

# Sustainability Report 2019





# Contents



**3**



**4**



**5**



**7**



**10**

11  
11  
12  
13  
14  
16  
18



**20**

21  
22  
23  
24  
25



**26**

27  
28  
29  
29  
30  
31  
31  
32  
32  
32



**33**

35  
36  
37  
38



**39**

40  
42  
43  
43  
43  
44  
45



**46**

47  
49  
50  
50  
50  
51  
51  
52



**54**

54  
55



**56**



**59**

# Hapvida Highlights

- **The Company reaches the Southeast and Midwest Regions**, with the acquisitions of São Francisco Group and América Group. **In the south of the country**, there's the opening of the Joinville General Hospital (SC).

- Expansion of our service network with **acquisitions of healthcare provider companies** that operate with a vertically integrated business model and with the **purchasing of hospitals**.

- Announcement of acquisition of other healthcare provider companies and beneficiary's portfolio: **RN Saúde (MG), Medical (SP), and Plamed (SE)**.

- **Creation of Maida Health** – the merging of Infoway with HapTech- a **Healthtech focused on innovation** and dedicated to leveraging a health care sector transformation in Brazil.

- **21.3% growth in Net Revenues**, compared to 2018, reaching **R\$ 5.6 billion**.

- **Growth of the Company's shares by 107.6% during the course of 2019**; raise of R\$ 2 billion in the first issuance of debentures and share offer (follow on) worth R\$ 2.6 billion.

- **Standardization of 75 medical procedures** with Qualitotal, Hapvida's internal accreditation program.

- **56.8% increase in customer base**, bringing dental and medical assistance to 6.3 million people in different regions of Brazil.

- **Launch of "5 Star Service"**, an instant satisfaction survey, answered by Hapvida users - **average rating of 4.46 in December** (on a scale from 0 to 5).

- **47% growth in the number of employees** taking acquisitions into account (when compared to 2018). Total of **30,800 workers by the end of 2019**.

- Engagement in gender equality at work: **62.4% of women in leadership positions in the Company**.

- **Investment of R\$ 12.5 million in social-environmental projects**, benefiting up to 75 thousand people.

- **Donation of circa 400 thousand meals, through the Ana Lima Foundation**, daily helping homeless people and about 550 children and adolescents.



# Recognitions and Awards 2019

## ► Institutional Investor Award

Right at the beginning of 2020, Hapvida's communication work with all the players involved in the capital market was recognized with the Institutional Investor Award, which is the most respected ranking of the capital market worldwide. Additionally to Most Honored, Hapvida was on the top of the list in the health sector of Latin America in the following categories: best CEO (top 2), best CFO (top 2), best Investor Relations Professional (top 1), best Investor Relations Program (top 1), best Investor Relations Team (top 1), best Analyst Day (top 2) and best in Environmental, Social and Governance (ESG). The awards have demonstrated the management commitment, as well as Hapvida's maturity as a publicly traded company. These awards have confirmed that the Company's on the right path.

## ► Champions of the Decade Award

Winner in Gamechanger category on the Champions of the Decade Award, held by Grupo Padrão. The award recognizes enterprises and executives that have helped to enhance rapport between companies and clients.

## ► CONAREC 2019 Award

Winner in Health Insurance Plan category. The award recognizes the company that most values customer-service quality in every channel.

## ► Best HR Suppliers

Hapvida was featured in the segment "medical care" alongside the Best HR Suppliers in 2019 after a national survey was conducted with HR managers amongst the most prominent companies nationwide, held by Gestão RH Group in the qualitative and quantitative stages.

## ► The Top 100 Most Influential in Healthcare

Considered the "Oscar of Healthcare," The Top 100 Most Influential in Healthcare Award, held by Grupo Mídia, extolled Hapvida's CEO, Jorge Fontoura Pinheiro Koren de Lima. Grupo Mídia's editorial board chooses the winners based on market research as well as voting through Healthcare magazine website.

## ► ISS Recife Award

Awarded as one of the companies that most have contributed with Service Tax in 2019.

## ► Top of Mind Manaus

The most cited Health Insurance Plan by consumers of Manaus. This survey was set up by IMargeting digital agency.

## ► Brands I like

Favorite brand by Pernambucanos on Health Insurance Plan category for the sixth time in a row in 2019.

## ► Brand Recall Award

First prize on Health Insurance Plan category for the sixth year in a row in a survey set up by Jornal do Comércio (PE) in 2019.

## ► Top Mossoró

The most cited Health Insurance Plan of Mossoró (RN) three times in a row in 2019. This survey was set up by Top Mossoró magazine.



# Message from the Management

[GRI 102-14]

In 2019 Hapvida was in its fourth decade of history, loyal to the firm purpose of promoting healthcare and the well-being of our people. Befitting this history, this year will be remembered for great achievements.

After going public in 2018, raising funds, and assessing the best options in the market, Hapvida acquired big healthcare corporations, broadening its client base in 56.8%, serving over 6.3 million people. The Company has become, therefore, one of the Brazilian biggest supplementary healthcare companies and the only one to operate with its own network in all five regions of the country.

The Company's infrastructure, after the acquisitions, includes 39 hospitals, 42 walk-in emergency units, 185 medical clinics, and 179 diagnostic and laboratory centers. Coordinating all the operations are approximately 30 thousand employees, 15 thousand physicians, and 14 thousand dentists, who daily plunge into serving our beneficiaries in the most humanized, inclusive, and effective way.

Fruit of that effort, the financial results in 2019 were remarkable: Net Revenue of R\$ 5.6 billion, EBITDA of R\$ 1.1 billion, and Net Income of R\$ 866 million. The results' consistency, added to the Company's successful expansion strategy, increased its shares by 107.6% during the year - reaching R\$ 47.5 billion in market value.

In 2019, we underwent two fundraising operations: debt financing and equity financing, raising nearly

R\$ 4.6 billion; Hapvida's follow-on became one of the most successful operations in the Brazilian capital market. Another milestone in capital market was the entry of Hapvida shares in the Ibovespa portfolio, which got effective in the first quarter of 2020. We celebrated effusively this moment. It has reinforced the commitment to our investors, our guidelines' robustness, and the assertiveness of the Company's practices.

As a larger company, the daily challenge is to make us even better and increasingly effective in treating our patients, giving them - the reason for our existence - the solution for health and dental problems, and keep always improving their quality of life. Concurrently, we have put our souls into enabling and guaranteeing the results of our business, anchored to the vertically integrated business model - the base of success for our operations. Nearly all elective medical procedures, as well as emergency care, take place inside hospitals, clinics, and laboratories owned by the Company.


Another core element of our model's success is innovation. As pioneers on creating, using, and enhancing new technologies designed for healthcare, we are aware of the disruptive changes ahead that will transform our sector. Those changes will be a fundamental definer for the companies' competitiveness in this market. Therefore, in 2019 we created Maida Health with the bold mission to revolutionize the field. With it, we have incorporated innovation as one of the Company's cornerstones. We've

strengthened our willingness to seize the opportunities arisen with technology - from artificial intelligence to telemedicine - promoting the well-being of our community, with quality and accessibility.


When we mention our business' success, it's important to underscore that our main objective is not solely to have a growing profit margin, but to find balance, making us more efficient and avoiding fraud and rework. It helps us to minimize operating costs and, consequently, to become more competitive to our beneficiaries, having even more clients. We work thoroughly on this virtuous cycle, offering quality healthcare with an accessible budget, transforming lives of millions of people - conscious that, if not for Hapvida, highly likely this part of our community would be without private medical assistance.

On this matter, our business model is intrinsically aligned to the Agenda 2030 proposed by the United Nations, in particular with the Sustainable Development Goal, which reinforces the importance to "ensure a healthy life and promote well-being for all, at any age." That is precisely what Hapvida seeks in all its interactions with employees and clients, especially our preventive medicine programs, directed to early childhood and the elderly.

However, our sense of social responsibility goes beyond, and it starts by taking care of our internal public. In 2019, we developed essential projects on people's management, conducting, for the first time,



**Our business model is intrinsically aligned to the Agenda 2030 proposed by the United Nations, in particular with the Sustainable Development Goal, which reinforces the importance to "ensure a healthy life and promote well-being for all, at any age."**





a work environment survey. The results pointed out several virtues observed by our professionals, but also room to improve, originating action plans on several fronts, to make Hapvida an even more pleasant and safe place to work.

We have developed multiple socio-environmental projects to our community, promoted directly by the Company, funded with incentives, or with our resources. In this field, we can count on the essential support of the Ana Lima Foundation (an institution created 20 years ago as the social arm of Hapvida). This institution pays particular care to people in social vulnerability, such as impoverished children and youngsters, homeless, and the elderly. Together, over 80 thousand people were benefited by the social actions carried out in 2019 alone.

In the environmental field, we have adopted as a standard more sustainable buildings, focusing on reducing energy and water consumption, and using more green areas in hospitals and other healthcare facilities. As an example, to diminish energy consumption, we've prioritized more horizontal buildings - and therefore avoiding the use of elevators, we've replaced the air conditioning system to the VRF standard, saving up to 35% of energy, if compared to the regular model. We have also installed UVA protection films on wall glasses, having greater control of heat exchange between indoor and outdoor areas.

That's how we act, based on our choice for responsible actions with the environment and the society - anchored by financial results and consistent

governance practices - that we've drawn Hapvida's sustainable trajectory. This Sustainability Report, the first of our Company, reinforces this commitment, increasing transparency to not only our undeniable advances but also to the several challenges we propose to endure.

We had these challenges intensified in the early months of 2020 due to the pandemic of the novel coronavirus, radically impacting not only business but the way we live, work, and consume. Albeit seemingly distant, the achievements and learnings of 2019 were preeminent for Hapvida to be prepared for this new time.

Amid such uncertainties, the tough stance of our team, both in the front line and in the supporting activities, acting humanly and caring, did refresh our hopes. We end this message by thanking each of our employees for their dedication and resilience. We also give a special thanks to the shareholders and other stakeholders with whom we relate, for their trust and partnership. We remain committed to, collectively, contributing to our society to overcome this hardship, with efficiency, solidarity, and, above all, love for life.



**Jorge Fontoura Pinheiro Koren de Lima**  
Hapvida CEO

“**This Sustainability Report, the first of our Company, reinforces this commitment, increasing transparency to not only our undeniable advances but also to the several challenges we propose to endure.**”

# Supplementary Report: Confronting Covid-19

The first Sustainability Report was on full steam when the novel coronavirus pandemic (Sars-Cov-2) was announced by the World Health Organization (WHO). In a matter of few weeks, the disease spread, reaching more aggressively the North and Northeast regions of the country, in which the Company's activities are more expressive.

Aware of its social role as a front line member on battling the virus, both in the prevention and treatment of infected people, the Company approached the topic with utmost transparency, divulging daily newsletters on the evolution of cases in its network, accessible to everyone on social media. Hapvida has periodically published announcements to the market, and, besides that, detailed in its earning disclosures (of the fourth quarter of 2019 and the first quarter of 2020) new information concerning mitigation and the pandemic withstanding.

Thereby, even though this report refers to 2019, the pandemic magnitude demands that we approach it on launching this publication. We have followed the Global Reporting Initiative (GRI) recommendations, which have guided corporations to highlight the actions taken to battle Covid-19 in their sustainability reports. The following has a summary of Hapvida's main activities in tackling the pandemic

“ Even though this report refers to 2019, the pandemic magnitude demands that we approach it on launching this publication. ”

## Crisis Management

The Company's Board of Directors held weekly online meetings to monitor figures and indicators and guide Hapvida in combating the pandemic.

Moreover, a Crisis Committee, composed of the Company's Senior Management, began meeting daily to monitor the infection curve, evaluate international experiences, and examine the numbers city by city in the system. This multidisciplinary team takes quick decisions and supervises initiatives to be prioritized, such as the purchase of supplies and equipment.

Through the work of both the Board of Directors and the Committee, we've relocated various healthcare professionals and material to the most affected areas. To speed up this displacement, the Company used chartered aircrafts.

## Additional Investment

By the end of July 2020, Hapvida had invested around R\$ 110 million confronting Covid-19, used in acquiring personal protective equipment (PPE), material, medication, and other needed equipment, especially respirators. The investment aimed at reinforcing the safety of doctors, nurses, and other front-line workers, allowing safe and effective care to all patients' demands.

## Working from Home

Aiming at the safety of employees in the administrative area, 90% of these professionals started to work from home right after the outbreak of the novel coronavirus, with no harm to quality of service.





## Infrastructure of Medical Assistance and Staff Reinforcement

Through our investments, it has also been possible to increase more rapidly the number of available hospital beds. The Company has increased its infrastructure of medical assistance, expanding hospital capacity from a total of 2,635 beds to 3,090 (ICU beds escalated from 555 to 854; likewise, infirmary beds shifted from 2,080 to 2,236). Adding to that, as a preventive measure, we've rented some hotels in Fortaleza (CE), Manaus (AM), Recife (PE), and Salvador (BA), in case it was necessary to expand the number of beds to care for and cover other diseases. Fortunately, by the closing of this report, it was not required to use these hotels, since, even in cities with a more severe infection curve, our hospital infrastructure was fully capable of serving our beneficiaries.

We have also hired around 1.4 thousand professionals for hospital support in temporary jobs: nurses, stretcher-bearers, chambermaids, and 150 physicians. Hence, it's been possible to provide our clients with adequate service in the most caring way available.

## Telemedicine

During the pandemic, we carried out over 2 thousand medical consultations via telemedicine per day - through phone or video -, prescribing medication and requesting additional medical tests whenever necessary. This modality of service has brought gains to the patients, physicians, and the health system altogether, diminishing people's exposure to the virus as well as mitigating urgent and emergency care.

We have also undertaken some elective medical appointments (not related to Covid-19) through telemedicine. That avoided cancellations due to concerns of virus exposure, enabling our chronically ill patients, for example, to continue to receive medical care safely. In the meantime, telemedicine has also brought closer together specialists and beneficiaries living away from big centers, taking a step ahead into a tendency of countryside care.

## Medical guidelines

As the evolution of cases stretched, we have refined medical guidelines to Covid-19 and standardized in every corner of the Company, which contributed to more efficient treatment, speeding up our patient's recovery. It's crucial to accentuate that when we did have a medical prescription to hydroxychloroquine (given by the patient's doctor, depending on the medical condition of each case), the Hapvida beneficiary received the medication with no cost through Ana Lima Foundation, the social branch of the Company. That measure was undeniably significant due to the shortage of this drug in the Brazilian market.







## Adaptation and Innovation

To avoid exposing beneficiaries and brokers to risk, in May, the Company launched a new sales website. That enabled the purchasing of health insurance plans entirely online, without the need of clients leaving the safety of their homes.

Furthermore, we've launched new conditions for acquiring our plans, such as a product with coverage transition: it offers hospital coverage (with a smaller cost and ensuring hospitalization), and, after a period of time, it turns into a full product (covering hospitalizations, consultations, and medical tests).

We have also developed a product for mass testing, following the World Health Organization (WHO) recommendations. We aimed it at corporate clients, to be used mainly by employees who will need to return to their jobs physically.

## Potential Impacts

In March, the National Supplementary Health Agency announced the deferment of elective medical appointments to increase the immediate availability of beds for Covid-19 treatment. That measure led to a temporary situation of low occupancy in Hapvida hospitals, which were gradually occupied by Covid-19 patients. By the time we finished this report, it wasn't possible to determine whether the expense reduction during the low occupancy period was enough to balance the extra expenditure with Covid-19. The latter depends on quantity, gravity, and length of service related to the disease.

Elective care that did not take place during the pandemic will return partially to the system at some point in the future. Depending on when they will happen, their quantity, as well as their costs, claims might be impacted.

Material cost, equipment, and medicine underwent a sharp increase in unit price, as well as in freight. Besides, in hospital tackling Covid-19, because of the virus's high transmissibility, frontline professionals must always wear PPE and change them regularly. Thus, combining the increase in usage with high unit prices might impact the Company's results.

## Commitment to Society


As a social responsibility activity, the Company began offering free and open access to chat-and-telephone health support with the intent of helping all Brazilians (clients and non-clients) go through the pandemic. The tool goes beyond talking to a doctor or nurse; it also has a screening protocol with a symptom checker and recommendations for each case.

To boost health and promote physical exercise, Hapvida has daily set up live video posts on YouTube and Facebook with yoga lessons, functional training, and dance classes.


In April, Maida Health - a technology company of the Hapvida System - made it available to the Ministry of Health its infrastructure to analyze, through artificial intelligence, a coronavirus-patient image-bank fed by health professionals all over the country. Maida Health's objective is to do patients' screening, using x-ray images, and computerized tomography of the chest of suspected Covid-19 patients. The image-bank is an alternative to care for patients and aid professionals to take decisions more swiftly.

Ultimately, Hapvida suspended any price adjustment during 90 days for family plans or individual plans, affinity plans and small companies plans. In the face of the economic-challenging scenario, the Company took this step to contribute to the families' budgets. The price difference will occur gradually in the last months of 2020.

With these measures, Hapvida reinforces the commitment to stand for the Brazilian and global society, in the relentless search for innovative, effective and inclusive solutions, which contribute to halting the spread of the disease and also recover those who sadly contracted the virus. We remain vigilant, prepared to carry out our greater mission, which is zeal for life.



**Hapvida reinforces the commitment to stand for the Brazilian and global society, in the relentless search for innovative, effective and inclusive solutions, which contribute to halting the spread of the disease and also recover those who sadly contracted the virus.**







# Hapvida



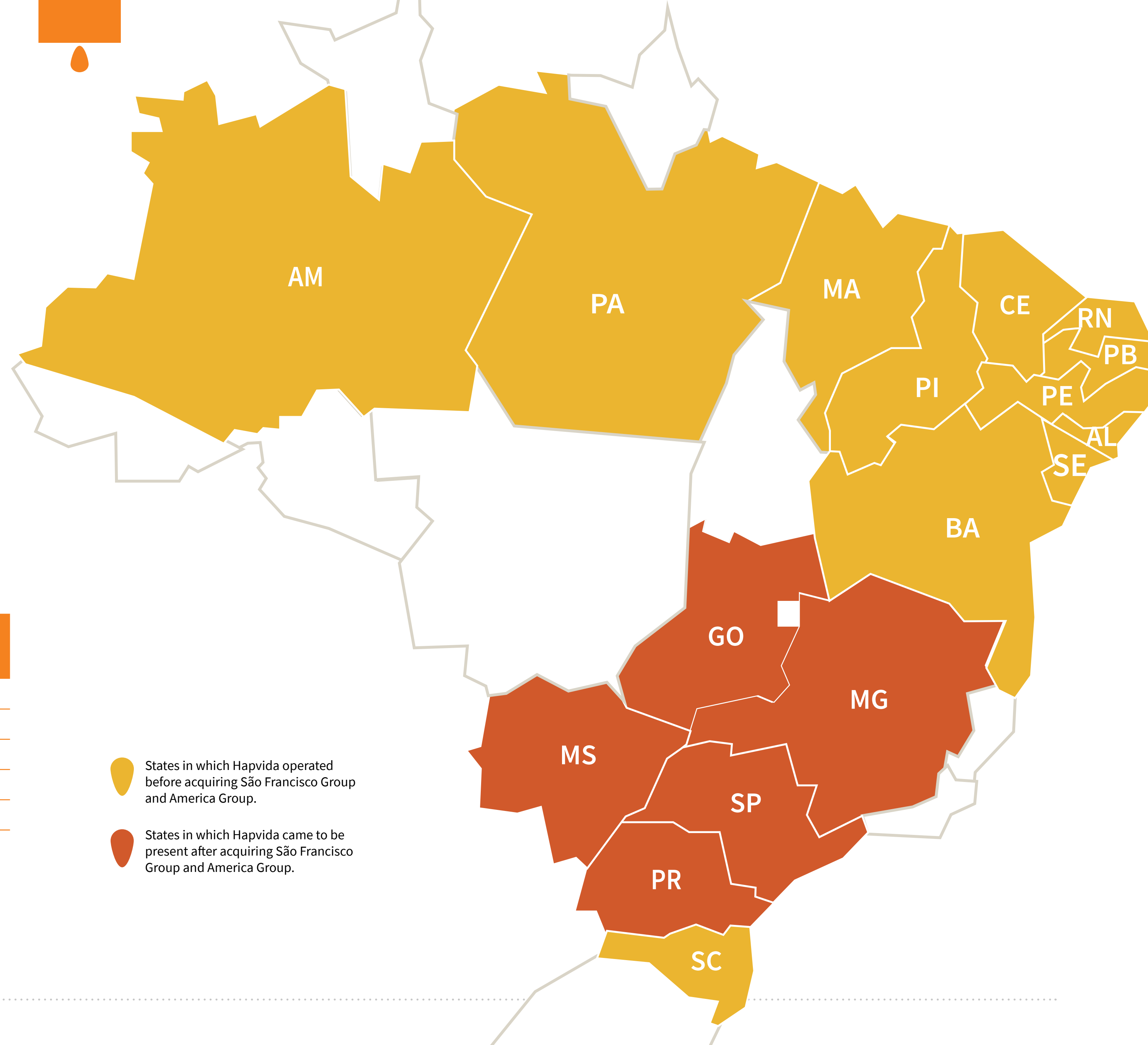
# Who We Are

The largest private healthcare system in beneficiary numbers in Brazil, Hapvida Participações e Investimentos finished the year with 6.3 million clients. Headquartered in Fortaleza (CE) and a traditional presence in the North and Northeast regions, the Company underwent a robust expansion through acquisitions, now operating in 18 Brazilian states. Thus, it has become the only healthcare system with its own network present in all five regions of the country.

