

**BRASILPREV**



# Annual Report 2016

Plan, contribute, prepare and achieve  
*4 steps for your life plans*

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## PLAN

“My Brasilprev plan is mainly how I plan my future with peace of mind. I want to have an income, travel a lot and, maybe, build a house on the beach.”

Heloísa de Oliveira Santos, 27, is an economist and a Brasilprev client for four years.

# About This Report

For the third year in a row, Brasilprev Seguros e Previdência S.A. adopts G4, the latest version of the Global Reporting Initiative (GRI) guidelines and indicators, for its annual performance and management report by using the Core “in accordance” criteria. This document reports activities from January 1 to December 31, 2016 and also follows the recommendations of the Brazilian Association of Public Companies (ABRASCA). The financial statements include all of the company’s operations. [G4-17](#) | [G4-28](#) | [G4-30](#) | [G4-32](#)

Data and information were gathered from interviews with executives. The Sustainability Commission, the Executive Board, the Advisory Committee, and the Board of Directors all authorized the contents hereof. Stakeholder engagement approach and frequency are described throughout this report, especially the chapter Social, Environmental, and Stakeholder Management, wherein specific initiatives regarding the relationship with each of these audiences are approached based on the company’s strategy. [G4-26](#)

Any potential restatements of the information provided during previous fiscal years are indicated

throughout the text. This publication was not subject to external verification. [G4-22](#) | [G4-33](#)

To request information and/or if you have any questions about this document, please email [comunicacao\\_corporativa@brasilprev.com.br](mailto:comunicacao_corporativa@brasilprev.com.br). [G4-31](#)

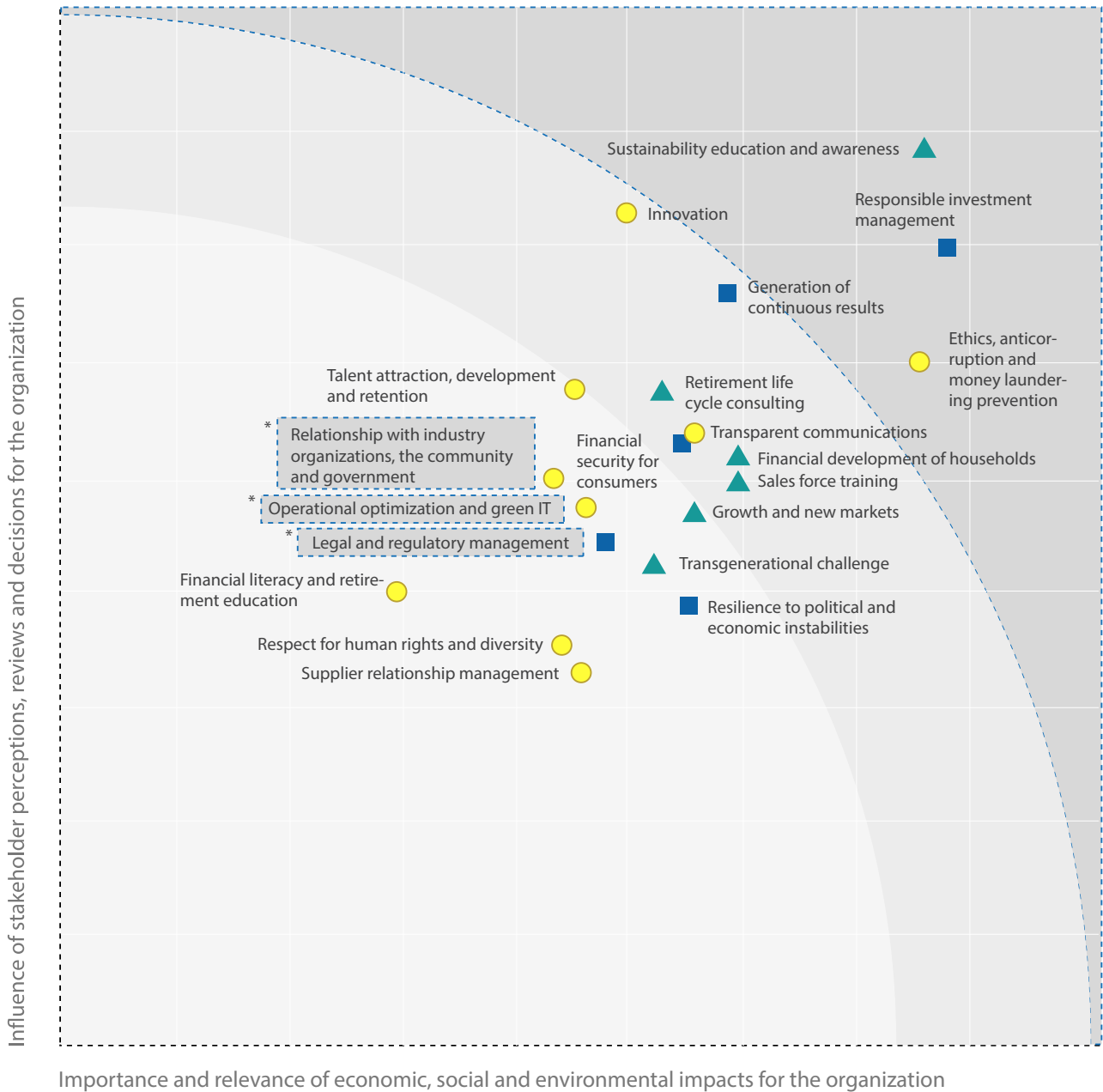
## IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

[G4-18](#) | [G4-19](#) | [G4-20](#) | [G4-21](#) | [G4-23](#) | [G4-24](#) | [G4-25](#) | [G4-26](#) | [G4-27](#)

In order to prepare the contents of the 2016 Annual Report and constantly improve the relevance and transparency of the information, the company promoted a review of its materiality matrix. The process was in line with the GRI G4 guidelines, in compliance with the four principles that guide the definition of contents in a sustainability report: sustainability context, stakeholder inclusiveness, materiality, and completeness. Preparation weighed the analysis of the axes of impact versus influence. For the impact axis, online polls with the internal audience (shareholders and employees), interviews with the company’s executives, and an on-site panel attended by officers, superintendents, and managers that report directly to the Executive Board, as well as studies on future megatrends and

prospects were taken into account. As for the influence axis, in addition to an online poll with external stakeholders – which includes clients, providers, business partners, and representatives from academia, industry organizations, environmental associations, and the community –, there were interviews with experts in financial literacy, responsible investing, financial market/retirement, and sustainability, besides media

and competition analysis. During prioritization, any issues raised were grouped into the three priorities of Brasilprev's sustainability strategy: formation of the retirement culture, responsible management, and responsible investing. As a result of these efforts, 14 material issues were raised by both internal and external audiences as being most relevant to Brasilprev's operations, according to the following illustration:



In addition to the issues that were already identified as high-priority, the Executive Board added three more that they considered relevant to the company: legal and regulatory management; relationship with industry organizations, the community, and government; and operational optimization and green information technology.

To better understand Brasilprev's management strategy and model, a few indicators regarding growth and new markets; talent attraction, development, and retention; and supplier relationship management are also a part of the contents

hereof. Additionally, even though there are no related GRI indicators, information about how the company tackles the issue of the transgenerational challenge was added.

This document contains GRI indicators and aspects that the company already responded to during the previous cycle, besides those that were added after the materiality review, which are as follows: [G4-LA12](#), [G4-LA13](#), [G4-LA15](#) and [G4-SO10](#). Despite not having an associated GRI aspect, the innovation issue is covered, notwithstanding the quality of the account.

Material issues	Related G4 aspects
<b>1. Formation of the retirement culture</b>	
Financial Literacy and Retirement Education (initiatives to raise awareness of the importance of financial literacy and long-term accumulation of funds)	Product and Service Labeling
Sales Force Training (sales force training in financial literacy and retirement education)	Product and Service Labeling
Retirement Life Cycle Consulting (retirement plan adjustment and follow-up throughout the relationship cycle for clients)	Product and Service Labeling
Transgenerational Challenge (challenges to offer solutions that help the new generations and the demographic context – longevity, aging population, and falling birth rate, affecting the Brazilian retirement model)	No related GRI aspect Information on this topic can be found throughout the document
Financial Development of Households (insertion of retirement plans in family planning, especially women increasingly acquiring this product)	Local Community
<b>2. Responsible investing</b>	
Responsible Investment Management (adoption of sustainability criteria – environmental, social, and governance aspects – in investment management)	Economic Performance
	Product and Service Portfolio (FS)
	Shareholder Activism (FS)
Generation of Continuous Results (search for continuous results for the business as a way to honor the commitments made to stakeholders)	Economic Performance
	Indirect Economic Impacts Investments
Financial Security for Consumers (responsibility and transparency when investing and looking for the best long-term risk-reward ratio for clients)	Product and Service Labeling
	Client Privacy
	Product and Service Labeling (FS)
Legal and Regulatory Management (compliance with retirement regulations, adjusting to new industry demands)	Compliance (SO)
	Unfair Competition
<b>3. Responsible management</b>	
Transparent Communications (communications with an appropriate, assertive and transparent language using a range of client support channels that serves the various audiences and is periodically assessed)	Compliance (PR)
	Marketing communications

Ethics, Anticorruption and Money Laundering Prevention (prevention and monitoring of corruption- and money laundering-related issues, safeguarding the assets under management and the company's image and reputation)	Polymaking
	Audit (FS)
	Anticorruption
Innovation (continuous improvement of products, services, and internal processes as a way to adapt the business model to the new trends)	No related GRI aspect
	Information on this topic can be found throughout the document
Relationship with Industry Organizations, the Community and Government (participation and leadership in the furtherance of dialogue and engagement with industry organizations as well as community and government bodies)	Mechanisms to File Complaints Related to the Impacts on Society
	Mechanisms to File Complaints Related to Human Rights
Operational Optimization and Green Information Technology (use of technology in the optimization of operations / processes and as a tool to make it easier to interface with stakeholders)	No related GRI aspect
	Information on this topic can be found throughout the document
<b>Suggested indicators</b>	
Talent Attraction, Development and Retention (periodic corporate education, assessment, and feedback, organizational acculturation, promotion of quality of life, benefit offering, increased satisfaction, motivation and professional self-actualization and the search for gender equality in positions and pay)	Employment
	Occupational Health and Safety
	Training and Education
	Equal Pay Between Men and Women
	Diversity and Equal Opportunity
	Mechanisms to File Complaints Related to Labor Practices
Growth and New Markets (inclusion of retirement culture in all social strata – classes, income, etc. – and offering of new products in line with the industry's evolution)	Training and Education
	Product and Service Portfolio (FS)
Supplier Relationship Management (social and environmental risk management in the supply chain - attention to impact on the environment and human rights, for instance)	Local Community (FS)
	Supplier Review Regarding the Impact on Society
	Supplier Review Regarding Labor Practices
	Supplier Review Regarding Human Rights

Based on these efforts, Brasilprev hereby shows its performance, managerial practices,

strategy, and approaches to stakeholders, according to the topics of interest to both internal and external audiences.



Any issues raised were grouped into the three priorities of Brasilprev's sustainability strategy: formation of the retirement culture, responsible management, and responsible investing. ”

# A Message from the Executive Board

G4-1

Clients, innovation, prominence, and operational efficiency. These four priorities were established in 2016 to guide the development of Brasilprev's strategic plan for the next few years.

With these guidelines, major deliveries and changes were already made, such as the creation of the Client Support Service, which aims to increase interaction with our 1.98 million clients, and a superintendence that is focused on client relationship management. In turn, innovation is now a part of our corporate strategy as a way to reinforce the construction of an environment that fosters the necessary creativity and agility for the company's perpetuity. After all, the swift technological and behavioral changes the world has been going through directly affect the business environment and we would like to be well inserted in that context.

We have remained active in our relationship with the government, regulatory agencies, and industry institutions, participating in various forums and commissions to improve the retirement market and playing a key role in several discussions, such as, for instance, the making of CMN Resolution No. 4,444.

As for operational efficiency, it is worth highlighting the completion of another effort to combine the company's retirement system and all databases into a single technological platform.

In 2016, we also redoubled our efforts oriented towards sustainable development. In addition to renewing our commitment to the Global Compact, to which we have been signatories since 2008, we signed the Principles for Responsible Investment (PRI) and the Green Bond Statement. We have also created the Retirement Primer, a concept that encompasses all financial literacy and retirement education efforts conducted by Brasilprev, one of the focuses of the company's sustainability strategy.

In short, this year was especially prosperous for Brasilprev, which closed the cycle with BRL 199.1 billion in assets under management, a 33% gain over the end of 2015. As for net deposits and revenue, growth was 25.6% and 28.1%, respectively, which ensured the company's continued market leadership in these indicators.

This report contains these results in detail as well as the main projects, activities, and strategies the company has created, adopted, and improved throughout the year. None of this would have been possible without our engaged group of employees. This team put Brasilprev on the Best 150 Companies to Work For list by *Guia Você S/A*, a publication of *EXAME* magazine. We would also like to thank our shareholders for their valuable contributions to the business, which range from the wide distribution network of Banco do Brasil branches to the technical and technological contributions Principal acquired from multiple markets across the globe.

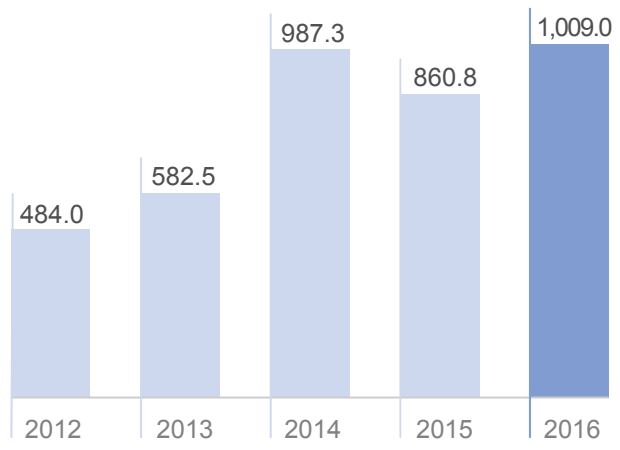
**Please enjoy!**



Heloisa de Oliveira Santos, 27, is an economist and a Brasilprev client for four years.

# Key Performance Indicators

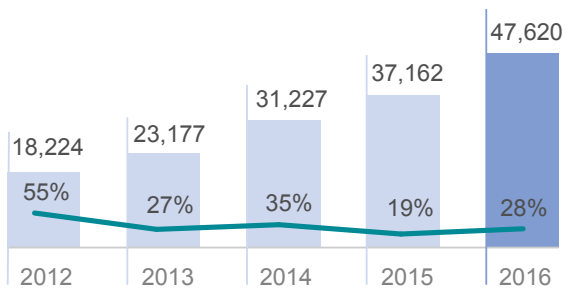
**Net Income**  
(In millions of BRL)



Until December 2016, the adjusted result before taxes and dividends was BRL1.7 billion, a 16% growth over the adjusted result before taxes and dividends for the same period in 2015. Until December 2016, the accumulated adjusted net income reached BRL1 billion, a 17.2% growth over the adjusted net income for the same period in 2015, which was BRL860.8 million (the net income with the extraordinary effects of reversing technical provisions was BRL1.2 billion).

