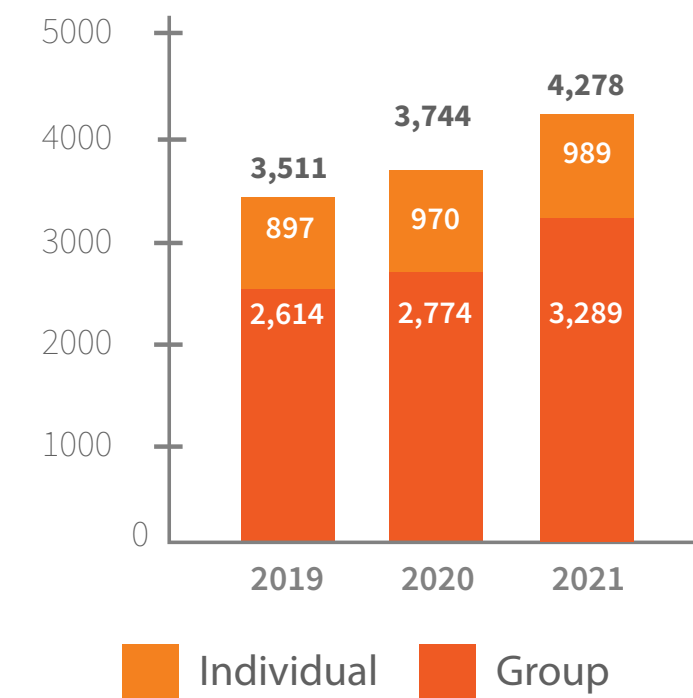
With a growth of 14.3% over the year, the number of beneficiaries of Hapvida health care insurance plans reached 4.3 million by the end of 2021. The increase is justified by the entry of beneficiaries of companies acquired throughout the year: 21 thousand from the Samedh and Plamheg, 284 thousand beneficiaries of Promed and 142 thousand from Premium. The net organic increase, without considering the acquisitions, was 132.7 thousand beneficiaries, equating to 27.2 thousand individual plans and 105.5 thousand in group plans of the operator Hapvida:

- 98 thousand beneficiaries in the Northeast Region
- 27 thousand beneficiaries in the North Region
- 7.7 thousand in the South Region

**The number of beneficiaries of Hapvida health care insurance plans reached 4.3 million at the end of 2021.**

## Number of beneficiaries of health care insurance plans – Hapvida

(in thousands)

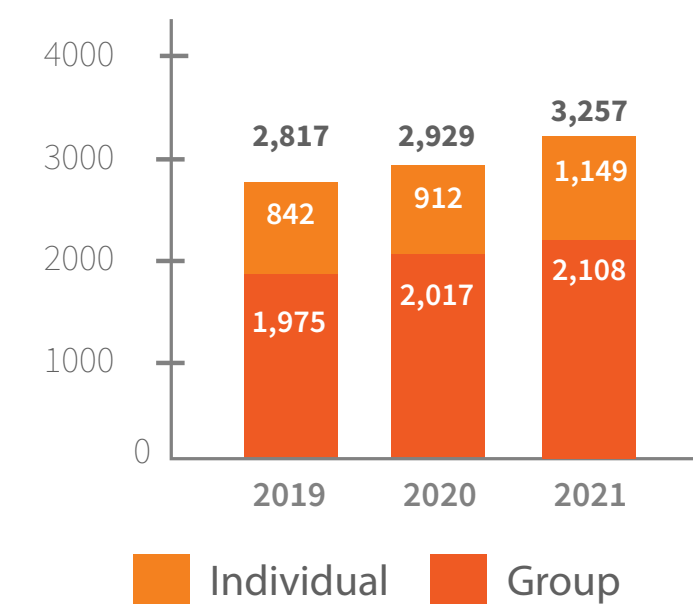


Two acquisitions were announced in 2021, HB and Smile Saúde, which are still undergoing requirements to meet pre-established conditions, totaling 209 thousand beneficiaries.

For dental care plans, the growth was 11.2, and the system ended the year with 3.2 million beneficiaries in this category. Organically, there was an increase of 251 thousand lives — 95 thousand in individual plans and 156 thousand in group plans.


## Number of beneficiaries of dental care plans - Hapvida


(in thousands)



Regarding market presence, Hapvida ended 2021 with a market share of 8.7% for health care plans in Brazil, up 0.8 p.p. compared to the previous year. In the dental segment, the company remained stable in relation to 2020, with 11.1% of the Brazilian market.

### Market share evolution, by segment and region

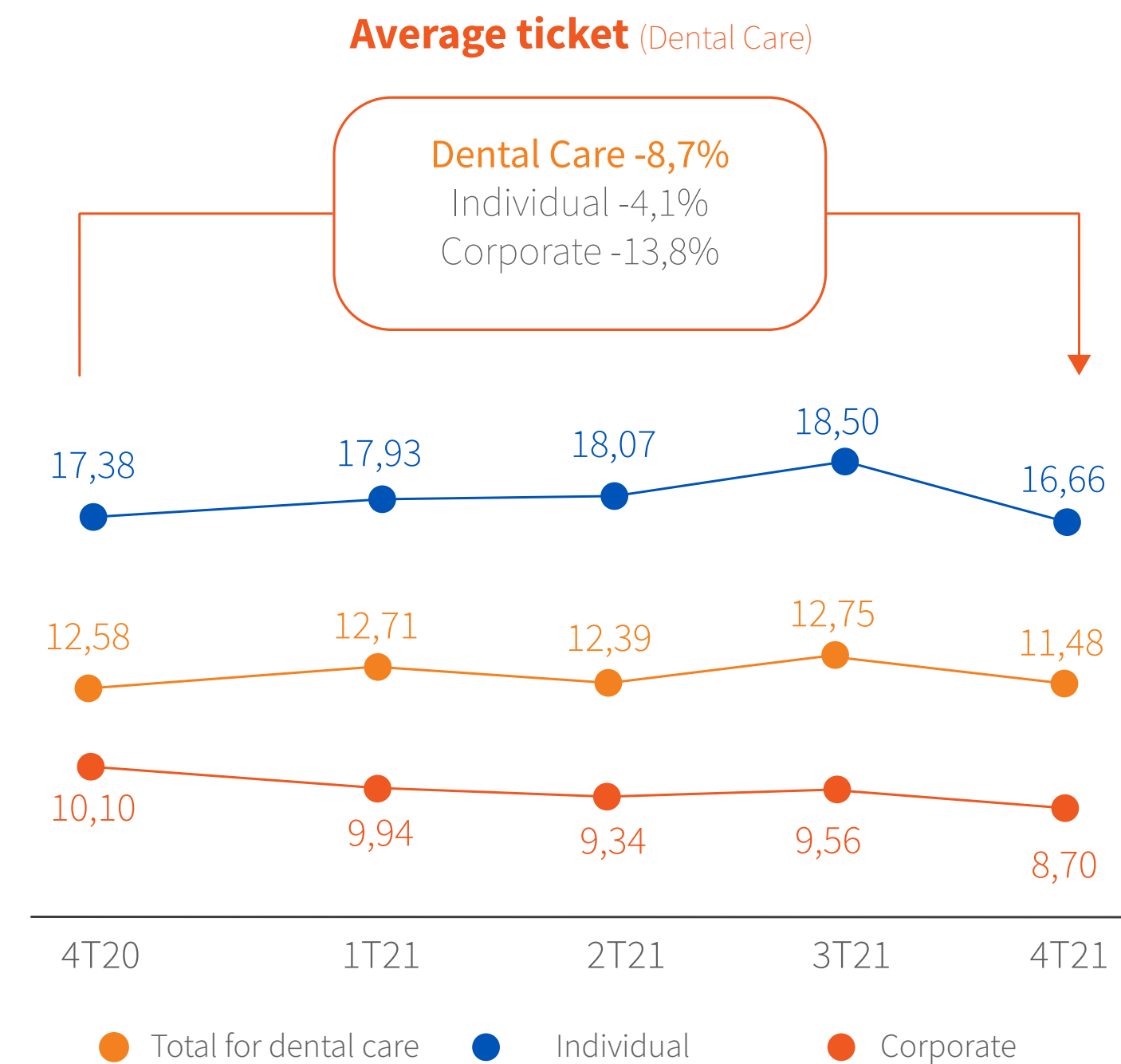
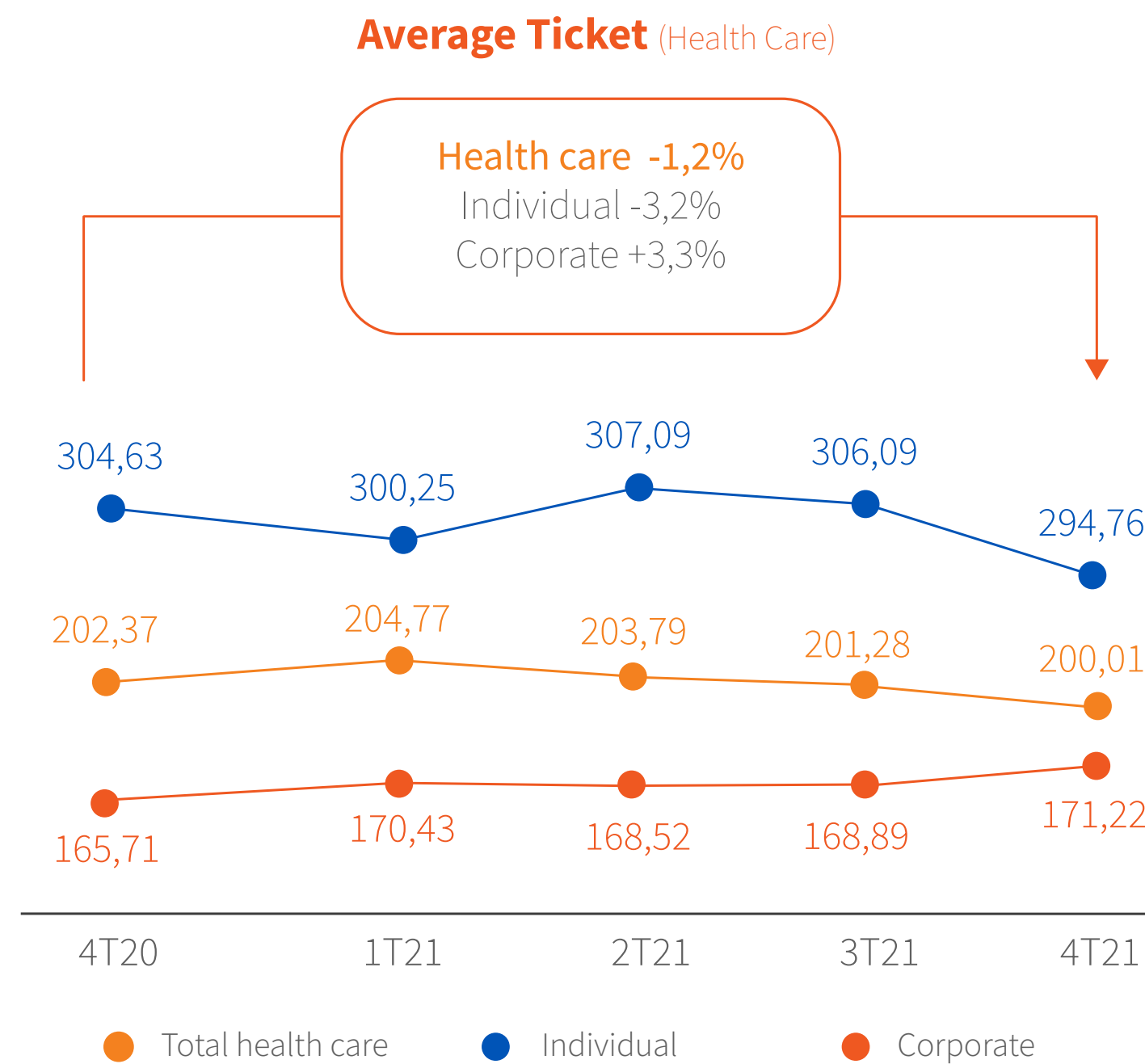
 <b>Healthcare</b>		2019	2020	2021
<b>North</b>		25,2%	25,3%	26,2%
<b>Northeast</b>		30,2%	29,9%	30,0%
<b>Midwest</b>		12,2%	13,2%	12,9%
<b>Southeast</b>		2,3%	2,9%	4,1%
<b>South</b>		0,7%	0,8%	1,0%
<b>Total</b>		7,5%	7,9%	8,7%

 <b>Dental Care</b>		2019	2020	2021
<b>North</b>		30,4%	27,1%	29,8%
<b>Northeast</b>		27,6%	31,0%	33,0%
<b>Midwest</b>		10,7%	10,8%	13,4%
<b>Southeast</b>		5,5%	4,7%	4,1%
<b>South</b>		2,1%	3,1%	2,3%
<b>Total</b>		10,8%	11,1%	11,1%

## Average Ticket

The average monthly ticket of health insurance clients was R\$ 200.01 at the end of 2021— a decrease of 1.2% compared to 2020. The retraction is mainly due to the negative readjustment of 8.19% of the individual or family plans as defined by the ANS. The individual plans had an average ticket of R\$ 294.76, 3.2% lower than in 2020. In corporate, there was an increase of 3.3% and the value was R\$ 171.22.

In the dental care sector, the average ticket of the dental care segment presented a decrease of 8.7%, compared to 2020, and stood at R\$ 11.48. The reduction occurred due to the company's review of concepts at the end of 2021, according to which the system began to account for beneficiaries who also have dental care coverage in their health care insurance plans — amounting to 136 thousand lives. These beneficiaries are linked to healthcare in the ANS, but they also have coverage for dental care services. O average ticket of previous periods did not consider these lives.





# Economic performance

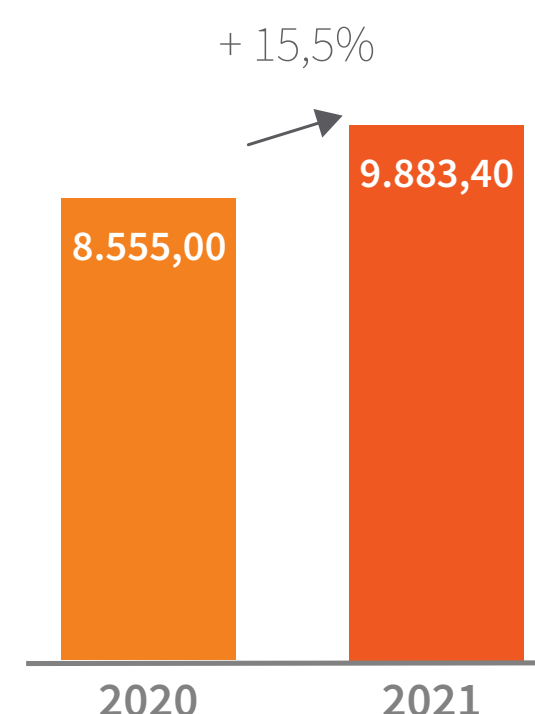
[GRI 201-1]

## Net operating income

Even with the negative readjustment of individual plans, which impacted 2021 net revenue by R\$ 56.8 million, the System recorded a growth of 15.5% compared to the previous year, adding R\$ 9.8 billion in revenue.

This increase was mainly influenced by the organic increase in 2021 of 87 thousand lives in health care insurance plans and 186 thousand beneficiaries in the dental care segment. In addition, there was an increase in revenue from the companies acquired throughout the year: R\$ 188.6 million from Medical, R\$ 176.6 million from Grupo Sao Jose, R\$ 298.7 million from Promed, and R\$ 120.8 million from Premium Saúde. Finally, the complementary businesses of Hapvida — Resgate and the health-tech company Maida — showed growth of 13.6%, in 2021, which also contributed to the positive results in net revenue for the year.

### Net operating income (in R\$ millions)



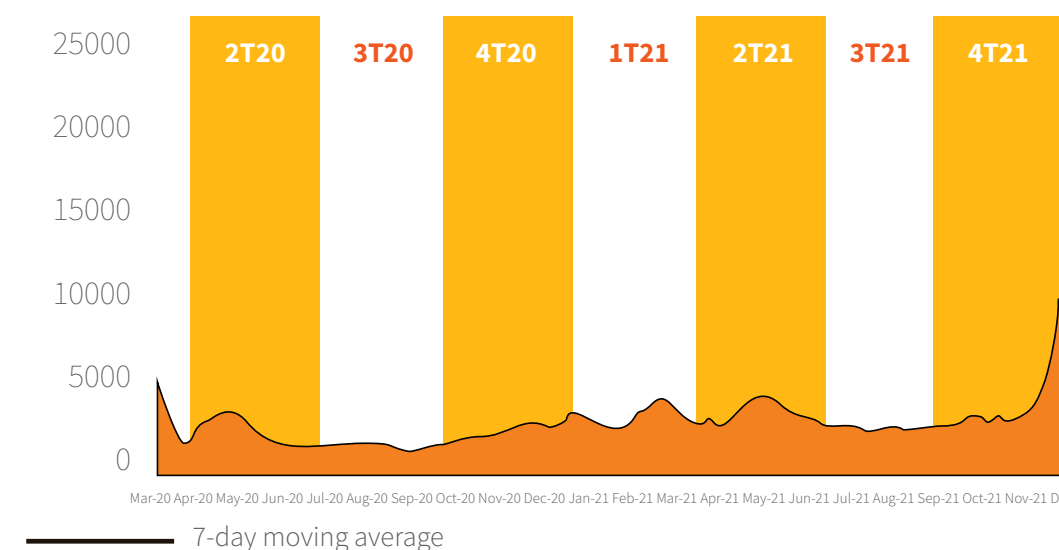
## Care costs and claims

Care costs increased by 30.9% in 2021. This result is composed of cash and non-cash care costs, such as depreciation and amortization (D&A), payments of provisions for unclaimed insured events, and provisions for reimbursement to the Unified Healthcare System (ReSUS).

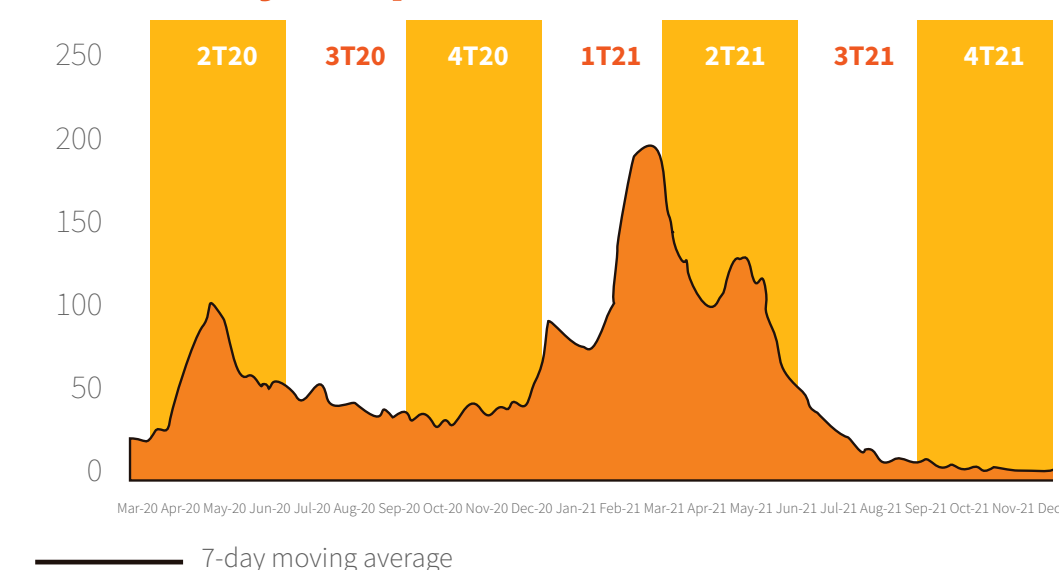
Total claims were 69%, an increase of 8.1 p.p. compared to 2020. This increase was due to the temporary suspension of elective medical procedures in 2020, the first year of the Covid19 pandemic, a factor that, in conjunction with social isolation, disproportionately reduced the demand for medical services in the period. This measure more than compensated for the increased demand for medical consultations and hospitalizations caused by Covid-19 in 2020. However, the same did not occur in 2021. The system resumed pre-pandemic numbers of medical appointments and elective procedures while concomitantly having to meet the demands caused by the waves of variants of the New Coronavirus, especially at the beginning and end of the year, as can be seen in the following graphs. For that reason, the comparison between the two years results in a distortion.

It is also important to emphasize that, with the advance of vaccination against Covid-19 in the country, there was a significant decrease in the number of hospitalizations throughout 2021, unlike what occurred with basic health care. The Omicron variant, which became widespread at the end of the year, together with an influenza epidemic (H3N2), demanded more of this type of service from the Hapvida system, while hospitalizations remained in decline. Throughout 2021, medical consultations and hospitalizations related to Covid19 impacted expenses related to personnel, materials, medicines, and third-party services. In 2021, the costs related to coping with the pandemic totaled R\$ 349.1 million, compared to the R\$ 127.2 million spent in 2020.

