

BRASILPREV



ANNUAL REPORT 2017

Innovate to Evolve

*A better client experience and growth
in an ever-changing world*

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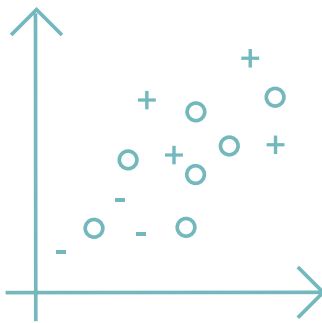
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With the Banco do Brasil manager's help, I invested in a Brasilprev retirement plan, which I now pay into every month. My goal is to have comfort and financial security down the road to travel and enjoy life even more.

Marcela de Almeida Pinto (26 years old) is a nurse and has been a Brasilprev client for over two years.



Materiality Matrix

In 2017, we chose to keep the same Materiality Matrix we developed the year before. The Matrix has 14 issues, which were considered top priority for our operations.

About this Report

Brasilprev Seguros e Previdência S.A. publishes this Annual Report in order to apprise our stakeholders of our performance, our practices, our achievements as well as the challenges we faced in FY 2017. This document, for the fourth year in a row, follows the Standards of Global Reporting Initiative (GRI), "Core" option, as well as the recommendations of the Brazilian Association of Public Companies (ABRASCA). [GRI 102-50](#) | [102-52](#) | [102-54](#)

The contents hereof are based on the 2016 Materiality Matrix and showcase our company, our strategy, and our operational performance ([learn more in Materiality Matrix](#)). This report is divided into three major blocks, pertaining to our sustainability priorities: formation of a retirement culture, Responsible investing, and Responsible management. This document also addresses innovation – a major driver for our other strategic objectives – and stakeholder engagement, whose approach and frequency are especially described in the chapter Responsible Management. [GRI 102-46](#)

There were no significant changes to the periods covered by previous reports on the list of material topics and limits. Any re-statements of the information provided during previous periods are indicated throughout the text. This document did not undergo external assurance. Using the Download Center, you can access our financial statements, which include all of our operations. [GRI 102-45](#) | [102-48](#) | [102-49](#) | [102-56](#)

Please send your comments, suggestions or criticism to comunicacao_corporativa@brasilprev.com.br. [GRI 102-53](#)

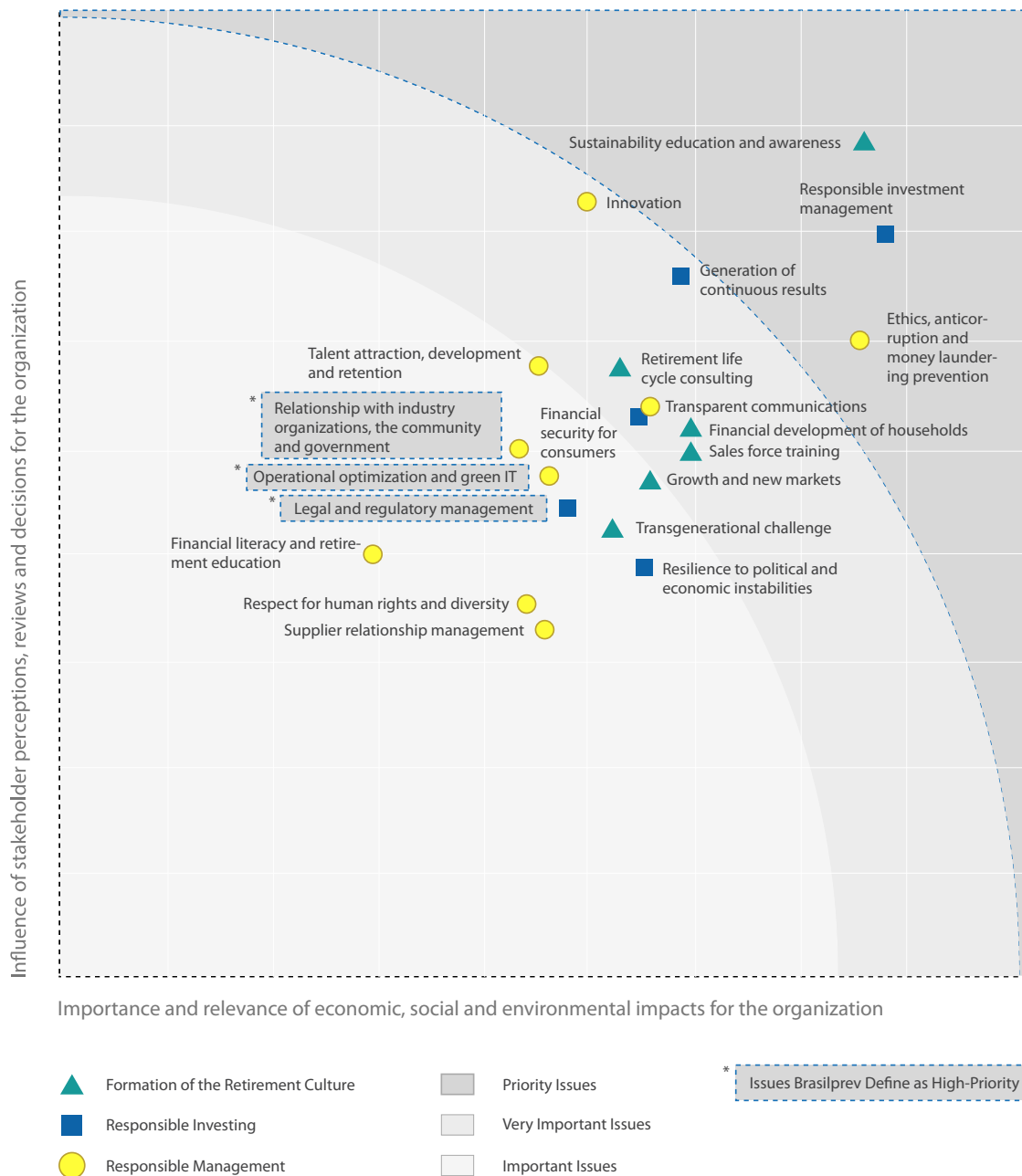
Materiality Matrix

GRI 102-40 | 102-42 | 102-43 | 102-44 | 102-46 | 102-47 | 103-1

The Materiality Matrix building process happened in 2016 and, while it was being prepared, online polls with our internal audience (shareholders and employees), interviews with our 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 perception analyses were taken into account. Furthermore, 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 studies and competition analyses.

In 2017, we chose to keep the same materiality matrix with 14 issues, highlighted as the most relevant to our operations as follows:



This report will also include the Standards as additional information GRI 401-1, 401-2, 401-3, 403-2, 404-1, 404-2, 404-3, 405-1, 405-2, 414-2, FS6, FS13 and FS14.

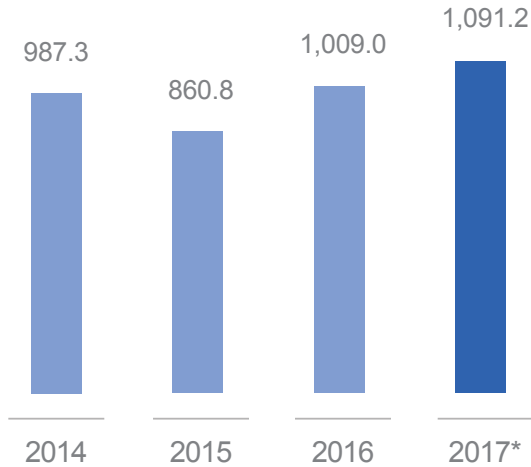
Priorities	Material issues	Topics	Standard
Formation of a Retirement Culture	Financial literacy and retirement education	Additional guidance – Financial services: Marketing and labeling	DMA (Formerly FS16): Initiatives to enhance financial literacy by type of beneficiary
	Sales force training	No related GRI topic	-
	Retirement life cycle consulting	No related GRI topic	-
	Transgenerational challenge	No related GRI topic	-
	Financial development of households	413: Local communities	413-1: Operations with local community engagement, impact assessments, and development programs
			413-2: Operations with significant actual and potential negative impacts on local communities
	Additional guidance – Financial services: Product and service portfolio	FS7: Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	
Responsible Investing	Responsible investment management	201: Economic performance	201-2: Financial implications and other risks and opportunities due to climate change
		Additional guidance – Financial services: Product and service portfolio	DMA (Formerly FS1): Policies with specific environmental and social components applied to business lines
		Additional guidance – Financial services: Active ownership	FS10: Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues
			FS11: Percentage of assets subject to positive and negative environmental or social screening

Priorities	Material issues	Topics	Standard
Responsible Investing	Generation of continuous results	201: Economic performance	201-1: Direct economic value generated and distributed
			201-3: Defined-benefit plan obligations and other retirement plans
			201-4: Financial assistance received from government
		203: Indirect economic impacts	203-1: Infrastructure investments and services
			203-2: Significant indirect economic impacts
	412: Human rights assessment	412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	
	Financial security for consumers	417: Marketing and labeling	417-1: Requirements for product and service information and labeling
			417-2: Incidents of non-compliance concerning product and service information and labeling
		418: Customer privacy	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data
		Additional guidance – Financial services: Marketing and labeling	DMA (Formerly FS15): Policies for the fair design and sale of financial products and services
Legal and regulatory management	419: Socioeconomic compliance	419-1: Non-compliance with laws and regulations in the social and economic area	
	206: Anti-competitive behavior	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	
Responsible Management	Transparent communications	417: Marketing and labeling	417-3: Incidents of non-compliance concerning marketing communications
	Ethics, anticorruption and money laundering prevention	415: Public policy	415-1: Political contributions
		Additional guidance – Financial services: Audit	DMA (Formerly FS9): Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures
			205: Anticorruption
		205-2: Communication and training about anti-corruption policies and procedures	
	205-3: Confirmed incidents of corruption and actions taken		
	Innovation	No related GRI topic	-
Operational optimization and green information technology	No related GRI topic	-	
Relationship with industry organizations, the community and government	No related GRI topic	-	

Key Indicators

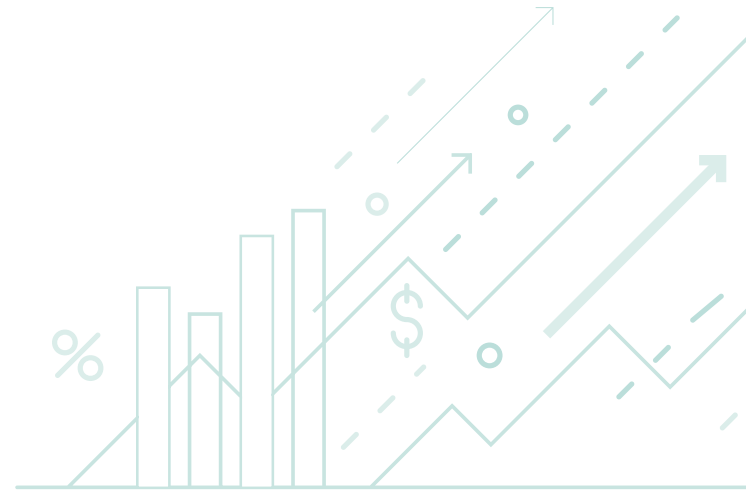
GRI 102-7

Net Income (In millions of BRL)

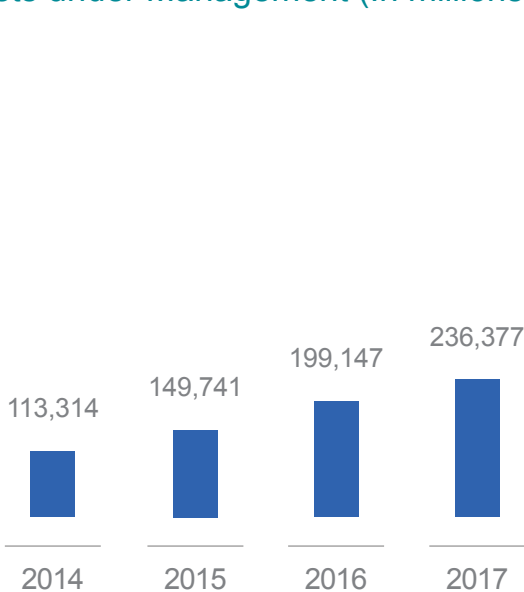


* By December, our net income was BRL1.02 billion, a 19.1% increase over the same period in 2016. After the adjusted interest on equity, a way to compensate shareholders, our net income worked out at BRL1.09 billion, an 8.1% growth over the amount posted the previous year.

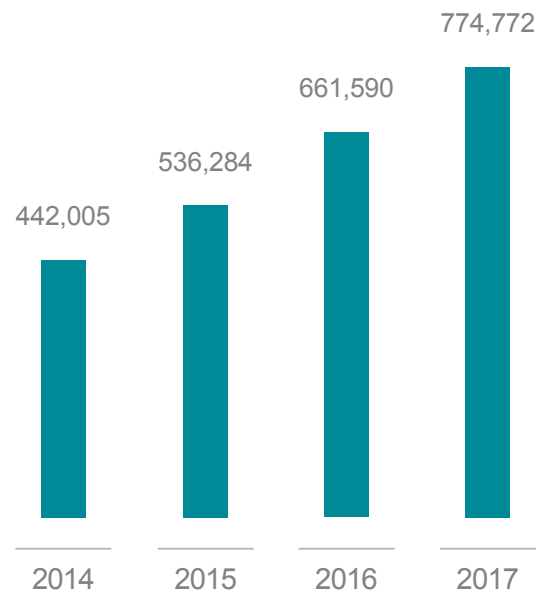
In 2017, we reached **BRL236.4 billion** in assets under management.



Assets under Management (In millions of BRL)



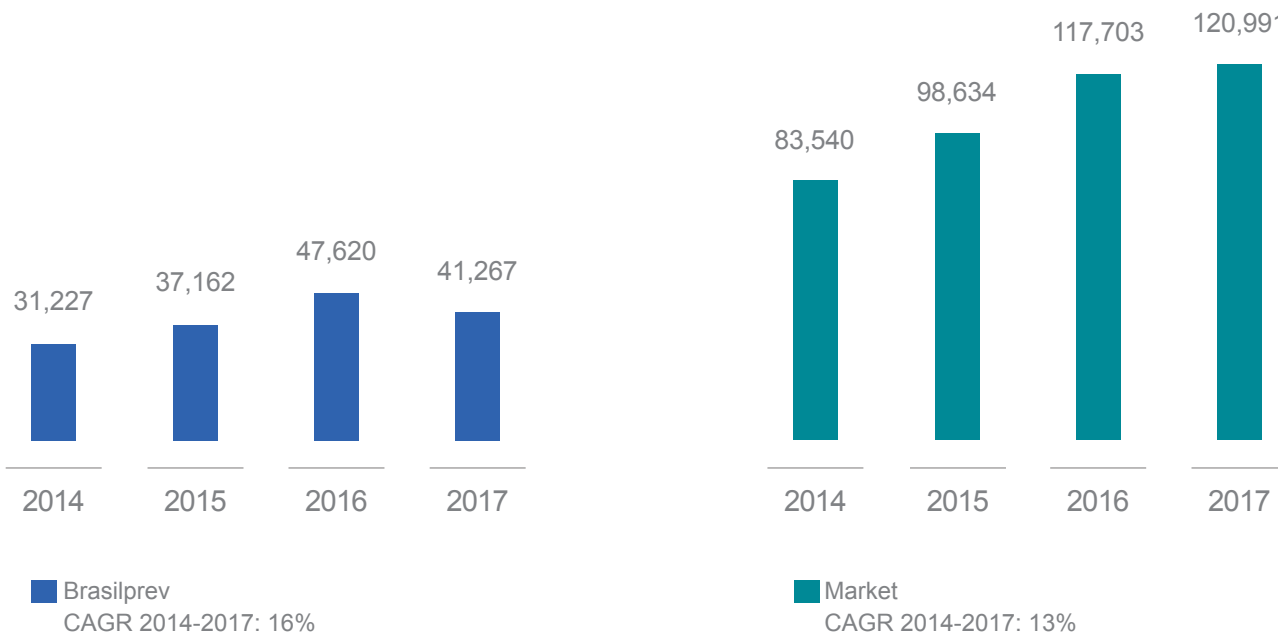
■ Brasilprev
CAGR 2014-2017: 29%



■ Market
CAGR 2014-2017: 20%

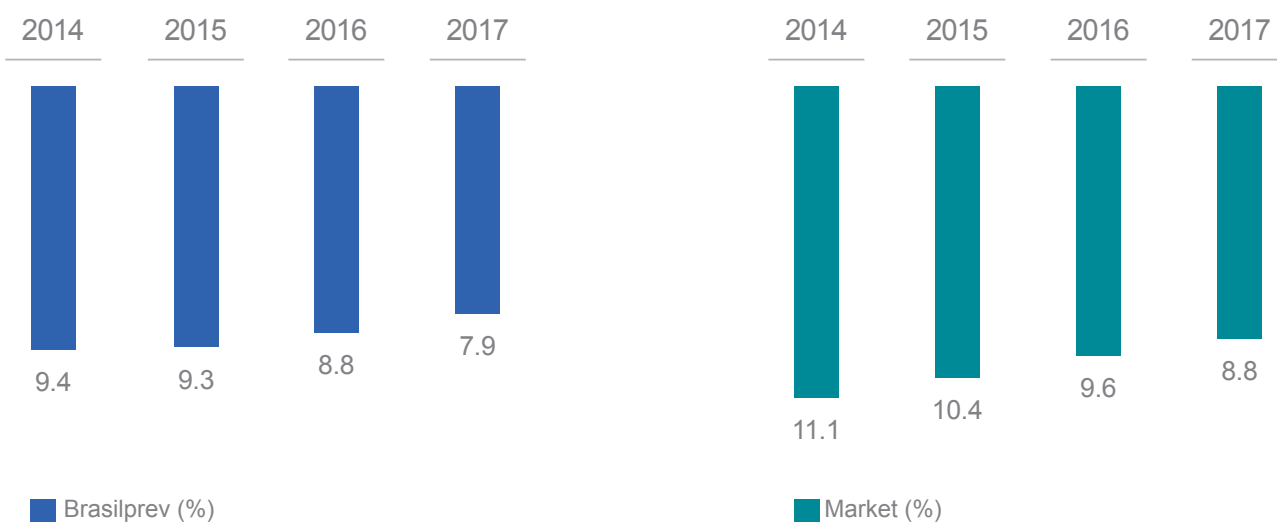
Source: Brasilprev and FenaPrevi

Total Revenue (In millions of BRL)

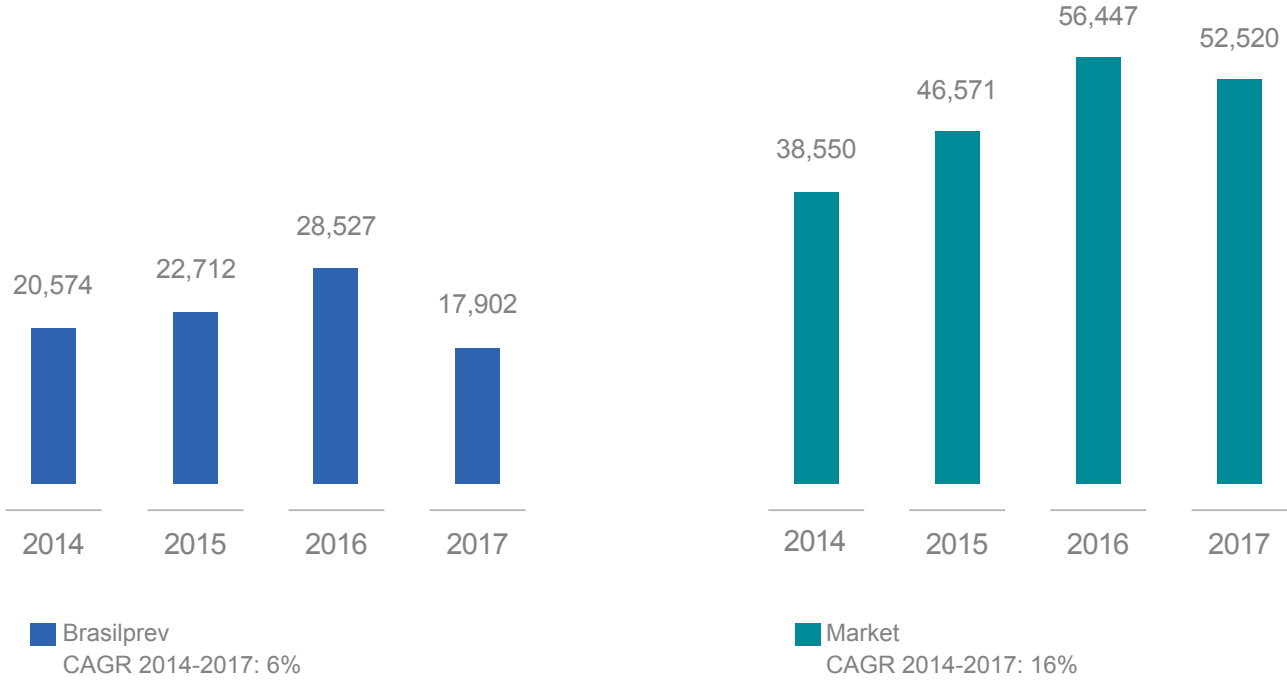


Source: Brasilprev and FenaPrevi

PGBL and VGBL Withdrawal Rate – The lower, the better

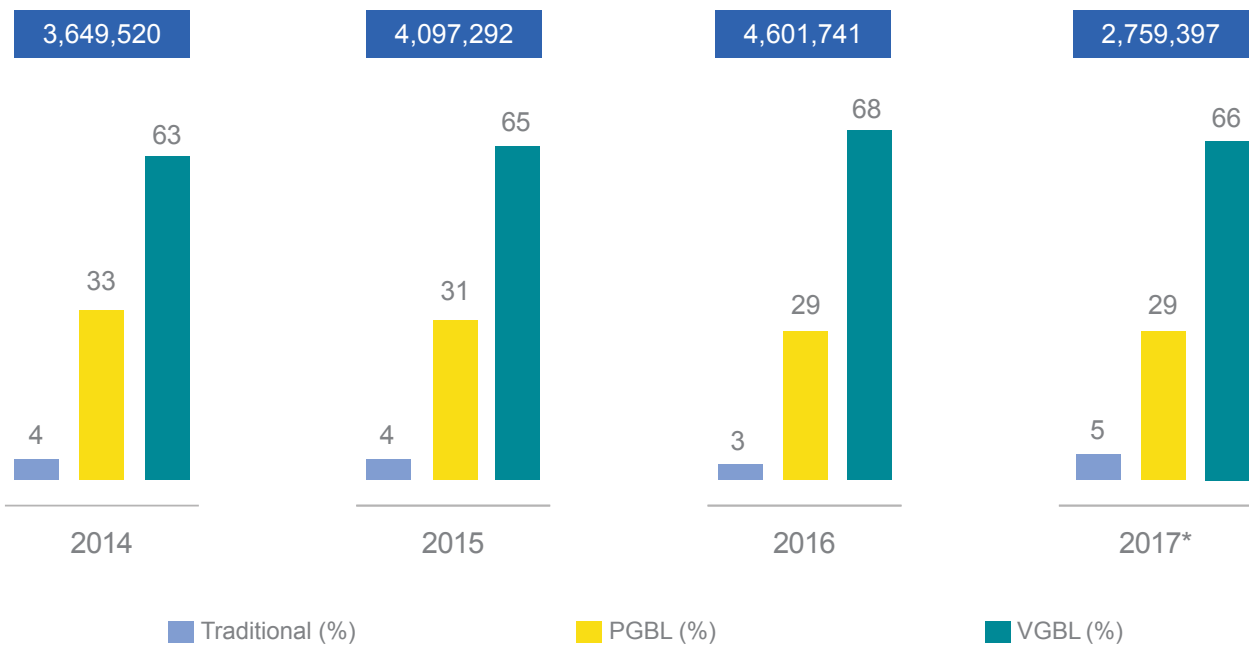


Net Deposits (In millions of BRL)