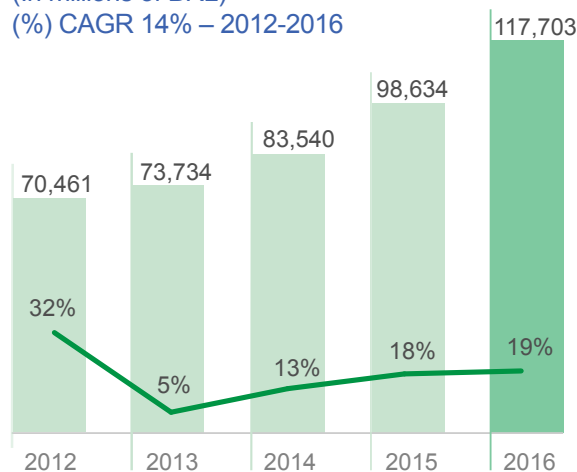


**Total Revenue – Brasilprev**  
(In millions of BRL)  
(%) CAGR 27% – 2012-2016

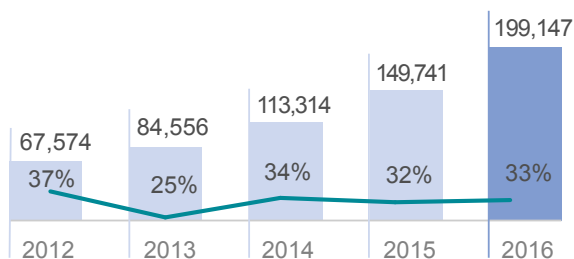


Source: Brasilprev e FenaPrevi

**Total Revenue – Market**  
(In millions of BRL)  
(%) CAGR 14% – 2012-2016

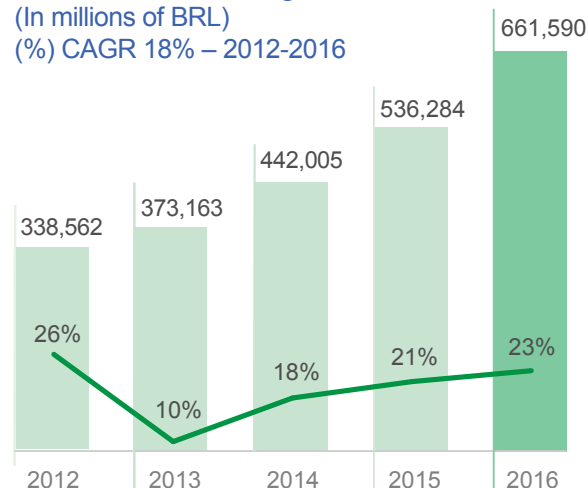


**Assets under Management – Brasilprev**  
(In millions of BRL)  
(%) CAGR 31% – 2012-2016

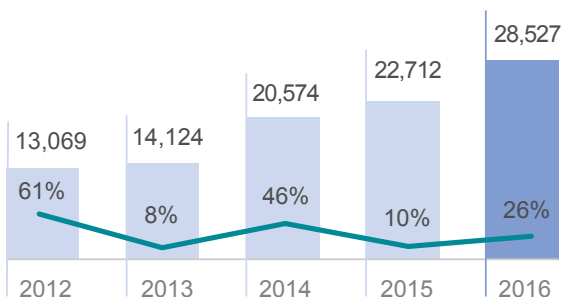


Source: Brasilprev and FenaPrevi

**Assets under Management – Market**  
(In millions of BRL)  
(%) CAGR 18% – 2012-2016

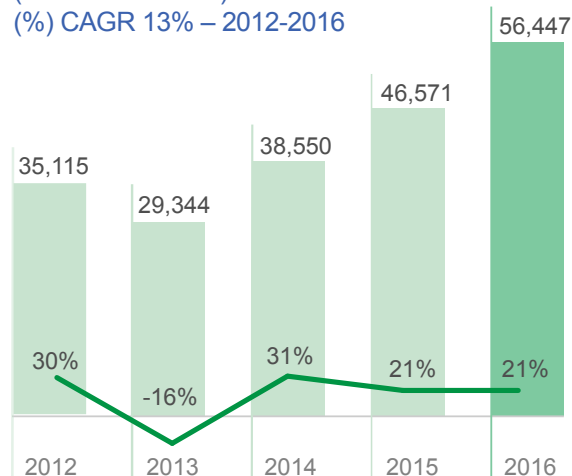


**Net Deposits – Brasilprev**  
(In millions of BRL)  
(%) CAGR 22% – 2012-2016

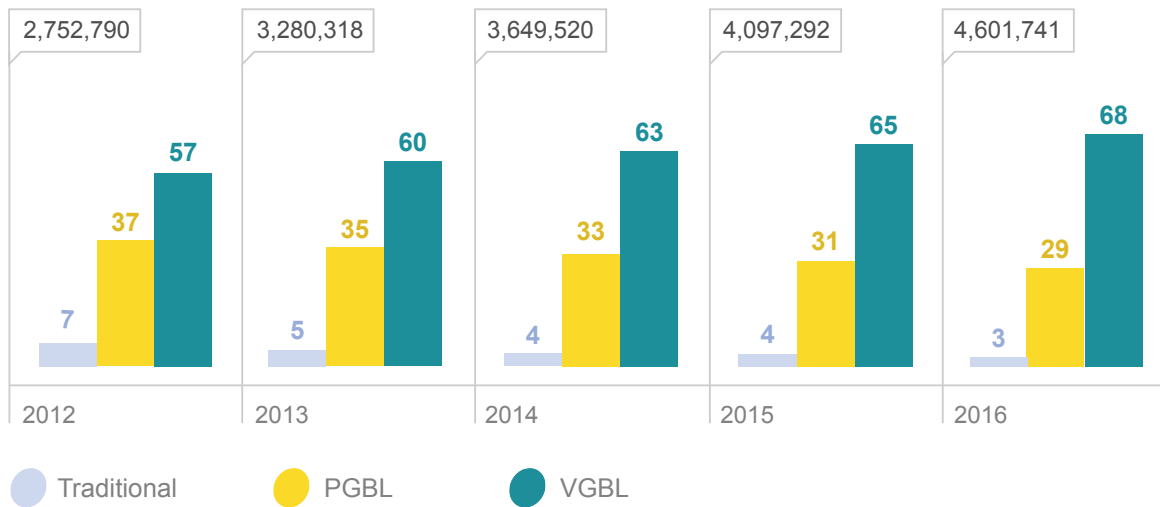


Source: Brasilprev and Quantum Axis

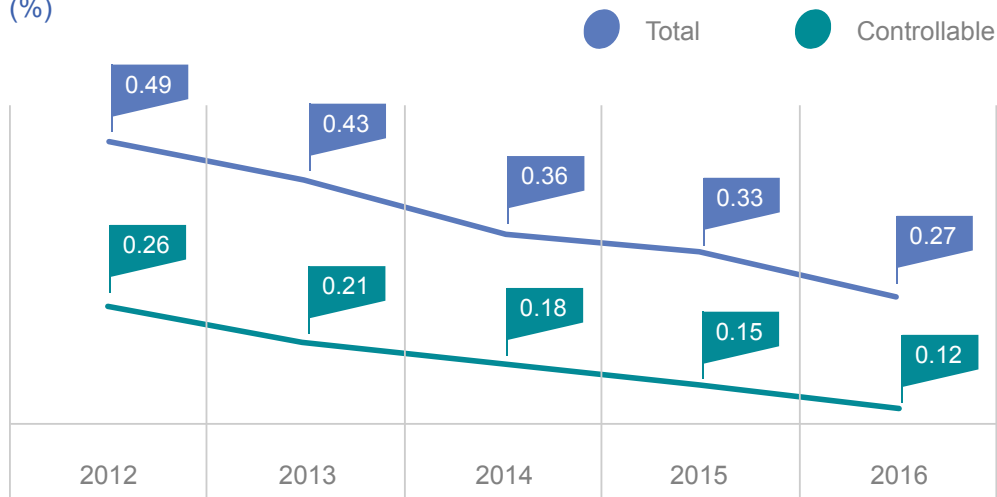
**Net Deposits – Market**  
(In millions of BRL)  
(%) CAGR 13% – 2012-2016



## Agreements by Product

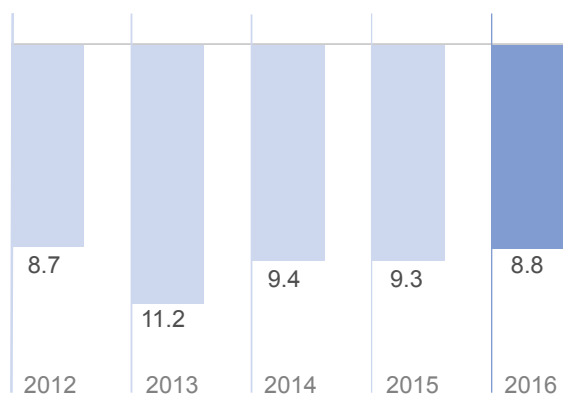


## Administrative Expenses (%)

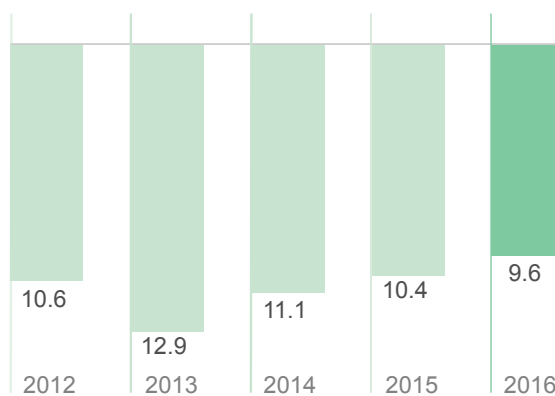


## PGBL and VGBL Withdrawal Rate – The lower, the better

### Brasilprev (%)

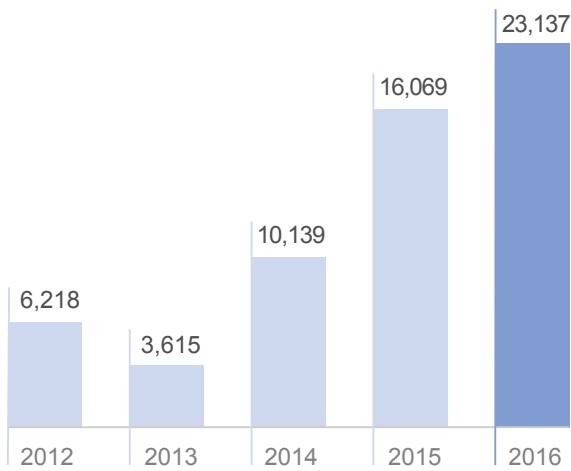


### Market (%)

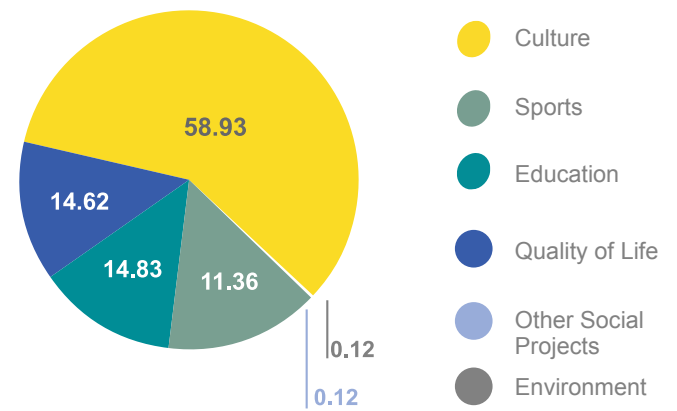


Source: FenaPrevi

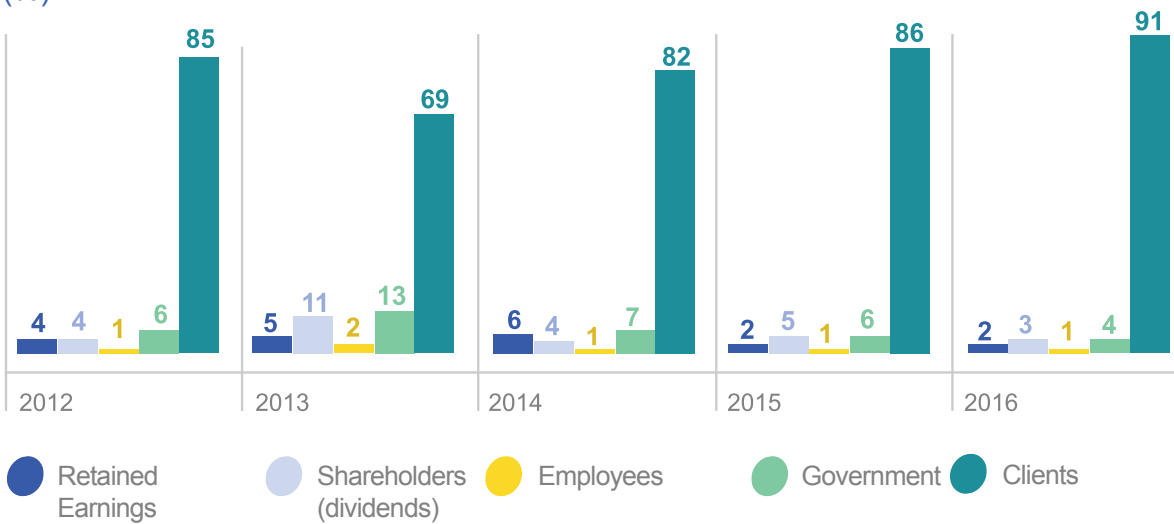
Total Distribution of Value Added (DVA)  
(In millions of BRL)



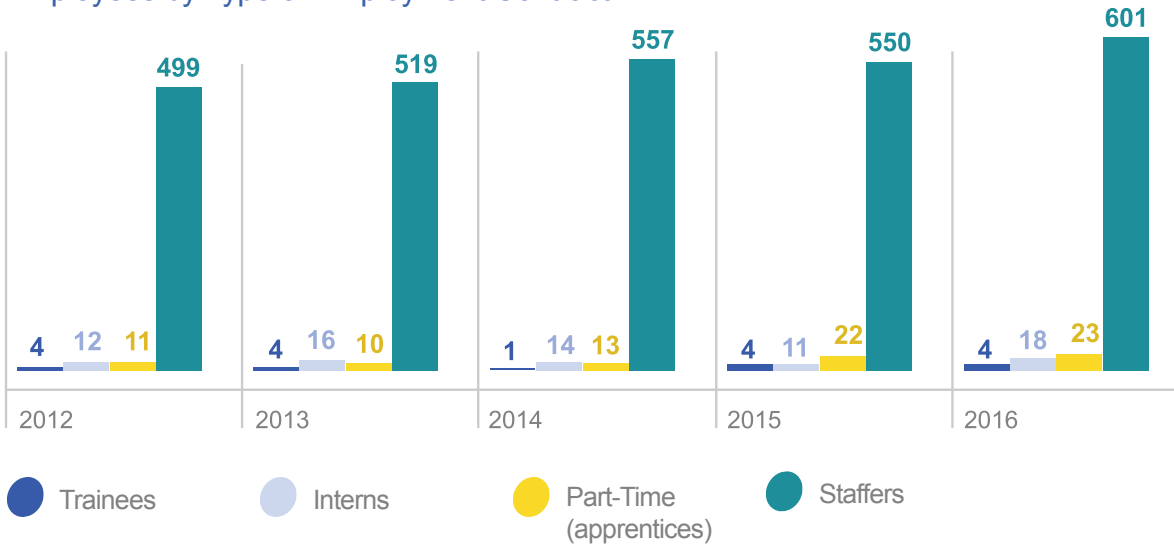
Distribution of Social and Environmental Investment (%)



Distribution of Value Added (DVA)  
(%)



Employees by Type of Employment Contract



## CONTRIBUTE

“I believe a retirement plan is key for me to be able to spend even more time with my family in the future. If I could, I would have started earlier, because these first few years are invaluable.”

Guilherme Marques, 35, is a physical therapist and a Brasilprev client for eight years.



# Organizational Profile

## COMPANY PROFILE *G4-8 | G4-9*

Created in 1993, Brasilprev Seguros e Previdência S.A. is one of the largest retirement companies in Brazil. Sustainable growth, consistent management, and the strength of our shareholders are a hallmark of the company, which specializes in and dedicates itself to this business exclusively. *G4-3*

A privately-held corporation, its shareholders are PFG do Brasil Ltda., a Principal company, and BB Seguros Participações S.A., a wholly-owned subsidiary of BB Seguridade, a holding company established in December 2012 as the insurance, capitalization, and retirement division of Banco do Brasil. Both institutions stand out in the financial market because of the strength of their brands. Together, they have over three centuries of experience and are key to the success of Brasilprev, which is growing at a rate faster than the market where it operates. *G4-7*

With the mission of delivering financial-security solutions and high-quality services to enable life plans, the company offers affordable retirement plans to individuals and businesses in the PGBL and VGBL categories. A highly qualified team manages assets and invests in fixed-income funds, which are balanced with variable income or the Life Cycle concept.

The company's client portfolio reached 1.98 million people at the end of 2016. Out of this total, 87% have individual plans - out of which 31% are geared towards children and teenagers – and 13% are in corporate plans. The total number of VGBL plans at the end of the period was 1.6 million. PGBL plans worked out at 662,000. There were also 142,000 traditional plans, but those are not sold anymore. *G4-FS6*

At the end of the fiscal year, the company had a 40.5% market share in total revenue, a percentage that ensures its position as a market leader in this indicator. Brasilprev also continued as the leading company in net deposits, with 50.5%, and PGBL and VGBL assets, with a 30.9% market share. In December 2016, total assets under management worked out at BRL199.1 billion, a 33% increase over 2015. The adjusted net income, which excludes extraordinary items, was BRL1 billion, a 17.2% growth versus the previous year.

Headquartered in São Paulo, Brasilprev operates across Brazil, distributing its products mainly via the 5,400 Banco do Brasil branches. In December 2016, the company had 601 full-time staffers, four trainees, 18 interns, and 23 apprentices. Out of these, 134 are consulting specialists distributed all over Brazil. *G4-5 | G4-6*

## SHAREHOLDER PROFILE

### Banco do Brasil | BB Seguridade

Created in October 1808, Banco do Brasil S.A. (BB) is one of the largest financial institutions in Latin America, with operations in 23 countries, a portfolio with over 64 million clients, and 102,000 employees. The bank's mission is to be a profitable and competitive bank, with public spirit in each action with clients, shareholders, and the community as whole.

It operates in 99.7% of Brazilian cities with over 5,400 branches (the largest proprietary network in Brazil), 1,705 minibranches, 9,480 electronic service units, and 40,542 automated teller machines – which also represent the largest network in Brazil. At the end of 2016, net income reached BRL8.034 billion, with a total of 37.3 million checking accounts and more than 39.2 million savings accounts.

In December 2012, it established the subsidiary BB Seguridade, a holding that operates in the retirement industry. Its equity stakes are currently organized into two segments: (i) risk and accumulation businesses: affiliates as joint ventures or companies with private partners that sell insurance, retirement, capitalization, reinsurance, and dental care products; and (ii) operate distribution efforts: a wholly-owned subsidiary that sells insurance, retirement, capitalization bonds, and private dental care plans.

With the Banco do Brasil distribution network as the primary sales channel for a full portfolio of insurance products, retirement plans, capitalization bonds, and dental care plans, through its own brokerage firm, BB Seguridade is a now a prominent player in the market in all the segments where it operates and has become the 11<sup>th</sup> largest company in market value at BM&FBOVESPA, with an adjusted net income of BRL4.1 billion in 2016, a 4.1% increase over 2015.

### Principal

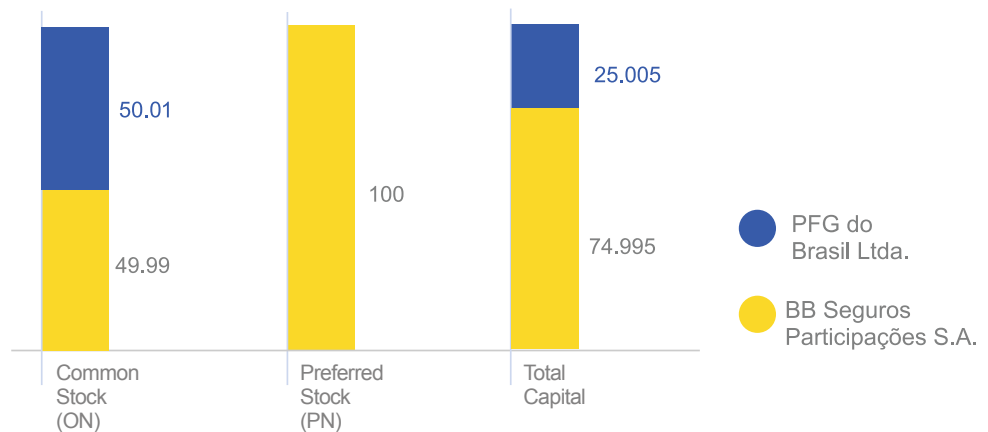
Having repositioned its brand in 2016 (formerly known as the Principal Financial Group), the Principal is the global leader in financial investment management and was established in July 1879, in Des Moines, Iowa. The company has become an institution that makes it easier to help individuals and businesses build, protect, and promote their financial well-being by offering them retirement plans, insurance policies, and asset management efforts. Additionally, they help their clients achieve their goals – by offering them groundbreaking ideas, the ability to invest, and real solutions to attain financial progress.

Listed on the New York Stock Exchange, it is one of the largest financial companies in the United States and focuses on retirement plans, funds management, as well as health and life insurance for individuals, businesses, and institutions. The Principal has been a Brasilprev shareholder since 1999 and is very well rated by credit rating agencies: A+ (superior) by A.M. Best Company; AA- (very strong) by Fitch; A1 (good) by Moody's; and A+ (strong) by Standard & Poor's.

With 591.6 billion dollars under management, offices in 18 countries in multiple continents, they have over 10,000 employees in the United States alone and more than 15,000 around the world. In March 2016, the Principal was recognized, for the sixth time in a row, as one of the 100 Most Ethical Companies in the World by the Ethisphere® Institute and was listed as a Fortune 500 company.

“ The two shareholders of Brasilprev stand out in the financial market because of their strong brands. Together, they have over three centuries of experience. ”

Brasilprev Shareholding Structure on December 31, 2016 (%)



CORPORATE IDENTITY G4-56

### Mission

To provide our clients with financial-security solutions and high-quality services to enable their life plans.

### Vision

To be the leading retirement trustee in Brazil, admired for our contribution to the sustainable development of Brazil and Brazilians.

### Core Values

Core values make up the culture of an organization and, at Brasilprev, they are divided into two groups that help employees accomplish our mission and vision statements.

#### Our Commitments

These are the obligations we contract and the promises we make to our strategic audiences.

- ✓ Focus on the Client
- ✓ Sustainable Results
- ✓ Development
- ✓ Integrity
- ✓ Quality

#### Our Way

These are the attitudes and behaviors that typify the personality of our associates.

- ✓ Committed
- ✓ Entrepreneurial
- ✓ Innovative
- ✓ Solicitous
- ✓ Positive

### Sustainability G4-15

The corporate vision of being “the leading retirement trustee in Brazil, admired for our contribution to the sustainable development of Brazil and Brazilians” reinforces our commitment to the perpetuity of our business. A long-term fiduciary duty to clients and the recognition of the institutional investor’s role that enables the influence of positive changes in society are a part of this context.


We understand that sustainability is an attribute that permeates our business model and means “contributing to the formation of the retirement culture and furthering the creation of a virtuous cycle of economic, environmental, and social development through our responsible business and investment management efforts.” This definition is formally stated in the *Letter of Sustainability Guidelines* and the policy passed by our Board of Directors: while the former spreads the guiding principles about this issue, the latter supports the decision-making process.

The creation of the Retirement Primer concept in 2016 was a major breakthrough in the formation of the retirement culture and brought together all the initiatives of this nature. The purpose is to strengthen Brasilprev’s position as a company that fosters financial literacy and retirement education.

In order to strength our commitment to responsible investing, we signed two new voluntary agreements. The first is about the Principles for Responsible Investment (PRI), a gathering of global investors in association with the Environment Program Finance Initiative (UNEP FI) and the Global Compact, both spearheaded by the United Nations. Furthermore, we signed the Green Bond Statement – Brazil, led by the Climate Bonds Initiative (CBI), the PRI, as well as SITAWI Finanças do Bem, which promotes a low-carbon economy.

Moreover, responsible management concerns were a fixture in all of the company’s activities. Highlights included creating the Sustainability Commission, which followed up on, promoted, and reported Brasilprev’s performance to the Executive Board and the Board of Directors, and holding a 16-hour sustainability course that contributed to internal acculturation through business-related concepts that tackled this issue, which is increasingly a part of the daily routine of departments.