### Daily medical consultations - Covid-19



### Daily hospitalizations - Covid-19

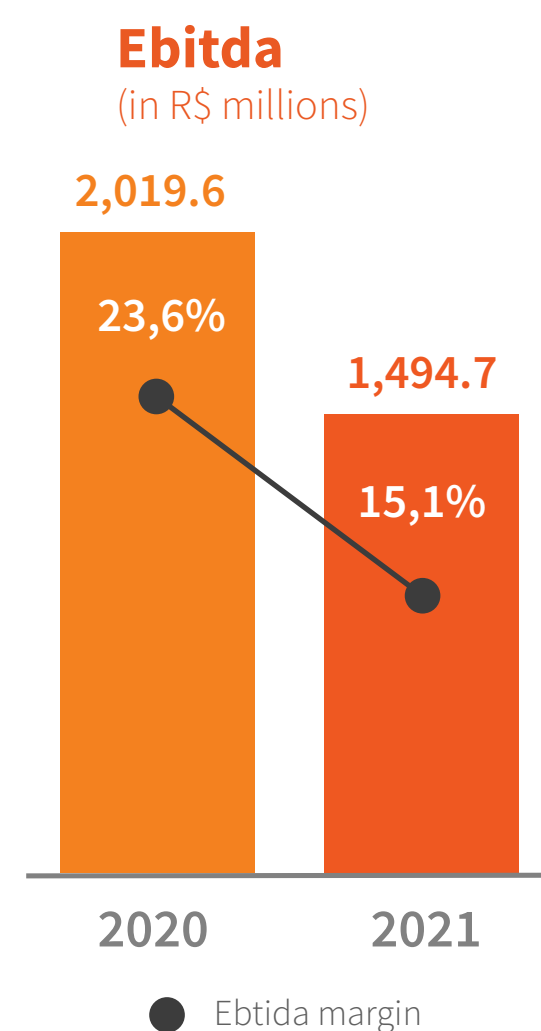


### Breakdown of care costs and claims (in R\$ millions)

	2020	2021	2021 x 2020
<b>Care Costs – Cash flow</b>	(4,828.3)	(6,443.5)	33,5%
<b>Depreciation and Amortization</b>	(162.7)	(187.6)	15,3%
<b>Variation of unclaimed insured events</b>	(6.1)	(0.1)	(98,5%)
<b>Variation of ReSUS provisions</b>	(211.9)	(186.2)	(12,1%)
<b>Total Care Costs</b>	(5,209.0)	(6,817.5)	30,9%
<b>Cash claims (i.e., unclaimed insured events, SUS, and D&amp;A)</b>	56,4%	65,2%	8.8 p.p.
<b>i.e., ReSUS claims</b>	58,4%	67,1%	8.7 p.p.
<b>Total Claims</b>	60,9%	69,0%	8.1 p.p.

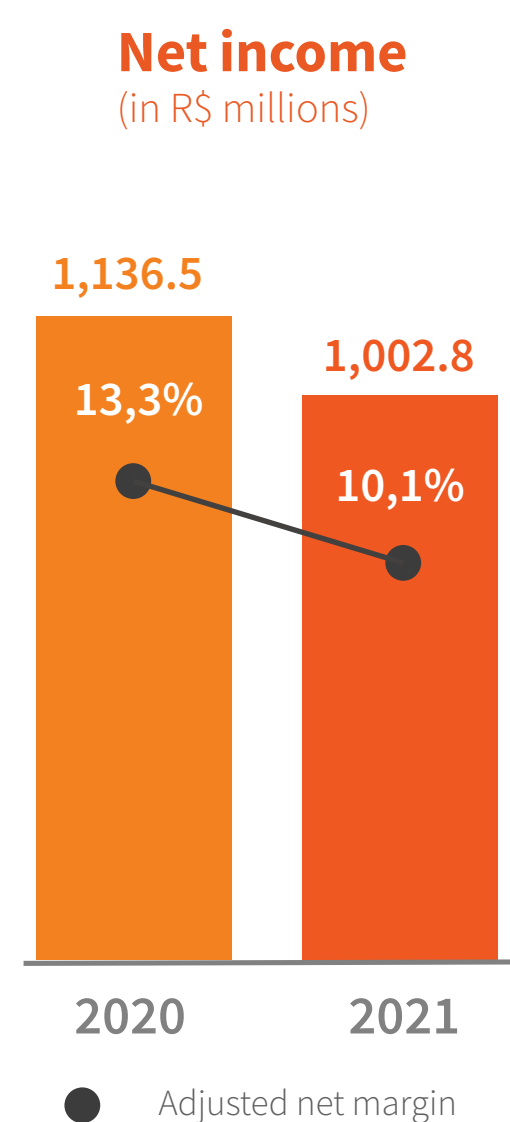
## Ebitda

The Hapvida System's confrontation with the Covid-19 pandemic was also a determining factor in the negative result of Hapvida's Ebitda, which fell by 26% in 2021, totaling BRL 1.5 billion. The Ebitda margin was 15.1%, a reduction of 8.5 p.p, compared to 2020.



## Adjusted net income and profit margin

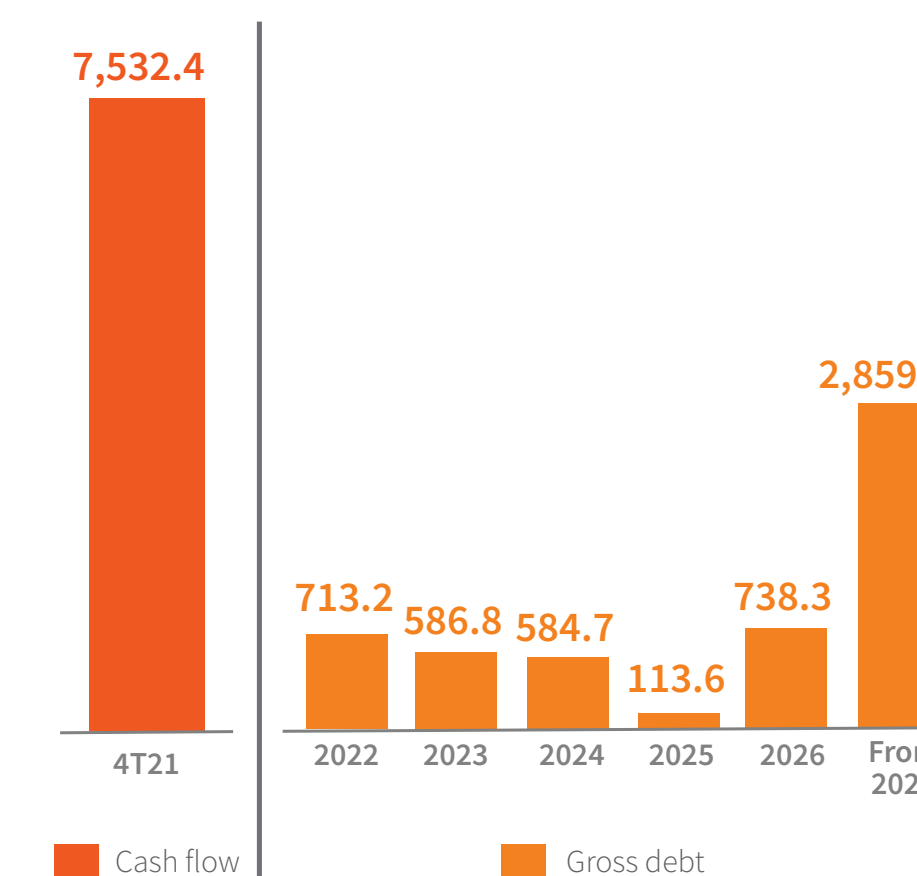
Purging the effect of non-cash amortization of the surplus value of portfolios of beneficiaries of acquired companies and adjusting long-term incentives, net profit in 2021 was R\$ 1 billion. There was a decrease of 11.8% compared to the previous year, which was mainly due to the decline in Ebitda. The adjusted net margin came to 10.1%, a decrease of 3.2 p.p. from the 2020 adjusted margin.



## Debt

At the end of 2021, the company had R\$ 5.6 billion in debt, composed of the yield of its first debenture, as well as the remaining balance from the acquired companies. Including the balance of other accounts payable of acquired companies and the balances of derivative financial instruments, gross debt totaled R\$ 6.2 billion at the end of the year. The net financial debt/Ebitda ratio was -0.8x based on the cash position of R\$ 7.5 billion.

Net debt/Ebitda (R\$ millions)	4T21
Short-term debt	713.3
Long-term debt	4,882.7
<b>Gross Debt</b>	<b>5,595.9</b>
(-) Cash and cash equivalents and financial investments	(7,532.4)
<b>Net debt</b>	<b>(1,936.5)</b>
Other accounts payable of acquired companies	544.2
Derivative financial instruments	10.5
<b>Net debt + Other accounts payable of acquired companies + Derivative financial instruments</b>	<b>(1,381.8)</b>
Ebitda LTM <sup>1</sup>	1,706.0
<b>(Net debt + other accounts payable of acquired companies + derivative financial instruments)/ Ebitda LTM</b>	<b>(0.8)</b>

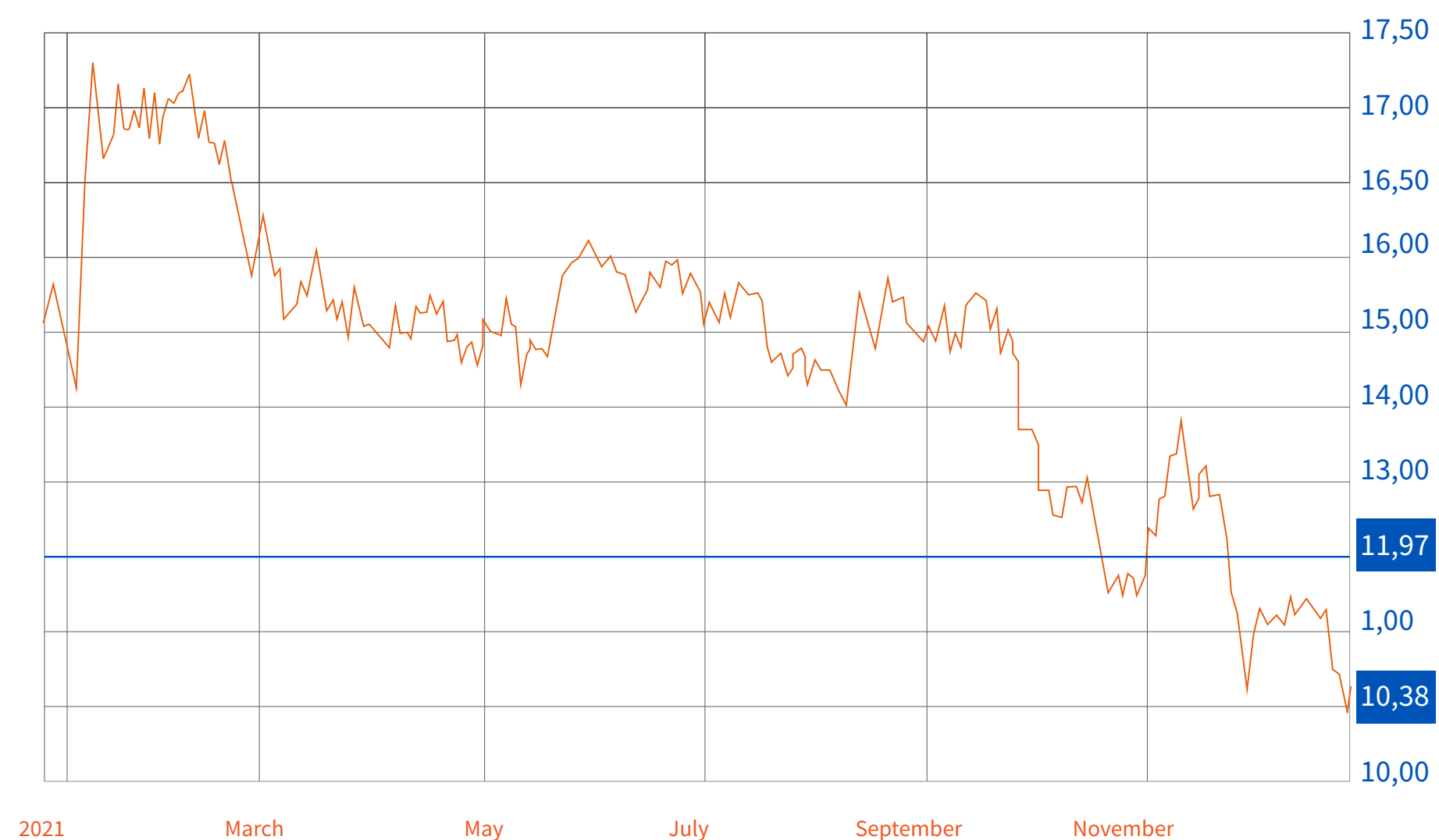


<sup>1</sup>Ebitda adjusted by the provisions for losses in the recoverable amount from accounts receivable and long-term incentive expenses.

## Company stock performance

Hapvida ended the year with 3.89 billion shares in circulation and an estimated market value of R\$ 40.4 billion.

### Value of shares (in R\$)



2021 March May July September November

### Rating

On June 30, 2021, the credit rating agency Fitch Ratings maintained the national long-term rating 'AAA(bra)', the maximum investment grade rating, for Hapvida Participacoes e Investimentos S.A. (Hapvida) and for the second issue of debentures of the company in the amount of R\$ 2.5 billion, with R\$1 billion in real estate receivables certificates (CRI). The corporate rating outlook is "stable".



# Focus on **the client**



## The value of caring

[GRI 103-1; 103-2; 103-3]

The Hapvida system has quality service and client satisfaction as premises for its business model. That is why it tirelessly seeks to promote health care and expand the positive impact of its activities. Practicing humanized care of patients and proximity to all beneficiaries is a hallmark of the relationship between Hapvida and its clients.

The business verticalization strategy and the System's innovative strategy — which expand capillarity and ensure the quality and agility of care offered in all regions of the country — are crucial for this more welcoming approach to Hapvida beneficiaries. In 2021, in addition to the various acquisitions made, the service network itself was strengthened with the inauguration of new units and improvement of existing ones, totaling R\$ 584 million invested in 183 thousand square meters of physical structures either built or renovated. By the end of the year, ten hospitals were in the process of being developed, in different phases from planning to construction.

## Investment in its own autonomous network

(as of 12/31/21)

**Total built area:**  
**53,424.79 m<sup>2</sup>**

**Total area renovated:**  
**129,239.35 m<sup>2</sup>**

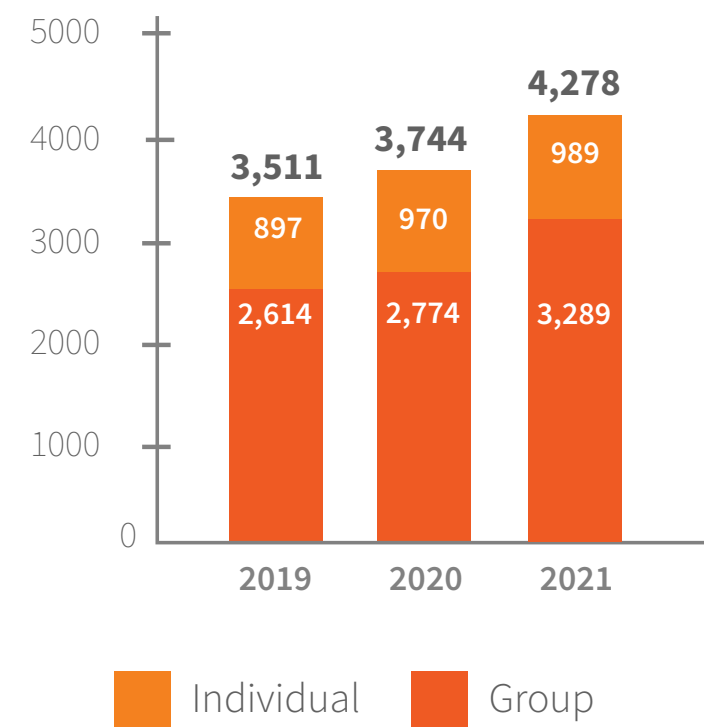
**Construction projects completed:**  
**180**

**Own autonomous network in 2021**  
**49 hospitals**  
**205 clinics**  
**49 Emergency Care Units**  
**178 diagnostic centers**

The number of beneficiaries of health care and dental care plans had a growth rate of 14.3 and 11.2 respectively. These figures were influenced by the organic growth of clients in the Hapvida system and the expansion of the company into new regions, with the acquisition of local and national health care groups.

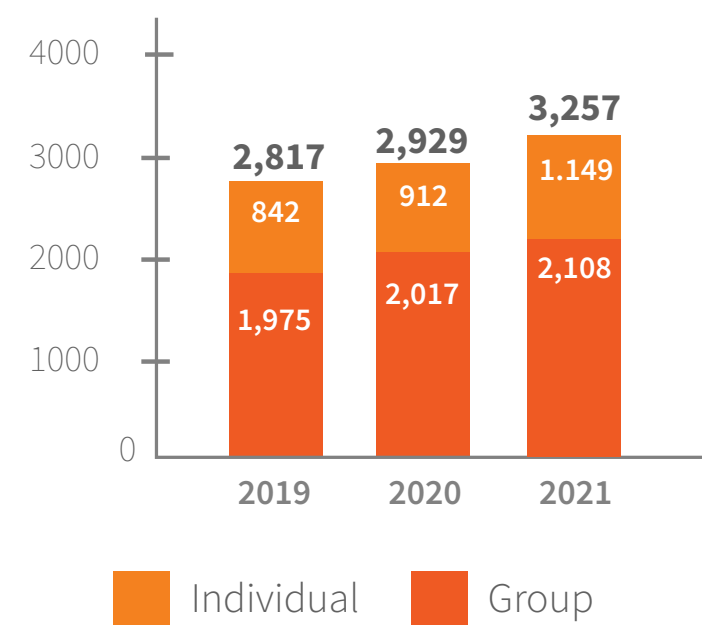
### Number of beneficiaries of health care insurance plans - Hapvida

(in thousands)



### Number of dental care plan beneficiaries - Hapvida

(in thousands)



## Fighting Covid-19

The second year of the Covid-19 pandemic — with new waves of even more transmissible and lethal variants of the virus and insufficient vaccination of the population as a whole — required that new and repeated efforts be taken by the System throughout 2021. Commitment to life is the foundation of Hapvida's mission and was exponentially reinforced last year, yet again. Facing the unprecedented health crisis while ensuring access to treatment and humanized care demanded additional actions of the company as a whole and in a continuous manner.

Since the beginning of the pandemic, in 2020, a multidisciplinary crisis committee has monitored on a daily basis the evolution of the local, national and global scenario in order to identify risks and define control measures and protocols to be adopted.

This analysis included customer service conditions such as the availability of equipment and materials, specialized staff, testing capacity, and preparation of hospitals to receive and treat infected patients.

Concomitantly, patient care, hospitalization, and discharges are monitored through the Case Management Program, with the objective of offering qualified assistance and prioritizing hospital care to more patients in more severe conditions.

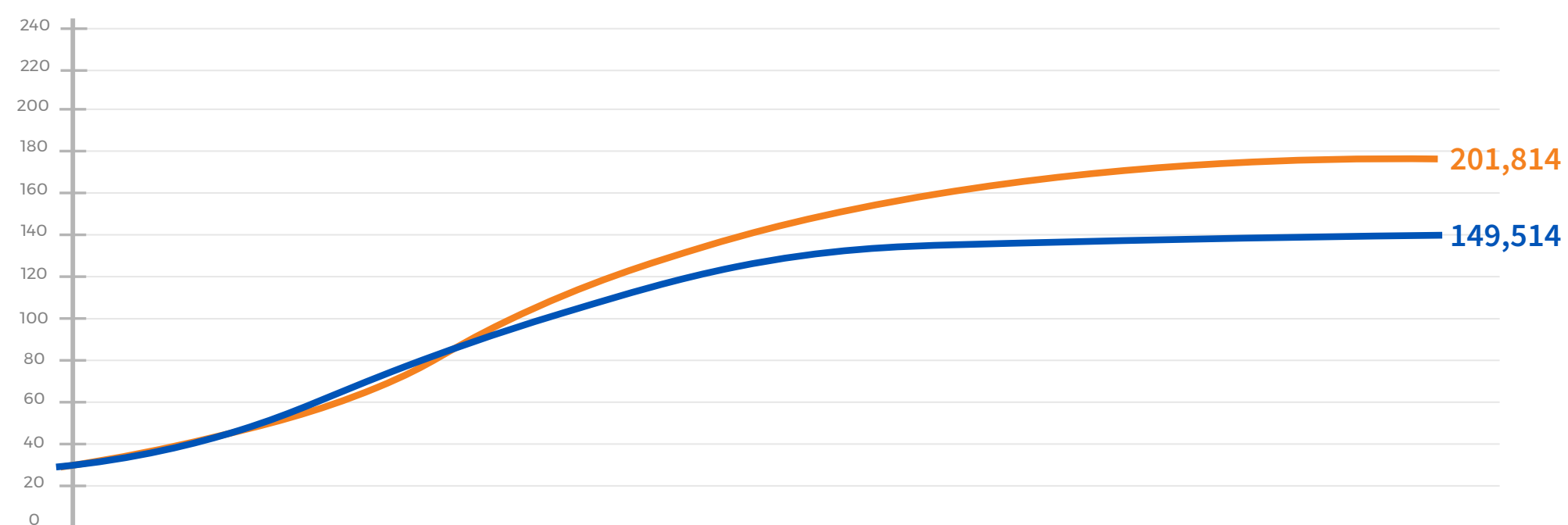
***A multidisciplinary crisis committee monitored daily the evolution of the local, national and global scenario in order to identify risks and define control measures and protocols to be adopted.***



Following the development of the pandemic in different regions of the country, marked by peaks of contagion at different times of the year, a task force was formed that involved the supplies and engineering departments adapting existing infrastructure by implementing hospital beds and new equipment in health care units and hospitals, in addition to supervising the relocation of health care teams. Valuing transparency in the dissemination of data, all mobilization efforts, as well as their results, were informed to clients and other publics through daily newsletters published on social networks. In all, in 2021, 24,341 hospitalizations for viral syndrome (suspected Covid-19) and about 1.5 million hospital visits related to respiratory diseases were counted. Over the year, 5,233 deaths from Covid-19 were registered in the Hapvida System.

