



2019 Annual **Sustainability Report**



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Message from the CEO

GRI 102-14

For over 30 years, OdontoPrev has been dedicated to one mission: bringing society closer to Odontology. Today, during this pandemic, what motivates us is to continue offering high quality oral care solutions to millions of people. We, at OdontoPrev, implemented several agile and efficient initiatives to mitigate the effects of COVID-19, keep our operations running, and take care of our employees, beneficiaries, clients, and accredited network.

Driven by this mission, in 2019 we hit the mark of more than 7 million beneficiaries, who could rely on the expertise of our accredited network composed of over 31,000 dentists. With the acquisition of the Odonto System, which consistently operates in the Northeast region, we complement our portfolio with new business model opportunities.

No achievement would be possible without the collaboration and commitment of our more than 2,000 employees. Thus, we value each employee's well-being. We play a crucial role in promoting gender equality and guaranteeing everyone's safety, we are aware of our responsibility, and our leading role in the business sector to build a more sustainable world.

Publicly committed to sustainable development, we are signatories of international initiatives promoted by the United Nations, such as the Global Compact and the Women's Empowerment Principles. We received the Bloomberg GEI (Gender-Equality Index) seal in early 2020, now, we join a select group of four Brazilian companies composing this index, which are assessed for gender equality in their initiatives. Also, for the past 20 years, we have been promoting social actions directly connected with our mission, we provide support to 20 institutions and in 2019 we donated dental plants to over 6,800 socially vulnerable people. To assist our neighboring community, we donated a dental office to the Women Department at Barueri and we planted trees in Gabriel Chucre Park, in the city of Carapicuíba, both very close to our headquarters.

I invite you to read our Sustainability Report and get to know the details on OdontoPrev's key highlights of 2019. At the end of the report, I meet you in the section A Vision of the Future, which discusses the main topics to guide our actions in 2020, when we will continue committed to our objective, propelling high quality Dentistry and innovating in our sector.

Good reading!

Odontoprev S.A.

Period covered by the Progress Communication (COP) From January to December/2019

Continued Support Statement by Chief Executive Officer (CEO)

November, 2020

To all participants:

I have the pleasure to communicate that Odontoprev S.A. reaffirms its support to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Fight Against Corruption. In this annual communication, we describe our improvements for the integration of the Global Pact and its Principles in our business strategy, culture and daily operations and we are committed to share this information with our main stakeholders.

Cordially,



Rodrigo Bacellar
Chief Executive Officer (CEO)

Action against COVID-19

GRI 416-1

In early 2020, the pandemic caused by the new coronavirus (COVID-19) made us face an unexpected scenario. For OdontoPrev, care is above all, therefore, we are committed to our stakeholders to do our utmost to defeat this global health challenge. We believe everybody wins by taking care of each person involved in our operation, thus, our measures and decision took into account the lives of our more than 2,000 employees, 31,000 accredited dentists, 597 suppliers, and more than 7 million beneficiaries.



We acted efficiently and rapidly during this challenging scenario. OdontoPrev was already evaluating dental teleorientation and, considering that staying at home during a pandemic is the best way of taking care of yourself, we developed and launched the Online Dentist in only five days, the first dental teleorientation service, available throughout the Brazilian territory via video call. Thus, our beneficiaries can take care of their dental health, including over 6,800 children and young people assisted by the institutions we support.

If beneficiaries need urgent assistance or emergency, we created a support network to answer urgencies with 1,317 services dental offices, in approximately 1,080 cities.

To speed up the sending of our accredited dentists' service slips and x-rays to OdontoPrev, we quickly implemented an online system for them to send the documentation electronically. During quarantine, dental treatment slips and related documentation are now sent 100% online through new functionalities, available in Rede UNNA and Rede UNNA Portal; over 240,000 slips were sent during the first 15 days.

Aiming the safety of our employees, we expanded our home office and home-based policy, effective since 2019. A significant number of our employees were already working remotely and received the Quality Office Program, which trained them on the best practices to work under this format.

The pandemic scenario only reinforces that our digital DNA makes the difference and that technology and innovation will continue bringing efficiency gains, business intelligence, social and environmental performance. In 2020, we intend to stay as beneficiaries' top of mind option, thus, we will keep investing in innovation and pursuing a solid and sustainable growth, so that we can continue taking care of millions of smiles!

Key Results

Operating data (R\$ thousand)	2017	2018	2019	Δ 2018/2019
Net operating revenue (NOR)	1,437,283	1,591,841	1,795,126	12.8%
Average ticket (R\$/member/month)	19.66	20.43	21.13	3.4%
Number of beneficiaries	6,309,296	7,230,318	7,399,638	2.3%
Cost of services	657,423	702,456	798,323	13.6%
Adjusted EBITDA	351,648	415,348	418,461	0.7%
Adjusted EBITDA margin	24.5%	26.1%	23.3%	-2.8 p.p.
Net income	244,571	284,793	284,763	0.0%

Company indicators	2017	2018	2019	Δ 2018/2019
Employees	1,561	1,601	2,114	32%
Men	420	399	541	35%
Women	1,141	1,202	1,573	30%

Profile

GRI 102-1, 102-4, 102-5, 102-6, 102-7, 102-16

OdontoPrev is Latin America's leader in dental care plans and Brazil's largest healthcare operator, in number of clients, surpassing 7 million beneficiaries.

Our history started in 1987 when a group of dentists realized that they could innovate and build a history, and directly contribute to the access to quality Dentistry. At that time, they realized the opportunity that emerged from the combination of two factors: the high cost of private care, which excluded most of the population, and the fact that Brazil is one of the countries with the largest number of dentists in the world.

Understanding the challenging of the sector, they created OdontoPrev, exclusively focused on dental care plans, to provide high-quality and accessible services, which since its inception, has been operating innovatively and responsibly, heading the company to the market-leading position. Over 32 years of history, OdontoPrev has been growing organically, and through acquisitions and partnerships.

OdontoPrev is a publicly-held corporation, with more than 2,000 employees and is present in 2,700 Brazilian municipalities through its accredited network, the Rede UNNA, which already exceeds 31,000 professionals. In 2019, it reached R\$9.0 billion market capitalization.



Mission

To become a major link between society and dentistry, adding value to this relationship through excellent services.



Vision

To be a benchmark in dental care services for millions of people around the world, significantly contributing to the evolution of these services.



Values

The Company want everyone who interacts with OdontoPrev to feel this is an organization that is worth it.

Therefore, the Company believes it is essential:

- Offer high-quality and technically competent services;
- Maintain relationships based on respect, transparency, integrity, and trust;
- Face the challenges in a participative, flexible manner and firm purpose;
- Have our success recognized and shared with those who effectively contribute;
- Have a continued commitment, focus, and competence in pursuit of results.

Timeline



BUSINESSES



INNOVATION



SOCIAL AND ENVIRONMENTAL INITIATIVES

2019

Implementation of Quality Office Program.

Net revenue: R\$1,795 million.

Promotion of Black Friday for the Good.

2018

Acquisition of Odonto System.

Net revenue: R\$1,592 million.

Launch of Broker App.

Support to Operação Sorriso, Apolônias do Bem and UN Women.

2017

Launch of e-commerce.

Brand repositioning: “Your mouth speaks for you”.

Net revenue: R\$1,437 million.

Inclusion in the UK index FTSE4Good.

2016

Celebrating 10 years of IPO.

Support to A.C.Camargo Cancer Center, Educação Boa Vontade Institute and Cejam Institute.

2015

Launch of Rede UNNA app.

2014

Corporate restructuring results in Bradesco controlling OdontoPrev.

Net revenue: R\$1,156 million.

2013

Creation of Brasildental, in partnership with BB Seguridade and Banco do Brasil.

Net revenue: R\$1,070 million.

2012

Sale of Bradesco’s individual plans.

Shared acquisition of Papaiz.

Net revenue: R\$956 million.
Launch of Rede UNNA Forum.

2011

Sale of Bradesco's SME plans.
Net revenue: R\$835 million.

2010

Brasildental's Memorandum of Understanding.
Net Revenue: R\$685 million.
5 million beneficiaries
[Arrastão Project.](#)

2009

Acquisition of Prontodente.
Acquisition of OdontoServ.
A joint venture is created in México.
Start of operations of Dental Partner.
Partnership with Bradesco Dental.
Net revenue: R\$382 million.

2008

Acquisition of Care Plus Dental.
Acquisition of Sepao.
Net revenue: R\$318 million.
[Acquisition of Easy Dental Software, expanding digitalization to dental offices.](#)
[Support to Global Compact, Ser Mais Institute, Movere Institute, and Creche Viva.](#)

2007

Acquisition of DentalCorp.
Acquisition of Rede Dental.
Net revenue: R\$259 million.
[Support to Tide Setubal Foundation.](#)
[Tree-planting.](#)

2006

IPO, raising R\$171 million, net.
Net revenue: R\$182 million.
[Digitizer is implemented.](#)
[Support to Fernanda Bianchini and Viva Melhor Institute.](#)

2005

Net revenue: R\$143 million.
1 million beneficiaries.
[Amalgam recycling project.](#)

2004

[Support to Despertar.](#)

2003

[Support to Clube da Turma.](#)

2002

Support to Fundação Gol de Letra.

2001

Support to Carolina Tamandaré (AcCamargo), “Liga Solidária” and APAE.

2000

Acquisition of Unidont and proprietary clinics, Clidecs, a differential that remains until today in our business customers. Partnership with Unimed BH.

1999

Acquisition of Unidont.
Support to Ronald McDonald Institute and “Casa Ronald”.

1998

Creation of the Board of Directors.

1997

Consolidation as a leading dental care operator.

1987

This year, a group of dental surgeons will unite to transform the dentistry market, creating the sector of dental plans in Brazil.

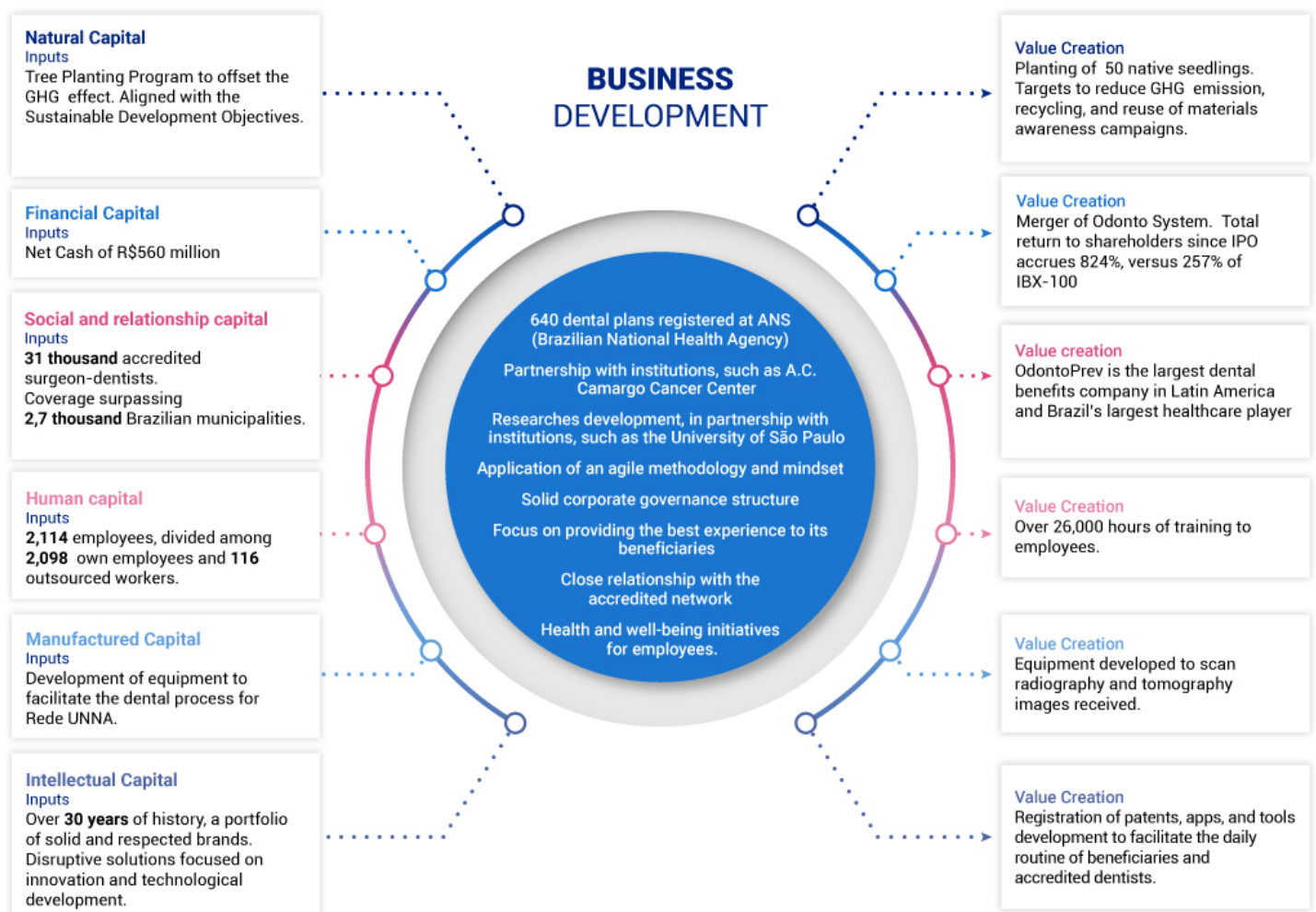
Business Model

The Integrated Report – created by International Integrated Reporting Council (IIRC), an international alliance of regulators, investors, companies, standardization bodies, accountants and NGOs – provides for the company’s management integration with (I) financial, manufactured, (III) intellectual, (IV) human, (V) social and relationship and (VI) natural capital.