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

# Where We Are

Region	Hospitals	Walk-in Emergency Units	Clinics	Diagnostic Imaging and Labs
North	6	3	17	17
Northeast	22	16	70	75
Center West	4	3	32	24
Southeast	6	20	55	61
South	1	-	11	2
<b>TOTAL</b>	<b>39</b>	<b>42</b>	<b>185</b>	<b>179</b>







The Company operates in the supplementary health care sector, focusing on providing services on a vertically integrated model. Therefore, we care for the beneficiary primarily in our own network, with affordable prices, thus making it possible for millions of Brazilians to have medical and dental assistance of high quality.

The Hapvida System has hospitals, walk-in emergency units, medical clinics, diagnostic imaging and laboratory collection centers. All this healthcare infrastructure meets our beneficiaries' demands, who acquired the Company's smart health insurance plans.

[GRI 102-2]

# Purpose

Ensure access to quality healthcare to our people.

# Mission

Satisfy our clients in promoting and maintaining their health with service excellence and efficient cost management.

# Vision

Be recognized by our unique and modern solutions in health management, ensuring service excellence, and competitive pricing.

# Values

- Competence to serve
- Innovation to grow
- Management is efficiency
- Care and effective communication
- Commitment with the business

[GRI 102-16]



# 2019 Numbers

[GRI 102-7;  
102-8]



**5.6** bi  
Net Revenues



**39**  
Hospitals



**185**  
Medical Clinics



**42**  
Walk-in Emergency  
Units



**179**  
Diagnostic Imaging  
and Laboratory  
Collection Centers



**2.6** thousand  
Hospital Beds



**30.8** thousand  
Employees



+ than  
**14** thousand  
Dentists



+ than  
**15** thousand  
Physicians



About  
**6** million  
Customers



# Growth and Expansion

[GRI 102-10]

Throughout 2019, there has been a significant expansion in Hapvida's network by acquiring enterprises that already operated in the healthcare industry. Amid the factors that contributed to this expansion is the strengthening of the Company's investment structure, which was favored by Hapvida going public in 2018. That allowed us to seize opportunities correlated to our operations' vertical profile. Below, we list acquisitions and contracts signed in 2019:



There has been a significant expansion in Hapvida's network by acquiring enterprises that already operated in the healthcare industry.

## Maida Health

In April, Hapvida disclosed the purchasing of Infoway, a renowned company in developing technological healthcare solutions. During the year, the Company has worked on integrating Infoway to Haptech (an Hapvida System's Company which used to operate in the same sector as Infoway) aiming to form the System's Healthtech: Maida Health. The new Company's name is after the district of Maida, in London, where Alan Turing, the computer science and artificial intelligence's father, was born. Maida Health has the purpose of promoting healthcare through innovation.

## São Francisco Group

In May, Hapvida closed the deal to purchase São Francisco Group, forging the Company's entry into the Southeast and Midwest regions of Brazil. Headquartered in Ribeirão Preto (SP), the Group leads the market in the countryside of these regions. Its model is also vertically integrated, with high operational performance and steady growth history. The acquisition added 1.8 million new beneficiaries of health and dental insurance plans to the Company's portfolio.

## Clínicas e Fraturas do Cariri Hospital

Still in May, Hapvida clinched the deal to purchase Clínicas e Fraturas do Cariri Hospital, with 59 beds for hospitalization. The acquisition strengthened Hapvida operations in the Cariri region, which, in addition to Juazeiro do Norte, encompasses the cities of Barbalha and Crato. Henceforth, the Company expanded its service in the area and acquired Free Life's customers' portfolio in October 2018.

## América Grup

In June, Hapvida announced the purchase of the companies that make up America Group, which acts broadly in the region of Goiânia and the city of Anápolis, in Goiás. Founded in 1982, the Group provides healthcare through hospitals, clinical analysis, and diagnostic imaging. It's the most verticalized healthcare operator in the Midwest, with a portfolio of around 190 thousand beneficiaries.





## RN Saúde

In July, the Company disclosed the acquisition of RN Saúde, another health insurance plan operator, located in Uberaba (MG), with a portfolio of 50 thousand clients. RN Saúde's purchase goes along with the Company's geographic expansion strategy, setting up its presence in the Triângulo Mineiro region - an area with circa 2.4 million people and around 620 health insurance beneficiaries.

## Parauapebas Clinics Hospital

In November, Hapvida bought Parauapebas Clinics Hospital, in Serra dos Carajás region (RN). It's a medium-complexity hospital with 30 beds. With a portfolio of around 18 thousand beneficiaries in the area, this acquisition underpins the Company's strategy in verticalizing and internalizing medical costs.

## Medical

In December, Hapvida announced the purchase of Medical, headquartered in Limeira (SP), with 80 thousand costumers in the region. Medical operates with high verticalization in hospital admissions, carried out with its own high-complexity equipment, with around 100 beds. It also has adults and neonatal ICUs, urgent and emergency care, chemotherapy and hemodialysis sectors, and an upscale surgical center. There is substantial synergistic potential, as the Company, through São Francisco Group, already comprises 60 thousand beneficiaries in this region.

## Plamed

Also in December, Hapvida closed the deal for acquiring Plamed's beneficiaries, located in Aracaju (SE), with around 31 thousand insured people. The asset has synergistic potential, once the Company has roughly 60 thousand beneficiaries in this region covered by Hapvida network. At the end of the year, Plamed's purchase, as well as Medical's, awaited approval from both the Administrative Council for Economic Defense (CADE) and the National Agency of Supplementary Health (ANS).



**Hapvida finished 2019 with 39 hospitals, 42 walk-in emergency units, 185 medical clinics, and 179 diagnostic imaging and laboratory collection centers, computing 445 service points available to our beneficiaries, in all the five regions of the country.**



All these acquisitions made Hapvida add the following new assets in 2019:

- 13** hospitals
- 23** walk-in emergency units
- 110** medical clinics
- 95** medical diagnostic units
- 799** hospital beds

Including assets from acquired companies, Hapvida finished 2019 with 39 hospitals, 42 walk-in emergency units, 185 medical clinics, and 179 diagnostic imaging and laboratory collection centers, computing 445 service points available to our beneficiaries, in all the five regions of the country.

## Constant Evolution

Hapvida kept the growing pace in the number of health plan beneficiaries above the sector average, with annual growth of 3.7% without acquisitions, and 49% if we consider the new companies. In December 2019, the Company's market share reached 7.4% nationwide.

The number of beneficiaries in dental plans has also shown remarkable growth, reaching 7% without acquisitions, and 67.7% if we consider the new companies. Hapvida Odonto's market share reached 9.6% nationwide by the end of the year.

# Our History

The origin of our history is intrinsically connected to our founder. With a medical degree by the Federal University of Ceará (UFC), Cândido Pinheiro Koren completed Oncology Residency at AC Camargo Hospital in São Paulo (SP). Later, he returned to Fortaleza and founded the Antônio Prudente Clinic in 1979, focusing on oncologic treatment.

In 1986, the Clinic turned into Antônio Prudente Hospital, a pioneer in high-complexity procedures and humanized care. The Hospital was the first to receive an HIV-positive patient in Ceará, the first to perform a heart transplant, and the first to offer computerized tomography service, MRI, and video surgery.

In 1993, Dr. Cândido created Hapvida Saúde, a modern and affordable health insurance plan which conquered the Cearense market and expanded rapidly through the North and Northeast regions of Brazil. Four decades after the beginning of this history, Hapvida System is now a core reference in supplementary health in Brazil, renowned by its vertical, integrated, and highly innovative business model.

Company's landmarks:



**The origin of our history is intrinsically connected to our founder.**



1979



Oncologist Dr. Cândido Pinheiro Koren de Lima opens Antônio Prudente Clinic in Fortaleza (CE).

1986



The Clinic turns into Hospital Antônio Prudente, up to these days an outstanding reference to all the Hapvida System, performing high-complexity procedures, such as transplants.

1993



The Company begins its activities as a health insurance plan through Hapvida Assistência Médica.

2000



The health plan operator becomes the main business, and the hospital assets are now considered Hapvida's service providers. This year, Teresa de Lisieux Hospital, in Bahia, joins the Company's operations.

2004



The Company intensifies the vertical integration of activities, focusing investments on its own service capacity.

2005



Acquisition of São Lucas Hospital, in Amazonas, carving its entry in the North region.



2007



Acquisition of Layr Maia Hospital, in Pará.

2008 a 2010



Structuring the dental care service with Mais Odonto. It has also acquired Espinheiro Hospital in Recife (PE), and MMS PE Group, Santa Clara Group and Santa Helena Group, all in the same state.

2012



In 2012 and 2013, Hapvida acquired three more assets: Aldeota Hospital, Rio Mar Hospital, and João Pessoa Hospital are now in the Company's portfolio of assets.

2014



Between 2014 and 2016, it performed two acquisitions in the health sector: Luís França Hospital, in Ceará, and Semed, in Bahia. Apart from that, the Company opens six new hospitals, four walk-in emergency units, and ten medical clinics in the North and Northeast regions of the country. During this period, it has also undertaken major investments in technology and innovation.

2017



The Company begins its corporate restructuring, involving 26 subsidiaries, seeking to simplify its organizational structure and optimize the necessary processes and controls to the business management, in addition to adapting to new growth challenges.

2018



A transformational year for the Company, with its IPO of R\$ 3.43 billion, the largest IPO in the history of the healthcare industry in Brazil. It also opened Rio Poty Hospital in Teresina (PI) and acquired Rio Amazonas Hospital in Manaus (AM).

2019



It begins operating in Joinville (SC), marking the Company's entry into the South region of Brazil, with a fully vertical service structure, comprised of a high-complexity general hospital, two medical clinics, and two medical diagnostic units. With the capital reinforcement coming from the follow on and the first issuance of debentures held in July - raising approximately R\$ 4.6 billion in the market - Hapvida makes multiple acquisitions. (see it on page 14).

# Our Culture

To offer the best technological healthcare solutions, with that loving touch in service, along with a healthy relationship with workers and other stakeholders. That is fundamental to Hapvida.

For many years, we've built our corporate culture on three cornerstones: Quality, Hearty Welcome, and Cost Efficiency. In 2019, in a broad process that involved various leadership meetings, Hapvida reiterated its commitment to these cornerstones and stressed one extra attribute, one that has always been present in our history: Innovation.

The corporate culture cornerstones also sustain the Company's strategic planning process, as we'll go further on the next topic.

“The corporate culture cornerstones also sustain the Company's strategic planning process.”



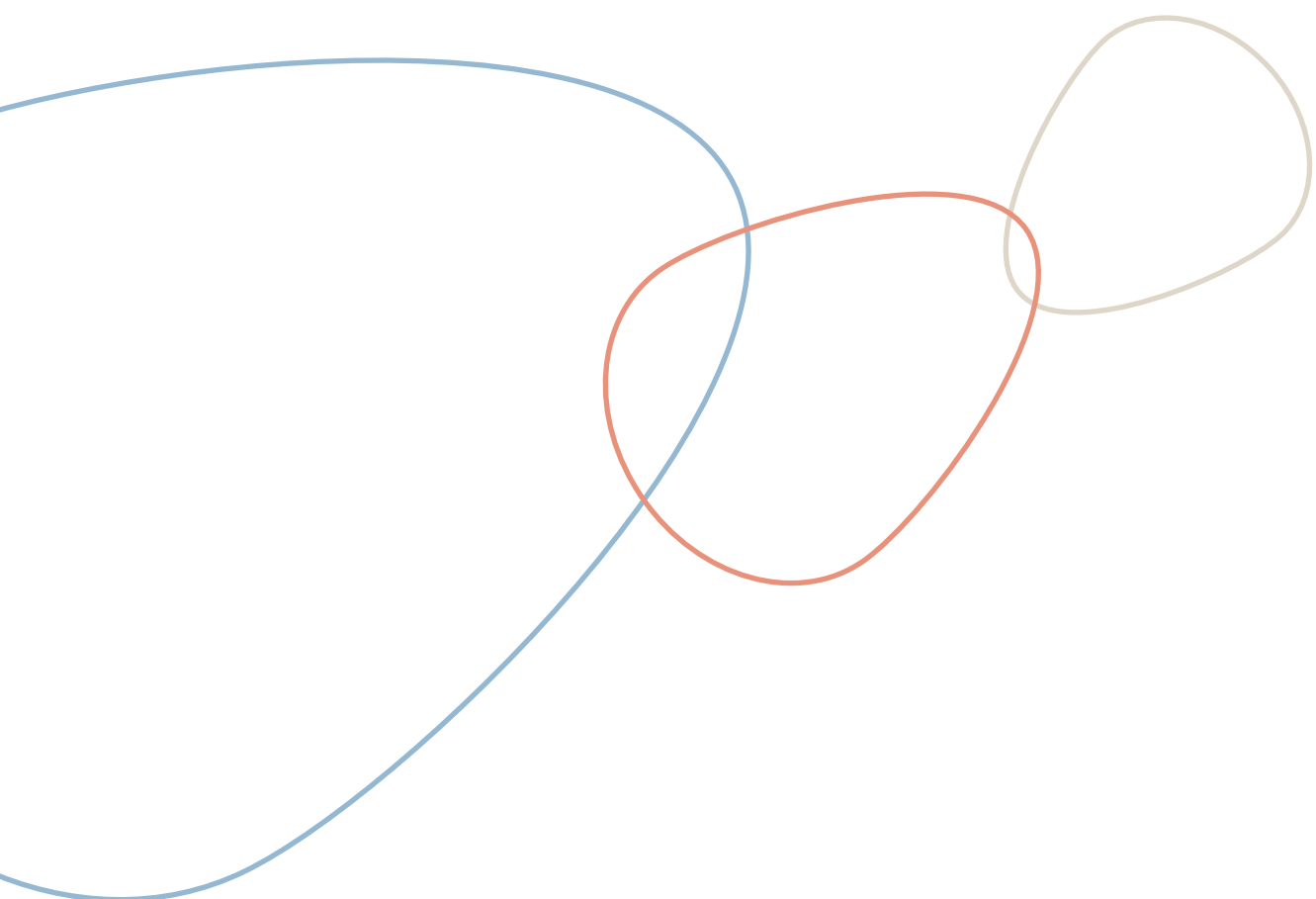
## Innovation

Technology and innovation are hallmarks of the Hapvida System. In 2019, apart from creating Maida Health (a company that focuses on innovation, and aspires to redesign the healthcare system in Brazil), Hapvida built a series of initiatives, both disruptive and straightforward, aiming at generating value for the client and the business.

Most of these initiatives are led by the Innovation and Digital Transformation area, created in 2018 to act with coordinated digital care. The area works in three fronts:

- 1 Customized healthcare solutions:** customized and agile solutions to meet the users' needs, using personal profile, behavior, habits, and medical data.
- 2 Information at your fingertips:** integrated and complete access to users' health information with the autonomy to make decisions - health history, goals, medical records, and evolution monitoring.
- 3 Ubiquitous care:** usage of technology to complement service already held at hospitals and clinics. Wherever the patient may be, he can count on preventive care, telemedicine, and medical advice. Hapvida is present in its client's healthcare 24 hours a day, seven days a week.





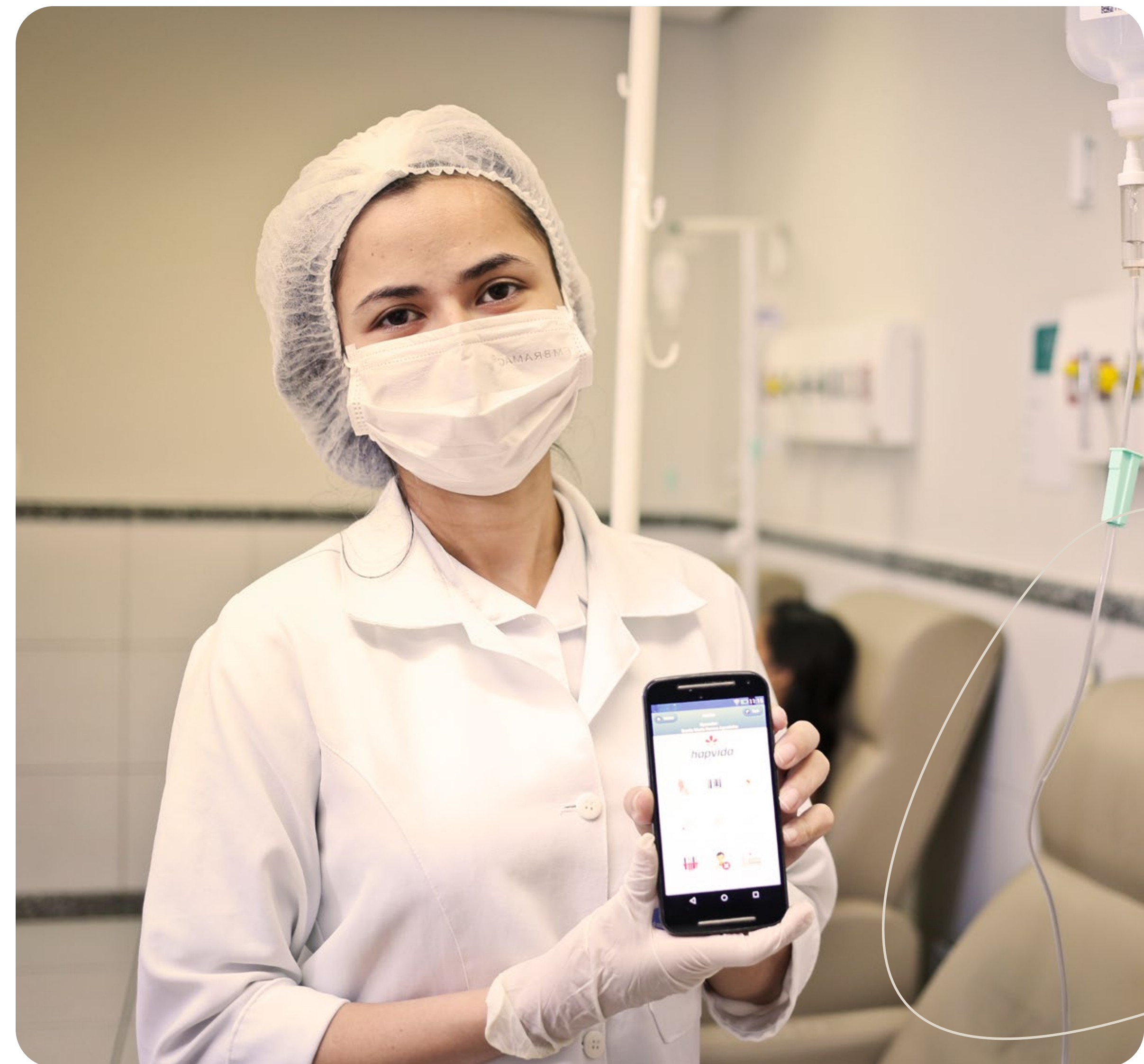
## Most Important actions centered on Innovation and Digital Transformation in 2019:

The Innovation and Digital Transformation area operates in squads with other teams, using agile methodology and design thinking to perform immersions to comprehend the problem and promote experiments that enhance the Company's processes and systems.

A permanent project in the area is Mapping the Journeys. It works in waves, and it focuses on audiences and systems that interact for the Hapvida System to work. The Innovation and Digital Transformation team examines the customer experience, the seller experience, as well as those of the employees and partners (physicians and dentists) with initiatives designed to each correspondent public.

In 2019, one of the primary waves put through was the Customized Health Plan Client Journey. It identified 24 new opportunities for improvement, among them the sale of customized Health Insurance Plan. Another important initiative was Five Star Rating - check out on page 36.