Even when there was an increase in the number of cases in some regions, the impact on the mortality coefficient was marginal — measured by the division between the total number of deaths in the System and the number of infected beneficiaries. When compared to the coefficient recorded in the Brazilian scenario, in 2021, the mortality rate among Hapvida patients was 26% below the national average.

### Evolution of the mortality coefficient - Brazil and Hapvida – 2021



### Actions in Manaus

In mid-December 2020 and early January 2021, the capital of Amazonas recorded a collapse in the public healthcare system, which included a lack of oxygen cylinders in the city. The second wave, in the case of Manaus, surpassed the first both in the number of hospital visits and in the volume of hospitalizations.

In response to the worsening health crisis Hapvida set up, in one night, in the Amazonian capital a complete hospital — with the implementation of hospital beds, oxygen supply, allocation of trained personnel, and supply of all the materials and systems necessary to implement high-quality health care, in addition to a central office for observation and control. At the same time, the company made oxygen cylinders available to SUS in Manaus, joining the national mobilization to save lives.

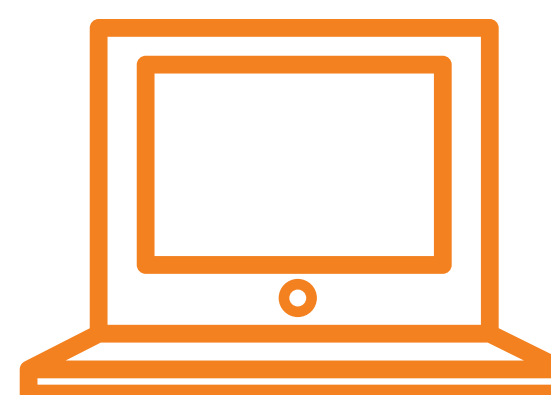
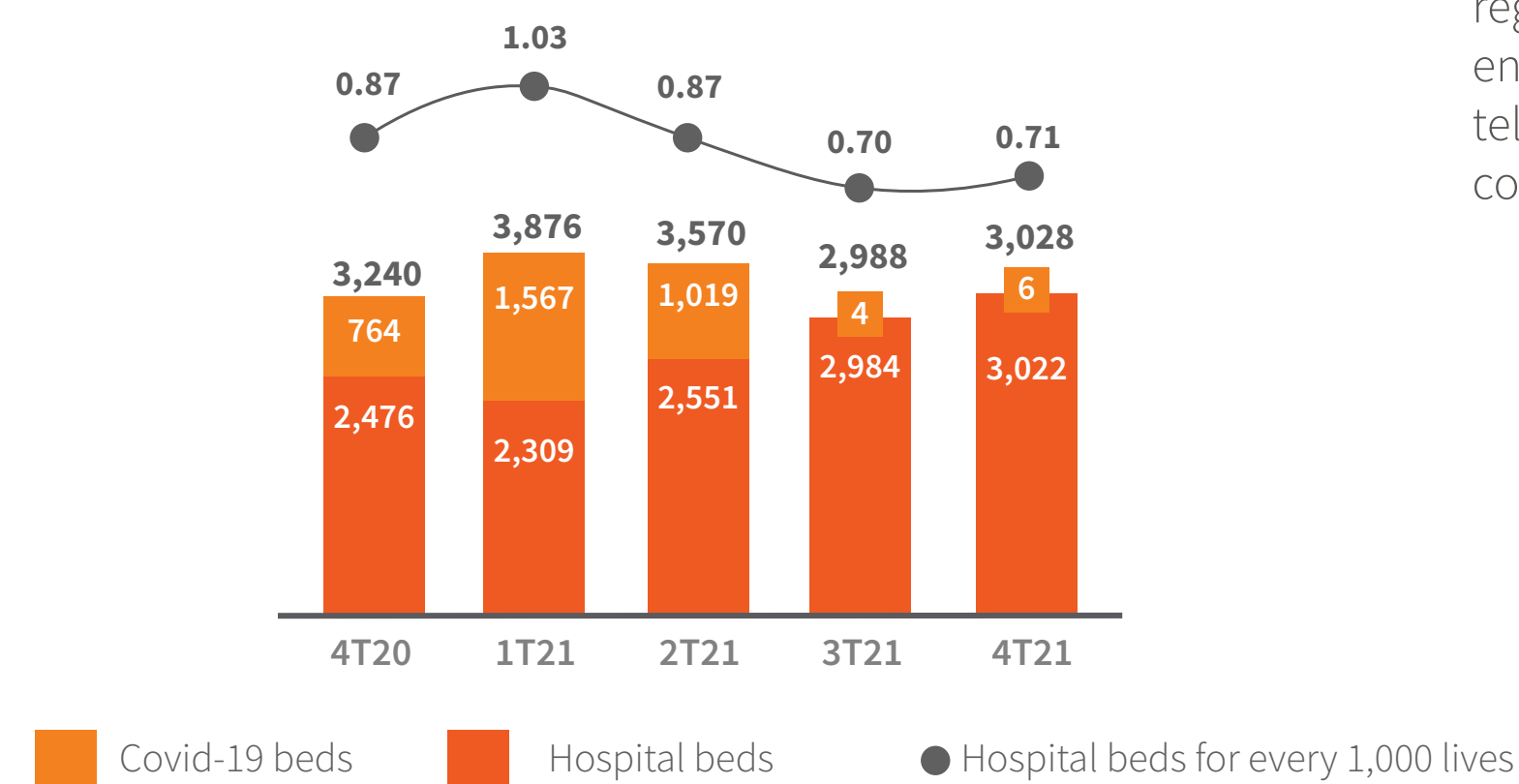




## Investment in hospital equipment and hospital beds

Committed to offering the best possible structure in the fight against the pandemic, Hapvida invested, in 2021 alone, R\$ 349.1 million in protective materials, medicines, equipment, logistics, and staff, acting in accordance with the guidelines of the Ministry of Health and the National Supplementary Health Agency (ANS). With the beginning of vaccination against Covid19 and advances in coping with the pandemic, the demand for hospital beds decreased significantly throughout the year. In a manner that was strategic and appropriate to the scenario, throughout the year Hapvida reorganized the availability of hospital beds for Covid19 (see chart below). Therefore, the year ended with 3,028 hospital beds available throughout the system, of which 3,022 were for patients in general and six were intended for Covid19 patients.

**Hospital beds** (in units)



## Telemedicine for beneficiary inclusion

As evidenced in 2020, the fight against Covid19 accelerated the process of implementing telemedicine in the Hapvida System, always in accordance with the guidelines of the Federal Council of Medicine (CFM). Through 100% in-company developed technology, in 2021 (see more on Page 56). Hapvida has perfected and expanded Telehealth — the System's teleconsultation platform — to different medical specialties. This unique model of digital health care is to be continuously improved and adopted by the company. This model enables greater access and inclusion of beneficiaries to a much wider range of medical specialties and services — reinforcing the importance of the digitalization of this type of care.

In order to make the channel more effective and intuitive, facilitating the user experience, the service is evaluated monthly by a multidisciplinary team. Based on the service data, questions and complaints are reported. In 2020, Hapvida registered about 322 thousand calls by telemedicine by the end of the year. In 2021, this number jumped to 551 thousand teleconsultations — representing an increase of 71% in the comparison between 2020 and 2021.



## Attested quality

### Quality Care Committee

Reinforcing Hapvida's commitment to safe and quality medicine, the Care Quality Committee was created in June 2021 in order to improve the care and treatment model applied by Hapvida — focusing on the client. Among the committee's responsibilities include:

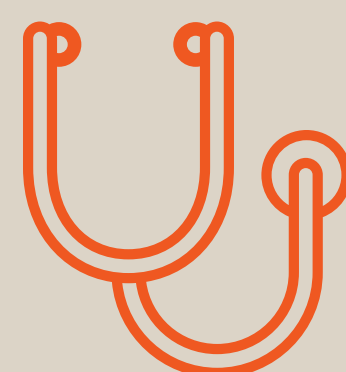
- Advise the Board of Directors on the identification of risks and opportunities directly related to the care of beneficiaries;
- Standardize the indicators of care quality with benchmarking references;
- Hold monthly meetings with discussions in search of continuous improvement of care quality; and
- Promote internal projects with the objective of improving the patient's journey in our services.

Thus, the agency analyzes, for example, internal and market care indicators, such as the Standardized Mortality Rate (SMR) of ECUs, which enable a comparison of the care quality of hospitals in the System's own network with that of other Brazilian hospitals. Finally, the committee presents proposals to the Board of Directors for new management mechanisms for the continuous improvement of the System's medical care.

### Medical qualification

Aware that the quality of care of the system is directly linked to the qualification of the medical team, Hapvida established in 2021 a series of requirements for hiring its network professionals through an analysis platform, which should be fully implemented in 2022.

With this platform, the company standardizes qualification criteria that reach beyond technical capacity, knowledge, and skills in the different medical specialties, but also include integrity risks, business license irregularities, lawsuits due to malpractice, or even issues related to image.





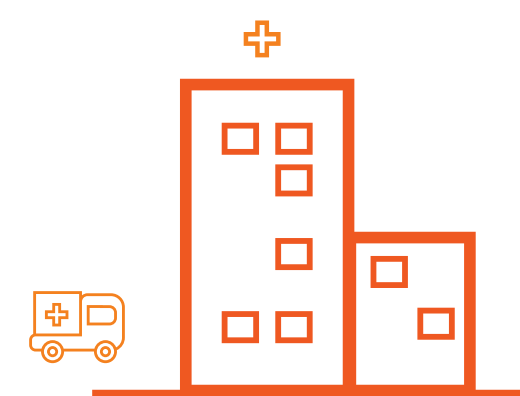
Hapvida develops its own quality certification program, Qualitotal, which aims to improve and standardize system processes, generate a culture of client appreciation and, as a result, promote safe care to patients in all the different areas of health care. Thus, the requirements addressed in Qualitotal are based on the main certifications and good market practices to ensure the best assistance to beneficiaries, strengthening the integration and standardization of care among the various regional units of Hapvida.

Qualitotal includes three seals: bronze, silver and gold, focusing on the dissemination of good practices in the hospital network of the System. The evaluation cycle of the program extends from the diagnosis, made through face-to-face medical consultations, to the certification of each proposing unit, allowing it to identify, analyze and evaluate the care offered to patients. Each hospital applying for certification is followed for a period of 12 months and evaluated on four main requirements: Management and Leadership, Patient Care, Care Support, and Diagnosis.

## 2021 Cycle

**30 hospitals within Hapvida's own network received diagnostic visits**

- **18 underwent the accreditation process.**
- **12 received the bronze seal.**
- **2 were indicated for the silver seal.**



## 5 Stars

5 Stars is Hapvida's client satisfaction assessment program (face-to-face and teleconsultations). After the medical consultation, a digital satisfaction survey is performed, in which the evaluator can rate the service and its aspects on a scale ranging from 1 (minimum grade) to 5 stars (maximum grade). With this tool, opportunities for improvement may be identified, reinforcing best practices and ensuring alignment with the Hapvida culture in all units.

**The assessment is valid for hospitals, clinics, diagnostic units, emergency care units, laboratory collection stations, dentistry offices, preventive medicine units, telemedicine, and programs.**

Over the course of 2021, the system received more than 5.3 million reviews. The general average for the month of December, for example, based on more than 453 thousand evaluations was 4.57 — considered very high by the standards pre-established by the research methodology.

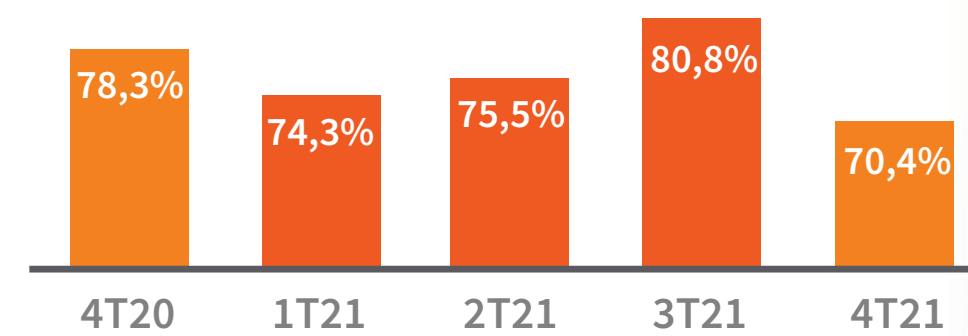
## Waiting time in emergencies

Hapvida maintains a technological platform that involves system integration of all its emergency and emergency units, 24 hours a day, seven days a week. Through this tool, and with the help of video cameras, service and waiting times are monitored by the Observation and Control Center (NOC) of the System. If the wait exceeds 15 minutes, immediate measures are taken to expedite the service.

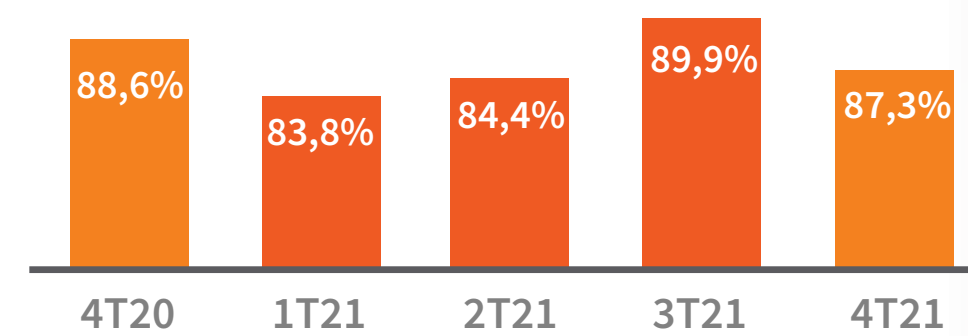
## Waiting time in the medication room

This indicator, also controlled by the NOC, measures patient waiting time in the medication room. If it exceeds 30 minutes, immediate measures are taken to expedite care. The company's goal is to meet at least 75% of the demands within 30 minutes.

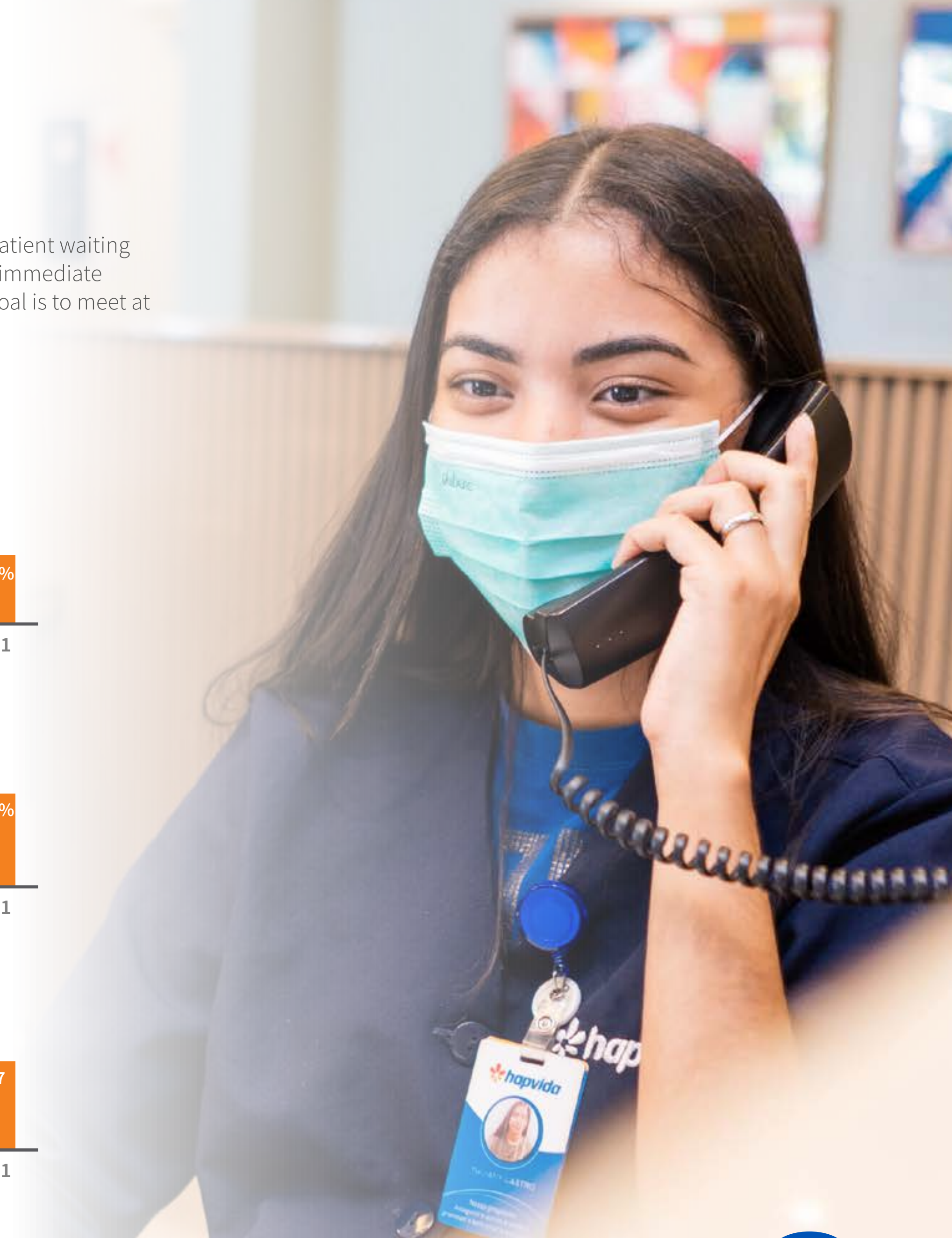
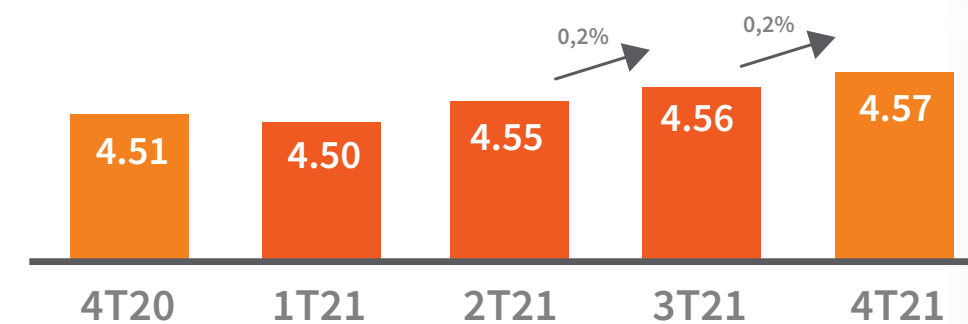
### Receiving medical attention in 15 minutes or less (% of total)



### Waiting time in medication room (% attended to within 30 minutes)



### Evolution of 5 Stars (General rating)

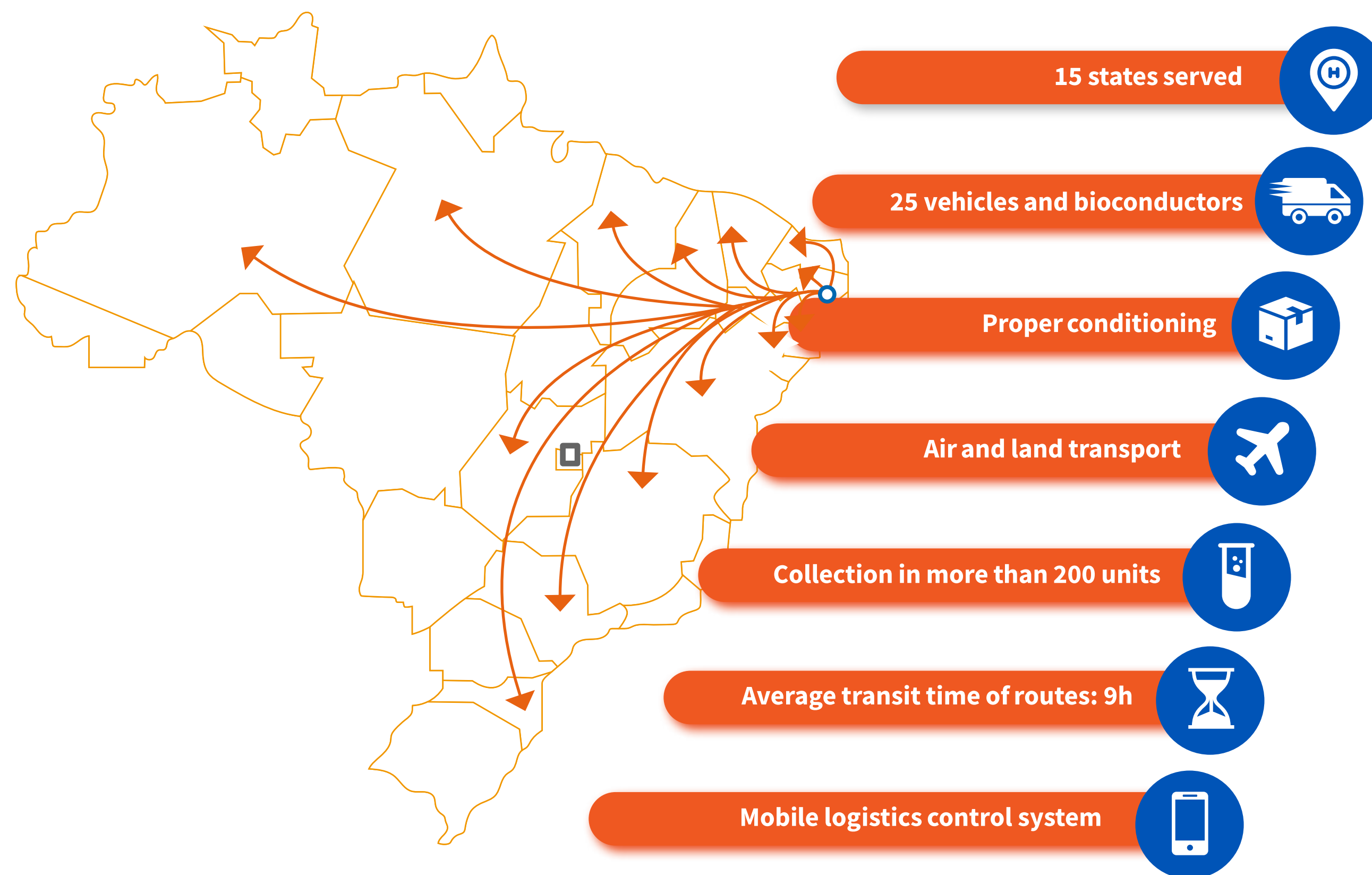


## Operational Technical HQ

Developed in partnership with Roche Diagnostics, the Operational Technical HQ was inaugurated in November 2020, in Recife (PE). It is a diagnostic medical center with intelligent management (NTO). The data processed in this HQ is integrated into a technological platform, in which all the results of the exams of beneficiaries are automatically registered. The HQ uses an advanced encryption process with state-of-the-art protocols, ensuring the security and privacy of information. Before the implementation of the NTO, about 80% of the exams were processed in company units. With the HQ, this index should reach 95% of laboratory tests, increasing the level of verticalization.