Conceptually, the business model is the system that transforms inputs through business activities, into products and impacts to meet the organization’s strategic objectives and create value in the short, medium, and long terms.

The Company adopts several capital inputs, and through its activities, convert them into products (products, services, byproducts, and waste). The business model capacity of being suited to changes (for instance, in availability, quality, and accessibility of inputs) may affect the organization’s sustainability in longer periods.

Below, the key inputs adopted by OdontoPrev, which does not intend to provide an exhaustive list. On the contrary, the focus relies on those with a material impact on the capacity of creating value in the short, medium, and long terms.



Creating value for the entire society



For the community

OdontoPrev invests in research and maintains a portfolio of dental solutions, concerned with society's dental care and health.



For shareholders

A unique business model, with sustainable growth. Frequent distribution of dividends and interest on equity.



For clients

Customized plans, according to clients' needs. OdontoPrev offers high-quality dental services.



For environment

OdontoPrev is a signatory of international initiatives, such as the Global Compact and the Sustainable Development Objectives, reiterating its commitment to mitigating its impacts and ecological footprint.



For employees

Training courses focused on OdontoPrev's employees, initiatives, such as well-being, health, life quality, and diversity to maintain an inclusive and pleasant workplace for everyone.

Awards and recognitions

OdontoPrev won relevant recognitions throughout its history, reinforcing its leading role in the dental sector, also evidencing its outstanding performance, especially in corporate governance, people management, and sustainability areas.



Human Talents

- 22nd Top of Mind for the 17th year, OdontoPrev was recognized among dental care companies;
- Woman Friendly Social Company Seal, awarded by the local government of Barueri;
- HR2019 Best Supplier Guide, awarded by Grupo Gestão RH;
- Great Place to Work (GPTW) 2019 certificate.

Sustainability

- 1st place in the Institutional Investor Award, in the health sector ranking, awarded by the US magazine Institutional Investor, in recognition of the 2018 Sustainability Report.

Corporate Governance

- Trophy Forbes Brazil's Best CEOs awarded to OdontoPrev's Chief Executive Officer, Rodrigo Bacellar.

Innovation

- 100 Most Innovative Companies in the Use of IT Award, promoted by IT Forum 365 in partnership with PwC.

Vision of sustainability

GRI 102-12

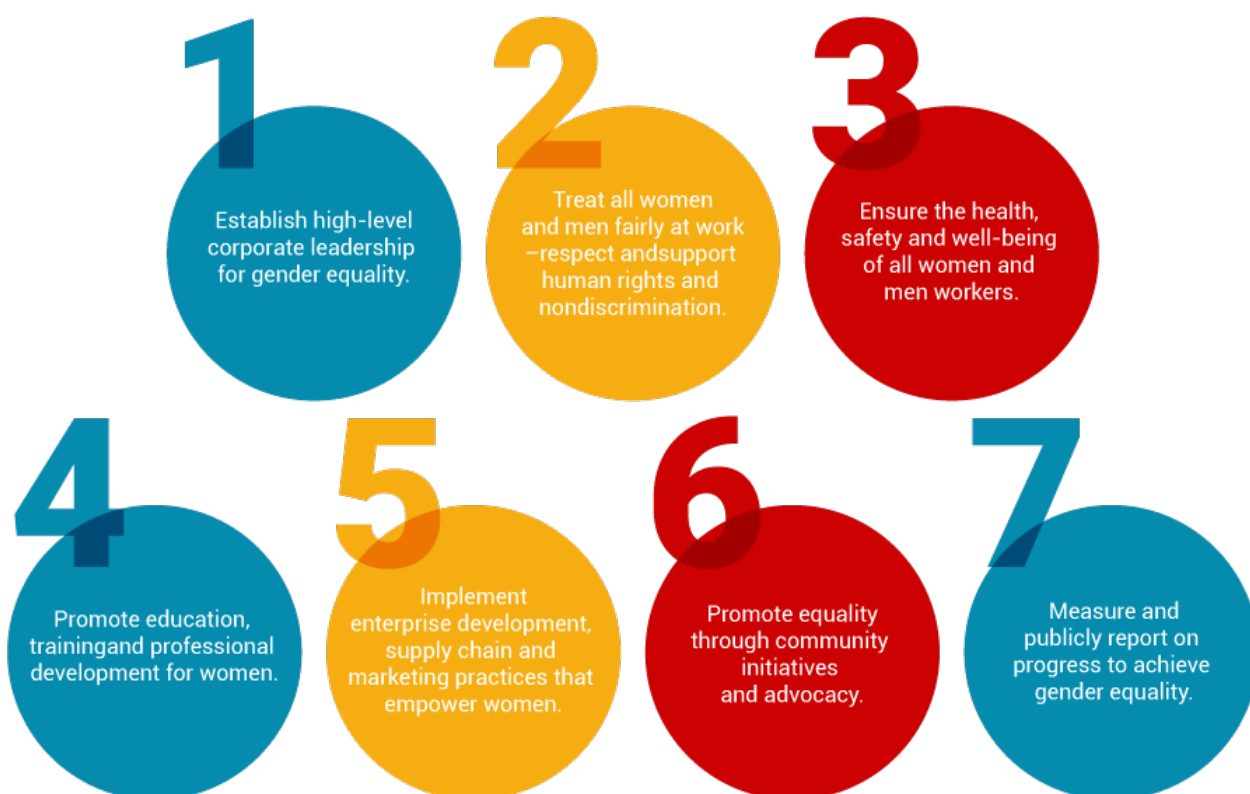
OdontoPrev takes seriously sustainability and sustainable development concepts embodied in the Company's history, which contribute to value creation when balancing economic, social, and environmental aspects. How the Company takes care of society, its employees, and beneficiaries reflects its commitment to sustainability.

Always pursuing a more sustainable performance, OdontoPrev continuously works to reduce its environmental impacts on processes and services, compensating its emissions, and assessing eventual mitigating actions. As an innovative company in the sector, it believes that it is its responsibility to foment this topic, acting to coordinate and promote new technologies researches.

Since 2004, the Company has been maintaining a Sustainability Policy, which institutionalized this topic. A version was updated in 2018 which defines the objectives and the guidelines to be observed by all employees. One of the requirements is the publication of a Sustainability Report, which shall present the results of the Sustainability Annual Plan, approved by the Company's Board of Executive Officers.

Aware of the relevance of this topic for society and the emphasis of joint efforts in order to achieve goals and objectives that mitigate the social and environmental impacts, OdontoPrev is a signatory of international initiatives, namely, the Global Compact and the UN Women's Empowerment Principles.

Women's Empowerment Principles



Global Compact

 <p>1. RESPECT Businesses should support and respect the protection of internationally proclaimed human rights.</p>	 <p>2. MAKE SURE Make sure that they are not complicit in human rights abuses.</p>	 <p>3. UPHOLD Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p>	 <p>4. ELIMINATE The elimination of all forms of forced and compulsory labour.</p>	 <p>5. ABOLISH The effective abolition of child labour.</p>
 <p>6. STIMULATE The elimination of discrimination in respect of employment and occupation.</p>	 <p>7. SUPPORT Businesses should support a precautionary approach to environmental challenges.</p>	 <p>8. UNDERTAKE Undertake initiatives to promote greater environmental responsibility.</p>	 <p>9. ENCOURAGE Encourage the development and diffusion of environmentally friendly technologies.</p>	 <p>10. WORK AGAINST Businesses should work against corruption in all its forms, including extortion and bribery.</p>

The Global Compact is promoted by the United Nations (UN) and aims at mobilizing the business community to adopt sustainable values through the 10 principles to comply with the good practices concerned with human rights, labor relations, environmental management, and anti-corruption. To reinforce its support to the Global Compact, the Company publishes its COP (Progress Communication) on its Investor Relations website and this initiative's official website.

A joint initiative between the Global Compact and the UN Women, the Women's Empowerment Principles combine values and practices seeking to assist the business community to build up gender equality and women's empowerment initiatives.

Today, the Company maintains active programs capable of addressing a solid performance across all these principles.

Sustainable Development Goals



Health and well-being - SDG 3

OdontoPrev works to expand the society's access to dental health, in line with its institutional mission: "To become a major link between society and Dentistry". Aiming at promoting a pleasant environment for all employees, the Company carries out actions to the benefit of health and life quality, among them the Quality Office Program ([click here to learn more](#)). The Company offers health and dental care plans to its employees and promotes vaccination campaigns to emphasize the relevance of prevention.



Gender equality - SDG 5

Pursuing the eradication of any form of prejudice, human rights abuse, and gender inequality, OdontoPrev carries out actions focused on gender equality and stimulates women's participation in leadership positions. The Diversity Group has a leading role in discussions and proposals to make the workplace more inclusive and diverse.



Quality education - SDG 4

OdontoPrev's actions seek to contribute to potentialize skills, technical and professional competencies, concerned with employability, decent job opportunities, and entrepreneurship. The Company's employees receive continual training and qualifications, thus, contributing to their career advancement and value creation for OdontoPrev.



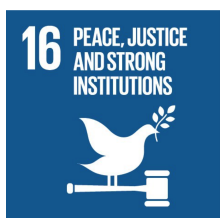
Industry, innovation, and infrastructure - SDG 9

OdontoPrev in its daily routine foments the strengthening of scientific research and seeks to develop and apply processes and technological solutions, whether to improve in-house procedures or to support its clients and its accredited network. In this regard, the Company monitors developments and innovations of the entire industry, to apply them to its processes and its business model. The agile methodology and mindset, for instance, have been contributing to offer a more efficient service to beneficiaries and the accredited network.



Responsible consumption and production - SDG 12

The adoption of sustainable practices and the integration of sustainability information in OdontoPrev's cycle of reports is a reality in the Company. Environmental management encompasses targets to reduce the generation of waste by means of employees' awareness, materials reduction, recycling, and reuse.



Peace, justice and strong institutions - SDG 16

With a view to building a company increasingly more transparent, efficient, and responsible, OdontoPrev maintains good corporate governance practices, in line with strict international standards. The Company is a party of the *Novo Mercado*, reinforcing its excellence in the adoption of corporate governance practices.



Partnerships for the goals -SDG 17

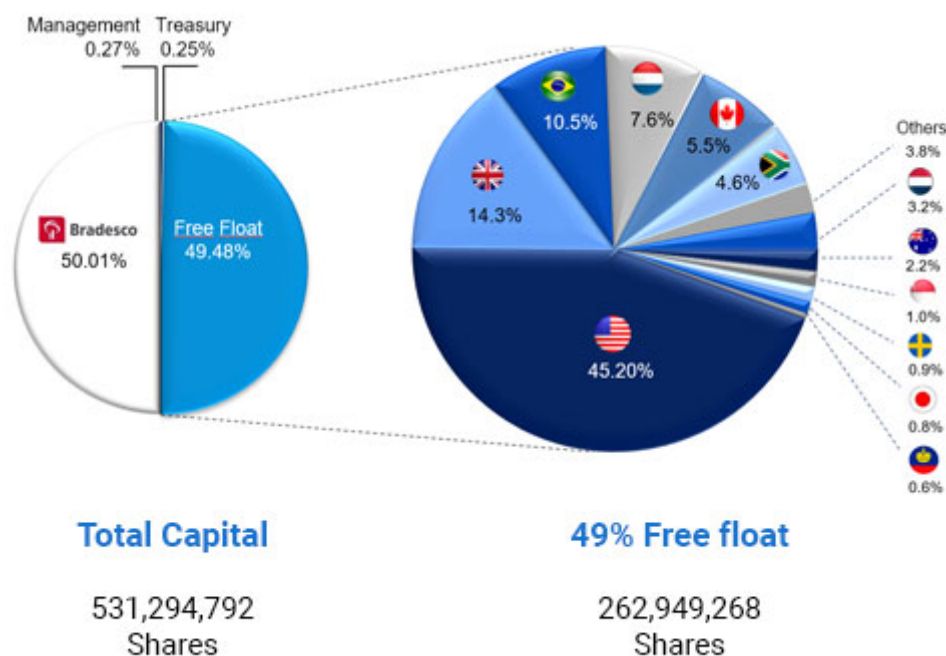
Our partnership with A.C.Camargo Cancer Center is an example how OdontoPrev is guided by its concern with knowledge sharing. These two organizations have been acting jointly since 2017 to identify suspicious

cases of oral cancer, which is among the 10 most common types of cancer in Brazil. The Company also donates dental plans, in partnership with Tide Setubal Foundation and Turma do Bem. *Learn more on [Social Management](#).*

Corporate Structure

GRI 102-5

Odontoprev reached R\$9.0 billion in market cap in 2019, with a capital stock composed of 531,294,792 common shares and investors in more than 30 countries, such as the United States, the United Kingdom, Luxembourg, Canada, and South Africa.



OdontoPrev adheres to the “Novo Mercado”, B3’s special listing segment, targeting companies which voluntarily undertake to adopt the good corporate governance practices. The Company also composes the UK index FTSE4Good, which gathers companies engaged with ESG (Environmental, Social, and Governance) issues. Managed by the London Stock Exchange, the FTSE Russell is one of the largest providers of data analyses for investors. OdontoPrev’s continuance for the third consecutive year in the FTS4Good reaffirms the Company’s commitment to sustainability and compliance, as this index assesses 300 companies’ performance indicators as to their environmental, social and corporate governance policies and practices.



Commitment to gender equality: OdontoPrev seeks to be included in the Bloomberg GEI

Aiming its inclusion in the Bloomberg GEI (Gender-Equality Index) in 2020, OdontoPrev answered in 2019, a social survey created by Bloomberg in partnership with entities specialized in gender equality and women's empowerment, culminating with the Company's inclusion in the referred index in 2020. Thus, OdontoPrev participates in a select group of four Brazilian companies to compose the Bloomberg GEI. This index tracks the companies' financial performance addressing gender equality in their agenda through the development of initiatives, policies, and transparency when announcing these actions.