**The creation of the Retirement Primer concept in 2016 was a major breakthrough in the formation of the retirement culture and brought together all the initiatives of this nature.**



**Guilherme Marques, 35,**  
is a physical therapist  
and a Brasilprev client  
for eight years.

# Management

## **Corporate Governance** *G4-34*

A solid governance structure based on an ethical and transparent dialogue and an equal relationship with our stakeholders is one of our main attributes. This collective decision-making process strengthens our commitment to responsible management based on our mission statement, our vision statement, and our core values.

In line with the guidelines of the Brazilian Institute of Corporate Governance (IBGC) and the best

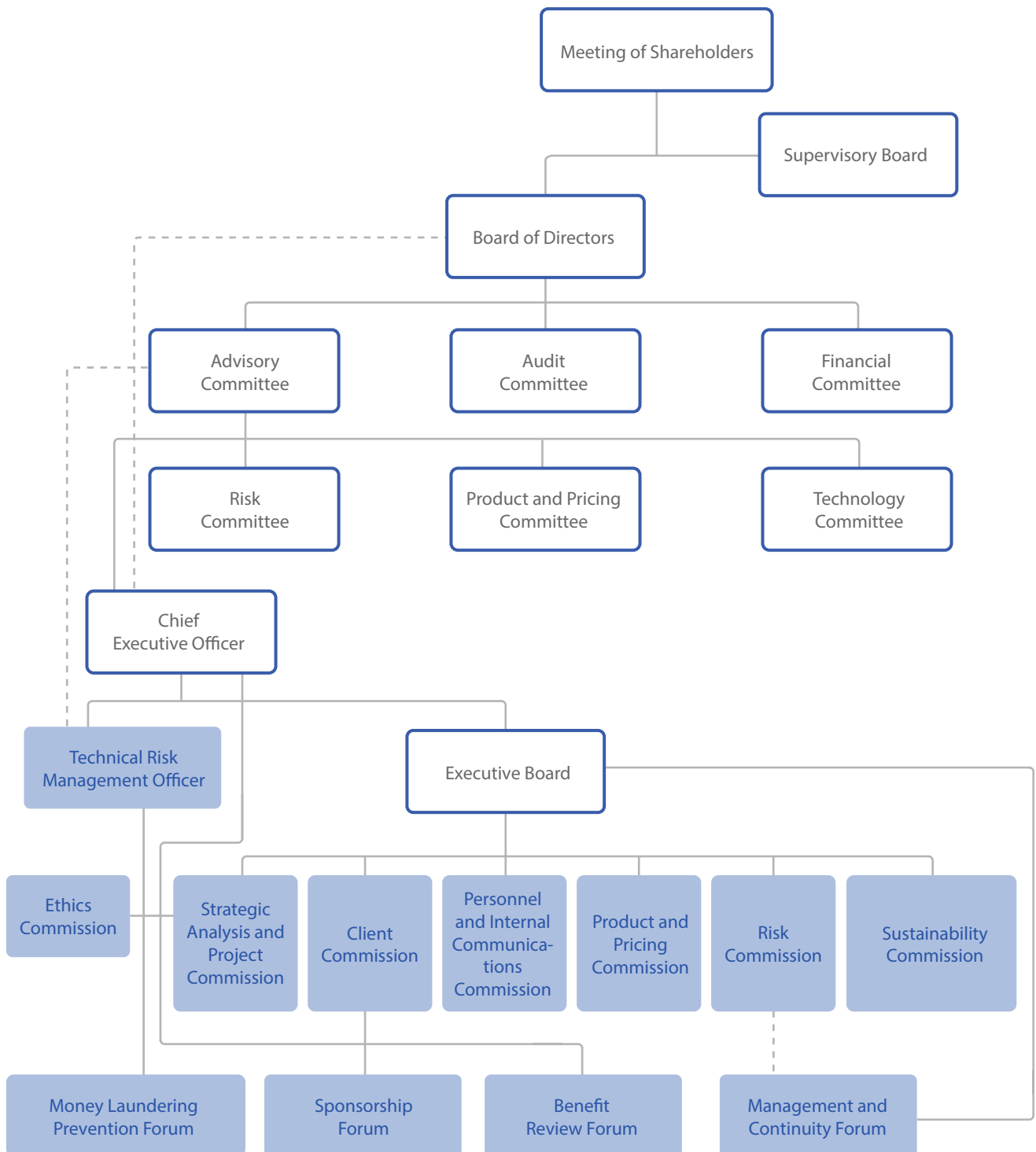
industry practices, we try to continuously improve our processes and anticipate any regulatory changes in the retirement segment.

In 2016, the management team changed: Mr. Ilton Luís Schwaab became Chief Commercial and Marketing Officer, a position that used to be filled by Mr. Sergio Peres. During this period, the Sustainability Commission was created.



# Governance Structure

- Executive Bodies
- Nonexecutive Bodies



## Meeting of Shareholders

Each shareholder sends one representative and they convene once a year for regular meetings or on an as-needed basis on special occasions. This is our main deliberative body. Shareholder representatives must examine, discuss, and vote on financial statements and deliberate on how net earnings and dividends should be apportioned. In addition, they choose the members of the Supervisory Board and approve the capital stock inflation adjustment.

## Boards

- **Supervisory Board:** with meetings every three months, it is composed of four incumbent supervisors and four substitutes, who are all appointed by shareholders for one-year terms. They are tasked with investigating the actions and finances of managers and choosing which issues are to be discussed during the meetings of shareholders.
- **Board of Directors (B of D):** this is our highest managerial authority and it is tasked with the general direction of our businesses by following up on our performance indicators and drafting, analyzing, and approving corporate strategies, business policies, and decisions with a focus on quality and security. Composed of eight full members and an equal number of substitutes with three-year terms – reelections are allowed –, the Board of Directors holds meetings every three months and special meetings on an as-needed basis. The Chairman of the Board does not discharge any executive duties at Brasilprev, in line with the best corporate-governance practices.

## Committees

- **Advisory Committee:** it is composed of the Chief Executive Officer and two members from the Board of Directors, elected by shareholders by mutual agreement. The terms of members are as long as their tenure as officers and directors and they are responsible for detecting and assessing issues of interest to the company and advising the Board of Directors on running the business. Three other subordinate committees support it:
- ⦿ **Risk Committee:** follows up on and assesses the operational, financial, strategic, legal, market, credit, reputational, liquidity, and underwriting risks in topics that involve the risk management guidelines and policies. It is composed of: the Chief Executive Officer, the Chief Financial Officer, the Chief Product and Operating Officer, the Chief Planning and

Control Officer (with terms that are as long as their tenure as officers), two shareholder-appointed members, and a permanent guest, the Technical Risk Management Officer.

- ⦿ **Product and Pricing Committee:** it establishes the company's general product and pricing policies and guidelines in order to improve the investment portfolio and strategies and follows up on industry trends. It is composed of the Chief Executive Officer, the Chief Product and Operating Officer, the Chief Planning and Control Officer, the Chief Financial Officer, the Chief Commercial and Marketing Officer (with terms that are as long as their tenure as officers) as well as two other full members and two substitutes who are appointed by the shareholders.

Brasilprev has a Pricing Policy in place that governs product sales according to the local laws and the company's ethical principles. This document applies to the product portfolio and covers any and all price strategy decisions, for various ranks, and establishes general pricing guidelines for both the accumulation (contribution period) and distribution (annuitization period) phases. *G4-DMA: Product portfolio*

- ⦿ **Technology Committee:** it advises the Advisory Committee on issues pertaining to information technology (IT) management. Members are: the Chief Executive Officer, the Chief Technology Officer (with terms that are as long as their tenure as officers) as well as two full members and two substitutes who are appointed by shareholders by mutual agreement.
- **Audit Committee:** always operating in accordance with the Brazilian Federal Board of Insurance (CNSP) Resolution No. 321/2015, it is composed of three members: two of them are appointed by shareholders and one is elected by mutual agreement between them.

Terms are one-year-long, but may be renewed for up to five. The rules and regulations cover all of the body's responsibilities. It also advises the Board of Directors on audit functions, oversees activities, and reviews the efforts of both independent and internal auditors.

We have our own methodology, which covers risk-based process auditing and continuous auditing, both passed by the Audit Committee (COAUD) and the Board of Directors. Every business cycle is analyzed based on the emphasis rotation matrix, including the sustainability-related risk assessment procedures. Audits are carried out within three years, with an annual schedule review. Both Audit Committee and Board of Directors must authorize any and all exceptions. *G4-DMA: Audit*

- **Financial Committee:** it supports the Board of Directors by preparing general investment policies and guidelines, among other functions. These meetings, which are held once a month, aim to analyze the performance of investment portfolios and the actions of Risk Management as well as make policies for later review by the Board of Directors. It is composed of five members, including the Chief Executive Officer, the Chief Financial Officer, the Chief Planning and Control Officer (with terms that are as long as their tenure as officers) as well as two full members and two substitutes who are appointed by shareholders, both with two-year terms (they may be reelected), in addition to the Technical Risk Management Officer, who is invited to participate.

In 2016, our corporate-governance bodies had the following structure:

Composition of governance groups by age span <i>G4-LA12</i>							
Body	Total	30 or younger	30 or younger (%)	30-50 years old	30-50 years old (%)	50 or older	50 or older (%)
Supervisory Board	8	0	0	4	50	4	50
Board of Directors	16	0	0	8	50	8	50
Executive Board	6	0	0	4	67	2	33
Financial Committee	7	0	0	4	57	3	43
Audit Committee	3	0	0	1	33	2	67
Advisory Committee	3	0	0	1	33	2	67
Product and Pricing Committee	8	0	0	4	50	4	50
Risk Committee	6	0	0	3	50	3	50
Technology Committee	5	0	0	2	60	3	40

Composition of governance groups by gender <i>G4-LA12</i>					
Body	Total	Women	Women (%)	Men	Men (%)
Supervisory Board	8	2	25	6	75
Board of Directors	16	4	25	12	75
Executive Board	6	0	0	6	100
Audit Committee	3	0	0	3	100
Financial Committee	7	0	0	7	100
Advisory Committee	3	0	0	3	100
Product and Pricing Committee	8	1	13	7	88
Risk Committee	6	0	0	6	100
Technology Committee	5	0	0	5	100

Members of commissions, forums, and the Technical Risk Management Department are not covered, since they are composed of full-time staffers contained in indicator *G4-10*.



## Senior Management

Tasked with leading the executive departments of the company, it deploys strategic management efforts based on the guidelines that were established by the Board of Directors. It is composed of six members, elected for three-year terms (the Chief Executive officer, the Commercial and Marketing Officer, the Chief Financial Officer, the Chief Technology Officer, the Chief Planning and Control Officer, and the Chief Product and Operating Officer). This body is supported by the following commissions throughout the decision-making process:

- **Ethics Commission:** it is broken down into two divisions: an investigative one and a deliberative one. The investigative division is composed of the Technical Risk Management Officer, the Legal Superintendent, the Personnel and Process Superintendent, and another superintendent who was cleared by the Executive Board for a one-year term. The deliberative division is composed of the Chief Executive Officer and two officers who are elected every year. The Commission is in charge of reviewing and investigating any and all cases reported to the integrity hotline, which receives complaints about acts that breach the company's Code of Conduct and proposes the necessary actions and means to spread and enforce this document. The body is also tasked with recommending actions in the event of any deviations from the guidelines contained in the Code.
- **Strategic Analysis and Project Commission (CAEP):** it is responsible for supporting any and all decisions about priorities in the company's project portfolio, strategic initiatives, goals, balanced scorecard (BSC) indicators, budget, and processes. With monthly meetings, it is composed of six members with one-year terms – one superintendent
- from each Brasilprev executive department – and coordinated by the Strategic Management Superintendence.
- **Client Commission:** Coordinated by the Marketing Superintendent, it must assess and submit to the Executive Board initiatives that carry out and improve upon the client strategy, which is geared towards making sure Brasilprev becomes a partner, promoting appropriate solutions timely, easily, and conveniently. Representatives from the superintendences of Upscale Business, Legal, Technical and Actuarial Services, Personnel and Processes, Strategic Management, Product, Operations, and Clients; as well as the Investment Information and Control and the Client Intelligence and Management offices, besides the Ombudsman's Office participate. *G4-DMA: Product and service labeling | G4-DMA: Product portfolio*
- **Personnel and Internal Communications Commission:** it is tasked with helping the Executive Board make decisions regarding personnel management, internal communications, and organizational climate. It is coordinated by the Personnel and Process Superintendence and composed of seven representatives, from different Brasilprev executive departments, who are appointed by senior management for one-year terms.
- **Product and Pricing Commission:** it supports and advises the Executive Board on the preparation of general product and pricing policies and guidelines to improve the investment portfolio, theses, and strategies and review domestic and international market trends. It is composed of the superintendents from Products, Business and Retail, Strategic Management, Controlling and Actuarial, Technology and Planning, Infrastructure, and Investment Control.

- **Risk Commission:** it is responsible for advising the Executive Board on issues such as the management and control of market, liquidity, credit, underwriting, reputational, operational, legal, and strategic risks. Its four members represent Finance, Controlling and Actuarial, Risk Management, and Products.
- **Sustainability Commission:** created in 2016 to support the incorporation of sustainability into the company's management, it aims to propose activities that are in line with sustainability-related policies, guidelines, and strategies; follow up on internal indicators and public reports; and report our performance to the Executive Board. It takes place every three months and is composed of five members, namely, the Technical Risk Management Officer as well as the Planning and Administration, Product, Planning, Investment Infrastructure and Control superintendents, besides the Strategic Management Superintendent, who coordinates the Commission.

#### Forums

- **Continuity and Management Forum:** composed of representatives from eight departments – Processes, Internal Controls and Compliance, Information Technology, Corporate Communications and Sustainability, Finance, Personnel Management, Infrastructure and Operations –, it is responsible for discussing the business continuity plan based on the pillars of personnel, processes, and technology, reporting to the Risk Commission every six months and, every month, to the Technical Risk Management Officer, who takes care of this issue at the company. His duties include preparing plans and tests to ensure the execution of key operations in different scenarios; keeping guidelines about this issue aligned; sharing information and data that may impact business; and helping the Risk Commission with this issue. This forum is also our deliberative body about reporting to the Risk Commission any cases that are subject to the Brazilian Federal Department of Insurance (SUSEP) Rule No. 285, which formalizes the obligations of insurance companies regarding the summarized business continuity plan in contingency and emergency scenarios. In 2016, a thorough process was carried out to ensure the excellence of the business continuity plan, a

major risk management tool. The efforts include an assessment of the most sensitive issues and the creation of action strategies. These steps were completed in 2016, with crisis management processes and tests, including communications, slated for 2017. *G4-DMA: Customer privacy | G4-DMA: Compliance*

- **Money Laundering Prevention Forum:** it is composed of the managers from Controlling, Business and Retail and Other Channels, Changes, Benefits and Rollovers, and Internal Controls and it is responsible for discussing and deliberating on communications with the Brazilian Financial Crimes Enforcement Network (COAF) about incidents that fall under Group 02, section II of Article 13 of SUSEP

**The Sustainability Commission was created in 2016 as a way to encourage adding this issue to the company's management.**

Rule No. 445/2012, which addresses the prevention and fight against money laundering-related crimes in fraudulent transactions. *G4-DMA: Customer privacy*

- **Sponsorship Forum:** it assesses and reports to the Chief Executive Officer any and all sponsorship project proposals and defines how the cleared initiatives are supposed to be conducted, in addition to showcasing results. It is composed of the managers from Digital Channels, Client Support Center, Corporate Communications and Sustainability, Communications, and Client Intelligence and Management.
- **Benefit Review Forum:** it must promote the reanalysis and/or review of denied and/or granted risk benefits Brasilprev has taken out. It is composed of the superintendents from Products, Operations, Legal, Business and Retail, and Actuarial as well as five substitutes.

The following also support our governance: *G4-DMA: Labor practices grievance mechanisms* | *G4-DMA: Human rights grievance mechanisms* | *G4-DMA: Grievance mechanisms for impacts on society* | *G4-DMA: Anti-competitive behavior* | *G4-DMA: Anti-corruption* | *G4-DMA: Public policy* | *G4-DMA: Customer privacy* | *G4-DMA: Compliance*

- **Integrity Hotline:** created in 2016 to improve the old ethics channel, it also adds to the functions of the Audit Committee channel. All stakeholders may access it by calling 0800-741-0012 or going to [linhadaintegridade.com.br/brasilprev/](http://linhadaintegridade.com.br/brasilprev/) online. Confidentiality and impartiality are guaranteed. There is no requirement to identify the complainant, who is given a number to track how the case progresses. This hotline receives complaints pertaining to acts that break the rules contained in the Code of Conduct, the company's best practices, or the laws in force, such as those about workplace and sexual harassment, assault and battery, discrimination, conflicts of interest, corruption, damage to assets, theft and larceny, among others.
- **Code of Conduct:** in line with our corporate culture, the Code of Conduct formalizes the values and principles that should guide the actions of our employees, interns, trainees, apprentices, and members of corporate-governance bodies, with no difference between ranks. That document approaches issues such as ethics, individual responsibility, privilege, and conflicts of interest, among other major aspects to be observed inside and outside the work environment. After a 2015 participative review, with adjustments that followed the best compliance practices adopted by the market, we developed an online training tool in game format to showcase the guidelines in an educational way and test subject matter comprehension. All teams were invited to participate and 95.2% completed the activity. Furthermore, 100% signed the consent form contained in the document. Anyone that joins Brasilprev is required to undergo training and sign the consent form. The Code of Conduct is available online on the integrity hotline's website as well as Brasilprev's Intranet and webpage. *G4-56*

- **Ombudsman's Office:** in line with our vision, we foster a culture of dialogue and communication while upholding legal rules and regulations. We add value to all stakeholders strategically, promoting and treasuring business sustainability and balanced relationships.

Through ethical principles that favor impartiality and confidentiality, we aim to build a participative and democratic relationship. Because they are customized, our channels have one of the most diversified and all-encompassing operations among the ombudsman's offices in Brazil: an internal ombudsman's office (for employees), an external ombudsman's office (for individuals, businesses, and Banco do Brasil branch employees), consultants, brokers, Consumidor.gov, SUSEP, and suppliers.

With a focus on streamlined, consensual, and conclusive solutions, the Ombudsman's Office contributes to out-of-court dispute resolution for the company and the legal system, which, as a result, helps Brazilian society. Its mediation, reconciliation, and conflict prevention process has been publicly recognized, with over 10 external quality and innovation awards and certificates and the adoption of the best market practices.

With a structure that allows direct interaction with senior management, it recommends and promotes improvements in organizational processes, thereby contributing to the mitigation of operational risks and the satisfaction of the parties involved, which strengthens and protects the institution's reputation. Certified to ISO 9001 since 2008 and accredited in Brazil and abroad, our Ombudsman's Office follows the mediation principles of the International Ombudsman Association (IOA) as well as the Brazilian Ombudsman Association (ABO).

## MANAGEMENT MODEL

We are constantly improving our management model to ensure good results and satisfy our stakeholders. Transparency and an incentive to exchange experiences bear all the hallmarks of our company, which also adopts groundbreaking tools, high-performance methods, and practices. Within this context, it is worth highlighting:

- **Collective Decision-Making:** in order to support the decision-making process, a structure of commissions, committees, and forums composed of employees from several departments is maintained. Thus, it is possible to find points of convergence and develop solutions in line with internal demands.
- **Casual Environment:** the company keeps a work environment with open and functional spaces, which favors integration between teams and streamlines the decision-making process, in addition to strengthening concepts such as equality, proximity, and engagement.
- **Shared Information:** in internal-communications channels, we use clear and plain language to spread information about the insurance and retirement industry as well as our corporate strategy, managerial practices, and achievements effectively.
- **Open Communications:** we value the communications, ideas, and demands of employees, who are encouraged to express their opinions.
- **Opportunities:** by using instruments to stimulate the search for excellence and high performance, we encourage employees to plan and achieve their upward career mobility.
- **Recognition:** aware of the importance of our teams to achieve good results, the company continuously recognizes the commitment, competence, experience, and dedication of our employees.
- **Incentive to Innovation:** as one of our key attributes and features, innovation is integrated into our identity and strategy, which contributes to the release of all-new concepts and products in the Brazilian market (please refer to Competitive Edge and Intangible Assets).
- **Celebration:** events and campaigns are held to celebrate our achievements and results. They also aim to value and motivate our professionals, who contribute to our good performance.