### Logistics of operation of the NTO



# Vidahap

The verticalized model and the integration of the units into a single system allow the medical intelligence team to act on solutions that extend the portfolio of available services far beyond post-symptomatic care. An example of this is VidaHap, a network of quality of life programs that focus on promoting preventive and predictive medicine and health care, which operates on three fronts: health intelligence, preventive medicine, and health promotion.

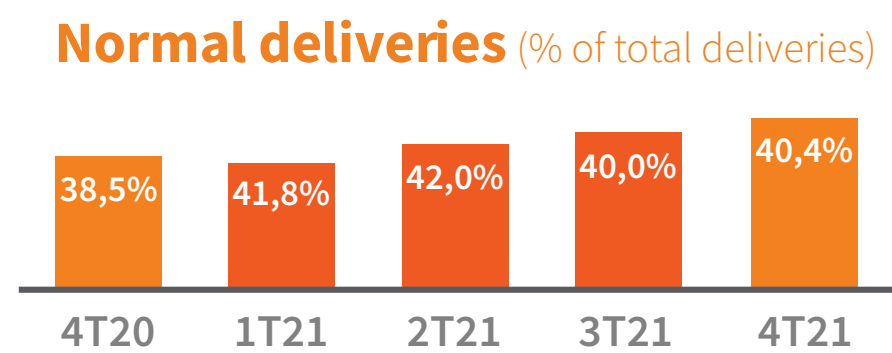
The initiatives and projects are free and aim to promote more quality of life by promoting healthy habits for the beneficiaries of the most diverse profiles.

## Birth Well Program

Birth Well is an assistance program for pregnant women of HapPrev (preventive medicine), operating in Fortaleza (CE), Belem (PA), Recife (PE), Salvador (BA), and Manaus (AM).

The program, called Pregnancy Moments, has an exclusive call center dedicated to the care of pregnant women, prenatal care consultations for them and their families including daily interactions with a doctor and obstetrician nurse. The support team is composed of physiotherapists, nutritionists and psychologists, in addition to mapping of high-risk pregnancies.

Throughout 2021, the program served more than 42,124 pregnant women, with 235,211 consultations performed and an average of 1,700 births per month. The graph below shows the evolution of the number of normal births performed by the system, within the Birth Well Program.



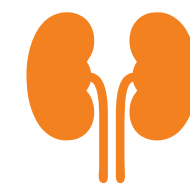
## The Care Well Program

Created to encourage women to perform the early detection examination of cervical cancer, Care Well serves beneficiaries aged 25 to 64 years. Through the program, patients from Manaus (AM) are invited by cell phone message, on the date of their birthday, to do the cervical cytology test and get early diagnosis. Throughout 2021, approximately 36 thousand messages were sent and 27,990 thousand patients from the Amazonian capital underwent cytological examination.

## Feel Well Program

Focused on patients over 18 years old in advanced stages of Chronic Kidney Disease (CKD) — greater than or equal to stage 4 on a scale of 1 to 5 — the Feel Well Program operates in Fortaleza (CE). The participating beneficiaries get referrals to perform hemodialysis sessions in the company's own health care network in the shortest possible time. At the end of 2021, 558 patients — an increase of 340% compared to 2020 — were part of the program, of which 271 were men and 287 women.

## Activities of the Program



We identify and invite our clients with chronic kidney disease over 18 years old



Providing personalized and humanized care



Multidisciplinary team with doctors and nutritionists dedicated exclusively to the program



Hapvida +1K — complimentary running and walking program

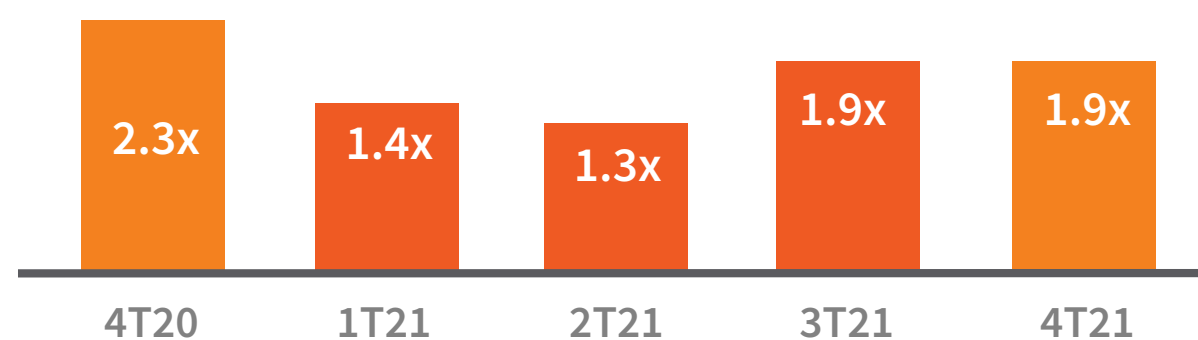


## Live Well Program

Live Well is led by doctors, nurses and nutritionists specialized in the treatment of diabetes and aims to promote healthy changes in people's lifestyles. Present in the capitals of the states of Pernambuco, Ceara, and Bahia, the program also has a Management Center coordinated by a specialized nursing team, which operates via remote care.

One noteworthy result: the group of patients attending the program until December 2021 showed significant improvement in glycated hemoglobin tests when compared to the control group (unaccompanied patients). At the end of the year, about 17 thousand beneficiaries were part of the program, a significant increase compared to 2020, when 6.5 thousand clients were served by Live Well.

### Glycated hemoglobin levels significantly improved compared to the control group



## Innovative solutions

Innovation and the encouragement of scientific research have always played a key role in the story of the Hapvida System. Opting for a vertical business model was the company's first and main step in this direction. Since then, Hapvida has presented to the market and its beneficiaries a series of innovative solutions based on artificial intelligence (AI) that have ensured, over time, a broader and more accurate view of the client, which enables better decision-making for the business.

In addition to a health-tech company of its own, Maida Health, Hapvida maintains an Innovation and Transformation Committee, which is involved in the maturation and expansion of services and technological resources. More than just a competitive advantage for business, innovation represents the possibility of enhancing and scaling the service provided to beneficiaries, constituting a pillar for the sustainable growth of the System.

### Artificial intelligence for the improved experience of the beneficiary

With more than 500 employees, Maida is responsible for developing innovative and technological solutions of a transversal nature for the company's business, ranging from Hapvida's telemedicine platform, Telehealth to a series of tools and resources for the administrative, recommendation, prediction, and diagnostic support areas of the company. They are solutions that use AI to aggregate precision, agility of analysis, behavior prediction, and robotization, thus contributing technology in a transversal way to the processes of the Hapvida System (see infographic below).

#### IA and the Hapvida beneficiary

Learn more about how AI is part of the Hapvida client experience:

#### Recommendations AI (ICD correction)

This solution performs an analysis of the patient's anamnesis, which, in conjunction with information on vital signs and symptoms, adapts diagnosis whenever necessary. This tool enables greater assertiveness of epidemiological bases, protocols, and therapeutic plans. In addition, it offers additional knowledge so that the clinical staff of the System can outline the best prevention strategies.

#### Diagnostic support IA (aid in the elaboration of reports)

This tool assists in the analysis of imaging tests, such as X-rays and ultrasounds, in order to identify risk situations for patients and notify the clinical staff of Hapvida regarding potentially severe conditions. Through this solution, the company's internal system can trigger a series of actions that change the flow and follow-up of the patient, according to the results indicated. By assisting the beneficiary's doctor with the examination report, this tool allows the professional in the area to provide a more humanized care and dedicate more time to the patient.

### University Partnership

In 2021, the Hapvida system was selected to install a Center for Applied Research in Artificial Intelligence at the Federal University of Ceara to promote access to health care. In all, there are six AI centers working in different areas of knowledge and regions of Brazil. The forecast of the public notice is that the government will invest R\$ 5 million in the first five years of operation of the center and that the company will contribute the same amount in the same period.



# Care for **the team**



## Diversity and inclusion

[GRI 103-1; 103-2; 405-1]

The year 2021 marked the beginning of Hapvida's journey on the theme of diversity and inclusion. The company believes that respecting individuality creates environments that are inclusive, creative, innovative, and free from prejudice, harassment, and discrimination, which results in the recruitment and retention of talent, the provision of more relevant services, and improved relationships with clients and other stakeholders. Therefore, the company's Code of Ethics and Conduct, reformulated throughout the year, establishes non-discrimination as a fundamental element of corporate culture. In this regard, prejudices of any nature are not tolerated, whether regarding ethnicity, religion, gender, party-political preferences, age, social status, physical restrictions, or any other personal characteristics. In addition to being the right choice to be made, the promotion of a diverse and inclusive environment is a moral imperative that meets the maximal premise of the Universal Declaration of Human Rights that "we are all born free, and equal in dignity and rights".

In this sense, it has become fundamental for Hapvida to ensure that the work environment

offers opportunities to all people, and in 2021, the Company adopted a series of measures to achieve this goal. Actions led by the People, Management and Diversity Board included communication and awareness campaigns, training modules, lectures, a diversity census — mapping our people anonymously and preserving psychological security — and a review of policies and guidelines. Engaged in movements related to the theme, the company adhered to important voluntary commitments aligned with the Sustainable Development Goals (SDGs), such as the LGBTQIA + Business and Rights Forum, UN Women, and the Business Network for Social Inclusion (REIS).

In June 2021, Hapvida launched a **Diversity & Inclusion Booklet**, the main document that originated a series of booklets and lessons on the following topics:

- Harassment and Discrimination
- Racism
- Violence against women
- Persons with Disabilities



## Respect unites us

With the goal of promoting greater engagement and assertiveness of D&I actions, four affinity groups were created and kept open to employees, who gathered throughout 2021 at monthly meetings to discuss topics such as racism, gender equality, and violence against women, LGBT-phobia, and ableism. There were, in all, 28 lectures and training programs — the Diversity & Inclusion Course had 10 video classes available for the entire company — and 15 meetings of affinity groups.

To further boost the communication campaigns, the 169 employees who were part of the affinity groups were invited to act as D&I ambassadors at Hapvida. Throughout the year, they were responsible for disseminating the theme around the company, on some occasions identified with T-shirts and emblems, which carried the motto "respect unites us". In addition, Hapvida held several awareness talks to sensitize our people and launched a video manifesto, which addressed the diversity of its professionals and reinforced public commitment to the topic.



## Support for women

The functional staff of the Hapvida system is composed mainly of women, who correspond to 68% of the company's workforce. Aware of the importance of this theme for our collaborators and in order to identify and combat domestic violence, in addition to drawing attention to the high rates of this type of violence in the country, in 2021 the company launched the Hapvida Women's Support Channel. Through it, employees who have been victims of violence are welcomed and offered support. The services are carried out only by women and the information is confidential.

Also aligned with these purposes, in 2021 Hapvida also made available a game on the subject, which helps the player to identify situations of domestic violence and work on ways of prevention.



# Organizational culture

[GRI 103-1; 103-2; 103-3]

The diversity & Inclusion actions executed throughout 2021 were defined through the Evolve Project, with the objective of identifying the essential elements of the current culture and aligning these elements to Hapvida's vision for the future. In addition to the organizational culture diagnosis process, leadership assessment actions, training modules on assertive feedback, leadership by example, a succession plan, and the definition of the interns' journey, among other actions were developed.

In the initial stage of diagnosis, a previous survey was conducted on all company employees, which included employee engagement interviews, with 24,072 respondents, and an analysis of the drivers of organizational culture — behaviors, rituals, symbols, and processes.

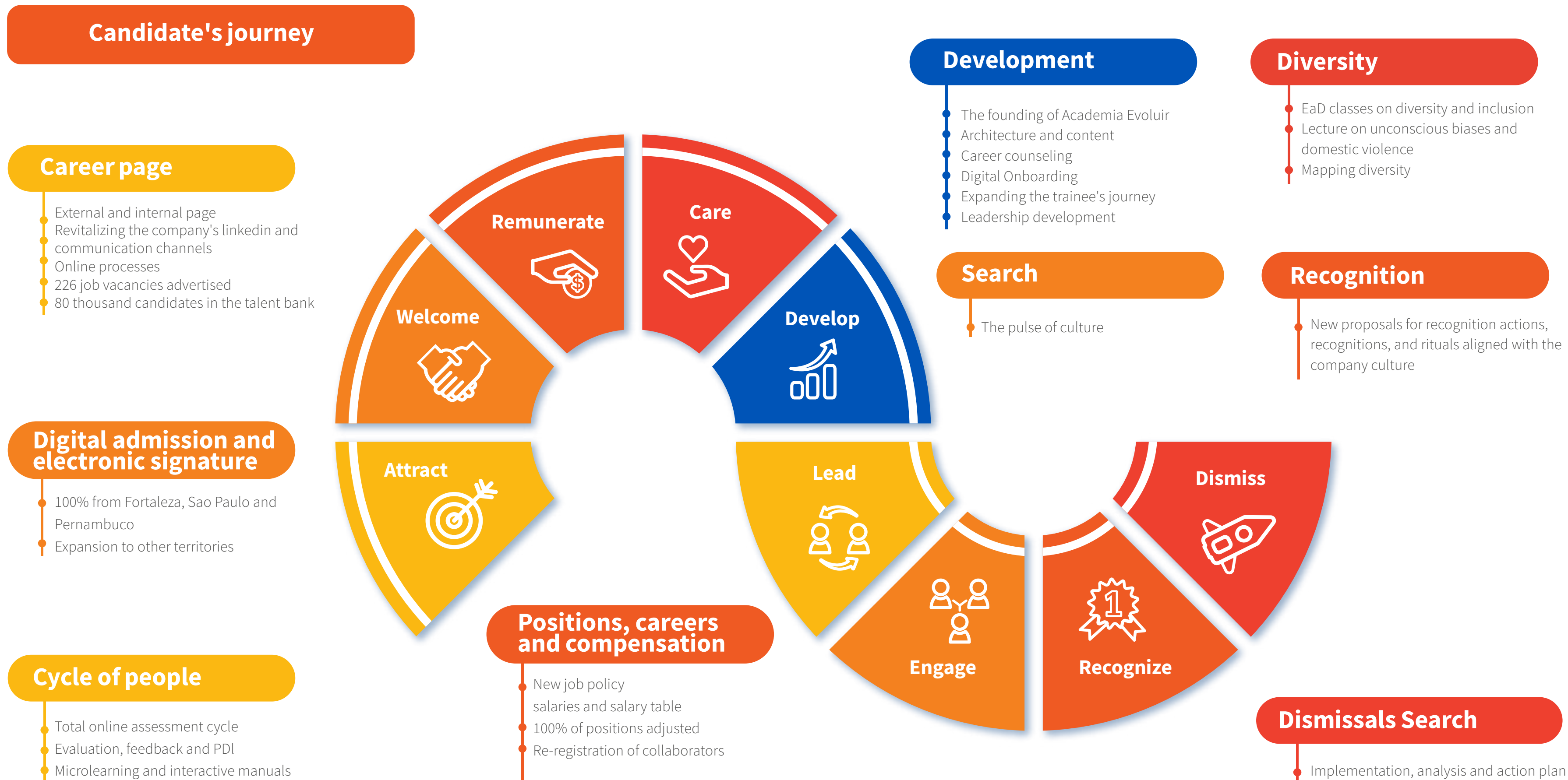
The result of the diagnosis made it possible to recognize the strengths that brought Hapvida to its current tiers regarding these subjects, and how they should be preserved. We also identified the behaviors to be reinforced or inserted into the company's day-to-day life for the implementation of the future strategy, with sustainable results and superior to those already achieved in recent years.

## Diversity Census

A fundamental step in the process of defining the organizational culture of Hapvida, in 2021 the company began a census on its professionals. In order to map and better understand the plurality of the company's employee profile, this initiative at first sought to identify people with disabilities (PCD) — whether congenital or acquired — and diversity according to race, sexual orientation, and gender identity. Based on the results of the census, the company is in a better position to direct and deliver greater assertiveness to its actions on diversity, equity, and inclusion in the coming years.



In addition, through the diagnosis, in 2021 the Evolve Project concluded the mapping of the organizational culture, from which the employee's journey can be traced within Hapvida, with the definition of roles and career paths and a new cultural pillar: collaboration among teams (see infographic below).



### Awareness and implementation of the desired culture

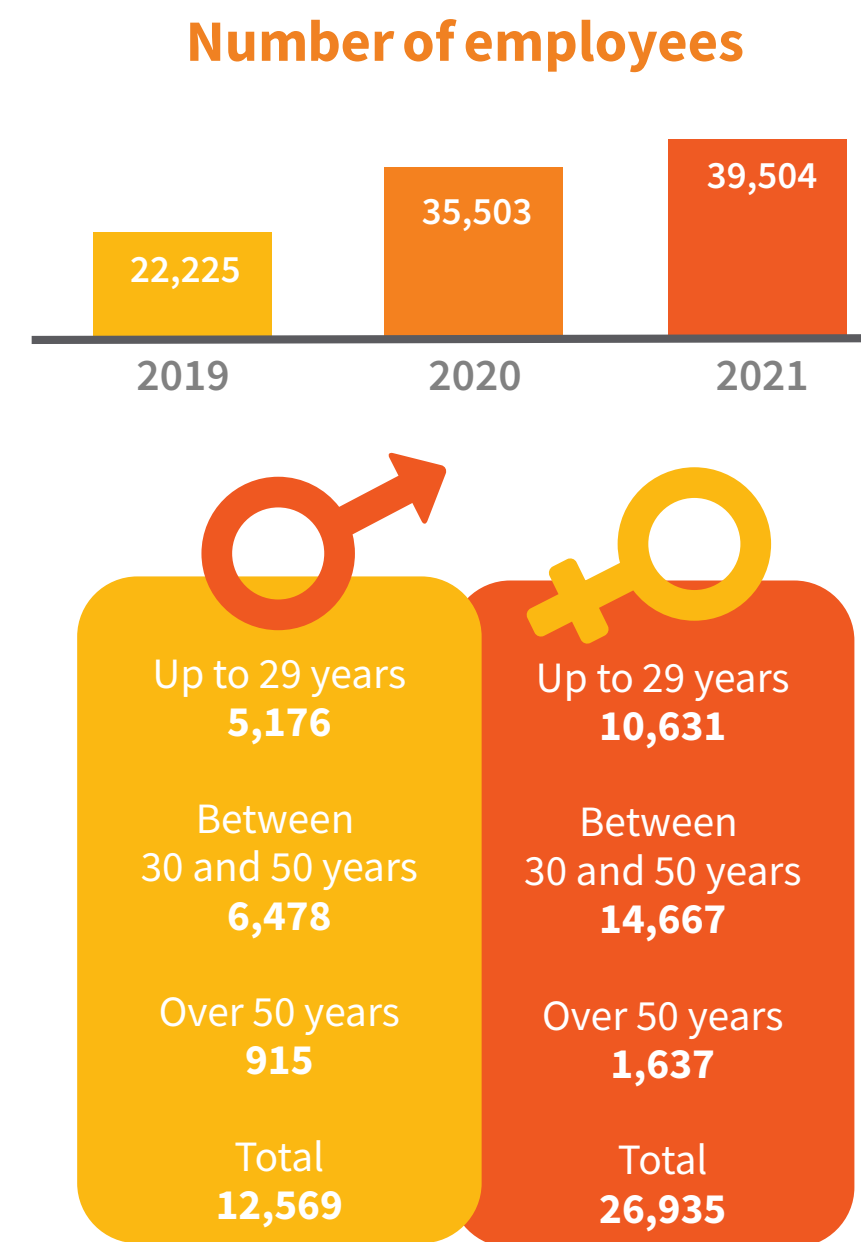
Throughout 2021, Hapvida executed the evolution and implementation plan of its desired company culture, which mobilized the entire team, also involving the newly acquired companies, in addition to the continuous improvement of internal processes. For this, lectures were held to raise awareness of newly integrated companies, communication memos for cultural alignment — which included a video from the company's Executive Board — training programs for directors, coordinators, and managers on the topic, as well as various communication campaigns on the purpose and pillars of organizational culture.