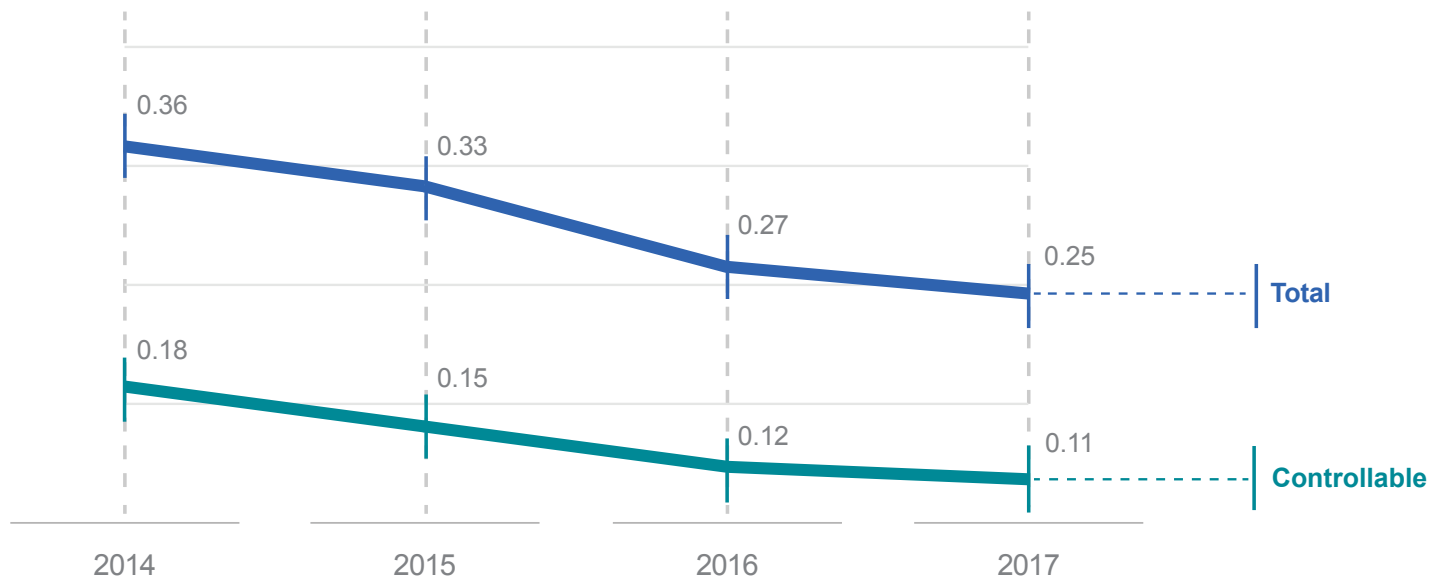
Source: Brasilprev and Quantum Axis

Agreements by Product

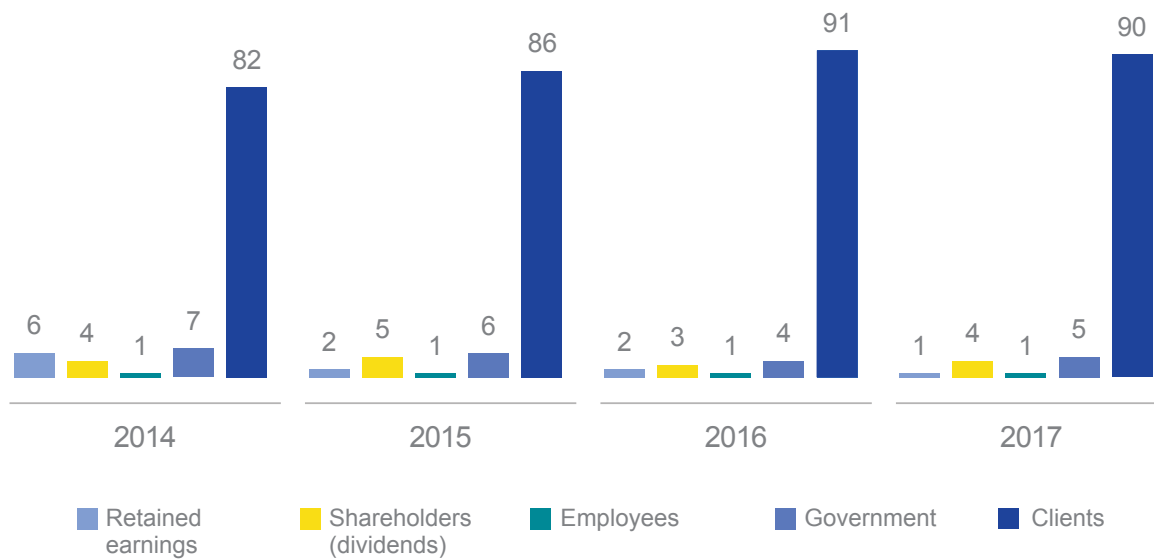


* In 2017, the criteria for this indicator changed. Before, the data was based on agreements by investment fund; now the view is based on client agreements. Because of these measurement method changes, the total number of agreements dropped.

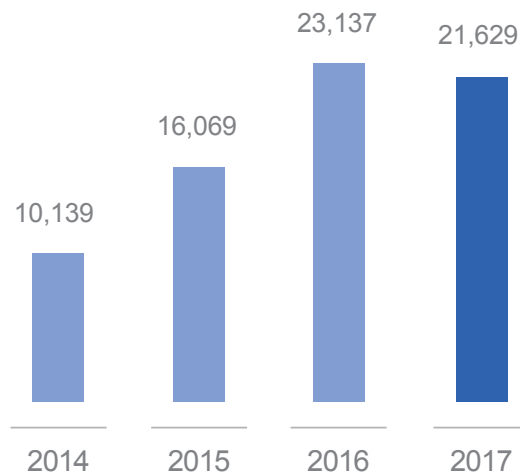
Administrative Expenses (%)



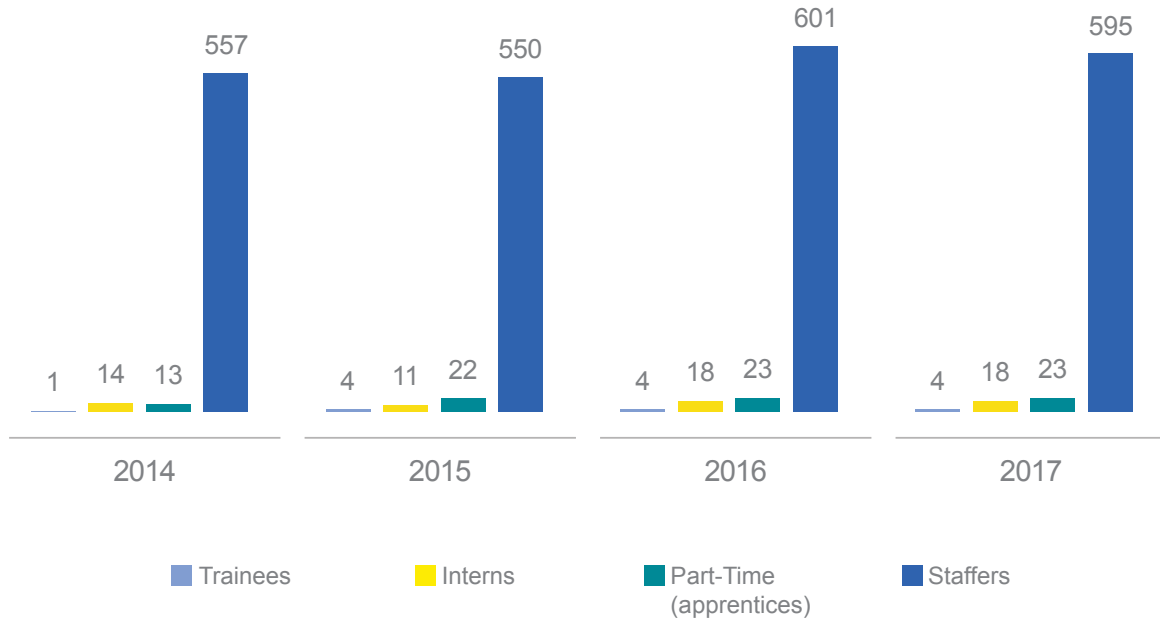
Distribution of Value Added (DVA) – %



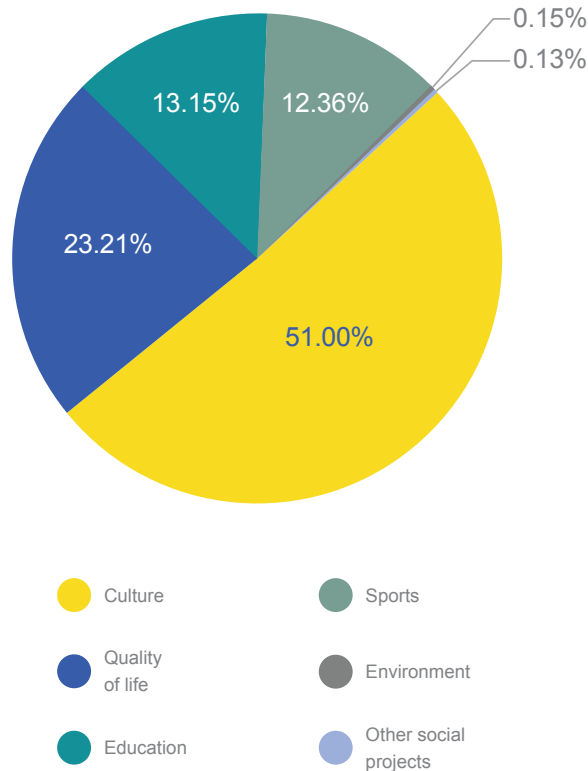
Total Distribution of Value Added (DVA) (In millions of BRL)



Employees by Type of Employment Contract



Distribution of Social and Environmental Investment (%)



I started my Brasilprev plan while I was working for a company. When I decided to follow my entrepreneurial streak, a portion of the money I had amassed was key to purchase equipment for my business: a photo and video producer, Selva Produções.

André Laiza
(29 years old) is an entrepreneur and has been a Brasilprev client for over five years.



A Message from the Executive Board

GRI 102-14

Retirement and financial awareness have never been discussed so much like in 2017. The most demanding, well-informed, and tech-savvy consumers followed the debate about the social-security reform closely and became aware of the need to save in the long term. At the same time, a six percent interest rate drop changed the investment market.

Faced with this scenario, which brings us both challenges and opportunities, we redoubled our efforts in each of our strategic fronts. Thus, we have made great efforts to improve client experience with a key focus on digital solutions. The retirement plan monitoring simulator, the new Brasilprev application and digital consultant SIL – based on artificial intelligence – are some of the novelties in this regard. Still with a focus on clients and in response to changes in the financial situation, we released a new group of funds, both fixed-income and multimarket, which allowed us to diversify our portfolio even more, including our allocation options abroad. To support our offerings, we have a team of 133 consultants that deliver full consultative support to managers in our main distribution channel: the Banco do Brasil branches.

In 2017, we also had major breakthroughs in operational efficiency: we created 78 process improvements, generating direct and indirect gains. In turn, regarding sustainability, 74 action plans were carried out, with a direct impact in environmental, social and governmental terms. We also kept investing in our efforts to promote financial literacy and the formation of a retirement culture in several media across society.

Likewise, we renewed our commitment to the Global Compact, to which we have been signatories since 2008, as well as the Principles for Responsible Investment (PRI) and the Green Bond Statement.

In addition to all these moves, we also went to great lengths with our employees to spread a culture of innovation, a key capability in the new market context. In addition to many lectures and training sessions about the issue, we created an innovation room and adopted new work tools, such as design sprint and an agile methodology to develop projects.

All these practices helped Brasilprev, the largest retirement trustee in Brazil, finish 2017 with BRL236.4 billion in assets under management and the leadership in total revenue and net deposits, with a 34.1% and 33.6% market share, respectively.

None of these achievements and accomplishments would have been possible without our engaged staff, 646 strong, who put us, for the second time in a row, on the *Guia Você S/A*'s list of the 150 Best Companies to Work For. We would also like to thank our shareholders, who have put their trust in our 345+ years of experience and help us consolidate our position as a major player in the industry.

Please enjoy!

My wife and I are public servants, we work hard, but we make sure we take care of our personal lives because that's what bring us the quality of life we need to live well. Thus, these plans for our little ones give us peace of mind in the present and help us secure a better future for them.

Roberto (45 years old) and Joelma da Silva (46 years old) are Henrique's (13 years old) and Rodrigo's (02 years old) parents; the family has been a Brasilprev client for over ten years.



Consulting

BRL 1.98 million

is the number of Brasilprev clients in late 2017.

133

consulting experts support the Banco do Brasil branches, the main distribution channel of our products.

About Us

Company Profile

With over 24 years of experience and based in São Paulo, Brasilprev Seguros e Previdência S.A. is a specialist and a leader in the retirement market. As a privately-held corporation, our shareholders are PFG do Brasil Ltda., which belongs to Principal, and BB Seguros Participações S.A., a wholly-owned subsidiary of BB Seguridade. GRI 102-1 | 102-3 | 102-5

We operate everywhere in Brazil and rely on 4,700 Banco do Brasil branches as the main distribution channel of our products. Our retirement plans are sold to individuals and businesses in the Plano Gerador de Benefício Livre (PGBL) and Vida Gerador de Benefício Livre (VGBL) categories. Our portfolio currently serves over 1.98 million clients, out of which 13% are businesses and 87% are individuals – out of these, 30% are children and teenagers. GRI 102-2 | 102-4 | 102-6

As for results, we finished this period with BRL236.4 billion in assets under management, which represents 30.5% of the entire industry. Regarding total revenue and net deposits, we had a 34.1% and 33.6% market share, respectively. Our net income for the period was BRL1.1 billion, an 8.1% increase over FY 2016.

At the end of December 2017, we had 595 full-time employees, six senior officers, four trainees, 18 interns, and 23 apprentices. Out of these, 133 consulting experts support the Banco do Brasil branches, the main distribution channel of our products. For two years in a row, we have been named one of the best companies to work for in Brazil, according to the special issue of Grupo Abril's *Você S/A*, 150 Best Companies to Work For. Furthermore, we have been acknowledged by other publications because of our managerial efforts, our prominence, our performance, and our innovation (learn more in Awards and Recognition).

Shareholder Profile

Banco do Brasil | BB Seguridade: with over 200 years in business, we are one of the largest financial institutions in Latin America. We operate in 99.8% of Brazilian cities through 4,700 branches, 2,000 minibranches, 8,000 electronic service units, and 36,900 self-service terminals, besides keeping a large digital platform that accounts for 73.4% of transactions.

In 2017, we had more than 66 million clients, including 36.4 million with checking accounts and 37.8 with savings accounts, who are served by 101,200 employees. Additionally, we totaled 29 offices in 20 countries and had agreements with 884 financial institutions, with a footprint in 106 countries.

Since December 2012, we rely on a 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) distribution efforts: a wholly-owned subsidiary that sells insurance, retirement, capitalization bonds, and private dental care plans.

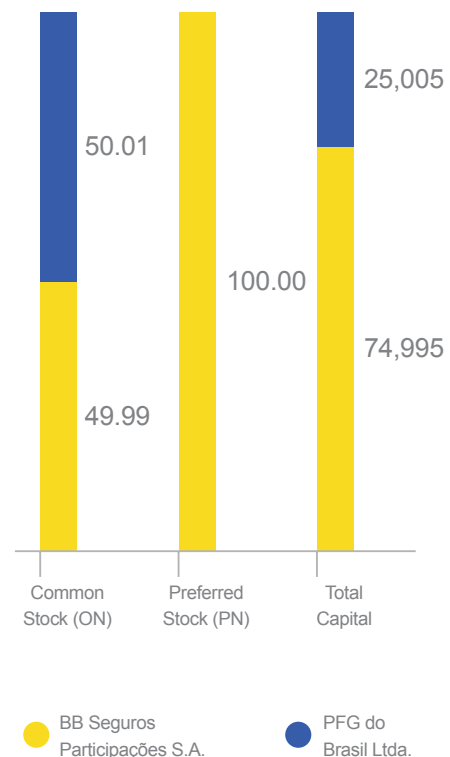
With the support of the Banco do Brasil distribution network and the intermediation of our own brokerage firm, BB Seguridade is now a prominent market player in every segment where it operates. In 2017, we posted an adjusted net income of BRL3.9 billion in 2017, with a 4.8% variation below our 2016 results.

Principal: with a 138-year history, Principal was established in Des Moines, Iowa and is a global leader in financial investment management, with USD 655.5 billion in assets under management. The company has positioned itself as an institution that helps individuals and businesses build, protect, and promote their financial well-being by offering them innovative ideas, investment capabilities, and groundbreaking solutions. Principal has offices in 19 countries in Asia, Australia, Europe, Latin America, and North America, with over 24,000 employees, out of which 10,000 are in the United States and 14,000 elsewhere.

Listed on the New York Stock Exchange, it is one of the largest financial companies in the United States and focuses on retirement plans, fund management, as well as health and life insurance for individuals, businesses, and institutions. 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.

As a Fortune 500 company and one of the biggest and most powerful companies in the world according to Forbes Global 2000, Principal specializes in offering retirement investments and insurance. As a member of Standard & Poor's (S&P) 500®, since July 2002, its shares are traded on the New York Stock Exchange under the ticker symbol PFG.

Shareholding Structure in December 31, 2017 (%)



Corporate Identity

GRI 102-16



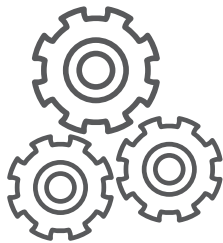
Mission Statement

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



Vision Statement

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



Core Values 102-16

The values forming our culture are divided into two groups that help employees achieve our mission and vision statements.

Our Commitments

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

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

Our Way

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

- ⊗ Committed
- ⊗ Solicitous
- ⊗ Entrepreneurial
- ⊗ Positive
- ⊗ Innovative

Sustainability

As testament to how much we value sustainability, we are committed to business perpetuity and we faithfully comply with our fiduciary duty. These are one and the same with our operating model and are formalized in our corporate vision: “to be the leading retirement trustee in Brazil, admired for our contribution to the sustainable development of Brazil and Brazilians.”

Based on this guideline and in line with the context of our business, we have given sustainability the following meaning: “to support the formation of a retirement culture and promote the creation of a virtuous cycle of economic, environmental and social development through responsible business management and responsible investing.” To this end, our priorities – the formation of a retirement culture, responsible investing, and responsible management – have been made official in our Letter of Guidelines and our Sustainability Policy, which were approved by our Board of Directors, and serve as a basis for our decision-making process.

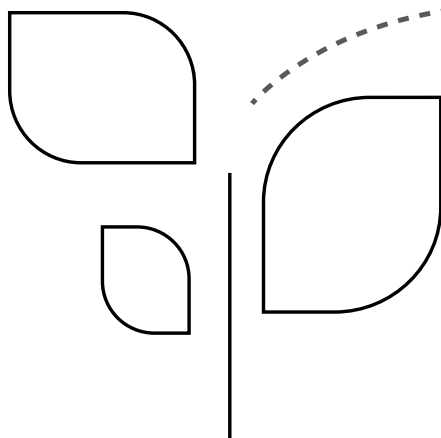
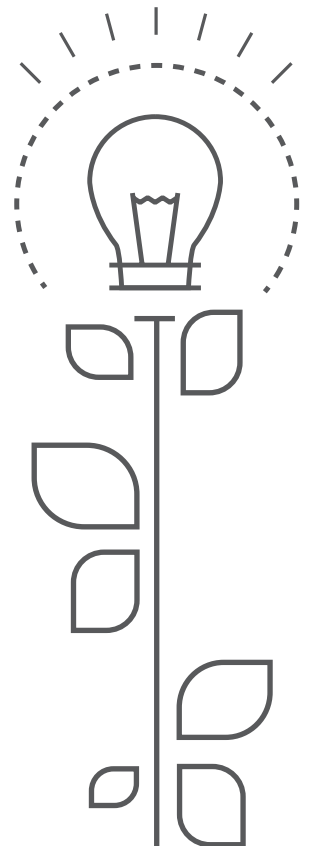
Throughout 2017, we worked on these issues by pursuing several initiatives, especially by continuing our financial-literacy and retirement efforts, including our participation in the Fourth National Financial-Literacy Week, which reached over 71,000 people; adding our internal guidelines on responsible investing to our *Investment Policy*; and mobilizing our employees to implement the points of improvement we mapped across several issues, such as supplier management, strategy, personnel management, and environment. The Sustainability Commission was in charge of directing and validating our efforts and reporting our progress to our Executive Board and Board of Directors.

Innovation

At Brasilprev, the year 2017 was a milestone in terms of innovation. Even though it was already in our strategic map and it was a practice recognized by the market, this fiscal year, we deployed a program structured around four pillars (the Brasilprev Innovation Program) and we made our strategy on this issue official: “to create the ability to innovate with a focus on delivering the best client experience and maximizing our operational efficiency.”

Throughout the year, we took action in line with each pillar: capabilities, new business, digital, and sustainability. To promote our capabilities, which are the skills we require to turn this strategic driver into a corporate competence, we deployed initiatives such as the adoption of agile methods in our corporate projects (scrum) and the use of the design sprint methodology. All in all, we had five sessions with a focus on products, digital solutions, means of communication, client experience, and employee performance. To make these new processes easier, we created an interactive environment called Innovate Space, with a layout, décor, and tools that value creativity in a structured fashion.

Also regarding this pillar, our employees had the opportunity to attend Innovation Day: on the last Friday of the month, presentations of startup cases, accelerators, and innovative companies inspired those in attendance. In total, there were eight events, with 15 corporate lecturers and 607 attendees. Meanwhile, 25 employees from several departments were trained as metadesigners, whose role is to redesign methods and procedures and spread the word about innovation methodologies. For officers and superintendents, we promoted the Executive to Executive initiative, which established a dialog between this audience and representatives from companies that are well-known in the market for their contributions to innovation.



As for New Business, which aims to encourage our relationship with startups, accelerators, and incubators, this year's highlight was the Breaking the Walls action. This is an initiative to prospect startups to become Brasilprev service providers. In 2017, we evaluated solutions that were geared towards the Personnel Management, Legal, Procurement, Marketing, Processes, Finance, and Projects departments.

The group of activities associated with Digital Solutions worked on developing a value proposition and a business model that was focused on the increasingly digital engagement of our clients. During this period, we released the new Brasilprev app, the SIL bot, as well as a retirement plan maintenance simulator. These initiatives aimed to expand our client experience online ([learn more in Clients](#)).

As for the Sustainability pillar, with a focus on the value innovations can add to our various stakeholders, our major deliverable was the Area 21 project. In association with the Tellus Institute, a creativity laboratory is expected to open in 2018 as a way to promote a culture of innovation among vulnerable young people ([learn more in Community](#)).

Our innovation background as well as our focus on this issue in 2017 had us receive an award as one of the 20 most innovative companies in Brazil, according to Best Innovator, an A.T. Kearney initiative in association with the School of Production Engineering of the University of São Paulo and Superbid.

Products

GRI 102-2 | 103-2 | 203-3

In line with our mission statement, we are aware that the retirement product aims to supplement future retirement income, but also enable other life plans, such as starting a business, going on a long trip, paying for a sabbatical year, bankrolling your children's college, among others.

Based on this positioning, we sell two kinds of retirement plans: PGBL and VGBL. In order to make retirement plans accessible to everyone, the minimum monthly contribution is BRL25.00, the lowest amount out there.