## MANAGEMENT TOOLS

We invest in proper management tools to ensure operational efficiency, excellence when supporting clients and other stakeholders, and responsible business dealings. Primary tools include:

- **Global Reporting Initiative (GRI):** this internationally-recognized model enables the management and reporting of our financial, social, and environmental impacts, thereby supporting the evolution of sustainability practices at the organizational level.
- **Balanced Scorecard (BSC):** this methodology allows you to measure and manage performance by using accurate indicators based on the corporate strategy. With it, managers are able to define departmental goals and promote organizational alignment by tackling the challenges of each team member.
- **Business Model Canvas:** this allows you plan and visualize a business' functions and their relations quickly, which helps the creation, differentiation, and innovation processes.
- **Performance Cycle:** this is composed of seven phases throughout the year, ranging from the definition of goals in line with the BSC to the creation of personal development plans (PDPs). This includes the financial recognition of the profit-sharing plan (PSP) based on the performance of each employee regarding the established goals and the adoption of corporate competencies.

**Brasilprev is constantly improving its management model to ensure good results and satisfy its stakeholders.**

- **Data Base Marketing (DBM):** as a database that gathers registration and transactional information about client plans, DBM allows you to analyze profiles, track behavioral trends, and prepare statistical models to anticipate actions and create studies.
- **Project Management Office:** it offers methodological support to define, map, and measure the performance of internal strategic projects. To this end, we use enterprise project management (EPM) – which adds information, such as development steps, the professionals involved, deadlines, and costs – as well as the Project Management Body of Knowledge (PMBOK), which helps define the best way to manage a portfolio.
- **Project Model Canvas:** a collaborative method to define a project plan without filling out documents excessively. This methodology prioritizes the visual comprehension of concepts, engagement, and streamlined decision-making.
- **Process Management:** it analyzes and manages our process portfolio to support the decision-making process, improve performance, and operational efficiency.
- **Rolling Forecasts:** these include simulations that support the decision-making process based on notes from potential deviations and distortions for periods of up to five semesters.
- **New Technological Platform:** this is composed of three initiatives – database restructuring (RBI), which works on merging databases to increase effectiveness when managing data and preparing management information panels and risk mitigation; a Wholesale program, whose purpose is to modernize sales and give flexibility and agility to retirement plan consulting; and UpPrev, which reviews processes involving retirement plan administration and system platform integration.

## SATISFACTION SURVEY

*G4-DMA: Compliance | G4-DMA: Customer privacy | G4-DMA: Labor practices grievance mechanisms | G4-PR5*

We monitor how performance, products, services, and management practices are perceived by our stakeholders using frequent surveys. In addition to indicating satisfaction levels, results become elements that help us identify improvement opportunities and learn more about the needs and perceptions clients, employees, and partners.

For clients, since 2012, we have been using the satisfaction cycle, which is divided into three steps: an annual satisfaction survey (a quantitative study, promoted with a large number of people to map the client's view of our products and services), an in-depth interview (a poll with a group of participants who reported some level of dissatisfaction during the previous step); and specific surveys (to delve into issues analyzed as high-priority by previous surveys).

In order to quantify general satisfaction or a specific item, we use a scale of 11 points (0 to 10), with 0 to 6 showing dissatisfaction, 7 to 8 showing satisfaction, and 9 and 10 showing delight. The company uses the Net Promoter Score (NPS) methodology, which considers as a result the difference between the number of clients who are promoters (grades 9 and 10) and detractors (grades between 0 and 6) in the recommendation question.

**Annual Satisfaction Survey:** conducted in 2016 and also pertaining to the cycle from that same year, this survey was prepared in association with the Innovare Institute's Opinion + Markey Survey and included a poll over the phone with approximately 2,300 individuals and businesses all across Brazil. Satisfaction index regarding products and services offered was 80% for individuals and 70% for businesses (both had been 75% in 2015).

**Brasilprev invests in proper management tools to ensure operational efficiency, excellence when supporting clients and other stakeholders, and responsible business dealings.**



Key positive factors continue to be the security of a strong brand associated with Banco do Brasil and the vision of a guaranteed future that our plans offer our clients. In turn, based on the NPS, we asked our clients whether or not they would recommend us. The result was 29% among individuals (a 4% drop) and 18% among representatives from corporate plans (15 percentage points less than the poll from the year before).

Net Promoter Score (NPS) Results   Percentage Points					
	2012	2013	2014	2015	2016
Individuals	36	31	33	33	29
Variation – Individuals	4	-5	2	0	-4
Businesses	34	35	32	33	18
Variation – Businesses	-1	1	-3	1	-15

- In-Depth Interviews:** promoted in 2017 and pertaining to the 2016 cycle, we developed it with the support of the Innovare Institute's Opinion + Market Survey to understand the points made by 36 dissatisfied clients during the annual satisfaction survey. The results pointed to a desire to receive more information about the plans. To this end, since 2016, we have been working on the Client Support Service, which simplified the language we use in our communications and created the Client Relationship Management Superintendence (please refer to the Clients page).
- Specific Surveys:** during the last fiscal year, there was also the third step of the 2015 Satisfaction Cycle. We conducted approximately 350 interviews over the phone about granting benefits in order to review our services and client perceptions of our retirement plans before, during, and after that phase. Results pointed to evolving satisfaction regarding the distribution process and opportunities to improve communications.

- Banco do Brasil Manager Satisfaction :** it aims to measure perceptions of the quality of sales and service support that this audience is being offered. In 2016, the study found a satisfaction rate of 95% among managers of corporate plans and 94% among managers of individual plans, the same rates achieved in 2015, which showed we retained our strong points, such as plan performance and yield, besides consultant support during plan acquisition and after-sales care.

- Corporate Client HR Satisfaction:** the 2016 survey, which was answered by 252 groups of companies and conducted with the heads of Human Resources in charge of managing our plans at their companies, got a 97% satisfaction and delight rate because of the support they received from our analysts. The previous year, that percentage had been 95%. Among the strong suits they pointed out, we would like to highlight the clear language we used in our communications, our willingness to answer questions, as well as the ample technical knowledge of our operations team.

- Satisfaction with Client Support Center:** at the end of the telephone communications with our Client Support Center, clients have the option to rate the service they received. In 2016, our average satisfaction grade was 9.4 – the same result from 2015.

- Organizational Climate:** in order to assess the level of employee satisfaction with the management model and work environment, in association with the Principal, we conduct an organizational-climate survey every year. In 2016, this voluntary questionnaire was answered by 91% of the audience, who rated the following categories: leadership, commitment, quality of life, high-performance culture, and training. In the end, the general satisfaction rate reached 80%, a slight 3% drop over 2015, which is still a good result for us.

*G4-DMA: Human rights grievance mechanisms*

## RISK MANAGEMENT *G4-DMA: Compliance | G4-DMA: Customer privacy | G4-2 | G4-14*

Maintaining and improving the risk management system are key to ensuring the protection of our business regarding our commitment to our clients and other stakeholders as well. Our processes aim to preserve liquidity, solvency, a balance between the benefit plans that were taken out based on perpetuity and compliance with our fiduciary duty. To this end, we aim to learn about and adopt the best industry practices and follow the most stringent economic and financial security standards and enforce advanced actuarial techniques. The strategy is constantly improved based on new challenges in an ever-changing society to better meet the requirements of the regulatory body.

Managing this issue is an attribute of the Technical Risk Management Officer and Internal Audit Superintendent as well as any and all business and process owners. This executive department is tasked with spreading the risk management culture to all employees, advising the establishment of strategic guidelines on this issue, and striving for the proper identification, measurement, management and reporting of corporate risks that may compromise the achievement of the company's goals. This department acts independently and reports directly to both Chief Executive Officer and Advisory Committee.

We also promote managing this issue using a matrix where key business risks are divided into eight categories – market, liquidity, credit, operational, underwriting, legal, reputational, and strategic.

- **Market risk:** the possibility of suffering losses caused by fluctuations in asset prices or discrepancies between indexes and the maturities of long and short positions is monitored so that the risks we take follow the company-established parameters. The investment strategies of each portfolio or fund are thus assessed based on a set of specific metrics that size, control, and analyze market conditions.
- **Liquidity risk:** regarding this risk, we take steps to prevent potential losses pertaining to a lack of funds in order to honor the commitments we made on the scheduled dates. Mitigation takes place by evaluating cash flows through studies that consider multiple scenarios, while analyzing reinvestment options to maximize the available amounts and set thresholds for net funds.



- **Credit risk:** this covers potential losses caused when counterparties default on financial obligations or credit conditions become impaired (lower ratings). To minimize this type of risk, we only invest in partners with high-quality credit ratings who undergo economic and financial checks periodically, within clear boundaries.
- **Operational risk:** this pertains to inadequate or deficient processes, errors, and mistakes in information technology systems, operational issues, and fraud or external incidents that are detrimental to operations or damage physical assets. The company manages this risk by improving and maintaining qualified procedures, processes and tools and by mapping, monitoring, and assessing each step of the efforts. All loss factors stemming from external processes, systems, people, and events are recorded in a database, which is used for setting new strategies.
- **Underwriting risk:** this is about potential losses stemming from applying actuarial methodologies or assumptions incorrectly, which includes issues with technical specifications and product pricing, which may entail acceptance, cancellation, longevity, mortality, morbidity, and product design risks. Management efforts are made according to the rules on risk underwriting; a periodic follow-up to avoid deviations; product development in line with market demands; reinsurance treaty coverage for extreme death and disability events; a review of technical provisions, at least once a year; consistency testing and actuarial recalculations to assess technical and operational adjustment. Additionally, the company conducts an independent actuarial audit pursuant to the CNSP Resolution No. 311 of the Brazilian Federal Department of Insurance (SUSEP).

- **Legal risk:** this pertains to potential losses because of failure to comply with legal aspects involving products, signed agreement, and regulatory, labor, tax, corporate, business, civil, and criminal obligations, among others. We rely on teams of experts and structured practices to follow up on any potential consequences to our products or internal processes as a way to manage this risk.
- **Reputational risk:** this represents the risk of losses stemming from impaired credibility or reputation because of poor performance regarding our fiduciary duty, unethical practices, bad press, and failure in internal or external communications.
- **Strategic risk:** this includes potentially compromising the continuity of operations because of failed planning and market positioning, the inability to enforce the strategies that were set, a lack of credibility, and adverse regulatory changes in the market where we operations or the macroeconomic scenario.
- **Anticorruption policy:** we have an Anticorruption Policy that sets guidelines to prevent our involvement, either direct or indirect, in cases of this nature. This document includes, among other aspects, guidelines about receiving and offering gifts, presents, and entertainment; rules on sponsorships and donations; a ban on donations to political parties; besides rules on how to hire third parties and full-time staffers and the importance of acculturation about this issue. Any and all transactions that are considered relevant – according to a strategic risk map we create – are reviewed based on corruption-related risks. In 2016, there were no confirmed cases of corruption at Brasilprev. *G4-DMA: Anti-corruption | G4-DMA: Public policy | G4-S03 | G4-S05*

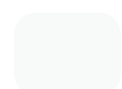
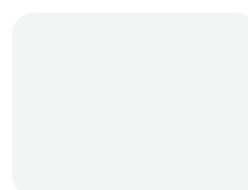
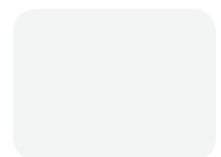
Because employee acculturation is one of the focal points of the Technical Risk Management Department's attributes, we promote constant training sessions and communications about anticorruption practices, money laundering and fraud prevention, as well as risk management.

Every two years, we hold the Compliance Week, which had its second edition in 2016. On that occasion, the issues tackled by specialists and a theater group included the importance of information security, ethics in relationships, and the fight against harassment, among others. The satisfaction rate stated by the 257 employees in attendance was 81.2% (4.8% higher than the 2014 figure).

During this period, we also developed an online course about risk management, which had 491 participants. This corresponds to 98.4% of those eligible for this training. This training session is now mandatory for all our new full-time staffers, interns, trainees, and apprentices.

In addition, we spread the word about anticorruption policies and procedures to the entire company through multiple internal communication channels as well as meetings with managers and employees. At the same time, we promoted an online course, which was attended by 98.4% of employees and 15% of the members of governance bodies.

This issue was also discussed at the Meeting of Suppliers, which is held every year and attended by 47 companies during this period. Furthermore, there is an anticorruption clause in every agreement we sign as well as a self-reporting questionnaire that is submitted to suppliers with whom we do business of significant value. Among other issues, said questionnaire covers our concern with practices of this nature. *G4-S04*





## PREPARE

“I contribute every month to my Brasilprev plan, because I look at the product as a pillow for my sleep and the keeper of my projects.”

Wady Cury, 62, is a civil engineer and a Brasilprev client for 17 years.

# Strategy

## ECONOMIC OVERVIEW

In 2016, the global economic activity experienced moderate growth compared to the last few years. The biggest economies kept the same interest rates as a result of weak economic progress and low inflation levels.

In the United States, when economic activity picked up in the second half of the year, it allowed the Fed to start a new cycle of monetary tightening by increasing the Fed Funds by adding 0.25 percentage points to the American interest rate. The job market continued to be robust, with a slight recovery of salaries. Over the course of the year, Americans chose a new president, Donald Trump. The Republican candidate was elected on the promise of bolstering economic activity through tax incentives and increasing the level of protectionism in America. Trump's victory led to volatility in the financial market and, chiefly, the currencies of emerging countries.

In Brazil, an increased unemployment rate, falling wages, and the postponement of productive investments limited the expansion of economic growth. In monetary policy, the Brazilian Central Bank commenced an interest rate flexibility process that enabled cuts to the SELIC rate, which went from 14.25% to 13.75% a year. In addition, the inflationary pressure from the last few years started to vanish. Throughout the year, the extended consumer price index (IPCA) had an accumulated increase of 6.29%.

Regarding fiscal policy, the Brazilian federal government took action to control primary expenditures to balance the budget in the medium term. The Brazilian Congress is probably going to pass other measures throughout 2017, keeping the promise to help the economy to promote sustained growth for the foreseeable future.

## Industry Performance

The Brazilian retirement industry continued to grow by double digits in 2016. Industry assets reached BRL661.6 billion, 23.4% more than 2015, according to information from the Brazilian Retirement and Annuity Federation (FenaPrevi).

Regarding revenue from January to December 2016, the industry had a 19.3% increase over the previous year. The Vida Gerador de Benefício Livre (VGBL) product category received BRL104.9 billion in deposits over this period, a 22.3% gain, and was mainly responsible for the overall growth. In turn, the Plano Gerador de Benefício Livre (PGBL) product raised BRL8.9 billion, with no significant variation. The rate of withdrawal from PGBL and VGBL reserves was 9.6%, a 0.7% decrease regarding the 2015 closing figure.

## Strategic Analysis

We keep a constant improvement process for our procedures, controls, and management model, while always taking into account our mission statement, our vision statement, and our core values. We rely on Strategic Management to guide and engage all employees in search of excellence, using the most current project planning, selection, and monitoring methodologies and deploying the best strategic plan management practices and tools, such as balanced scorecard (BSC), for instance.

In 2016, we established four priorities in order to guide the development of the strategic plan as a whole: i) focusing the decision-making process on clients by offering them accurate guidance and permanent consulting services; ii) securing our prominence in the marketplace and leading discussions to make the industry evolve; iii) developing innovation capabilities; and, last but not least, iv) continuously improving processes in order to ensure operational efficiency.

To improve our relationship with our clients, we established the Client Support Service that sees structured interactions throughout the retirement cycle at Brasilprev that go beyond consulting – which already takes place during the sales process – into the after-sales period until preparation to receive benefits. We also created the Client Relationship Management Superintendence, which combines Client Intelligence and Management and the Client Support Center in the same unit.

Because we are aware of our role as a player in the retirement industry, over the course of this year, we increased our participation in the most important industry discussion forums and behaved accordingly to improve the industry, especially in negotiations and the rules and regulations under the Brazilian Federal Open Market Committee (CMN) Resolution No. 4,444.

Another key factor that became strategically relevant for the company was the incorporation of innovation as a strategic objective. In order to help diffuse up-to-date methodologies and support the process to bolster this culture, the Corporate Strategy, Innovation, and Project Management Department started coordinating multiple activities. Holding the 100% Special Management meeting, which brought together all managers to discuss and establish the concept of innovation at Brasilprev; creating a workgroup to spread the idea and acculturate employees; adopting new tools and methodologies, such as Design Thinking; as well as hiring a consulting firm to identify groundbreaking solutions quickly and assertively are among the highlights of 2016.

Operational efficiency is our fourth focus and its highlights include the UpPrev project, which is a part of the New Technological Platform and reviews any and all processes involving retirement plan management and system platform integration efforts. In 2016, the Khronos migration took place, which made more services available to clients and channels. Moreover, Technology made significant changes to the strategy, with the development of a functionality database to serve the retirement business specifically.

Over the course of the year, the efforts to correlate strategic indicators, processes, and risks were completed. Simultaneously, processes were improved in order to improve operational

**The company established four priorities in its strategic plan: clients at the heart of the decision-making process, market leadership, the ability to innovate, and the search for operational efficiency.**

efficiency and apply the new methodology to quantify gains. We will redouble our efforts in 2017 with a view to adopting 26 concrete efficiency improvements and gains. Furthermore, the project authorization and prioritization methodology, which was reviewed in 2015, was fully adopted, thereby streamlining the decision-making process and making it more assertive based on the analysis of indicators as well as a tool that can estimate costs.

These strategic initiatives, when added to our active participation in industry discussions and our actions, which are based on our sustainability and solidity, allowed us to retain our prominence as a key player in the Brazilian retirement industry in 2016, achieving above-average results in spite of a challenging economic scenario.

## PROSPECTS

Discussions on public-pension reform are a factor that may propel the retirement industry in Brazil, since people become aware of the importance of saving for retirement. In addition, there are demographic movements, such as an aging population, falling birth rates, and increased longevity – currently, whoever turns 60 will possibly reach 85 or 90.

One of the industry's challenges will be to meet this savings need with proposals and alternatives to the various audience profiles. Growth possibilities are scattered all over the data, such as a 2016 FenaPrevi poll, which showed that only one third of Brazilians takes steps towards financial security. Another World Bank study from the same year found that, out of every 100 Brazilians, only four set aside funds for retirement, which is the lowest rate in the Americas and one of the worst worldwide.

As for product improvement, the industry awaits a final rule to take action, with the new provisions under CMN Resolution No. 4,444, which will give fund managers more diversification power, mitigating risks and maximizing returns.

## PRODUCTS AND SERVICES

*G4-DMA: Marketing communication | G4-DMA: Product and service labeling | G4-4 | G4-PR3*

We create products and services based on five attributes: competitive; desired by clients; legally compliant; based on corporate strategy; and profitable. Within this context, we were pioneers when we focused on concept of pension savings, back in 2004, after reviewing our mission statement and positioning our plans as tools to enable long-term life plans instead of restricting them to retirement alone.

In 2016, to follow up on our progress, the Product Superintendence reviewed the scope of activities of its two management offices. The first one started handling portfolio management, modeling, and new product creation efforts, while the other dedicates itself to monitoring compliance with the rules and laws in force as well as the various corporate processes. With this separation of functions, the department gains focus and assertiveness.

The superintendence's improvement moves are even more important because of our all-encompassing portfolio, which offers unique solutions geared towards multiples audiences – both individuals and businesses –, with plans to achieve different objectives, such as retirement, your children's education, homeownership, the experience of an amazing trip, and even investments in your own business.