- Mapping the Journeys: customer - sales and after-sales
- Mapping the Journeys: customer - dental
- Mapping the Journeys: recruitment and integration
- Five Star Rating: App, Website, Pushes and Dashboard
- New Beta App - Prototype launched, with continuous improvement and development through users' feedback.
- Direct Online Sale (B2C) - prototype







# Corporate Life

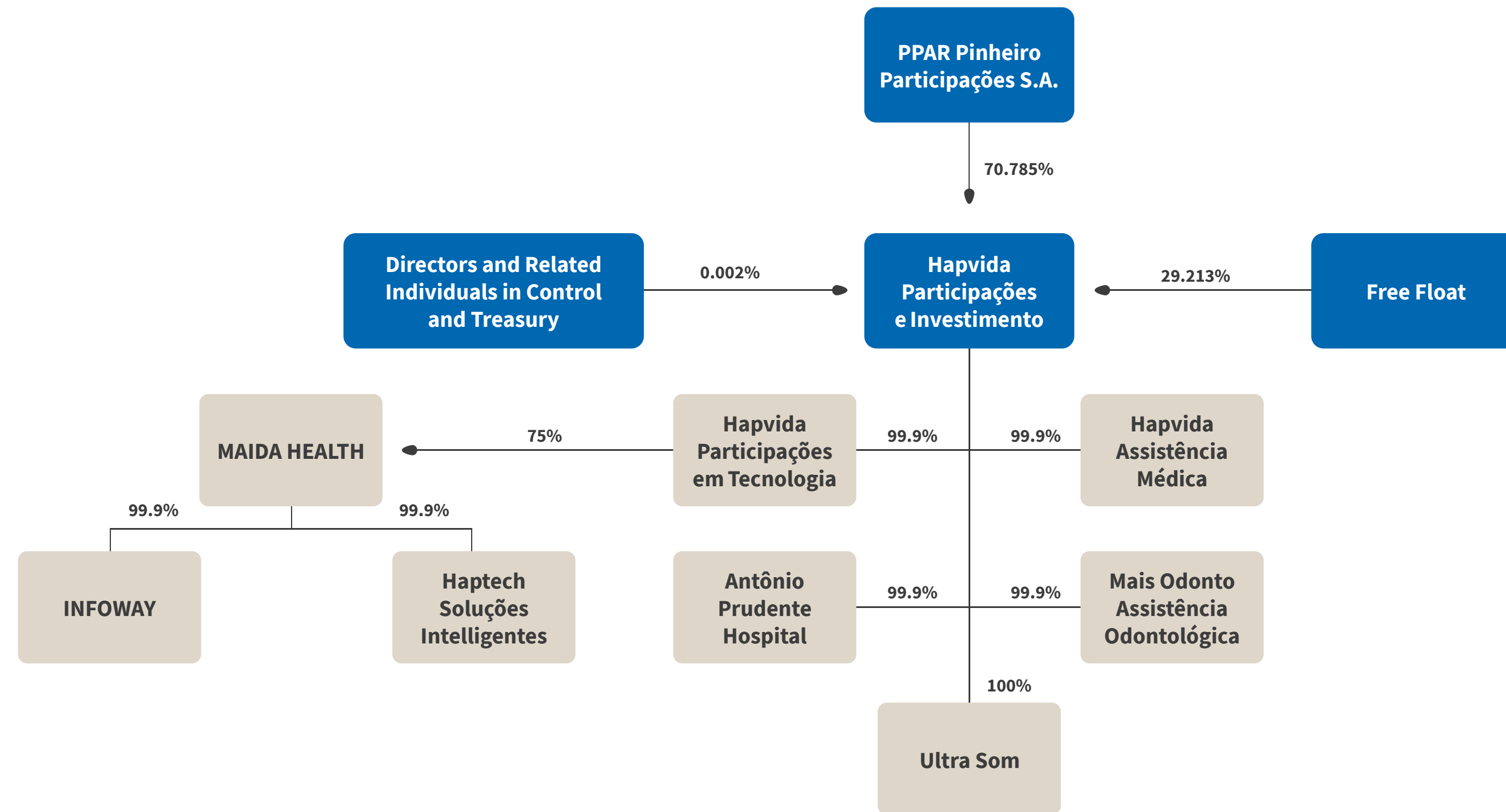


# Shareholding Structure

In a R\$ 3.43 billion offer marked as the biggest in the Healthcare Industry in Brazil, Hapvida obtained its registration as a publicly traded company on April 20, 2018. It started trading its shares in the Novo Mercado Special Segment at B3 - on April 25, 2018, under the code HAPV3.

In July 2019, the Company completed a subsequent share offer (follow-on), raising more R\$ 2.6 billion. By the end of the year, Hapvida held 742,985,906 common shares. From this total, 29.21% was in circulation at B3's Novo Mercado. At the end of the year, the Company's shares were at R\$ 63.90, a R\$ 47.5 billion market value.

[GRI 102-5]





# Corporate Governance

[GRI 102-18]

In 2019, Hapvida published its first Corporate Governance Report, as required by Instruction No. 586 of the Securities and Exchange Commission of Brazil (CVM). Hapvida had a 67% adherence to the questionnaire (totally or partially), reinforcing the good corporate governance practices embraced by the company.

As a Novo Mercado member - B3's listing segment composed of companies with more transparent corporate rules, extending the rights to minority investors - Hapvida keeps devoted to strengthening its management systems. The Company's attention to this matter surfaced even before the IPO. In 2017, it was manifested in creating a specific area dedicated to coordinating and monitoring the governance bodies' activities. In that manner, it pursues ensuring sustainable and ethical business growth.

## Board of Directors

The Board of directors' main goal is to safeguard the business' values and strategic guidelines, to value its assets, to maximize returns, and to ensure competitiveness in the long run.

As the decision-making body, The Board has a long-run outlook, one that incorporates economic, social, environmental, and corporate governance factors. Some other vital roles of the Board are to prevent and manage either interest conflict situations or opinion divergence, eyeing to protect the Company's interest ahead of all. Also, the Board embraces different kinds of development to monitoring strategy implementations and the Company's guidelines, not ever interfering in operation issues.

By the end of 2019, the Board of Directors was a seven-member body, four of them external, with no direct participation on the Company, and two independent members, representing minority shareholders.<sup>1</sup>

Board of directors in  
12/31/2019

**Candido Pinheiro Koren de Lima**  
Chairman

**Jorge Fontoura Pinheiro Koren de Lima**  
Member

**Candido Pinheiro Koren de Lima Júnior**  
Member

**Wilson Carnevalli Filho**  
Member

**Geraldo Luciano Mattos Júnior**  
Member

**Roberto Antônio Mendes**  
Independent Member

**Márcio Luiz Simões Utsch**  
Independent Member

To support the decision-making process on different business fronts, the Board of Directors has eight advisory committees, dedicated to the following topics:

- Audit, Risk & Compliance
- Governance & People
- Transformation & Innovation
- Mergers & Acquisitions
- Finance & Capital Markets
- Strategy & Marketing

## Board of Executive Officers

Responsible for executing the corporate strategy, the Board of Executive Officers is made up of five members: a Chief Executive Officer, three Executive Vice-Presidents, and a Chief Financial Officer. They act to promote the mission and achieve the business vision, based on the Company's core values. The Board of Executive Officers also has to zeal for compliance with organizational policies and guidelines, the bylaws, and the legal provisions applicable to the Company.<sup>2</sup>

Board of Executive Officers  
in 12/31/2019

**Jorge Fontoura Pinheiro Koren de Lima**  
Chief Executive Officer

**Candido Pinheiro Koren de Lima Júnior**  
Executive Vice-President of Commercial and Relationship

**Alain Benvenuti**  
Executive Vice-President of Operations

**Gustavo Chaves Barros de Oliveira**  
Executive Vice-President of Strategic Affairs

**Bruno Cals de Oliveira**  
Chief Financial Officer and Investor Relations

Hapvida also has three other Vice-Presidencies associated with the Chief Executive Officer. They are not statutory, and they coordinate critical activities for the Company. They are:

Vice-Presidencies  
in 12/31/2019

**Heraldo Silva**  
Executive Vice-President of Human Resources and Operational Efficiency

**Lício Cintra**  
Executive Vice-President of South, Southeast, and Midwest

**André Melo**  
Administrative Executive Officer

<sup>1</sup> At the Annual General Meeting (AGM) held on April 28, 2020, the same members were reelected for another two-year term, ending in August 2022.

<sup>2</sup> At the Board of Directors' meeting held on April 28, 2020, the statutory executive officers were reelected. The term of office is valid until the first meeting of the Board in 2021.



# Risk Management

We guide risk management at Hapvida with a specific policy, broadly reviewed in 2019. It aims to ensure the best corporate practices and to safeguard the Company's activities. For this purpose, we gauge any risks that might affect the business: Company's strategy, processes, people, and assets are all highly analyzed.

In 2019, the Governance and Risk Management Department began reporting for this matter. This Department works alongside other areas, focusing on the continuous improvement of internal risk management processes. The Department reports monthly to the Audit, Risks & Compliance Committee.

Together with this Committee, Hapvida's Risk Matrix had, at the end of 2019, 68 risks mapped and monitored continuously by the Company, divided into four categories:

**Strategic risk:** impact resulting from decisions, undue investments, and imperfect response for either change in the workplace environment or negative publicity about the organization's practices and business conduct.

**Compliance risk:** originating in either non-compliance with laws/regulations or lawsuits filed by clients or counterparties, as well as complaints.

**Operational risk:** arising from operational problems, such as failures in internal controls.

**Financial risk:** due to unreliable or misleading disclosures of financial statements.

“We guide risk management at Hapvida with a specific policy, broadly reviewed in 2019. It aims to ensure the best corporate practices and to safeguard the Company's activities.”

## Monitored risks in 12/31/2019





# Ethics and Integrity

Our Code of Ethics is underpinned on the principles of honesty, integrity, and loyalty. Its purpose is to reinforce the ethical practices that govern the organization's internal and external relationships. Furthermore, it seeks to guide employee behavior, reducing subjectivity on conduct issues.

The Code addresses broad ethical commitments, seen as crucial to proper conduct business, such as (i) respect for laws and regulations, (ii) decision-making analysis over shareholders, and (iii) respect for clients, the main reason for our business.

Through the Sentinela Program, coordinated by the Internal Audit Department, Hapvida employees, including service providers and third parties, are continuously trained to adopt the proper conduct when challenged by any ethical issue in their daily work. Whenever they become aware or suspicious of any situation that may violate our Code of Ethics or the law, they denounce it via our Whistleblowing Channel (run by an independent company, available by all Company's audience, such as customers and suppliers).

[GRI 205-2]

The Channel is strictly confidential. It protects the user's identity and it's utterly impartial, which guarantees investigation fairness for both the accuser and accused. It never takes into account the hierarchical level of those involved.

[GRI 102-17,  
103-1, 103-2,  
103-3]

The Whistleblowing Channel can be accessed through:

- Intranet: [portal.hapvida.net.br/canal-de-denuncias-sentinela](http://portal.hapvida.net.br/canal-de-denuncias-sentinela)
- Telephone: 0800 5915126
- Internet: [www.canaldedenuncias.com.br/grupohapvida](http://www.canaldedenuncias.com.br/grupohapvida)
- Mobile: "meuhap" app

All complaints are registered in a third-party database and analyzed by this same company as a way of ensuring process independence. After registration, complaints are investigated by Internal Audit or by the Human Resources (involved when behavioral complaints, such as harassment, are found). The conclusions are deliberated by: Ethics Committee; Audit, Risks and Compliance Committee; or the Board of Directors - depending on who is the accused.

When proven, denunciations lead to penalties that might range from verbal warning to dismissal or even criminal prosecution. In 2019, the Company did not register any cases of corruption. Regarding different kinds of discrimination, 11 complaints were received, of which six were considered valid. For each of the situations identified, an action plan was prepared, with corrective and preventive measures.

[GRI 205-3, 406-1]





# Strategy

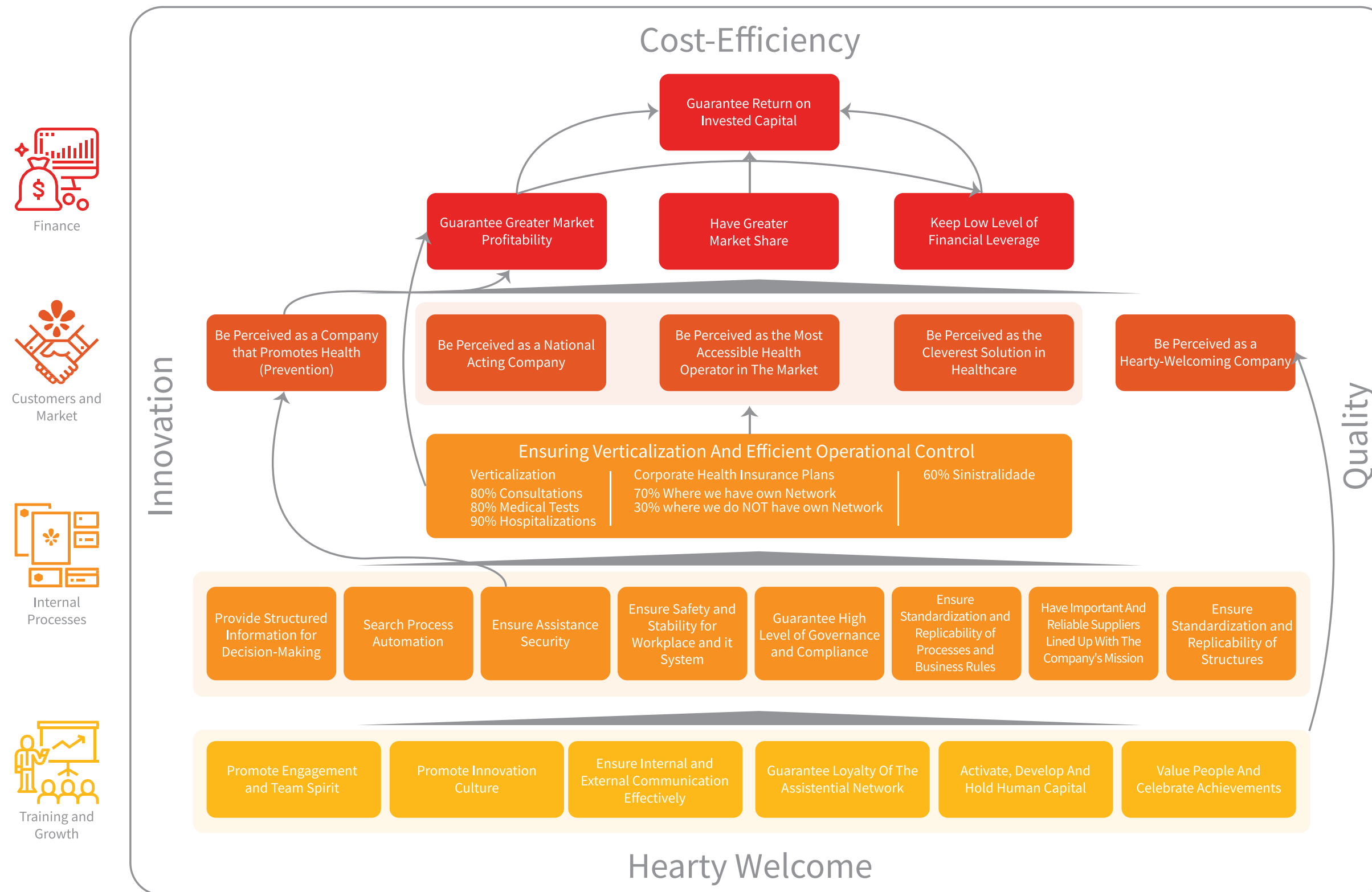
Hapvida stands out in the national health insurance plan market due to its well-defined strategy, which prioritizes vertically integrated care. With a customer-centric and cost-efficient business model, anchored on using its own healthcare equipment, and practical medical guidelines, Hapvida System can offer quality care at affordable prices for millions of Brazilians.

In this model, medical teams act more assertively, with full access to the patient's history. This methodology, which includes adequate incentives for staff, assures competitive prices, and excellent results, granting robust geographic expansion.

To reinforce its strategy, the Company developed all through 2019 the Travessia Program, which brought together different leaders to prepare a Strategic Map that will work as a guide for business until 2024.

The Map is divided into four perspectives: (i) financial, (ii) customers and market, (iii) internal processes, and (iv) learning and growth. It displays 24 corporate objectives that must be achieved in the period. Some themes guide the entire Company, they're our organizational cornerstones: Hearty Welcome, Quality, Innovation, and Cost-efficiency - they're pivotal elements that guarantee vertical integration and efficient operational control.

## Strategic Map (2020-2024)



In the first half of 2019, Hapvida implemented Process and Project Governance, under the responsibility of the Business Management Department. Process and Project Governance aims at aligning the Company's strategic objectives to the processes so that its management contributes to creating value. The Company has also created a new tool to manage indicators named STRAWs ONE, which monitor the main results of the areas. We have also put into action The SAP S4HANA corporate management system (ERP) to each Hapvida unit (except the new acquisitions), adding reliability, availability, and effective business control.

With a customer-centric and cost-efficient business model, anchored on using its own healthcare equipment, and practical medical guidelines, Hapvida System can offer quality care at affordable prices for millions of Brazilians.





# Financial Health



# Macroeconomic and Sector Scenario

The Brazilian economy registered low growth in 2019, with its Gross Domestic Product (GDP) of R\$ 7.3 trillion, an increase of 1.1% in the year, the same expansion registered in 2018. The Broad Consumer Price Index (IPCA) ended 2019 at 4.31%, above the year target, which was 4.2%, according to the Brazilian Institute of Geography and Statistics (IBGE). In 2018, IPCA was 3.7%.

The medical inflation rate in 2019 is expected to be 13% in Brazil, according to a 2020 Global Medical Trends report. The preview is three times higher than the IPCA growth in the year and considerably superior to medical inflation worldwide, which should rise by 6.7%, according to the same study. The National Supplementary Health Agency (ANS) approved a price adjustment of 7.35% in health insurance plans contracted from May 2019 to April 2020, compared to 10% in 2018.

By the end of 2019, Brazil had 47 million health care plan beneficiaries in all the country. A nearly stable number if compared to 2018, with a 24.1% coverage rate of the Brazilian population.

In December 2014, the health insurance market had its best moment in Brazil, with 50.5 million beneficiaries, totaling 25.6% of the population. The downturn that reached the country from 2015 to 2017 considerably reduced the number of beneficiaries, which has stabilized in recent years. Hence, the market reached the end of 2019 practically at the same level as of December 2012.

## Health insurance beneficiaries in Brazil

Year	Beneficiary in Private Health Insurance Plans with or Without Dental
dec/2010	44,937,350
dec/2011	46,025,814
dec/2012	47,846,092
dec/2013	49,491,826
dec/2014	50,531,748
dec/2015	49,268,428
dec/2016	47,623,378
dec/2017	47,084,648
dec/2018	47,082,841
dec/2019	47,038,244

Source: Beneficiary Information System- SIB/ANS/MS, consulted in May 2020.

The exclusively dental segment kept its growth trajectory over the years, reaching, at the end of 2019, the historical record of 26 million users - an expansion of 1.7 million compared to December 2018.

## Dental Plan beneficiaries in Brazil

Year	Beneficiary in Exclusively Dental Private Plans
dec/2010	14,514,074
dec/2011	16,669,935
dec/2012	18,538,837
dec/2013	19,561,930
dec/2014	20,081,836
dec/2015	20,850,833
dec/2016	21,203,401
dec/2017	22,383,591
dec/2018	24,240,891
dec/2019	25,822,928

Source: Beneficiary Information System- SIB/ANS/MS, consulted in May 2020.





# Operational Performance of Hapvida

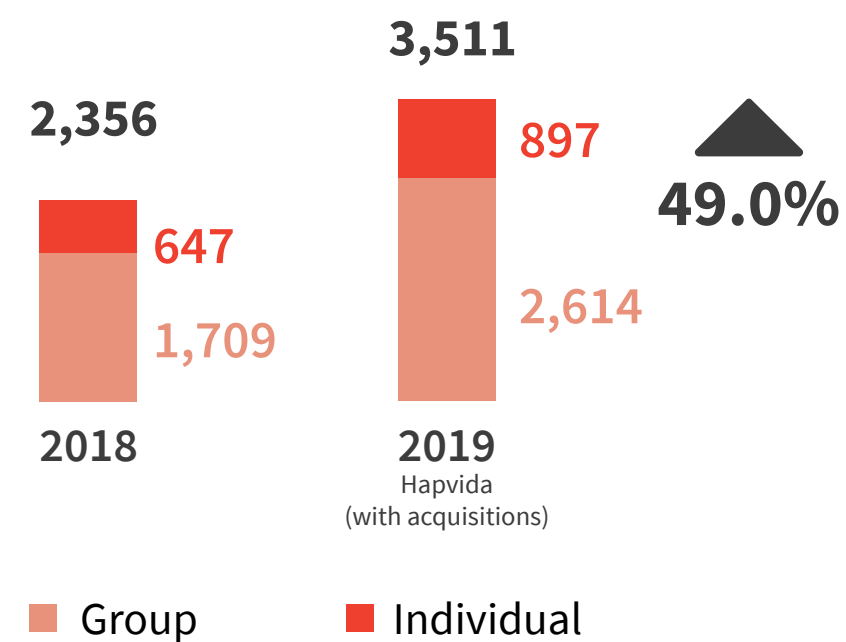
The Company's beneficiaries grew by 49.0% at the end of 2019 if compared to 2018, going from 2.3 million to 3.5 million. The dramatic increase is due to the acquisitions undertaken in 2019, with the entry of 853 thousand new members from São Francisco Group and 214 thousand new members from America Group. When comparing these periods, the figure for individual health plans beneficiaries leaped 38.7% and that of the collective plans 52.9%.

The organic increase, not considering acquisitions, was 3.7%, with 88 thousand members in collective plans portfolio, driven by the states of Santa Catarina (beginning operations in Joinville), Bahia, Pernambuco, and Manaus.

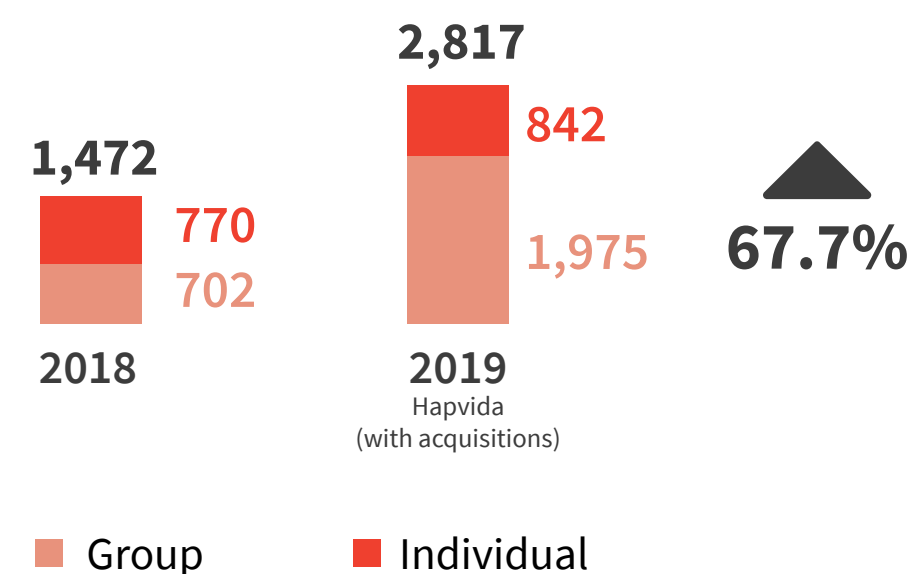
In dental plans, Hapvida System attained even more remarkable growth, with 67.7% of new beneficiaries. One million new members came with the acquisition of São Francisco Group. Collective plans beneficiaries increased 181.3% while new individual plans by the figure of 9.4%.