When it comes to the development of new products and services, we conduct research studies and rely on a database that includes client preferences, characteristics, and demands. As a result, in 2017 we released new investment fund strategies with more flexible and sophisticated concepts for asset diversification. Such innovation was possible because of the Brazilian Federal Open Market Committee (CMN) Resolution No. 4,444, which established new investment rules for reserves, provisions, and funds ([learn more in Family of Funds](#)).

For people to purchase the best product according to their profiles and needs, we invest in consultative selling. This is what we work on using our main distribution channel: the Banco do Brasil branches. The sales process takes place by asking the client some key questions. This helps managers offer clients the most appropriate plan based on their profiles and needs. In 2017, 4,276 BB managers attended 309 onsite training sessions, in addition to 141 distance courses. The team is supported by 133 Brasilprev consultants based in several cities. All branch network geographies are served by a consulting hub at our headquarters. Service happens through phone, audio and/or interactive videoconferences.



These are the products available to clients. GRI FS6

Brasilprev Individual: in the PGBL and VGBL categories, these are intended for people aged 14 to 69, with a minimum monthly contribution of BRL60.00 (VGBL) and BRL100.00 (PGBL). In turn, Brasilprev Personalizado requires a minimum contribution of BRL200.00 and may be purchased by clients aged 14 to 99. There are two other alternatives for Banco do Brasil clients, based on relationship level: Brasilprev Estilo or Brasilprev Private.

Brasilprev Júnior: intended for children and teenagers, we broke new ground when we released in 1997, creating a new segment in the retirement market. This solution is an effective tool to help families (parents or legal guardians) set aside a reserve to bankroll their children's, their nephews', and their grandchildren's projects – especially when it comes to education. This product has the lowest contribution out there, BRL25.00, which makes the plan quite accessible. GRI FS7

Very Small and Small Businesses and Partnerships: in this segment, our product offers very small and small businesses several benefits, especially the progressive advantage, which makes it possible to charge them lower fees as reserves increase, both individually and collectively. Besides, it allows for individualized billing, which relieves the Human Resources departments of companies.

Corporate: oriented towards mid-sized and large companies, corporate retirement plans act as an attractive and effective benefit. Advantages include employee satisfaction, engagement, and productivity, which are fueled by the diffusion of a retirement culture; internal and external perceptions regarding the reputation of a company that cares about employees and their future; the generation of income value retirement plans provide; moreover, it is a talent attraction and retention tool. For this segment, we have dedicated operations as well as a team of consultants that help by tailoring plans with an online sales platform to managing them. We offer solutions to different profiles, with matching and nonmatching products (with and without employer contributions, respectively). The entire benefit management process is absorbed by our staff, thereby relieving the Human Resources departments of our corporate clients. We also deliver personalized service to plan participants via several channels that aim to offer them convenience and practicality.

Plan distribution by line of business and region GRI FS6

Line of business	2014	2015	2016	2017
PGBL	679,000 plans	683,000 plans	662,000 plans	644,000 plans
VGBL	1.3 million plans	1.4 million plans	1.6 million plans	1.6 million plans
Traditional plans	155,000 plans	149,000 plans	142,000 plans	135,800 plans

Division of each portfolio category by region GRI FS6



Click on the regions of Brazil for complete information



Total

	2014	2015	2016	2017
PGBL	32	31	28	27
VGBL	61	63	66	67
Tradicional	7	6	6	6
Total	100	100	100	100

Upon acquiring a Brasilprev plan, participants receive a proposal with product information, such as the initial waiting period for withdrawal [according to the rules of the Brazilian Department of Federal Insurance (SUSEP), it ranges from 60 days to 24 months] and rollovers. After 30 days, the plan certificate is sub-

mitted. To monitor the progress of the acquired products, our clients have digital channels – Brasilprev and Banco do Brasil websites and applications as well as self-service terminals. The Brasilprev Client Support Center and the Banco do Brasil branches are also available. GRI 417-1

Services

We offer our clients different contact channels, such as the Brasilprev Portal, our Client Support Center, our self-service terminals, and the mobile Banco do Brasil application. The idea is to continuously improve this audience's experience with us, according to the client service benchmark, which stipulates a set of strategies and actions to build closer client relations throughout our retirement cycle.

In 2017, we have strived to innovate in the digital environment by releasing novelties that will keep evolving in 2018. Our clients have access to a simulator, a Brasilprev app, and SIL, our digital consultant (learn more in Clients).

We care about raising awareness of the importance of financial literacy and the formation of a retirement culture and our channels have clear, objective information about these issues (learn more in Formation of a Retirement Culture).

Competitive Advantages

Brand: the reputation and solidity of both shareholding institutions (which add over 300 years of experience), together with a track record of achievements, pioneering, and consistent management, are the cornerstones of a strong brand.

Specialization: because we are exclusively devoted to retirement, we stand out from the competition and our releases are more competitive and focused on long-term investment management.

Innovative profile: at Brasilprev, innovation drives our efforts to improve client experience and achieve a better operational efficiency. In addition to being a part of our corporate identity, it is one of the drivers in our strategic map.

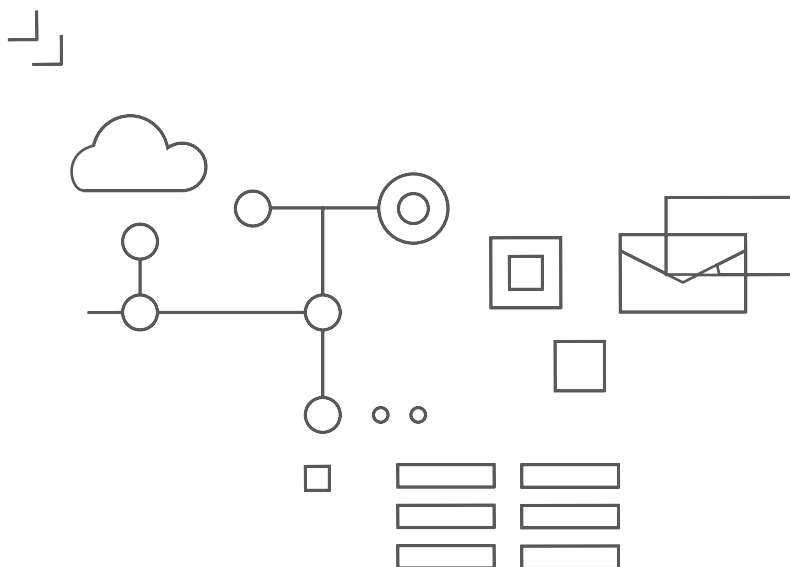
Accessibility and capillarity: through Banco do Brasil branches and other channels, we are present in 99.8% of Brazilian cities, which allows us to deliver accessible financial solutions to different audiences. Digital services, one of the pillars that buttresses our innovation efforts, are another way to support accessibility. GRI FS13

Client insight: we keep an up-to-date database with the registration and transactional information of clients, which serves as a knowledge base to track detailed profiles for each segment. Thus, it is possible to serve clients more assertively and develop products and services in line with their needs.

Consulting and experts: consultative selling is carried out by professionals that are trained to guide and provide information on the most appropriate plans according to client profiles and expectations. As one of our development efforts in 2017, we built a second team of professionals with the Certified Financial Planner (CFP), one of the most prominent international certifications in the financial market. We also rely on 133 consulting experts who hold the ANBIMA Professional Certification (CPA-10 and CPA-20). Formerly GRI FS15

Certifications: achieving and retaining well-known international certifications are a testament to our excellence in management practices. Examples include ISO 9001:2015 and ISO 10002 – Ombudsman's Office – and ISO 9001:2015 – Finance and Client Support Center, which also boast the Seal of the Code of Ethics from the Brazilian Self-Regulation Program (Probare) as well as the Seal of Management Maturity.

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 market institutions to improve the retirement industry continuously.



I created my Brasilprev plan because I'd like to have a very eventful retirement. To this end, I must be financially secure. Today, I look after my two daughters, who are my pride and joy every day and, at the same time, I try to take care of my physical life and my finances so I'll have all the freedom I want in the future

Larissa Louzada
(42 years old) is a dentist and has been a Brasilprev client for over 10 years.



Industry Analysis

Economic Overview

In 2017, the global economy maintained the gradual recovery of economic activity by controlling inflation rates and creating jobs. This improvement led to monetary-policy changes by every economy.

The American economic activity kept recovering throughout 2017, with the economy operating nearly at full employment and inflation under control, which enabled an appreciation of the US dollar (when compared to a currency basket).

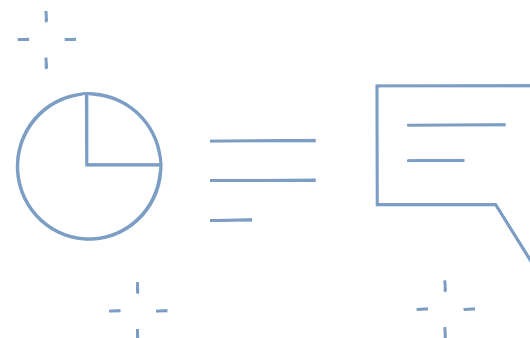
In Brazil, the gradual pace of economic bounceback, the record-setting harvest, and the long idleness of productive capacity accumulated over the last few years allowed inflation indicators to register a benign behavior throughout the year, dissipating all past inflationary pressure and finishing the period below the 3% floor over a 5.97% increase in 2016. Thus, the Brazilian Central Bank was able to continue the interest rate flexibilization process and promote, throughout the year, a 6.75% interest rate cut, setting the SELIC rate at 7% a year, the lowest figure ever since it started being tracked.

It is worth noting that Brazilian growth, based on gross domestic product (GDP), finished 2017 with a 1% increase, which put an end to the recession. On the supply side, crop-livestock farming was paramount. With a 13% increase during the year, this industry has the most significant results. As for demand, household spending had a 1% increase and, thus, contributed a lot to the evolution of the Brazilian gross domestic product

Industry Performance

According to data from the 2017 Brazilian Retirement and Annuity Federation (FenaPrevi) report, total revenue in the retirement market experienced a 3% increase over the same period in 2016, for a total of BRL120.9 billion. This performance was driven by the Vida Gerador de Benefício Livre (VGBL) product, whose revenue worked out at BRL106.6 billion, a 2% growth over the last fiscal year. Meanwhile, the Plano Gerador de Benefício Livre (PGBL) product had a BRL10.2 billion revenue, a 14% growth over the last fiscal year.

In December 2017, PGBL and VGBL industry reserves totaled BRL721.9 billion, a 19.2% increase over the same period in 2016. As for total reserves, which include the Traditional product, results amounted to BRL764.9 billion, a 17.3% rise over 2016.



In Healthcare, every day there is a different process or a new technology, which requires that I seek updates and new insights to be able to provide patients with the best care. Even though change is difficult, this is a must for every professional.

Marcela de Almeida Pinto (26 years old) is a nurse and has been a Brasilprev client for over two years.



Innovation

93%

is how much goes to innovation projects and competitive advantages.

180

employees were trained in agile methodologies in 2017.

Strategy

Strategic Analysis

Every year, we review our strategy so we are always in line with the demands of our various stakeholders. Besides, we make sure this content reaches our employees to ensure they understand we appreciate their contributions. To this end, in order to focus more on our priorities, in 2017 we established and announced five strategic drivers:

- Client First
- Innovation
- Operational Efficiency
- Prominence
- Sustainable Results

Based on these guidelines, we are constantly striving to innovate, increase our operational efficiency, and ensure our position as a player in the market. We offer our clients only the best while generating sustainable results.

Therefore, in 2017, we deployed our four-pillar Innovation Program, which aims to introduce this issue into our corporate DNA. The first pillar is all about capabilities, which are the skills we require to develop this strategic guideline as a corporate competence. The second one, New Business, encourages our relationships with startups, accelerators, and incubators. The third pillar is called Digital and aims to develop both a value proposition and a business model that are oriented towards increasingly digital operations. Last, but not least, the Sustainability pillar, which focuses on the contributions our breakthroughs can offer our stakeholders.

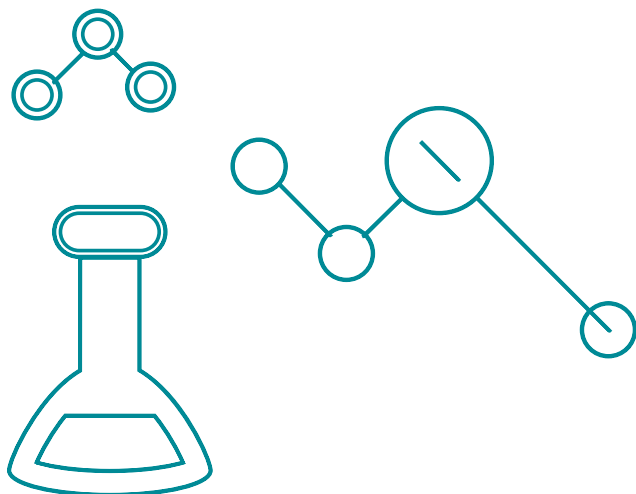
The Innovation Program deliverables include: a series of five applications based on design sprints (an agile rapid-prototyping methodology that emphasizes co-creation); training for 180 employees in streamlined project development methodologies; eight lectures on innovation for all employees (internally called Innovation Day), and the creation of the Innovate Space, a purpose-specific environment. All these efforts helped us deliver major projects, such as the plan maintenance simulator as well as the new Brasilprev app ([learn more in Clients](#)), and launch new investment fund strategies ([learn more in Family of Funds](#)).

To support these and other breakthroughs, our New Technological Platform, which aims to make it easier to offer Brasilprev and Banco do Brasil services, also continued to evolve during this period.

In terms of operational efficiency, our employees were asked to come up with opportunities to improve their efforts. Thus, there were improvements in all the macroprocesses of the value network – a tool that synthesizes our business model. These identified points were monitored and measured throughout the year, which allowed us to demonstrate any effective, direct (financial), and indirect (such as productivity, for example) gains.

We also found a new strategic partner to distribute our products: Ciclic, the result of a partnership between BB Seguridade and Principal. This is a fully digital financial platform that aims to help people make their dreams come true based on investment plans. As part of this model, we underwrite products and the entire sales and client service process is carried out by Ciclic itself.

Even against a challenging economic scenario and increased competition, we still managed to retain our prominence: we took an active part in the most important debates in the industry, we delivered solutions to our clients in a pioneering fashion and we generated sustainable results, finishing another year as the market leader in assets under management.

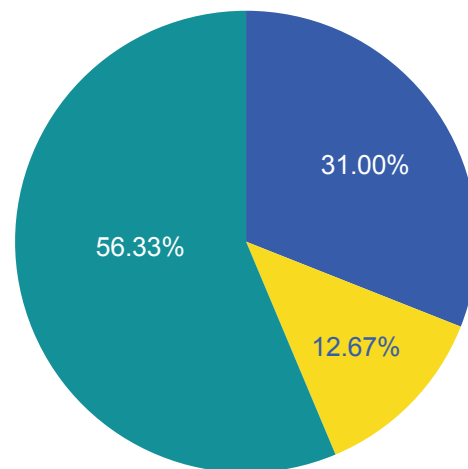


Investments

We are constantly investing in fixed (the necessary operational infrastructure) and intangible (software) assets, besides projects in search of thorough and consistent improvements for the ever-evolving quality of our management practices and processes. In 2017, our investments amounted to BRL34.4 million, which were distributed thus:

- ◻ A 93% investment in innovation projects and competitive advantages to differentiate our products and services, thereby expanding our ability to generate business and create client loyalty.
- ◻ A 1% 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 6% investment in legal affairs to promote adaptations to legislative changes and new product and/or service adjustments, in addition to the adoption of internal controls and accounting standards.

Investments by Type (%)



- Fixed assets
- Intangible assets
- Other projects

Results

GRI 103-2 | 103-3

In FY 2017, we were still leading the industry in total revenue, net deposits, and assets under management. Each indicator has evolved as follows:

Assets under management: in assets under management, at the end of 2017, we posted BRL236.4 billion, which had us leading the industry with a market share of 30.5%. Our performance was 18.7% better than 2016. As for the Plano Gerador de Benefício Livre (PGBL) and Vida Gerador de Benefício Livre (VGBL) assets, there was a 19.6% increase amounting to BRL224.1 billion, for a market share of 31% (sources: FenaPrevi and Brasilprev).

Revenue: we still led the industry in total revenue, with a 34.1% market share and BRL41.3 billion raised. Variance was 13.3% lower than 2016. As for the PGBL and VGBL products, there was a 13.5% drop, for a total of BRL40.8 billion and a 34.9% market share (sources: FenaPrevi and Brasilprev).

Revenue by segment: as for individuals, our revenue was BRL33.6 billion, which is tantamount to a 32.1% market share and a negative variance of 11.6% over 2016. With regard to the underage segment, our revenue was BRL1.2 billion, 4.3% lower than last fiscal year, but equal to a 55.9% market share. Lastly, for corporate products, we raised BRL6.5 billion, 22.5% less than 2016. In this segment, we have a revenue market share of 46.1% (sources: FenaPrevi and Brasilprev).

PGBL and VGBL Net deposits: this fiscal year, we achieved BRL17.9 billion in PGBL and VGBL net deposits (the difference between revenue and client withdrawals, that is, the funds we actually retain) for a 33.6% market share. This result is 37.3% lower than 2016 (source: Quantum Axis).

Rollovers: regarding rollovers, which is the mechanism whereby clients are able to transfer their reserves to another retirement trustee, we received BRL1.24 billion and transferred BRL3.3 billion, which produced a negative net rollover of BRL2.1 billion (source: FenaPrevi).

Technical reserves: the balance of technical reserves increased 18.7% over 2016, amounting to BRL234.5 billion.

Distribution of Value Added (DVA): in 2017, our value added worked out at BRL21.6 billion, 10.9% below the past year. The distribution of value added, which aims to show how the wealth we generated was shared, was as follows:

Distribution of Value Added (DVA) GRI 201-1					
In millions of Brazilian reais	2014	2015	2016	2017	2016 x 2017 variation (%)
Clients ¹	8,298.4	13,845.8	21,141.5	19,385.9	(8.30)
Government ²	762.9	963.1	867.5	1,021.0	17.69
Employees	91.1	105.0	119.4	131.0	9.72
Shareholders (dividends) ³	426.2	770.3	628.9	847.1	34.70
Retained earnings	561.1	385.2	380.1	244.1	(35.78)
Total	10,139.7	16,069.4	23,137.4	21,629.1	(10.92)

1. Reduced revenue.

2. Increase in payable taxes.

3. Increased income allocation percentage for the period.

Prospects

In 2017, the escalation of the social-security reform debate led to an increased Brazilian awareness of the need for financial preparedness for the future. To this end, financial literacy and the formation of a retirement culture is becoming increasingly essential for people to be able to make good choices. Our industry plays a key role in this context by promoting educational efforts and discussing and proposing to regulators new forms of encouraging long-term savings.

The new retirement industry regulations (CNSP Resolutions Nos. 348 and 349 and SUSEP Rules Nos. 563 and 564) illustrate our progress at the end of 2017 in this sense. They promoted major breakthroughs in the annuitization market, allowing clients, for instance, to schedule financial payments during the accumulation period and get annuities using only a portion of their financial reserve. With these changes, we expect that Brazil will come closer to more mature markets, such as the American one, which has nearly 10% of industry assets in this fundraising model.

As for the economic scenario, the 6% interest rate drop implies a need for increased investment portfolio diversification to achieve improved gains. For the past two years, the retirement industry has been preparing for this scenario and is already offering sophisticated funds with allocation, including abroad. As a result of CMN Resolution No. 4,444, the next step is allowing the creation of multimarket retirement funds with a variable-income allocation of up to 70%, which should take place in 2018.

Lastly, the market has to face the challenge of improving consumer experience. Consumers are increasingly demanding more user-friendliness, transparency, and accessibility, especially in the digital environment. According to the Brazilian Continuous Household Survey (Pnad C) of the Brazilian Institute of Geography and Statistics (IBGE), in Brazil, 116 million people are connected to the Internet, which represents 64.7% of the population over the age of 10. This is a challenging scenario, but it can also be construed as a major industry opportunity to stand out and bolster competitiveness.

We are aware of these moves and ready to respond to each of these trends assertively and swiftly.



To me, to innovate is to create. Having an idea is not enough, you have to execute it. When I started my business, I tried to make it look like what I think and like to do, while also analyzing the market opportunities. Today, this precaution allowed me to work with different niches, such as architecture, music, animation, among others. Innovating means always paying attention to your needs, since you never know what challenge lies ahead!

André Laiza (29 years old) is an entrepreneur and has been a Brasilprev client for over five years.



Formation of a Retirement Culture

Formerly GRI FS16



Financial Literacy

75,000

is the number of young people we reached with the financial-literacy initiative A Breakdown of Life Plans (PVPL).

90.3%

is the general satisfaction level we measured among PVPL participants.

We understand that raising public awareness of the importance of accumulating funds in the long term is the key to having a stable economic life and achieving life plans. To this end, producing knowledge on financial and retirement literacy is one of our top priorities.

Retirement Primer

The formation of a retirement culture is one of the focuses of our sustainability strategy, which is based on our Retirement Primer, a concept that encompasses all of our initiatives regarding this issue. It is supported by three educational pillars: informing, forming, and teaching. Our Retirement Primer aims to conduct continuous and lasting efforts with a focus on the different stages of the retirement life cycle: accumulation, protection, distribution.

These initiatives aim to reach out to our various stakeholders and try to use the language and channels that are most suitable for our audiences, thereby making contents accessible to everyone. The efforts we have made include:

Taking Action for the Community

GRI 103-2 | 103-3

A Breakdown of Life Plans Deployed since 2010 in association with the Trevisan School of Business and Principal, this program consists of free financial-literacy lectures at public and private schools, neighborhood associations, and other organizations in São Paulo proper as well as the ABC Region. Trained to become multipliers, college students are tasked with giving these lectures, which are about the importance of financial planning and long-term savings. This initiative has been awarded the Seal of the National Financial-Literacy Week for being in line with the Brazilian Financial-Literacy Strategy.

After the lectures, an anonymous survey is conducted with all the attendees to assess the general satisfaction index, which last year was 90.3%, including two important testimonials (“I feel that, after this lecture, I will be able to plan my finances better” and “I am very motivated to change my attitude towards money”), with 88.2% and 89% ratings, respectively. From the beginning of the project to late 2017, 1,700 lectures were given. [GRI 413-1](#)

Social media: in line with the trend of the ever-increasing use of online media, we resort to social media to publicize contents that focus on financial and retirement literacy, retirement tips, life plan planning incentives, among others.

Our Facebook fan page has around 110,00 fans and, throughout the year, we have uploaded 56 posts about financial literacy. Our message reached over 4.4 million users a month and engaged 36,000 of them.

On Instagram, over 4,000 followers had access to 229 specific posts about this topic, reaching 501,000 users a month and engaging 271,000 people.