Products are sold at Banco do Brasil branches and also through registered freelance brokers, who offer plans divided into two categories – Plano Gerador de Benefício Livre (PGBL) and Vida Gerador de Benefício Livre (VGBL). There are also two taxation tables: progressive tax-relievable and regressive definitive. Funds are placed in investment funds with fixed-income strategy options, balanced with variable income or even used with the sophisticated Life Cycle concept. The monthly minimum contribution is BRL 25.00 in some products, the lowest in the market. This way, a larger share of the population is able to afford retirement plans. When acquiring a Brasilprev plan, clients receive a proposal containing important information, such as the fees we charge and the initial waiting period for withdrawals and rollovers. After 30 days, clients are sent a certificate of the product.

One of our main differences is our consultative selling, which aims to help clients acquire the product that best suits their profile and their needs. To this end, Banco do Brasil managers, our largest sales force, use tools such as a decision tree, a set of questions to guide this analysis and, thus, provide each individual with the most suitable plan. Additionally, these professionals are supported by consulting experts and sales material, as well as follow-up tools, such as business presentations, techniques, and collective plan guides, which are prepared based on each client segment.

Training sessions are also conducted to help Banco do Brasil managers. During the 12 months of 2016, there were 231 on-site meetings, which involved 2,782 participants, besides 97 remote courses, with 3,888 professionals in attendance. We also have an internal department that supports the network with phone consultations and conference calls. These actions compound with a whole range of services available in multiple channels to enable the company's commitment to adding value to the entire client relationship cycle.

The portfolio distribution of acquired plans is in line with the context of fostering social and economic development and promoting the retirement industry in Brazil. In Southeast Brazil, the largest economic hub in the country, with the largest concentration of companies, we are very well represented. Furthermore, some social, economic, and demographic changes, such as an increased access to finance, an aging population, falling birth rates, and prolonged longevity, have been affecting the financial awareness of Brazilians positively, which, for us, leads to increased revenue and a larger client base across Brazil. Among our clients, women have been participating more and more as well as increasing the monthly value of their contributions. At the end of 2016, they were participants in 49% of all PGBL and VGBL plans. In turn, the average contribution of the female audience was BRL 385, a 10% increase over December 2015. *G4-FS6*

Division of each portfolio category based on amount of plans by region <i>G4-FS6</i>				
Region	PGBL (%)	VGBL (%)	Traditional (%)	Share in Brazilian region (%)
Brazilian Midwest	28	67	5	9
Northeast Brazil	30	65	5	16
Northern Brazil	32	64	4	4
Southeast Brazil	27	66	7	53
Southern Brazil	27	68	6	18
<b>Total</b>	<b>28</b>	<b>66</b>	<b>6</b>	<b>100</b>

## Products

- **Individual:** clients may choose from the PGBL and VGBL categories in Brasilprev plans, which are intended for people aged 14 to 69, with a minimum monthly contribution of BRL60.00 (VGBL) and BRL100.00 (PGBL). The second option is Brasilprev Personalizado, with a minimum contribution of BRL200.00, which is intended for clients aged 14 to 99. There are other two alternatives for Banco do Brasil clients, based on relationship level: Brasilprev Estilo or Brasilprev Private.
- **Brasilprev Junior (underage segment):** released in 1997, by inaugurating this segment, this plan broke new ground in the retirement industry. The first product oriented towards children and teenagers was created so that our clients could use the funds while they were still young, especially in education, which turns these plans into an effective tool to help families set aside a reserve to bankroll the life plans of their children, nephews and nieces, and grandchildren. Besides, it universalizes access to retirement plans, since it has the lowest contribution amount in the market: BRL25.00.
- **Very Small and Small Businesses and Associations:** in October 2016, the Brasilprev product for very small and small businesses turned three, with high demand. That is because it offers several benefits, with the progressive taxation advantage as a highlight, which enables lower taxes as reserves increase, both individually and collectively. Besides, it allows for individualized billing, which relieves the Human Resources departments of companies.
- **Corporate:** in 2016, the new retirement plan models for the Wholesale segment turned one. With a performance within expectations, these products continue to be improved so that companies can rely on an ever-better customer service. Plans were developed based on preestablished models based on high-complexity variables that adapt to business needs and market demands. To this end, we came up with a business platform that offers an online sales tool. With it, our consultants are able to provide our clients with the best retirement solution using the least amount of paper. This platform gets new functionalities every year to foster autonomy and mobility among consultants, with less red tape and more streamlined retirement plan acquisition efforts.

## Services

We perfect the services we offer, which include our Client Support Center, our Ombudsman's Office, consulting services for individuals and businesses, as well as the digital channels of our company and Banco do Brasil – of which the website, the mobile website, and the self-service terminals are the highlights (please refer to the chapter Clients) – to improve our client interactions.

In 2016, with many efforts in this regard, we decidedly focused the decision-making process on clients as one of our strategic priorities. We also established the Client Support Service, which fosters structured interactions throughout our retirement cycle and takes consulting to every single opportunity to contact clients. This activity has already been directly influencing all the services we provide.

Moreover, we created the Retirement Primer to raise awareness of the importance of saving in the long run. This concept builds upon financial-literacy and retirement education initiatives that may be accessed via our many channels (to learn more, please refer to the chapters Clients and Community).

## COMPETITIVE EDGE AND INTANGIBLE ASSETS

Throughout our history, we have developed, perfected, and kept intangible assets that enable outstanding performances in the marketplace and continuously enhance our competitiveness. Among these key attributes for sustainable growth, the most relevant are as follows:

- **Strong brand:** the reputation and solidity of two shareholders, plus a track record of achievements and consistent management, are the basis for the strength of our brand.

Throughout its history, Brasilprev has developed, perfected, and kept intangible assets that enable outstanding performances in the marketplace and continuously enhance our competitiveness.



- **Specialization:** our exclusive devotion to retirement makes us stand out from the competition by enabling more competitive launches and a focus on long-term investment management.
- **Positioning:** our actions are unique in the marketplace because we spread the concept of long-term funds accumulation as a way to materialize different life plans and boost financial and retirement awareness in society.
- **Groundbreaking profile:** innovation is a part of our corporate identity, which follows market trends and promotes surveys and studies to establish the characteristics of new products and unprecedented services. This feature became even stronger with the acculturation moves that started in 2016, which will also be in the limelight in 2017.
- **Affordability and capillarity:** we help universalize retirement by offering affordable financial solutions to different audience profiles. We also rely on the capillarity of our main distribution channel, Banco do Brasil, with over 5,400 branches – besides proprietary, franchised, and shared minibranches – and we are present in 99.7% of all Brazilian cities. *G4-DMA: Local communities | G4-FS13 | G4-FS14*
- **Client knowledge:** our client strategy and focus on business sustainability entail adding value throughout the relationship cycle. To achieve this purpose, we keep an up-to-date database with the registration and transactional information of clients, which serves as knowledge base to track detailed profiles of each segment. Thus, it is possible to serve clients more assertively and develop products and services in line with their needs.
- **Experts:** we rely on a team of 134 consulting experts – seven more than in 2015 – who were certified by the Brazilian Association of Financial and Capital Market Institutions (ANBIMA) based on the ANBIMA Professional Certification programs CPA 10 and CPA 20, which are geared towards professionals who dedicate themselves to investment product sales and distribution activities. In 2016, another three consultants managed to obtain the Certified Financial Planner (CFP) designation, one of the chief international certifications in the financial market, for a total of six professionals with CFP designations.
- **Consulting:** the search for client satisfaction starts with consultative selling, which is carried out by experts who are trained to guide and tell clients about the most suitable plan for their profile and manage client expectations. In 2016, we created the Client Support Service, which extended consulting throughout the client relationship management cycle and forecasts an even closer interaction during the entire after-sales period.
- **High satisfaction rates:** throughout our history, we have received good results from polls, which have become a way to assess the experiences of stakeholders with the company. Surveys are carried out to measure the satisfaction of clients, Banco do Brasil managers, corporate plan administrators, organizational-climate managers, as well as quality assurance managers for the services of the Client Support Center (to learn more, please refer to the chapter Satisfaction Surveys).
- **Certifications:** achieving and retaining well-known international certifications are a testament to our excellence in management practices. Examples include the ISO 9001:2008 certification obtained by the Ombudsman's Office and Finance and the ISO 9001:2015 certification acquired by the Client Support Center – which, again, was awarded the Seal of Ethics based on the Code of Ethics of the Brazilian Self-Regulation Program (PROBARE) as well as the Seal of Management Maturity (to learn more, please refer to the chapter Awards and Recognition).
- **Legal and Regulatory Management:** we play a key role in the Brazilian retirement market and take action internally with the creation of mechanisms and processes to anticipate and comply with industry standards and externally with a structured collaboration with regulatory bodies and industry institutions to improve the market continuously.



Wady Cury, 62, is a civil engineer and a Brasilprev client for 17 years.

# Economic and Financial Analysis

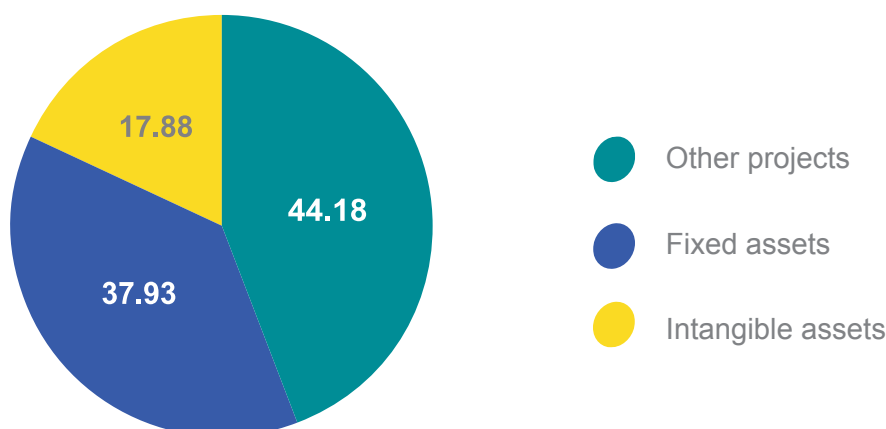
*G4-DMA: Economic performance*

## INVESTMENTS

We are constantly investing in fixed (the necessary infrastructure for operations) and intangible (software) assets, besides important projects that aim to carry out judicious and consistent improvements for the ever-evolving quality of our management practices and processes. Thus, in 2016, investments worked out at BRL23.4 million, distributed among the following initiatives:

- A 93% investment in innovation projects and our competitive edge to differentiate our products and services, thereby expanding our ability to generate business and create client loyalty.
- A 5% investment in the improvement of operational-risk management and compliance tools and instruments, including controlling the risk of financial losses stemming from failed procedures, noncompliance, and fraud.
- A 2% investment in legal affairs to promote adaptations to legislative changes and adjustment in new products and/or services, in addition to the adoption of internal controls and accounting standards.

## Investment by type (%)



### ASSET MANAGEMENT

The activities of our financial experts are based on a philosophy of long-term investment, with daily follow-up on the behavior of portfolio funds and evolution so that funds are allocated based on the best risk-return ratio. In parallel, our strategy builds on the diversification of asset classes and types, which requires teams to observe market performance thoroughly, always in line with the rules of the industry's regulatory body. Besides, we do not make decisions based on temporary fluctuations. We look for a long-term horizon, with environmental (such as climate risk), social (stakeholder relations), and governance (management structures) issues – under the acronym ESG – also being factored in this process. [G4-EC2](#)

In 2016, we took a major step in sustainable investment management, with compliance with the Principles for Responsible Investment (PRI), a gathering of global investors in association with the Environment Program Finance Initiative (UNEP FI) and the Global Compact, both spearheaded by the United Nations, to further the inclusion of ESG issues in the investment decision-making process. During the same year, we signed the Green Bond Statement – Brazil, an initiative by the Climate Bonds Initiative (CBI) and SITAWI Finanças do Bem that supports the issuance of green bonds as a way to promote a low-carbon economy by deploying or refinancing projects that benefit the environment. [G4-EC2](#)

### Credit Limit Award

Since 2015, we have adopted the credit limit award (PLC), a model that aims to grant an additional credit limit to companies, both financial and nonfinancial, that are concerned about adopting sustainability practices in their business. Through comparative and integrated analysis, the credit limit award recognizes, with additional limits, the organizations that make up our credit portfolio and appear in the corporate sustainability index (ISE). The methodology – which is based on the corporate sustainability index and, thus far, only applies to the credit portfolio – is assessed and deliberated on by the Financial Committee, which is also in charge of other investment decisions.

In December 2016, the counterparties (companies and banks), who were a part of the company's private-lending portfolio and were eligible to receive the credit limit award benefit, made up 16% of the businesses in that group, with amounts that added to 55% of the total. [G4-DMA: Product portfolio | G4-FS10 | G4-FS11](#)

### Asset Management Governance [G4-EC8](#)

Considering our responsibility as an institutional investor, we keep a robust system and a solid framework to guide our investment and risk management efforts. Our purpose is to provide our clients with the best yield in the long run. Thus, we adopt a controlled governance process that is based on ethics, prudence, and



transparency. The Board of Directors is tasked with passing general policies and guidelines, which are then deployed by our Financial Committee and managers, who run BB Gestão de Recursos – Distribuidora de Títulos e Valores Mobiliários S.A. (BB DTVM).

Our Investment Policy applies to the entire asset portfolio and covers any and all decisions to allocate funds coming from various decision-making ranks. The document also highlights financial risks, such as credit, market, and liquidity risks, besides factoring in systemic risks, and monitors opportunities that are economically sustainable and socially responsible. Because we manage a long-term product, we define the demands, requirements, and conditions that guide our investment management strategies transparently.

#### *G4-DMA: Product portfolio*

To manage the risks of products with a guaranteed minimum benefit, for more than 15 years, we have adopted the asset-liability management (ALM) process. With this, we ensure integrated asset-liability management efforts as well as the best possible allocation of funds based on investment maturity and risks.

Asset diversification is the primary element of risk control and mitigation we conduct. We also follow, as the investment opportunity selection standard, the international concept of prudent-person standard, that is, making choices

on behalf of clients as if they were made for oneself, always looking for gains that consider both the security of the invested capital and the potential result stemming therefrom. We also follow the principle of observing the regulatory aspect regarding opportunities, the impacts associated with risk, the financial implications and mitigation measures, risk management *per se*, as well as management costs.

#### **BB DTVM**

BB Gestão de Recursos – Distribuidora de Títulos e Valores Mobiliários S.A. (BB DTVM) is tasked with managing our assets and specializes in the administration and management of assets that span all the categories of investment funds, with products distributed by the various investor segments. This is a leading company in the Brazilian investment fund and managed-portfolio industry, according to the rankings of the Brazilian Association of Financial and Capital Market Institutions (ANBIMA).

BB DTVM relies on professionals with a high degree of qualification and commitment and follows ethical and legal principles in compliance with the laws in force and the Code of Ethics of the Banco do Brasil conglomerate. Funds management follows the guidelines contained in our Investment Policy and the management agreements that were signed between the parties. In addition, we have signed the Principles for Responsible Investment (PRI).

The company ended 2016 with more than BRL 730 billion in funds managed and, since 2006, has retained Manager Quality 1 (MQ1), the maximum investment manager excellence rating from credit rating agency Moody's Latin America. Since 2012, it also has the international ISO 9001:2008 – Total Quality certification, one of the most prestigious titles in quality of services and processes of credit risk analysis.

### Families of Funds

We keep seven families of investment funds with different compositions. We do not make direct investments in infrastructure, only indirectly, placing funds in corporate bonds and shares of companies that are listed in stock exchanges and participate in that industry.

**Classic RF:** it tries to meet client profiles with very low risk tolerance who are close to achieving their life plans and feel the need to protect the wealth they already have. Therefore, these clients are more careful and try to avoid fluctuations in their investments. Moreover, they are willing to give up on a better yield in the long run.

**FIX Family:** oriented towards clients that want a long-term return at a minimum risk, this fund aims to have a good yield and protect their wealth. In these funds, we invest in government bonds to make the most of an interest rate that is still attractive in the long run and corporate bonds to get a premium on the interest paid by government bonds.

**Premium RF:** this is oriented towards clients with a more moderate profile, since fluctuations in units are higher than other fixed-income offerings. It aims to provide our clients with an investment option with an outstanding yield in the long run.

**Balanced Fund 20:** for an outstanding return and appreciation in the long run, it takes moderate risks in transactions and allocates 15% to 20% of investments to variable-income securities, especially separate accounts, and 80% to 85% to fixed-income securities (government and corporate bonds).

**Balanced Fund 49:** with a bold profile and long-term appreciation forecasts, up to 49% of funds are invested in variable-income securities (with a focus on separate accounts) and at least 51% in fixed-income securities (government and corporate bonds).

**Balanced Fund 49D:** in this family of funds with a bold profile and a focus on wealth growth, variable-income investments are allocated to shares of companies with a good history of dividend payout. Thus, up to 49% of funds are invested in variable-income securities and at least 51% in fixed-income securities.

**Life Cycle:** considered the most cutting-edge investment concept in the Brazilian retirement industry, it aims primarily to follow up on the life cycles of our clients. It is based on the "auto pilot" concept, which allows our experts to periodically rebalance fixed- and variable-income percentages to provide the best risk-reward ratio throughout the years. The more distant the date of life plan achievement is, the longer variable-income funds will be exposed, since the time to overcome potential financial fluctuations will be longer. On the other hand, as the date of life plan achievement approaches, the fund becomes more conservative, with a higher allocation to fixed-income securities and a focus on yield and protection. In this family of funds, we offer three categories, with different features, based on the time horizon that was established by the respective life plans of clients: Life Cycle 2020, Life Cycle 2030, and Life Cycle 2040.

2016 net yield of funds (reference date: 12/31/2016)

Name of Fund	Management Fee (yearly %)	12 months (%)	24 months (%)	36 months (%)	48 months (%)	60 months (%)
FIX	3.40	10.95	21.32	30.26	33.38	43.11
FIX II	1.50	13.07	25.99	37.88	43.90	57.33
FIX III	3.00	11.39	22.29	31.83	35.53	45.99
FIX IV	2.50	11.94	23.50	33.81	38.25	49.66
FIX V	2.00	12.51	24.74	35.83	41.05	53.46
FIX VI	1.25	13.35	26.61	38.91	45.32	59.29
FIX VII	0.80	13.86	27.75	40.79	47.97	62.92
FIX VIII	0.70	13.97	28.00	41.21	48.53	
FIX IX	2.80	11.55	22.59	32.17		
FIX X	1.80	12.73	25.23	36.62		
FIX A	0.95	13.67	27.33	40.09	46.98	61.56
FIX C	1.00	13.63	27.24	39.95	46.79	61.30
Prev FIX	3.00	11.73	22.30	31.75	32.70	39.57
Classic	1.00	12.66	26.50	39.02		
Classic II	1.80	11.77	24.50	35.72		
Premium	1.25	17.65	28.42	41.84		
Life Cycle 2020	2.00	17.09	24.22	35.95	21.17	45.22
Life Cycle 2020 II	3.40	15.47	20.80	30.36	14.56	35.38
Life Cycle 2020 III	3.00	15.90	21.69	31.70		
Life Cycle 2020 IV	2.50	16.46	22.85	33.61		
Life Cycle 2020 E	1.25	17.95	26.05	38.98	24.78	50.65
Life Cycle 2030	2.00	25.80	23.91	31.21	11.18	32.60
Life Cycle 2030 II	3.40	24.04	20.46	25.75	5.04	23.51
Life Cycle 2030 III	3.00	24.31	20.87	26.72		
Life Cycle 2030 IV	2.50	24.84	21.95	28.51		
Life Cycle 2030 E	1.25	26.72	25.72	34.11	14.47	37.53
Life Cycle 2040	2.00	29.78	24.18	29.76	9.20	29.31
Life Cycle 2040 II	3.40	27.97	20.72	24.36	3.18	20.46
Life Cycle 2040 III	3.00	28.21	21.50	25.70		
Life Cycle 2040 IV	2.50	28.95	22.81	27.69		
Life Cycle 2040 E	1.25	30.73	25.98	32.60	12.41	34.10
Balanced Fund 20	3.50	14.72	20.05	26.58	25.03	33.63
Balanced Fund 20 II	1.50	17.04	24.94	34.43	35.50	47.76
Balanced Fund 20 III	3.00	15.28	21.22	28.43	27.48	36.93
Balanced Fund 20 IV	2.50	15.84	22.38	30.29	29.96	40.27
Balanced Fund 20 V	2.00	16.46	23.72	32.45	32.83	44.13
Balanced Fund 49	3.00	19.88	19.68	23.78	18.50	26.43
Balanced Fund 49 II	2.00	21.07	22.08	27.54	23.34	32.92
Balanced Fund 49 III	1.50	21.42	22.65	28.48		
Balanced Fund 49 D	2.00	16.76	18.12	20.89	17.98	28.44
Balanced Fund 49 D II	1.50	17.30	19.20	22.56		
Balanced Fund 49 D E	1.25	17.62	19.87	23.60	21.52	33.28
Special Multimarket	1.25	26.01	25.12	36.08	16.48	41.92

## RESULTS

In 2016, we maintained the good performance we had been showing in the past few years. We continue to be the leading company in PGBL and VGBL assets, net deposits, and total revenue.