# Staff profile

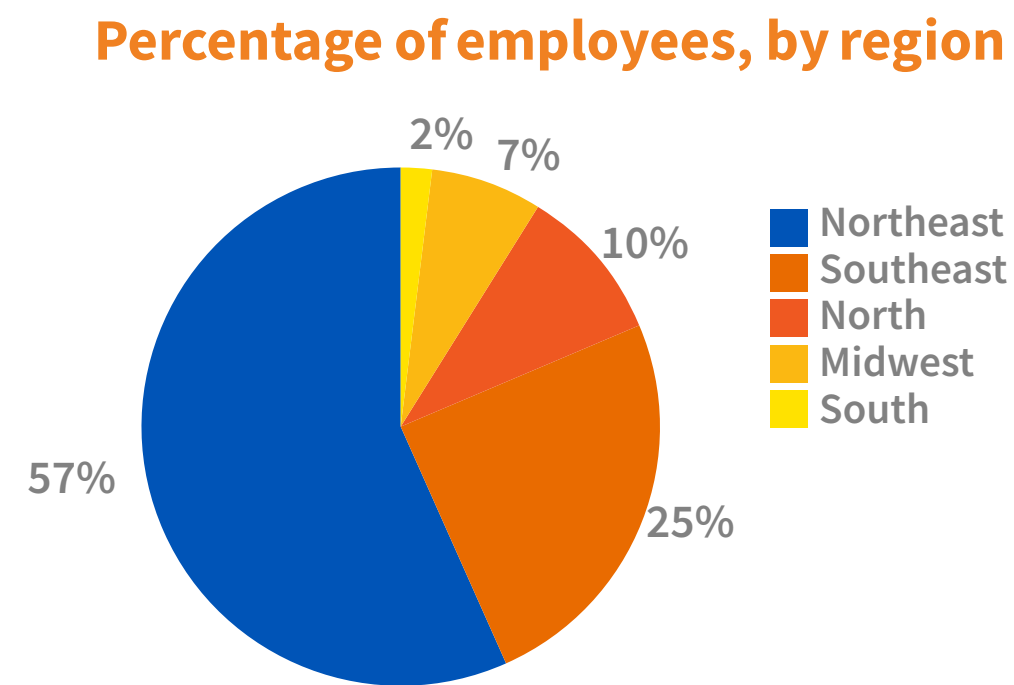
[GRI 102-8; 102-41; 405-1]

At the end of 2021, Hapvida reached the mark of 39.5 thousand collaborators, 11.3 more than registered in 2020. This increase is especially due to the integration of professionals from the acquired companies, such as the groups São Francisco, São José, and Medical.

With a predominantly female profile (68%), the staff is composed of a greater number of people in the age group of 30 to 50 years (53%) and 124 people with disabilities. Of the total number of employees, 93% had full-time labor contracts.



In relation to the geographical distribution of employees, 57% were allocated in the Northeast operations, 24% in the Southeast, and the rest in the other regions of Brazil.



### Number of employees, by functional category

Functional category	Gender		Total
	Male	Female	
Management Board	119	58	177
Management	190	280	470
Coordination	288	542	830
Supervisors	179	292	471
Administrative	2.171	3.226	5.397
Operational	9.363	22.073	31.436
Interns	44	62	106
Youth trainees	215	402	617
<b>Total</b>	<b>12,569</b>	<b>26,935</b>	<b>39,504</b>

In 2021, 100% of employees were covered by collective bargaining agreements. The company participates in negotiations with trade unions and representative entities of the most diverse categories. Interactions between these unions and the company are based on ethics, dialogue, and cooperation and focus on respecting labor rights, thus ensuring the legality and financial viability of negotiations.

In line with best labor practices, the company seeks a continuous rapprochement with labor unions, which extends beyond the negotiations period, in order to satisfy requests for adjustments to collective bargaining agreements in the best way possible. The Labor Relations Department of Hapvida — linked to the Legal Department — acts as a supervisor of compliance with labor legislation and the rights of employees of the Hapvida System, working alongside the Personnel Administration Department of the company to promote and achieve the most ethical and integrity-based conditions in relation to such rights and other benefits.

In addition, the company also maintains a good relationship with the employers' associations to define the negotiations of collective bargaining agreements and create homogeneous legal instruments for agreements that fit the budgetary goals of Hapvida.

<sup>3</sup>All employees are accounted for — including interns and youth trainees - of the companies Hapvida, Grupo America, Grupo São Francisco, São Francisco Resgate, Medical, Grupo São José, and RN Saúde. Of the total number, 2,844 professionals worked part-time.

# Employee admissions and dismissals

[GRI 401-1]

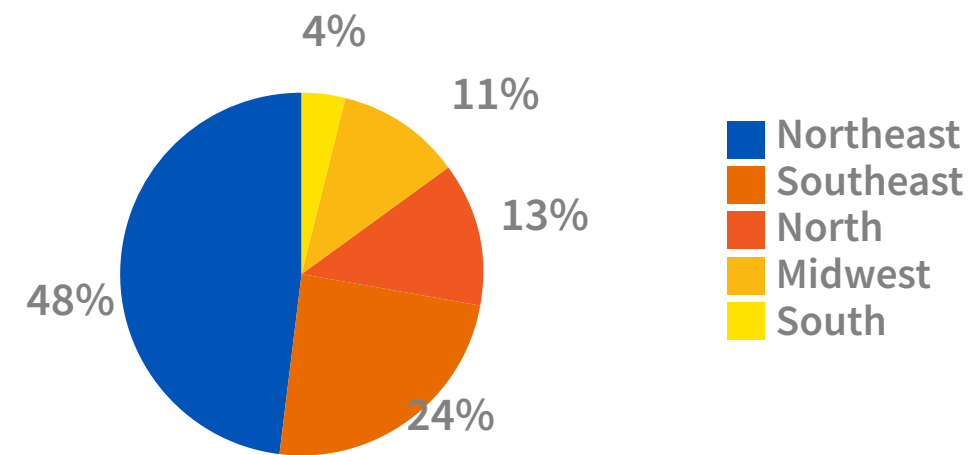
Throughout the year, from hirings that were strategic for the scenario of combating Covid19 and the incorporation of employees of acquired companies, the company added 19,024 people to its functional staff, which is 12.3% higher than that registered in 2020.

In the same period, 6,735 employees were dismissed. The regions with the highest number of employees admitted were Northeast (9.2 thousand) and Southeast (4.5 thousand), both of which are markets with strong capillarity of the Hapvida system, in addition to the increase resulting from the integration of the functional staff of Grupo São Francisco.

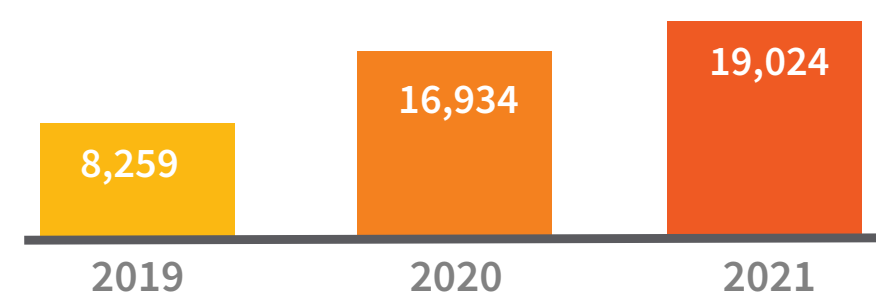
Dismissals in the Northeast (50%) and North (21%) regions had a higher turnover rate. The turnover rate of Hapvida in the period was 3.59%.

Aware of the concern and sensitivity that such a moment requires, Hapvida seeks to develop its leaders so that they have the skills to handle the process of dismissing employees. Therefore, the company created Hapleader, a program that trains managers to perform this function in the most ethical way and aligned with the best practices of people management established by the industry.

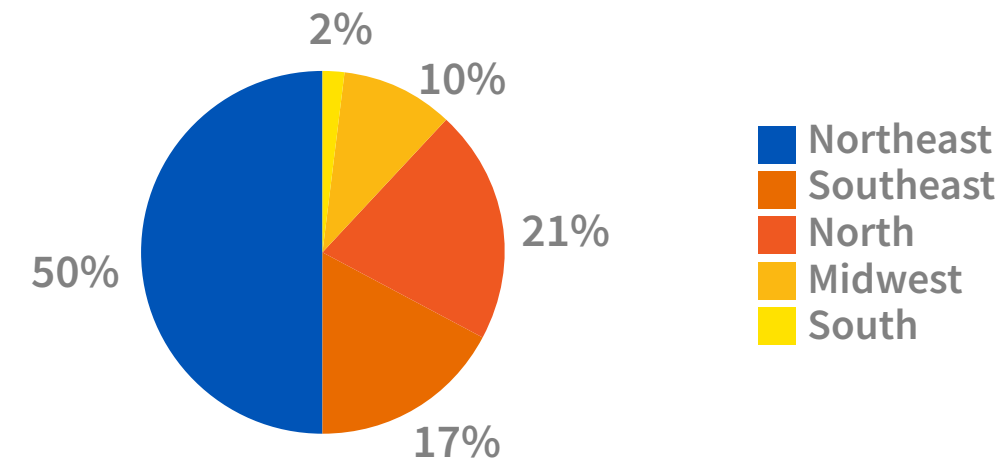
Percentage of admissions, according to region



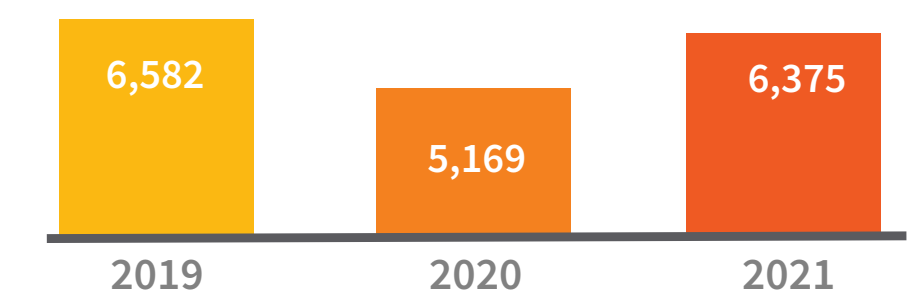
Number of admissions



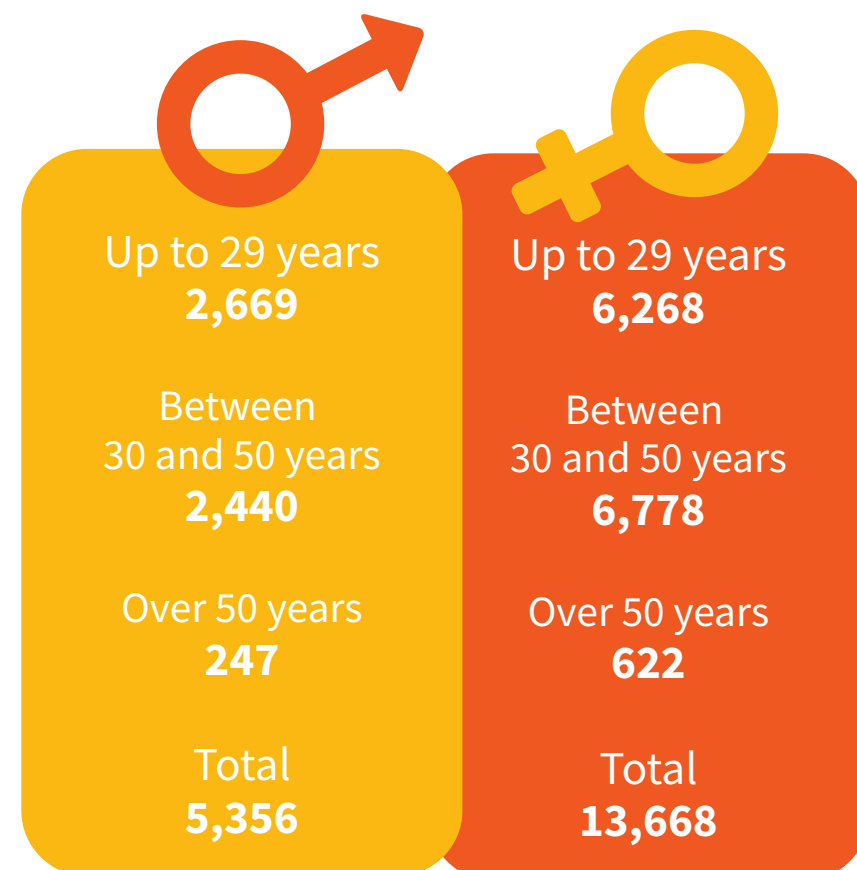
Percentage of dismissals, by region



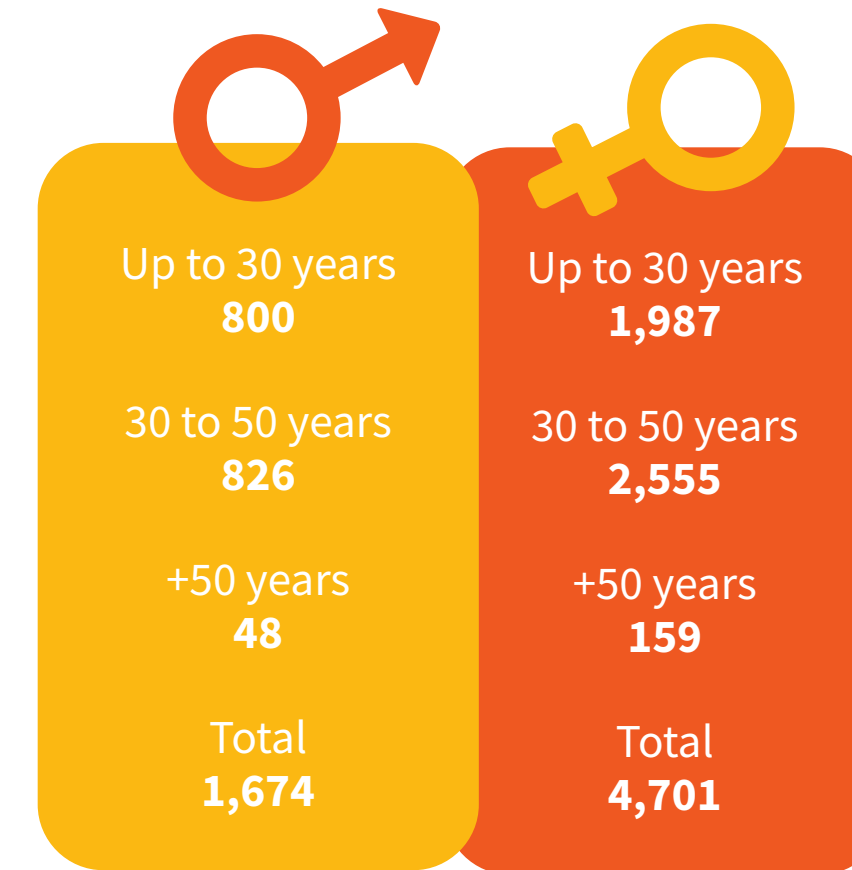
Number of dismissals



Admissions, by age group



Dismissals, by age group



Overall Turnover



Resignations turnover rate





### Practices for greater assertiveness in talent selection

1. Alignment of the values and culture of the company in the selection processes.
2. Improvement and standardization of the advertisement of job vacancies via social network channels and local media.
3. Evaluation and monitoring of the employee during the trial period.
4. Development of methodology to evaluate the behavioral profile of frontline professionals of the operation.
5. Application of the DISC tool for management positions (managers, directors, and superintendents).
6. Application of tests on ethics and compliance assessments of managers, directors, and superintendents.
7. Standardization of recruitment and selection processes in company units.

### Successor program

Through the Evolve Project, Hapvida has developed a process of identifying and developing people with the potential to assume strategic and leadership positions within the organization. The new succession policy is currently in the process of being validated, and with it the company seeks to establish a clear career path for its employees. For the system, it is essential that possible leaders present the following attributes:

- Increase effectiveness and elevate the Board's capacity for current and future challenges.
- Propagate and consolidate the desired company culture.
- Present interest in professional growth, aiming at future positions in the structure.

In order to provide more innovation, diversity, transparency, and standardization to the hiring process, in 2021 Hapvida implemented a digital platform with a new flow of internal selection of professionals within the System. Through it, all employees can find opportunities for growth within the company.

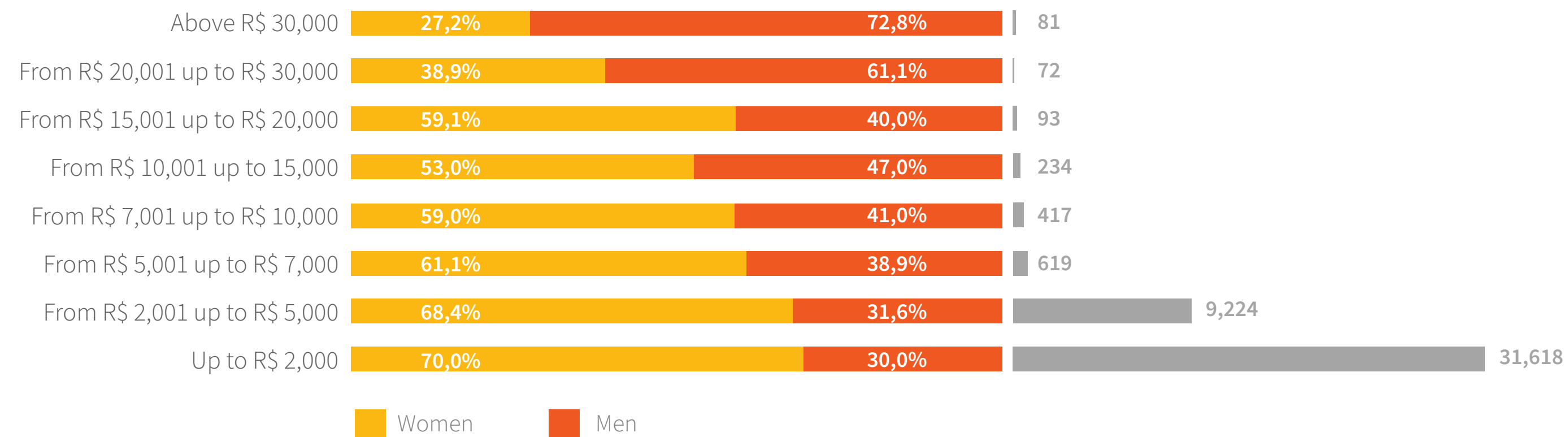




## Remuneration and benefits

[GRI 401-2]

In 2021, the company analyzed the structure of positions, functions, and salaries of employees, according to the organizational reality and in comparison with the healthcare market. Internally, Hapvida has a predominantly female staff population. However, the representativeness of this gender is lower, as the higher salary ranges are analyzed (see chart below). The company's diversity and inclusion actions consider this scenario in the planning of future inclusive guidelines and practices.



Women Men



R\$2,270.32

R\$1,922.58

Average recorded difference between men and women:  
-15,32%





In addition to legal obligations, Hapvida offers complementary benefits in order to provide more safety and comfort to employees regarding health and family care. Focusing on the satisfaction of professionals, and due to the adaptations required by the Covid19 pandemic, the company maintained the portfolio of benefits offered in 2020. Examples of this include the Our People and Gym Pass programs. Launched in the first year of the pandemic, Our People offers an exclusive health care and dental plan to employees, which includes occupational medicine and preventive medicine programs to screen for potentially disabling diseases. Gympass was adopted to strengthen the physical and mental health of employees through a digital platform for access to training for physical activity, meditation classes, nutritional planning, and children's content, among others.

The Company adopted, in 2021, a series of actions to further improve the benefits offered to its employees:

it restructured the department in charge, clearly and transparently defined the benefits policies, made adjustments to the system, changed service providers to obtain better service, and included life insurance for the entire functional staff of the Hapvida System.

See the full list of company benefits:

- Medical assistance
- Dental care
- Childcare Aid
- Funeral aid
- Special Child Aid
- Gym Passes
- Variable Remuneration
- Group Life Insurance
- Food Stamps
- Meal Vouchers
- Transportation Voucher

# Professional training and development

[GRI 404-1]

In order to stimulate the continuous improvement of its employees, Hapvida has educational activities dedicated to different professional categories, in all its units. In 2021, still as a result of the pandemic and its developments, the training schedule was impacted. Over the year, 345 thousand<sup>4</sup> hours of training programs were provided to employees of the System, an average of 8.7 hours per professional — 6.7 hours for men and 9.6 for women. In the period, R\$ 929.8 thousand<sup>5</sup> were invested in these activities.