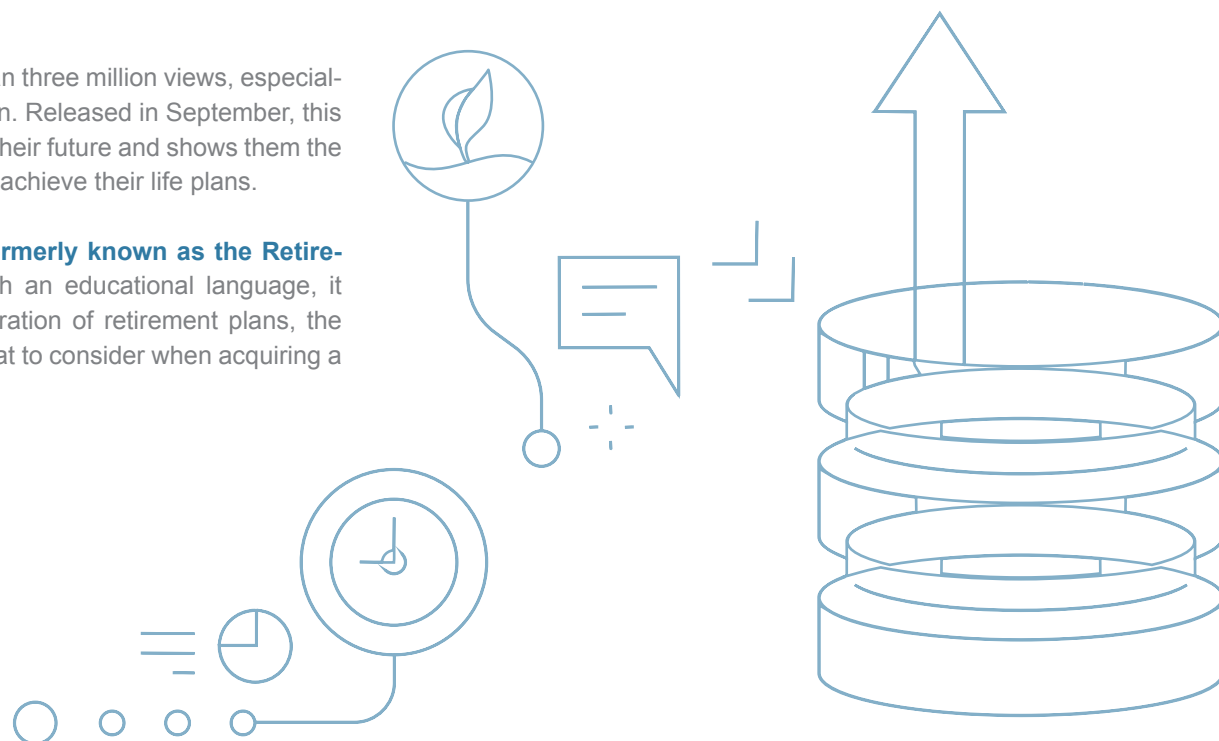
Our channel videos had more than three million views, especially our *O amanhã* media campaign. Released in September, this ad invites viewers to think about their future and shows them the importance of planning ahead to achieve their life plans.

Retirement Primer Website (formerly known as the Retirement Demystified Primer): with an educational language, it introduces the concept and operation of retirement plans, the investment options available, what to consider when acquiring a plan, among other issues.

Retirement dictionary: as a way to reinforce our commitment to disseminate retirement-related concepts in a simple and easy-to-understand manner, the Retirement Dictionary contains the meanings of key product terms and is available on our website.

Brasilprev Department of Retirement: in 2017, we renewed our partnership with academia by sponsoring the Brasilprev Department of Retirement at the Federal University of Rio de Janeiro (UFRJ) Graduate School of Business (COPPEAD). We aim to promote the production of academic content that is relevant to the Brazilian retirement market, which would allow us to research, reflect on, and understand industry trends, scenarios, and transformations.

National Financial-Literacy Week: we attended the Fourth National Financial-Literacy Week, an event organized by the National Financial-Literacy Committee (CONEF) to disseminate the National Financial-Literacy Strategy (ENEF). During this period, we promoted six activities that were geared towards employees (including lectures, games, and workshops), two lectures at social institutions, two public Facebook livestreams, as well as four YouTube videos. We were able to reach out to more than 71,000 people with these initiatives.



Taking Action for Employees

Financial-Literacy E-Learning: available at the Development Hub – an in-house training platform –, this course introduces basic notions of financial literacy and gives you tips on how to control your personal and household budget.

Game Invest: based on gaming dynamics, this training course tackles financial-market issues, such as volatility, types of investment, assets, the need for discipline in the decision-making process, among other topics. It is geared towards employees that deal directly with clients, preparing them to answer questions and provide clarification of this nature.

Melhores Escolhas: this periodic event is intended for employees and corporate clients and aims to prepare participants for the financial changes that happen after the working period ([learn more in Employees](#)).

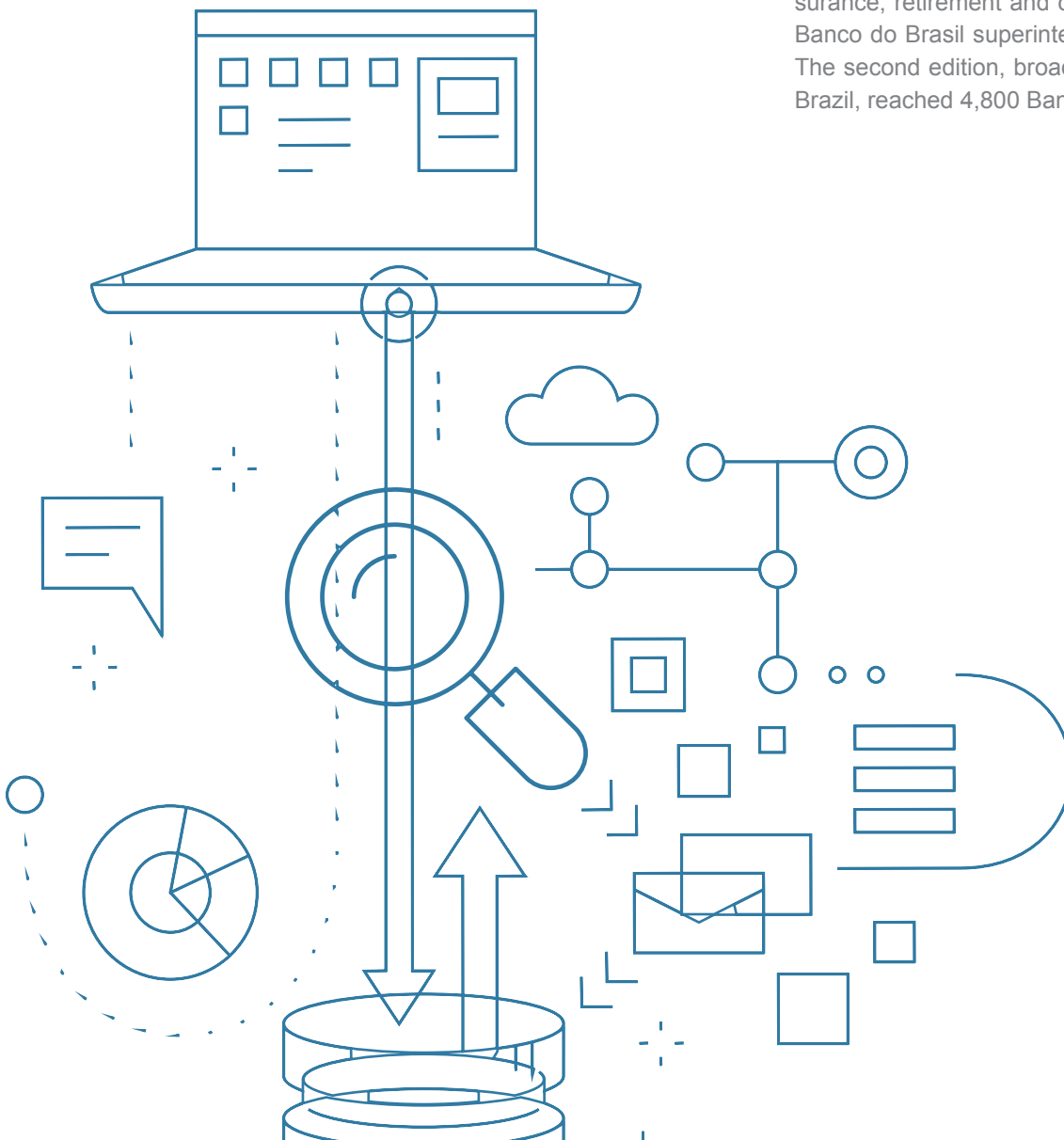
Taking Action for Clients

Lectures: economic prospects, succession planning, and taxes were some of the issues we addressed during our lectures, with an emphasis on the clients and managers of the Banco do Brasil network, our primary sales force. There were 27 lectures, attended by 2,700 people.

Additionally, in order to spread the word about the release of our new funds and our modern portfolio, we promoted 14 events in different Brazilian regions, which involved over 1,600 people (among clients and salespeople).

Consulting: to support the consulting efforts we aim to offer our clients, we promoted over 1,100 meetings called Consulting Coffee Chats, which brought together 23,000 people – including managers and clients – to exchange information about retirement, financial and retirement planning, consulting, as well as new plans/contributions.

The Social Insurance Day was another initiative to improve our relationship with the Banco do Brasil network, the primary distribution channel for our products. This event was all about insurance, retirement and capitalization and brought together 90 Banco do Brasil superintendence advisors from all over Brazil. The second edition, broadcast online on TV Brasilprev all over Brazil, reached 4,800 Banco do Brasil managers.



I've been working in Technology and, at age 45, I see how much things evolved because of innovation. Adapting to all these changes is a daily challenge, at work and at home. After all, my kids were born in a generation where everything's done over the cell phone. I try to keep up, even though things happen so fast. The next step in my financial life is to forego physical credit and debit cards and choose mobile instead.

Roberto (45 years old) and Joelma da Silva (46 years old) are Henrique's (13 years old) and Rodrigo's (02 years old) parents; the family has been a Brasilprev client for over ten years.



Diversification

FIX STRATEGY

is a brand new fixed-income concept we released in 2017.

PRI

is one of the voluntary agreements we signed as part of our responsible-investing strategy.

Responsible Investing

With a strong commitment to sustainability and our fiduciary duty, we believe that promoting responsible fund management – while meeting environmental, social and governance (ESG) criteria – is a key part of our operations as an institutional investor.

Asset Management

GRI 103-2 | 103-3

Based on an investment philosophy with a long-term horizon, we rely on a team of financial experts that monitors every day the performance and evolution of our portfolio's funds in order to achieve a better risk-reward ratio when allocating funds. Thus, we do not make decisions based on temporary market fluctuations. Instead, we observe long-term trends, with environmental (such as climate risk), social (stakeholder relations), and governance (management structures) issues – under the acronym ESG – also being factored in this process. GRI 201-2

In our investment management strategy, we diversify both classes and types of assets, something that requires a thorough analysis of market performance and the rules of the industry's regulatory agency. In 2017, with the flexibilization that stemmed from CMN Resolution No. 4,444, we expanded our product platform and started offering a new family of investment funds. These releases are part of a multifund framework, which allows clients to conduct allocations using different strategies in a single plan. In addition to profile-based combinations and the ability to create a diversified portfolio, reallocating capital between the available options is free of charge.

Within this context, our clients entrust us with managing funds that have been earmarked for their long-term life plans. On the other hand, we play a role as an institutional investor, invest the assets in the financial and capital markets using government and corporate bonds that help move the economy and develop the country. As for the infrastructure industry specifically, we buy bonds from companies that belong to this industry, but we are not investing in this business directly. GRI 203-1 | 203-2

Asset Management Governance

We have a robust system and a solid structure in place to guide our investment management efforts to provide our clients with the best long-term return. Thus, we adopt a controlled governance process that is based on ethics, prudence, and transparency.

To this end, our Board of Directors is tasked with passing general management policies and guidelines that are enforced by the Financial Committee and the managers of our Finance Department. In turn, these guide BB Gestão de Recursos – Distribuidora de Títulos e Valores Mobiliários S.A. (BB DTVM), which manages our assets.

Approved by our senior managers, our *Investment Policy* applies to our entire asset portfolio as well as any fund allocation decision. Among others, this document points out how we monitor our financial (credit, market, and liquidity) and systemic risks and those pertaining to environmental, social and, corporate governance issues. Formerly GRI FS1

Furthermore, in order to control and mitigate risks, we are trying to diversify our assets and adopt the prudent-person rule. This means making choices on behalf of clients as if we made them for us with the aim of acquiring gains that consider the safety of invested capital and its results. We are also very careful about analyzing opportunities in a regulatory framework to monitor both positive and negative impacts associated with risk, financial implications, and mitigation measures, in addition to the monitoring effort and controls associated with risk management and managerial costs.

When managing products with minimum guaranteed compensation, we adopt the asset-liability management (ALM) process, which leads to integrated management and adequate fund allocation, in compliance with investment deadlines and risks.

In 2017, because we adhered to the Principles for Responsible Investment (PRI), we made our *Investment Policy* guidelines official to incorporate social, environmental and governance (ESG) criteria into the investment decision-making process, thereby reinforcing our commitment so that new like-minded initiatives are carried out.

Credit Limit Award

GRI FS10 | FS11

In line with the concept of responsible investing, we have adopted, since 2015, the Credit Limit Award (PLC). This methodology, developed in-house, increases the credit limit of financial and nonfinancial companies that adopt sustainability practices in their businesses. Through comparative and integrated analysis, the credit limit award recognizes the organizations in our credit portfolio and also appear on B3's Corporate Sustainability Index (ISE). Currently, this applies to our credit portfolio, which the Financial Committee reviews and considers. The Financial Committee is also responsible for other investment decisions.

At the end of this period, 12 counterparties (companies and banks) were awarded the PLC or 20% of the total amount of businesses that make up our corporate credit portfolio, a 4% increase over the previous period. In terms of amounts, the organizations whose credit limits were increased are now 62% of our entire corporate credit portfolio, compared to 55% last year.

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 several 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. Their fund management efforts follow the guidelines contained in our Investment Policy and the management agreements that were signed between the parties. Moreover, they have adopted the Principles for Responsible Investment.

They finished 2017 with over BRL864 billion in assets under management and became the first asset management firm in Brazil to achieve the best rating from two rating agencies, Moody's and Fitch Ratings. Since 2012, they also have the international ISO 9001:2008 – Total Quality certification, one of the most prestigious titles in quality of services and processes of credit risk analysis.

Family of Funds

We offer our clients different families of funds to allocate their funds. In 2017, in order to boost available investments, participants had access to new fixed-income fund strategies (Strategy 2025 and 2035), in addition to multi-market funds that were reformulated. These updates are part of the multifund concept, which we released in 2013 and enables allocations using different strategies in a single plan. Besides combining them and putting together a diversified portfolio, our clients do not incur any charges when reallocating their capital and may adjust their investments based on the different moments of their lives.

Each family of funds is described and profiled below:

Classic RF: indicated for 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 produce 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 unit fluctuations are expected to be higher than the FIX Family. It aims to provide our clients with an investment option with an outstanding yield in the long run.

Fix Strategy 2025 and Fix Strategy 2035 (released in 2017): with an all-new concept in fixed income, they adapt asset allocation dynamically to seize the best opportunities in the economic landscape, always with a deadline in mind. Thus, if assets are to be redeemed further in the future, more assets will be allocated to longer-term fixed-income funds, which are expected to produce a higher yield. On the other hand, as the deadline approaches, the fund's allocation will be focused on shorter-term securities in order to protect the reserve. Combining these strategies, in addition to government bonds of all maturities and characteristics, funds are invested in corporate bonds and even enable the allocation of up to 10% to assets abroad.

Dynamic Multimarket (released in 2017, formerly known as Balanced Fund 20): we are focused on achieving results through the strategic allocation to short-, medium-, and long-term fixed-income (price index and fixed rate) and variable-income securities, foreign investments, and currencies, among others. We earmark 15%-20% for variable income in Brazil and introduced allocations abroad via Principal Global Investors (PGI) strategies.

Multistrategy Multimarket (released in 2017, formerly known as Balanced Fund 49): it follows the same concept as Dynamic Multimarket, but earmarks up to 49% for variable income and, in addition to foreign investments through PGI, invests in select multi-market strategies managed by BB DTVM.

Dividend Multimarket (formerly known as Balanced Fund 49D): this is a fixed-income fund with a variable-income allocation of up to 49% to shares of companies with a good track record of dividend payout. It is indicated for clients who are used to market fluctuations and seek better returns.

Life Cycle: this fund aims 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 further into the future the date of life plan achievement is, the longer variable-income and longer-term fixed-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 shorter-term 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.

2017 net yield of funds (reference date: 12/29/2017)							
Name	Management fee (yearly %)	Net return					
		12 months (%)	24 months (%)	36 months (%)	48 months (%)	60 months (%)	72 months (%)
FIX Family							
Fix A	0.95	10.07	25.12	40.15	54.20	61.78	77.83
Fix C	1.00	10.03	25.03	40.01	53.99	61.51	77.48
Fix	3.40	7.46	19.22	30.36	39.98	43.32	53.78
Fix II	1.50	9.49	23.80	37.95	50.97	57.55	72.27
Fix III	3.00	7.88	20.17	31.92	42.22	46.21	57.49
Fix IV	2.50	8.41	21.36	33.89	45.06	49.88	62.25
Fix IX	2.80	8.05	20.53	32.46	42.81		
Fix V	2.00	8.95	22.58	35.91	47.99	53.68	67.20
Fix VI	1.25	9.76	24.41	38.97	52.47	59.51	74.84
Fix VII	0.80	10.25	25.53	40.85	55.23	63.14	79.63
Fix VIII	0.70	10.36	25.78	41.26	55.84	63.91	
Fix X	1.80	9.17	23.06	36.71	49.15		
PREV Fix	3.00	8.05	20.73	32.15	42.35	43.39	50.81

2017 net yield of funds (reference date: 12/29/2017)							
Name	Management fee (yearly %)	Net return					
		12 months (%)	24 months (%)	36 months (%)	48 months (%)	60 months (%)	72 months (%)
Classic Family							
Classic	1.00	9.17	22.99	38.09	51.76		
Classic II	1.80	8.31	21.05	34.84	46.99		
Premium Family							
Premium	1.25	11.18	30.80	42.78	57.71		
Dynamic Family (formerly known as Balanced 20)							
Dynamic I	3.50	9.86	26.03	31.88	39.06	37.35	46.81
Dynamic II	1.50	12.06	31.14	40.00	50.64	51.83	65.58
Dynamic III	3.00	10.39	27.26	33.81	41.78	40.73	51.16
Dynamic IV	2.50	10.91	28.48	35.73	44.51	44.14	55.57
Dynamic V	2.00	11.51	29.86	37.95	47.69	48.11	60.72
Multistrategy Family (formerly known as Balanced 49)							
Multistrategy I	3.00	13.68	36.28	36.05	40.71	34.72	43.73
Multistrategy II	2.00	14.81	39.00	40.16	46.43	41.60	52.59
Multistrategy III	1.50	15.29	39.99	41.40	48.12		
Dividends Family (formerly known as Balanced 49D)							
Dividends I	2.00	14.34	33.50	35.06	38.23	34.90	46.86
Dividends II	1.50	14.87	34.74	36.92	40.79		
Dividends III	1.25	15.18	35.48	38.07	42.37	39.97	53.52
Life Cycle Family							
Life Cycle 2020 E	1.25	10.44	30.27	39.21	53.48	37.81	66.38
Life Cycle 2020	2.00	9.64	28.37	36.19	49.05	32.85	59.21
Life Cycle 2020 II	3.40	8.13	24.85	30.62	40.96	23.87	46.39
Life Cycle 2020 III	3.00	8.54	25.80	32.08	42.95		
Life Cycle 2020 IV	2.50	9.06	27.02	33.98	45.72		
Life Cycle 2030 E	1.25	15.99	46.98	45.82	55.55	32.78	59.52
Life Cycle 2030	2.00	15.15	44.85	42.67	51.08	28.02	52.68
Life Cycle 2030 II	3.40	13.55	40.85	36.79	42.79	19.27	40.25
Life Cycle 2030 III	3.00	13.86	41.54	37.62	44.28		
Life Cycle 2030 IV	2.50	14.38	42.78	39.49	46.98		

2017 net yield of funds (reference date: 12/29/2017)							
Name	Management fee (yearly %)	Net return					
		12 months (%)	24 months (%)	36 months (%)	48 months (%)	60 months (%)	72 months (%)
Dividends Family (formerly known as Balanced 49D)							
Life Cycle 2040 E	1.25	18.00	54.27	48.66	56.47	32.65	58.24
Life Cycle 2040	2.00	17.15	52.04	45.48	52.01	27.93	51.49
Life Cycle 2040 II	3.40	15.53	47.84	39.47	43.67	19.20	39.17
Life Cycle 2040 III	3.00	15.80	48.47	40.69	45.55		
Life Cycle 2040 IV	2.50	16.34	50.02	42.88	48.56		

The Fix Strategy 2025 and Fix Strategy 2035 funds started being sold in September 2017. For this reason, we cannot measure their performance based on the metric used in the table above yet.

Voluntary Agreements | Responsible Investing

GRI 102-12 | FS11

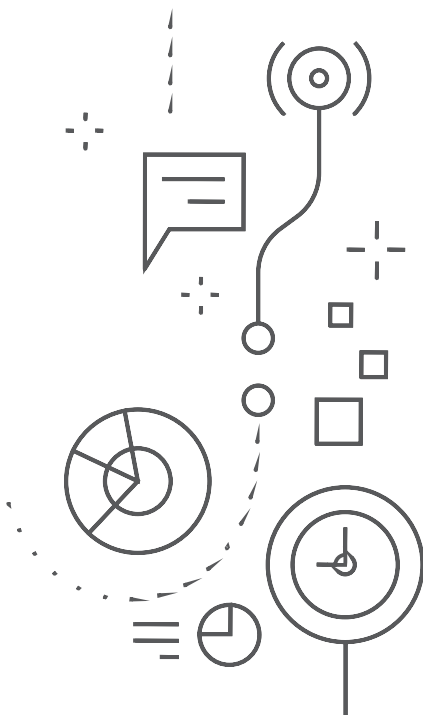
Because we are committed to perpetuity and comply with our fiduciary duty to our clients, this strengthens our position in responsible investing, one of our top sustainability priorities. Besides continuously adopting initiatives in line with this topic, we enter into voluntary agreements such as:

Principles for Responsible Investment (PRI): it brings global 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 entered into this agreement in

December 2016 and became a member in January 2017. The efforts we made include the introduction of guidelines on responsible investing in our Investment Policy, a document that was approved by our Board of Directors. Furthermore, we held the PRI Meeting internally to teach and engage employees about this issue as well as the commitment we made when we signed the document. Around 50 employees from departments that were directly connected with the implementation of the agreement or that may help us evolve attended the event, in addition to BB Seguridade and BB DTVM representatives. Promoted by both PRI and WWF, we also hosted the Investors and Forests event on the risks and impacts of deforestation on the financial decision-making process.

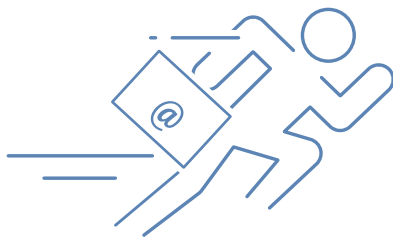
Green Bond Statement: a document signed by investors who support the adoption of green bonds as a new investment option. These are fixed-income securities intended for the implementation or refinancing of projects that benefit the environment. We signed the Statement in 2016.

Carbon Disclosure Program (CDP): an international initiative that, on behalf of institutional investors, encourages companies to measure, spread, and share information about their practices regarding climate change, water, and forests. We were the first Brazilian company to sign this agreement in 2005.



Oftentimes, innovators are considered controversial and surprising. But at the rate things are happening, you have to run the risk of creating or at least following the movement. In Dental Care, we see changes and new procedures we never thought could exist and, to face this reality, we have to bring ourselves up to speed.

Larissa Louzada
(42 years old) is a dentist and has been a Brasilprev client for over 10 years.



Agile Methodologies

Kanban

is a visual development flow management method we adopted in our project management office.

Scrum

is another tool we will be using. Through sprints, this methodology fosters software project management and planning.

Responsible Management

One of the ways we contribute to sustainable development is by operating our businesses responsibly, with stakeholder relations that are based on ethics, transparency and fairness.

Corporate Governance

GRI 102-18

Guided by our mission and vision statements and our core organizational values, our corporate governance is reinforced by a collective decision-making process as well as an alignment with the best market practices and the principles of the Brazilian Institute of Corporate Governance (IBGC).