### Net deposits

As the leading company in net deposits since 2008, we reached a 50.5% market share in this indicator in 2016, which shows the difference between withdrawals and investments made by clients. The amount worked out at BRL28.5 billion, a 25.6% gain over 2015 and over four percentage points above the market, which grew by 21.2%. (Source: Quantum Axis)

### Assets under management

At the end of 2016, total assets under management were BRL199.1 billion, a 33% increase over 2015, above the market average, which grew by 23.4%. Our market share reached 30.1%. Regarding the PGBL and VGBL assets, the amount worked out at BRL187.3 billion, for a total market share of 30.9%, which represents a 34.9% gain over 2015. During that same period, the industry grew by 25.2%. (Sources: FenaPrevi and Brasilprev)

### Revenue

We continued to be the leading company in total revenue, with a 40.5% market share, BRL47.6 billion in deposits, and an annual growth of 33.2%, 13.9 percentage points above the market average, which gained 19.3%. Regarding the PGBL and VGBL products, there was a 28.6% increase, which amounted to BRL47.1 billion, a 28.6% increase over 2015. The average industry growth in this indicator was 20.1%. (Sources: FenaPrevi and Brasilprev)

### Revenue by segment

Our revenue in the individual segment was BRL38.1 billion, which is equivalent to a 37.9%

market share and a 14.8% gain over 2015. The industry grew by 15.5%. In the underage segment, the amount worked out at BRL1.2 billion, a 6.1% increase over 2015, with a 56% market share. Regarding these products, the market recorded a 5.4% increase. As for the corporate segment, we had BRL8.4 billion, a 17.7% growth over 2015 and higher than the industry's figures, which amounted to 9.1%. We ended the year with a 55.6% market share. (Sources: FenaPrevi and Brasilprev)

### Rollovers

Regarding rollovers, which is the mechanism whereby clients are able to transfer their reserves to another retirement trustee, we received BRL1.4 billion and transferred BRL2.2 billion, which produced a negative net rollover of BRL 864 million. (Source: FenaPrevi)

### Technical reserves

The balance of technical reserves grew by 33.2% over the same period in 2015, amounting to BRL197.5 billion. The industry average was 23.8%. (Sources: FenaPrevi and Brasilprev)

### Distribution of Value Added *G4-EC1*

In 2016, the value added worked out at more than BRL23.1 billion, a 43.7% increase over the previous year. The distribution of value added, which aims to show how the wealth we generated was shared, was as follows: 91.4% for clients, 3.8% for the government (taxes), 2.7% for shareholders, 1.6% in retained earnings, and 0.5% for employees.

Internal policies on reinvesting earnings and paying out dividends are established in our by-laws and discussed during meetings of shareholders. Dividend requirements are paid out to shareholders at a rate of no less than twenty-five (25%) of the fiscal year's net income.

Distribution of Value Added (In millions of BRL) <i>G4-EC1</i>					
	2012	2013	2014	2015	2016
Clients	5,263.7	2,473.8	8,298.4	13,845.8	21,141.5
Government	397.9	476.6	762.9	963.1	867.5
Employees	72.6	82.6	91.1	105.0	119.4
Shareholders (dividends)	239.4	404.2	426.2	770.3	628.9
Retained earnings	244.6	178.3	561.1	385.2	380.1
<b>Total</b>	<b>6,218.2</b>	<b>3,615.5</b>	<b>10,139.7</b>	<b>16,069.4</b>	<b>23,137.40</b>

## ACHIEVE

“Saving money is the basis for a comfortable life. That way, I can do my own things, mainly going out and traveling a lot with my friends.”

Maria Inês Godoy, 79, has already enjoyed her Brasil-Prev plan and continues to be a client of ours.



# Social, Environmental, and Stakeholder Management

The corporate vision – “to be the leading retirement trustee in Brazil, admired for our contribution to the sustainable development of Brazil and Brazilians” – and the search for responsible management – which is defined as one of our sustainability priorities – serve as the basis for our relationship with our stakeholders and our environmental protection practices. This action is formally stated in the Letter of Guidelines and the Sustainability Policy (which may be accessed [here](#)). The principles that guide this positioning include:

- Acting to add value to all of our stakeholders;
- Continuously trying to incorporate practices that foster sustainable development into our daily activities and processes;
- Promoting an ethical and transparent dialogue in all relationships;
- Raising awareness and engaging employees and business partners regarding the role of sustainability for our perpetuity;
- Valuing business opportunities that can contribute to sustainable development;



- Promoting the responsible management of investment portfolios, in light of our fiduciary duty and the commitments we contracted with our stakeholders, beyond or role as an institutional investor;
- Integrating public initiatives that are geared towards the sustainability issue, contracting commitments to issues that are relevant to our business;
- Cooperating with other organizations in initiatives that aim to find solutions for common challenges that contribute to the sustainable development of Brazil and Brazilians;
- Publicly spreading the Sustainability Guidelines the organization has adopted and periodically report on the evolution of our practices, which contribute to reaching your vision.

## VOLUNTARY AGREEMENTS *G4-15*

We enter into and sign voluntary agreements with institutions and organizations with whom we share principles and values. They are as follows:

- **Global Compact:** since 2008, we have been signing this United Nations initiative and reinforcing our commitment to the development of practices based on respect for human rights, labor relations, environmental protection, and the fight against corruption. *G4-DMA: Anti-corruption*
- **Carbon Disclosure Program (CDP):** an international nonprofit initiative that has the backing of institutional investors (such as Brasilprev) so that companies measure, spread, and share information about their practices with regard to climate change, water, and forests.
- **Principles for Responsible Investment (PRI):** it brings investors together – in association with the United Nations Environment Programme Finance Initiative (UNEP FI) and

the Global Compact, both spearheaded by the United Nations – and takes action to foster the inclusion of environmental, social, and corporate governance (ESG) issues in their investment decision-making and asset ownership process. We became a signatory in 2016.

- **Green Bond Statement:** a document signed by investors who support the adoption of green bonds as a new investment option to generate positive impacts for the environment, mitigate climate changes, and promote a low-carbon economy.
- **Abrinq Foundation:** since 2009, we have had the right to use the Children-Friendly Company Program seal, which is granted by the Abrinq Foundation for the Rights of Children and Teenagers, as a result of the initiatives we have developed to benefit this audience.

We are also affiliated with the Ethos Institute of Companies and Social Responsibility and follow the Global Reporting Initiative (GRI) guidelines.

We have engaged our many stakeholders frequently using preset approaches. These activities aim to add mutual value and are in line with our Active Life philosophy, which includes paying attention to four dimensions to fulfill life plans: financial literacy, quality of life, entrepreneurial attitude, and social responsibility.

We also believe that awareness of the importance of saving in the long run – chiefly because of discussions about public-pension reform – is paramount for Brazilians to maintain a standard of living in the future and be able to achieve their life plans, regardless of gender, social class, and generation. For this reason, we have improved our activities regarding the formation of a retirement culture, a commitment that was established in our Sustainability Policy and as a result of the creation of the Retirement Primer. This new concept intends to bring all the efforts that approach financial literacy and retirement education under a single identity and strengthen our positioning in our many support channels. The new way to act was based on three educational pillars – to inform, form, and acculturate – and initiatives are now prepared according to the retirement cycle, that is, accumulation, protection, and distribution, while also considering the needs of each target audience (clients, employees, community, and so forth). Learn more about the efforts and channels that are geared towards our stakeholders in the chapters below.

*G4-DMA: Product and service labeling*

## SHAREHOLDERS

For us, transparency-based equality in corporate accountability and responsibility towards shareholders is key for our perpetuity and success. Our Corporate-Governance Policy and the Letter of Sustainability Guidelines clearly establish the principles, rights, and duties that govern this relationship.

Shareholders play a key role in attaining growing and sustainable results and help establish business strategies using certain forums and providing management insights and experiences. The most important forums where this audience takes part in the decision-making process are the special and regular meetings of shareholders, where strategic issues are discussed, such as passing changes to the corporate bylaws and accountability (to learn more, please refer to Corporate Governance). Specific meetings with shareholders and other employees also take place to further integration and alignment between the parties.

## CLIENTS *G4-DMA: Product and service labeling*

We continuously promote efforts to achieve, for our clients, our mission “to provide our clients with financial-security solutions and high-quality services to enable their life plans.” In order to honor this commitment, we provide consulting support, convenience, and superior performance in asset management. Besides, we spread the concepts of financial literacy and retirement education among clients and the community.

In 2016, we focused the decision-making process on clients as one of our strategic priorities. To improve this stakeholder’s experience, over the course of the year, there were internal changes ranging from the creation of the Client Relationship Management Superintendence to other more visible ones for the external audience, such as the implementation of the Client Support Service and efforts to simplify the language used in communications.

This new superintendence brings together the departments of Client Intelligence and Management and Client Relationship Management, which produces an effective synergy. Thus, strategy and management owners are in tune with the department that contacts this audience directly in order to better understand participant demands and guide targeted efforts.

In line with the client experience and relationship management strategy and coupled with the results from satisfaction surveys with this audience, we established the Client Support Service, with efforts that aim to strengthen our relationship with our clients throughout their journey with their Brasilprev plans.

Within this context, it is important to promote the acculturation and engagement of all employees vis-à-vis the outlined objectives. In September, a month that marks the Client Day celebrations, we held the second edition of the Client Week.

**In line with its mission, Brasilprev offers consultative support, convenience, as well as superior performance in asset management and spread the word about the concepts of financial literacy and retirement education.**

This event tackled consumer behavior trends, innovation, shareholder strategies, as well as success stories that are geared towards client experience improvement. Another program initiative was continuing the client experience workshops to train every employee in the concepts of client journey and make them aware of the role they play in delivering a good experience to clients.

### Corporate Clients

In 2016, we kept improving our relationship with our corporate clients. One of the breakthroughs is client service specializing in small and mid-sized businesses. To this end, we had consultants go to new Banco do Brasil branches where they would only help companies of these sizes.

During the last quarter, the Chief Economist of Brasilprev spoke to businessmen and Banco do Brasil managers from different cities in several venues. We will repeat these efforts in 2017.

We also make the following efforts regarding financial literacy and the formation of a retirement culture for employees of corporate clients:

#### Solicitation (plan deployment period)

- **Lectures:** an introduction to corporate plans, with presentations that aim to spread the culture of financial literacy and retirement education to improve the planning and use of personal funds.
- **Supporting material:** a participant's guide with educational contents to diffuse the concepts of financial literacy and retirement education.

#### Financial-Literacy program

- **Online course:** the My Life Plan platform provides an online course on budget planning. The service is also available to prospects.
- **Best Choices Workshop:** this is geared towards clients that are close to retirement and about to start achieving their life plans – among others, it approaches changes to finances upon retirement, retirement education, and the formation and preservation of financial reserves.
- **WWW:** an exclusive microsite to guide employees who are leaving their companies, but who intend to continue paying into the plan.

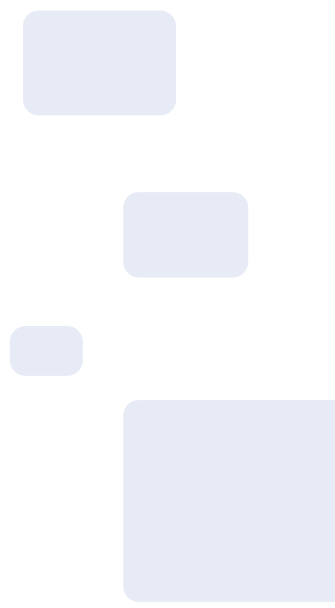


### Client Support Center

In 2016, the department was officially renamed from Client Service Center to Client Support Center, which is in line with the consulting support efforts our team provides. Recognized by the quality of our efforts, in 2016 we renewed the ISO 9001:2015 – revisited in 2015, the ISO 9001 certification became more mature and is a testament to our management's commitment to process standardization – and Brazilian Self-Regulation Program (PROBARE) certifications in the Code of Ethics and Management Maturity categories, which corroborate our excellent performance.

Regarding improvements in this area, one team was trained to only help clients with income tax questions in the months of March and April. This measure led to increased operational efficiency, since clients with questions of this nature were redirected to someone who could help them specifically. Revising the call center scripts – preset sentences to communicate with clients – to make information more accessible was another major breakthrough. To better understand the demands contained in the satisfaction survey at the end of each call, a group of employees made efforts to contact clients who gave ratings lower than 5.

The department also sends daily communications about the most frequent questions and updates the information lookup system on which client support is based. Still during this period, we reinforced the Special Operations Group, who is responsible for onboarding any and all clients that go personally to our headquarters and also takes action regarding Client Support Center-related demands, which go through the Ombudsman's Office and social media. In 2016, the Center took over 800,000 calls, established 13,000 chat communications, and received around 20,000 email messages.



## Accessibility

### G4-DMA: Local communities | G4-FS14

The 5,400 Banco do Brasil branches follow the technical accessibility standards of the Brazilian Association of Technical Standards (ABNT). They offer priority support to people with disabilities (PwD) or reduced mobility (temporary or permanent), the elderly, childbearing mothers, breastfeeding mothers, and those with small children. It is easy to move around and access the facilities, the counters, and self-service terminals for people with disabilities or reduced mobility. Also, information on operational procedures are offered to people with visual and hearing impairment. Furthermore, the other Banco do Brasil channels have capabilities to ensure accessibility, such as self-service over the Internet, which makes it easier to interface with the most widely used screen readers in the market. The high degree of capillarity of Banco

Our Client Support Center and Ombudsman's Office are also accessible, with an exclusive telephone number for people with hearing or speech impairment as well as a specific chat support service.

## Ombudsman's Office

Certified by ISO 9001:2008, which is a testament to its best practices and quality, the Ombudsman's Office is tasked with solving client demands with transparency and impartiality, especially those that were appealed (to learn more, please refer to Corporate Governance).

## Website

A clear and objective language and with a complete menu of services that range from simulations for assertive plan choices to financial-literacy contents turn our portal into a key relationship management channel for our clients

Client Support Center Data (in thousands)					
	2012	2013	2014	2015	2016
Calls	749	796	775	850	856
Emails	15	74	45	26	23
Chat Support	54	11	13	9	13
<b>Total</b>	<b>818</b>	<b>881</b>	<b>833</b>	<b>881</b>	<b>892</b>

do Brasil, with branches all across Brazil, makes it possible to add the denizens of cities with low population density or economically challenged localities to the retirement market.

In 2016, the São Paulo City Hall awarded our headquarters the Seal of Accessibility for People with Disabilities. To this end, we made several adjustments to comply with the requirements of the NBR 9050 standard. The improvements we made include: an accessible sidewalk in the surrounding area; adapted parking spots on the first floor and basement; two elevators with handrails; sound cues and Braille buttons; tactile paving for the blind, and so forth.

and those interested in learning more about private retirement plans.

In 2016, our platform was accessed over 2.5 million times, a 19% increase over the previous year. In an exclusive section for our clients, they are able to generate slips for extra contributions, get fund yield information, and check their statements, among several other functionalities. This area was visited nearly 400,000 over the course of the year, a 25% increase over 2015.

## Cell Phone

Based on a general behavioral trend, mobile is the channel that has been gaining the most followers. In 2016, there were over 6.3 million transactions via this medium, a 72% gain over the previous year. The text messaging service, which includes messages about balances, withdrawals, pending documents, and bar codes to make contributions, was also subscribed to in record numbers, with 424,000 registered clients.

### Banco do Brasil self-service terminals

Present in 99.7% of cities and with over 40,000 units, the Banco do Brasil self-service terminals are another option our clients have to look up information. In 2016, there were 750,000 visits, a 41% increase over 2015.

### Client support efforts

We also try to promote support efforts with a focus on our clients. In 2016, we had a lawyer specializing in individual income tax returns giving lectures and there were two conferences on succession of property (on average, with 100 people in attendance per edition). These presentations toured cities such as São Paulo, Sorocaba, Rio de Janeiro, Campinas, Porto Alegre, Curitiba, Recife, Ribeirão Preto, Florianópolis, Salvador, and Belo Horizonte, reaching over 1,000 people overall.

We also promoted cultural and sporting events in connection with the promotion of quality of life in order to strengthen bonds with our audience.

### Banco do Brasil manager support

As our main sales channel, the Banco do Brasil branches are paramount for us to consult during a sale by offering planes based on the profile and expectations of each individual.

At the end of 2016, Banco do Brasil managers were supported by 134 consultants on Brasilprev's payroll, spread all across Brazil, as well as an internal team that does phone consultations or takes conference calls.

Our consultants are constantly trained to improve their knowledge and provide accurate information through visits and presentations. Over the course of the year, we held 231 on-site training sessions for branch managers, with 2,782 attendants, besides 97 remote courses given by 3,888 executives. In 2016, another initiative to support our sales force was the launch of Brasilprev TV, which broadcasts market

information shows and publicizes campaigns and new product releases for the entire sales force, in addition to contents about financial literacy and retirement education.

We conduct a satisfaction survey with Banco do Brasil managers every year. Over the course of this fiscal year, our survey reached the same levels as 2015, with a superior excellence level (to learn more, please refer to Satisfaction Surveys).

## EMPLOYEES

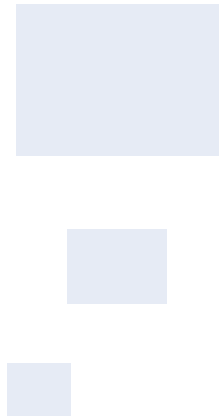
*G4-DMA: Employment | G4-DMA: Diversity and equal opportunity*

Our management model prioritizes the engagement, exchange of experiences, collaboration, and professional development of our employees. To this end, there are clear guidelines that approach, among other aspects, our commitment to promoting diversity by fighting against any type of discrimination and workplace/sexual harassment; freedom in labor relations; a work environment that favors dialogue; training and life plan achievement support; healthcare and safety; and clarity in guidelines regarding the expected corporate conducts and behaviors.

As a result of this relationship, in 2016, we made the *Guia Você S/A* 150 Best Companies to Work For list and we were ranked first at the XIX National Quality of Life Awards (to learn more, please refer to Awards and Recognition).

In December 2016, we were supported by a total of 652 employees, with 601 full-time staffers, four interns, six executive officers, 18 interns, and 23 apprentices. All staffers were hired under the Brazilian labor laws (CLT) and work full-time. Interns, apprentices, and trainees work under a specific contract.