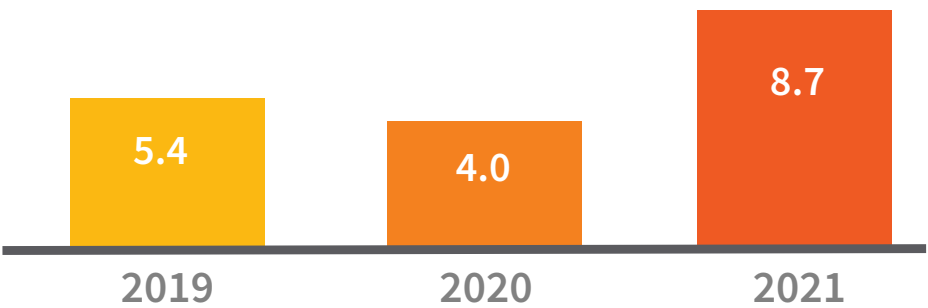
Mandatory training programs include hours allocated for integration and regulatory and functional standards. The non-mandatory ones, on the other hand, address topics such as diversity and organizational culture. Members of the company's Board of Directors also participated in non-mandatory training programs throughout 2021, totaling 81 hours of training in Diversity & Inclusion.

### Average number of hours of training, according to functional category and gender\*



\*Medical training (2,708 hours) was not considered for the calculation of the average.

### Average number of training hours per employee\*



\*Medical training (2,708 hours) was not considered for the calculation of the average.

Training programs	Total hours
Mandatory + non-mandatory	345,013
Mandatory*	330,660
Non-mandatory	14,353

\*In total, the hours allocated to nursing training were added, presented on Page 68.

Faced with the major expansion of the system in 2021, the department responsible for Hapvida's training programs carried out an individual mapping of leadership, with the aim of developing the necessary skills for the growth of the company. There were, in all, 16 face-to-face and online training programs focused on promoting the skills and self-knowledge required of managers and directors.

Also focused on leadership, the training team started a team alignment in the second half of 2021, which included the modules of Culture Experienced Course which included, for example, Inspiring Leadership and Management Planning and Strategy. Thus, 305 employees participated in 1240 hours/classes, which involved those three modules.

In the process of integrating employees, Hapvida began to include the ASG Training Program with the aim of disseminating the culture of sustainability among new employees.

In May 2021, the company started "Intern's Journey", a project that provides learning and professional development for university students from all over the country. The program lasted 24 months and aims to promote technical and behavioral training, in addition to connecting interns from Brazil into the network.

*In the process of integrating employees, Hapvida began to include the ASG Training Program, with the aim of disseminating the culture of sustainability among new employees.*

<sup>4</sup>This result contains the data relating to the acquired companies (Limeira, as of July 2021, and Grupo Sao Jose, as of April).

<sup>5</sup>In the amount reported, expenses for training performed internally were not accounted for.

## Evolve Academy

In 2021, Hapvida concluded the format of Evolve Academy, the system's corporate training program, which will be launched in 2022 and focuses on continuous learning, knowledge management, and the company's vision for the future. Within the Academy, employees will undergo technical and behavioral learning trials, with mandatory training for participants in order to strengthen the organizational culture and promote a collective evolution of the System. In addition to mandatory classes, employees are offered optional training in personal and professional development.

## Nurse technician training

Mandatory training for the Hapvida Nursing Corps is defined by the Nursing Board and the Department of Corporate Care Practices, according to the needs of the units. The themes are prioritized by taking into account the need for implementing guidelines for best care practices, as well as patient safety protocols.

	Men	Women	Total
Training hours	14,386	91,550	105,936

The units have audiovisual resources and mannequins for practical training. Data on the training programs are consolidated and informed on a weekly basis to the managers of Hapvida units throughout Brazil. The objective of the weekly monitoring is to screen, stimulate and strategize with the consultants of care practices for the delivery of expected results. In addition, each unit has a team of multipliers, which undergo monthly training programs and are responsible for disseminating the training content to other employees as well as to the consultants.

In 2021, Hapvida began the implementation of the EaD platform for this type of training, which allowed it to disseminate more content to the teams that work in the units in all regions of Brazil.

## Training programs for doctors

In 2021, 645 doctors participated in face-to-face training programs or through the Ensign Online platform, made available by Hapvida. In addition to technical topics, the training programs addressed subjects such as emotional intelligence and diversity.



# Occupational Health and Safety Management

[GRI 403-1; 403-3; 403-6; 403-9]

Hapvida grows because it values that which matters most: caring for people. As well as caring for its beneficiaries, protecting and valuing employees is a priority for the company. This concern became even more important in 2020 and into 2021, years marked by the challenges arising from the Covid19 pandemic. A period in which caring for and supporting the physical and mental health of the team made all the difference to ensuring the provision of services with quality and excellence. Throughout the Hapvida System, the management of occupational safety and medicine is oriented towards compliance with regulatory measures, the minimization of risks, and the maintenance of the well-being of employees. The measures are coordinated by professionals who are members of the Specialized Service in Safety Engineering and Occupational Medicine (SESMT).

The SESMT is also responsible for the analysis of situations that may result in insalubrious or hazardous work routines. To that end, the Service conducts technical inspections in the System units for qualitative and quantitative evaluation of possible exposure to agents or conditions that may present risks to employees. Based on these inspections, the SESMT issues a Technical Report on the Environmental Working Conditions, evidencing or not any unhealthy or insalubrious conditions. Employees can report situations directly to SESMT, in cases of extreme urgency.

In 2021, the health management systems were unified, allowing SESMT to have a global view of the company, identifying, through the indicators, the need to carry out actions geared toward health promotion and accident prevention.

The higher-level professionals who are members of SESMT, such as engineers, doctors, and nurses, have, in addition to university degrees, specializations that enable them to perform such functions. The other employees, such as safety technicians and occupational nursing technicians, possess technical training and college degrees.

## Care and protection in the pandemic

In 2021, SESMT continued to act to mitigate the impacts of the pandemic in order to preserve the health of employees and the public with whom they interact. Among the actions developed were adaptation made to the work environments, temperature measurement, physical distance guidance, provision and guarantee of the use of personal protective equipment, and the identification and guidance of professionals in risk groups.

In the quest to reduce the exposure and overload of front-line workers in the fight against Covid19, Hapvida has significantly expanded

its functional staff in coping with the pandemic. In all, 3,646 hospital support professionals were hired, such as nurses, stretcher-bearers, and maids in temporary employment positions to reinforce patient care. At the same time, SESMT paid special attention to the mental health and emotional state of the employees in the health care area, given the significant increase in the number of patients admitted to the wards and intensive care units of the system.

In addition, a number of professionals, classified as being in a risk group were directed to practice via telemedicine consultations — a measure aimed at reducing people's exposure to the virus and relieving urgent and emergency care. Despite all efforts and care, Hapvida had employees diagnosed with Covid19 throughout 2021, being immediately removed from work for treatment and follow-up by the medical and nursing staff. Hapvida mourned the loss of 33 employees who died as a result of the disease.

***As well as caring for its beneficiaries, protecting and valuing employees is a priority for the company.***



## Accident prevention

Hapvida also has 84 internal Accident Prevention Commissions (CIPA) in the units, which include representatives of the company and employees. Among the duties of the CIPAs is the identification of risks related to accidents, incidents, and occupational diseases, assisting SESMT in the planning of preventive actions.

The search for continuous improvement of health and safety indicators occurs through structured actions, such as lectures and awareness training, administrative prevention measures, the use and provision of collective protective equipment appropriate to the risks involved, and corrective action plans. In addition, the investigation of accidents and recorded incidents is carried out through technical inspections, in which the conditions of exposure to risk are evaluated.

Indices monitored by CIPAs:

- Efficiency, use and proper disposal of PPE
- Number of accidents and incidents per unit and sector
- The updating of mandatory training programs
- Accident frequency and severity rates
- Indicators of absenteeism

In 2021, no death was recorded as a result of the exercise of labor activity. In all cases of accidents with and without leave, the company evaluated the causes and consequences in order to minimize the risk of recurrence.

OSH indicators	2020	2021*
Number of days lost - work accidents with leave	2,974	955
Number of fatal accidents (deaths)	0	0
Work-related accidents with leave and mandatory communication	206	184
Work-related accidents, without leave, with mandatory communication	456	494
Mandatory communication of occupational accident index**	-	0.02
On-route road accidents	-	134

\*The reported data consolidates the information of the units Ultra Som, Hapvida, São Francisco Rede Assistencial, and São Francisco Resgate, which represent 98.5% of the company's operations.  
 \*\* Compulsory communication of work accidents = number of compulsory communication of accidents (with and without leave) / number of hours worked

The majority of accidents within Hapvida are caused by sharp or biological materials. To mitigate these accidents, SESMT conducts educational traffic stops into the workstations of the entire system. For contracted third parties, 24 typical accidents were recorded, which resulted in 26 days of leave. As a general measure, SESMT requests prior notice of the hiring of third parties in order to request necessary information, as well as deliver personal protective equipment for the assignments performed.



## Doctors and dentists

By the end of 2021, thousands of doctors and dentists partners were integrated into the Hapvida System's workforce in different regions of the country. Doctors practice at Hapclinics, hospitals, emergency care units, and diagnostic clinic Vida & Imagem, under the service-provider employment system. They also practice in accredited private units indicated in the Medical Services Guide. Likewise, accredited dental professionals practice in their own clinics and private practices.

For consultations, beneficiaries must make a prior appointment online at the company's website or app — or face-to-face at the professional's place of work. From the records in the beneficiary profile, in an integrated system, Hapvida is able to monitor the demand for consultations and professionals and analyze the needs of clients.



# Socio-environmental management





# Supplier engagement

[GRI 102-9; 204-1]

Hapvida believes that exerting a positive influence on the company's value chain is one of the ways to disseminate good sustainability practices. Thus, the system seeks to continuously improve the socio-environmental analysis of suppliers and service providers. At the end of 2021, the supply chain consisted of 4,723 companies, located in all regions of Brazil.

Hapvida suppliers are divided among the following segments: medicines, hospital supplies, office supplies, cleaning supplies, laboratory supplies, maintenance materials, equipment, various third-party services, construction, nutrition, equipment, and IT services.

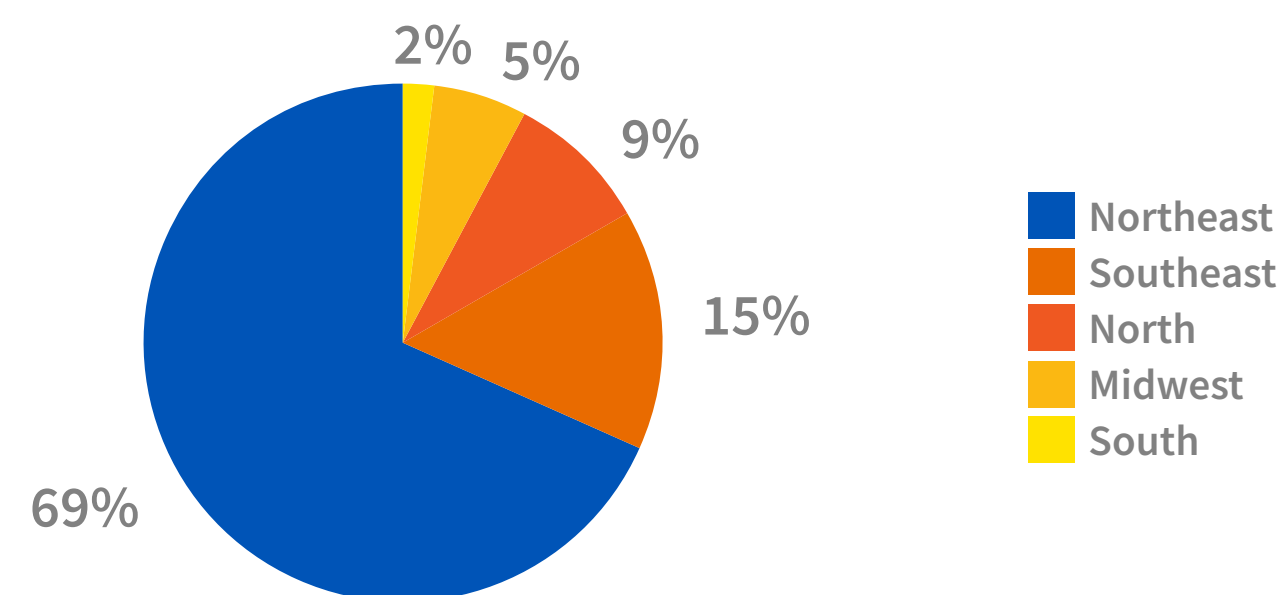
The management of indicators is carried out at results meetings with periodic frequency, which include monitoring the value chain. The meetings are held with suppliers to align the quality of the

products and services as well as evaluate the delivery points considered strategic for monitoring the indicators.

In 2021, these partners were fundamental in the success of actions taken to cope with the pandemic, especially with regard to the necessary inputs to ensure the care of beneficiaries in places most affected by the serious health crisis.

To ensure efficiency in the logistics and supply of hospital materials and medicines — supplies of greater relevance for the operation of the Hapvida system — the company's procurement department directed about R\$ 1.3 billion to the payment of suppliers in 2021. Of this total, about 69 FB were earmarked for contracts with local companies in the Northeast region, in states where the largest volume of operating units of the system is located.

Percentage of amounts paid, by region



## Institutional relations

GRI 102-13]

Committed to maintaining solid, transparent, and cooperative social connections, Hapvida establishes close relationships with entities, associations, and trade-union and business programs, as well as organizations that, like the company, aim at sustainable social, professional, and business development. The following is a list of organizations with which the company remained associated in 2021.

- Lide SP - Grupo de Líderes Empresariais
- Lide Gold SP
- Lide litoral Paulista
- ACIJ - Joinville Business Association (SC)
- ABRH AM - Brazilian Association of Human Resources Amazonas
- Junior Achievement Association - Fortaleza
- IBEF CE - Brazilian Institute of Finance Executives



## Regulatory Agency

[GRI 419-1]

The Hapvida system maintains an appropriate and respectful relationship with the National Supplementary Healthcare Agency (ANS). The agency calculates and publishes the General Complaint Index (IGR), whose main function is to evaluate the customer service of operators in the sector and monitor the resolution of problems pointed out by beneficiaries<sup>6</sup>. The evaluation is carried out on a monthly basis. Throughout the year, the company managed to stay between positions 36 and 42 (minimum and maximum) and remained at position 36 in December 2021. For reference, the farther from first place, the better the situation of the health care operator.

In order to improve the receipt and resolution of complaints from beneficiaries, the company has established a monthly goal of receiving Preliminary Intermediation Notification (NIP)<sup>7</sup>, divided among the business areas, which aim to carry out action plans to reduce the problems that cause the receipt of NIPs.

## Complaints and sanctions

By December 2021, the operator responded to 678 cases in the infringement notification phase —the first phase of the administrative process — 666 in first instance decisions (second phase) and 546 in second instance decisions (final). Of the administrative processes cited,

62.7% are related to care coverage, the main reason for complaints.

## IDSS

ANS annually reports the Supplemental Health Performance Index, part of the Operator Qualification Program (PQO), an initiative developed for the annual evaluation of the performance of health care insurance plan operators. The IDSS provides a set of indicators grouped into four dimensions, calculated from data extracted from the ANS databases or collected from National Health databases. In 2021, ANS released the IDSS based on the year 2020.

Overall results of the IDSS	
2018	0.759
2019	0.762
2020	0.759
2021	0.673

<sup>6</sup>The results of the index are calculated based on the analysis of a sample of 10,000 beneficiaries of the operator.

<sup>7</sup>A NIP is a complaint made by the consumer to ANS that, if not solved, causes the opening of administrative proceedings with a fine charged to the operator.

## Social responsibility

[GRI 103-1; 103-2; 103-3; 413-1]

In order to promote the quality of life in the communities where it is inserted and aware of the importance of its commitment to society, Hapvida supports projects that generate value and contribute to the development of people. Thus, the company invests in programs and actions aimed at education, culture, physical activity, and environmental conservation. These investments are carried out both with company resources and through fiscal incentive mechanisms in force in the country.

### Projects developed with company resources

Amount invested in 2021: R\$ 923,219.62

#### VAMO

An alternative mobility system, VAMO collaborates to reduce the emission of greenhouse gases (GHG) in Fortaleza (CE), through the provision of electric cars to drivers willing to carpool. In 2021, 424 people registered in the system and completed 1,679 trips.

#### Escolinha Sol

Escolinha Sol is a project of the NGO Solidariedade Operosidade e Liberdade (SOL), which has offered, since 2006, integral education for children in situations of social vulnerability of the Comunidade Caça e Pesca of Fortaleza (CE). Currently, the institution serves 143 children from 3 to 10 years old in early childhood education and elementary school.



#### The Ana Lima Foundation

Partner of the Hapvida system, the foundation, which has four service units — two in Ceara (Fortaleza and Maracanaú), one in Recife (PE), and another in Salvador (BA), has served more than 20 thousand Social Responsibility Program children and adolescents and distributed about 1.6 million meals over the last six years. With the suspension of activities in the foundation's facilities due to the pandemic, the families of children who previously received two daily meals on-site began to receive a monthly basic food basket with added proteins such as meat, chicken, eggs, and personal hygiene products.

The educational activities previously carried out in classrooms transferred to the online format, and were transmitted daily, with the delivery of printed tasks and school supplies, according to the content under study. There was also the monitoring of the families' situations with visits by social workers from each unit, who reinforced home care practices to identify families that were in need of greater support. In 2021, those actively enrolled in education activities were between 7 and 17 years old. In all, 549 youths and children were attended to — 144 in Fortaleza, 136 in Maracanaú, 137 in Recife, and 132 in Salvador.



### Projects developed with incentivized resources

Value contributed in 2021 for the execution of projects in 2022: R\$ 578,197.28

With the resources directed to social projects in 2020 (see information on the contributions in the 2020 Sustainability Report) through tax incentive mechanisms, the following projects were developed throughout 2021:

### Projects in partnership with the Estação da Luz

A non-profit civil organization operating in the municipality of Eusébio (CE) since 2004, Estação da Luz works with projects in three basic axes: education, culture, and sport, and serves approximately 800 people, including children, adolescents, youths, and adults. The projects involve educational actions, soccer, rhythmic gymnastics, basketball, music, theater, and professional training programs.

In 2021, as in the previous year, the entity adopted adequate sanitary measures to combat the pandemic, under the guidance of the World Health Organization (WHO), and adapted the actions of social projects so that they could be resumed remotely. To the side, three projects of Estação da Luz are described that were supported by Hapvida.

### 19th Brazilian Exhibition of Transcendental Theater - The Cultural Incentive Law

Supported by Hapvida, the Brazilian Exhibition of Transcendental Theater is a cultural event with solidarity purposes, held annually in the state of Ceara. With six shows performed throughout the year, the 2021 edition had an audience of 6 thousand spectators in 11 Cearense municipalities. In all, the show collected 7.6 tons of food, which benefited six state institutions.



### Projeto Educação em Valores Humanos - Fundo da Criança e Adolescente (Human Values Education Project - Child and Adolescent Fund)

Run at the Escola Professor Clodomir Teófilo Girão in Eusebio (CE), the Projeto Educação em Valores Humanos has been developed since 2004 by Estação da Luz. Through it, 247 children and adolescents in situations of social vulnerability or risk, students from the early childhood education to 9th grade receive free education.

The curriculum follows the requirements of the Ministry of Education and include activities focused on Human Values Education, recreation, and music. The project has the Education Certification for Charitable Entities of Social Assistance, a certificate granted by the Federal Government.

### Vida & Esporte Ginástica Rítmica (Life & Sport Rhythmic Gymnastics) - Sport Incentive Law

Held in the municipality of Eusébio (CE), the initiative promotes rhythmic gymnastics classes to 120 girl, who participate in the Education by Values Project.



## Hapvida + Saúde - Sports Incentive Law

Run by the Instituto Chuí in Franca (SP), Hapvida + Saúde promotes healthy development and quality of life through practicing sports. With free aerobic and outdoor classes held three times a week in two locations in the city, the project is aimed at adolescents, adults, and the elderly.

## Projeto Crianças de Várzea (The Floodplain Children Project) - The Children and Adolescent Fund

The project is an initiative of the Educandário Nossa Senhora do Rosário, in Recife (PE). Through tax incentives, companies contribute to the comprehensive early childhood education of 73 children from three to five years of age and also to flute workshops for 14-year-olds.

## Projects in partnership with Terra Incentivos

Terra Incentivos manages a series of projects through tax incentive laws, in Ribeirao Preto (SP) and the surrounding region. The entity is a long-time partner of São Francisco, an operator integrated into the Hapvida System in 2021, which maintained the project's financing policy.

Thus, through the partnership with Terra Incentivos, Hapvida supports nursing homes, educational and inclusion projects for the visually impaired, and children in situations of social vulnerability, in addition to maintaining cultural spaces, such as museums and theaters.

## Projeto OSESP Itinerante - The Cultural incentive Law

This project was created in 2008 in order to bring the music of the Sao Paulo State Symphony Orchestra (Osesp) to the Paulista interior free of charge. Dedicating itself to the mission of democratizing access of the general public to quality symphonic music, this project achieved a great public response.