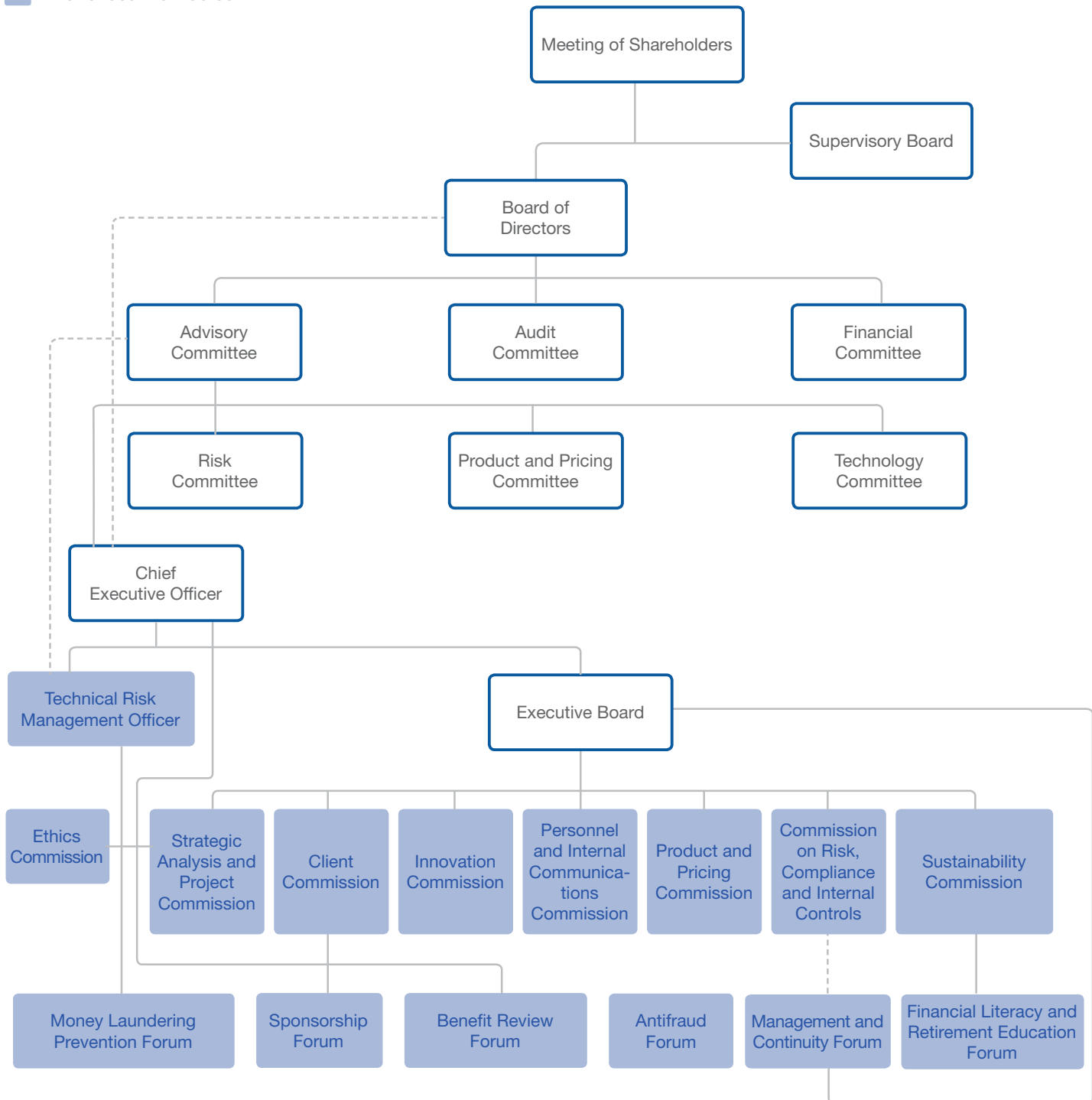
The changes to our corporate-governance structure include the creation of an Innovation Commission, Antifraud and Financial-Literacy and Retirement Education Forums as well as the introduction of the issues of compliance and internal controls in the Risk Commission. As for our senior management, Ms. Ângela Beatriz de Assis joined our team in her capacity as Chief Commercial and Marketing Manager, a position that used to be filled by Mr. Ilton Luis Schwaab. Furthermore, Mr. Marcelo Otávio Wagner became our new Chief Financial Officer, replacing Mr. Leonardo Giuberti Mattedi.

Furthermore, there were changes to the corporate authorization level rules, an initiative that restructured our decision-making process, giving managers more autonomy to make decisions and making the organization more responsive by streamlining certain payment flows and disbursements. Key changes include

granting authorization levels to coordinators, transferring authorization levels to peers from the same structure (when the manager in charge is absent), and expanding the approval limits to other management positions, thereby reducing the number of financial events that require the Executive Board's approval.

Governance Structure

- Executive Bodies
- Nonexecutive Bodies



Governance Structure

Meeting of Shareholders

This is our main deliberative body whose duties are to establish our general actions and policies; determine the structure and functions of our bodies; discuss and vote on financial statements; deliberate the destination of net income and distribute dividends; elect supervisors; approve the inflation adjustment for our capital, among others. It has a representative from each shareholder and its deliberations take place during regular or, when needed, special meetings of shareholders.

Supervisory Board

They are tasked with investigating the actions and finances of managers and choosing which issues are to be discussed during the meetings of shareholders. 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.

Board of Directors

They guide business continually and oversee our performance indicators, with powers to draft, analyze, and approve corporate strategies, business policies, and quality- and security-related decisions. The board is composed of eight full members and an equal number of substitutes with three-year terms who are entitled to reelection. They convene every three months and may hold 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.

Advisory Committees

Consulting Committee: composed of our Chief Executive Officer and two members appointed by our shareholders and chosen from our directors, it helps and guides our Board of Directors in the ordinary course of business. Their terms last as long as their tenure on the Executive Board and the Board of Directors. Our Consulting Committee is supported by three other subordinated committees:

Risk Committee: composed of our Chief Executive Officer, our Chief Financial Officer, our Chief Product and Operating Officer, our Chief Planning and Control Officer (whose terms that are as long as their tenure as officers), besides two shareholder-appointed members and a permanent guest, the Technical Risk Management Officer. Their duties include following up on and assessing the operational, financial, strategic, legal, market, credit, reputational, liquidity, and underwriting risks in topics that involve the risk management guidelines and policies.

Product and Pricing Committee: it is composed of our Chief Executive Officer, our Chief Product and Operating Officer, our Chief Planning and Control Officer, our Chief Financial Officer, our Chief Commercial and Marketing Officer, whose terms last as long as their tenure as officers, as well as two other full members and two shareholder-appointed substitutes. It establishes our general product and pricing policies and guidelines in order to improve our investment portfolio and strategies and follows up on industry trends. *Formerly GRI FS15*

Technology Committee: members include our Chief Executive Officer and our Chief Technology Officer, whose terms are as long as their tenure as officers, plus two full members and two substitutes appointed by shareholders by mutual agreement. It advises the Advisory Committee on issues pertaining to information technology (IT) management.



Audit Committee: this permanent body complies with Resolution No. 321/2015 of the Brazilian Federal Board of Insurance (CNSP). It is composed of three members elected by our Board of Directors, two of whom are appointed by each shareholder and one by mutual agreement. Terms are one-year-long and 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 internal-audit and inspection duties, oversees operations, and reviews the efforts of both independent and internal auditors.

Using our own methodology, process audits focus on risks and the continuous-auditing model, both of which were approved by our Audit Committee and Board of Directors. Every business cycle is audited based on the emphasis rotation matrix, including the sustainability-related risk assessment procedures. This happens within three years, with an annual schedule review. Exceptions are approved by our Audit Committee and Board of Directors. [GRI FS9](#)

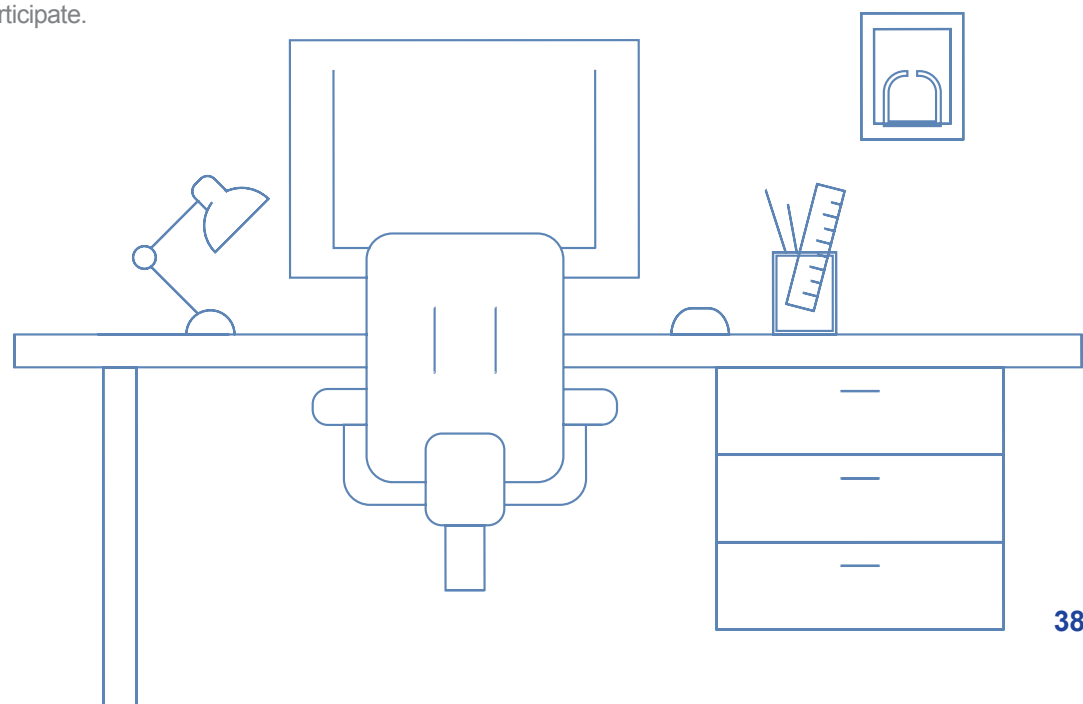
Financial Committee: they are tasked with preparing general policies and guidelines on investments, financial transactions, portfolio building, as well as rules and regulations. Usually, they convene once a month to analyze the performance of assets and shares associated with risk management and prepare policies that have to be approved later by our Board of Directors. It is composed of our Chief Executive Officer, our Chief Financial Officer, our 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.

Senior Management

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

Ethics Commission: reporting directly to our Chief Executive Officer, it has two levels: a) an investigative level, which includes our Technical Risk Management Officer, our Chief Counsel, as well as the Personnel and Processes superintendents, plus another superintendent approved by our Executive Board for a one-year term; b) a deliberative level, which includes our Chief Executive officer and two officers elected every year. This commission is responsible for heading our Integrity Hotline and proposing the necessary actions and means to announce and enforce our Code of Conduct, while considering and taking the appropriate measures when faced with misconduct.

Strategic Analysis and Project Commission (CAEP): it is composed of six members with one-year terms – one superintendent from each Brasilprev executive department – and coordinated by the Strategic Management Superintendence. It is responsible for supporting any and all decisions about priorities in our project portfolio and following up on strategic initiatives, goals, balanced scorecard (BSC) indicators, budget, and processes during monthly meetings.



Client Commission: it must assess and submit to our Executive Board initiatives that carry out and improve upon our client strategy, which is geared towards making sure we become partners, promoting appropriate solutions timely, easily, and conveniently. Representatives from the superintendences of Controlling, and Actuarial, Sales, Products, Operations, Marketing, Personnel and Processes, Strategic Management, and Client Management (the latter is responsible for heading the Commission in 2017) participate. Furthermore, the Information and Investment Control, Legal, Client Intelligence and Management offices are represented, besides our Ombudsman's Office.

Innovation Commission: it advises our Executive Board when it comes to policies and guidelines on innovation promotion, reviewing and suggesting business opportunities, value generation, and efficiency gains for us. The eight members are representatives from the Technical Risk Management Office, Planning and Administration, Personnel and Processes, Strategic Management, Planning, Infrastructure and Investment Control, Market, Client Management and Technology.

Personnel and Internal Communications Commission: it is tasked with helping our Executive Board make decisions regarding personnel management, organizational climate, diversity, and internal communications. 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 our Executive Board on the preparation of general product and pricing policies and guidelines to improve our investment portfolio, theses, and strategies and review domestic and international market trends for insurance and retirement products. It is composed of the superintendents from Products, Business and Retail, Strategic Management, Controlling and Actuarial, Technology and Planning, Infrastructure, and Investment Control.

To back us up, we have a Pricing Policy in place that governs product sales according to the local laws and our internal ethical principles. It applies to our product portfolio and covers and pricing strategy decision, on different levels. Besides, it establish general pricing guidelines for the accumulation (contribution) and distribution (annuitization) phases. *Formerly GRI FS15*

Risk, Compliance and Internal-Control Commission: it aims to help our Executive Board in market, liquidity, credit, underwriting, reputational, operational, legal, and strategic risk management and control issues, as well as regulatory compliance and internal controls. Its members are representatives from the Finance, Controlling and Actuarial, Risk Management, Sales, Technology, and Product departments.

Sustainability Commission: reporting to our Executive Board, it promotes adding sustainability to our managerial efforts by enforcing our policies, guidelines, and strategy. The Commission is composed of our Chief Technical Risk Officer and our Strategic Management, Product, Planning and Administration, Planning, Infrastructure, and Investment Control superintendents, who serve for two years with voting rights.

Forums

Continuity 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 when it comes to 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 2017, we developed our communication and crisis management plans as well as a continuity plan in case our headquarters become unavailable for operational purposes.

Money Laundering Prevention Forum: it relies on the managers from Controlling, Business and Retail and Other Channels, Changes, Benefits and Rollovers, and Internal Controls and it is responsible for discussing and relaying communications to



the Brazilian Financial Crimes Enforcement Network (COAF) about incidents that fall under the SUSEP Rule No. 445/2012, which addresses the prevention and fight against money laundering-related crimes in fraudulent transactions.

Antifraud Forum: established in 2017, this body aims to propose executive and strategic decisions pertaining to suspected and actual fraud cases to be approved by our Board of Directors and play an active role in the oversight of fraud prevention, detection, and investigation efforts. It is composed of six members from the Risk Management, Internal Audit, Clients, Operations, Sales, and Legal departments. As a result of its creation, it strengthened our internal-control environment even more and reinforced our compliance with Susep Rule No. 344/2007.

Financial-Literacy and Retirement Education Forum: established in 2017, it aims to encourage and promote financial literacy and retirement education through initiatives that benefit various stakeholders and make sure issue-related activities are continuous and long-lasting. It is composed of eight full members from the fol-

lowing departments: Investment Modeling and Infrastructure, Digital Channels, Corporate Communications and Sustainability, Client Intelligence and Management, Products, Personnel, Sales and Planning, Management Information and Controls.

Sponsorship Forums: reporting directly to our Chief Executive Officer, it reviews and introduces proposed sponsorship projects, establishes how to execute greenlit projects, and monitors the results we obtained. It is composed of the managers from Corporate Communications and Sustainability, Digital Channels, Client Support Center, Communications, and Client Intelligence and Management.

Benefit Review Forum: it promotes the reanalysis and/or review of denied and/or granted risk benefits we have taken out. It is composed of the Products, Operations, Business and Retail, Legal, and Controlling and Actuarial superintendents, as well as five substitutes.

As for diversity, in 2017, regarding age and gender, the groups in charge of our corporate governance were distributed thus. GRI 405-1

Corporate-Governance executives by age

Body	2016							2017						
	Total number of members	30 or younger	30 or younger (%)	30-50 years old	30-50 years old (%)	50 or older	50 or older (%)	Total number of members	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	8	0	0	7	90	1	10
Board of Directors	16	0	0	8	50	8	50	16	0	0	8	50	8	50
Executive Board	6	0	0	4	67	2	33	6	0	0	3	50	3	50
Financial Committee	7	0	0	4	57	3	43	7	0	0	4	60	3	40
Audit Committee	3	0	0	1	33	2	67	3	0	0	1	33	2	66
Advisory Committee	3	0	0	1	33	2	67	3	0	0	0	0	3	100
Product and Pricing Committee	8	0	0	4	50	4	50	8	0	0	5	63	3	37
Risk Committee	6	0	0	3	50	3	50	6	0	0	4	66	2	34
Technology Committee	5	0	0	2	60	3	40	5	0	0	3	60	2	40

Corporate-Governance executives by gender					
2017					
Body	Total number of members	Female	Female (%)	Male	Male (%)
Supervisory Board	8	2	25	6	75
Board of Directors	16	3	19	13	81
Executive Board	6	1	17	5	83
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	12	7	88
Risk Committee	6	0	0	6	100
Technology Committee	5	0	0	5	100

Gender data from members of governance bodies will start being monitored in 2017.

Members of commissions, forums, and technical Risk Management and Institutional Relations offices are included in the staffer information contained in indicator 102-8 ([chapter Employees](#)).

Governance Support

GRI 103-2 | 103-3

To support our governance structure, we rely on a set of tools, such as rules, policies, and guidelines that govern the interactions between all of our stakeholders, in addition to multiple communication channels.

Integrity Hotline: this confidential hotline is intended for complaints about behavior that breaks the law and our Code of Conduct, such as workplace and sexual harassment, assault, discrimination, conflicts of interest, corruption, property damage, theft and larceny, among others. This channel also performs the duties of the Audit Committee Channel and may be accessed by every stakeholder over the phone and through a website (0800-741-0012 and linha-daintegridade.com.br/brasilprev). Anonymity, confidentiality, and impartiality are guaranteed. Also, you are assigned a ticket number that allows you to check on the progress of the complaint.

Code of Conduct: this document formalizes the values and principles that should govern the actions of our employees, interns, trainees, apprentices, and members of our corporate-governance bodies, with no difference in treatment between ranks. It addresses issues such as ethics, individual responsibility, professional privilege, and conflicts of interest and it is available in Portuguese and English on our Intranet and our website. All employees receive training and are required to sign an agreement that contains this material. [GRI 102-16](#)

Code of Conduct for Suppliers: released in 2017, it contains the rules of conduct and guidelines that apply to the relations between us and our suppliers, our employees, and our contractors ([learn more in Suppliers](#)).

Ombudsman's Office: available to all of our clients and in every channel, our ombudsman's office mediates and prevents conflicts with transparency, impartiality, independence, and confidentiality, protecting rights, clarifying duties, and adding value to our relations. We have both an internal (employee-oriented) and an external ombudsman's office (oriented towards our clients, individuals and businesses; Banco do Brasil branch employees; consultants; brokers; suppliers; and official channels that include regulatory and consumer protection bodies). These offices have been tailored to promote a culture of dialog and contribute to business perpetuity and stronger relations.

By interacting directly with our senior management, our ombudsman's office recommends and promotes improvements in our organizational processes and products, thereby contributing to client satisfaction, risk mitigation, and a stronger corporate image and reputation for us and our shareholders.

Since 2008, we are certified by the International Organization for Standardization (ISO). In 2017, our expanded operations were recertified to ISO 9001 and we were also certified to ISO 10002, which is geared towards quality management, client satisfaction, and complaint handling. Audited by the British Standards Institution (BSI), we received a national and international accreditation, with 100% compliance. Our ombudsman's office also follows the principles of the International Ombudsman Association (IOA) and the Brazilian Ombudsman Association (ABO).

Management Model and Tools

Our management model is constantly evolving with the aim of ensuring the desired results and satisfying our stakeholders. Key features are as follows:

Casual environment: we keep 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.

Open communications: communicating with a plain, clear, and understandable language is the basis for sharing information with our employees, who are encouraged to express their opinions, ideas, and demands.

Collective decision-making: our decision-making process is supported by commissions, committees, and forums composed of employees from several departments, which enables us to find points of convergence and develop solutions in line our internal demands.

Incentive to innovation: one of our key attributes and features, innovation is integrated into our identity and strategy. To this end, our efforts focus on improving our client experience and operational efficiency.

Oportunidades: we encourage our employees to plan and achieve their upward career mobility by giving them the tools to stimulate the search for excellence and high performance. Also, we continuously acknowledge their commitment, competence, experience, and dedication.

Recognition and celebration: because we are aware of the importance of our teams for our good performance, we constantly recognize and appreciate the commitment, competence, and dedication of our employees, while celebrating our achievements and results together.

To support our managerial efforts, we use modern tools, especially:

Balanced Scorecard (BSC): this methodology allows us to measure and manage our performance by using accurate indicators based on our corporate strategy. Thus, our managers set departmental goals and promote organizational alignment by tackling the challenges of each team member.

Business Model Canvas: this allows us to plan and view 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 our profit-sharing plan (PSP) based on the performance of each employee regarding the established goals and the adoption of corporate competencies.

Database Marketing (DBM): a database that gathers registration and transactional information about client plans and allows us to analyze profiles, track behavioral trends, and prepare statistical models to anticipate actions and create studies.

Design Thinking: a methodology that aims to solve issues, especially when it comes to product and service development. One of this method's rules is co-creation and collaboration in project development.

Design Sprint: this methodology helps teams solve problems faster. This method's dynamics require a five-day execution period that includes using tools that focus on service innovation.

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, and the Project Model Canvas, which enables high-level planning via a collaborative method that emphasizes agility, co-creation, and streamlined decision-making. In 2017, we added new agile tools to the department's efforts, such as *kanban*, a visual (lean) development flow management method, and *scrum*, which, through cycles (sprints), guides software project management and planning efforts.

Global Reporting Initiative (GRI): this internationally-recognized model enables the management and reporting of our financial, social, and environmental impacts, supporting the evolution of sustainability practices at the organizational level.

Process Management: it analyzes and manages our process portfolio to support our decision-making process and improve our performance and operational efficiency.

Rolling Forecasts: we use forecasting, analysis, and improvement methods that include simulations to support the decision-making process based on notes from potential deviations and distortions for periods of up to five semesters.

Risk Management

GRI 102-11 | 102-15 | 103-2 | 103-3

We are constantly improving our risk management system to make sure we protect our businesses in the face of an ever-changing state of affairs and demands from regulatory agencies. The tools and processes we adopted focus on preserving the liquidity, solvency, and balance of the benefit plans that were taken. We cover these issues by adopting the best industry practices and following the most stringent economic and financial security standards and actuarial-science techniques.

To manage and conduct this activity, we use our Technical Risk Management Office, with employees that are responsible for businesses and processes, as well as the Internal Audit Superintendence, which reviews the effectiveness of our risk management efforts. This technical office's duties include spreading the risk management culture internally and supporting the establishment of strategic guidelines pertaining to this issue. Furthermore, it strives for the identification, measurement, management, and reporting of corporate risks that may prevent us from achieving our goals. This department acts independently and reports directly to both our Chief Executive Officer and our Advisory Committee.

In 2017, we introduced several improvements in the risk management process so we are not only meeting the regulatory body's demands, but also promoting our evolution on this issue. Examples include adopting a risk appetite statement, which was established by our shareholders; reviewing policies that entail managing our risks, and validating business decision-making models that add risk assessments to their processes.

A matrix that divides our key business risks into eight categories (market, liquidity, credit, operational, underwriting, legal, reputational, and strategic) guides our managerial efforts on this issue.

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 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: for this 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. We manage this risk by improving and maintaining qualified procedures, processes and tools and by mapping, monitoring, and assessing each step of our 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. Our managerial 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, we conduct 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 agreements, and regulatory, labor, tax, corporate, business, civil, and criminal obligations, among others. We have teams of experts and structured practices to follow up on any potential consequences to our products or internal processes.

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 operate or the macroeconomic scenario.