The following tables show the division of internal audiences by gender (including managers) and region, as well as turnover:



Total number of employees by rank and gender *G4-10*

Executive Officer		Full-Time staffer		Interns	
Male	Female	Male	Female	Male	Female
6	0	313	288	8	10
6	0	276	268	5	6
6	0	283	268	3	11
6	0	270	249	7	9
6	0	262	231	6	6

Part-Time (apprentices)		Trainees	
Male	Female	Male	Female
14	9	4	0
15	7	1	3
8	5	0	1
6	4	2	2
8	2	3	1

Total	
Male	Female
345	307
303	284
300	285
291	264
285	240

## Total number of employees by gender and region G4-10

### Brazilian Midwest

Male		Female
6	— 2016 —	7
6	— 2015 —	6
6	— 2014 —	5
6	— 2013 —	5
5	— 2012 —	5

### Northeast Brazil

Male		Female
7	— 2016 —	7
6	— 2015 —	6
6	— 2014 —	5
6	— 2013 —	5
5	— 2012 —	5

### Southeast Brazil

Male		Female
318	— 2016 —	287
283	— 2015 —	261
278	— 2014 —	267
266	— 2013 —	250
255	— 2012 —	234

### Northern Brazil

Male		Female
1	— 2016 —	1
1	— 2015 —	0
1	— 2014 —	0
1	— 2013 —	0
1	— 2012 —	0

### Southern Brazil

Male		Female
13	— 2016 —	5
9	— 2015 —	9
9	— 2014 —	8
8	— 2013 —	8
8	— 2012 —	7

## Total

Male		Female
<b>345</b>	— 2016 —	<b>307</b>
<b>305</b>	— 2015 —	<b>282</b>
<b>300</b>	— 2014 —	<b>285</b>
<b>287</b>	— 2013 —	<b>268</b>
<b>274</b>	— 2012 —	<b>251</b>

Number of hires G4-LA1					
	2016	2015	2014	2013	2012
Total number of new employees	116	72	93	98	136
Rate of new hires (%)	19.91	13.14	16.80	18.53	27.04
Age span   30 or younger	45	34	42	62	62
Age span   ages 30-50	65	36	43	32	60
Age span   50 or older	6	2	8	4	14
Women	43	36	44	49	57
Men	73	36	49	49	79
Southern Brazil	5	1	2	0	1
Southeast Brazil	106	67	85	96	132
Brazilian Midwest	2	2	4	2	2
Northern Brazil	2	0	2	0	0
Northeast Brazil	1	2	0	0	1

Turnover G4-LA1					
	2016	2015	2014	2013	2012
Total number of people that left the company	68	73	67	70	92
Turnover (%)*	1,32	1,14	1,21	1,35	1,99
Age span   30 or younger	17	20	20	25	32
Age span   ages 30-50	46	48	37	39	49
Age span   50 or older	5	5	10	6	11
Women	31	33	28	30	38
Men	37	40	39	40	54
Southern Brazil	0	1			
Southeast Brazil	68	70	67	70	92
Brazilian Midwest	0	2			
Northern Brazil	0	0			
Northeast Brazil	0	0			

\* Adjustment of turnover calculation formulation for market criterion: = ((Hires+Dismissals)/2)/Average Staff.

Note: one hundred percent (100%) of full-time staffers and trainees are covered by a collective bargaining agreement and are fully entitled to unionize. G4-11

## Employee appreciation

*G4-DMA: Training and education | G4-DMA: Labor practices grievance mechanisms*

We believe that good results in business are a reflection of employee engagement and satisfaction. Because of this, we try to adopt the best personnel management practices by promoting a corporate culture of recognition on paper and the importance of each professional for our performance.

A few practices that make these principles tangible and are in line with our strategic objectives are the qualification efforts, the promotion of self-knowledge, incentives to high performance

and upward career mobility through internal opportunities and methodologies that help define individual goals and objectives.

We also favor dialogue and promote discussions and reflections that contribute to improving the work environment, besides coming up with efforts to attract, develop, and retain talents, one of the relevant issues for our strategy. One of the important tools to understand the needs and desires of employees is the organizational-climate survey, which is conducted annually (to learn more, please refer to Satisfaction Surveys).



## Training

### G4-DMA: Training and education

Training programs are a part of our everyday operations as a way to promote the technical and behavioral specialization of employees. We provide lectures, workshops (external and internal), and courses (on-site or online) in line with performance review efforts and personal development plans (PDPs), as well as our strategic drivers and organizational-climate survey notes.

Within this context, the Online Development Nucleus is a digital tool that is becoming increasingly prominent, supplementing or introducing topics that are also tackled in-depth during lectures and courses.

In 2016, the Development Nucleus portal structure was revisited and became more attractive and easier to browse, highlight the most visited contents and, mainly, group training sessions by learning trails. This functionality gathers content based on the development of each employee's competencies (insights, skills, and attitudes) according to title and corporate department. The Nucleus is divided into four schools: Business, Technique, Personal Development, and Leadership. This improvement promoted a 32% increase in the participation of employees in online courses.

Over the course of the year, all staffers attended training sessions, with nine actions per employee, on average. To this end, we invested BRL1,317,131.00, for a total of 27,517 hours, an amount that was significantly higher than the one recorded in 2015, 5,740 hours. Among other aspects, this increase was due to an Online Development Nucleus update as well as improvements when monitoring external courses conducted by employees and following up on personal development plans.

We also invested in the education of 114 employees, out of which 39 graduated in 2016 through the Educational Grant program, with undergraduate, graduate (certificates and degrees), and language courses. The investment worked out at BRL369,732.00 during this period.

Also during this period, we continued the Executive Leadership Development Program (PDLE), which started in 2015. Over the course of the year, we followed up on the personal development plan efforts established by 18 participating executives – executive officers, technical officers, and superintendents.

In line with the Retirement Primer, we also offered our employees multiple efforts with a focus on financial literacy. *G4-FS14 | G4-EC8*

Rank	Total number of employees (average of hours in attendance)	Total number of employees – women (average of hours in attendance)	Total number of employees – men (average of hours in attendance)
Strategic	83	98	76
Tactical	48	54	45
Specialist	20	10	25
Administrative/technical	43	98	42
Total average of hours	45	46	44

- **Financial-Literacy e-Learning:** an online course to spread the word about basic notions of personal and home budget control and discipline, available to all employees.
- **1<sup>st</sup> Internal Forum on Financial Literacy and Retirement Education:** based on psychological and economic assumptions, the first edition of the event was carried out by a financial-literacy specialist and tackled the important of paying close attention to human behavior during financial decisions. Forty employees from different corporate departments were in attendance. They were, somehow, more involved in spreading the word about this issue internally. This initiative attained a satisfaction rate of 88.9%, considering grades 8, 9, and 10.
- **Investment Game:** training in financial literacy based on clarifications about the financial market, volatility, types of investment, assets, and discipline requirements in the decision-making process. These efforts were promoted specifically for the Client Support Center with the aim of preparing client service representatives to answer potential questions about fund yield fluctuations.

## Portfolio Self-Management *G4-DMA: Training and education | G4-LA11*

At Brasilprev, each professional is encouraged to accept and plan the best direction for his or her career, taking charge as the protagonist in this evolution. The performance cycle, which allows individual goals to match our strategic objectives and be assessed in talks with managers, is among the practices in line with this positioning, including a review of competencies. As for the latter, we periodically offer our employees a test to promote self-knowledge with a focus on development.

In 2016, 599 employees – 98% of our full-time staffers – participated in the performance cycle with a personal development plan description.

Wage differences are not tied to gender issues, but instead to seniority and the recurrence of annual adjustments, since we employ a larger number of men, with longer tenures. About the group of interns and apprentices, the average wage share of women is larger because they are the largest contingent among interns, which drives the increase in the results of mathematical calculations.

Employees also have various benefits and perks that are in line with the Active Life philosophy and aim to contribute to financial literacy, personal and family quality of life, entrepreneurial attitude, and social responsibility.

Thus, in addition to those stipulated in the collective bargaining agreement, such as child care

Percentage of Employees that Regularly Receive Performance and Career Development Analyses, 2016* <i>G4-LA11</i>						
Rank	Total Number of Employees		Total Number of Employees Reviewed		Percentage of Employees Reviewed	
	Women	Men	Women	Men	Women	Men
Strategic	7	16	7	16	98%	98%
Tactical	31	47	30	98	100%	100%
Specialist	4	8	4	7	97%	100%
Administrative / Technical	246	252	241	99	100%	100%
<b>Total</b>	<b>288</b>	<b>323</b>	<b>282</b>	<b>283</b>	<b>98%</b>	<b>98%</b>

\* Those admitted after July 1, 2016 were not added because they will participate in the next cycle.

## Compensation, Benefits, and Perks

*G4-DMA: Employment | G4-DMA: Equal remuneration for women and men | G4-LA2*

Our compensation and title structure is in line with the best market practices because it is based on the development of a high-performance culture, a key attribute for us to achieve sustainable results.

assistance, health insurance, life insurance, and dental insurance, we also offer our associates the Employee Assistance Program (PAE – psychological, financial, and legal counseling), a flexible work schedule, payments every fifteen days, day off on your birthday, parenting courses for future moms and dads, library, gym, multipurpose court, barbecue grill, besides a health and

Salary and compensation ratio – women vs. men <i>G4-LA13</i>		
Employees by rank	Women/Men ratio (base pay <sup>1</sup> )	Women/Men ratio (average compensation <sup>2</sup> )
Strategic	86.52%	86.52%
Tactical	92.54%	92.54%
Specialists	81.45%	81.45%
Administrative/Technical	90.40%	90.40%
Interns and apprentices	126.80%	126.84%

1. Base pay: fixed and minimum amount paid to an employee for performing his or her tasks.  
2. Compensation: base pay plus extras, such as seniority, bonuses, benefits, overtime, and so forth.

wellness space with vaccination and appointments with nutritionists, doctors, beauticians, acupuncturists, among others. There are also checkups that serve as the basis for quality-of-life programs. *G4-DMA: Occupational health and safety*

Because of these actions and our commitment to quality of life, we have good retention rates. For instance, in 2016, 100% of the four women on maternity leave continued at the company 12 months after returning to work. The rate was also 100% among the 12 men on paternity leave (including the possibility of telecommuting) over the course of the year. *G4-LA3*

There were no cases of occupational disease or death during the year. The number of days of absenteeism was 1,812. There was only one injury in the female audience, out of the total number of employees in Southeast Brazil. This represents 0.35% of the lost-time injury rate, which goes to show how effective our safety awareness efforts were. *G4-LA6*

### **Our Brasilprev *G4-EC3***

Our mission to enable life plans also reaches our internal audience through the Our Brasilprev retirement plan, which we offer to all full-time staffers. Available in the PGBL and VGBL categories and with a defined contribution, it also boasts unique conditions for children when getting Brasilprev Junior.

In addition to the matching contribution we deposit – the same amount the employee paid in –, there are exclusive management fees, no administrative charges, pension benefits for spouse, partner, or dependents under 21, and a one-time death benefit that we cover in full.

On their third-year anniversary as employees, participants are entitled to 40% of the balance composed of company contributions and, after seven years, 100%. This amount may be used after severance or for retirement purposes. In 2016, our total contribution to the plan amounted to BRL 2,567,268.00, which means an average monthly deposit of BRL 213,939.00, which is higher than the recorded amount of BRL 177,208.00 in 2015.

We also propose preparations for the retirement phase by offering our employees over the age of 45 a financial-literacy workshop. Among other

issues, the meeting tackles changes to finances and wealth protection as well as the importance of assessing new opportunities arising at that point in life, like getting a second career or starting your own business. *G4-LA10*

### **Internship Program**

In order to improve the learning process and develop competencies, the program includes periodic meetings with advisors and is supported by Personnel Management. Interns receive compensation, health insurance, life insurance, a meal allowance, and a transit pass. In 2016, 15 interns were hired and five were put on payroll.

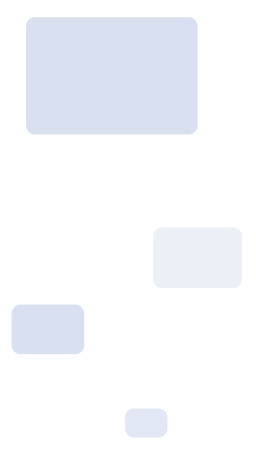
### **Trainee Program**

Intended for young people ages 14 to 24 that are in middle or high school, this program complies with a Brazilian Department of Labor rule that establishes the percentage of participants based on the total number of employees at the companies. Trainees receive compensation, a transit pass, health insurance, dental insurance, life insurance, food stamps, a meal allowance, day off on your birthday, and gym privileges. They also attend a technical course on our business.

### **Apprentices *G4-S01***

The My First Job Apprenticeship Program, an initiative by the São Paulo State Government, aims to provide young people with their first work experience and, at Brasilprev, we give it a social, professional, and humane focus. We offer them the opportunity to develop the ability to think about their place in the world during the Volunteer Citizen program classes and with the follow-up efforts of both manager and Personnel Management. In addition to the opportunity of securing their first paid job, we also offer them benefits, such as a meal allowance, health insurance, and a transit pass. These young people study in the public schools of São Paulo State. They are socially vulnerable and live in the São Paulo South Side, the area around our headquarters. The agreement is entered into with the Office of Employment and Labor Relations (SERT), the schools where students are enrolled, and their parents.

In 2016, 24 apprentices worked at multiple Brasilprev departments, such as Operations, Administration, and Sales. Also over the course of the year, four of them were hired as trainees, four as assistants, and one as an intern.



## SUPPLIERS *G4-DMA: Anti-corruption*

Adding value to the supplier relationship management efforts is also a part of our commitment to keeping management efforts responsible. To this end, we keep guidelines and processes that seek impartiality, fair competition, ethics, transparency, continuous improvement of business partnerships, in compliance with the best industry practices.

Since 2015, we rely on Supplier Relationship Management, which specializes in and focuses on synergy improvements and gains in any activities associated with this stakeholder. As a consequence of these efforts, in 2016, we started reviewing our partners and the respective shareholders with whom we had business deals over BRL70,000. According to this criterion, 376 companies were analyzed regarding practices that involve environmental offenses, electoral crimes, embezzlement, forgery, tax evasion, antitrust violations, theft by deception, misrepresentation, fraud, corruption, tax fraud, money laundering, etc. Even though there is no effective control over the percentage of suppliers identified as potentially having a negative impact on us, those whose services are to be prioritized have practices that are in line with sustainable-development efforts. *G4-DMA: Supplier assessment for impacts on society | G4-S010*

Moreover, in anticipation of the requirements from Bill No. 4,330/2004, under consideration by the Brazilian Congress, in 2016 we reviewed 30 suppliers who had third parties in their facilities. Out of 1,523 business partners with whom we did business during this period, 2% were within this scope and were assessed based on their good standing regarding taxes as well as compliance with labor practices. Through continuous monitoring, until December 2016, 70% of the unresolved issues we found were solved and we entered into improvement agreements with 100% of suppliers. This

demonstrates that we are minimizing risks pertaining to labor disputes in our supply chain. At the same time, we are promoting this audience's development. *G4-DMA: Supplier assessment for labor practices | G4-LA15*

In order to ensure compliance with the laws and rules, the agreements we entered into are enclosed with a compliance and anticorruption form, which contain standard clauses that make official the commitment to anticorruption and social-responsibility guidelines, describing items such as compliance with labor laws; human rights (not hiring because of the implications of using forced or child labor); a repudiation of discriminatory practices; respect for occupational health and medicine rules; and environmental protection. In 2016, out of a total of 450 agreements in force, 100% had clauses that guaranteed compliance with human-rights aspects. That statement did not pertain to software licenses, energy and phone utilities, among others that are not flexible to the model we have established.

Just like every year, we also held the 10<sup>th</sup> Supplier Meeting to engage this audience. The event had two lectures, a sustainability expert that tackled the importance of this issue in our relationship with this stakeholder and our very own Technical Risk Management Officer, who discussed integrity in the relationship between companies and suppliers. Representatives from 47 participating companies reported a 98.4% satisfaction level.

The frank and open dialogue with this audience is also guaranteed by the Supplier Ombudsman's Office, a formal, participatory, unbiased, and confidential hotline for suggestions, complaints, and compliments by mail or email. After 2016, suppliers could also rely on the Integrity Hotline, which is available to all stakeholders for complaints involving behaviors that violate our Code of Conduct, our best practices, or the law.

At the end of this period, we had 1,523 active suppliers, with whom we did business to the tune of BRL 261 million; plus 143 registered freelance brokers, who may sell Brasilprev plans. *G4-12*

**The company keeps guidelines and processes that seek impartiality, fair competition, ethics, transparency, continuous improvement of business partnerships, in compliance with the best industry practices.**

## INDUSTRY ORGANIZATIONS, REGULATORY AGENCIES AND THE GOVERNMENT

*G4-DMA: Grievance mechanisms for impacts on society | G4-16 | G4-EC8*

In search of prominence as a strategic driver, we maintain a structured relationship with industry organizations, regulatory agencies, and the government.

The development of this institutional agenda mandates that we engage multiple employees from the technical commissions and work-groups of the most prominent organizations in this industry, such as the Brazilian Retirement and Annuity Federation (FenaPrevi) – where our Chief Executive Officer, Paulo Valle, acts as Vice President; the Brazilian Trade Association for Property & Casualty Insurance, Private Pension & Annuity, Supplemental Health Insurance and Capitalization Companies (CNseg); the Brazilian Federal Department of Insurance (SUSEP), a regulatory agency for the insurance and retirement industry; as well as the Brazilian Association of Financial and Capital Market Institutions (ANBIMA).

We consider our participation in these forums strategic because we are helping improve the market's rules and bases and discussing what's next for the industry, which directly affects our operations and performance. Our involvement in discussions about issues such as risk management, the CMN Resolution No. 4,444, and the inclusion of sustainability aspects in the insurance and retirement industry are just a few examples of what took place in 2016.

Our relationship with institutions is government by an internal policy that showcases guidelines and establishes the roles and responsibilities for this job, which covers both the media and investors. The flow of communications and knowledge management are defined by internal rules and regulations.

**In search of prominence as a strategic driver, the company maintains a structured relationship with industry organizations, regulatory agencies, and the government.**

## COMMUNITY

Aware of our role as an institutional investor, we commit to influencing society at large positively. The main guidelines that guide these efforts include: *G4-DMA: Indirect economic impacts | G4-DMA: Local communities | G4-DMA: Grievance mechanisms for impacts for society | G4-EC7 | G4-EC8*

- Supporting initiatives and social projects that seek sustainable development and are in line with the operational context of our business.
- Encouraging employee engagement in social initiatives.
- Speaking with the surrounding community and trying to contribute to sustainable and relevant practices for the region.
- Diffusing concepts about financial literacy with the purpose of making the public increasingly aware of the need for long-term savings as well as the products and services we sell, with clarity and transparency.

We also enter into and sign voluntary commitments and agreements with institutions and organizations with whom we share principles and values (to learn more, please refer to Social, Environmental and Stakeholder Management).

**Formation of the retirement culture** *G4-DMA: Product and service labeling | G4-DMA: Marketing communication | G4-DMA: Local communities | G4-EC8 | G4-FS14*

In tune with the main feature of our business, which is long-term funds accumulation, we defined the formation of a retirement culture as one of the three priorities in our sustainability strategy. To this end, in 2016, we created the concept of Retirement Primer, which strengthens our commitment to this issue (to learn more, please refer to Social, Environmental and Stakeholder Management).

These new efforts include the sponsorship of a chair in a renowned college to foster research in retirement education (PhD and master's degree) and attendance at the 3<sup>rd</sup> Brazilian Financial Literacy Week, spearheaded by the Brazilian Central Bank with the participation of government bodies and civil associations. We also carried out the following initiatives:

## A Breakdown of Life Plans

Created in 2010, this program was developed in association with the Trevisan School of Business to bring free one-and-a-half-hour lectures to students from public and private schools, members of neighborhood associations, and other entities from São Paulo and the ABC Region. Meetings are organized by university students who were trained to be financial-literacy multipliers and attendants receive, at the end, a summary of the contents as well as a suggestion to access a budget spreadsheet on our portal. Since it began until the end of 2016, this project hit the milestone of 1,500 lectures, who brought together over 63,000 people. In 2015, those efforts were recognized with the ENEF Seal, valid for four years and awarded by the Brazilian Financial-Literacy Strategy, which is led by government organizations and civil associations. The purpose is to elevate companies that contribute to strengthen the citizenship, secure the financial system, and make the decision-making process more judicious. [G4-FS14](#) | [G4-EC8](#)

## Digital Channels

[G4-DMA: Marketing communication](#) | [G4-EC8](#) | [G4-FS14](#)  
Digital channels are key in our relationship with our clients and the community because they factor in growing use trends of online media and favor accessibility to various information.