In 2021, with the support of Hapvida, Osesp Itinerante went to the following cities in the interior of the state:

- Ribeirão Preto: 403 participants
- Franca: 195 participants
- São José dos Campos: 222 participants
- Piracicaba: 543 participants
- Araraquara: 423 participants
- Pirassununga: 320 participants

## 38 Festival de Dança em Joinville (38th Joinville Dance Festival) - The Cultural Incentive Law

The 38th Joinville Dance Festival, held from 05 to 16 October 2021, was held in hybrid form, with face-to-face and online activities to ensure the safety of participants and spectators. It was 12 days of non-stop dancing, learning, and innovation, with competitions, dance shows, workshops, courses, open stages, and Feira da Sapatilha (The Sneaker Fair), with the presence of over 75 thousand visitors. The Digital Festival reached 215 thousand people.



# Eco-efficiency

[GRI 102-11; 103-1; 103-2; 103-3]

Respect for the environment as well as people is a commitment reflected in the objectives of Hapvida, extending beyond economic aspects.

In 2021, the company remained committed to ensuring compliance with current environmental legislation, while studying alternatives for assertive identification and monitoring of the impact of its activities on the environment. In addition, Hapvida has made public commitments, such as the inclusion of hospitals in Fortaleza (CE) in the Green and Healthy Hospitals Project.

The following is information related to the management and performance of the most relevant environmental aspects of the business: waste, water, and energy.

## Waste management

[GRI 306-3]

Throughout 2021, the company sought to improve the waste management of hospital units in the system, with emphasis on training and qualifications on the use of the National Information System on Solid Waste Management and the inclusion of indicators on the topic in the company's quality seal: Qualitotal.

Aligned with this purpose, Hapvida created a Tactical Group and Commissions composed of a multidisciplinary team with employees responsible for managing and determining the continuous actions for the improvement of hospitals in waste management.

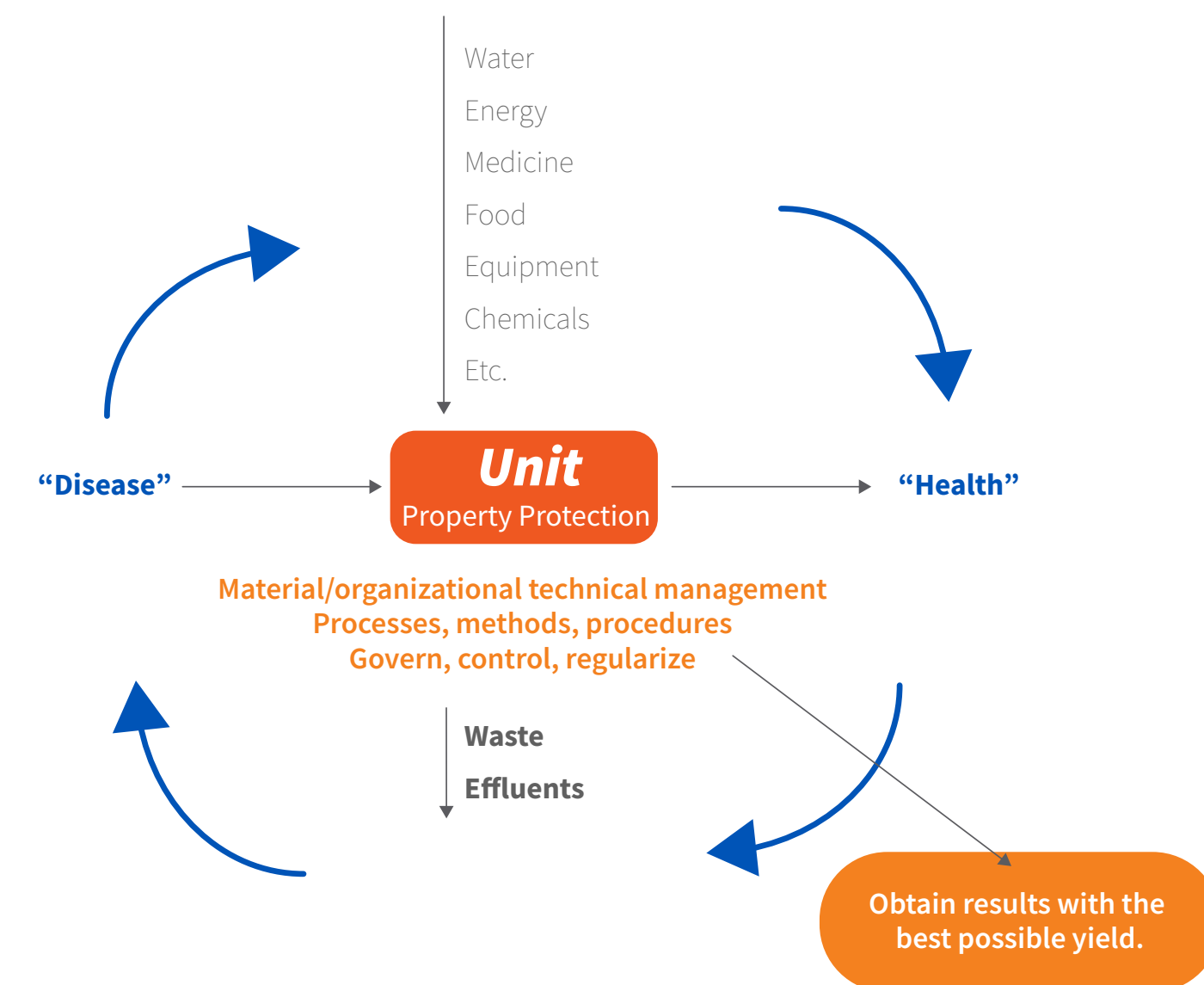
In addition, the company continued its established practices: in each operating unit of Hapvida, the Health Care Services Waste Management Plan is followed by both its own teams and by service providers hired for the collection and final disposal of discarded materials.

Throughout 2021, the company generated about 11.1 thousand tons of waste. Of this total, 28% was infectious waste, intended for incineration (externally), and 72% common waste — sent to landfills near the units.

There was an increase of 14.4% in the volume of waste compared to that reported in the previous year due especially to aggregation from the newly acquired units — from 368 to 453 (Hapvida and the newly acquired units Agemed, América, Medical, Saúde, São Francisco, and Parauapebas).

***In 2021, the company remained committed to ensuring compliance with current environmental legislation, while studying alternatives for assertive identification and monitoring of the impact of its activities on the environment.***

## Bases of Environmental Management



### Administrative units

Hapvida endeavored throughout the year to promote the culture of sustainability through environmental projects and actions, such as selective collection, donations of waste, and the replacement of plastic cups with coconut fiber cups. In 2021, the company celebrated Consumption Awareness day in order to promote good practices of selective collection and the correct disposal of waste. Thus, through the Recycling Attitudes Program, in the last quarter of 2021 alone, the head office of the administrative unit of the Ceará capital collected approximately two tons of recyclable waste, which were donated to a local association of waste pickers.

## Recycling

Throughout the year, the Hapvida Distribution Center in Fortaleza recycled 5.2 tonnes of materials, among which include iron waste, plastic, white paper, and cardboard.

## Water and energy

[GRI 302-1; 303-5]

Indispensable to conducting activities in all operational units, water and energy consumption is monitored by the Hapvida system, which also develops a series of initiatives to reduce the use of these resources.

Among these initiatives, the adoption of sustainable criteria stands out, both in new construction projects and the renovation of existing spaces, such as:

- Installation of water taps with timers.
- Water-saving toilet flush systems.
- Application of UVA films on the glasses of certain environments to better control the indoors-outdoor thermal exchange and thus spend less energy on air conditioning.
- Air conditioning system with variable gas flow, with lower energy consumption.
- Prioritization, whenever possible, of more horizontal constructions, with larger environments, to avoid the use of elevators and better organization of hospital areas.
- Installation of permeable floors to ensure natural thermal comfort.

In 2021, the monitoring of water and energy consumption was improved by measuring the effective<sup>8</sup> consumption levels of the units, but in a decentralized way, based on records provided by the distributors of these inputs in each region. At the end of the year, the integration of these data had not yet been completed, such that the consolidated consumption of all operating units by type and source was not yet available. Thus, we present below the records related to the operating units of Hapvida and the acquired companies RN Saúde and Parauapebas, which will serve as a basis for performance comparability in the coming years.

Thus, total energy consumption throughout 2021, considering electricity and fuels, was 434.3 thousand GJ. Of this total, 97% corresponds to electricity and 3% to fuels, of which 73% are of non-renewable origin (diesel and petrol).

### Fuel consumption – 2021

Non-renewables		
Fuel	(litres)	GJ
Diesel	156,931.62	5,621.9
Gasoline	117,812.22	3,872.6
Renewable		
Ethanol	168,279.9	3,590.9

### Electricity consumption – 2021

Acquired from a free market energy provider			
Fuel	(KWh)	GJ	
Electricity from free market energy provider	108,889,103.31	392,000.8	
Electricity purchased from free market energy providers			
	Units	MWh	GJ
Distributed generation	21	1,229.6	4,426.6
Free market energy	4	6,885.3	24,787.1

Regarding water, the consumption recorded in the hospital units was 376.3 ML. All this volume was supplied by local supply companies.

In 2021, the Hapvida system began a process to improve the management of water consumption in its hospital units through a tool that controls, systematizes and associates the consumption levels recorded in water meters with the invoices paid by the company. Thus, the System seeks to increasingly adapt to the best management practices for water consumption in its units.

It is important to emphasize that the business model adopted by the company, with the constant acquisition of new companies and the continuous expansion of its operations to all regions of the country, makes the integration of acquired management processes a great challenge.

<sup>8</sup>When preparing the 2020 Report, we detected a deviation of data for the year 2019, indicating that the value reported in that year was overestimated. As a result, we endeavored throughout 2021 to improve the measurement and registration processes, in addition to submitting the reported indicators to independent external verification, in order to ensure traceability and comparability of data, which will be reflected in the continuous improvement of our reporting practices.

# Awards and Recognitions

Hapvida received several awards and recognitions in 2021 as a result of its constant efforts to better serve and communicate with all its stakeholders, provide more resources to beneficiaries, and innovate platforms and services.

## ADVB Award

The Association of Sales and Marketing Managers of Brazil awarded the title of Sales **Personality of the Year 2021** to the Vice President of Commercial and Relationship of the Hapvida system, Candido Júnior.

## Marcas que eu Gosto (Brands I Like) - Health Care Insurance

In 2021, Hapvida was considered **the favorite brand of Pernambuco in the health care insurance category for the eighth consecutive time**. Research conducted by the newspaper Folha de Pernambuco.

## Receiving the Marcas que eu Gosto - Private Hospital

Award for the 2th consecutive year, **the Hospital Ilha do Leite was the preferred hospital of Pernambuco in 2021**.

## 100 Most Influential to Health Care of the Decade

Jorge Pinheiro, Company President, received the **"100 Most Influential Health"** Award - Special Edition of the Decade.

## Most Admired - Financial Area

The Vice President of Finance and Investor Relations, Maurício Teixeira, was elected among **the 10 most admired executives in the financial area**.

## The Health IT Award

IT Director David Zanotelli won the 2021 Health IT Award in the category **Featured Health IT Professional**.

## CONAREC 2021

Jaqueline Sena, Executive Director of Dentistry, received the 8th CONAREC Award in the category of **Best Professional in the Relationship Sector of Brazil**, in the health care category.

## HR Management Group

Jorge Pinheiro, President of Hapvida, and Majô Campos, Vice President of Governance, People and Sustainability, **were among the 10 most admired executives in Brazil and Latin America in 2021**, winning the awards "CEOs 10+" and "HRs 10+".

## Institutional Investor

**Hapvida has received several awards from Institutional Investor**, which is the most well regarded capital market ranking in the world. Annually, Institutional Investor ranks the best executives and investor relations (IR) programs, with the voting being conducted entirely by research analysts (sell side) and investors (buy side). **The company was awarded first place in more than four categories**.

## Brand Recall Award

**1st place in the Health Care Insurance Plan category for the seventh consecutive year in a survey conducted** by Jornal do Commercio, Pernambuco, in 2021.

## 2021 Health Care Excellence

The institution of Hapvida was nominated by market research, Caso de Sucesso (success story), and by the Editorial Board of Grupo Mídia and was **one of the winners of the Health Care Excellence Award 2021**, in the business group category.

## Top Christmas

In the award promoted by Tribuna do Norte, Hapvida won **1st place in the Health Care Insurance segment**, with 55% of the votes.



# About the report



## Report Profile

[GRI 102-1; 102-45; 102-50; 102-48; 102-49; 102-53; 102-54; 102-56]

This edition of the Sustainability Report seeks to provide the different stakeholders of the Hapvida system with relevant information about the company's performance, including business model, competitive strategy, governance structure, and corporate practices. In addition, it presents data on our financial, environmental, and social performance for the period from January 1 to December 31, 2021.

Thus, the information reported here refers to the Hapvida system, based in Fortaleza (CE), and the subsidiaries that integrated most of its turnover in the period — in accordance with the Management Report and 2021 financial statements published in March 2022.

This report was conducted according to the guidelines of the Global Reporting Initiative (GRI), contemplated in the "essential" scope, as attested by the independent external verifier BVQI do Brasil Sociedade Certificadora. **Click here and see the assurance letter issued by the auditors.**

### Publication and contact information

The Sustainability reports of Hapvida are published annually on the company's website. The last edition, referring to 2020, was released in May 2021 and remains accessible — as are those of previous years.

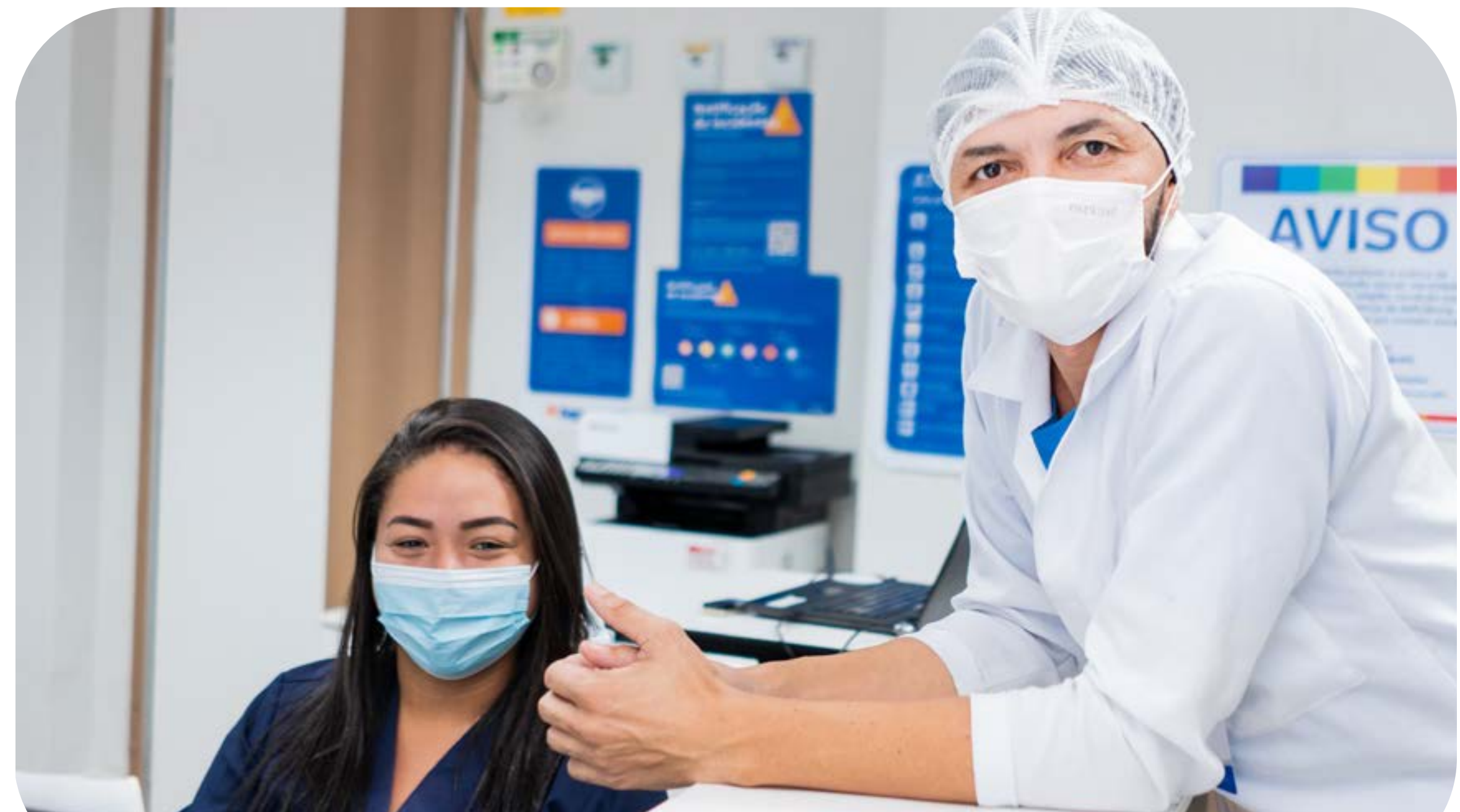
The Investor Relations Department, assisted by Sustainability Management Team, is responsible for coordinating the process, as well as for reflecting, with the participation of the company's stakeholders, on its content. Considerations or comments regarding the publication can be sent to the email [sustentabilidade@hapvida.com.br](mailto:sustentabilidade@hapvida.com.br).

## Engagement of the stakeholders

[GRI 102-40; 102-42; 102-43; 102-44; 102-46; 102-47; 102-49; 413-1; 413-2]

The themes and aspects highlighted in this report are based on the company's ASG strategic vision, consolidated throughout 2021 (learn more on page 22), as well as the context of sustainability inherent to the industry segment and the scenario of the regions in which the Hapvida System is inserted. To ensure that, in addition to the company's objectives being covered in the report, this edition also considers the results of the "engagement process" developed since the beginning of 2021 — as also applies to the 2020 Report — in which 60 people participated including employees, investors, suppliers, doctors, dentists, patients, the local community, and financial institutions.

In addition, the contextual study conducted for the definition of materiality was updated in light of reference documents on related issues prepared by various institutions such as the International Panel on Climate Change (IPCC), International Integrated Reporting Council (IIRC), United Nations Global Compact, World Economic Forum, Sustainability Accounting Standards Board (SASB), and Financial Stability Board (FSB) — within the framework of the Task Force for Climate-Related Financial Disclosures (TCFD).



## Material topics







[GRI 102-44, 102-46, 102-47, 103-1]

Combined with the view of stakeholders and study of the reporting framework, this report presents sustainability aspects considered priorities by the Hapvida system, given the current internal and external scenario.

Externally, this analysis is guided by the 2030 Agenda for Sustainable Development as proposed by the United Nations (UN). In the internal sphere, the company listed its priorities based on its ASG strategy.

Thus, ratifying the materiality consolidated in previous years, six fundamental axes and 16 related material aspects were defined for this reporting cycle. In this sense, it is worth noting that the Covid-19 pandemic continued to impact a large portion of the reported topics, as it did in 2020; therefore, this year's report seeks to further describe such aspects related to facing the health crisis in Brazil, particularly from the operational, financial and social responsibility perspectives. In 2022, with the business integration between the Hapvida System and the Notredame Intermedia Group (GNDI), the company will conduct a new materiality study as well as new consultations with the stakeholders.

The following table breaks down the topics considered material for the 2021 Hapvida Sustainability Report, presenting the reported topics, material aspects, and indicators (GRI disclosures). The last column of the table shows the intersection between the material themes, the Sustainable Development Goals (SDGs), and their respective targets (where applicable).