We also have an *Anticorruption Policy* and internal regulations that set guidelines and procedures to monitor and fight against corrupt practices internally, preventing our potential involvement, either direct or indirect, in cases of this nature. These documents include guidelines on receiving and offering gifts, presents, and entertainment and establish rules on sponsorships and donations, as well as rules on how to hire third parties and full-time staffers, among others. This policy reinforces the importance of educating our stakeholders about this issue and it is available in Portuguese and English on our website.

Based on these guidelines, any and all transactions that are considered relevant – according to a strategic risk map we created – are reviewed based on corruption-related risks, but there are no metrics for the total number of transactions, given the scope of our operations. These include sponsorship activities, donations, and supplier hires with a transactional amount in excess of BRL70,000, which were fully analyzed during this period. In 2017, we did not identify any cases of corruption in our company. GRI 205-1 | 205-3

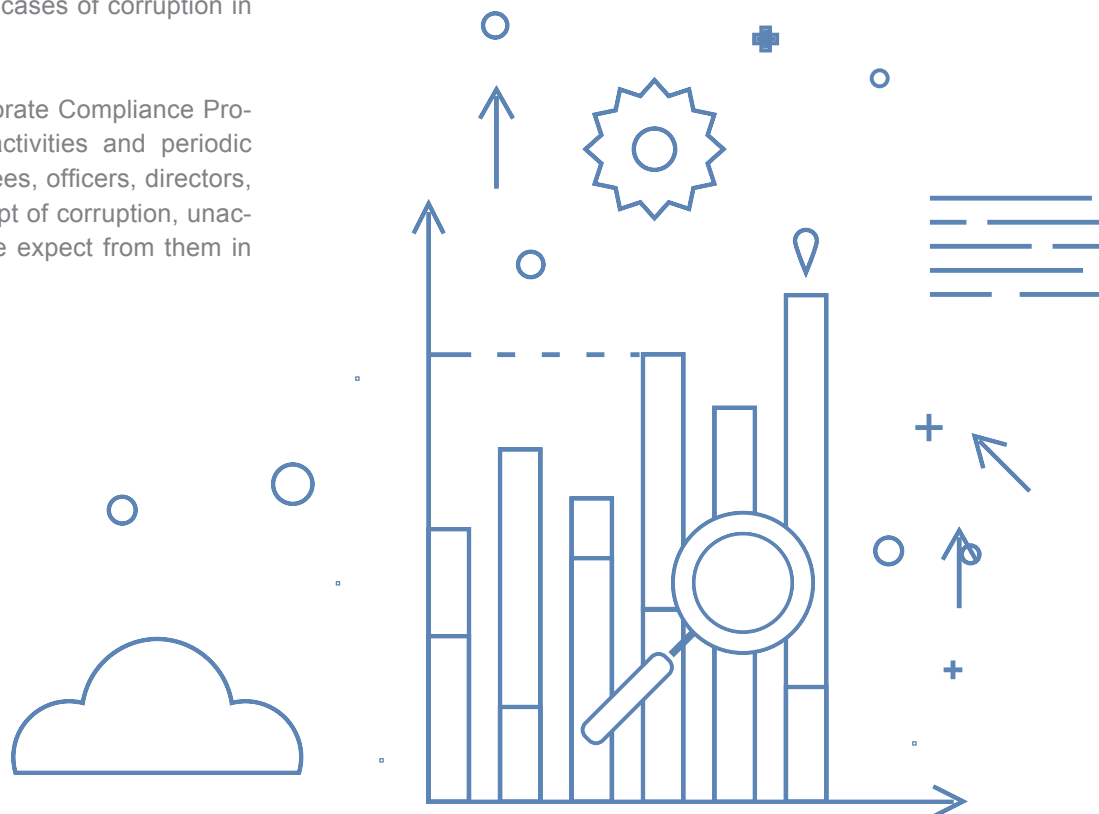
To promote education, we have a Corporate Compliance Program in place. Through educational activities and periodic communications, we inform our employees, officers, directors, and other stakeholders about the concept of corruption, unacceptable practices, and the behavior we expect from them in various situations.

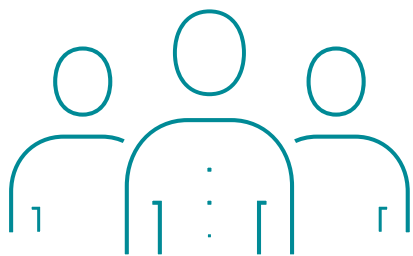
Regarding this issue, communications include all of our employees and use a number of capabilities, including e-learning. In 2017, the Anticorruption module, which used to apply to new employees, became mandatory annual training for everyone. During this period, 81% of our full-time staffers took the online course about this issue.

Also every year, our officers and managers sign an anticorruption statement, expressly claiming that both them and the department/s they manage comply with the Brazilian Federal Law No. 12,846/2013 on management liability when it comes to corruption-related issues as well as our in-house policies and rules. During this year, 57 managers and executive officers were eligible to sign it and all of them did it.

Together with the members of our corporate-governance bodies, at the end of 2017, we created a specific anticorruption statement for this audience. Out of a total of 45 directors, 31% signed it, formally stating that they comply with the laws in force. Furthermore, 13% attended training sessions about this issue.

Our system of internal controls for the prevention of money laundering, whose purpose is to identify atypical transactions, reinforces this set of guidelines. Besides our internal communications about this topic, in 2017, we also had mandatory training sessions about money laundering prevention, fraud prevention, risk management, code of conduct, and information security. GRI 205-2





Brasilprev Staff

646

is our total headcount in 2017.

80%

is our average general employee satisfaction level according to the 2017 Organizational-Climat Survey.

Stakeholder Relations

The search for responsible management – which has been defined as one of our sustainability priorities – is the basis of our relationship with our stakeholders and our environmental protection practices. This action is formally stated in the Letter of Guidelines and our Sustainability Policy (which may be accessed [here](#)). The principles that guide our stance include:

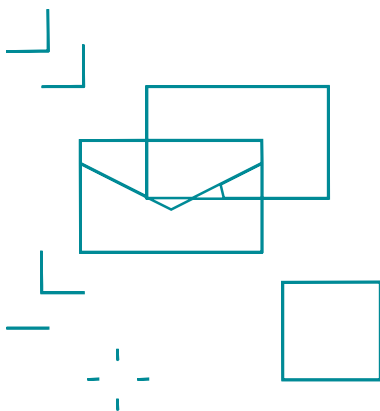
- ❑ Taking action to add value to all of our stakeholders.
- ❑ Continuously trying to incorporate practices that foster sustainable development into our daily activities and processes.
- ❑ Promoting an ethical and transparent dialog in all relationships.
- ❑ Educating and engaging employees and business 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 made to our stakeholders, beyond our role as an institutional investor.
- ❑ Integrating public initiatives that are geared towards the sustainability issue, making 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 we have adopted and periodically report on the evolution of our practices, which contribute to reaching our vision.

Meanwhile, we monitor how our stakeholders perceive our performance, products, services, and management practices. Besides showing how satisfied they are, these results help us identify improvement opportunities and give us keen insights about their needs and perceptions.

Our stakeholders are our shareholders, clients, employees, suppliers, regulatory agencies and the government, the community, and the environment. They were established by an internal assessment. Those who have a frequent dialog and relationship with us are prioritized. [GRI 102-40 | 102-42](#)

The way we approach and how often we engage these stakeholders as well as the key topics and concerns we raised are described throughout this report, where we explain specific initiatives on how to deal with each audience, according to our strategy. [GRI 102-43 | 102-44](#)



Shareholders

Our relationship with our shareholders follows the principles established in our Corporate Governance Policy, which are also contained in our Letter of Sustainability Guidelines. Generating growing, sustainable results and maintaining relations on an equal footing, striving for transparency, accountability, and corporate responsibility are our commitments to this stakeholder.

Shareholder support and participation are the key to an assertive decision-making process. Every year, regular and special meetings of shareholders are held, on which occasion strategic issues such as filling elective positions and passing changes to our bylaws and accountability guidelines are discussed ([learn more in Corporate Governance](#)).

Clients

[GRI 103-2 | 103-3](#)

As stated in our strategic map, we believe our clients come first, which means we are constantly looking for new interaction possibilities that make it easier for this stakeholder to engage us. To this end, we rely on a client service benchmark, which aims to establish a flow of communications and consulting with our clients throughout their experience with us.

Moreover, we have been working on a number of initiatives that focus on the digital environment. For this purpose, in 2017, we released a client simulator, a quick and intuitive tool that simulates the projected reserve and helps our clients adjust their plan based on the objective they wish to achieve. Another novelty is the new Brasilprev app, which shows users the status of their plans based on the registered life plan. This tool allows them to check their balance and statement. In 2018, it will also enable them to run

Voluntary Agreements

[GRI 102-12](#)

We enter into and sign voluntary commitments and agreements with institutions and organizations with whom we share principles and values to play a role as a transformation agent in society. We also encourage our employees to participate in initiatives or incorporate into their businesses the practices that follow the below conventions:

- Global Compact, since 2008
- Principles for Responsible Investment (PRI) since 2016
- Carbon Disclosure Program (CDP) since 2005
- Green Bond Statement since 2016
- Ethos Institute of Companies and Social Responsibility since 2009
- Abrinq Foundation for the Rights of Children and Teenagers and the Children-Friendly Company Program since 2009



simulations, get plans, withdraw funds, and perform other services. Our third release is SIL, a digital consultant that provides our clients with an interactive guiding experience during the entire relationship period – from the moment a plan is acquired to the moment when funds are used. It is available for smartphones, tables, or even desktop computers.

During this period, another client-focused breakthrough was making Brasilprev information available in the Unified Banco do Brasil Statement. Thus, participants view, in a single document, information from all their investments, including their retirement plan. As for our Client Support Center (CRC), we added a number of deliverables to our operations in order to improve our participant experience ([learn more in Client Support Center](#)).

We also responded assertively to an economic scenario with a falling SELIC interest rate by releasing in September fixed-income funds with various strategies and reformulating our multimarket funds. These options include foreign investments, a pioneering initiative in the retirement market. With these novelties, participants now have access to a broader selection of opportunities, both in the Brazilian market and abroad, which increases diversification when allocating funds ([learn more in Family of Funds](#)).

To provide specialized consulting and offer the best product based on the profile and moment of each client, we have a team of 133 consultants certified by the Brazilian Association of Financial and Capital Market Institutions (ANBIMA) Professional Certification programs (CPA 10 and CPA 20). Furthermore, in 2017, another five consultants managed to obtain the Certified Financial Planner (CFP®) designation, one of the chief international certifications in the financial market, for a total of 30 accredited professionals. Thus, we became the Brazilian retirement trustee with the largest number of financial planners with international CFP® certifications.

In 2017, with the creation of a team of financial specialists devoted to preparing analytical reports for our clients, our consultants were able to help them more effectively. The materials they created include comparative analyses between funds, economic indicators, and yield.

Since we continued to educate all of our employees about our clients, in September, we held the third edition of the Client Week, which addressed consumer behavior trends and success stories in client-organization interactions.

Corporate Clients

In addition to providing companies and their employees with consulting services, in 2017, we promoted a series of lectures on retirement reform for our corporate clients. We also made efforts to promote financial literacy and the formation of a retirement culture for the employees of our corporate clients, including:

Online course: the My Life Plan platform has a budget planning module. This service is also available to prospects.

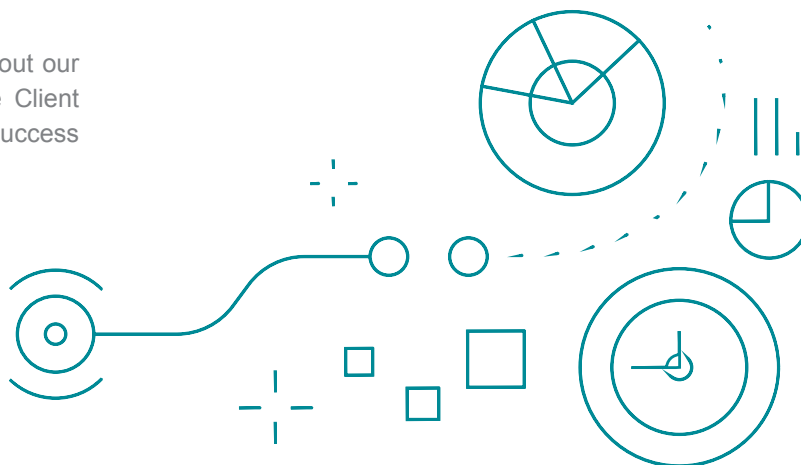
Best Choices Workshop: this is geared towards clients that are close to retirement and about to start achieving their life plans – among others, it approaches changes to finances upon retirement, retirement education, and the formation and preservation of financial reserves.

Exclusive hotsite: to guide employees who are leaving their companies, but who intend to continue paying into the plan.

Client Support Center

In 2017, one of the highlights of our Client Support Center (CRC) was the integration of the voice response units of Brasilprev and Banco do Brasil to request withdrawals, which eliminated the need to confirm primary, secondary and random data to authorize transactions. As a consequence, one of the improvements was shaving around two minutes off calls.

During this period, our Client Support Center took over 970,000 calls, established 7,000 chat communications, and received around 22,000 email messages. To reinforce our commitment to quality, we renewed the ISO 9001:2015 certifications – a testament to our management's commitment to process standardization – and the Brazilian Self-Regulation Program (Probare) in the Code of Ethics and Management Maturity categories, which corroborate our excellent performance.



Client support center by the numbers (thousands)

	2014	2015	2016	2017
Calls	775	853	892	977
E-mails	45	26	23	22
Chat support	13	9	13	7
Total	833	888	928	1,006

Ombudsman's Office

Since 2008, we are certified by the International Organization for Standardization (ISO). Recertified to ISO 9001:2015 in 2017, we focus on contributions to risk mitigation. We also achieved the ISO 10002 certification, which is oriented towards quality management, client satisfaction, and complaint handling. Audited by the British Standards Institution (BSI), we also received a national and international accreditation, with 100% compliance. Our ombudsman's office also follows the principles of the International Ombudsman Association (IOA) and the Brazilian Ombudsman Association (ABO) ([learn more in Corporate Governance](#)).

Brasilprev Website

The wide range of services and an easy-to-understand language turn the Brasilprev portal into a major support channel for clients as well as those interested in learning more about individual retirement arrangements. In 2017, our platform was accessed over 2.3 million times, a 11% decrease over last year. In the client-only section, which allows us to generate payment slips for extra contributions, run simulations, obtain information on fund profitability, and check statements, among other functionalities, we have over 496,000 hits a year, a 24% increase over 2016.

Brasilprev Services on Mobile BB

Seven years after releasing Brasilprev transactions on Banco do Brasil's BB Self-Service over the phone, we recorded almost 10 million transactions using this medium, a 58% increase over last year. The figures of our progress regarding financial statements (65.6%) and fund profitability lookup (42.8%) are the highlights in this period.

Banco do Brasil Self-Service Terminals

Present in 99.8% of Brazilian 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 2017, we had 910,000 hits, a 21% increase over 2016.

SMS

Our SMS service, which includes messages about balances, withdrawals, pending documents, and bar codes to make contributions, recorded a total of 416,000 service registrations until the end of 2017.

Accessibility

GRI FS14

The Banco do Brasil branches, the main distribution channel for our plans, follow the technical accessibility standard of the Brazilian Association of Technical Standards (ABNT) and offer priority service to people with disabilities or reduced mobility (temporary or permanent), senior citizens, childbearing mothers, breastfeeding mothers, and mothers with lap 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 is 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. Also, the high capillarity of Banco do Brasil enables the inclusion of residents from cities with low population density or economically underprivileged in the retirement market.

The São Paulo City Hall awarded our headquarters the Seal of Accessibility for People with Disabilities. To this end, we had several adaptations to comply with the NBR 9050 standard requirements, including an appropriate surrounding sidewalk, adapted parking spots on the first floor and the basement, two elevators with handrails, audio aids and braille buttons, and demarcation of tactile paving for people with visual impairment.

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 ([learn more about these channels in the Client Support Center and Ombudsman's Office sections](#)).

Client Support Efforts

We conduct multiple events that aim to support our clients. In 2017, we gave lectures on the state of the economy as well as succession and tax planning. Furthermore, we held a special event with Brazilian economist Paulo Henrique Amorim ([learn more in Formation of a Retirement Culture](#)).

We also promoted cultural and sports events in order to strengthen the bonds with our stakeholders.

Banco do Brasil Manager Support

Our 133 consultants, scattered across Brazil, collaborate with the Banco do Brasil managers to provide our clients with the best consulting efforts. They also have a dedicated team that answers questions over the phone or videoconference. This team is constantly trained to improve their knowledge and provide accurate information through visits and presentations. Among the highlights for this period, the actions we promoted include:

Training: over the course of the year, we held 309 on-site training sessions for branch managers, with 4,200 attendants, besides 141 remote courses attended by 2,800 executives.

Social Insurance Day: during this event, Banco do Brasil superintendence professionals from all over Brazil discussed insurance, retirement, and capitalization issues. Meanwhile, the second edition of the initiative was broadcast by Brasilprev TV, reaching out to Banco do Brasil managers ([learn more in Formation of a Retirement Culture](#)).

Consulting Coffee Chats: we had over 1,100 meetings that brought managers and clients together to generate retirement insights and provide consulting.

New Funds: to showcase our new family of funds, we held 14 events that reached out to our clients and salespeople ([learn more in Formation of a Retirement Culture](#)).

Satisfaction Surveys

Assessing client satisfaction is paramount so we can continuously improve our products and services. To this end, we have our Satisfaction Cycle, which is divided into three steps:

Annual Satisfaction Survey: a quantitative study with a large number of people to map what our clients see in our products and services.

In-Depth Interview: a conversation with a specific group of participants that showed some degree of dissatisfaction during the previous step.

Specific Surveys: to delve into issues analyzed as priority by previous surveys.

To measure general satisfaction or satisfaction with a specific feature, we use an 11-point scale (0-10). Grades in the 0-6 range show dissatisfaction; those in the 7-8 range show satisfaction; and those in the 9-10 range show delight. We also use a review methodology known as Net Promoter Score (NPS), which considers as a final result the difference between the number of clients who are promoters and the total number of detractors in the recommendation question (whether or not clients would recommend the company to friends, acquaintances, or relatives).

Annual Satisfaction Survey (for 2017 Cycle Conducted in 2017): this survey, conducted in 2017 with the Innovare Research Institute, talked on the phone with around 2,400 clients (individuals and businesses) in every Brazilian region. Regarding our products and services, the interviewee satisfaction survey was 77% for individuals and 73% for businesses (in 2016, these figures were 80% and 70%, respectively).

Results show that 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. Key red flags are fees and plan profitability.

Our Net Promoter Score (NPS) was 25% for individuals, a 4% variation over 2016. As for business plans, our result was 11%, 7% lower than the previous period.

Net Promoter Score (NPS) results (%)

	2014	2015	2016	2017
Individuals	33	33	29	25
Variation – individuals	2	0	4	(5)
Businesses	32	33	18	11
Variation – businesses	(3)	1	15	(8)

Two other stages of the 2017 Satisfaction Cycle will be conducted during FY 2018.

Satisfaction with Client Support Center: at the end of the call with our Client Support Center, participants have the option to rate the service they received. In 2017, 52% decided to answer the poll, with 9.3 being the average satisfaction grade (0.1% less than 2016).

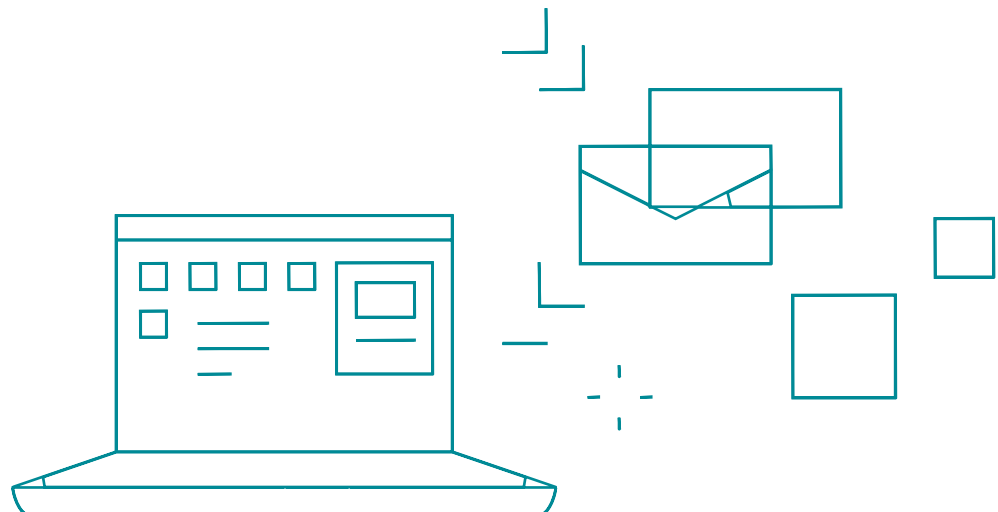
Corporate Client HR Satisfaction: during the 2017 survey, conducted with the heads of Human Resources in charge of managing our plans at their companies, 95% said they were either satisfied or delighted because of the support they received from our analysts, who are in charge of managing custom retirement plans. Despite a slight drop, this index had a 5% increase among clients delighted in our service. We had a 97% rating last year.

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 2017, the study found a satisfaction rate of 94% among managers of individual plans (a slight 1% drop over 2016) and 95% among managers of corporate plans (a 1% increase over last fiscal year), which showed we retained our strong points, such as plan performance and yield, besides consultant support during plan acquisition and after-sales care.

In-depth interviews and specific surveys from the 2016 Satisfaction Cycle conducted in 2017:

In-Depth Interviews (From 2016 Cycle, but Conducted in 2017): this survey, conducted in 2017 in association with the LIGA Research Institute, aimed to better understand the points made by 36 dissatisfied clients during our 2016 annual satisfaction survey. The results showed these clients would like to receive more information about the plans, something we have been working on by deploying several improvements, such as our new Brasilprev app.

Specific Surveys (From 2016 Cycle, but Conducted in 2017): in 2017, the third stage of the 2016 Satisfaction Cycle took place. As part of this process, we conducted interviews with the HR departments of major corporate clients to talk about issues that influence the recommendation of our services, such as satisfaction with our products and services and communications.