Regarding organic growth, there was a surge of 22%, condensed in the states of Ceará, Bahia, Pernambuco, Amazonas, and the Federal District.

## Number of Health Plan beneficiaries - Hapvida (In thousands)



## Number of Dental Plan beneficiaries - Hapvida (In thousands)



## Market Share

The number of healthcare operators in Brazil had a significant reduction from the early 2000s to the end of 2019. At the end of 2000, there were 2,037 active healthcare operators; there was only slightly over 700 active and with beneficiaries by the end of 2019. The market has undergone numerous changes, like acquisitions, incorporations, and closings.

In this period, Hapvida grew substantially, ending 2019 with 7.4% share of the supplementary healthcare market in Brazil, considering beneficiary numbers. It is the first and only Brazilian operator to have its own medical-hospital network in the five regions of Brazil.

In the North and Northeast, regions where Hapvida has a more extended history, the Company finished the year with 25.2% of the total health insurance plans in the North, and 30.2% in the Northeast.

**The Company's beneficiaries grew by 49.0% at the end of 2019 if compared to 2018, going from 2.3 million to 3.5 million. The dramatic increase is due to the acquisitions undertaken in 2019, with the entry of 853 thousand new members from São Francisco Group and 214 thousand new members from America Group.**



# Financial Results [GRI 103-1, 103-2, 103-3]

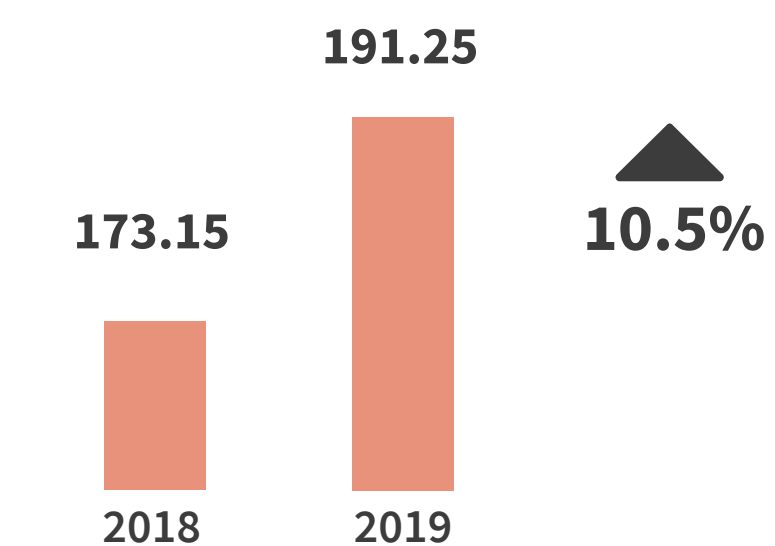
The Company's financial results are submitted quarterly and approved by the Board of Directors and validated by independent auditors. The 2019 figures, shown below, include the acquisitions made during the year, such as São Francisco Group and America Group.

## Average ticket

The monthly average ticket for Hapvida's health clients ended 2019 at R\$ 191.25, a 10.5% increase if compared to the previous year. Price adjustment of contracts and new sales are amid the main factors that helped this growth.

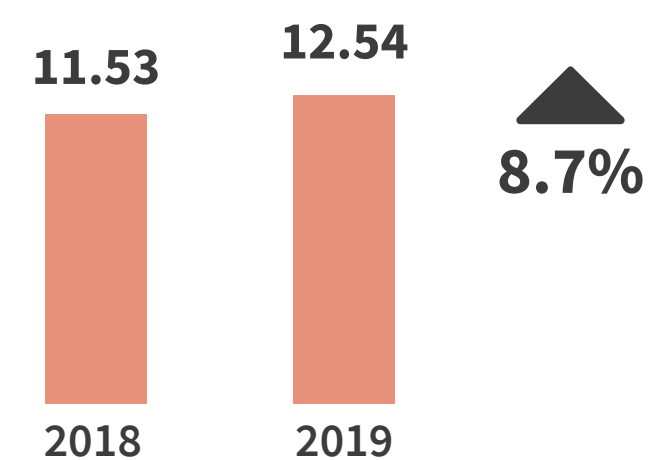
In dental, the average ticket grew 8.7% if compared to 2018, going from R\$ 11.53 to R\$ 12.54, primarily due to the acquisitions.

**Health insurance plan average ticket - Hapvida (In R\$)**

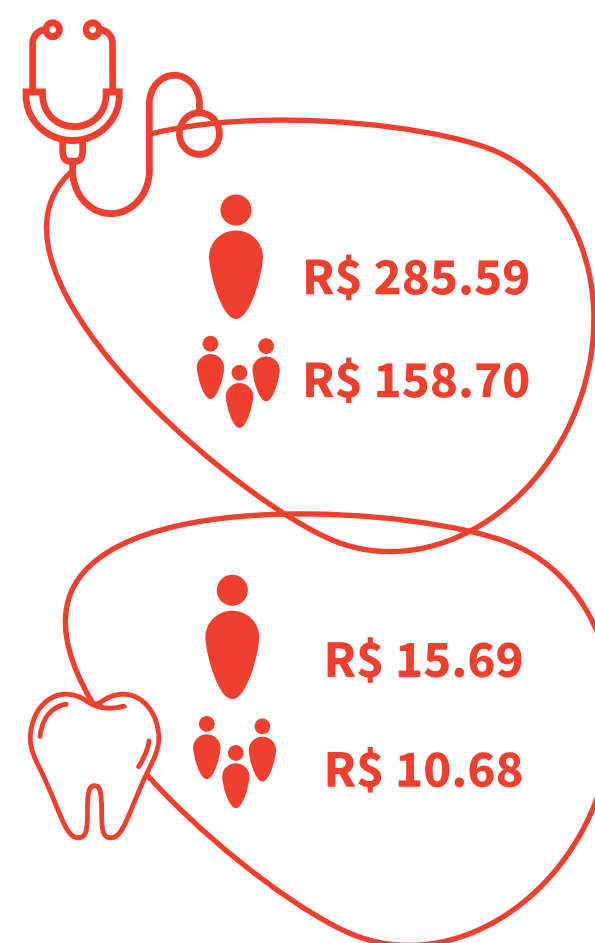


■ Hapvida (with acquisitions)

**Dental plan average ticket - Hapvida (In R\$)**



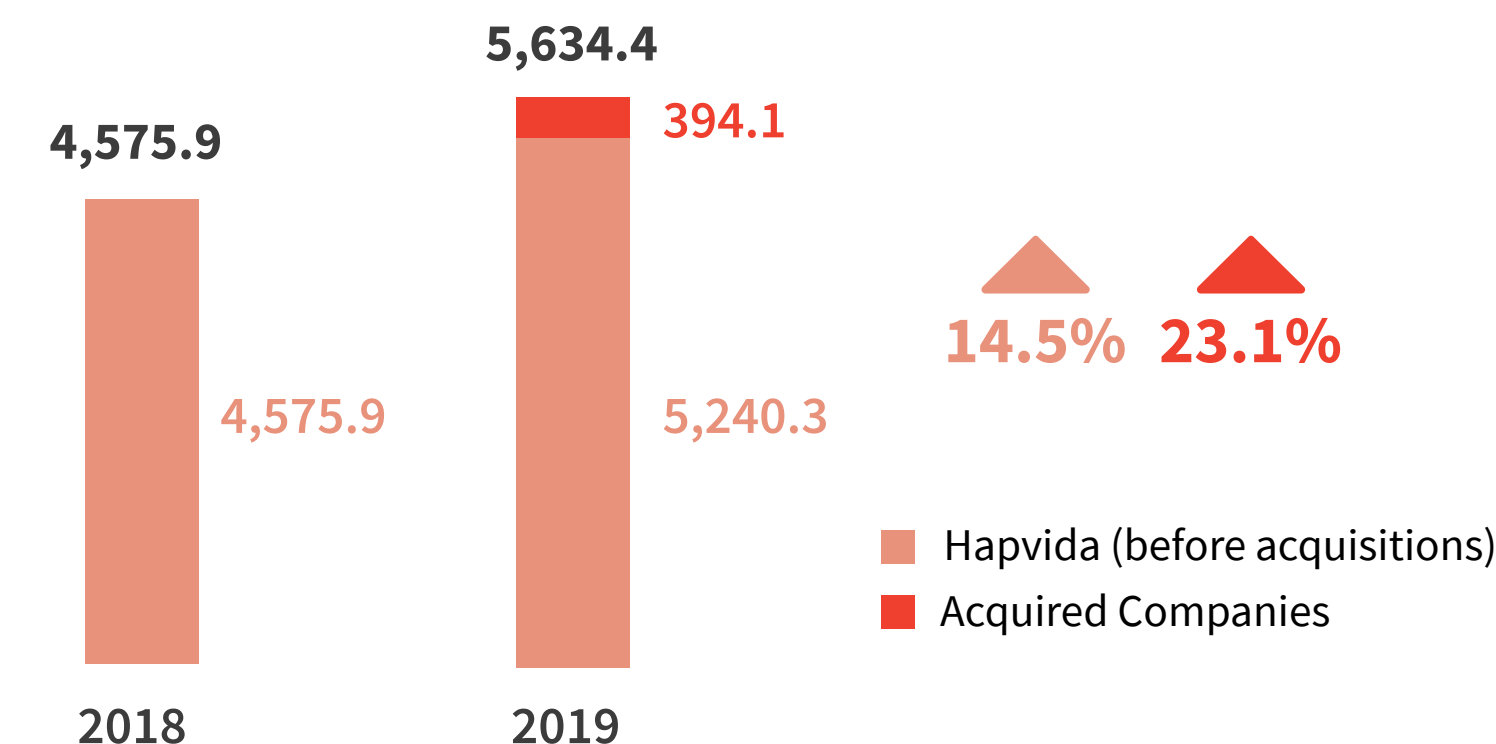
■ Hapvida (with acquisitions)



# Net Revenues

The Company's revenue is made up predominantly of resources coming from the selling of health insurance and dental plans. In 2019, the Company had Net Revenues of R\$ 5.6 billion, growth of 23.1% if compared to the same period in the previous year. That figure reflects two months (November and December) of the acquisitions - the results of São Francisco Group, incorporated on November 1, 2019, and the month of December of America Group, acquired on December 2. If we disregard the acquisitions, the increase would have been 14.5%.

**Net Revenues (In R\$ million)**



■ Hapvida (before acquisitions)  
■ Acquired Companies

In addition to the Company's acquisitions, the surge of beneficiaries in dental care also affected the growth of revenues. The average ticket increase for medical and dental plans, price adjustments in existing contracts (necessary for the Company operation's economic balance), and sales of new deals also contributed to this increase.

The Company's average ticket for all different types of contracts is deemed as one of the most affordable in the market.

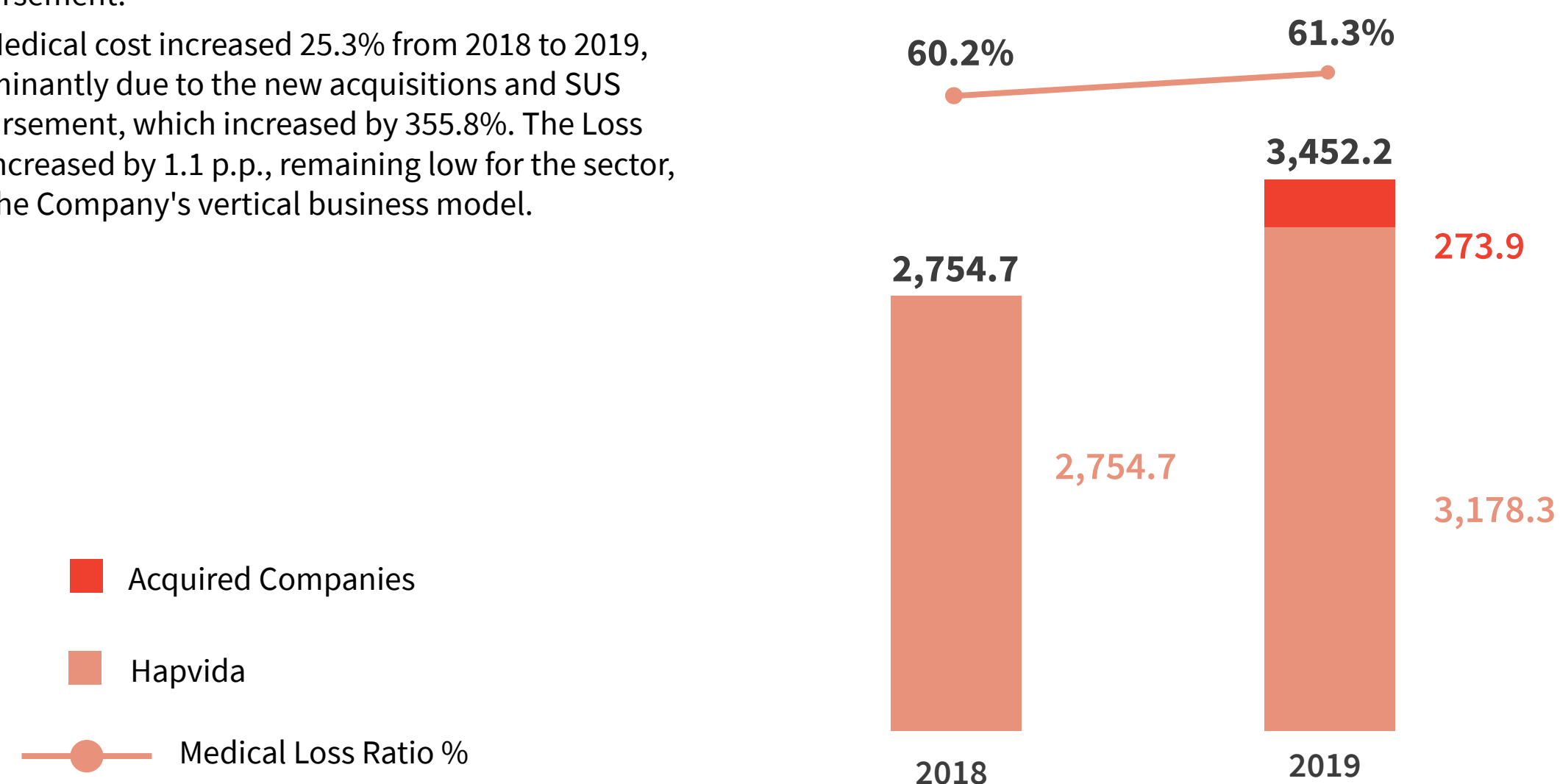


# Medical Costs and Loss Ratio<sup>3</sup>

Service cost derives from either cash medical cost - composed with costs inside of the Company's own network and in the accredited network - and non-cash medical cost - such as depreciation and amortization (D&A), incurred but not reported (IBNR) provisions, and provisions for SUS (Brazilian Unified Health System) reimbursement.

Medical cost increased 25.3% from 2018 to 2019, predominantly due to the new acquisitions and SUS reimbursement, which increased by 355.8%. The Loss Ratio increased by 1.1 p.p., remaining low for the sector, given the Company's vertical business model.

**Medical cost evolution x loss ratio**  
(In R\$ millions)

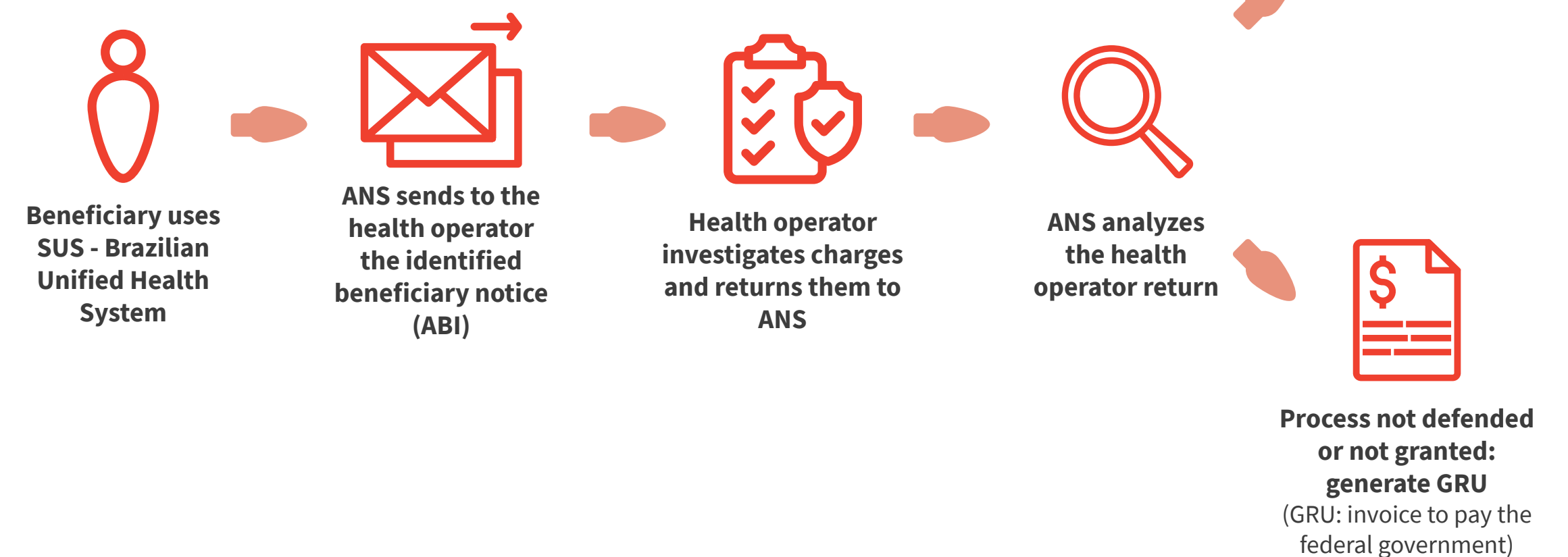


## SUS Reimbursement

Health insurance plans are required by law to reimburse SUS when its members use public healthcare. The reimbursement is charged for hospitalizations and medium and high-complexity care. In 2018 and 2019, SUS strengthened its charge practices, even from previous years, which impacted the Company's costs.



## SUS Reimbursement Flow



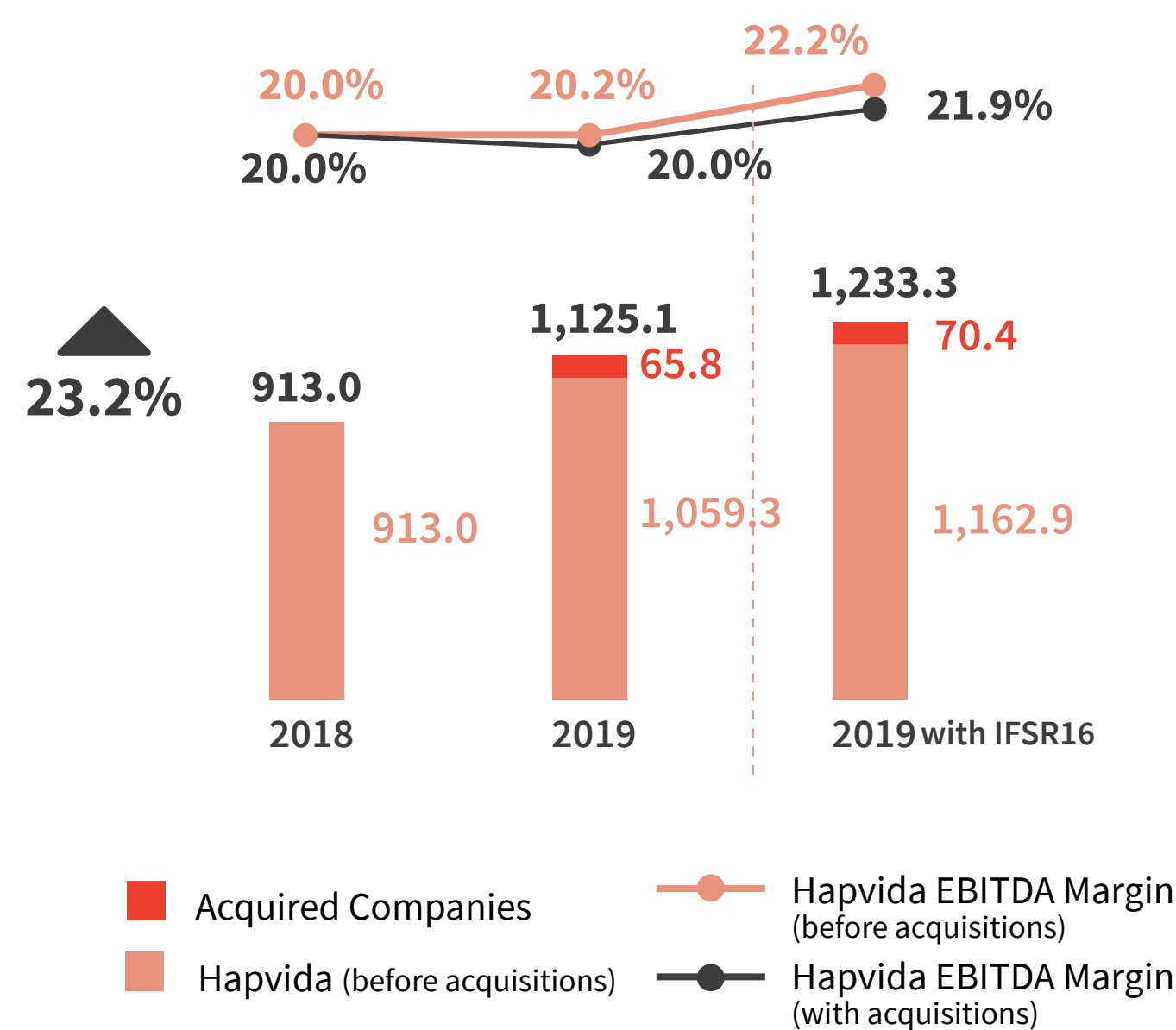
<sup>3</sup>For comparative purposes, data presented disregard the IFRS 16 / CPC 06 (R2) rule.