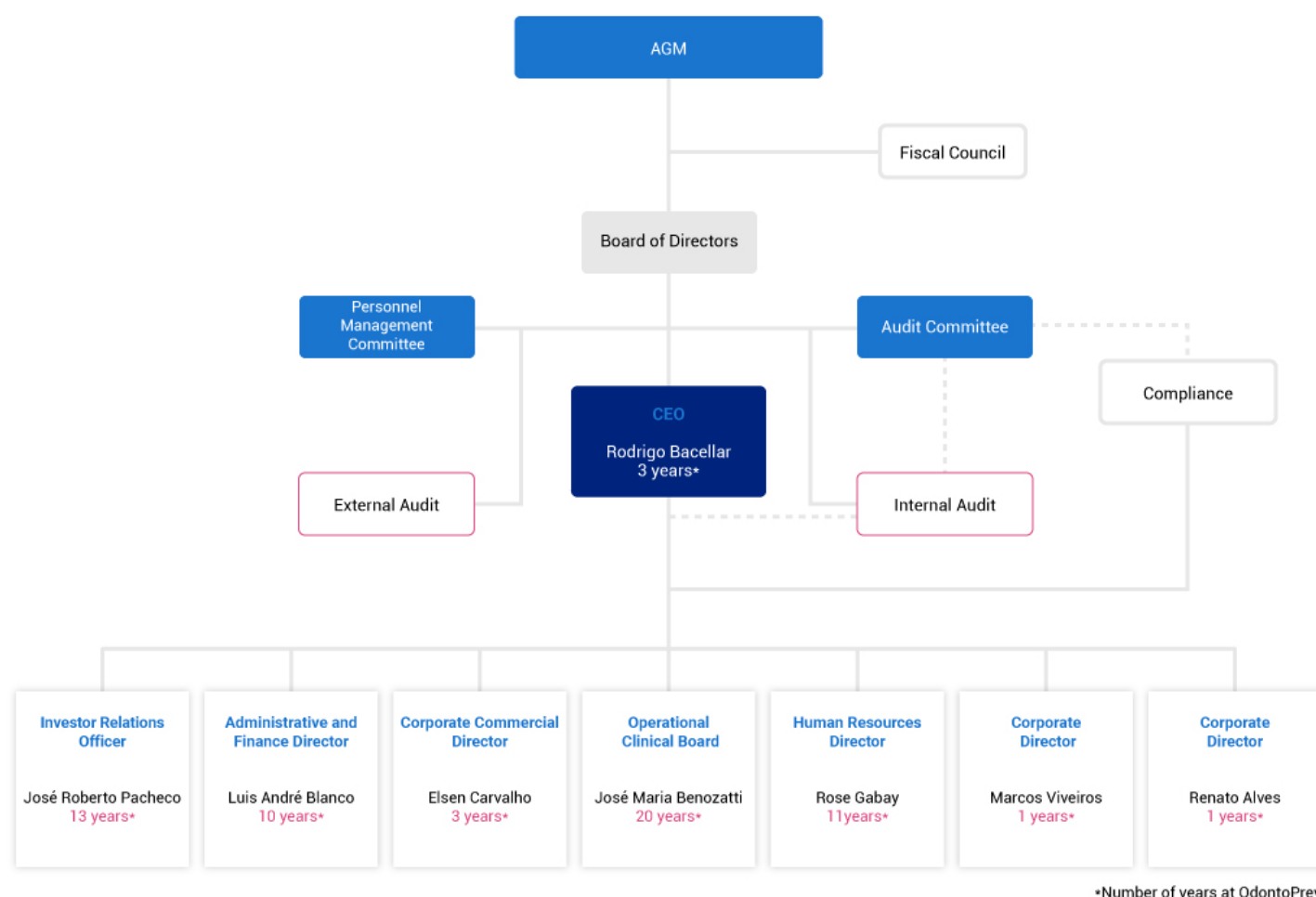
In 2019, 230 companies of 10 different sectors of 36 countries composed this index. Collectively, these companies have a market cap of US\$9 trillion and employ over 15 million people, of which 7 million are women.

Corporate Governance Structure

GRI 102-18, 405-1

The commitment to professional and ethical management marks OdontoPrev's performance since its inception. Historically, the Company has always adopted governance practices that go beyond regulatory requirements, which is usual in the market. Since the Company's foundation, for example, it has opted for a professional management team, not family-oriented. In 1998, we gave another example of this commitment by creating the Board of Directors, even though OdontoPrev was a private company at that time. The Company also adopts corporate governance practices recommended by IBGC (Brazilian Institute of Corporate Governance) and more restrictive than those required by B3's "Novo Mercado".

Currently, OdontoPrev's Corporate Governance structure is supported by the General Meeting, the Board of Directors, the Fiscal Council, its Committees (People Management and Audit) and the Statutory Board of Executive Officers, liable for managing the business.



Fiscal Council

Fiscal Council	
Composition	3 to 5 members in equal number
Term of office	AGM after installation

Fiscal Council	
Total members in 2019	3 effective 3 alternates
Age (average, maximum and minimum)	Minimum: 55 Average: 59 Maximum: 68
Division by Gender	100% men
Annual compensation (maximum, average, minimum)	Minimum: R\$110,569 Average: R\$110,569 Maximum: R\$110,569
Composition on 12/31/2019: Date of election: April 2019 Term of office: 2020 AGM	

Member	Position	Age	Gender	External
Effective members				
Ivan Maluf Junior	Chairman	55	M	Yes
Vanderlei Dominguez da Rosa	Board member	56	M	Yes
José Maria Soares Nunes	Board member	61	M	Yes

Get to know the profile of each member of the Fiscal Council.

To find out the profile of each member and the updated composition of the Fiscal Council, visit the OdontoPrev IR website.

Board of Directors

Board of Directors	
Composition	From 8 to 11 members and the same number of alternates
Term of office	2-year combined term of office, reelection is authorized
Total members in 2019	8 effective 4 alternate
Independent members in 2019	2 effective 2 alternate
Age (average, maximum and minimum)	Minimum: 42 Average: 61 Maximum: 76
Division by Gender	100% men
Annual compensation (maximum, average, minimum)	Minimum: R\$170,667 Average: R\$170,667 Maximum: R\$170,667
Composition on 12/31/2019: Term of office: 2020 AGM	

Member	Position	Age	Gender	External	Independent	Election	1 st Office
Luiz Carlos Trabuco Cappi	Chairman	76	M	Yes	No	Apr/19	Apr/19
Manoel Antonio Peres	Vice Chairman	57	M	Yes	No	Apr/18	Jun/17
Octavio de Lazari Júnior	Board member	56	M	Yes	No	Apr/19	Apr/19
Ivan Luiz Gontijo Junior	Board member	61	M	Yes	No	Apr/18	Apr/16
Samuel Monteiro dos Santos Junior	Board member	74	M	Yes	No	Apr/18	Dec/09
Vinicius José de Almeida Albernaz	Board member	49	M	Yes	No	Apr/19	Apr/19
Cesar Suaki dos Santos	Independent Board member	57	M	Yes	No	Apr/18	May/06
Murilo Cesar Lemos dos Santos Passos	Independent Board member	72	M	Yes	Yes	Apr/18	Apr/08

Get to know the profile of each member of the Board of Directors.

To find out the profile of each member and the updated composition of the Board of Directors, visit the OdontoPrev IR website.

Audit Committee

Audit Committee	
Composition	Minimum of 3 members
Term of office	1 year
Total members in 2019	3
Independent members in 2019	1
Age (average, maximum and minimum)	Minimum: 42 Average: 54 Maximum: 72
Division by gender	100% men
Annual compensation	Members are not remunerated.

Composition on 12/31/2019:

Date of election: May 2019

Term of office: May 2020

Member	Position	Age	Gender	External	Independent	Election
César Suaki dos Santos	Coordinator	57	M	Yes	Yes	May/19
Vinicius Marinho da Cruz	Member	42	M	Yes	No	May/19
Haydewaldo Roberto Chamberlain da Costa	Member	60	M	Yes	No	May/19

Get to know the profile of each member of the Audit Committee.

To find out the profile of each member and the updated composition of the Audit Committee, visit

the OdontoPrev IR website.

People Management Committee

People Management Committee	
Composition	
Term of office	1 year
Total de members in 2019	2
Independent members in 2019	1
Age (average, maximum, and minimum)	Minimum:
Division by gender	100% men
Annual compensation	Members are not remunerated.
Composition on 12/31/2019:	
Date of election: May 2019	
Term of office: May 2020	

Member	Position	Age	Gender	External	Independent
Juliano Ribeiro Marcílio	Coordinator	47	M	Yes	Yes
Vinicius José de Almeida Albernaz	Member	49	M	Yes	No
Murilo César Lemos dos Santos Passos	Member	72	M	Yes	Yes

Get to know the profile of each member of the People Management Committee.

To find out the profile of each member and the updated composition of the People Management Committee, visit the OdontoPrev IR website.

Board of Executive Officers

Board of Executive Officers	
Composition	At least, 4 and at most, 10 members
Term of office	2 years, reelection is authorized
Total members in 2019	8
Age (average, maximum and minimum)	Minimum: 33 Average: 51 Maximum: 67
Division by Gender	87.5% men 12.5% women
Annual compensation	Minimum: R\$1,557,435 Average: R\$2,421,931 Maximum: R\$4,858,380
Composition on 12/31/2019:	
Date of election: November/2019	
Term of office: November/2021	

Member	Position	Age	Gender
Rodrigo Bacellar	Chief Executive Officer	54	M
José Roberto Borges Pacheco	Investor Relations Officer	59	M
José Maria Benozatti	Clinical-Operating Officer	67	M
Rose Gabay	Human Resources Officer	56	F
Luis André Blanco	Administrative Financial Officer	46	M
Elsen Carvalho	Corporate Commercial Officer	47	M
Marcos Pimentel de Viveiros	Corporate Officer	48	M
Renato Alves Costa	Corporate Officer	33	M

Get to know the profile of each member of the Board of Executive Officers.

To find out the profile of each member and the updated composition of the Board of Executive Officers, visit the OdontoPrev IR website.

Risk Management

GRI 102-11, 416-2

Key risks deriving from the Company's businesses are managed by different departments and envisage policies and strategies that allocate resources deemed as appropriated by Management. Policies and strategies are monitored by the Audit Committee, as per the decision of the Board of Directors and in compliance with OdontoPrev's Bylaws. Among the key risk factors mapped are amendments to the Brazilian laws and ANS rules, besides economic and market conditions.

The Company has a Risk Management Policy, which aims to establish guidelines related to corporate governance practices, risk management and internal controls, adopted under the terms of the applicable legislation and regulations, current corporate documents and good practices in these matters.

OdontoPrev's capacity of implementing its business strategy relies on several factors, among them: attract new clients, maintain the quality and the efficiency of its accredited network, and potentialize its brands. Factors, such as competition and changes in governmental rules may result in costs not being fully covered by fees effective at that time. Thus, the Company endeavors its efforts to define fees based on accurate estimates of its future costs of dental assistance, aiming at mitigating such risk.

Any amendments to the Brazilian tax laws may also impact OdontoPrev's businesses. The Company is subject to federal, state, municipal laws, and regulations of several governmental agencies relating to the protection of the environment, human health, and safety, especially, the ANS regulations, which enact rules, inclusive on dental plans. Should the effectiveness of these laws result in higher tax rates or new taxes relating to businesses, the financial condition and the Company's operational results may be adversely affected, to the extent that increases are not passed on to clients.

Political, economic and social events and the perception of risks in other countries, particularly in emerging economies, may adversely affect the Brazilian economy, OdontoPrev's businesses and the market cap of Brazilian securities, including shares issued by the Company, besides the power of restricting its access to the international markets. Crises in other emerging economies may inhibit investors' interest in securities issued by Brazilian companies, including OdontoPrev, which would adversely affect the Company's share price.

Internal Controls and Compliance

GRI 102-16, 205-1

The commitment to ethics and integrity is present in all OdontoPrev's activities. The Anti-corruption and other Illegal Acts Program, launched in March 2015, expresses the conduct expected from Management, employees, and suppliers concerning the prevention and repression of acts or omissions to characterize corruption and/or illegal acts. All employees and the senior management are notified and receive training on OdontoPrev's anti-corruption procedures.

OdontoPrev's corporate governance recorded relevant achievements in 2019, especially due to the setup of the Compliance area, the nomination of the Compliance Officer and the approval of the Compliance Program, as resolved by the Board of Directors. This Program aims at maintaining, improving, and disseminating good corporate governance practices, besides updating compliance and anti-corruption-related codes and policies.

Supported by external legal counsels, the efforts endeavored in 2019 focused on a compliance risk evaluation that resulted in a risk matrix. In 2020, this work will aim at devising action plans to mitigate these risks.

The Company has its Code of Ethical Conduct and its Anti-corruption and Other Illegal Acts Policy, disseminated to all employees. The Compliance Program provides for the review of the Code of Ethical Conduct and the approval of the Governance, Risks, and Compliance Policy (GRC).

Ethics & Transparency

GRI 205-2

To ensure the best corporate governance practices, besides maintaining the business in compliance with prevailing laws, OdontoPrev has its Code of Ethical Conduct – a practical, personal and professional guide to be adopted by all OdontoPrev Group's managers, employees, partners and suppliers. The Code is presented during new employees' integration and is available on the Intranet and the Investor Relations website. Partners and suppliers also adopt the Code of Ethics and Conduct in the contractual instruments maintained with the Company.