Employees

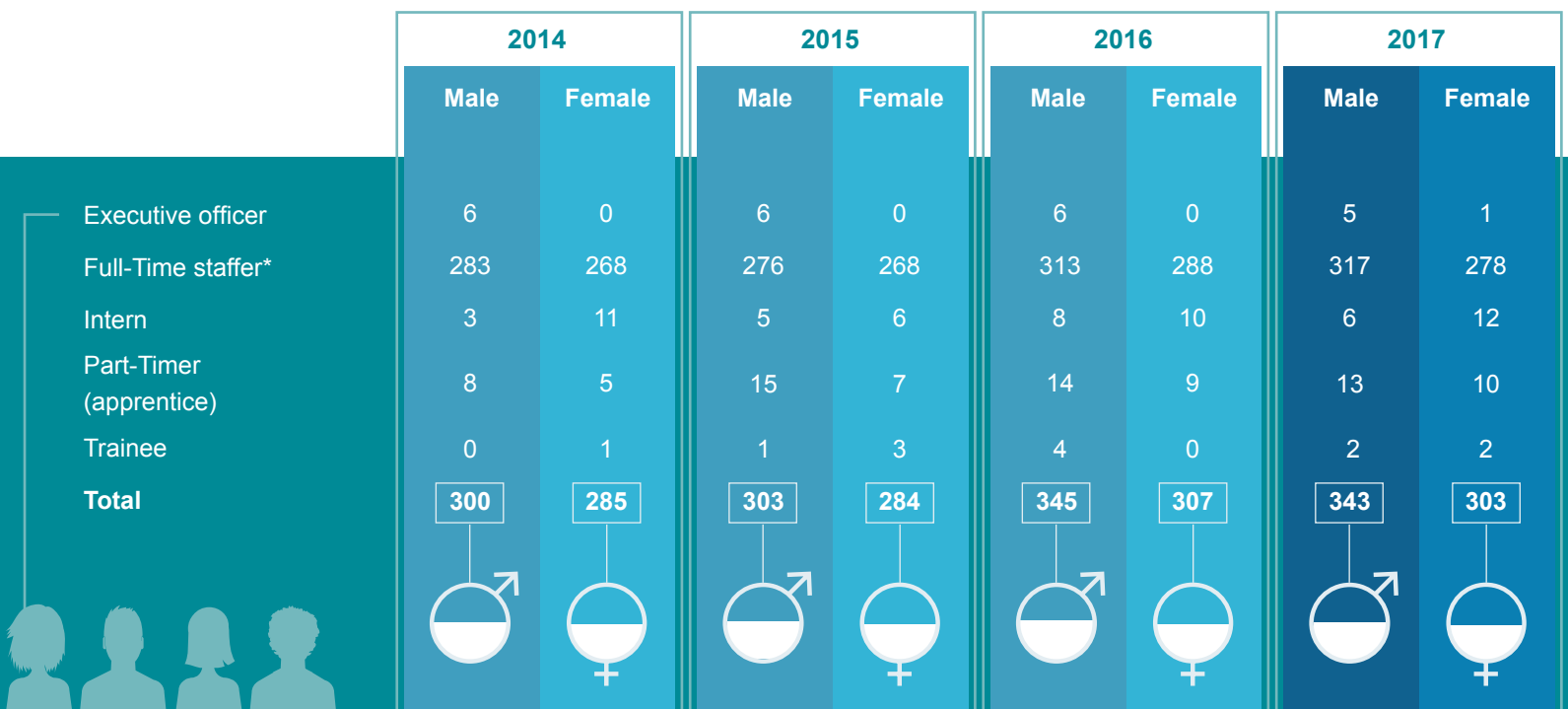
GRI 103-2 | 103-3

Because we are aware of the decisive importance of our employees to our results, we try to engage our professionals using good management practices that include development, open dialog, equality, the promotion of a healthy work environment, among other aspects. As a result, we were acknowledged, for the second year in a row, as one of the 150 Best Companies to Work For ([learn more in Awards and Recognition](#)).

At the end of 2017, we had a staff with 646 employees, including six executive officers, 595 staffers – hired under the Brazilian labor laws (CLT) and working full time –, 18 interns, four trainees, and 23 apprentices.

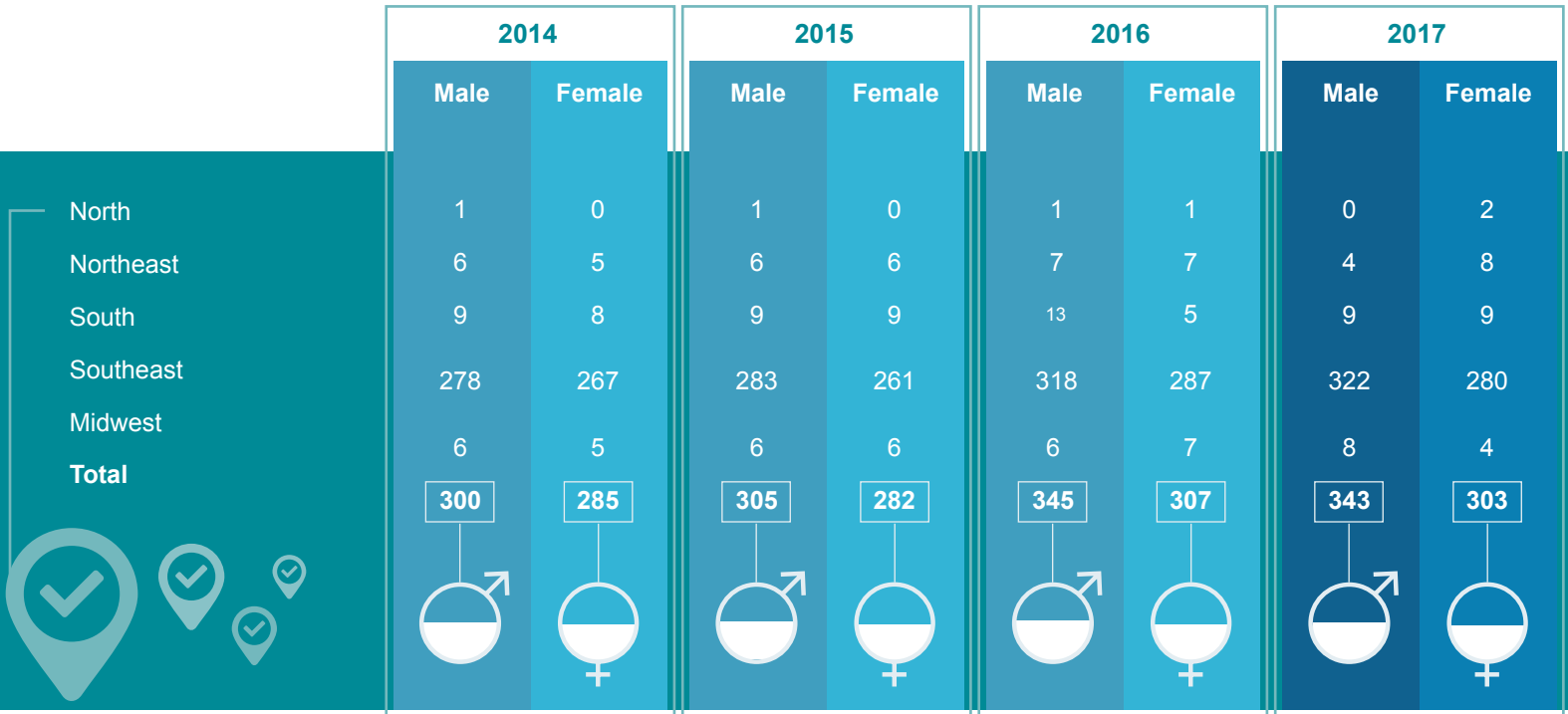
The below tables show how our internal audience is divided by employment contract, gender, region, and age.

Total number of employees by employment contract and gender GRI 102-8 | 405-1

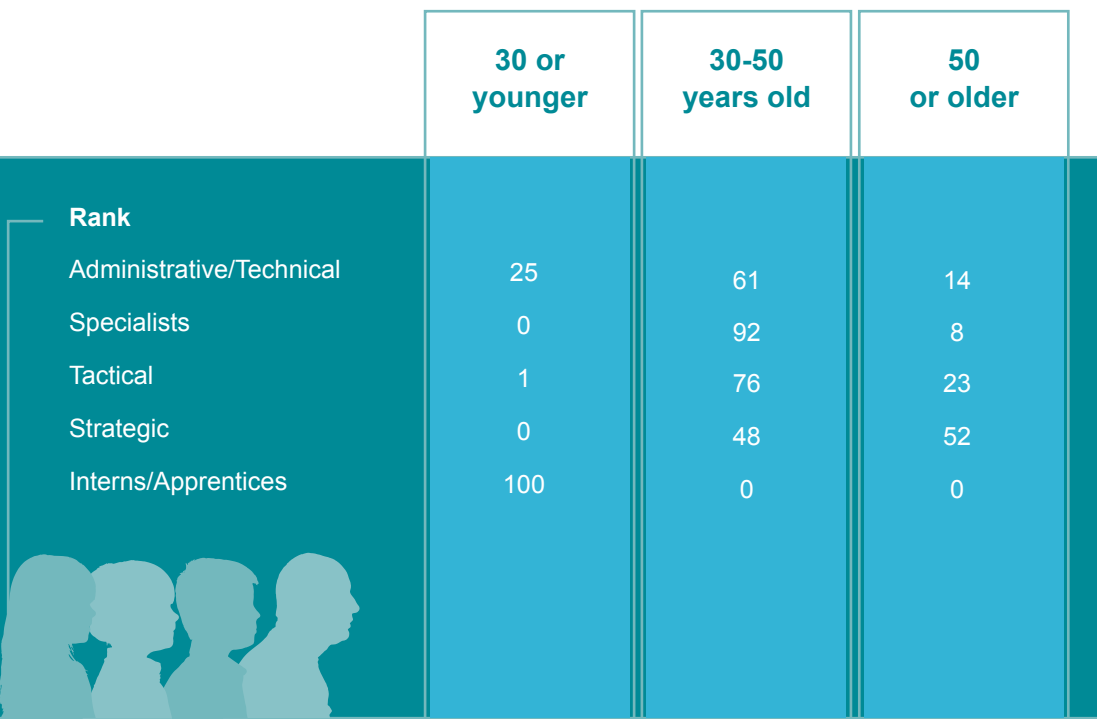


* Among full-time managers on staff, 53% are male and 47% female.

Total number of employees by gender and region GRI 102-8 | 405-1



Employees by rank and age* (%) GRI 405-1



* Employee division by rank and age started being monitored in 2017, which is why there is no data for previous years.

Employee Appreciation

GRI 103-2 | 103-3

We promote a culture of recognition and high performance that contributes to the good results of the organization and the employees. As a way to attract, maintain, and develop talents, we invest in corporate education, periodic performance review, organizational acculturation practices, promotion of quality of life, among other efforts. One initiative that demonstrates these efforts is the deployment of a home office model in 2017 in order to promote well-being, contribute to urban mobility, and obtain operational-efficiency gains. On the first review survey on this issue, we achieved 86% acceptance rates among managers and 97% among other respondents.

During this period, we also revisited the facilities of our headquarters, which became more modern and innovative. New items include the opening of an auditorium that seats 120 people and a high-resolution, more sustainable LED screen, since this technology does not use chemical components and does not emit heat. We also created the Innovate Space, with a recreational and an interactive structure that makes it easier to create and develop businesses, projects, and products.

The below tables contain turnover data by age, gender, and region:

New hires and turnover GRI 401-1				
	2014	2015	2016	2017
Total number of new employees	93	72	116	122
Rate of new hires (%) ¹	16.8	13.14	19.91	19.02
Age span 30 or younger	42	34	45	69
Age span ages 30-50	43	36	65	46
Age span 50 or older	8	2	6	7
Women	44	36	43	60
Men	49	36	73	62
Southern	2	1	5	2
Southeast	85	67	106	118
Midwest	4	2	2	1
Northern	2	0	2	0
Northeast	0	2	1	1
Total number of people that left the company	67	73	68	101
Turnover (%) ²	1.21	1.14	1.32	1.45
Age span 30 or younger	20	20	17	40
Age span ages 30-50	37	48	46	46
Age span 50 or older	10	5	5	15
Women	28	33	31	50
Men	39	40	37	51
Southern		1	0	1
Southeast	67	70	68	93
Midwest		2	0	3
Northern		0	0	1
Northeast		0	0	3

1. To calculate the rate of new hires (%) we used the following formula: (number of hires a year/average number of employees).

2. To calculate our turnover (%) we used the following formula: (Average number of hires a year + Average number of dismissals a year) / 2 / Average number of employees).

Another initiative we carried out in 2017 was the Internal Work Accident Prevention and Environment Week (SIPATMA) with the topic “Wake Up to New Attitudes.” In a first, the environmental issue was added to our operations, in line with one of our sustainability priorities: responsible management.

The event had a blood donation drive, a first-aid course, corporate wellness, and massage therapy sessions given by professionals with visual impairment. Furthermore, conscious consumerism, based on the 4Rs (rethink, reduce, reuse and recycle), was approached using an experimental cuisine workshop with tips on how to fully use foodstuffs, games, and lectures.

As a reflection of efforts such as a focus on the health and safety of our employees, in 2017 there were no cases of occupational diseases or deaths. There were 2,141 absent days. [GRI 403-2](#)

Development and Training

[GRI 103-2](#) | [103-3](#)

We encourage the development of our employees through on-site and online, internal and external efforts, such as training sessions, workshops, lectures, forums, and other events. Our efforts are planned based on performance reviews with our professionals, personal development plans, observations in our organizational-climate survey, and also our strategic drivers.

The Development Hub is a digital platform that offers contents in line with the competences we expect from our employees (insights, skills, and attitudes) and has a structured learning track based on position and field of activity. During this period, programs had over 14,750 attendants, out of which 9,780 used e-learning, which represents a 60% increase over the previous period.

The tools provided by the Development Hub include the Video Library, where you can access training videos and additional research, as well as the Virtual Library, a space where all training materials, presentations, and texts, among others, are archived. All employees may access them.

During this period, there were 323 on-site training sessions, with 68% related to technical issues, 12% to corporate topics such as sustainability and leadership, besides strategic topics such as innovation, with 7%, and clients, with 5%. Moreover, employees had access to 41 online courses (e-learning).

In the end, when putting together all training sessions – whose monitoring was enhanced over the last year –, we had over 42,000 training hours. That represents a 156% evolution over the previous period and an increased average of educational efforts per employee, from nine to 24. The following is the number of training hours we offered during the year.

Number of training hours/Year per employee* [GRI 404-1](#)

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)		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
Strategic	18	83	73	43	98	73	8	76	73
Tactical	17	48	38	16	54	24	17	45	47
Specialist	3	20	64	4	10	66	2	25	63
Administrative/Technical	9	43	73	9	98	65	9	42	76
Total	10	45	71	10	46	71	10	44	71

* The indicator started being monitored in 2015.

Also as a way to further the development and training of our professionals, we also offer the Educational Subsidy Program, which covers undergraduate, graduate, and English courses. In 2017, we helped 70 employees receive scholarships, for a total investment of BRL484,081.

We also offered three workshops focused on preparing for retirement. These efforts were structured around three topics: psychosocial, financial literacy, and quality of life. They aimed to raise awareness of the key changes that occur upon retirement and the need to plan ahead for this moment, especially to make life plans come true. This initiative had an overall grade of 9.2. [GRI 404-2](#)

Lastly, in line with Innovation Program's training pillar, 25 employees were asked to attend an innovation and service design training session. To this end, metadesigners (as attendants are called) would become multipliers of innovation methodologies.

Internship Program

As for any students joining the company for an internship period, the competence learning and development process is encouraged by periodic meetings with counselors. Interns receive compensation, health insurance, life insurance, a meal allowance, and a transit pass. In 2017, we admitted 17 interns, out of whom seven were hired.

Trainee Program

Intended for young people ages 14 to 24 that are in middle or high school, the Trainee Program complies with the Brazilian Department of Labor rules. Trainees receive compensation, a transit pass, health insurance, dental insurance, life insurance, food stamps, a meal allowance, day off on their birthday, and gym privileges. They also attend a technical course on our business.

Apprentices

This initiative by the São Paulo State Government aims to provide young people aged 21 or younger who are still in high school with their first work experience. In addition to work activities, to complete their education, apprentices take part in the Volunteer Citizen program, where volunteer employees give classes on ethics and citizenship, client service, sustainability, logical thinking, vocation, conflict management, teamwork, among other topics. In 2017, this group was composed of 24 young people ([learn more in Community](#)). [GRI 103-2 | 103-3 | 413-1](#)

Career Self-Management

[GRI 103-2 | 103-3](#)

We encourage our professionals to take charge of their careers. One of the practices that promotes this move is the Development Cycle. Divided into seven stages, it ranges from setting goals to talking to managers to financial recognition via profit-sharing-plans. Personal development plans are also set based on it. Because it is tied to the final review of results, it encourages high performance. In 2017, we conducted a career self-management workshop for our employees in order to provide them with tools for this process and help them drive their plan towards the objectives they hoped to attain. All full-time staffers participate in this process every year. During this year, 100% of those eligible attended the Performance Cycle. [GRI 404-3](#)

Compensation and Benefits

[GRI 103-2 | 103-3 | 401-2](#)

Our compensation and benefit policy is based on the market's best practices and it relies on a balanced search for sustainable results, a high-performance culture, and talent retention.

Besides compensation, our employees have a wide range of benefits that go beyond those determined by the laws and collective-bargaining agreements. Benefits and perks aim to help spread the importance of financial literacy, entrepreneurship, quality of life, and social responsibility as attributes to enable life plans.

They include the Employee Assistance Program (EAP – psychological, financial, and legal guidance), a flexible workday, payment every two weeks, day off on your birthday, courses for future moms and dads, access to library, gym, multipurpose court, barbecue grill, besides a health and 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 promotion programs.

As a positive result of the healthy work environment we provide, we would like to highlight the number of women that took maternity leave and remained with the company in the 12 months that followed. Out of the 11 mothers, 91% continued in their positions. As for men, 100% out of the seven that went on paternity leave continued working for the company 12 months after returning to work. [GRI 401-3](#)

When it comes to compensation, this how wages and compensation are distributed among women and men:

Salary and compensation ratio – women vs. men¹ (%) [GRI 405-2](#)

Employees by Rank	2016		2017	
	Women/Men Ratio (base pay ²) – lowest amount	Women/Men ratio (average compensation ³)	Women/Men ratio (base pay) – lowest amount	Women/Men ratio (average compensation)
Strategic	90.40	90.40	100.63	93.55
Tactical	81.45	81.45	94.73	99.90
Specialists	92.54	92.54	85.85	81.20
Administrative/Technical	86.52	86.52	97.64	87.06
Interns/Apprentices	126.80	126.84	100	99.37

1. This indicator started being monitored in 2015.

2. Base Pay: fixed and minimum amount paid to an employee for performing his or her tasks.

3. Compensation: base pay plus extras, such as seniority, bonuses, benefits, overtime, and so forth.

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.

Our Brasilprev

[GRI 201-3](#)

To put into practice our mission to enable life plans and contribute to the financial stability of our employees internally, we also offer the Our Brasilprev retirement plan. Available in the PGBL

and VGBL categories with a defined contribution, it also boasts unique conditions when employees get Brasilprev Junior plans for their children.

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, full-time employees 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 2017, our total contribution to the plan amounted to BRL2,946,253, which means an average monthly deposit of BRL245,521.00, around 15% more than the recorded amount in 2016.

Organizational-Climature Survey

In order to assess the level of employee satisfaction with the management model and work environment, in association with Principal, one of our shareholders, we conduct an organizational-climate.

Every year, our internal audience is invited to answer an on-line questionnaire that analyzes aspects such as commitment, quality of life, leadership, training, and empowerment – a topic we included in the past year. Ninety-six percent of employees answered the survey voluntarily. The survey had, on average, a general satisfaction of 80%, same level as last year.

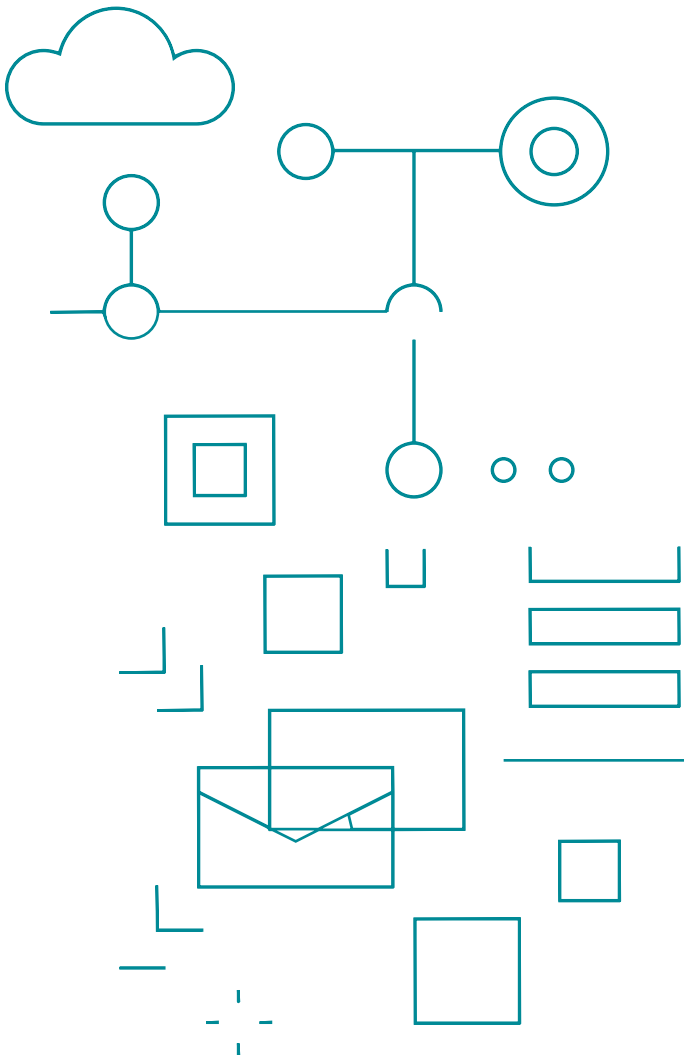
Suppliers

GRI 103-2 | 103-3

We are committed to adding value to our supply chain and collaborating with this stakeholder by taking action based on ethics, transparency, and impartiality, in pursuit of fair competition. Thus, in 2017, we worked on reviewing our supplier selection, accreditation, monitoring, and review processes by setting social and environmental attributes to be analyzed together with technical, administrative, and legal criteria to find business partners. We also prepared a self-assessment questionnaire about compliance and sustainability practices, which, in the end, leads to the Supplier Performance Index. The grades we obtain inform our decision-making process to share the values and principles we practice and recommend and promote best market practices.

To this end, throughout the year, a group of 41 suppliers deemed strategic underwent a review about environmental crimes, electoral crimes, embezzlement, forgery, tax fraud, antitrust violations, theft by deception, misrepresentation, fraud, corruption, tax evasion, tax dodging, and money laundering, among others. Based on the Supplier Performance Index, we prioritize suppliers that adopt practices in line with sustainable development. However, 4% of companies were identified as potential generators of negative impacts for us. Consent decrees will be entered into with them. [GRI 414-2](#)

In line with these efforts, we also kept an analysis focused on suppliers with third parties in their facilities, something we have been doing since 2015. These monitoring efforts are ongoing and aim to develop lasting and successful relationships. Out of 1,253 business partners with whom we did business during this period, 2.6% were within this scope and were monitored based on their good standing regarding taxes as well as compliance with labor practices.



To make our commitment to best supplier practices official, all agreements have standard clauses that formalize the anticorruption and social responsibility guidelines we establish. Items such as compliance with labor laws; human rights; a repudiation of discriminatory practices; respect for occupational health and medicine rules, among others, are described. Out of a total of 489 agreements signed in 2017, 100% were covered by these aspects. **GRI 412-3**

In order to maintain a close relationship with these partners, we promote the Supplier Meeting every year. In 2017, on the 12th edition, 53 company representatives were in attendance. The event's theme was "Collaboration", showcasing our supplier management process improvements and highlighting the importance of engagement as a way to generate shared value. According to attendants, 98.4% were satisfied with the event.