# EBITDA and EBITDA Margin

Hapvida disclosed EBITDA growth in 23.2% from 2018 to 2019, with a R\$ 1.125 billion record. The numbers are quite satisfactory since there was a high SUS reimbursement in the year, as well as an increase in non-recurring administrative expenses ratio related to the acquisitions in this period. EBITDA margin was 20% in the year, the same registered in 2018.

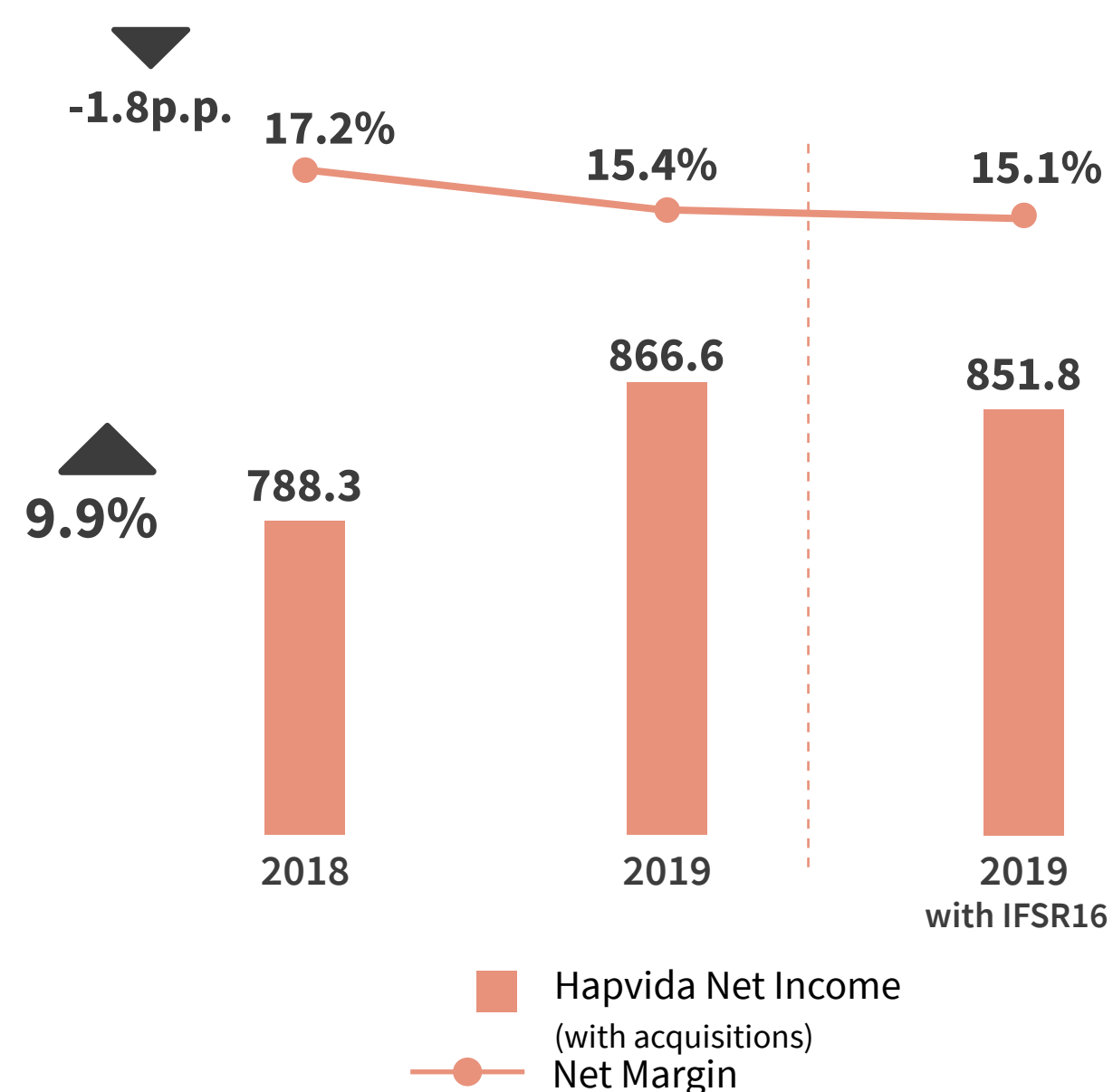
## EBITDA and EBITDA Margin (In R\$ millions)



# Net Income and Net Margin

Net income disclosed by the Company was a record of R\$ 866.6 million in 2019, a growth of 9.9% if compared to 2018. The results are mainly due to claims management, with satisfactory claims control rate - not considering SUS reimbursement (which reached 59.1% per year). Net Margin reached 15.4%, a slim decline of 1.8 p.p.

## Net Income and Net Margin (In R\$ millions)



## Economic Value Generated and Distributed [GRI 201-1]

PERIODS ENDED DECEMBER 31 ,2018 AND DECEMBER 31 ,2019 (Amounts stated in thousand of reais)	PARENT COMPANY		CONSOLIDATED	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Revenues (1)	-	(21)	5,726,868	4,627,679
Inputs purchased from third parties (2)	(7,753)	(1,907)	(3,294,087)	(2,724,400)
Gross added value (1) - (2) = (3)	(7,753)	(1,928)	2,432,781	1,903,279
Depreciation and amortization (4)	(1,350)	(1,328)	(199,844)	(42,458)
Net value added produced by the Company (3) - (4) = (5)	(9,103)	(3,256)	2,232,937	1,860,821
Added value received as transfer (6)	866,930	778,874	310,580	213,089
Total added - value payable (5+6)	857,827	775,618	2,543,517	2,073,910
Distribution of added value	(857,827)	(775,618)	(2,543,517)	(2,073,910)
Personnel	(23,107)	(23,272)	(778,614)	(630,661)
Taxes, rates and contributions	79,803	35,759	(687,693)	(588,523)
Third-party capital remuneration	(64,698)	(635)	(225,364)	(66,392)
Remuneration of own capital	(849,825)	(787,470)	(851,846)	(788,334)



# Capital Structure

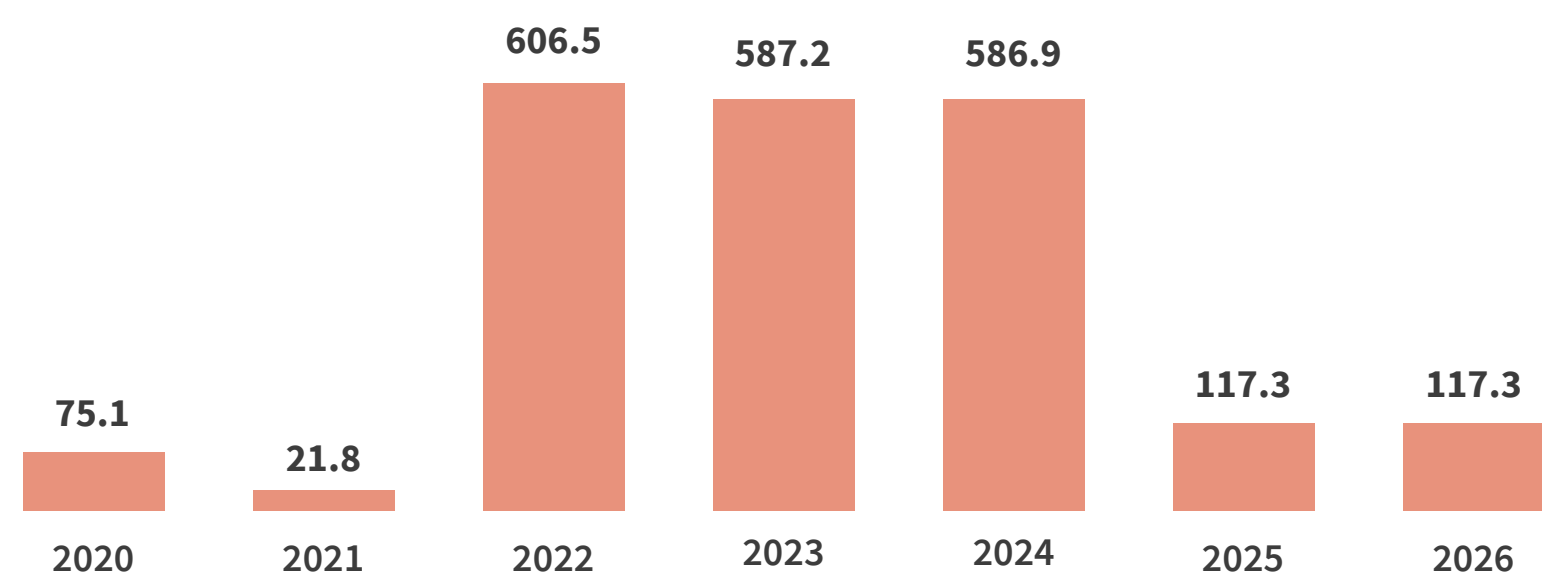
To continue expanding activities, either by increasing its own network or capturing good opportunities in the market, and thus offering access to quality healthcare for a larger portion of the Brazilian population, Hapvida conducted two fundraising operations in the capital market in 2019: issuance of debentures and new shares.

On July 10, 2019, the Company concluded its first issuance of debentures totaling R\$ 2.0 billion in two series with different maturities. The first one matures in five years, with a 109% CDI remuneration, and the second one in seven years with a 110.5% CDI remuneration. The funds raised were all used to pay for the acquisition of São Francisco Group.

# Debt

By the end of 2019, the Company had a debt balance of R\$ 2,112.0 million, of which R\$ 2,044.5 million refer to debentures issued by the Company and R\$ 67.5 million from the balance sheet of the newly acquired companies. The net debt/EBITDA ratio at the end of 2019 was -1.23 due to the Company's robust net cash position of R\$ 1.5 billion. The chart below shows the payment schedule for consolidated debt:

## Schedule of Indebtedness (In R\$ millions)

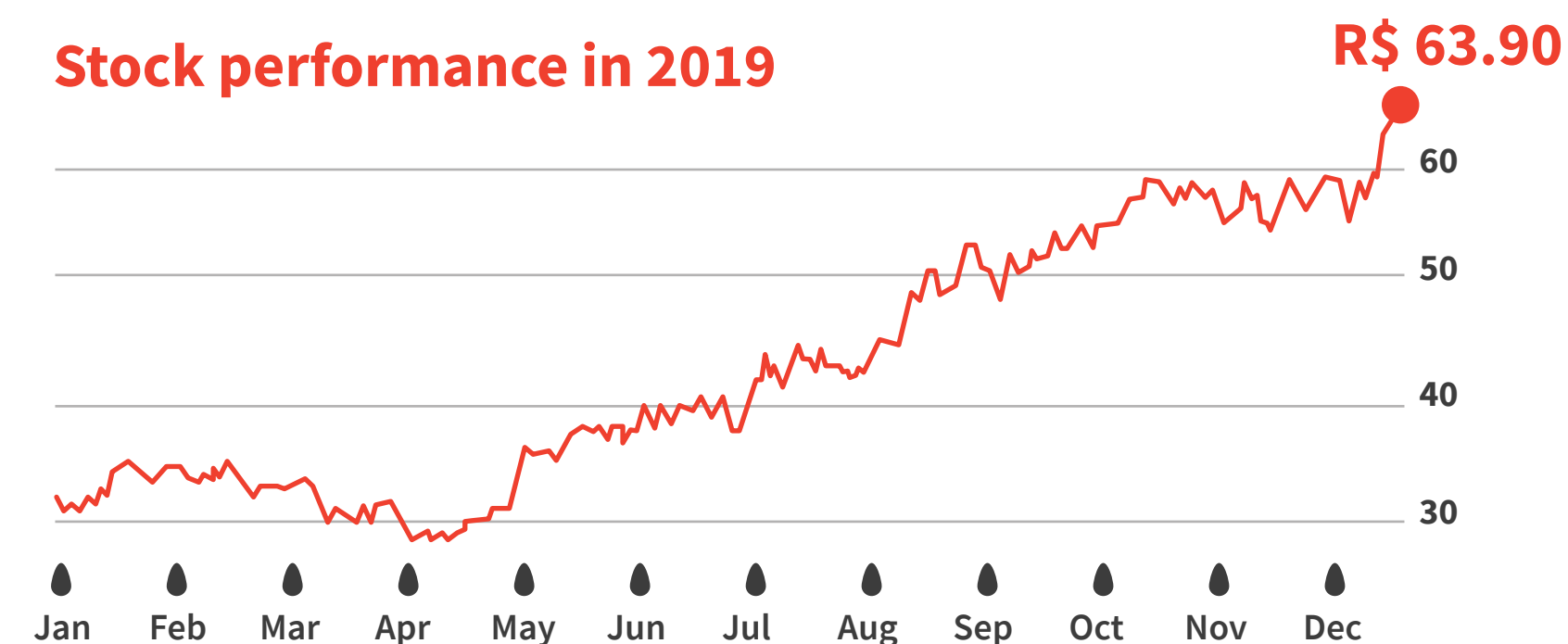


# Capital Market and Stock Performance

Also, in July 2019, Hapvida concluded a subsequent stock offering, with its follow on becoming one of the most successful in the Brazilian capital market. The transaction made it possible the issuance of 62,694,000 new shares (including additional and supplementary shares), in a R\$ 2.6 billion global amount.

Throughout 2019, the Company's shares rose 107.6%. In the meantime, Ibovespa increased by 31.6%. Hapvida had 742,985,906 common shares at the end of the year, with a R\$ 47.5 billion market value.

## Stock performance in 2019



At the end of 2019, just over a year after going public, Hapvida was chosen to integrate, as of January 2020, the Ibovespa portfolio, the largest and most important Brazilian stock market index.

## Rating

In June 2020, Fitch Rating, a risk rating agency, reaffirmed the Company's long-term national rating (AAA) and its first issuance of debentures and maintained a stable outlook.<sup>4</sup>

<sup>4</sup> Em junho de 2020, a agência Fitch reafirmou o rating nacional de longo prazo (AAA) da Companhia e de sua primeira emissão de debêntures e manteve a perspectiva estável.





# Customer Life



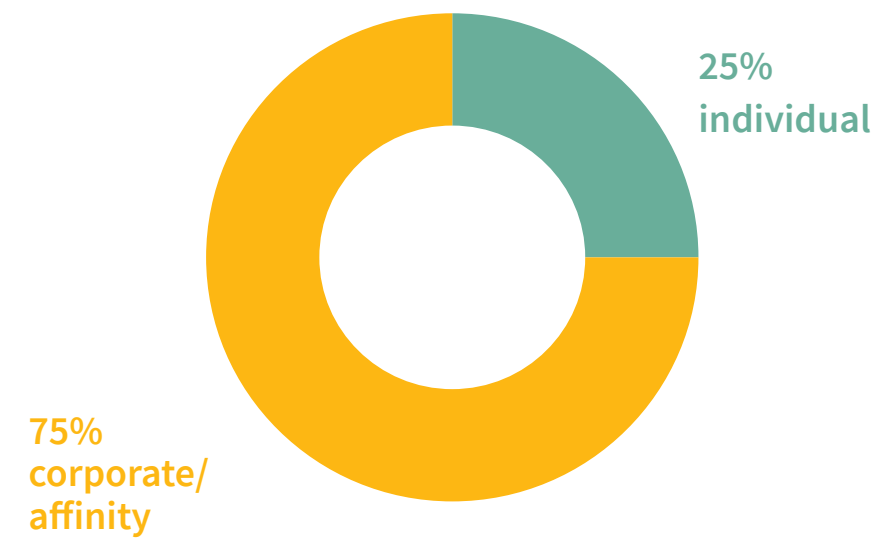
Seeking to provide a welcoming and efficient service with affordable pricing and, above all, quality service, to a growing segment of the population, Hapvida significantly expanded, in 2019, its customer base through acquisitions. Thus, at the end of 2019, the Company controlled a portfolio of 6.3 million customers, 56.8% more than in 2018.

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

### Health Beneficiaries

**3.5 million**

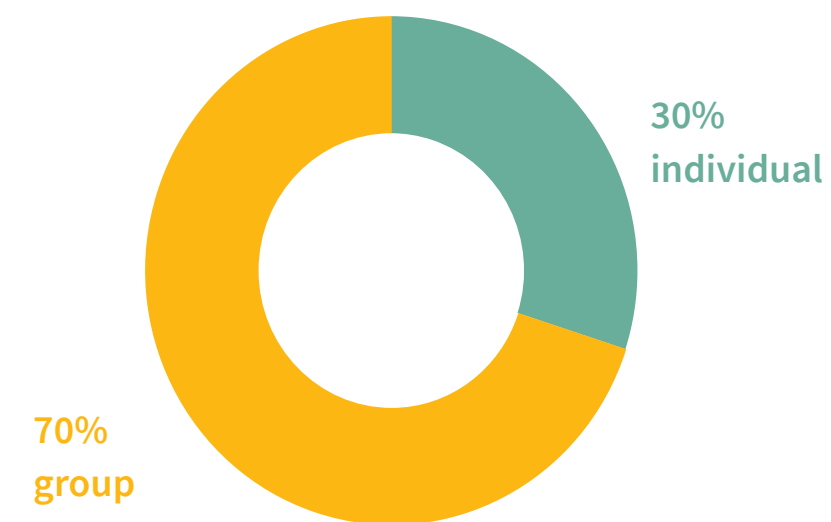
Mix - Health Portfolio



### Dental Beneficiaries

**2.8 million**

Mix - Odonto Portfolio



Amongst the benefits offered, there is our integrated and innovative service. As an example, we can cite the availability of medical records from all Hapvida's members in an exclusive and single system available in hospitals, walk-in emergency units, medical clinics, and laboratories. Access to the patient's complete medical history, in real-time, enhances the service, in addition to preventing fraud and unnecessary drug and medical test prescriptions, among other advantages.

Another outstanding technological advance is using digital biometrics on a large scale, pioneered by Hapvida in 1999. In 2019, the Company added facial recognition to patient identification, improving safety requirements.

### Monitored waiting

With the goal of ensuring quality service, Hapvida has a technological platform that tracks down all its units in real-time. The patient's biometrics triggers the system, and it allows the Control and Quality Center to scrutinize his entire journey within the facilities, from arrival to departure, mainly monitoring the waiting time.

The system operates 24/7 and is located in the Company's administrative headquarters in Fortaleza (CE). It monitors waiting-time in every unit of our exclusive network. Therefore, Hapvida keeps service punctuality and agility as an important distinction.





# Qualitotal

In 2019, to enrich the client's journey at any Hapvida unit, the Company made a series of improvements whenever the patient encountered their physician or dentist. Amid the outstanding initiatives in this regard, we've created Qualitotal, an internal accreditation program developed by a team of doctors, nurses, and specialists in Quality, to be used in all of Hapvida hospitals, walk-in emergency units, and medical clinics.

Qualitotal has the priority to standardize operational procedures. Exclusive Network Department and Quality, and Nursing Department are the ones leading this program. They carry out audits in our healthcare units more frequently than those done by other certifications in the market.

Started in May 2019, the Program has already been implemented in 14 of the Company's hospitals and has also standardized 75 emergency procedures, which covers 90% of urgent care. The doctors at these units have the step-by-step of each service in their hands, using a specific application, according to the presented International Statistical Classification of Diseases and Related Health Problems (ICD). Thus, it provides technical support to medical conduct and, consequently, greater patient safety.

Qualitotal has made us also improve surgical kits, as well as control specialty drugs, guaranteeing better monitoring of these pharmaceuticals. In addition to resource management efficiency, it has led to more effective treatments, reducing one's return with the same complaint.

With Qualitotal, Hapvida continues its expansion in a better, coordinated, safer, and standardized way, enabling the replicability of the business model. The Company expects that, by the end of 2020, all its healthcare equipment will have passed the accreditation audit, to receive, if approved, the Qualitotal seal.