Complaints on behavior to infringe the rules of conduct may be personally addressed to the Internal Audit, via letter, e-mail, or the Whistleblowing Channel, available on OdontoPrev portal. Suspicious cases are submitted to the analysis of the Assessment and Ethics Committee, and monthly reported to the Chief Executive Officer, and half-yearly to the Audit Committee. Complaints are verified by Audit Area and valid cases are forwarded to the Assessment and Ethics Committee which will resolve on corrective and punishment actions to be applied to those involved. In 2019, 34 suspected cases were reported via the Whistleblowing Channel and 30 of them were submitted to the analysis of the Assessment and Ethics Committee. Out of this amount, 14 of them were considered valid.

OdontoPrev is non-partisan and respects the political opinion of its employees and suppliers. The Company neither finances nor supports any political campaigns, candidates, and parties.

Ethics training courses

OdontoPrev's new employees receive the Code of Ethical Conduct and shall sign a statement, through which they affirm they are aware of guidelines. In 2019, the Company launched an Ethical Conduct training course mandatory to all employees. This course focused on ethical behavior, became available at OdontoPrev University. At the end of the course, the professional must answer multiple-choice questions, for us to verify whether the content was correctly understood.

Besides online training, the Company has an annual schedule to disseminate the Compliance Program. This initiative began in 2019 and envisaged OdontoPrev's senior management. In 2020, the Program will be disseminated to all employees.

Customer Privacy

GRI 418-1

OdontoPrev invests in processes, people, and technologies, it observes laws and regulations to ensure that its beneficiaries' and accredited network's information is always safe and protected. The Company also has in-house policies which orient employees to adopt the best practices.

To abide by the requirements of the General Law of Data Protection (Law No. 13.709/2018), the Company started assessing the data generation and storage processes under its responsibility. This analysis encompasses data traffic and its conformity with security guidelines, ISO 27.001 and the latest ISO 27.701. The Company's agreements are also analyzed so that to measure eventual risks and vulnerabilities when dealing with internal and external stakeholders' data. The 2020 calendar of activities foresees a phase of awareness and training for OdontoPrev's employees.

For the past five years, the Company has been maintaining the Information Security Management Program and has mature and well-structured data security processes, facilitating its conformity with new legal requirements. Information security and data privacy are supported by the Information Security Commission, a joint committee, which holds monthly meetings and is composed of executives heading the administrative and financial, information technology, human resources, legal and compliance, and internal audit areas.

One of the objectives of the Program is to ensure that personal data and electronic dental records are duly protected throughout the stages of treatment. Records are replicated in a distinct physical location to assure their availability and retrieval. Besides protecting data, the remote site allows continual system operation in the event of unavailability of main data treatment site.

Strategy and Businesses

GRI 102-2

OdontoPrev offers dental plans and solutions to appropriately meet the needs of each beneficiary, in terms of costs and services scope. The Company develops customized plans for corporate clients, with differentiated and high-quality dental services. Plans vary for SMEs and individuals, and users can choose the plan which best suits their needs.

Brands

Strategic partnerships and the strength of its brand reputation contribute to the Company create value and uphold its leadership position in the dentistry sector.

OdontoPrev

The brand that serves the group's largest number of beneficiaries, including corporate clients and SMEs. Pioneer in collective plans, its differential is the Multifunctional Service Cells.

Prívian

A prime dental care solution that provides tools that allow free choice of dentists. Focus on highly demanding, very sophisticated corporate clients.

Rede Dental

With cutting-edge business management technology, Rede Dental serves companies of varying sizes and segments located in the State of Minas Gerais.

Odontoserv

A dental care company operating in the Northeast region, with focus on orthodontics, mainly dedicated to the individual segment.

BB Dental

BB Dental is a joint venture between OdontoPrev and BB Seguridade (which positions itself in the market through the brand BB Seguros), distributing exclusive dental plans across all channels of Banco do Brasil's system.

Odonto System

The merger of Odonto System, in January 2019, represents an opportunity for OdontoPrev complement its dental plan portfolio, especially in the Northeast region. Such complementarity is verified due to different pricing characteristics, services model and brand positioning.

Services

OdontoPrev has subsidiaries or is a minority shareholder at companies operating in other areas within the dentistry value chain, such as software, equipment, and materials for sector's professionals, namely:

Easy Dental

- A subsidiary of OdontoPrev Serviços, it develops and licenses software and computer programs that manage dental offices and dental plan operators. [Click here](#) for more information.

Dental Partner

- A subsidiary of OdontoPrev, it sells at wholesale and retail, dental products and materials, sanitizers, pharmaceutical supplies, and related products, at competitive prices. [Click here](#) for more information.

Grupo Papaiz

- It holds an interest in clinics of dental radiological images, jointly controlled with Grupo Fleury. [Click here](#) for more information.

Boa Consulta

- Independent platform for online scheduling of doctors and dentists. As a minority shareholder, OdontoPrev maintains a partnership, so that its clients can make an appointment through the electronic app. [Click here](#) for more information.



Non-Corporate and Corporate Plans

Market segmentation makes it natural to expand and multiply OdontoPrev's dental plans through its distribution channel. The Company's strategic planning foresees the diversification of these channels and their continual specialization.

OdontoPrev's position is to prioritize the non-corporate segment, which includes small and medium enterprises (SMEs) and individual plans. This market segment poses attractive characteristics from a commercial viewpoint, such as the higher average ticket, lower number of competitors, accelerated growth in relation to the corporate segment, and higher contribution margins.

The products targeting the non-corporate segment raise relevant barriers to the entry of new competitors, since the operation in this market requires scale and quality of distribution; management of the credit risk of small or individual clients; ability to minimize the risk of adverse selection, and management technology.

OdontoPrev is the leader in this segment and ended 2019 with 1.1 million SMEs and 1.0 million individual beneficiaries. Since 2014, revenue from SMEs and Individual Plans has recorded 165% growth, CAGR of 22%, net revenue surged from 25% to 42% in 2019, increasing the average ticket, reducing the loss ratio, and potentializing the Company's exclusive banking distribution channels, in lower competition market niches.

Corporate plans

While it increases its share in the non-corporate plans, OdontoPrev's corporate segment also represents its commercial pillar. At the end of 2019, the Company offered 501 different dental plans and recorded 5.2 million corporate beneficiaries.

OdontoPrev sustains a level of excellence in the ANS Qualification Program, for the 10th consecutive year

The Company sustains a level of excellence in the Supplementary Health Performance Index (IDSS) of the ANS Qualification Program, achieving the best score among dental operators in 2019.

Through Operators Qualification Program, the ANS yearly evaluates the operators' performance and qualification, based on four issues: health quality and attention, guarantee of access, sustainability in the market, process management, and regulation. Under this program's criteria, evaluation scores vary from 0.0 to 1.0. In 2019, OdontoPrev hit the maximum index, between 0.80 and 1.00.

This achievement reflects the care and attention to more than 7 million beneficiaries, confirming the Company's excellence and quality of services rendered.

Distribution Channels

● Large corporations

● Small and medium-sized enterprises

● Individuals



Internal sales teams

Direct sales.



Banking platforms

Exclusive sales channels through Bradesco and Banco do Brasil via Bradesco Dental and BB Dental brands.



Medical organizations and healthcare plans

Commercial agreements for distribution of dental plans through medical-hospital operators.



Internal sales teams

Direct sales.



Banking platforms

Exclusive sales channels through Bradesco and Banco do Brasil via Bradesco Dental and BB Dental brands.

Medical organizations and healthcare plans

Commercial agreements for distribution of dental plans through medical-



hospital operators.



Own call center

Rede UNNA

GRI 417-1

Rede UNNA is OdontoPrev's accredited network brand, which adopts an exclusive relationship model with over 31,000 surgeon dentists, throughout the country, obtaining a unique level of satisfaction and recognition in Brazil's health sector.

The network is mainly composed of professionals with graduate specialized studies, and on average, three-year professional experience. In 2019, 8.8 million treatments were performed, 25.3 million procedures, 573,000 surgical procedures and over 308,00 babies and children were assisted.

The Company maintains a relationship with the accredited network through events (check in the box), communication vehicles, and technological innovation. The magazine Conexão UNNA publishes scientific articles and is distributed quarterly to the entire accredited network of dentists, in 2019, it received a new layout, thus, becoming more attractive for the reader.

OdontoPrev also maintains employees as field consultants, i.e., surgeon dentists who maintain direct contact with the accredited network of professionals, visiting them regularly. After the dentist being accredited to the network, the consultant explains all the information necessary on procedures and functionalities, such as apps and website. Consultants receive continual training to keep abreast of OdontoPrev's internal procedures, the sector's trends, and novelties. External consultants also receive support via telephone or the Internet, from internal consultants, also surgeon dentists who are available in OdontoPrev's headquarters or branches.

In 2019, the Company intensified virtual contacts with the network, using digital platforms to maintain close and frequent contact with accredited dentists. In 2019, accredited dentists received 51,000 visits, 12% higher than in 2018, divided between 30,000 on-site visits and 21,000 virtual visits (+45%).

The loyalty program is one of the benefits offered by OdontoPrev to its accredited network, wherein dental treatments add points that allow exchanging with dental materials. Dental Partner distributes and delivers materials, at no cost to accredited dentists. Also, in 2019, dental products were made available for sale, at competitive and more attractive prices than those offered in the market, evidencing OdontoPrev's care and concern with facilitating the daily routine of its accredited network.

Procedures	2017	2018	2019	Δ 2018/2019
Elective procedures				
Treatments	7,853,436	8,413,214	8,811,196	4.7%
Procedures	24,593,708	24,826,448	25,392,433	2.3%
Beneficiaries assisted	6,529,433	6,905,883	7,187,829	4.1%
Surgeries				
Surgical treatments	310,105	318,557	331,486	4.1%
Surgical procedures	544,715	552,898	573,718	3.8%

Procedures	2017	2018	2019	Δ 2018/2019
Beneficiaries assisted	290,443	297,953	308,967	3.7%

7th International Rede UNNA Forum gathers 220 surgeon dentists

The 7th edition of the event took place on April 5 to 7, at Praia do Forte (BA), and gathered 220 surgeon dentists, who had the opportunity to get together, exchange experiences, and acknowledge outstanding dentistry professionals.

The Forum's scientific schedule maintained its excellence with a team of lecturers who discussed trends, techniques, innovations, and the future of our profession. Dental aesthetics, today, a trendy issue in the sector, on the verge of art and science, was one of the themes discussed. Novelties were also introduced on aesthetic rehabilitations and periodontics. The audience was stimulated to think about these new paradigms, in a presentation which showed the challenges of the digital era and the surgeon dentist's new profile.

- **220** surgeon dentists
- **171** new participants
- **119** municipalities represented
- **20** Brazilian States + Federal District
- **2** countries (Brazil and Mexico)

Rigorous quality control

OdontoPrev's business model is focused on the excellence of the services provided. To ensure the desired standard, a team of specialized dentists focuses on analyzing and supporting the accredited network's activities.

SENDING OF DOCUMENTS

The accredited network sends to OdontoPrev electronic images and documentation of services rendered.

DIGITALIZATION

The Digital Convergence Department digitalizes all the images received. The digitalization equipment was developed internally by OdontoPrev, meeting the Company's special needs to capture a high quality of radiologic exams.

EVALUATION

The Quality Management Department evaluates all dental treatments conducted by the accredited network. All auditors receive training so that analyses are standardized and classified in accordance with guidelines defined.

STANDARDIZATION

When the treatment does not reach desired standards, the accredited dentist is contacted, so that the dental procedure is reviewed, at no cost to the client.

TRACEABILITY

Evaluations are registered in the track record of patient and dentist.



Quality standard reinforced by the performance of the Clinical Audit

Innovation & Technology

1. 81 projects in our portfolio
2. 35 projects delivered

Technological transformation is constantly challenging companies to reinvent themselves and monitor its speed. Thus, one of OdontoPrev's decisions was to evolve the organization and manage projects to adopt a structured management policy.

In 2015, the Projects Office was created, which enabled us to analyze and understand the use and application of methodologies, firstly focused on governance. In the next two years, the Company consolidated and measured indicators to monitor the results and impacts of this new model. Gains seen in governance, visibility, and predictability were noteworthy, but the impact on the project's execution time and delivery of innovations called our attention.

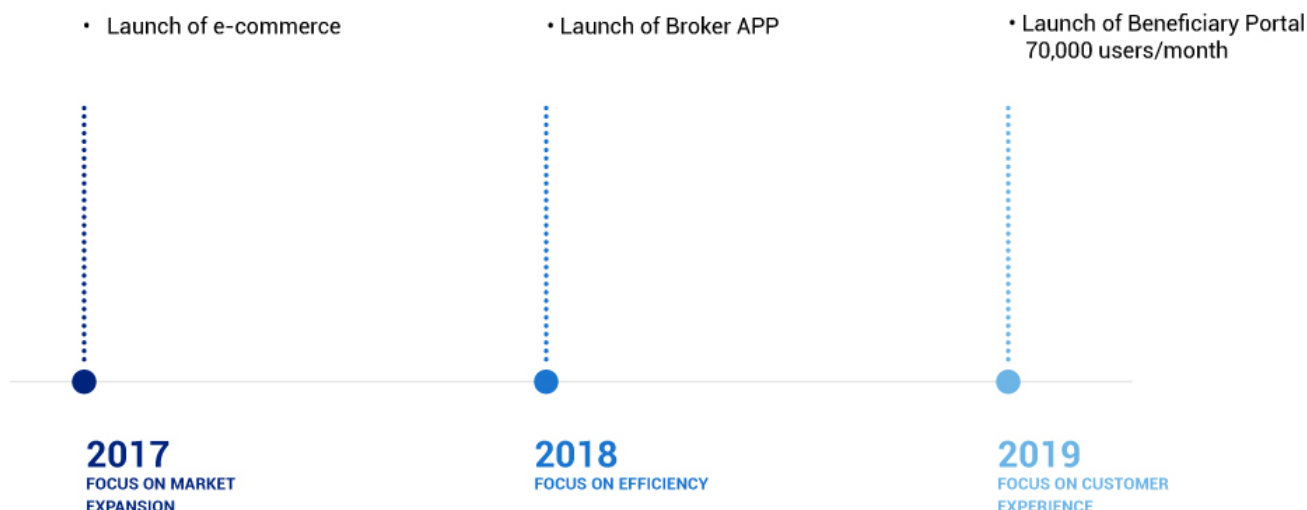
Pursuing innovation, we conducted a pilot test in 2017, applying the agile methodology in a project to build a new e-commerce portal. Targets and KPIs were successfully achieved and the project became operational within four months, compared to 18 months, should the waterfall method were applied. Online sales tripled after its launch, compared to the previous year.