We are present in social media, spreading contents associated with our products, our sponsorships, financial literacy, and the life plans of our clients. Our Facebook fanpage finished the year with over 16 million users and the milestone of 100,000 fans. All in all, we made 156 posts, which received 906 comments, with over 95,000 likes and 3,875 shares. In turn, on Instagram, which we started in 2016, we got almost 2,500 followers, with a reach that exceeds 3.2 million users.

The *Projetos de Vida* application is another channel that, through simulations, aims to help our clients make arrangements for their life plans,

such as homeownership, studying abroad, or paying for their children's college education. The tool was downloaded around 23,000 times.

On our corporate YouTube channel, we stream educational videos on multiple topics: products and services, financial literacy, and the real stories of clients that succeeded in their life plans with our Brasilprev plans, among other subjects. In 2016, we prepared four new videos in line with the Retirement Primer objectives, which aimed to simplify the retirement industry jargon. With this launch, we offered the public a collection with nearly 130 videos, which were viewed 74,000 times.

## Publications

[G4-DMA: Marketing communication](#) | [G4-EC8](#) | [G4-FS14](#)  
In line with our prominent role in the formation of a retirement culture, we spearheaded another initiative, in the form of the Retirement Demystified primer. This publication is available in digital format on our portal, in the About Retirement section, and contains educational and objective explanations about the plans, enumerates the existing investment options, and suggests aspects to be observed during plan acquisition. In 2016, the publication had around 160,000 hits. In addition to these efforts, we sponsored a private retirement special on *Você S/A* and posted an advertorial on the *Pais & Filhos* magazine, suggesting ways to teach kids how to manage their allowance and participate in the family's projects, as well as letting the little ones know about retirement plans.

## Projects backed because of tax breaks

[G4-EC4](#) | [G4-EC8](#)  
As a way to add value to society at large, we support cultural, sporting, and social initiatives using tax breaks. Efforts are made based on the guidelines defined in internal policies and procedures that aim to ensure transparency, ethics, and the results planned between the parties.

Incentive Mechanism	Number of projects	Invested amount (BRL)
Rouanet Act	8	7,840,000.00
Sports Incentive Act	3	2,346,434.16
Senior Citizens Act	2	2,122,321.92
State Board for the Rights of Children and Teenagers (Condeca)	1	1,569,052.30
Audiovisual Act	1	712,462.50
Curitiba City Fund for Childhood and Adolescence (FIA/PR)	1	553,269.62

### State Board for the Rights of Children and Teenagers (CONDECA) and Curitiba City Fund for Childhood and Adolescence (FIA/PR)

Through CONDECA and FIA/PR, we have made contributions to projects that are oriented towards education, work, and quality of life. The investment was made in 2016 and these efforts will be carried out throughout 2017.

- **Creativity Laboratory:** prepared by the Tellus Institute, this project offers groundbreaking basic professional education, while observing 21<sup>st</sup> Century competencies, to teenagers aged 14 to 17 and 11 months residing in highly vulnerable areas for young people in the city of São Paulo. The goal is to introduce them to the practices of the professions of the future, such as webmaster, web designer, designer, social media and 3D printing, among others, to encourage innovative and entrepreneurial spirits as well as the search for the first job. At the same time, the ideas of teamwork, ethics, and citizenship are strengthened.
- **Full Life Care:** this project aims to ensure high-quality healthcare for patients, strengthen family bonds, and promote educational efforts for children and their family members, reaching up to 14,000 individuals. This initiative will be developed by the Pequeno Príncipe Hospital, one of the largest pediatric hospitals in Brazil, recognized all across the country because of the quality and excellence of the care it provides.

### Rouanet Act, Sports Incentive Act and Audiovisual Act

We supported theatrical spectacles, exhibits, audiovisual productions, and sporting activities because of two promotion acts. Project highlights include:

- **The Art of the Brick®:** for the first time in the Americas, this exhibit had over 296,000 visitors during the seasons at the Oca, at the Ibirapuera Park in São Paulo, and the National Historical Museum in Rio de Janeiro. CNN called this attraction a “must-see” for art lovers. Among the most impressive and unexpected creations, the exhibit showcased reconstructions of major works of art, such as Rodin’s The Thinker; the Venus de Milo; The Scream by Edvard Munch; and The Kiss by Gustav Klimt.
- **Brasilprev Children’s Season:** this project put together children’s plays – The Sorcerer’s Apprentice, Cinderela Lá Lá Lá, and A Gaiola - at the headquarters of the Banco do Brasil Cultural Center (CCBB) in São Paulo, Rio de Janeiro, Brasília, and Belo Horizonte.
- **Biking Circuit:** sponsored for the fifth year in a row by us, this family-friendly biking ride wishes to promote leisure, encourage the use of bicycles in your everyday life, and foster the rational use of transportation in favor of urban mobility. This project took place in the cities of São Paulo, Rio de Janeiro, Belo Horizonte, and Brasília, with over 22,000 participants.
- **It Happens Back Home:** this television show focuses on families with children ages 0 to 12, offering them tips that aim to solve domestic disputes lightly and without stress. Dramatization techniques will be used. This reality show will be hosted by a journalist specializing in behavior as well as a psychologist and a psychoeducator, with everyday scenarios being enacted, during which interventions will take place to solve disputes.

## Senior Citizens Act

In 2016, we chose to support two new projects with a focus on education, work, and quality of life:

- **The Entrepreneurial Spirit at the Best Age:** this project aims to promote entrepreneurial inclusion before and after retirement and is expected to benefit over 630 senior citizens. This is an initiative by the Institute of Entrepreneurial Research and Projects, which deploys professional qualification and inclusion programs for senior citizens and people with disabilities in the job market.
- **Skill-Age:** appreciating the abilities and skills of senior citizens through drama and digital inclusion is one of the goals of the project, which will benefit approximately 300 people. It will be promoted by the Move Cultura Association, a nongovernmental nonprofit institution with social and cultural activities headquartered in the city of Contagem (Minas Gerais State, Brazil).

## Volunteering Programs *G4-S01*

Employee participation in volunteer activities that benefit society is a part of our sustainability guidelines. We allow our employees up to eight hours a year for internal or external activities during office hours. This program includes many initiatives:

- **Citizen Volunteer:** volunteers give classes for the personal and professional development of members ages 16 to 21 who work with us as apprentices from the Young Citizen Program. There were 61 volunteers in 2016, who gave 24 young individuals insights throughout 70 one-hour classes each,

three times a week. The main topics they approached were: ethics and citizenship, drug use prevention and sexuality, sustainability, corporate etiquette, professional guidance, mathematics, and composition. Furthermore, the kids also visited the BM&FBOVESPA to learn more about their operations.

- **Storytellers:** in association with institutions around our headquarters, our employees encouraged reading for children ages three to 12. We provide books and accessories for these activities, which aim to provide recreational moments and contribute to the cultural development of the audience benefiting from it.
- **Community Garden:** since 2015, around 40 volunteer employees keep a garden with aromatic herbs, watering them, pruning them, fertilizing them, removing weeds, planting new vegetables, and harvesting them periodically. Produce is then made available to all employees, who may take it home.
- **A Breakdown of Life Plans:** employees support the diffusion of best financial-literacy practices at the institutions around Brasílprev through lectures.

## Internal Donation Drives *G4-S01*

Every year, we conduct drives to gather products to be donated to partner institutions based on the needs Sustainability identifies. In 2016, there were three drives to collect winter clothing, food, and Christmas gifts. Overall, we gathered 3.7 tons of winter clothes and foodstuffs, as well as 430 toys.





## Environment

We wish to minimize our impact on the environment with structured efforts and a clear and well-defined position based on the *Letter of Sustainability Guidelines*. Initiatives are grouped into three categories: continuous development of practices and their diffusion among employees and partners; rationality when using resources, with a balance between operational efficiency and environmental conservation; and the adoption of ecoefficient practices to fight climate change.

To this end, every year we compile an inventory of greenhouse gas (GHG) emissions. For this initiative, we continuously monitor the amount of fuel that we use in company vehicles as well as courier, taxi, and air travel services; our energy consumption; the amount of diesel fuel we use in the generator; and our organic-waste disposal efforts.


Since 2011, emissions have been offset using carbon credits from the Cerâmica Lara/Sustainable Carbon project. Furthermore, we continue to be responsible for a patch of native forest with six hectares, located in the city of Barra do Turvo, upstate São Paulo.

In 2016, we continued our efforts to raise awareness of the importance of maintaining daily saving habits and helping lower environmental management indicators. That is because these are common initiatives in our corporate environment: waste sorting with a place for employees to put the garbage they brought from home; shutting off elevators during nonpeak hours; using conference rooms to reduce air travel and external meetings; and promoting responsible activities, such as turning off the lights when leaving a room.

During this period, we started renovating our administrative headquarters in São Paulo in order to provide our employees with a better work environment. Renovation efforts are slated for completion in 2017. As for the project, employees were reminded of the importance of rethinking, reducing, reusing, and recycling materials, as well as finding solutions to reduce water, energy, and paper consumption, among others.

Our commitment to environmental protection is reinforced by our compliance with multiple volunteer agreements that contain this issue among their principles (to learn more, please refer to *Social, Environmental and Stakeholder Management*).

**Brasilprev's environmental initiatives are classified into three groups: continuous development of practices and their diffusion among employees and partners; rationality when using resources, with a balance between operational efficiency and environmental conservation; and the adoption of ecoefficient practices to fight climate change.**



Maria Inês Godoy, 79, has already enjoyed her Brasilprev plan and continues to be a client of ours.

# Awards and Recognition

## MANAGEMENT

- **150 Best Companies to Work For:** with a rate of happiness at work of 70.2, Brasilprev made the Best 150 Companies to Work For list by *Guia Você S/A*, a publication of *EXAME* magazine. This process included applying a questionnaire to 400 employees, a second step where 92% of selected employees participated and, at the end, interviews conducted by a journalist from the magazine to confirm the replies they sent.
- **XIX National Quality of Life Award:** we were ranked first during the awards ceremony, organized by the Brazilian Association of Quality of Life (ABQV®). In our first appearance, we got a 71% rating on a scale that

goes from 0 to 80%. Created in 1996, this initiative acknowledges companies that carry out effective efforts to improve the well-being of their internal audience. This is the oldest and most important Brazilian award about this issue and around 80 organizations of different sizes that excel in this field of activity have been recognized.

## REPUTATION

- **Anuário Inovação Brasil:** we were ranked fifth among the most innovative companies in the insurance and health insurance segment for the *II Anuário Inovação Brasil* award. This publication is organized by *Valor Econômico* in association with Strategy&, a consulting firm.



- **The Most Admired Brands:** we got first place in the retirement segment rankings for the sixth time. Conducted by Officina Sophia, a market research firm, this list contains companies from 48 industries and is based on the opinions of more than 1,100 executives.
- **Deciders' Brands:** we were recognized as the favorite brand in the retirement segment in a poll conducted by Jornal do Comércio, from Rio Grande do Sul, Brazil, for the 14<sup>th</sup> time in a row. On the 2016 edition, we also had the best top-of-mind awareness among the denizens of Rio Grande do Sul.
- **Brazil Insurer Awards:** a reference in the Brazilian insurance, retirement, capitalization, and health insurance industry, this awards ceremony, promoted by Editora Brasil Notícias, considered us the winner in the Market Leader – Retirement category.
- **18<sup>th</sup> ABRASCA Annual Report Award:** with our 2015 Annual Report, we won in the Privately-Held Companies – Group 1 category, for organizations with net revenue equal to or higher than BRL 1 billion. We had already been ranked first during the 2008 and 2011 editions of the Brazilian Association of Public Companies (ABRASCA) awards ceremony.
- **ENEF Seal:** awarded in 2015 by the Brazilian Financial-Literacy Strategy (ENEF), spearheaded by representatives from government bodies and civil associations, it is good for four years. We obtained the certification with A Breakdown of Life Plans, an initiative that promotes free financial-literacy lectures and is carried out in association with the Trevisan School of Business.
- **Brazil Ombudsman Awards:** during the fifth edition of the awards ceremony, we were recognized because of the results we achieved in the groundbreaking Preventive Mediation Model initiative, with a focus on risk mitigation, litigation reduction, and out-of-court dispute resolution. This is an initiative by the Brazilian Association of Company-Customer Relationships (ABRAREC), with the support of the Brazilian Association of Ombudsmen (ABO), the Brazilian Federal Ombudsman's Office (OGU), and Grupo Padrão.
- **Certifications:** our Client Support Center was recertified to ISO 9001:2015 and renewed Probare's Seal of Ethics and Management Maturity Standard after an audit conducted by the Vanzolini Foundation in June. ISO 9001:2015 is a testament to the quality of processes at the Client Support Center, while the Seal of Ethics indicates the company complies with the laws in force and the Consumer Protection Code. In turn, the Management Maturity Standard, where we reached the highest rank, recognizes the quality of the management processes our Center uses.

## SERVICES

- **Top 300 HR Suppliers of 2016:** the services we offer in the Benefit/Retirement industry had us make the list, organized by Editora Gestão e RH.

**In 2016, Brasilprev made the Best 150 Companies to Work For list by *Guia Você S/A*, a publication of *EXAME* magazine. The company was also ranked as one of The Most Admired Brands for the sixth time in a row, taking first place in the Retirement segment.**

# GRI Content Summary

G4-32



<b>CONTENT GENERAL</b>		
Content General Standards	Page	Global Compact
<b>STRATEGY AND ANALYSIS</b>		
G4-1	7	
G4-2	26 to 27	
<b>ORGANIZATIONAL PROFILE</b>		
G4-3	12	
G4-4	30 to 32	
G4-5	13	
G4-6	13	
G4-7	12	
G4-8	12 to 13	
G4-9	12 to 13	
G4-10	20   46   47	6
G4-11	48	3
G4-12	31   52	
G4-13	52 There were no significant changes regarding size, structure, equity stake, and supply chain in 2016.	
G4-14	26 to 27	
G4-15	15	
G4-16	53	
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
G4-17	3	
G4-18	3 to 6	
G4-19	3 to 6	
G4-20	3 to 6	
G4-21	3 to 6	
G4-22	3	
G4-23	3 to 6	
<b>STAKEHOLDER ENGAGEMENT</b>		
G4-24	3 to 6	
G4-25	3 to 6	
G4-26	3 to 6	
G4-27	3 to 6	
<b>REPORT PROFILE</b>		
G4-28	3	
G4-29	The last annual report was published on April 30, 2016.	
G4-30	3	
G4-31	3	
G4-32	3   60	
G4-33	3	
<b>GOVERNANCE</b>		
G4-34	16 to 17	
<b>ETHICS AND INTEGRITY</b>		
G4-56	14   22	10

CONTENT SPECIFIC STANDARDS				
Material aspects	Information about management type and indicators	Page	Omissions	Global Compact
<b>CATEGORY: ECONOMICS</b>				
Economic performance	G4-DMA	34		
	G4-EC1	39		
	G4-EC2	35		7
	G4-EC3	51		
	G4-EC4	54 to 56		
Indirect economic impacts	G4-DMA	53		
	G4-EC7	53		
	G4-EC8	35   49   53 to 56		
<b>CATEGORY: SOCIAL</b>				
<b>SUBCATEGORY: Labor practices and decent work</b>				
Employment	G4-DMA	45   50 to 51		
	G4-LA1	48		6
	G4-LA2	50 to 51		
	G4-LA3	51		6
Occupational health and safety	G4-DMA	51		
	G4-LA6	51		
Training and education	G4-DMA	48 to 50		
	G4-LA9	31   49		6
	G4-LA10	51		
	G4-LA11	49 to 50		6
Diversity and equal opportunity	G4-DMA	45		
	G4-LA12	19	This indicator was partially met because it did not contain any information and practices regarding the topic and about minority groups	6
Equal remuneration for women and men	G4-DMA	50 to 51		
	G4-LA13	50		6
Supplier assessment for labor practices	G4-DMA	52		
	G4-LA15	52		

CONTENT SPECIFIC STANDARDS				
Material aspects	Information about management type and indicators	Page	Omissions	Global Compact
Labor practices grievance mechanisms	G4-DMA	22   25 and 48		
	G4-LA16	In 2016, we recorded 75 labor disputes, out of which 26 were solved during that same year. Still over the course of the year, seven labor disputes that started during previous period were resolved. The number of disputes is considered low when compared to our staff.		
<b>SUBCATEGORY: Human rights</b>				
Human rights grievance mechanisms	G4-DMA	22		
	G4-HR12	There were no claims or complaints filed or solved pertaining to impacts on human rights in 2016.		1
<b>SUBCATEGORY: Society</b>				
Local communities	G4-DMA	33   44   53 to 54		
	G4-S01	51   56   57		1
	G4-S02	There were no reports of negative impacts of such nature at Brasilprev.		1
Anti-corruption	G4-DMA	22   41   52		
	G4-S03	27		10
	G4-S04	27		10
	G4-S05	27		10
Public policy	G4-DMA	21 and 22   27		
	G4-S06	We did not make any contributions to political parties or politicians, which guideline was made official in our Code of Conduct		10
Anti-competitive behavior	G4-DMA	22		
	G4-S07	In 2015, we were not targeted by any such lawsuits.		
Compliance	G4-DMA	21   26 to 27   40 to 57		
	G4-S08	During 2016, there were BRL 457,926.72 in fines. This total encompasses payments, provisions, and fines paid to the Brazilian Internal Revenue Service, the Brazilian Federal Department of Insurance, and others.		
Supplier assessment for impacts on society	G4-DMA	52		
	G4-S010	52		

CONTENT SPECIFIC STANDARDS				
Material aspects	Information about management type and indicators	Page	Omissions	Global Compact
Grievance mechanisms for impacts on society	G4-DMA	22   53		
	G4-S011	There were no records or no solutions for such cases at the company in 2016.		
<b>SUBCATEGORY: Product responsibility</b>				
Product and service labeling	G4-DMA	30 to 32   53 to 54		
	G4-PR3	30 to 32		
	G4-PR4	In 2016, there were no noncompliances regarding voluntary regulations and codes about information and product and service labeling.		
	G4-PR5	24 to 25		
Marketing communication	G4-DMA	30 to 32   53 to 54		
	G4-PR7	There were no communication cases that led to some type of noncompliance with regulators in 2016.		
Customer privacy	G4-DMA	24 to 25   26 to 27		
	G4-PR8	Within the context of the Brazilian Federal Department of Insurance (SUSEP) and the courts, no complaints were filed against invasion of privacy and loss of client information.		
Compliance	G4-DMA	24 to 27		
	G4-PR9	During the fiscal year, we did not receive any significant fines due to noncompliance with any laws and regulations about our products.		

FINANCIAL SECTOR SUPPLEMENT				
Material aspects	Information about management type and indicators	Page	Omissions	Global Compact
Portfolio of products	G4-DMA	19   35   36	There is no specific training in this practice. The departments constantly seek self-development by participating in events, thematic meetings, among others. Compliance with new voluntary agreements, such as the PRI and the Green Bond Statement, which were signed at the end of 2016, must increase this practice.	
	G4-FS6	12   31		
Audit	G4-DMA	19		
Active controlling interest	G4-DMA	Over the course of the year, we did not invest in financial vehicles/instruments that could give us voting rights in the companies we invested in.		
	G4-FS10	35		
	G4-FS11	35		
Local communities	G4-DMA	33   44   53 to 54		
	G4-FS13	33		7   8
	G4-FS14	33   44   49   53 to 54		8
Product and service labeling	G4-DMA	20   42 to 45   53 to 54		8   9





# Credits

## **GENERAL COORDINATION**

Corporative Communication and Sustainability Management

## **WRITING AND EDITING**

TheMediaGroup/KMZ Conteúdo

## **GRI CONSULTING, GRAPHIC DESIGN, DESIGN AND PROOFREADING**

TheMediaGroup

## **PICTURES**

Felipe Gombossy and Fernando Gardinali

## **TRANSLATION**

IntelliBizTraduções

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