**With Qualitotal, Hapvida continues its expansion in a better, coordinated, safer, and standardized way, enabling the replicability of the business model.**



Hapvida quality seal with emphasis on patient safety, process-based management and continual improvement (excellence = results)



**14 Hospitals of Hapvida Network**

with diagnostic visits already implanted



**Medical Guidelines**

**75** medical guidelines used in emergencies units

**32** Medical Clinics

**25** Pediatric Wards

**18** Obstetrics Wards

**90%** adhesion



**Standardization of Medical Procedures**

Standardization of best medical practices that guarantee intelligent control of materials, such as:

- Surgical Kit
- Medicines
- OPSMs



# Online Channels

During 2019, the Company invested in offering the market a fully digitalized process for selling plans through digital platforms, creating a specific application for brokers. We launched it in Natal (RN), and its main advantages are (i) paper-free for proposals, process, forms, and other documents, (ii) more security and transparency to the process, and (iii) sales management via App or the broker's website. At the beginning of 2020, the Company's sales were already all digital.

Therefore, there has been a reduction in paper consumption during the process (no more sales forms). There's also been transparency increase in the process between seller and customer and decrease in logistics and document storage costs.

Investment in technology and accessibility is steady in Hapvida, offering customers a range of services for digital access, among which are:

**Digital membership card:** replaces the conventional-paper type, via application, and allows you to perform all processes online.

**Online tests and results:** available via website, it speeds up result access of imaging, clinical and laboratory tests.

**Authorization via Website and App:** healthcare procedures can be authorized online, with no need to travel to service stations.

**Chatbot:** Hap is our robot. He's on the website, helping customers to book and authorize consultations and medical tests. Hap also issues membership invoices, and provides access to our Customer Service chat to answer any general question.



## 5 Star Service

2019 was also striking for the launch of a vital and transformational platform to improve rapport with customers: 5 Star Service. It's an electronic survey answered by Hapvida users right after each service.

Up to then, Hapvida would contract third-party companies to conduct the surveys. Nevertheless, to improve our beneficiaries' experience, we felt that it was essential to have a real-time customer opinion. Then, Innovation and Digital Transformation department performed some benchmark in IT companies that had implemented evaluation surveys of this nature.

5 Star Service includes roughly all customer interactions with Hapvida System - Hapclinics, Life and Imaging units, Walk-in emergency units, Laboratory Collection Centers, Hospitals, Preventive Medicine, and Dental units.

Employing quick and straightforward questions, we invite users to rate from 1 to 5, (i) hearty welcome, (ii) physicians and dentists' healthcare service, (iii) facility infrastructure, and (iv) waiting time. The survey is carried out by the application's push after each customer interaction with Hapvida System. It's also done through the website and totems within the units.

During the second half of 2019, the Company received more than 2.6 million ratings. The average-answer for December 2019, for example, based on more than 450 thousand ratings, was 4.46 - seen as high by the standards pre-established in the research methodology.

Therefore, 5 Star Service has become a tool whereby the Company perceives room to grow (in our units or in specific areas). It's also valuable to acknowledge our well-rated practices. All responses and comments are analyzed by the Customer Service Quality team, which generates reports and sends them to the units, accompanying action plans for improvement.



# VidaHap

Quality infrastructure, welcoming service, and preventive healthcare are Hapvida's hallmarks. Because of this, the Company has created VidaHap, a network incentive program with three approaches:

- Intelligence in Healthcare
- Preventive Medicine
- Wellness Promotion



We take actions promoting quality of life for special groups, such as pregnant women and the elderly. Risk groups and chronically ill patients, such as hypertensive, diabetic, and obese, are also part of the Program's priority group.

Customers rely on professionals who continuously monitor the patient's medical condition to avoid the onset of illnesses and the need for avoidable invasive treatments.

“Quality infrastructure, welcoming service, and preventive healthcare are Hapvida's hallmarks.”

## Intelligence in healthcare

Based on advanced analysis of patient data, we've developed the following complimentary programs to boost quality of life:

**Nascer Bem (Giving Birth Well):** designed to monitor pregnant women during their gestation, it has a multidisciplinary team guiding them over pregnancy, labor, and baby care. Where the Program is operating - Fortaleza (CE), Salvador (BA) and Belém (PA) - there's been growth of 16 p.p in natural birth, reaching 38% of the total. In 2019, the Program, which serves 15 thousand pregnant women on average, was extended to Manaus (AM).

**Viver Bem (Living Well):** designed to reduce diabetes complications by recruiting patients whose tests undergone within our network revealed the likelihood of the disease. When identifying the risk, the Capture Center reaches out to the patient and invites them to take part in the Program, scheduling an appointment with a specialized healthcare team. In 2019, in addition to Fortaleza (CE), where we created the Program, we extended it to Salvador (BA) and Recife (PE), reaching 5,300 participants. Since 2017, when launched, 32.80% of patients were able to control the levels of glycated hemoglobin - a critical indicator for monitoring the disease.

[Click at the image to watch the video \(portuguese only!\)](#)

[Click at the image to watch the video \(portuguese only!\)](#)



**Cuidar Bem (Caring Well):** designed to prevent uterine cancer, launched it in 2019, in Manaus (AM). Cuidar Bem encourages women aged 25 to 64 to undergo preventive exams, especially a Pap test.

**Sinta-se Bem (Feel Well):** designed to patients with chronic kidney disease in more acute levels - classified according to clinical criteria. It operates in Fortaleza, the capital of Ceará, since October 2018.

## Preventive Medicine

In Hapvida Preventive Medicine, called HapPrev, clients who need more attention, such as children and the elderly, also have access to guidance groups at no cost, available in Fortaleza (CE), Belém (PA), Natal (RN), Recife (PE) and Salvador (BA).

**Crescer bem (Growing up well):** guides mothers regarding baby care, from breastfeeding, hygiene, allergies, sunbathing, to vaccination, neonatal tests, and breastfeeding diet.

**Geo:** the Therapeutic Group for Confronting Obesity (Geo) supports, raises awareness, and encourages the customers' dietary reeducation, by sharing experience and information. This assistance includes psychological and nutritional care.

**Mãos dadas (Holding hands):** support group for parents or caregivers of children with developmental disabilities owing to biological or psychological diseases. Together with their family, a team of specialists assists them, such as occupational therapists, speech therapists, and psychologists.

**Reviver (Living again):** includes educational and therapeutic activities promoting healthcare for the elderly, with a focus on entertainment, recreation, distraction, and sociability. Reviver carries out lectures with topics proposed by the multidisciplinary team (composed of various medical specialties). It also conducts memory workshops, group dynamics, expressive workshops, short-story therapy, socializing activities (tours and events on festive days), and psychomotor interventions. The group serves Hapvida beneficiaries aged 55 and over.

**Viva Leve (Live lightly):** an educational group dedicated to the diabetic, hypertensive, obese, or anyone seeking information and quality of life. A multidisciplinary team sets up the meetings, promoting a healthier lifestyle.

## Wellness Promotion

The Company has environmentally friendly projects that benefit healthcare to all, such as Hapvida + 1k - no-cost jogging-and-walking-professional-led activities in Fortaleza (CE), Recife (PE), Salvador (BA), Maceió (AL), Belém (PA) and Manaus (AM). Some projects encourage bicycling in cities and the use of electric cars, such as Bike Belém, Manôbike, and Vamo Fortaleza. As these projects are freely available to the community, check out more about them in the Social and Environmental Management chapter, on page 47.



# ANS Assessment

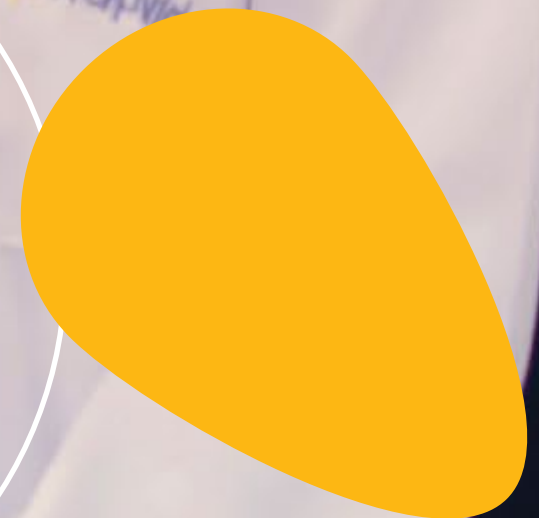
The National Supplementary Health Agency (ANS) monthly discloses which healthcare operators had the most complaints from its beneficiaries. The Index includes the average complaint number quarterly received by the Agency up to data extraction. The lower the Index, the better. In December 2019, Hapvida had a 3.12 Index, while the average Index from all health operators in Brazil was 4.76.

ANS also discloses an Index list of healthcare operators. The operator listed 1st place is the highest in complaints, having then the top complaint rate. At the end of the year, Hapvida ranked 44th.





# Our People





# Profile [GRI 103-1, 103-2, 103-3]

Hearty Welcome, a Hapvida cornerstone, is cultivated inside out within the Company, particularly attentive to employee demands in being an excellent workplace and promoting fond interactions in every matter. The top management has always treated this issue as a priority and underscored it even more by creating the Vice-Presidency of Human Resources and Operational Efficiency linked directly to the Chief Executive Officer.

Considering the acquisitions made during the year, Hapvida ended 2019 counting with the willpower and commitment of 30.8 thousand professionals. However, as the integration of the new units will be carried out gradually, all through 2020, this Sustainability Report will address Hapvida's indicators before the mergers took place - not considering, therefore, the figures of São Francisco Group, America Group, and RN Saúde Group.

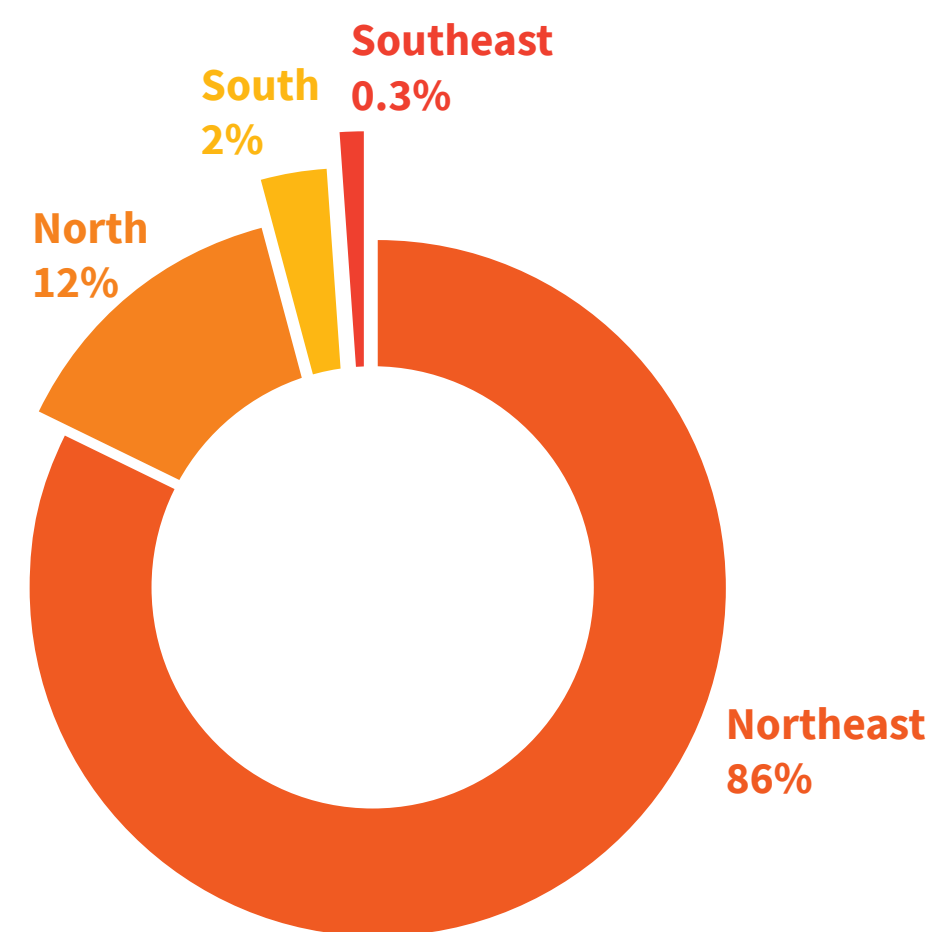
Given this, in December 2019, Hapvida had approximately 22.2 thousand employees<sup>5</sup>, including interns and young apprentices. From this total, 69.2% were women (in top management, women's representation is also substantial; in leadership positions, 62.4% are women). At the end of the year, there were also 152 workers with disabilities (PCDs).

[GRI 102-8, 405-1]

**In December 2019, Hapvida had approximately 22.2 thousand employees, including interns and young apprentices. From this total, 69.2% were women (in top management, women's representation is also substantial; in leadership positions, 62.4% are women).**

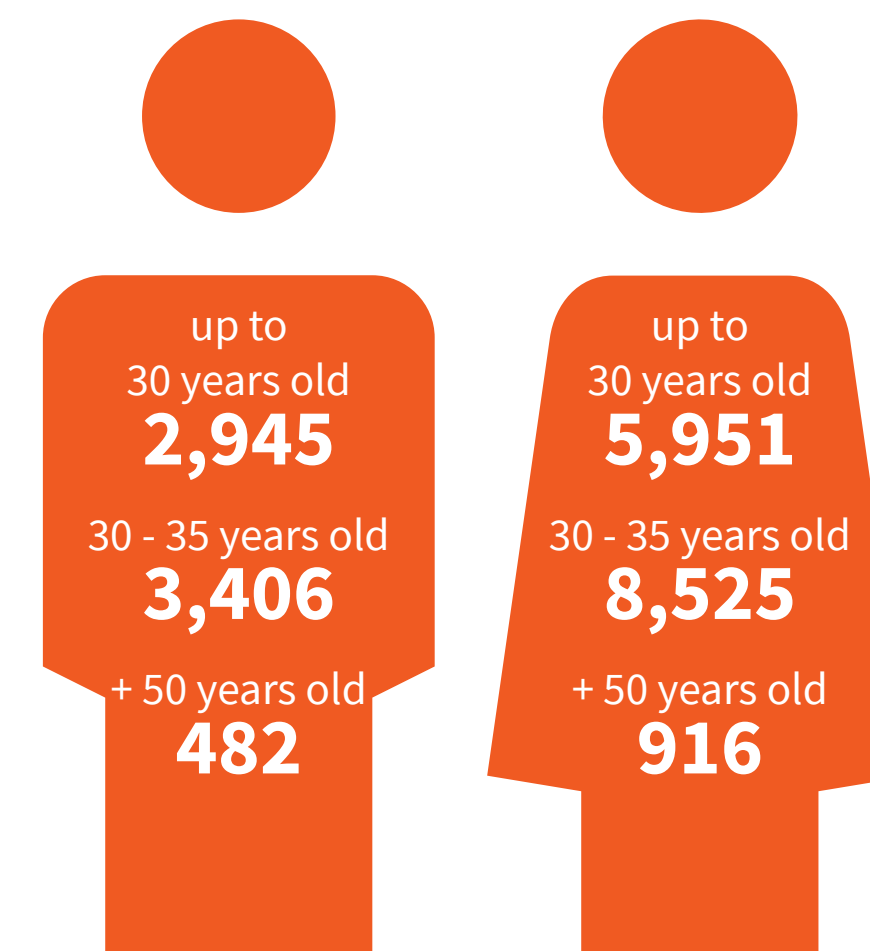
**Total Number of Employees in 2019: 22,225<sup>5</sup>**

**By Region, at the end of 2019**



By Gender and Category		
170	Directors	111
170	Managers	512
160	Coordinators	348
108	Supervisors	211
1,207	Administrative Personnel	1,597
4,772	Operational	12,382
54	Interns	76
197	Young Apprentices	320

**By Age and Gender**



<sup>5</sup>As the integration of the new units will be carried out gradually, all through 2020, this Sustainability Report will address Hapvida's indicators before the mergers took place - not considering, therefore, the figures of São Francisco Group, America Group, and RN Saúde Group.

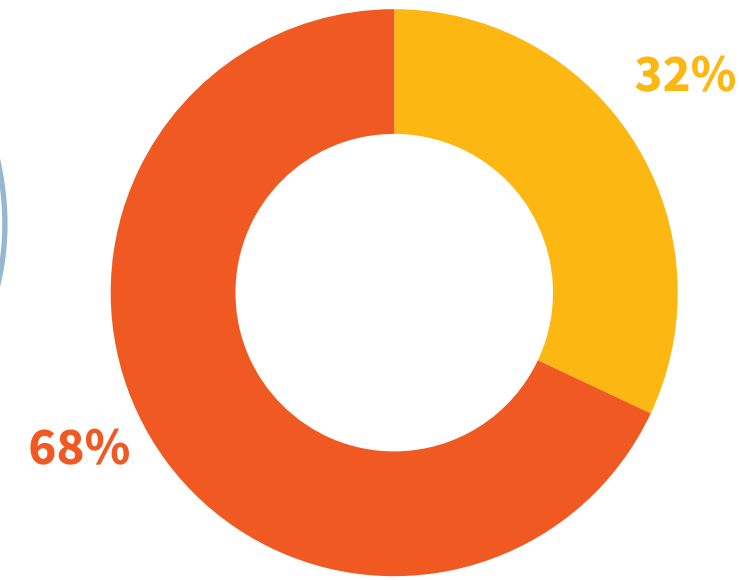
<sup>6</sup> Out of this total, 100% were permanent employees and 9.2% were part-timers (four to six hours a day). Detailed information in the annex.



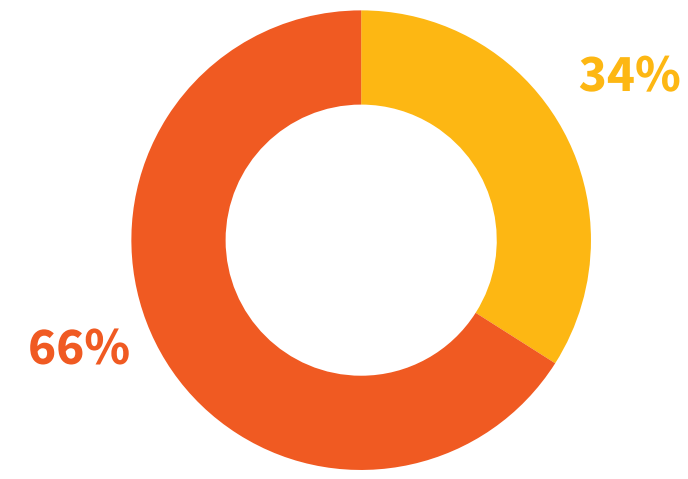
During the year, Hapvida hired 8,259 employees and dismissed 6,582 people.

[GRI 401-1]

**Hirings**  
8,259 Employees



**Dismissals**  
6,582 Employees



At the end of 2019, 97.2% of the Company's employees<sup>7</sup> were under negotiations or collective bargaining. Hapvida negotiates with multiple unions in diverse sectors, not only in Hapvida's segment but also in different ones.

[GRI 102-41]

The Company interacts intensively with labor unions, firming up agreements that attend both the business purpose and the lawful rights of employees. To this end, Hapvida's administrative structure has a Labor Relations area linked directly to the legal sector. One of its attributions is to guarantee all employees' lawful rights and to promote best practices in people management.

**Online humanlike service**

To assist its employees more efficiently, in 2019, Hapvida launched in Fortaleza (CE) an online tool (service desk) to attend the main demands of employees and managers without their need to go personally to HR. The users can also access Service Desk out of the work environment. All services associated with Personnel Administration, Benefits, Recruitment, Development and Training can be done online. In 2019, around 11 thousand protocols were made through the service desk. By the end of 2020, the system will be implemented in all units.



<sup>7</sup> The agreements do not cover interns, young apprentices, and statutory executive officers.





# Way of Being Hapvida

Hapvida constantly reinforces its corporate culture. Revised in 2019, we added to the cultural cornerstones (hearty welcome, quality, cost efficiency, and innovation) the Way of Being Hapvida. The "Way" comprises attributes that all employees must engage in interacting and carrying out activities on behalf of the Company. They are:

## Integrity

We act with justice and integrity.  
 We cooperate with each other.  
 We are honest with our customers: internal and external, partners and suppliers.

## Ability to serve

We look in the eye.  
 We like people.  
 We believe our work saves lives.

## Effective communication

We believe information is vital for result generation.  
 We insist on promoting effective communication at all levels in the company.  
 We inspire our co-workers through our examples.

## Execution and delivery quality

We value rules and standards. We value effective control mechanisms.  
 We accomplish our missions with excellence. Our business does not tolerate failures.  
 We respect deadlines and terms.

## Problem-solving

We value work with root cause analysis.  
 We don't stop at the first difficulty - or any difficulty at all.  
 We are resilient and believe in what we do.

## Cost Efficiency

We perform proper cost management to make our business accessible to everyone.  
 We offer what the customer needs - and what their plan covers.  
 We use resources efficiently and conscientiously. We do more with less.

## Ownership attitude

We feel "ownership pain". We have grit for our business.  
 We are simple.  
 We've built our company together. We pioneered. We've made history.



# Training

The human and professional development of its employees is among the leading social commitments of the Company, which continually invests in providing opportunities for the qualification of its human capital. With this objective, around 21,400 employees undertook training in 2019, totaling 122,100 hours dedicated to training - a 5.4-hour average of training per employee per year

[GRI 404-1]

Among the primary training carried out, we highlight the integration of every new employee, and the courses for permanent improvement of customer service, as well as training to bolster our Way of Being Hapvida. Altogether, during the year, the Company invested R\$ 587.8 thousand in these training activities - non-including Nursing technical training and training for other specific areas.