In 2018, this methodology was expanded to four teams who worked in different projects, including new professionals to replicate the model. In the period, the Broker App and the beneficiaries' self-service pilot were launched.

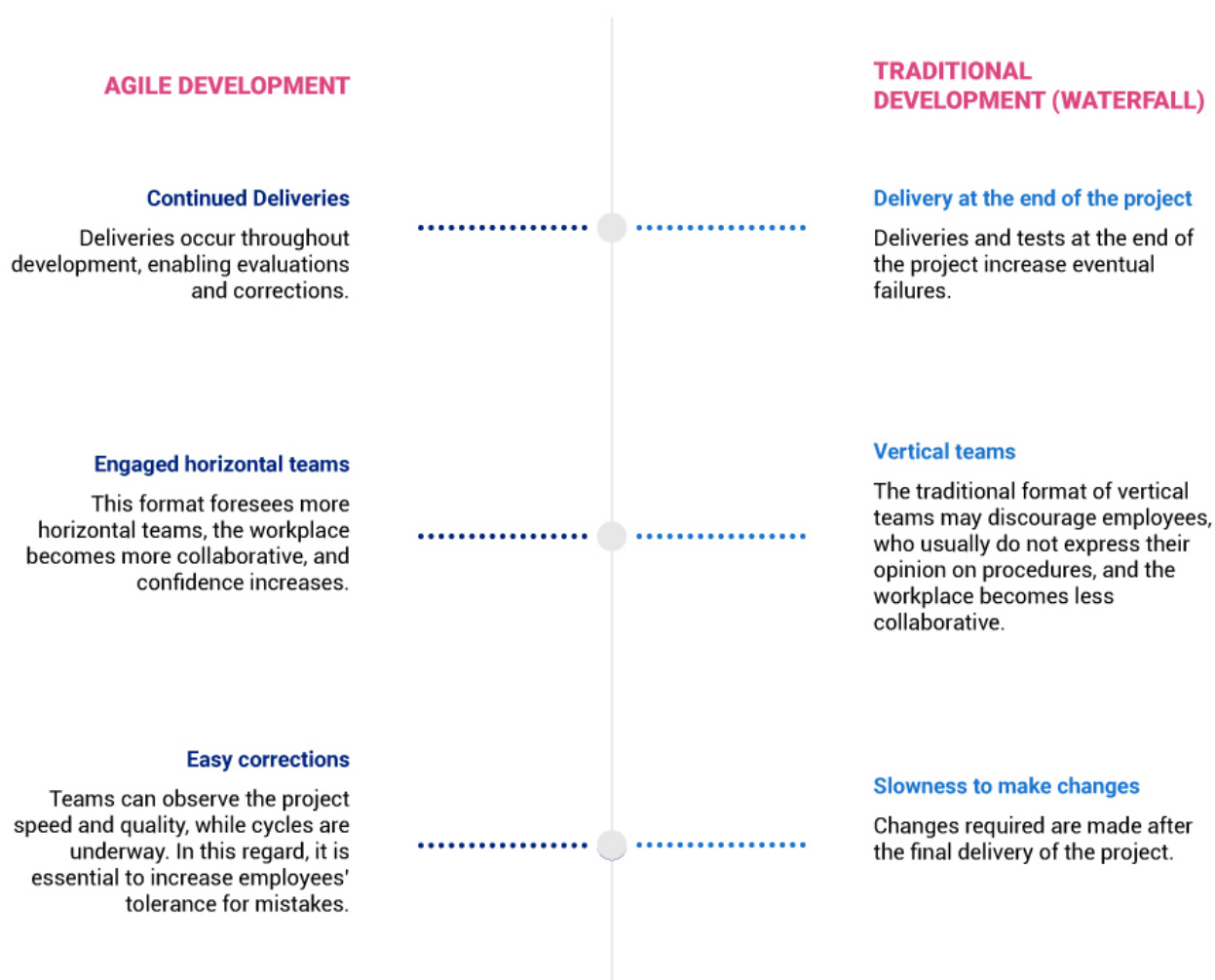
In early 2019, 54% of projects developed by Projects Office applied this method and 100% at the year-end. This methodology replaces the traditional waterfall model, enabling quicker, assertive deliveries, and multidisciplinary teams. In 2019, OdontoPrev had 15 teams working with the agile method and we expect that this model continues escalating internally, and creating facilitators, thus, resulting in quality and rapid deliveries towards total agility.

This capacity of innovation allows OdontoPrev to create value to its business model, improve customer experience, contribute to increase operational, social, and environmental efficiency, and become a competitive advantage in the sector, with a disruptive portfolio of products and services. OdontoPrev's innovation path has three stages: new business expansion, efficiency, and focus on the customer experience. In 2019, OdontoPrev advanced in innovation and digital vehicles to provide greater efficiency to its processes and offer better experiences to its beneficiaries.

Milestones of technological development at OdontoPrev



Agile development x Traditional (waterfall)



Get to know key projects developed in 2019:

• Beneficiary Portal

Launched in 2019, the Client New Portal (beneficiary) seeks to facilitate and make information

and services more accessible to OdontoPrev's clients. The self-service includes information on the beneficiary's dental plan (coverage, card, grace period, status), consultation of dentists accredited network, and services, such as a second copy of the bank slip and reimbursement request.

- **Collection processes automation**

In 2019, OdontoPrev improved and automated its collection process, making it more efficient, after RPA expansion (Robotic Process Automation), a digital tool launched in the previous year. The RPA assists in tasks with high-repetition-rate and intensive use of labor, thus, assigning teams to more strategic activities.

- **Digital GTO (Dental Treatment Information)**

Each of 700,000 dental monthly treatments has a GTO (Dental Treatment Information). In 2019, records became digital in OdontoPrev's clinics. The digitalization contributes to reducing paper consumption, and provides quicker services, enhancing accredited dentists and beneficiaries experience. This project will be extended to the entire accredited network in 2020. Our estimate was to phase such project to the entire accredited network in 2020, but this process was accelerated, as one of the Company's actions against the coronavirus ([click here to know more](#)). Therefore, the GTO was made available to 100% of the accredited network in the first quarter of 2020.

- **Online Request (SOL) of Radiologic Exams**

Launched in 2019, the OnLine Request (SOL) of Radiologic Exams automates the procedure approval process. This solution saves 3.24 tons of paper/year and avoids the emission of CO2 in the atmosphere. Besides environmental benefits, this tool makes the process more efficient for the accredited network, at the same time, it standardizes requests and optimizes indications control. With this new solution available in the portal, beneficiaries are no longer required to submit a printed request at the Radiologic Clinics. A beneficiary only selects the place, the accredited dentist, makes his appointment, captures his/her request in the tool, checks contractual rules and may search alternative exams, or request previous authorizations, thus, avoiding surprises, dissatisfactions, or having to return to the dental office.

- **Business Intelligence applied to Quality Management**

This project foresees the application of artificial intelligence to expedite and provide greater efficiency to assessments made by OdontoPrev's Quality Management, which assesses that 100% of dental treatments were provided by accredited dentists. The use of technology allows dentists to focus on the technical analysis of treatment offered by an accredited professional.

Innovation transformed into patents



Patented Digitalizer by OdontoPrev

One of the OdontoPrev's evidence of an innovative DNA is the registration since 2006 of technologies patents developed by the company. The patents registered are:

- **Digitizer:** specialized equipment that scans radiography and tomography images submitted by the accredited network.
- **Plastic x-ray plate:** used to store and facilitate the view of small x-ray images. By reformulating the plate, the company managed to reduce by 40% the use of plastic, resulting in environmental and financial benefits.
- **Rede UNNA app:** used to store and facilitate the view of small x-ray images. By reformulating the plate, the company managed to reduce by 40% the use of plastic, resulting in environmental and financial benefits.

Innovation to assist in the diagnosis of the disease

One of OdontoPrev's relevant programs with greater social impact is its partnership with the A.C.Camargo Cancer Center. These two organizations have been working together since 2017 for the early diagnosis of oral cancer, which is among the 10 most common cancers in Brazil and the 5th to affect men. When a dentist of OdontoPrev's accredited network identifies a suspicious lesion, he/she can photograph and upload the images through an exclusive app, so that A.C.Camargo specialists can render their opinion. The Rede UNNA application technology allows the dentist to photograph the patient's oral cavity with quality, at a safe distance from the mouth, without identifying the patient, thus, guaranteeing privacy and biosafety.

OdontoPitch

To foment a culture of innovation, in 2019, OdontoPrev held the second edition of the OdontoPitch program, which aims at rewarding employees who come up with innovative ideas to be implemented at the Company. In 2019, 160 ideas were registered, versus 91 in the previous year. The short-listed ones went through capacitation sessions, including a visit to InovaBra (Bradesco's innovation environment). All in all, 25 ideas were selected for the final stage, which consisted of a presentation to the board of executive officers. Out of these, five won and each one received an award of R\$2,500.

Environmental Management

OdontoPrev's environmental management focuses on four key aspects: energy, water, GHG emissions, and waste management. To address these topics, the Company adopts an approach consisting of reducing consumption through awareness campaigns and more efficient technologies; reusing or recycling when possible; and measuring the impacts to mitigate them with environmental compensation programs.

GHG emissions

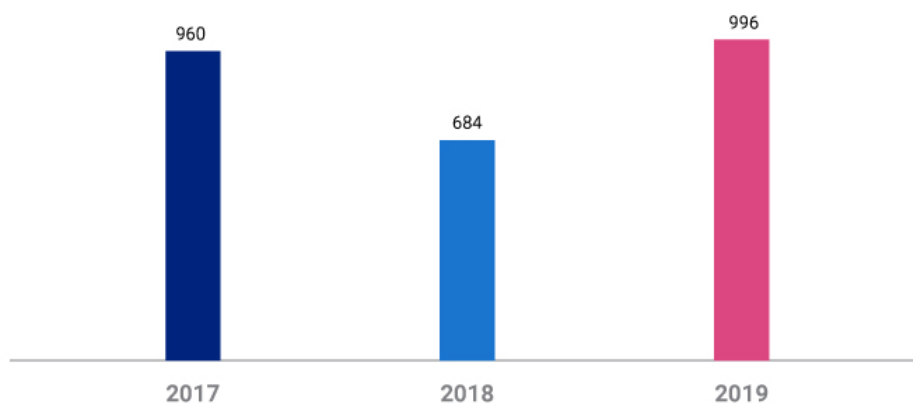
GRI 305-1

Increased GHG in the atmosphere is one of the critical factors of the climate change process. Committed to measuring and reducing its environmental impacts, OdontoPrev conducts rigorous management of these gases emissions through the GHG inventory, which in the section referring to Scope 1 (the company's emissions), OdontoPrev recorded emissions occurred in its headquarters, referring to the following factors: diesel combustion from electricity generator; extinguisher gases; and building effluents. In 2019, 54 tons of CO₂e were emitted (Scope 1), 31% less than in 2018.

Concerning Scopes 2 and 3, the inventory measured emissions associated with electricity, air, and land travels. In 2019, OdontoPrev recorded the emission of 943 tons of CO₂e (Scopes 2 and 3), 55% higher than in 2018. Overall, OdontoPrev's operations emitted 997 tons of CO₂ in 2019, 45% higher than in the previous year, on the back of more frequent travels, due to the merger of Odonto System. The Company continuously acts to reduce its emissions, improve its performance through eco-efficiency innovation and dissemination of the conscious consumption concept. The effects of implementing the Quality Office Program ([click here to know more](#)) should be seen as from 2020, in view of employees' home office and home-based work.

Since 2008, OdontoPrev has also been relying on the assistance of a specialized environmental consulting firm, which monitors emissions and maintains a Carbon Neutralization project, in which CO₂ removals surpass the Company's emissions by approximately 20%.

CO₂e (t) emissions



Successful environmental management: CO₂ removals surpass emissions



Employees and family members in the tree planting event in 2019: Andressa Ribeiro, Felipe Martins and Wagner Gomes.

OdontoPrev relies on the assistance of an external environmental consulting firm to monitor the emission of carbon deriving from energy consumption, its employees' land or air travels, and fleet fuel. Based on calculations, the consulting firm quantifies the number of trees to be planted, so that to neutralize carbon equivalent and offset GHG emissions.

Since the project's inception, 13,300 trees were planted, currently, our CO₂ removals surpass our emissions.

In 2019, the Company's employees, family members and the neighboring community of Parque Gabriel

Chucré, in the city of Carapicuíba, close to OdontoPrev's headquarters gathered on the Tree Day (9/21) to plant seedlings, each two-meter height. The Company also guarantees seedlings to remain healthy.

This event included kids and pet spaces, and a presentation of the Philharmonic Orchestra Jovem Boa Vontade, from Legião da Boa Vontade (LBV).