During the Meeting, we also released our *Code of Conduct for Suppliers*. This document contains guidance for suppliers, their employees and contractors, as well as organizations that are interested in delivering services or supplying materials to us. Human rights and labor conditions, the fight against corruption, fraud prevention, and money laundering, besides best management and sustainability practices, are some of the topics we addressed. We asked the suppliers in attendance to sign a commitment letter stating that they were aware of the terms. As for our new suppliers, registered through our website, they will be forced to accept the terms to complete this step of the process. When faces with situations that break the terms established in document, suppliers can use our integrity hotline and the supplier ombudsman's office. Compliance with our Code of Conduct will be monitored throughout 2018. **GRI 102-16 | 205-2**

At the end of year, we had a chain with 160 active brokers and 1,232 suppliers from different industries, such as consulting, coursework and training, systems development, logistics, and health and technology services, among others, with whom we did business to the tune of approximately BRL197 million. **GRI 102-9**

Industry, Regulatory and Government Entities

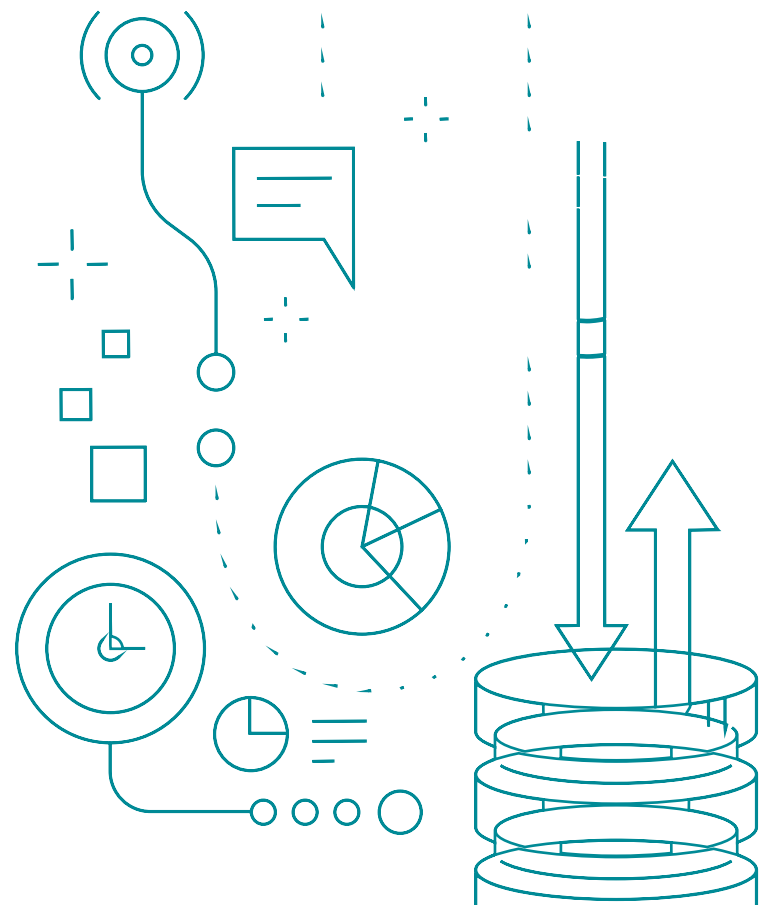
GRI 102-13

To reinforce our institutional position and strengthen our relationship with regulatory agencies as well as industry and civil associations, we created the Technical Institutional Relations Office in 2017.

One of its jobs is to centralize the flow of the information we find when our employees in technical commissions and workgroups engage the chief industry bodies, such as the Brazilian Retirement and Annuity Federation (FenaPrevi), 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), and 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, greater asset diversification, added benefits for the corporate segment, and the inclusion of sustainability aspects in the insurance and retirement industry are just a few examples of our contributions.

Our relationship and the flow of our communications with institutions, the press, and investors are governed by an internal policy that contains guidelines and establishes roles and responsibilities.



Community

GRI 103-2 | 103-3

As a leading force in the retirement market – an industry that manages long-term assets that contribute to the development of Brazil – with over BRL230 billion in reserves, we are a major institutional investor. Within this context, we are aware of our role as an agent of societal transformation, using the following guidelines as principles for this relationship:

- ☐ Support initiatives and social projects that seek sustainable development and are in line with the operational context of our business and our mission statement.
- ☐ Speak with the surrounding community and try to contribute to sustainable and relevant practices for the region.
- ☐ Contribute to compliance with human and labor rights by supporting the eradication of child labor and forced/compulsory labor.
- ☐ Encourage employee engagement in social initiatives.
- ☐ Spread financial-literacy insights 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.

Furthermore, we enter into and sign voluntary agreements and commitments with institutions and organizations with whom we share principles and values ([learn more in Social, Environmental and Stakeholder Management](#)).

A Breakdown of Life Plans (PVPL)

Because we care about the importance of financial literacy and the formation of a retirement culture, in 2010, we created A Breakdown of Life Plans (PVPL) in association with the Trevisan School of Business. This initiative consists of free lectures about this topic for the community ([learn more in Formation of a Retirement Culture](#)).

Volunteering Program

GRI 103-2 | 103-3

Because of our guideline that encourages employee engagement in social activities, we grant up to eight hours a year so they can participate in internal and external activities during office hours. This program includes the following 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 75 volunteers in 2017, who gave 24 young individuals insights throughout 66 one-hour classes each, three times a week.

Community Garden: the efforts our employees make include maintaining a corporate community garden with spices and tea. By combining environmental education and social engagement, volunteers are responsible from fertilization to the periodic harvest of produce that is shared internally.

Internal Campaigns: we organize company drives to gather products to be donated to partner institutions based on the needs Sustainability identifies. We try to help as many of them in rotation. In 2017, there were two drives to collect food and Christmas gifts. Overall, we gathered 1.6 tons of foodstuffs and 427 toys. [GRI 103-2 | 103-3 | 413-1](#)

Projects Backed by Tax Breaks

We also support cultural, sports, and social initiatives using tax breaks. Efforts are based on the guidelines defined in internal policies, rules, and procedures that aim to ensure transparency, ethics, and the results the parties planned.

Our social projects focus on education, work, income generation, and quality of life. In 2017, they were financed to develop activities in 2018.

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

Creativity Laboratory: continuation of a project that involves the creation of a Creativity Laboratory to bring teenagers closer to 21st Century competences and professions, thereby increasing their development opportunities. Designed by the Tellus Institute in 2017, the laboratory was built in the Vocational Assistance Education Center (CEAP), located in Pedreira, São Paulo. Classes will start in 2018 and directly benefit 320 teenagers.

Idea Factory: developed by the Recycle Institute, this project will offer 60 young individuals from Jaguaré, São Paulo an opportunity for professional, social, and personal development by supporting their chosen profession, social and emotional competences, technical education, and insertion in the job market.

Full Healthcare: a continuation of our partnership with an initiative developed by the Pequeno Príncipe Hospital from Curitiba, recognized all across Brazil because of the quality and excellence of the pediatric care it provides. This project aims to ensure high-quality healthcare for patients, strengthen family bonds, and promote educational efforts for children and their family members. In 2017 alone, over 100,000 people benefited directly and indirectly.

Senior Citizens Act

Well-Being Network: also in association with the Tellus Institute, this project aims to create a platform to generate a trove of elder care information. The new profile of the Brazilian population requires end-to-end activities to ensure active ageing, underscoring the importance of senior citizens in our society.

Support for the Elderly: our support for a Barretos Cancer Hospital project aims to finance the acquisition of drugs for the exclusive use of senior citizens in the hospital's cancer ward in order to improve their quality of life and cure them. Furthermore, this initiative offers full social assistance for patients and family members, a group meeting with caretakers, among other integration activities.

Brazilian Oncology Care Support Program (Pronon)

Nourishing for Life: our support for the League Against Cancer of Rio Grande do Norte (LNRCC), a nonprofit established in 1949 in the city of Natal, Rio Grande do Norte, aims to combine high-quality oncological care and high accessibility. Specifically with this project, we aim to offer nutritional care to more than 200 cancer patients in palliative care, in addition to caretakers and/or family members.

Epidemiological and molecular study: better understanding the different stages of the formation and progression of mouth cancer lesions is the challenge faced by this A.C. Camargo Hospital project in order to develop treatment strategies more accurately.

Brasilprev also supports projects that aim to provide families with cultural moments and sports, furthering their quality of life along the way. To this end, in 2017, it invested in the following initiatives:

Rouanet Act

Castelo Rá-Tim-Bum – The Musical: we took an all-new adaptation to the stage, with the main characters of the cult TV Cultura series from the 1990s. Over 24,000 people watched this spectacle in São Paulo.

Cinderela Lá Lá Lá (Brasilprev Children's Season at the CCBB): this show is part of the Brasilprev Children's Season, which brought three children plays to the Banco do Brasil Cultural Centers (CCBB) of São Paulo, Rio de Janeiro, Brasília, and Belo Horizonte. The famous story of Cinderella had over 3,000 spectators.

Disney On Ice: for the eighth year, we sponsored this ice skating spectacle, whose theme was Magic Festival on Ice. This adventure brought together the main characters of Disney movies: Mickey, Minnie, Donald Duck, Goofy, Tangled, the Little Mermaid, and the Beauty and the Beast, with more than 65,000 spectators in Porto Alegre and Brasília.

Mônica's Gang in Once Upon a Time a Story of Princes and Princesses: this musical's plot was all about overcoming challenges, strengthening the bonds of friendship, and caring about environmental protection. It toured through all five Brazilian regions and reached over 27,000 people.

Frida and Me: this exhibit, oriented towards children and coproduced by the Centre Pompidou Center in Paris, tells the life and story of Frida Kahlo, an iconic figure of Mexican modern art. On display at Unibes Cultural, it was seen by over 25,000 visitors in São Paulo and chosen as one of the top 10 best exhibits according to the Top 2017 Events ranking of Guia Folha in the Best Event for Children category.

The Gaming Era: curated by the Barbican Centre, an all-new exhibit was on display in Brazil about the 60-year history of electronic games. It toured through São Paulo and Rio de Janeiro, reaching over 117,000 people.

Blue Building Detectives: a play written by the same author of Blue Building Detectives, broadcast on TV Cultura and Canal Globo. The story chronicles the adventures of three friends that join forces to uncover the mysteries of the building where they live while promoting a reflection on society, the bonds of friendship, and social differences. The play is expected to debut in 2019.

The Sound of Music: this musical, which debuted on Broadway almost 60 years ago, was based on the autobiographic book "The Trapp Family Singers" by Maria Augusta Trapp and has de-

lighted generations with its ideals of hope. The story talks about love between a young nun and a widowed captain, a father of seven, during the Nazi occupation of Austria in World War II. This play will be in theaters throughout 2018.

Audiovisual Act

It Happens Back Home: broadcast throughout 2017, 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. Through techniques inspired in dramatization, this reality show presents everyday situations during which interventions took place to explain how to solve an issue. This show was hosted by a journalist specializing in behavior as well as a psychologist and an educational psychologist.

Sports Incentive Act

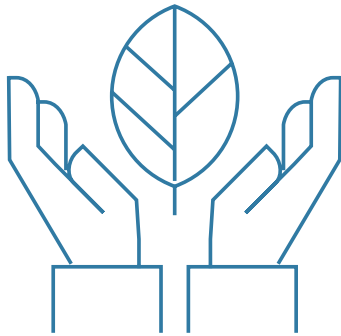
Biking Circuit: sponsored for the sixth year in a row, this family-friendly biking ride wishes to promote and encourage sustainable activities, promoting the use of bicycles as a good healthy mobility alternative. In 2017, it toured through the cities of Rio de Janeiro (RJ), Salvador (BA), Brasília (DF), and São Paulo (SP), with over 22,000 participants.

Projects supported using incentive legislation								
Incentive mechanism	Number of supported projects				Invested amount (In millions of BRL) GRI 201-4			
	2014	2015	2016	2017	2014	2015	2016	2017
State Board for the Rights of Children and Teenagers	0	3	1	2	0	2.6	1.6	1.9
City Fund for Children and Teenagers (Fumcad)	5	0	0	0	1.8	0	0	0
Curitiba City Fund for Childhood and Adolescence (FIA/PR)	0	0	1	1	0	0	0.5	0.5
Senior Citizens Act	1	1	2	2	1.8	1.5	2.1	2.5
Brazilian Oncology Care Support Program (Pronon)	1	1	0	2	1.8	0.8	0	1.9
Brazilian Healthcare Support Program for People with Disabilities (Pronas/PCD)	0	2	0	0	1.8	0.3	0	0
Rouanet Act	8	10	7	8	6.0	11.2	7.8	9.5
Sports Incentive Act	2	3	3	1	1.8	2.9	2.3	2.3
Audiovisual Act*	2	1	1	1	1.3	0.4	0.7	0.2

* Remaining balance for a project developed between 2016 and 2017.



Environment



Impact Reduction

27%

is how much paper consumption dropped at the company from the first to the second half of 2017.

6.2%

is how much water consumption dropped, in cubic meters, also in a semester-to-semester comparison.

With a commitment to uphold responsible management, we believe it is key to make efforts to minimize environmental impacts and influence our stakeholders to take action. Furthermore, we recognize the importance of a rational use of resources to achieve operational efficiency and fight climate change, commitments that are stated in the Letter of Sustainability Guidelines.

Therefore, we adopt ecoefficiency practices, such as waste sorting; bike racks; the installation of new videoconference rooms to reduce air travel and external meetings; and the deployment of a home office model, among others. These initiatives are monitored periodically and, at the end of 2017, produced the following results:

Resources consumed		
	1H 2017	2H 2017
Paper (A4 units)	1.860.557	1.357.859
Water (m ³)	10.588	9.924
Fossil fuel (liters)	1.058.222,96	1.018.362,08
Power (kWh)	1.282.924	1.136.384

Waste management (in tons)					
Type of Waste	1H 2017	Recycling	2H 2017	Recycling	
Paper and cardboard	6.14	Yes	4.06	Yes	
Plastic	3.04	Yes	2.80	Yes	
Metal	0.05	Yes	0.01	Yes	
Glass	0.12	Yes	0.15	Yes	
Organic	14.70	No	14.89	No	

By following up on these indicators, since 2007, we prepare our greenhouse gas inventory to count the emissions our operations generate. This survey factors in generator diesel consumption and

the cost of fuel in our vehicle fleet, air travel, motorcycle courier, taxi serves, among others. Emissions have been offset using carbon credits from the Cerâmica Lara/Sustainable Carbon project

Greenhouse Gas Emissions (in tCO ₂ e)		
	1H 2017	2H 2017
Scope 1		
Energy generators	5.46	2.89
Proprietary vehicle fleet	0.53	0.38
Scope 2		
Electricity	88.17	132.09
Scope 3		
Air travel	183.50	164.45
Motorcycle courier and taxi	9.67	9.38
Waste generation	15.43	15.62
Total	302.76	324.81

As for our internal audience, we raised awareness during the Internal Work Accident Prevention and Environment Week (Sipatma) ([learn more in Employees](#)).



Awards and Recognition

Best Companies to Work For: for the second year in a row and the fifth time in history, we were among the 150 best companies to work for, organized by the *Você S/A* magazine.

Best Innovator 2017: we were considered one of the 20 most innovative companies in Brazil. This is an initiative from A. T. Kearney in association with the School of Production Engineering of the University of São Paulo and Superbid.

Valor/FGV Retirement Guide: conducted by the *Valor Econômico* newspaper and the Center for Finance Studies of the Getulio Vargas Foundation's São Paulo School of Administration, this survey chose us as the first among the major insurance companies in the 2017 issue of their guide.

Brazil Insurer Awards: we won the Market Leader – Retirement category – Brazil Entrepreneur Award, during the 14th edition of the awards ceremony, promoted by Editora Brasil Notícias, which acknowledges the main leaders and companies in the insurance, retirement, capitalization and healthcare industries.

Deciders' Brands: we were recognized as the most memorable and favorite brand in the retirement segment in a poll conducted by *Jornal do Comércio* and *Qualidata*. This award ranks the most memorable brands in Rio Grande do Sul based on the opinions of executives in management positions, business owners, and independent professionals of the state.

Ranking of Insurance Groups in Latin America: we led the Total Market and Life Market lists in a survey by the Mapfre Foundation about the insurance industry in Latin America. This analysis covers criteria such as performance and market concentration.

Most Companies/Most Finances: *O Estado de S. Paulo* ranked us first in the Insurer segment of the Most Companies ranking and second in the Retirement segment of the Most Finances ranking, which analyzed the financial statements published by companies.

II Brazil Innovation Yearbook: we were recognized as the seventh most innovative company in the Insurance and Health Insurance segment in a yearbook organized by the *Valor Econômico* newspaper in association with consulting firm Strategy&.

Brazil Ombudsman Awards: we were recognized during the 2017 Brazil Ombudsman Awards. This initiative is organized by the Brazilian Association of Company-Client Relations (ABRAREC) in association with the *Consumidor Moderno* magazine.

GRI Standards Content Summary

GRI 102-55



General disclosures	Standard	Pages	Omissions	Global Compact
GRI 101: 2016 Foundation				
Organizational profile				
GRI 102: General disclosure 2016	102-1: Name of the organization	13		
	102-2: Activities, brands, products, and services	13 / 17		
	102-3: Location of headquarters	13		
	102-4: Location of operations	13		
	102-5: Ownership and legal form	13		
	102-6: Markets served	13		
	102-7: Scale of the organization	7		
	102-8: Information on employees and other workers	51 / 52		6
	102-9: Supply chain	58		
	102-10: Significant changes to the organization and its supply chain	There were no significant changes in 2017.		
	102-11: Precautionary principle or approach	43		
	102-12: External initiatives	34 / 46		
	102-13: Membership of associations	58		
Strategy				
GRI 102: General disclosure 2016	102-14: Statement from senior decision-maker	12		
	102-15: Key impacts, risks, and opportunities	43		

General disclosures	Standard	Pages	Omissions	Global Compact
Ethics and integrity				
GRI 102: General disclosure 2016	102-16: Values, principles, standards, and norms of behavior	15 / 41 / 58		10
Governance				
GRI 102: General disclosure 2016	102-18: Governance structure	35		
Stakeholder engagement				
GRI 102: General disclosure 2016	102-40: List of stakeholder groups	4 / 46		
	102-41: Collective bargaining agreements	100% of employees are under collective-bargaining agreements.		3
	102-42: Identifying and selecting stakeholders	4 / 46		
	102-43: Approach to stakeholder engagement	4 / 46		
	102-44: Key topics and concerns raised	4 / 46		
Reporting practice				
GRI 102: General disclosure 2016	102-45: Entities included in the consolidated financial statements	3		
	102-46: Defining report content and topic Boundaries	3 / 4		
	102-47: List of material topics	4		
	102-48: Restatements of information	3		
	102-49: Changes in reporting	3		
	102-50: Reporting period	3		
	102-51: Date of most recent report	The latest annual report was published on April 28, 2017.		
	102-52: Reporting cycle	3		
	102-53: Contact point for questions regarding the report	3		
	102-54: Claims of reporting in accordance with the GRI Standards	3		
	102-55: GRI content index	65		
	102-56: External assurance	3 None.		

General disclosures	Standard	Pages	Global Compact
Economic performance			
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	4	
	103-2: The management approach and its components	24	1
	103-3: Evaluation of the management approach	24	
GRI 201: Economic performance 2016	201-1: Direct economic value generated and distributed	24	
	201-2: Financial implications and other risks and opportunities due to climate change	29	7
	201-3: Defined benefit plan obligations and other retirement plans	56	
	201-4: Financial assistance received from government	61	
Indirect economic impact			
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	4	
	103-2: The management approach and its components	29	1
	103-3: Evaluation of the management approach	29	
GRI 203: Indirect economic impact 2016	203-1: Infrastructure investments and services supported	30	
	203-2: Significant indirect economic impacts	30	
Anti-corruption			
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	4	
	103-2: The management approach and its components	43 / 44	1
	103-3: Evaluation of the management approach	43 / 44	
GRI 205: Anti-corruption 2016	205-1: Operations assessed for risks related to corruption	44	10
	205-2: Communication and training about anti-corruption policies and procedures	44 / 58	10
	205-3: Confirmed incidents of corruption and actions taken	44	10

General disclosures	Standard	Pages	Global Compact
Anti-competitive behavior			
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	4	
	103-2: The management approach and its components	41	1
	103-3: Evaluation of the management approach	41	
GRI 206: Anti-competitive behavior 2016	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	We have not been sued over unfair competition, antitrust violations, or monopoly accusations.	
Employment			
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	4	
	103-2: The management approach and its components	53 / 54 / 55	1
	103-3: Evaluation of the management approach	53 / 54 / 55	
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	53	6
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	55	
	401-3: Parental leave	56	6
Training and education			
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	4	
	103-2: The management approach and its components	54 / 55	1
	103-3: Evaluation of the management approach	54 / 55	
GRI 404: Training and education 2016	404-1: Average hours of training per year per employee	54	6
	404-2: Programs for upgrading employee skills and transition assistance programs	55	
	404-3: Percentage of employees receiving regular performance and career development reviews	55	6

General disclosures	Standard	Pages	Global Compact
Diversity and equal opportunity			
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	4	
	103-2: The management approach and its components	51	1
	103-3: Evaluation of the management approach	51	
GRI 405: Diversity and equal opportunity 2016	405-1: Diversity of governance bodies and employees	40 / 41 / 51 / 52	6
	405-2: Ratio of basic salary and remuneration of women to men	56	6
Human rights assessment			
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	4	
	103-2: The management approach and its components	57	1
	103-3: Evaluation of the management approach	57	
GRI 412: Human rights assessment	412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	58	
Local communities			
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	4	
	103-2: The management approach and its components	27 / 50 / 55 / 59	1
	103-3: Evaluation of the management approach	27 / 55 / 59	
GRI 413: Local communities 2016	413-1: Operations with local community engagement, impact assessments, and development programs	27 / 55 / 59	1
	413-2: Operations with significant actual and potential negative impacts on local communities	There was a complaint from a neighbor living next to our headquarters about audible noise stemming from garden maintenance efforts. The case was solved by rescheduling hours and reviewing procedures.	1

General disclosures	Standard	Pages	Global Compact
Supplier social assessment			
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	4	
	103-2: The management approach and its components	57	1
	103-3: Evaluation of the management approach	57	
GRI 414: Supplier social assessment 2016	414-2: Negative social impacts in the supply chain and actions taken	57	
Public policy			
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	4	
	103-2: The management approach and its components	41	1
	103-3: Evaluation of the management approach	41	
GRI 415: Public policy 2016	415-1: Political contributions	We have not made any donations to political parties.	10
Marketing and labeling			
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	4	
	103-2: The management approach and its components	17	1
	103-3: Evaluation of the management approach	17	
GRI 417: Marketing and labeling 2016	417-1: Requirements for product and service information and labeling	19	
	417-2: Incidents of non-compliance concerning product and service information and labeling	Throughout the year, there were no cases of noncompliance pertaining to product and service information and labeling.	
	417-3: Incidents of non-compliance concerning marketing communications	Throughout the year, there were no cases of noncompliance pertaining to communication and marketing.	

General disclosures	Standard	Pages	Global Compact
Customer privacy			
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	4	
	103-2: The management approach and its components	46	1
	103-3: Evaluation of the management approach	46	
GRI 418: Customer privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Throughout the year, there were no complaints about leaking information or stealing data from clients.	
Socioeconomic compliance			
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	4	
	103-2: The management approach and its components	41	1
	103-3: Evaluation of the management approach	41	
GRI 419: Socioeconomic compliance 2016	419-1: Non-compliance with laws and regulations in the social and economic area	In 2017, there were BRL1,692,174.67 in fines. The total amount includes payments and fines paid to the Brazilian Internal Revenue Service, the Brazilian Federal Department of Insurance, and others.	

General disclosures	Standard	Pages	Omissions	Global Compact
Sector supplement – financial sector				
DMA: Product Portfolio	Former FS1 – Policies with specific environmental and social components applied to business lines	30		
Product portfolio	FS6 – Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	18 / 19		
	FS7 – Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	18		
DMA: Audits	Former FS9 – Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	38		
Active ownership	FS10 – Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	30		
	FS11 – Percentage of assets subject to positive and negative environmental or social screening	30		
Local communities	FS13 – Access points in low-populated or economically disadvantaged areas by type	20		7 8
	FS14 – Initiatives to improve access to financial services for disadvantaged people	48		8
DMA: Product and service labeling	Formerly FS15 – Policies for the fair design and sale of financial products and services	20 / 37 / 39		8 9
	Formerly FS16 – Initiatives to enhance financial literacy by type of beneficiary	26		8 9

Credits

General coordination

Corporative Communication and Sustainability Management

GRI Consulting, graphic design, design and proofreading

TheMediaGroup

Writing and Editing

Corporative Communication and Sustainability Management

Pictures

Felipe Gombossy and Fernando Gardinali

Translation

ITBZ

Call Center

To answer your questions and learn more about our plans:

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