“The human and professional development of its employees is among the leading social commitments of the Company, which continually invests in providing opportunities for the qualification of its human capital.”



# Hapleader

We understand that managers are responsible for multiplying content and being role models for their teams. To promote the Way of Being Hapvida, the Company has developed, together with Parceria Consultores, from Fortaleza (CE), Hapleader Training Program. In four modules, the program has trained around one thousand managers, distributed in 38 classes in Salvador (BA), Natal (RN), Manaus (AM), Recife (PE), Maceió (AL), João Pessoa (PA), Joinville (SC) and Fortaleza (CE).

## Work environment survey and succession

An important work we performed in 2019, closely monitored by the Governance and People Committee, was the first leaders' work environment survey. Executive officers and managers of the Company were involved in the process. Using a questionnaire that considered the leaders' expected skills, their immediate manager assessed them. After that, the Nine Box methodology was applied, with a debate between the teams, mediated by HR. The Company will use the work environment survey to identify leading talents for the succession of critical positions.

# Benefits

Hapvida offers its employees the standard benefits of the market: subsidized coverage for medical and dental insurance (beginning on the third month of employment), childcare, and funeral assistance (as per collective bargaining<sup>8</sup>), in addition to transportation and meal vouchers. For some locations, there is group life insurance, and specific categories have variable remuneration.

[GRI 401-2]

<sup>8</sup> Except for the standard benefits, the others follow agreements and collective bargaining signed in each region.



# Health and Safety

Focused on its employees and service providers' well-being, Hapvida develops an extensive Environmental Risk Prevention Program (PPRA), underpinned on environmental workplace assessment, and managed by Specialized Services in Occupational Health and Safety (SESMT). The program's objective is to diagnose, prevent, and reduce the risks and dangers existing in work activities - such as electric shock, collisions, and ionizing radiation.

[GRI 403-2]

We provide training and lectures, the supply of Personal Protective Equipment (PPE), and Collective Protection Equipment to mitigate workplace risks. The Company also has an Occupational Health Medical Control Program, aiming at promoting healthcare through several medical tests (hiring, periodical, change of position, return to work and dismissal), control of vaccines, and periodic training.

Another essential preventive platform is Internal Accident Prevention Commission (CIPA). It is present in most units and has representatives from both the employer and employees, with the number of representatives provided at NR-05, which regulates the matter.

SESMT, CIPA, and the Fire Brigade also use preventive and corrective inspections as tools to lessen

workplace risks. When finding a chance of risk, the teams report to the responsible manager and demand urgent adaptation according to regulatory standards.

Throughout 2019, Hapvida registered 104 occupational injuries. Of these, none was considered severe. There was also no death in the workplace during the year, and only four employees were diagnosed with occupational diseases.

[GRI 403-9]



Focused on its employees and service providers' well-being, Hapvida develops an extensive Environmental Risk Prevention Program (PPRA), underpinned on environmental workplace assessment, and managed by Specialized Services in Occupational Health and Safety (SESMT).

## Work environment survey

At the end of 2018, with results released in early 2019, Hapvida applied its first work environment survey, carried out by Korn Ferry, a global organizational consulting firm. Approximately 18 thousand employees were invited to take part in it, and 71% of them responded.

Hapvida obtained a 66% favorable index, near the healthcare market average published by Korn Ferry, which was 68% at the time. Among the most relevant results, we highlight:

- ▶ The Way of Being Hapvida: 90% of employees know and employ The Way of Being Hapvida.
- ▶ Business direction and clarity: 92% of employees understand how important they are to contribute to the business objectives, and 88% of them understand what the business objectives are.
- ▶ Patient experience: 91% of employees are willing to go beyond their responsibilities to generate good patient experience.



# Corporate Communication

To bolster corporate culture and inform on relevant topics to the organization, Hapvida conducted around 20 internal communication campaigns directed to employees all over 2019. The company issues daily messages within employee interest (the contents are related to the Way of Being Hapvida aspects that the communication connect to).

The Company uses MeuHap app (restricted for employees), and WhatsApp, as tools to spread the word. To have good dialogue and proximity with all teams and Senior Management, Hapvida's CEO makes videos to report news, challenges, and business prospects on a monthly basis. The series of videos are named "Hello, our people."

“Hapvida conducted around 20 internal communication campaigns directed to employees all over 2019.”

## Hapcommunicators

Effective communication is part of the Way of Being Hapvida. To reinforce this trait, the Company has created a private group of communicators, the Hapcommunicators, acting as spokespersons for Corporate Communication in the units of the Hapvida System. The professionals who make up the group volunteer for it, adding these activities to their regular demands.

Employees apply to be part of the group at a set period, and then are selected to undergo training - the team is renewed every year. In 2019, 70 employees signed up for it, and 50 were selected. For activities' directions, volunteers meet up monthly with the Corporate Communication team, located at the headquarters in Fortaleza (CE).

Within the units, Hapcommunicators are responsible for suggesting topics to be addressed through our internal communication channels, monitoring projects, and supporting the execution of internal marketing strategies and corporate events. Another essential function is to propagate corporate messages, echoing institutional stance in the internal environment.





A man with short dark hair, wearing a blue t-shirt and a blue lanyard with a 'hapvida' ID badge, is smiling and looking down at a piece of paper he is holding. He is in a warehouse or industrial setting with shelves and equipment in the background. The text 'Social and Environmental Management' is overlaid in large white font on the right side of the image. On the left side, there are decorative elements: a white line forming a shape, and four teardrop-shaped blobs in orange, blue, and red. A teal rectangle is at the top right, with a small teal teardrop shape below it.

# Social and Environmental Management



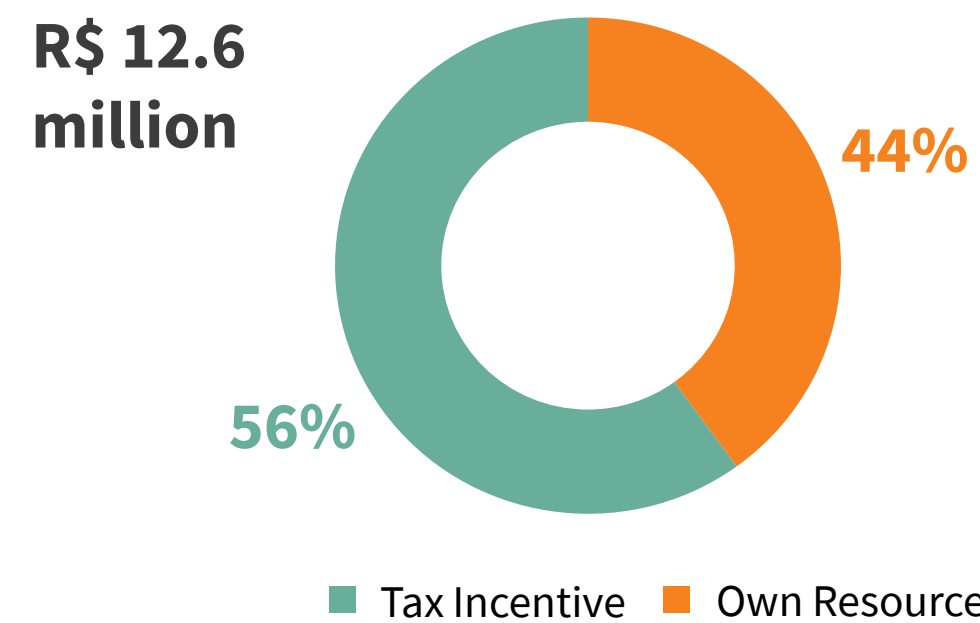
# Community Engagement

[103-1, 103-2, 103-3, 413-1]

With a strong presence in socio-environmental projects that benefit local communities, Hapvida prioritizes themes that encourage the population to adopt a healthier lifestyle and cultivate disease prevention. The Company develops and sponsors programs and actions aimed at promoting physical activity and environmental conservation to boost health conditions in our society.

Hapvida uses the Company's resources and tax incentives to invest in cultural and sporting projects, as well as those dedicated to children and adolescents. In 2019, the Company spent approximately R\$ 12.6 million in social and environmental responsibility actions.

## Origin of Resources Spent on Social-environmental Projects



Amid the projects carried out with the Company's resources, the following stand out:

### Hapvida+1k

Hapvida+1k is a jogging-and-walking-professional-led project to promote health and quality of life. The project is present in five Brazilian cities: Manaus (AM), Belém (PA), Fortaleza (CE), Recife (PE) and Maceió (AL) and it includes men and women, over 18, who can practice physical activities. Young people from 16 years old, accompanied by a responsible, can also take part in it, as well as people with disabilities (PCDs). In 2019, the project benefited 8,300 people.

### Vamo ("Let's go")

The first car-sharing project in Brazil, Vamo is an alternative mobility system operating in Fortaleza (CE). The system uses electric cars, and, with it, several drivers share the same vehicle - reducing the number of automobiles traveling through the city. The project helps reduce greenhouse gas (GHG) emissions, thereby improving air quality. In 2019, 2,500 drivers used the service.

**The Company develops and sponsors programs and actions aimed at promoting physical activity and environmental conservation to boost health conditions in our society.**

### Bike Belém

To transform Belém (PA) into an even healthier space, besides propagating sports as preventive healthcare, Hapvida has launched Bike Belém. It's a bike-rental system that helps the community travel within the central regions of the city. The idea is to serve as an urban mobility alternative. In 2019 alone, Bike Belém made 17,300 bicycle trips.

### Manôbike

Manôbike was created to make Manaus (AM) an even healthier city and contribute to awareness of how physical activity can help prevent diseases. It's also undeniably essential for reducing greenhouse gas (GHG) emissions. The project was carried out from January to October 2019 and made over 4.5 thousand trips.





In tax-incentive projects, Hapvida has spent roughly R\$ 7 million:

## Museum of Photography

The project aspires to take recreational activities and visual information workshops to some Hapvida pediatric hospitals. It provides a hospital-welcoming environment, using art as a work tool to care for mental health, self-esteem, and well-being. Encouraged by the Rouanet Law, the project touched the heart of about 3 thousand children, from 2 to 12 years of age, in care or admitted to hospitals. In 2019 the project went through Hapvida hospitals in Natal (RN), Recife (PE), Belém (PA), Fortaleza, Maracanaú (CE), Salvador, Camaçari and Feira de Santana (BA).

## Cecília's Gift

Sponsored by the Rouanet Law, in partnership with Grupo Marquise, the play tells the tale of two characters. One of them is Marquinhos, a boy from the future, fragile and living in the garbage, due to many years of people neglecting how to dispose of waste correctly. The other one is Cecília, a present-living girl who is careless regarding what destination she gives to the garbage she produces. Altogether, there were 42 free presentations in eight Brazilian cities: Fortaleza (CE), João Pessoa (PA), Natal (RN), Osasco and Taubaté (SP), São Gonçalo (RJ), Manaus (AM) and Porto Velho (RO). About 22 thousand students, in addition to public school teachers, attended them.

## Parintins Festival

Held from March to June 2019, the Parintins Festival is the major folkloric spectacle in the country. It moves the economy and local tourism while keeping an 80%-no-cost-rate for the low-income public. Young dancers, actors, musicians, and other artists participate in the show without any expenditure with costumes: everything is backed by the project, under the Rouanet Law.

The project molds artists for the Boi Bumba Garantido and Caprichoso de Parintins (AM), and their artists undergo constant professional development, and all this helps to support the most influential Northern culture. The 2019 festival had accessible-friendly performances, with braille brochures about its timetable, and there were sign language interpreters during each Boi's rehearsals. Around 8 thousand dancers benefit from the project, which generated 5,000 jobs, both regular and temporary. According to Parintins city, the event mustered about 60% of its annual resources.

## Life and Sport

Using soccer, the project promotes sports education and psychological & social development to children and adolescents in social vulnerability. Students must be regularly enrolled in the formal education network, either public or private, to be allowed in the project. 420 children and adolescents aged 7 to 17 years participated in it in Eusébio (CE) and surroundings. As a result, we've pointed a school-dropout reduction rate together with an improvement in school performance. There was also strengthening in family bonds.

## EDUCARE School

The project works with Sathya Sai Program for Education in Human Values (EVH) to develop human and academic excellence - these values are truth, love, peace, and non-violence. Classes go by the requirements of the Ministry of Education and have EVH, recreation, and music activities. EDUCARE School grants free assistance to approximately 230 children from kindergarten to 8th grade living with socially vulnerable families in Eusébio (CE).

## Theater for Everyone

Theater for Everyone's intent is to promote a democratic and accessible event for the public. It has already served around 9 thousand people in Feira de Santana (BA), Salvador (BA), and Camaçari (BA). The project fosters street space as an environment for socialization, communion, and integration between individuals, and encourages Northeastern and Brazilian cultural production. It has included the Entrepreneurs Fair (in partnership with Feira da Sé) and promotes outdoor shows. Actions for self-care and wellbeing are part of the parallel program.



# Ana Lima Foundation

Social services are in our DNA. Even before building the Company in 1979, our Founder, Dr. Candido Pinheiro Koren de Lima, and his wife, Ana Lima, used to work intensively in this field. By beholding the Company's surroundings, both executives noticed a massive need in social service for healthcare, nutritional support, and education. Determined to meliorate this scenario, in 2000, the social projects ran by both picked up with the creation of the Ana Lima Foundation - named after the matriarch of Hapvida's founding family.

At Present, the Foundation operates with four units: two in Ceará (one in Fortaleza and one in Maracanaú), one in Recife (PE), and the other one in Salvador (BA). In 2019, the Foundation donated about 400 thousand meals. It works daily with an average of 550 children and young people either before or after school. To serve these youths, the institution has a multidisciplinary team with nearly 80 employees hired under CLT (Consolidation of Labor Laws) regime, among them psychologists and social workers.

Featured projects:

## Love for Life ("Amor à Vida")

A project aimed at the elderly, Love for Life doles out breakfast and food kits for 640 elderly every Saturday.

## Islands ("Ilhas")

It daily assists children at risk. There are Orality and Literacy classes, as well as Logical Reasoning classes either before or after school-time. It also works with artistic activities, such as singing, acting, and dancing. The program offers courses in English and Business Administration to help them enter the job market. Each unit can serve between 200 and 260 students, in two shifts, welcoming children and young people aged 8 to 18, who are served two meals a day. All students are provided with medical and dental care.

From the age of 16, with partnerships for internship and young apprentice programs, adolescents are encouraged to enter the job market. After turning 18, they leave the Institution but are still guided for more 18 months. Another important project to underscore is The Choir, which is constantly asked to perform, especially at Christmastime.

## Food-aid for the Homeless

Seven days a week, the project distributes meals for the homeless people in Fortaleza (CE) and Recife (PE). In each city, we serve breakfast in the morning and soup in the evening for 160 people (200 meals in Recife and 320 in Fortaleza). To those struggling to get off the streets, the Foundation helps by sending them to city shelters. Hapvida's doctors and dentists also help them with treatments. In Fortaleza, where there is a considerable proportion of homeless people living with tuberculosis, the Foundation carries out tests and offers complete medical treatment for six months through partnerships with some city shelters.





# Medical and Dental Community

At the end of 2019, Hapvida's clinical staff consisted of about 15 thousand physicians and 14 thousand dentists - considering the acquisitions made during the year.

The medical team has contracts as service providers. They work in several distinct places as at the Vida & Imagem diagnostic centers, Hapclinics, hospitals, and walk-in emergency units. They also work in their private clinics and with medical audits.

The Dentists work in their offices and are Hapvida partners, dedicating part of their schedule to care for our dental clients. The Company knows the patients' demand through the system and then books with the dentists assuring that the scheduled saved for Hapvida gets to be full. Thus, the Company sizes the network according to the demand in each city, region, and dental specialty.

As a way to constantly evolve its activities, in December 2019, Hapvida surveyed its physicians to evaluate Company services, using the same 5 Star Service platform. Altogether, 5,200 professionals answered - 60% rated 4 and 5, on a scale ranging from 0 to 5. The final average was 3.71.

With the survey, we've identified that physicians are satisfied with their earnings as well as their unit management. They've pointed out as positive: rapport, communication, and feedback for their activities.



## Investors

Hapvida pays special attention to its investors. At the end of 2019, there were 10,363 shareholders, both individuals and investment funds. Of the total free float shares on the stock exchange, Brazilians held 39%, and foreigners 61% at the end of 2019.

The Company has an open channel for dialogue, and it answers investors' doubts and inquiries within one working day.

In April 2019, at the opening of the Joinville General Hospital, Hapvida held a special event, bringing together 60 market analysts and investors. In that opportunity, it was possible to deepen, with this audience, knowledge about its business model.

Given the attention Hapvida raised in such a short time in the capital market, at the end of the year, the Company was covered by the leading brokers and banks in the country and the world, such as: Bank of America Merrill Lynch, Bradesco BBI, BTG Pactual, Credit Suisse, Eleven Research, Goldman Sachs, Itaú BBA, Santander, and Morgan Stanley.

## Suppliers [GRI 102-9]

In 2019, Hapvida contracted 2,200 suppliers, divided internally into three major areas of management and control:

- Information technology services and items;
- Medical material, medicine, orthotics, prosthetics and special materials (OPSM);
- Purchase of medical equipment maintenance (which consists of the purchase of all new healthcare equipment, hospitality items, and numerous devices, such as respirators, X-rays, MRIs, and others).

To ensure efficiency in the logistics and supply of all these materials, Hapvida has five distribution centers, located in the cities of Manaus (AM), Belém (PA), Salvador (BA), Recife (PE), and Fortaleza (CE). The Company's supply area is also responsible for both planning stock control and hospital pharmacies in every unit.

In the fourth quarter of 2019, of the amount invested in purchasing products and services, around 99.5% was provided by national companies. In 2019, we implemented SAP for supplier management, and that is why the data refers to the last quarter of the year.



# Regulatory Body

Hapvida has a straightforward and close relationship with the National Supplementary Health Agency (ANS) mediated by the Company's legal and regulatory departments.

The regulatory non-compliances received from ANS go through several layers of analysis and resolution by the Company. They are:

- Customer Service (SAC)
- Internal Affairs
- Preliminary Intermediation Notification - NIP
- ANS Administrative Proceedings

For each stage, there is a team to deal with and reverse the potential non-compliance. In 2019, we created PROJURIS (Administrative Proceedings Management System) to assist in defending non-compliances on stage D (Administrative Proceedings). The Company has also undergone a restructuring of the Administrative Proceedings area to optimize analyses and defense, the time for dealing with them, and to standardize control.

There has been too the creation of a POS-NIP cell to assist in reversing sanctions still at the administrative level and to implement summaries of ANS regulations for circulation to related areas. The objective is to share information and speed up internal processes' adaptation to the Agency's regulations.

As a result, we reverted 132 Notices of Infraction, saving over R\$ 12 million in 2019. The success rate for shelving NIPs at the administrative level was 96.42%, out of the total of 5,146 NIPs received.

In 2019, ANS filed a total of 267 cases with monetary sanctions worth R\$ 23,2 million. In the same period, there was no application of TCACs.

[GRI 419-1]

# Institutional Relationship

Hapvida invests in social connections. It associates with sector and representative entities, as well as volunteer movements in areas of interest. Below we list these kinds of organizations to which the Company has ties.

[GRI 102-13]

## Organizations

- **ABRAMGE - Associação Brasileira de Planos de Saúde ( Brazilian Health Insurance Association)**
- **SINAMGE - Sindicato Nacional das Empresas de Medicina de Grupo (National Union of Group Medicine Companies)**
- **SINOG - Sindicato Nacional das Empresas de Odontologia de Grupo (National Union of Group Dentistry Companies)**
- **Amcham Bahia**
- **ADVB Pará – Associação dos Dirigentes de Vendas e Marketing do Brasil (Brazilian Sales and Marketing Managers Association)**
- **Redes/FIEPA – Federação das Indústrias do Estado do Pará (Industries Federation of Pará)**
- **Lide SP – Grupo de Líderes Empresariais (Group of Business Leaders)**
- **Lide PE – Grupo de Líderes Empresariais (Group of Business Leaders)**
- **ACIJ – Associação Empresarial de Joinville (Joinville Business Association)**
- **ABRH AM – Associação Brasileira de Recursos Humanos Amazonas (Brazilian Human Resources Association – Amazonas)**
- **Associação Júnior Achievement – Fortaleza (Junior Achievement Association)**
- **IBEF CE – Instituto Brasileiro de Executivos de Finanças (Brazilian Institute of Finance Executives)**
- **Associação Brasileira de Varejo e Consumo (Brazilian Association of Retail and Consumption)**



# Respect for the Environment

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

Aware of how important respect for the environment is for people's health, Hapvida is duly committed to contributing to environmental conservation. In addition to obeying all the strict laws and demands of its business sector, the Company also promotes internal communication campaigns for natural resources' conscious consumption to bolster engagement among its employees. Moreover, Hapvida has strengthened its management structure for the topic, instituting guidelines, and best practices to increase environmental performance, as reported below.

Hapvida is duly committed to contributing to environmental conservation. In addition to obeying all the strict laws and demands of its business sector, the Company also promotes internal communication campaigns for natural resources' conscious consumption to bolster engagement among its employees.

## Waste Management

Each of the Company's operational unit has a specific Health Services Waste Management Plan (PGRSS) and well-trained and licensed service providers to dispose of the discarded materials. The material gathering is carried out by specialized companies that register in the "collection manifest" the volume/mass gathered at every turn.