The tree planting event was a partnership with the State Environmental Department, which provides pleasant leisure and green area for the local community, also relied on the participation

of OdontoPrev's employees.

Waste Management

GRI 306-2

OdontoPrev's practices to treat waste include recycling of office supplies, old equipment, such as computer monitors, keyboards, and booklets. Other materials with a significant volume include plastic cups and sulfite papers. All A4 paper acquired derives from reforestation and certified.

The waste produced at OdontoPrev's headquarters is directed to an outsourced recycling company, which maintains duly updated the Cadri (Certificate of Environmental Interest Waste Movement), issued by Cetesb (Environmental Sanitation Technology Company of the State of São Paulo). Cadri is a certificate that approves the transportation of environmental interest waste for reprocessing, storage, treatment, or final disposal.

Besides recycling, the Company conducts awareness actions and adopts measures to reduce waste generation, such as the inclusion of passwords in the printer's system, thus, avoiding waste.

Waste Management	2017	2018	2019	Δ 2019/2018
Paper disposal (kg)	7,882	3,117	4,104	31%
Plastic disposal (kg)	2,793	3,344	3,656	9%
Aluminum disposal (kg)	323	58	138	137%
Glass disposal (kg)	154	24	4	-83%

Energy efficiency

The condominium, where the company's headquarter is located at, is equipped with several technologies that contribute to minimize the use of natural resources. One is the intelligent air-conditioning and exhaust system, which reduces the amount of equipment connected outside of peak times when there is less demand. Another important solution is an internal plant, which is regularly active at night to generate sustainable resource optimization.

In 2019, OdontoPrev carried out the Quality Office Program, revisiting the company's layout and thereby contributing to the improvement of energy efficiency. Likewise, the reduction in energy consumption was favored by the initiatives implemented in the previous year, such as the installation of motion sensors in all rooms and corridors and limited the use of equipment according to the schedule - the monitors began to switch off when they are no longer being used. In addition, it replaced the fluorescent and incandescent lamps of all floors by LED, more efficient.

OdontoPrev has also invested in raising awareness on the rational use of natural resources. Considering all these initiatives, energy consumption in 2019 had a significant drop compared to the previous year. Total consumption was 879,392 kW/h, a decrease of 12% compared to 2018.

Energy consumption (kWh)	2017	2018	2019	Δ 2019/2018
	1,388,000	1,003,370	879,392	-12%

Water consumption

The OdontoPrev headquarters building has a Sewage Treatment Station (ETE), in which the water is treated to be reused in the irrigation system of the building green areas, for sanitary purposes and as a firefighting reserve.

The process of water treatment in TEE is effective. During recycling, about 25% of the water is lost by evaporation, and practically everything else is reused. Of the total water used by OdontoPrev in 2019, 60% is recycled and reused. Waste sludge from sewage treatment is properly discarded.

Control of water consumption is done by the condominium, which sends a monthly report to monitor expenses and identify possible problems, such as leaks. In 2019, 8,023 m³ from public supply were consumed, a decrease of 19% compared to 2018.

Water consumption (m ³)	2017	2018	2019	Δ 2019/2018
	7,986	9,922	8,023	-19%

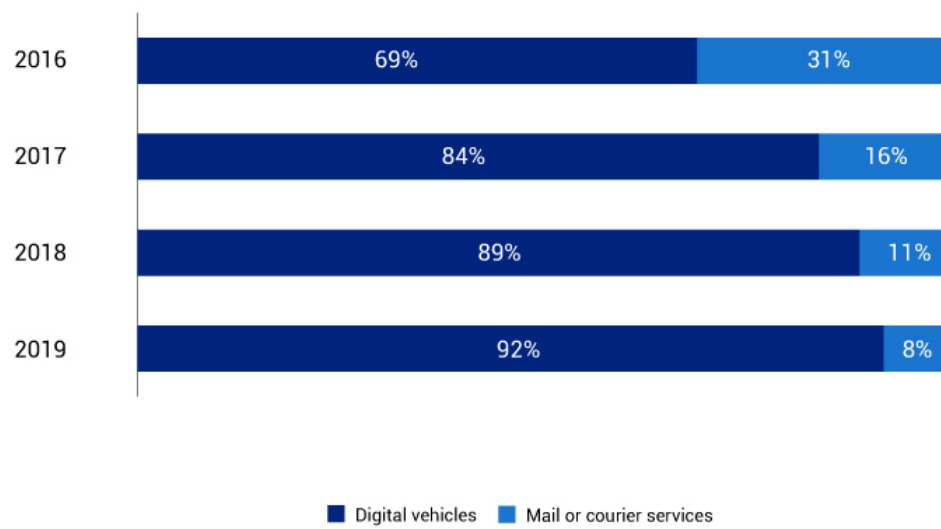
Support to the accredited network

OdontoPrev's concern with impacts on the environment is not only restricted to the activities directly performed by its teams at the headquarters. The Company created tools and processes to save natural resources also in the accredited network's activities. One of the initiatives is offering resources to stimulate the involvement of surgeon dentists in actions to reduce energy and radiologic materials consumption, besides decreasing GHG emissions.

The Rede UNNA app, the Digital File, the Rede UNNA Portal, and the Uploader of radiologic images contribute to such reduction. These platforms allow transferring and storing images and exams, besides digitally maintaining patients' treatment information.

Another initiative is the recycling of amalgam, a restorative material used by surgeon dentists, composed of heavy and toxic metals, such as mercury and silver. Aware of the relevance of recycling this material, OdontoPrev maintains a partnership with the University of São Paulo (USP) and the accredited network of surgeon dentists to develop new treatment technologies and replace amalgam with other materials. Since the project's inception, in 2005, approximately 3,100 surgeon dentists sent 18 kg of amalgam, and nearly 8 kg of mercury and silver were recycled.

Percentage of images received by analog and digital channels



Social Management

Concurrently with environmental management programs, OdontoPrev carries out several social actions, employing its expertise and mission in the Dentistry sector to support socially vulnerable people and communities. This is the case of dental plans availability through social partner organizations; the innovative program that proactively identifies suspicious cases of oral cancer, in partnership with the internationally renowned A.C. Camargo Cancer Center; the qualification of facilitators who disseminate information on oral health in deprived communities; its partnership with NGOs, such as Operação Sorriso and projects, such as Apolônias do Bem, Turma do Bem, besides other relevant projects for the communities in which the Company operates. In 2019, OdontoPrev supported 20 institutions in the States of São Paulo and Rio de Janeiro, which assisted 6,800 children. Among the institutions, 15 of them have been receiving support for more than 20 years.



In November 2019, OdontoPrev held the campaign “Black Friday do Bem” – for each dental plan sold, another cost-free treatment was donated to Tide Setubal Foundation –, complementing the Company’s support to this institution since 2007, totalizing over 500 people benefited.

As part of the action, OdontoPrev donated 112 dental plans to children and adolescents in the east area of São Paulo assisted by the Tide Setubal Foundation, which focuses on reducing inequalities and the sustainable development of São Paulo’s suburbs. The ceremony to deliver dental plans included a lecture to teach children and parents about dental hygiene.



Lecture on oral health and brushing at Tide Setúbal Foundation's Shed - East Side of São Paulo

Complementing all these initiatives, OdontoPrev promotes prevention campaigns, which disseminate the importance of good habits to prevent dental problems through playful activities and correct toothbrushing. This action targets children and adolescents of communities served by OdontoPrev.

OdontoPrev supported the “Virada da Virada”, a volunteering action marathon which took place in São Paulo, between November 22 and 25. All the income generated from tickets sale was reverted to Turma do Bem and GRAACC projects. Ten accredited dentists were invited to take part in this event and OdontoPrev offered discounts to all network professionals intending to

participate. The participants of “Virada da Virada” also could visit the photo exhibition of the Apolônias do Bem program, showing the before and after of dental treatment offered to 20 women, victims of domestic violence.

The Apolônias do Bem Project was created by Turma do Bem in 2012 and relies on OdontoPrev’s support. Those patients with dental problems to impact life quality, social vulnerability index, and potential employability are selected. The Apolônias do Bem Project is recognized by the United Nations for Gender Equality and Women’s Empowerment (UN Women), also participates in UNA-SE for the end of violence against women, a campaign of former UN Secretary-General, Ban Ki-moon.

Besides campaigns focused on society’s dental health, the Company maintains initiatives to stimulate employees’ engagement and solidarity. In 2019, five volunteering actions were promoted, mobilizing 98 employees.

Through the Winter Clothing Campaign held in 2019, clothes were collected and donated to five charitable institutions. OdontoPrev’s volunteers also participated in actions that delivered chocolates to deprived children at Gol de Letra Foundation, in São Paulo.

OdontoPrev also donated pieces of furniture or sold them and the money raised was donated to charitable institutions; this initiative was possible thanks to the implementation of the Quality Office Program ([click here to know more](#)).



Odontotalks: Volunteering enabled employees to share experiences

Aiming at fomenting a culture of volunteering, OdontoPrev, on December 5, date which celebrates the International Volunteers Day, hosted an event for its employees, composed of discussion panels and lectures on this topic. The event Odontotalks: Volunteering, relied on the presentation of few institutions supported by the Company, such as Turma do Bem and Movere Institute; also, few employees participated in conversation circles where they could talk about their experiences and what they learned with volunteering actions.

As a way to support the neighboring community and reaffirm its commitment to making accessible a quality dentistry, in 2019, OdontoPrev donated a dental office to the Women Department of Barueri. The Company donated the structure necessary to operate the dental office and services will be provided, at no cost.

Employees Management

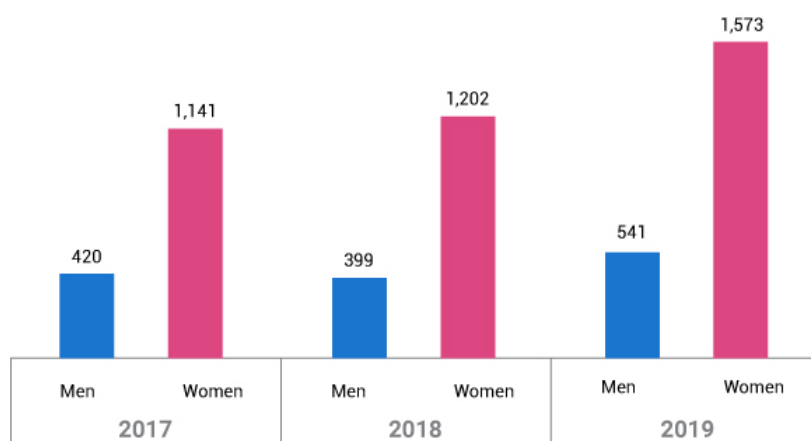
GRI 102-3, 102-7, 102-8, 102-41, 202-2, 405-1

The Company ended 2019 with 2,098 employees, of which 1,990 are permanent employees 108 are temporary workers, composed of trainees and apprentices. Most of the team is concentrated in the Company's headquarters, in the city of Barueri, metropolitan region of São Paulo.

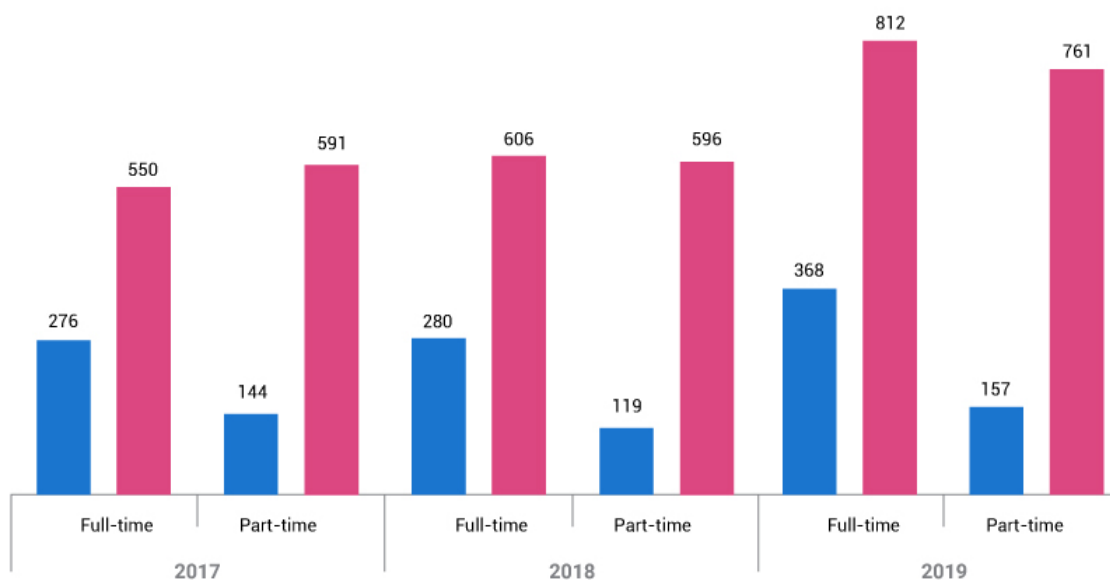
All in all, 52% of leadership positions were held by women, which evidences OdontoPrev's commitment to promoting gender equality at the workplace.

In 2019, 65 women professionals were on maternity leave – out of this figure, 61 returned to work after leave, therefore, the retention rate was 93.4% upon return. Taking into account that professionals during 2019 completed 12 months after returning from leave, the permanence rate was 86.5%. In 2018, 37 women employees were on maternity leave, and in 2019, 32 of them completed one year of return.