AXES	MATERIAL ASPECTS	GRI DISCLOSURE	SDGS AND RELATED 2030 AGENDA TARGETS
<b>Ethics and integrity</b>	<ul style="list-style-type: none"> <li>• Transparency</li> <li>• Anti-corruption</li> <li>• Defense and promotion of human rights</li> </ul>	205-2; 205-3; 419-1; 406-1	<b>SDG 8 - 8.7</b> <b>SDG 12</b> - Target 12.6 <b>SDG 16</b> - Targets 16.5; 16.6; 16.10 and 16.b. 
<b>Caring for the employees</b>	<ul style="list-style-type: none"> <li>• Health and safety of teams.</li> <li>• Promoting diversity and equality in the workplace</li> <li>• Professional development opportunities -training and education</li> </ul>	403-1; 403-9; 405-1; 404-1	<b>SDG 8</b> - Target 8.8 <b>SDG 4</b> - Targets 4.3; 4.5 <b>SDG 5</b> - Targets 5.1; 5.5 <b>SDG 10</b> - Targets 10.2; 10.3 
<b>Relationship with clients</b>	<ul style="list-style-type: none"> <li>• Access to health care services</li> <li>• Beneficiary satisfaction</li> <li>• Quality of services provided</li> </ul>	103-1; 103-2; 103-3	<b>SDG 3</b> - Target 3.8 
<b>Environmental Management</b>	<ul style="list-style-type: none"> <li>• Waste</li> <li>• Water</li> <li>• Energy</li> <li>• Emissions</li> </ul>	306-3; 306-4; 306-5 303-5; 302-1; 305-1; 305-2; 305-3	<b>SDG 12</b> - Targets 12.2; 12.4; 12.5 <b>SDG 6</b> <b>SDG 7</b> <b>SDG 11</b> - Target 11.6 <b>SDG 13</b> - Targets 13.2; 13.3 
<b>Operational and economic performance</b>	<ul style="list-style-type: none"> <li>• Value generated and shared with society</li> <li>• Innovation practices</li> </ul>	201-1; 103-1; 103-2; 103-3	<b>SDG 8</b> - Target 8.2 <b>SDG 9 - 9.5</b> 
<b>Contribution to local development</b>	<ul style="list-style-type: none"> <li>• Support for local communities</li> </ul>	413-1;	<b>SDG 11</b> - Target 11.3 <b>SDG 12</b> - Target 12.8 <b>SDG 17 - 17.17</b> 

## GRI Summary

[GRI 102-55]

### GRI 102: General themes

GRI STANDARD	DISCLOSURE	DESCRIPTION	PAGE	JUSTIFICATION
<b>Organizational Profile</b>				
	<b>102-1</b>	Name of organization	04, 07 e 11	
	<b>102-2</b>	Activities, brands, products and services	07, 12 e 17	
	<b>102-3</b>	Location of headquarters	07 e 82	
	<b>102-4</b>	Location of operations	07	
	<b>102-5</b>	Ownership and legal nature	07	
	<b>102-6</b>	Markets served	07 e 17	
	<b>102-7</b>	Organization Size	07	
	<b>102-8</b>	Information about employees and other workers	62	
	<b>102-9</b>	Supply chain	73	
	<b>102-10</b>	Significant changes in the organization and its supply chain	17	The company is structuring its environmental policies and practices such that it does not yet respond directly to this disclosure.
	<b>102-11</b>	Adoption of approach or precautionary principle	78	
	<b>102-12</b>	External initiatives	23	
	<b>102-13</b>	Participation in associations	74	

# GRI Summary

[GRI 102-55]

GRI STANDARD	DISCLOSURE	DESCRIPTION	PAGE	JUSTIFICATION
<b>Strategy</b>				
GRI 102: General themes	102-14	Statement by the executive with the highest decision-making power in the organization	04	
	102-15	Key impacts, risks and opportunities	30	
<b>Strategy and Integrity</b>				
GRI 102: General themes	102-16	Values, principles, standards and norms of behavior	20	
	102-17	Counseling mechanisms	27	
<b>Governance</b>				
GRI 102: General themes	102-18	Governance structure	25	
<b>Stakeholder engagement</b>				
GRI 102: General themes	102-40	List of stakeholder groups	82	
	102-41	Employees covered by collective bargaining agreements	62	
	102-42	Identification and selection of stakeholders	82	
	102-43	Approach to engaging stakeholders	82	

# GRI Summary

[GRI 102-55]

## GRI 102: General themes

GRI STANDARD	DISCLOSURE	DESCRIPTION	PAGE	JUSTIFICATION
<b>Reporting practices</b>				
	<b>102-44</b>	Issues and concerns raised by stakeholders	83	
	<b>102-45</b>	Entities included in the financial statements	82	
	<b>102-46</b>	Definition of content and limits of material themes	83	
	<b>102-47</b>	List of material topics	83	
	<b>102-48</b>	Reformulations of information	82	Because of the acquisitions made in the reporting period, it was not possible to present the historical development of certain indicators. Where possible, the operational units covered in the data have been identified.
	<b>102-49</b>	Changes in the report	82	
	<b>102-50</b>	Reporting period	82	
	<b>102-51</b>	Date of the most recent report	82	
	<b>102-52</b>	Reporting cycle	82	The report is published annually.
	<b>102-53</b>	Contact information for questions about the report	82	
	<b>102-54</b>	Reporting premises in accordance with GRI Standards	82	
	<b>102-55</b>	Summary of GRI content	84	
	<b>102-56</b>	External verification	82	

## GRI Summary

[GRI 102-55]

GRI STANDARD	DISCLOSURE	DESCRIPTION	PAGE	JUSTIFICATION
<b>GRI 103: Form of Management 2016</b>				
GRI 102: General themes	103-1	Explanation of material themes and their limits	38, 45, 58, 60, 75, 78 e 83	
	103-2	Management of the material topic	38, 45, 58, 60, 75 e 78	
	103-3	Evolution of management	38, 45, 60, 75 e 78	
<b>GRI 201: Economic performance 2016</b>				
GRI 102: General themes	201-1	Economic value generated and distributed	41	Complete information is provided in our financial statements.
<b>GRI 204: Procurement Practices 2016</b>				
GRI 102: General themes	204-1	Proportion of spending on local suppliers	73	The company adopts as a metric for defining “location” the regions in which it has operating units.
<b>GRI 205: Anti-corruption 2016</b>				
GRI 102: General themes	205-2	Communication and capacity regarding anti-corruption policies and procedures	27	
	205-3	Confirmed cases of corruption and measures taken	27	
<b>GRI 302: Energy 2016</b>				
GRI 102: General themes	302-1	Energy consumption within the organization	79	
<b>GRI 303: Water and Effluents 2018</b>				
GRI 102: General themes	303-5	Water consumption	79	

# GRI Summary

[GRI 102-55]

GRI STANDARD	DISCLOSURE	DESCRIPTION	PAGE	JUSTIFICATION
<b>GRI 303: Water and Effluents 2018</b>				
GRI 102: General themes	305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	-	The company did not measure its emissions in the 2021 cycle.
	305-2	Indirect greenhouse gas (GHG) emissions from energy procurement (Scope 2)	-	The company did not measure its emissions in the 2021 cycle.
	305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	-	The company did not measure its emissions in the 2021 cycle.
<b>GRI 306: Waste 2020</b>				
GRI 102: General themes	306-3	Waste generated	78	
<b>GRI 401: Employment 2016</b>				
GRI 102: General themes	401-1	New admissions and employee turnover rate	63	
	401-2	Benefits offered to employees	65	
<b>GRI 403: Occupational Health and Safety 2018</b>				
GRI 102: General themes	403-1	Occupational health and safety management system	69	Partial. The company did not present all the data requested by the GRI.
	403-3	Occupational health services	69	
	403-6	Occupational health promotion	69	
	403-9	Workplace accidents	69	



## GRI Summary

[GRI 102-55]

GRI STANDARD	DISCLOSURE	DESCRIPTION	PAGE	JUSTIFICATION
<b>GRI 404: Training and Education 2016</b>				
GRI 102: General themes	404-1	Average number of training hours per employee	67	
<b>GRI 405: diversity and Equal Opportunities 2016</b>				
GRI 102: General themes	406-1	Diversity of governance bodies and employees	27	
<b>GRI 406: Non-Discrimination 2016</b>				
GRI 102: General themes	405-1	Cases of discrimination and corrective measures taken	58 e 62	
<b>GRI 413: Local communities 2016</b>				
GRI 102: General themes	413-1	Operations with local community engagement programs impact assessment and local development	75	Partial. The company did not present all the data requested by GRI.
<b>GRI 418: Client privacy 2016</b>				
GRI 102: General themes	418-1	Proven complaints regarding the breach of privacy and loss of customer data	32	
<b>GRI 419: Socioeconomic Compliance 2016</b>				
GRI 102: General themes	419-1	Non-compliance with laws and regulations in the socio-economic area	74	Partial. The company did not present all the data requested by GRI.

## Annex 01

### Meetings of the Board of Directors and committees

#### Board of Directors meetings in 2021

Hapvida Board of Directors					
Member	Month	Date	Ordinary Meeting	Extraordinary Meeting	Observations
Jorge Pinheiro	January	29/01/21	16 presentes	Not performed	
Candido Jr.	February	23/02/21	16 presentes	Not performed	
Candido Pinheiro	March	18/02/21	16 presentes	Not performed	Wilson Carnevalli is no longer a member of the Hapvida Board of Directors
Geraldo Luciano	April	27/04/21	15 presentes	Not performed	Gustavo Barros is no longer a member of the Hapvida Board of Directors Jaqueline Sena is now a member of the Hapvida Board of Directors
Igor Lima	May	14/05/21	15 presentes	Not performed	
Marcio Utsch	June	23/06/21	15 presentes	Not performed	Barna Eross is no longer a member of the Hapvida Board of Directors Fábio Selhorst is now a member of the Hapvida Board of Directors
Licio Cintra	July	28/07/21	15 presentes	Not performed	
Rafael Sobral	August	13/08/21	15 presentes	Not performed	Kléber Unhares is now a member of the Hapvida Board of Directors
Mauricio Teixeira	September	22/09/21   23/09/21	16 presentes	16 present	
Alain Benvenuti	October	29/10/21   27/10/21	16 presentes	16 present	
André Melo	November	19/11/21   11/10/21	16 presentes	16 present	
Majô Campos	December	19/11/21   24/11/21	16 presentes	9 present / 7 absences	Meetings Ordinary: 12 Extraordinary: 6
Heral Silva		22/12/21   12/07/21	16 presentes	16 present	
Kléber Linhares					
Fábio Selhorst					
Jaqueline Sena					

Attendance / Absence  
Ordinary: 187 / 0  
Extraordinary: 73/7

\*At the extraordinary meeting in November, Fábio Selhorst, Kléber Linhares, Jaqueline Sena, Heraldo Silva, Majô Campos, Alain Benvenuti and Mauricio Teixeira were not present.

#### Audit, Risk and Compliance Committee meetings in 2021

Audit, Risk and Compliance Committee	January	February	March	April	May	June	July	August	September	October	November	December
Member	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary
Alencar Rodrigues	●											
Wilson Carnevalli	●	●	●	●								
João Alberto Silva	●	●	●	●	●							
Maria Paula Aranha	●	●	●	●	●	●	●	●	●	●	●	●
Wagner Mardegan				●	●	●	●	●	●	●	●	●
Geraldo Luciano					●	●	●	●	●	●	●	●
Marcio Utsch						●	●	●	●	●	●	●

Meetings  
Ordinary: 12  
Extraordinary: 0

Attendance / Absence  
Ordinary: 52 / 0  
Extraordinary: 0/0

● Attendance  
● Absence

## Finance and Capital Market Committee meetings in 2021

Finance and Capital Market Committee	January	February	March	April	May	June	July	August	September	October	November	December
Member	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary
Bruno Cals	●	●										
Maurício Teixeira	●	●	●	●	●	●	●	●	●	●	●	●
Geraldo Luciano	●	●	●	●	●	●	●	●	●	●	●	●
Luiz Renato Novais	●	●	●	●	●	●	●	●	●	●	●	●
Candido Junior											●	●

Meetings  
 Ordinary: 12  
 Extraordinary: 0

Attendance / Absence  
 Ordinary: 38 / 0  
 Extraordinary: 0/0

● Attendance  
 ● Absence

## Mergers and Acquisitions Committee meetings in 2021

Mergers and Acquisitions Committee	January	February	March	April	May	June	July	August	September	October	November	December
Member	Ordinary	Ordinary/ Extraordinary	Ordinary/ Extraordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary/ Extraordinary			
Gustavo Barros		●	●	●								
Lício Cintra		●	●	●	●	●	●	●	●	●		
Geraldo Luciano		●	●	●	●	●	●	●	●	●		
Candido Junior		●	●	●	●	●	●	●	●	●		
Jorge Pinheiro		●	●	●	●	●	●	●	●	●		
Maurício Teixeira		●	●	●	●	●	●	●	●	●		

Meetings  
 Ordinary: 12  
 Extraordinary: 0

Attendance / Absence  
 Ordinary: 38 / 0  
 Extraordinary: 17/0

● Attendance  
 ● Absence

## Governance, People and Sustainability Committee meetings in 2021

Governance, People and Sustainability Committee	January	February	March	April	May	June	July	August	September	October	November	December
Member	Ordinary	Ordinary	Ordinary	Ordinary/ Extraordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary		Ordinary	Ordinary
Wilson Carnevalli	●	●	●	●								
Rafael Portela	●	●	●	●								
Marcio Utsch	●	●	●	●	●	●	●	●	●		●	●
Majô Campos	●	●	●	●		●	●	●	●		●	●
Lício Cintra			●	●	●	●	●	●	●		●	●
Candido Pinheiro				●	●	●	●	●	●		●	●
Candido Junior					●	●	●	●	●		●	●
Jorge Pinheiro						●	●	●	●		●	●
Fábio Selhorst								●	●		●	●

Meetings  
 Ordinary: 11  
 Extraordinary: 1

Attendance/Absence  
 Ordinary: 61/0  
 Extraordinary: 3/2

● Attendance  
 ● Absence

### Innovation, Transformation and Operational Excellence Committee meetings in 2021

Innovation, Transformation and Operational Excellence Committee	January	February	March	April	May	June	July	August	September	October	November	December
Member	Ordinary	Ordinary	Ordinary	Ordinary		Ordinary	Ordinary	Ordinary	Ordinary		Ordinary	Ordinary
Evandro Temperini	●	●	●	●								
Ney Paranaguá	●	●	●	●		●	●	●	●		●	●
Barna Eross	●	●	●	●		●	●	●	●		●	●
Gustavo Barros	●	●	●	●		●	●	●	●		●	●
Candido Pinheiro	●	●	●	●		●	●	●	●		●	●
Candido Junior	●	●	●	●		●	●	●	●		●	●
Jorge Pinheiro	●	●	●	●		●	●	●	●		●	●
Alain Benvenuti											●	●
Jaqueline Sena											●	●
Kleber Linhares											●	●

Meetings  
 Ordinary: 10  
 Extraordinary: 0

Attendance/Absence  
 Ordinary: 66/0  
 Extraordinary: 0/0

● Attendance  
 ● Absence

### Innovation, Transformation and Operational Excellence Committee meetings in 2021

Care Quality Committee	January	February	March	April	May	June	July	August	September	October	November	December
Member						Ordinary	Ordinary	Ordinary	Ordinary/ Extraordinary	Ordinary	Ordinary	
Naiana Cunha						●	●	●	● ●	●	●	
Candido Pinheiro						●	●	●	● ●	●	●	
Candido Junior						●	●	●	● ●	●	●	
Jorge Pinheiro						●	●	●	● ●	●	●	
Anderson Nascimento						●	●	●	● ●	●	●	
Eduardo Rebouças						●	●	●	● ●	●	●	
Claudio Martins						●	●	●	● ●	●	●	
Frederick Alves						●	●	●	● ●	●	●	
Marcia Ferreira						●	●	●	● ●	●	●	
Maria Nogueira						●	●	●	● ●	●	●	
Marcio Utsch									●	●	●	
Alain Benvenuti											●	

Meetings  
 Ordinary: 6  
 Extraordinary: 1

Attendance / Absence  
 Ordinary: 60/3  
 Extraordinary: 11/11

● Attendance  
 ● Absence

### Strategic Projects Committee meetings in 2021

Strategic Projects Committee	January	February	March	April	May	June	July	August	September	October	November	December
Member	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary
André Melo	●	●	●	●	●	●	●	●	●	●	●	●
Gustavo Barros	●	●	●	●	●	●	●	●	●	●	●	●
Igor Lima	●	●	●	●	●	●	●	●	●	●	●	●
Jorge Pinheiro	●	●	●	●	●	●	●	●	●	●	●	●
Candido Junior	●	●	●	●	●	●	●	●	●	●	●	●
Kléber Linhares						●	●	●	●	●	●	●

Meetings  
Ordinary: 12  
Extraordinary: 0

Attendance/Absence  
Ordinary: 61/1  
Extraordinary: 0/0  
● Attendance  
● Absence

### Strategy, Marketing and Branding Committee meetings in 2021

Strategy, Marketing and Branding Committee	January	February	March	April	May	June	July	August	September	October	November	December
Member	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary/ Extraordinary	Ordinary/ Extraordinary	Ordinary	Ordinary	
Marcio Utsch	●	●	●	●	●	●	●	● ●	● ●	●	●	
Gustavo Barros	●	●	●	●	●	●	●	● ●	● ●	●	●	
Lício Cintra	●	●	●	●	●	●	●	● ●	● ●	●	●	
Candido Junior	●	●	●	●	●	●	●	● ●	● ●	●	●	
Candido Pinheiro							●	● ●	● ●	●	●	
Jorge Pinheiro								● ●	● ●	●	●	

Meetings  
Ordinary: 53/0  
Extraordinary: 2

Attendance/Absence  
Ordinary: 53/0  
Extraordinary: 10/2  
● Attendance  
● Absence

### Integrations Committee meetings in 2021

Integration Committee	January	February	March	April	May	June	July	August	September	October	November	December
Member	Ordinary/ Extraordinary	Ordinária	Ordinary/ Extraordinary	Ordinária	Ordinary/ Extraordinary	Ordinary/ Extraordinary	Ordinária	Ordinary/ Extraordinary	Ordinary/ Extraordinary	Ordinary/ Extraordinary	Ordinary/ Extraordinary	Ordinary/ Extraordinary
Alessandro Micelli	● ●	●	● ● ●	●	● ●							
Heraldo Silva	● ●	●	● ● ●	●	● ● ●	● ●	●	● ●	● ●	● ●	● ●	● ●
Candido Junior	● ●	●	● ● ●	●	● ● ●	● ●	●	● ●	● ●	● ●	● ●	● ●
Alain Benvenuti	● ●	●	● ● ●	●	● ● ●	● ●	●	● ●	● ●	● ●	● ●	● ●
Jorge Pinheiro	● ●	●	● ● ●	●	● ● ●	● ●	●	● ●	● ●	● ●	● ●	● ●
Igor Lima	● ●	●	● ● ●	●	● ● ●	● ●	●	● ●	● ●	● ●	● ●	● ●
Maurício Teixeira					●	● ●	●	● ●	● ●			
André Melo											● ●	● ●

Meetings  
Ordinary: 12  
Extraordinary: 11

Attendance/Absence  
Ordinary: 67/3  
Extraordinary: 62/3  
● Attendance  
● Absence

## Attachement 02

Ethics / Discrimination  
[GRI 406-1]

	2019	2020	2021
Number of complaints received	11	18	13
Number of complaints	6	13	7

Staff profile  
[GRI 102-8; 405-1]

Total number of employees

	2019	2020	2021
	22.225	35.503	39.504

Number of employees, by gender

	2019	2020	2021
Men	6.838	10.383	12.569
Women	15.557	25.120	26.935

Number of employees, by age group

	2019	2020	2021
Up to 30 years	8.896	13.055	15.807
Between 30 and 50 years	11.931	20.297	21.145
Over 50 years	1.398	2.151	2.552

Percentage of employees, by region

	2019	2020	2021
Northeast	86%	53%	57%
Southeast	0,3%	23%	24%
North	12%	13%	10%
Midwest	-	9%	7%
South	2%	2%	2%

Number of employees, by functional category

	Men			Women		
	2019	2020	2021	2019	2020	2021
Management Board	170	103	119	111	106	58
Management	170	200	190	512	399	280
Coordination	160	228	288	348	460	542
Supervisors	108	177	179	211	426	292
Administrative	1.207	1.833	2.171	1.597	3.338	3.226
Operational	4.772	7.619	9.363	12.382	19.971	22.073
Interns	54	28	44	76	74	62
Youth trainees	197	195	215	320	346	402

Employee admissions and dismissals  
[GRI 401-1]

Total number of admissions

2019	2020	2021
8.259	16.934	19.024

Number of admissions, by gender

	2019	2020	2021
Men	5.616	4.949	5.356
Women	2.643	11.445	13.668

Number of admissions, by age group

	2019	2020	2021
Up to 30 years	4.283	7.854	8.937
Between 30 and 50 years	3.819	8.160	9.218
Over 50 years	157	380	869

Total number of dismissals

2019	2020	2021
6.582	5.169	6.375

Number of dismissals, by gender

	2019	2020	2021
Men	6.582	1.318	1.674
Women	5.169	3.851	4.701

Number of dismissals, by age group

	2019	2020	2021
Up to 30 years	2.953	2.266	2.787
Between 30 and 50 years	3.400	2.806	3.381
Over 50 years	229	97	207

Total number of training hours

2019	2020	2021
122,1 mil	142,1 mil	342,3 mil

Average number of training hours, by gender

	2019	2020	2021
Men	ND	2,9	6,7
Women	ND	4,5	9,6

Environmental indicators  
[GRI 302-1; 303-5; 306-3]

Total water consumption (in ML)

2019*	2020	2021
756,7	896,5	376,3

Total energy consumption (in GJ)

2019*	2020	2021
233,8 mil	254,4 mil	434,3 mil

Volume of waste (in tonnes)

2019	2020	2021
6,5 mil	9,7 mil	11,1 mil

\*Data revised due to metric adjustments.

\*Data revised due to metric adjustments.

Suppliers  
[GRI 204-1]

Number of suppliers

2019	2020	2021
2.200	3.879	4.723

Percentage of payments to suppliers, by region

	2019	2020	2021
Northeast	ND	53%	69%
Southeast	ND	29%	15%
North	ND	5%	9%
Midwest	ND	4%	5%
South	ND	9%	2%

Socio-economic sanctions  
[GRI 419-1]

Penalties received, according to the stage of proceedings

	2019	2020	2021
Notice of infraction	ND	197	678
First instance	ND	179	666
Second instance	ND	604	546



## **Sustainability Report Hapvida 2021**

### **General coordination**

Hapvida Investor Relations and Sustainability Board

### **GRI consulting and editorial project**

We Sustentabilidade

### **Graphic design**

Mar Comunica

### **English translation**

Companhia das Traduções

### **Images**

Hapvida stock photography images