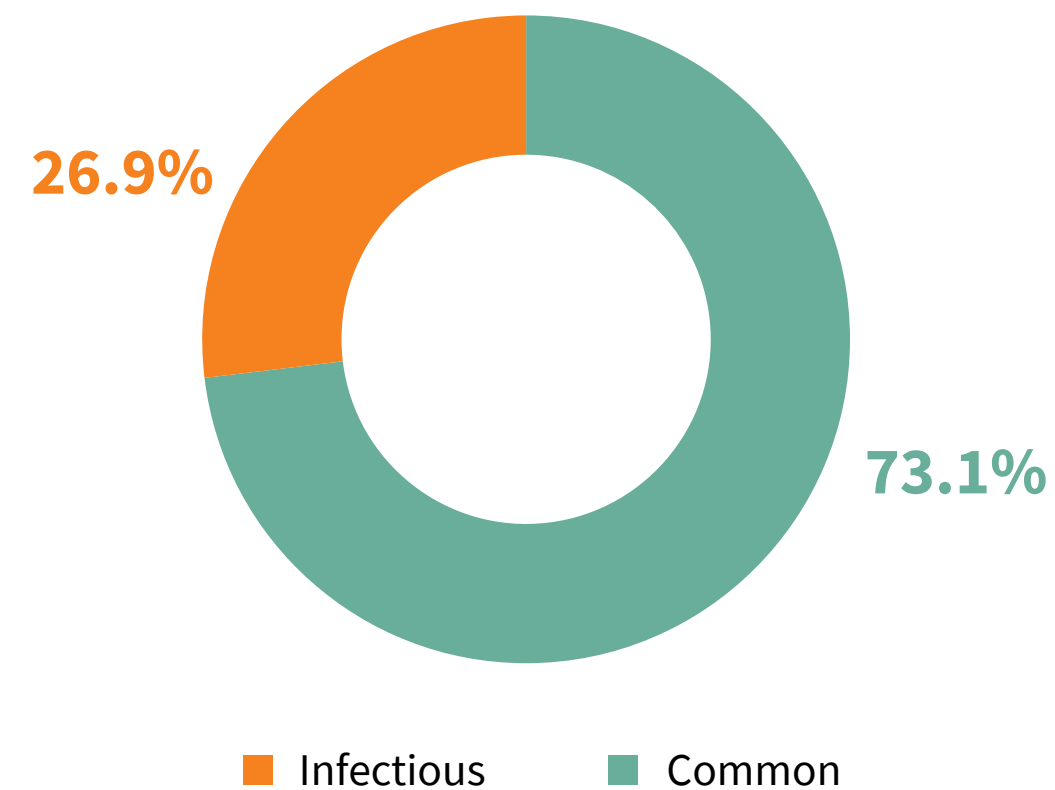
In 2019, the Waste Management Commissions began to operate within Hapvida hospitals. Composed of multidisciplinary teams, these Commissions are responsible for managing and determining continuous improvement actions in the areas contributing to best practices related to the theme.

Throughout 2019, Hapvida produced about 6.5 thousand tons of waste<sup>9</sup>. Of this total, 26.9% were infectious waste, destined for incineration, and 73.1%, common waste - sent to landfills near the units.

[GRI 306-2]

### Waste Produced in 2019 (in tons)

6.5 thousand tons



<sup>9</sup> It should be noted that the consumption data of the companies acquired in 2019, São Francisco Group and América Group, were not used.



## Water and Energy

Hapvida controls its energy and water consumption indicators, essential inputs for running its activities. To become more effective in environmental management, the Company adopted, in 2018, a series of initiatives aiming at reducing the use of these resources through an extensive review of construction concepts held in new constructions as well as in refurbishments of already-existing spaces. These actions include:

- All units are built with timer taps;
- The sanitary discharges used by the Company consume less water than ordinary ones;
- Setting up UVA protection films on wall glasses, having greater control of heat exchange between indoor and outdoor, and therefore saving up energy with air-conditioning.
- Air conditioning systems with Variable Refrigerant Flow, which consumes about 35% less energy;
- Prioritizing, whenever possible, more horizontal constructions, with larger rooms, to reduce elevator use and better organize hospital areas;
- Use of vegetation in the porous surface of internal areas;
- Setting up of permeable floors, which impact on thermal comfort;
- Spaces built to be practical and comfortable, with quick and easy cleaning and maintenance.

In 2019, Hapvida formed a partnership with a company provider of solar projects, seeking alternatives for renewable energy. Some units in Ceará have used part of their electrical energy through this pilot project, an off-site solar photovoltaic power plant.

Disregarding the units acquired throughout the year of 2019, the Company's energy consumption (electricity and fuel) was approximately 3.4 GJ. The registered consumption of water was 7.6 million megaliters.

[GRI 302-1,  
303-5]





# The Report

For Hapvida, transparency is a fundamental commitment. Thereby, the publication of this Sustainability Report represents the Company's first step towards increasingly consistent reporting of its economic, environmental, social, and governance performance. Inspired on the guidelines proposed by the Global Reporting Initiative (GRI) (based on the Standard version, Essential modality), this edition presents information on management, policies and corporate practices for the period between January 1 and December 31, 2019.

[GRI 102-50, 102-51, 102-52, 102-54]

Following GRI guidelines, Hapvida sought to report in this edition sustainability issues that reflect real impacts and effective management. Thus, the Company's social and environmental performance was inserted in a broad context to find aspects and impacts common to the segments and regions in which it operates. Analysis of existing policies and practices, information availability, the positioning of other organizations in the sector, in addition to the influence of the Company's conduct on the decisions of its stakeholders, were the basis for defining the topics reported in this report.

[GRI 102-48, 102-49]

Questions, comments, and suggestions regarding this Report can be sent to the Company's Investor Relations team, by e-mail [ri@hapvida.com.br](mailto:ri@hapvida.com.br) [GRI 102-53]

## Stakeholder Engagement

A multidisciplinary team, with the direct involvement of about 50 professionals from the Company, and members of the Executive Board, were the ones responsible for forging this Sustainability Report. Moreover, the main stakeholders (pointed with the support of the Hapvida System teams) were consulted to uncover the interests and information demands of people and institutions with which the Company interacts.

[GRI 102-42]

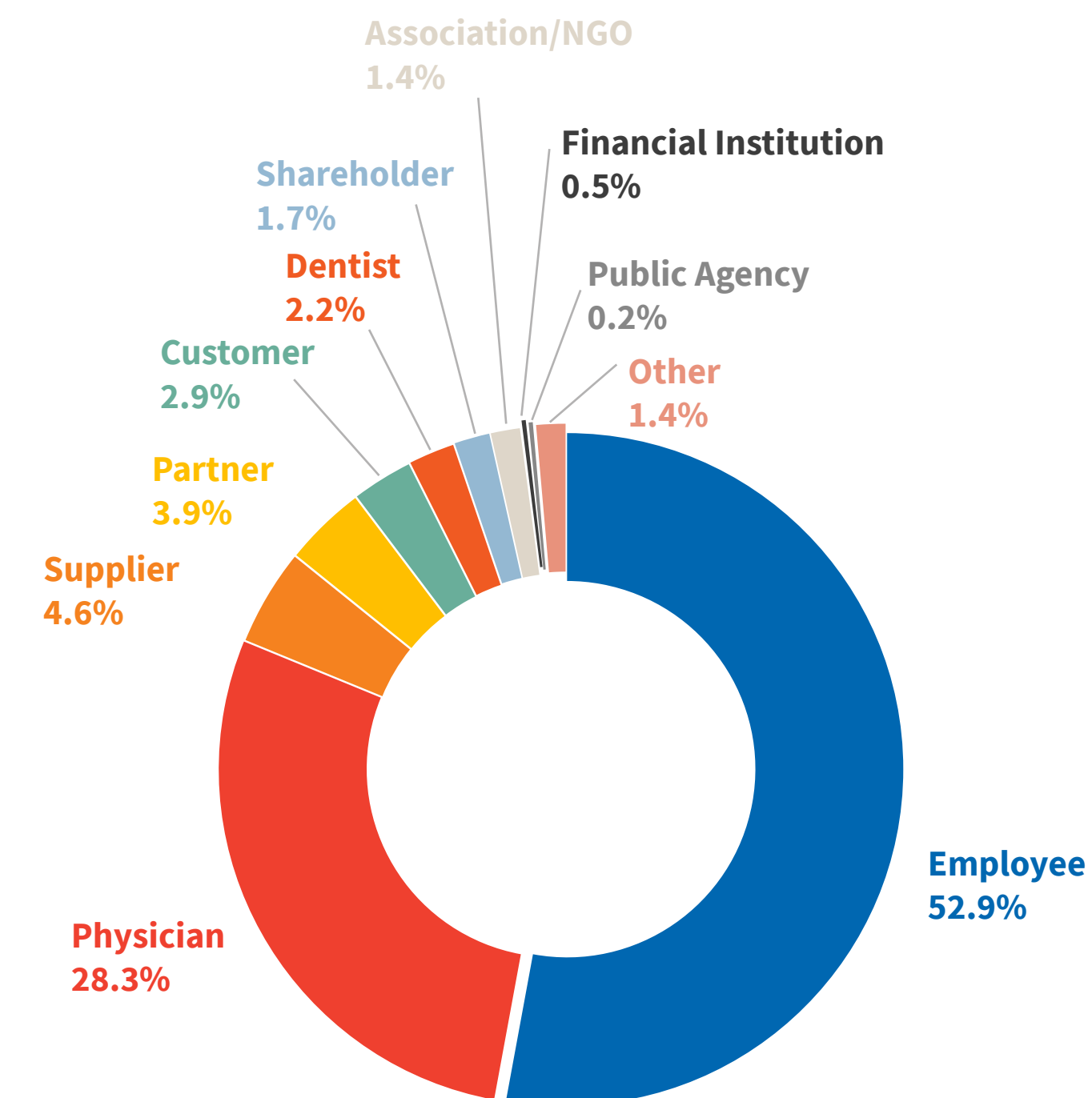
Using the GRI criteria as a basis for defining the themes to be addressed in the Report, we consulted stakeholders about the relevance of topics related to sustainability, pre-listed by the Company. The survey was brought off through an online questionnaire, submitted to a sample group with representatives of different interested parties.

[GRI 102-43]

Altogether, 414 people answered the questionnaire. The following graph shows the profile of respondents, according to the groups of stakeholders represented.

[GRI 102-40]

## Profile of Respondents



Because of the broad participation of Hapvida's employees and doctors, we used proportionality rules to consolidate the data and avoid deviations that might imply the predominance of this public's interests as opposed to others.



# Material Themes

To have the topics in this Report representing a broad perspective of corporate sustainability, Hapvida added to the stakeholders' responses the analysis of aspects viewed externally and internally as priorities. Externally, this analysis was guided by the 2030 Agenda for Sustainable Development, proposed by the United Nations (UN). It contains the 17 Sustainable Development Goals (SDGs), which unfold in 169 targets to be pursued globally.

[GRI 102-44]







Internally, the Company assessed its priorities concerning sustainability, based on its corporate policies and the business' strategic vision. This process considered the weight of economic, environmental, and social impacts on every aspect, as well as its influence on stakeholders' assessments and decisions.

[GRI 102-46]

Predicated on the criteria described above, the Relevance Matrix of Hapvida's 2019 Sustainability Report, shown in the table below, has six topics considered relevant, which unfold into material aspects, topics, and indicators (GRI disclosures) selected to be reported. Ultimately, the last column of the table shows the connection between the material themes, the Sustainable Development Goals (SDGs), and their respective targets (when applicable).

[GRI 102-47]

“The Company assessed its priorities concerning sustainability, based on its corporate policies and the business' strategic vision.”

THEMES	MATERIAL ASPECTS	DISCLOSURES GRI	SDG AND TARGETS RELATED TO THE 2030 AGENDA
<b>1. Ethics and Integrity</b>	Transparency. Fight against corruption. Defense and promotion of human rights.	205-2; 205-3. 406-1;	SDG 8 – 8.7 SDG 12 – Targets 12.6 e 12.7 SDG 16 – Targets 16.5; 16.6; 16.10 e 16.b. 
<b>2. Care for Employees</b>	Team health and safety. Promotion of diversity and equality in the workplace. Professional development opportunities - training and education.	403-9; 401-1; 402-1; 405-1. 404-1; 404-3.	SDG 8 – Targets 8.8 SDG 4 – Targets 4.3; 4.5 SDG 5 – Targets 5.1; 5.5 SDG 10 – Targets 10.2; 10.3 
<b>3. Customer Relationships</b>	Satisfaction of beneficiaries. Quality of services provided.	103-1; 103-2; 103-3	SDG 3 – Targets 3.8 SDG 12 – Targets 12.8 
<b>4. Environmental Management</b>	Waste and materials. Water. Energy. Emissions.	306-2; 301-1; 303-5; 302-1; 305-1; 305-2; 305-3;	SDG 12 – Targets 12.2; 12.4; 12.5 SDG 6 SDG 7 SDG 11 – Target 11.6 SDG 13 – 13.2; 13.3 
<b>5. Economic Performance</b>	Value produced and shared with society.	201-1	SDG 8 – Targets 8.2 
<b>6. Contribution to Local Development</b>	Relationship with communities. Fostering the adoption of best socioenvironmental practices in the value chain.	413-1	SDG 11 – Target 11.a SDG 12 – Target 12.7 SDG 16 – Target 16.1 



# GRI Index

GRI STANDARD	DISCLOSURE	DESCRIPTION	PAGE	JUSTIFICATION
<b>Organizational Profile</b>				
	102-1	Name of the organization	11	
	102-2	Activities, brands, products and services	11, 12, 14 e 15	
	102-3	Location of headquarters	11	
	102-4	Location of operations	11	
	102-5	Ownership and legal form	21	
	102-6	Markets served	11	
	102-7	Scale of the organization	13	
	102-8	Information on employees and other workers	13, 40 e 59	
	102-9	Supply chain	50	Partial response.
	102-10	Significant changes to the organization and its supply chain	14 e 15	
	102-11	Precautionary Principle or approach	-	The Company is structuring its environmental policies and practices so that it does not yet respond directly to this disclosure.
	102-12	External initiatives	-	In 2019, the Company was not a signatory to external initiatives related to sustainability.
	102-13	Participation in associations	51	
<b>Strategy</b>				
GRI 102: Standard contents	102-14	Statement from senior decision-maker	5	
<b>Ethics and Integrity</b>				
	102-16	Values, principles, standards and norms of behavior	12	
	102-17	Mechanisms for advice and concerns about ethics	24	
<b>Governance</b>				
	102-18	Governance structure	22	
<b>Stakeholder Engagement</b>				
	102-40	List of stakeholder groups	54	
	102-41	Collective bargaining agreements	41	
	102-42	Base used for Identifying and selecting stakeholders for engagement	54	
	102-43	Approach to Stakeholder Engagement	54	
<b>Reporting Practice</b>				
	102-44	Key topics and concerns raised by stakeholders	55	
	102-46	Defining report content and topic boundaries	55	



GRI STANDARD	DISCLOSURE	DESCRIPTION	PAGE	JUSTIFICATION
GRI 102: Standard contents	102-47	List of material themes	55	
	102-48	Restatements of information	54	
	102-49	Changes in reporting	54	
	102-50	Reporting period	54	
	102-51	Date of most recent report	54	
	102-52	Reporting cycle	54	
	102-53	Contact point for questions regarding the report	54	
	102-54	Claims of reporting in accordance with the GRI Standards	54	
	102-55	GRI content index	56	
	102-56	External assurance	-	The report was not verified by an external audit.
<b>Economic and Operational Performance</b>				
GRI 103: Management Approach	103-1	Explanation of the material theme and its Boundary	29	
	103-2	The management approach and its components	29	Partial response.
	103-3	Evaluation of the management approach	29	Partial response.
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	31	
<b>Anticorruption</b>				
GRI 103: Management Approach	103-1	Explanation of the material theme and its Boundary	24	
	103-2	The management approach and its components	24	
	103-3	Evaluation of the management approach	24	
GRI 205: Anticorruption	205-2	Communication and Training in AntiCorruption Policies and Procedures	24	
	205-3	Confirmed incidents of corruption	24	
<b>Environmental Management</b>				
GRI 103: Management Approach	103-1	Explanation of the material theme and its Boundary	52	
	103-2	The management approach and its components	52	
	103-3	Evaluation of the management approach	52	
GRI 301: Materials GRI 302: Energy GRI 303: Water GRI 305: Emissions GRI 306: Waste	301-1	Materials used by weight or volume	-	Information not registered in 2019 according to GRI guidelines.
	302-1	Energy consumption within the organization	53 e 59	
	303-5	Water consumption	53	
	305-1	Direct (Scope 1) GHG emissions	-	Information not registered in 2019 according to GRI guidelines.
	305-2	Energy indirect (Scope 2) GHG emissions	-	Information not registered in 2019 according to GRI guidelines.
	305-3	Other indirect (Scope 3) GHG emissions	-	Information not registered in 2019 according to GRI guidelines.
	306-2	Waste by type and disposal method	52	Partial response. Data not reported according to the GRI guidelines.



GRI STANDARD	DISCLOSURE	DESCRIPTION	PAGE	JUSTIFICATION
<b>Appreciation of Human Capital and Diversity Promotion</b>				
GRI 103: Management Approach	103-1	Explanation of the material theme and its boundary	40	
	103-2	The management approach and its components	40	
	103-3	Evaluation of the management approach	40	
GRI 401: Employment	401-1	New employee hires and employee turnover	41	Partial response. Data by region not informed.
	401-2	Benefits	43	
GRI 403: Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	44	Partial response. The Company did not present all the information indicated in the disclosure.
	403-9	Work-related injuries	44	Partial response. The way Hapvida monitors work-related injuries is different from that proposed by the GRI guidelines. The data presented correspond to the CATs issued by the Company in the period.
GRI 404: Training and Education	404-1	Average hours of training per year per employee	43	Partial response. Data by functional category were not presented.
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	40 e 59	
<b>Non-discrimination</b>				
GRI 103: Management Approach	103-1	Explanation of the material theme and its boundary	24	
	103-2	The management approach and its components	24	
	103-3	Evaluation of the management approach	24	
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	24	
<b>Local Communities</b>				
GRI 103: Management Approach	103-1	Explanation of the material theme and its boundary	47	
	103-2	The management approach and its components	47	
	103-3	Evaluation of the management approach	47	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	47 e 48	
<b>Compliance</b>				
GRI 103: Management Approach	103-1	Explanation of the material theme and its boundary	24	
	103-2	The management approach and its components	24	
	103-3	Evaluation of the management approach	24	
GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	51	
<b>Customer Relationship</b>				
GRI 103: Management Approach	103-1	Explanation of the material theme and its boundary	24	
	103-2	The management approach and its components	24	
	103-3	Evaluation of the management approach	24	



# Annex of Indicators

## Employee Profile

[GRI 102-8, 405-1]

REGION	EMPLOYEES
Northeast	18,998
North	2,755
Southeast	73
South	399
Total	22,225

FULL-TIME EMPLOYEES		
Male	Female	Total
6,517	13,834	20,351

PART-TIME EMPLOYEES (6H & 4H)*		
Male	Female	Total
445	1,429	1,874

\* Call center and Preventive Medicine workers - Medprev - (psychologists, speech therapists, among others) -, due to the activity, work part-time.

## Members of Board of Directors

Male	Female	Total
7	0	7

	up to 29 years old	30 - 50 years old	over 50 years old
Male	0	3	4
Female	0	0	0

## Admissions [GRI 401-1]

Male	Female	Total
2,654	5,605	8,259

ADMISSIONS BY AGE GROUP			
	up to 29 years old	30 - 50 years old	over 50 years old
Male	1,489	1,111	54
Female	2,794	2,708	103

HIRING RATE				
	up to 29 years old	30 - 50 years old	over 50 years old	Total
Male	18.0%	13.5%	0.7%	32%
Female	33.8%	32.8%	1.2%	68%

## Dismissal

Male	Female	Total
2,238	4,344	6,582

DISMISSAL BY AGE GROUP			
	up to 29 years old	30 - 50 years old	over 50 years old
Male	1,107	1,051	80
Female	1,846	2,349	149

TURNOVER RATE		
Male	Female	Total
35.77%	32.33%	33.39%

TURNOVER RATE BY AGE GROUP			
	up to 29 years old	30 - 50 years old	over 50 years old
Male	44.07%	31.74%	13.90%
Female	38.99%	29.66%	13.76%

Table Formula: ((admissions by gender + dismissals by gender)/2/ number of employees by gender):

## Energy [GRI 302-1]

NON-RENEWABLE SOURCES (GJ)	
Diesel	9,745.96
Gasoline	2,954.02
Liquefied Petroleum Gas	3,222,238.70
Kerosene	11,929.50
Total	3,246,875.12

RENEWABLE SOURCES (GJ)	
	Conversion
Ethanol	8.56

ELECTRICITY CONSUMPTION (GJ)	196,015.27
------------------------------	------------



# Hapvida Sustainability Report 2019

## Overall Coordination

Hapvida Investor Relations Department  
Guilherme Nahuz, Gleycianne Rabelo and Ana Luiza Cordeiro

## GRI Consulting

We Sustentabilidade  
Débora Horn, Mariana Viel and Vanessa Colla

## Text Production

We Sustentabilidade  
Creation: Mariana Viel  
Edition: Débora Horn

## Graphic Project

Mar Comunica  
Mariana Viel and André Humeres

## Translation to English:

Lucas Carvalho Bezerra

## Images

Hapvida Image-bank

## Hapvida Participações e Investimentos