Total employees by gender



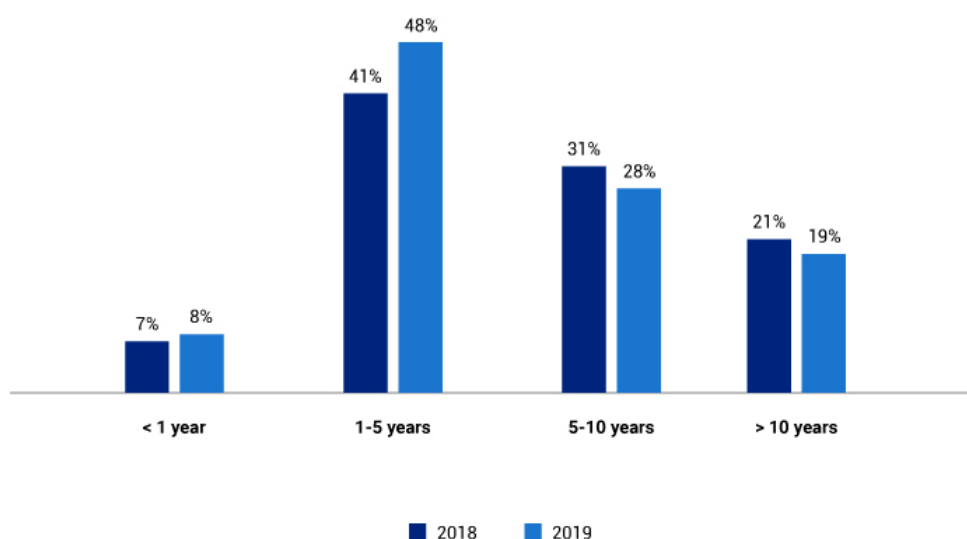
Total employees by working hours



Men Women

Total employees by working hours	2017		2018		2019	
Back office	Men	21%	Men	19%	Men	20%
	Women	79%	Women	81%	Women	80%
Support	Men	23%	Men	21%	Men	22%
	Women	77%	Women	79%	Women	78%
Specialist	Men	33%	Men	32%	Men	33%
	Women	67%	Women	68%	Women	67%
Management	Men	32%	Men	32%	Men	32%
	Women	68%	Women	68%	Women	68%

Total employees by working hours



Division of employees by gender

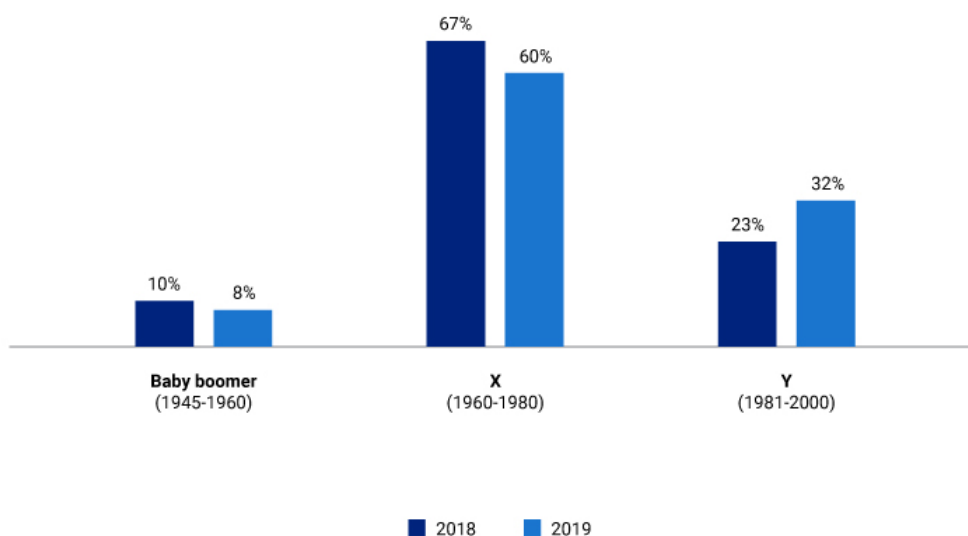
48%



52%

The percentage of the lowest salary practiced by the Company stood at 121% above the minimum wage as of December 31, 2019, for female and male genders.

Division of employees by generation



Trainee and Young Entrepreneurs Program



2019 Young Entrepreneurs: Gustavo Fornazieri, Marcela Peretti and Estevam Silva

OdontoPrev also invests in young talents' access to the labor market. One of the initiatives is the Trainee Program, a specific partnership with the University of São Paulo. Besides dental students, this program foresees opportunities to students from other courses, such as Business Management, Law, Marketing, Psychology, and Information Technology.

The Young Entrepreneurs Program is another initiative, a recruiting and development one-year program for recently graduated students. This action encourages participants to develop a systemic and comprehensive vision of OdontoPrev. Youngsters participating in this program conduct multidisciplinary projects, they are stimulated to take part in strategic decision-making processes and ended the cycle ready to assume responsibility positions, such as senior analysts and consultants. In 2019, 3 recently graduated students joined this program. Since its inception, in 2010, 36 youngsters were hired, 20 of them remain in the Company (55% retention) – some of them holding managerial positions.

Development and training

GRI 404-1

OdontoPrev promotes training courses and actions concerned with employees' qualification and development of technical or behavioral skills so that they are capable of achieving their individual goals, which are linked to the company's targets.

Every year, the Training Needs Diagnosis (DNT) methodology is applied, in which all managers complete a form, with training requests for each employee of their team, indicating which characteristics should be developed by employee and expectations concerning professional's deliveries and behavior after the training. Requests are prioritized and divided into internal training courses, which will be conducted by OdontoPrev, or external courses, relying on the support of consultants, lecturers, or education institutions. Each manager conducts an individual evaluation of his/her team's results.

In 2019, several training courses were offered to employees, addressing behavioral aspects, such as time management, financial intelligence, and logical reasoning, besides technical aspects, such as project management, CRM, and presentation techniques. In 2019, OdontoPrev renewed the mandatory courses for all employees: Code of Ethical Conduct, Sustainability, Quality Office, and Competencies Evaluation.

The Company promotes on-site and online training courses through OdontoPrev University, a distance education platform, with a portfolio composed of several personal and professional development contents. In 2019, new functionalities were built into OdontoPrev University, such as forums of discussions, gamification, and rewards. Concurrently with the Life Quality Program, the University also maintains contents concerned with this topic, such as lectures and guidance on health, well-being, and life quality. Besides its courses, the OdontoPrev University combines platforms of renowned institutions offering courses, so that to complement its employees' learning.

Facilitators League

A training program conducted by employees with a broad understanding of a specific issue. In 2019, 15 professionals participated as facilitators, sharing information on design thinking, investments, and the use of Excel at intermediate and advanced levels.

HR Round Table

The HR Meeting Round Table relies on the participation of HR managers of Brazil's largest companies. The objective is to share market trends, exchange experiences, and present cases.

Leadership Program

Launched in 2019, this online program is available to all leadership levels, focused on people management internal processes (competencies evaluation, fine-tuning, and corporate education).

Language courses

Incentive program which foresees a reimbursement of up to 70% monthly tuitions

Training workload (hours)	2017	2018	2019
Management	4,930	2,831	4,706
Specialist	8,650	7,715	4,790
Support	4,840	4,681	2,492

Training workload (hours)	2017	2018	2019
Back-office	19,857	13,610	14,674

Performance Evaluation

OdontoPrev invests and measures employees' development in different ways:

- **Evaluation of Individual Goals:** individual goals are developments of corporate targets, yearly contracted by all employees (except for apprentices and trainees). The evaluation takes place twice a year, and it is an assumption to receive the Profit Sharing Program bonus (PPR). Targets achievement is evaluated jointly with each employee's manager and verified through a performance management system. In August 2019, 83% of employees had their goals evaluated (considering the employees' base of that month).
- **Competencies Evaluation:** The Company has six corporate competencies driving the behavior expected by it to achieve strategic targets. Competencies are measured once a year through a performance management system. Evaluation is based on the 360º model, in which the employee is evaluated by the manager, by pairs, by subordinates and internal clients, besides a self-evaluation. In October 2019, 83% of employees underwent competencies evaluation (considering the employees' base of that month).
- **Individual Development Plan:** after the cycle of performance evaluations, all employees receive feedbacks and prepare their individual development plan, based on what was identified as a development opportunity.
- **Nine Box and Fine-Tuning:** from senior analyst positions, OdontoPrev adopts the Nine Box methodology to identify talents, elaborate succession plans, analyze aspects, such as meritocracy and direct key professionals according to the Company's strategies. The process includes fine-tuning meetings to evaluate employees and considers the results of behavioral evaluation and deliveries, and evaluations to measure potential.

Quality Office



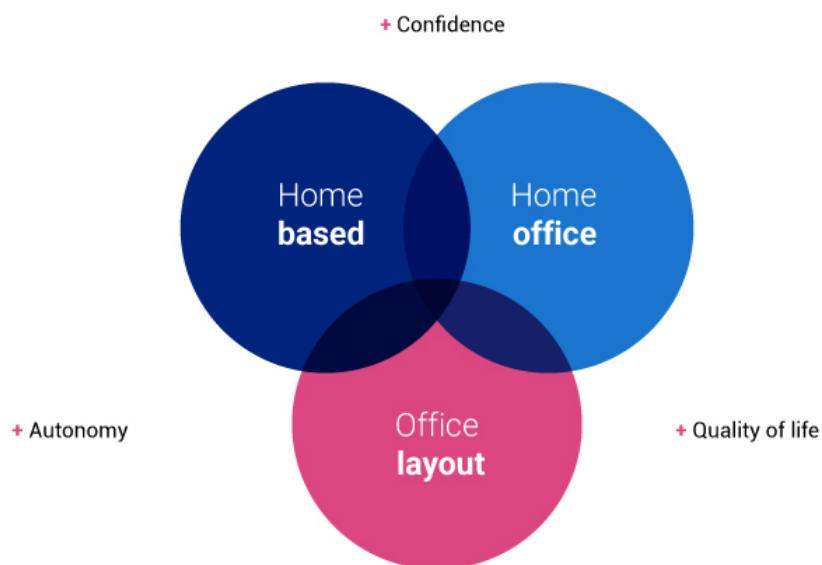
One pillar of the Quality Office Program was the redesign of the office layout

The Quality Office Program, effective since 2018, is structured in three pillars: home office, home-based, and change in office layout. The home office consists of remote work, once to twice/week, while the home-based means full-time remote work, with two on-site meetings/month for training and performance analysis.

All employees are eligible to the home office (except for trainees and apprentices) and benefit is voluntary, generating a greater responsibility for employee, who shall correspond to the trust conferred to him/her. The professionals of areas with very defined and standardized processes are eligible for the home-based work. This differentiation takes into account the type of job developed in the area.

Professionals receive guidelines on the Kanban methodology (to organize and monitor the evolution of tasks), ergonomics, time and space organization, and home rules to enable the home office and the home-based. Employees have a period of adaptation and are evaluated by the manager. Employees' performance increased after this program's implementation, with productivity gains and professionals' greater satisfaction.

AOdontoPrev maintains this program aiming at improving the life quality of its employees, retaining professionals, optimizing costs, and promoting a cultural change, focused on horizontalization, empowerment, and results. With this initiative, the Company also contributes to bolster urban mobility, reducing the number of people in daily commuting hours.



Diversity

OdontoPrev's Diversity Group discusses and proposes ways of making the workplace more inclusive and diverse. In 2019, the Company focused on hiring and integrating people with disabilities by executing a partnership with the Disabled People's Rights Department of Barueri to select and train professionals with disabilities. Also, awareness lectures were conducted with leaders on the relevance of this type of hiring. Besides training courses, materials were developed with guidelines on treatment, respect, and equality. All in all, nine disabled professionals were hired in 2019 to work in different areas of the Company, namely: Marketing, Information Technology, Clinical Audit, Human Resources, and Digital Convergence.

Value Relationships

GRI 102-13

OdontoPrev participates in the National Federation of Supplementary Health (FenaSaúde), an entity representing 18 groups of private healthcare operators, totaling 23 companies among 1,173 operators with active beneficiaries.

The Company is also a member of the National Union of Group Dental Companies (Sinog), an entity operating in the dental plans segment, promoting the exchange of information between members, and stimulating the discussion among operators, regulators, service providers, and population in general.

Participation in commissions and workgroups, such as FenaSaúde and Sinog allow OdontoPrev to follow relevant discussions and keep abreast of the sector's developments and trends. Members of the Company's Board of Executive Officers participate in these entities, evidencing their relevance and ensuring the unfold of issues discussed. Themes vary and include communication, ethics, sector regulation, relationship with service providers, and dental procedures.

Suppliers Management

GRI 102-9, 308-1, 414-1

In 2019, OdontoPrev's supply chain was composed of 597 entities and most contractors represented transportation, telecom, marketing, and systems development services. All supplier agreements are executed based on social and environmental criteria, good labor practices, and human rights.

An online system contacts the suppliers' chain, thus, allowing a quick exchange of information, concentration of documents into a single platform, and data traceability. The Company's Suppliers Management Policy aims at defining managerial rules and parameters and relationships with the supply chain, based on respect, transparency, integrity, and trust. Suppliers are evaluated quarterly by OdontoPrev SRM Program, through which contract managers assess the efficiency, effectiveness, innovation, and conformity with compliance rules.

Domestic Scenario, Sector Context

The Brazilian economy recorded a mild growth of 1.1%, in 2019. Despite growth for the third consecutive year, results were not sufficient to return to the level of pre-recession years. In 2019, the Brazilian economy was driven by household consumption (+1.8%), which accounted for 65% of the entire economic activity.

The unemployment average rate is still increasing, at 11.9%, but a slight improvement of 0.4 p.p. from 2018.

The dental plan segment, in turn, gained strength and grew in the number of beneficiaries. With an advance exceeding 7%, it hit the mark of 26 million lives. Despite this substantial increase, the ANS figures evidence that dental plan market penetration is still low in the country. At the end of 2019, the coverage rate reached 13% of the Brazilian population, signaling there are relevant growth opportunities for the sector over the next decades.

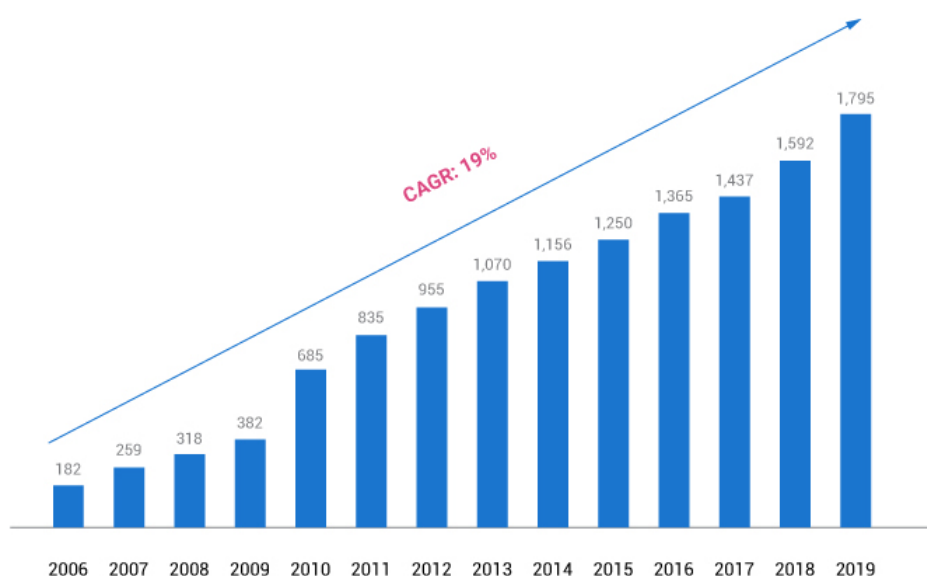
Performance in 2019

GRI 201-1

The set of results evidences OdontoPrev's unique strategic positioning, with a specialized operation in each client's segment, optimizing the capture of growth opportunities and value creation.

Net revenue grew 12.8% in 2019, from R\$1,592 million in 2018 to R\$1,795 million in 2019, with an average ticket of R\$21.13 per beneficiary/month, compared to R\$20.43 in 2018.

Evolution of Net Revenue (R\$ million)

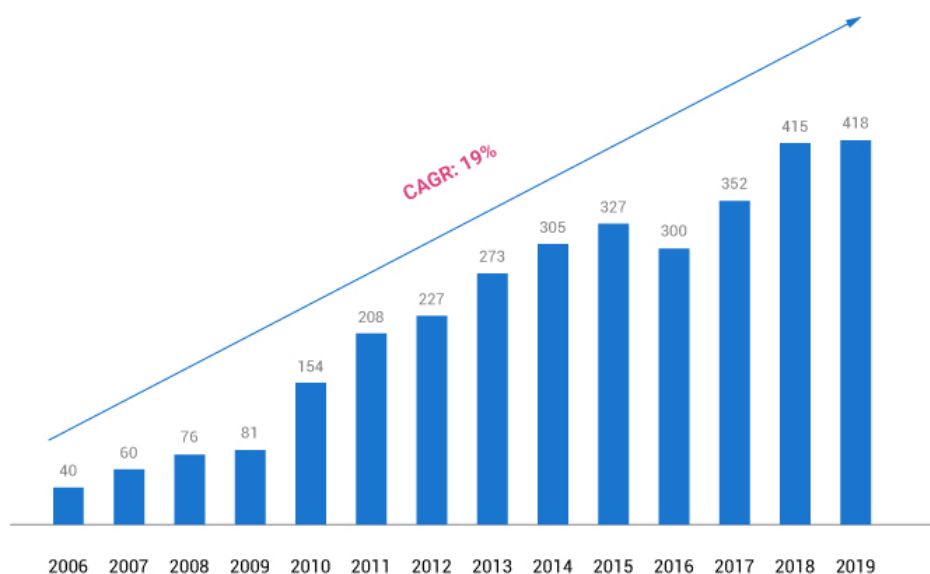


The number of OdontoPrev's beneficiaries reached 7,399,638 in 2019. The portfolio was composed of corporate clients (71%) and the remaining 29%, SMEs, and individual plans.

The cost of services accounted for 44.5% of revenue for the year, versus 44.1% in 2018. Selling and administrative expenses represented 26.6% of revenue in 2019, compared to 25.8% in the previous year.

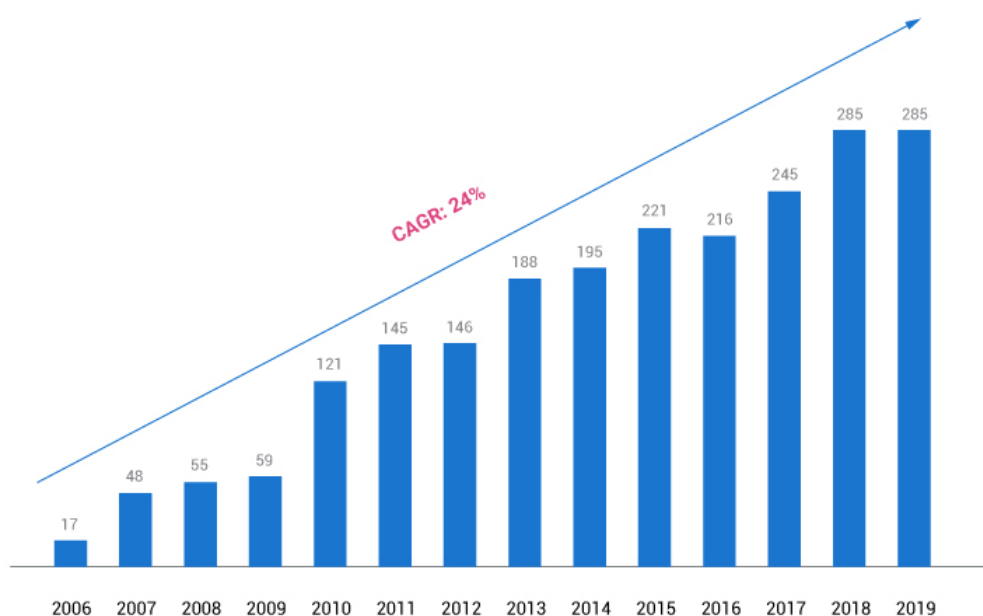
Operating cash generation, measured by adjusted EBITDA, totaled R\$418 million in 2019, 1% higher than in 2018, with a margin of 23.3%, lower than the 26.1% recorded in 2018.

Adjusted EBITDA (R\$ million)



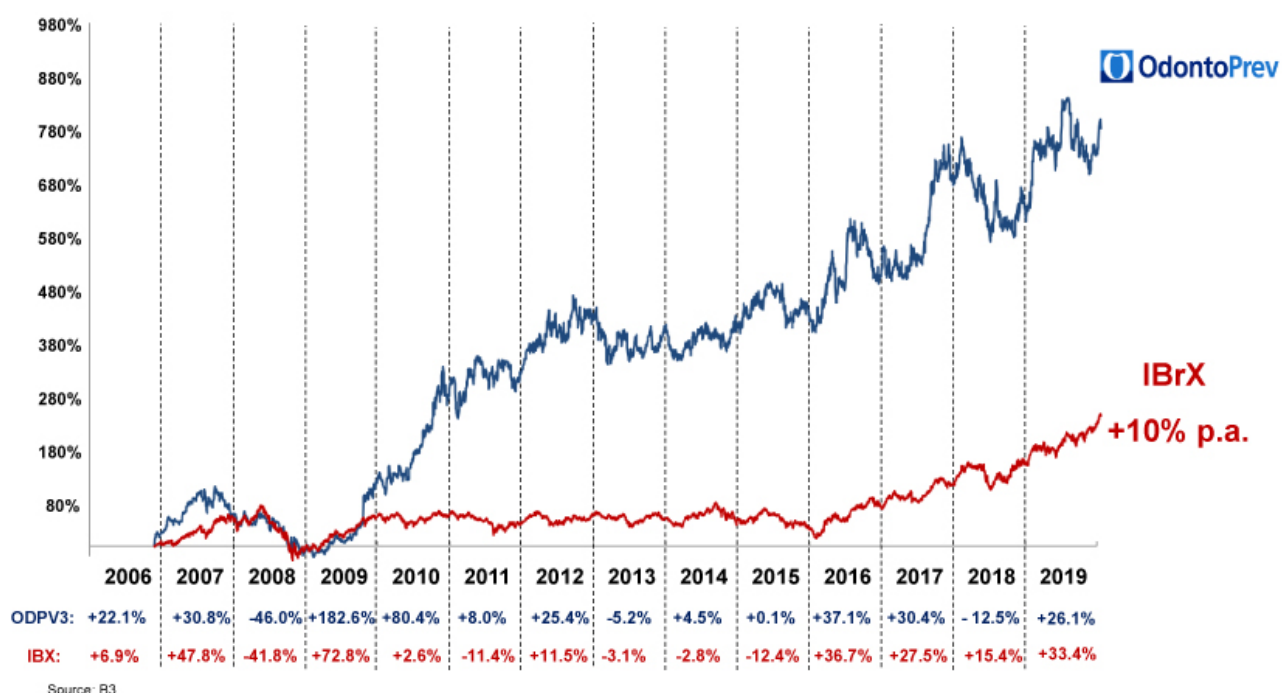
Net income totaled R\$285 million, in line with 2018, and the Company ended 2019 with net cash of R\$560 million, and zero debt.

Net Income (R\$ million)



Return to shareholders

In 2019, OdontoPrev completed 13 years of its IPO on B3's Novo Mercado, and at the end of 2019, reached a market capitalization of R\$9.0 billion. Total return to shareholders since the IPO accumulates 824%, versus 257% of IBX-100.



Value-Added Statement (VAS)

The VAS aims at evidencing the wealth generated by OdontoPrev and its distribution to the company's segments, represented by shareholders, employees, financial institutions, and government. The value distribution took place as follows:

(Reais thousands)			
Code	Account Description	01/01/2018 to 12/31/2018	01/01/2019 to 12/31/2019
7.01	Revenue	1,543,530	1,764,092
7.01.01	Sales of goods, products and services	1,600,167	1,842,530
7.01.04	Provision/reversal of doubtful accounts	-56,637	-78,438
7.02	Inputs acquired from third parties	-959,567	-1,147,633
7.02.01	Costs of products, goods, services sold	-669,569	-776,457
7.02.02	Supplies, energy, outsourced services and others	-20,457	-21,000
7.02.04	Others	-269,541	-350,176
7.02.04.01	Other operating income (expenses)	-1,853	-3,849
7.02.04.02	Selling expenses	-167,077	-201,072
7.02.04.03	Administrative expenses	-103,348	-140,516
7.02.04.04	Variation in provision for events/losses occurred and not notified (IBNR)	-969	-12,077
7.03	Gross value added	583,963	-616,459
7.04	Retentions	-13,805	-22,527
7.04.01	Depreciation, amortization and depletion	-13,805	-19,211
7.04.02	Others	0	-3,316

(Reais thousands)			
7.04.02.01	Right of use amortization (CPC 06 (R2)/IFRS 16)	0	-3,316
7.05	Value added received, net produced	570,158	593,932
7.06	Value added received in transfer	49,422	40,047
7.06.01	Equity accounting	17,44	8,129
7.06.02	Financial income	31,918	31,918
7.07	Total value added to distribute	619,58	633,979
7.08	Distribution of value added	619,58	633,979
7.08.01	Personnel	89,266	116,497
7.08.01.01	Direct compensation	65,982	89,802
7.08.01.02	Benefits	18,479	20,754
7.08.01.03	F.G.T.S.	4,805	5,941
7.08.02	Taxes, fees and contributions	224,185	215,3
7.08.02.01	Federal	186,961	200,807
7.08.02.02	State	44	43
7.08.02.03	Municipal	37,18	14,45
7.08.03	Debt capital	12,774	14,664
7.08.03.02	Rentals	5,664	2,053
7.08.03.03	Other	7,11	12,611
7.08.03.03.01	Financial expenses	7,11	12,611
7.08.04	Equity capital	284,793	284,763
7.08.04.01	Interest on equity	59,627	62,556
7.08.04.02	Dividends	103,131	136,779
7.08.04.03	Retained earnings/accumulated losses for the period	122,035	85,428
7.08.05	Other	8,562	2,755
7.08.05.01	Stock Option Grant	8,562	2,755

A Vision of the Future

Dear Reader,

We proudly ended 2019 with the advances conquered and excited with the leading role we have been playing in the corporate segment, evolving in this high growth potential of SMEs and individual plan segments.

Undoubtedly, OdontoPrev's unique business model, proprietary technology platform, exclusive distribution channels, and a culture of entrepreneurship and innovation will increasingly lead us to become more and more successful in the mission of bringing more Brazilians and Mexicans closer to quality dentistry.

We keep as a priority the development and higher investments in technology and digital innovation so that to improve the dental plan consumer experience, understand the society's needs, favoring the individual plans' customization. We are confident that innovation and development of disruptive solutions are the paths for the future; technology and leading-edge will continue resulting in efficiency gains, business intelligence, social and environmental performance.

We also reiterate our commitment to continue offering dental plans with excellent services and certified by our clinical auditors. In 2020, in spite of the COVID-19 pandemic, we will continue pursuing solid and sustainable growth, always connected with social and environmental responsibility, so that to continue ramping up the customer base.

Rodrigo Bacellar
Chief Executive Officer