

Sustainability Report 2020

vivo



#VivoSustentável

INDEX

3 Message from the Presidency

6 Digitalizar para Aproximar (Digitize to Bring Closer)

The Telecom sector in 2020

Vivo in 2020

Our actions regarding Covid-19

Performance in the year

22 #TemVivoPraTudo

Fiber

Mobile

26 #TemTudoNaVivo

Partnerships and Services

Digital services, Cybersecurity
and cloud

Open innovation

Vivo Discover

31 #DNAVivoEmTudoQueFazemos

Transformation of the
Customer Journey

Customer-Centered Culture

Data Protection and Privacy

Digital Security

General Data Protection Law

43 #DNAVivoEmTudoqueSomos

Diversity at Vivo

Motivation research

Development and digitization

Health and safety

54 #VivoSustentável

Vivo and sustainable development

Sustainability Governance

Ethics and Compliance

Human Rights

Environment

Energy

Climate changes

Circular economy

Fundação Telefônica Vivo

Responsible use of technology

Relationship with suppliers

86 Attachments to the Report

Materiality Matrix

Complement to GRI and
management indicators content

Summary of GRI content

Assurance report



Message from the **PRESIDENCY**

Digitalizar para Aproximar (Digitize to Bring Closer), the purpose that guides the way we operate at Vivo has never been more current. At Vivo, sustainability guides the business strategy, with actions aligned with the expectations of customers, shareholders, suppliers, employees and society.

The acceleration of digital transformation in 2020, caused by the challenges and impacts of social distancing brought about by the Covid-19 pandemic, highlighted the importance of our services and of bringing connectivity with robust infrastructure, innovative solutions and a quality experience every day, wherever people are.

Early in the pandemic, we adopted a contingency plan to protect the health of our employees and customers and ensure the continuity of our operations. We quickly migrated our entire call center team to the home office system, as well as professionals in the administrative areas. Our stores started

to provide service through applications and drive-thru, such as the Vivo em Casa (Vivo at Home) model. Our field teams continued to work, following every health and safety protocol, to ensure the installation and maintenance of services and to keep everything and everyone connected.

We joined forces with other operators in the #FiqueBemFiqueEmCasa movement. We also anticipated approximately R\$ 2 billion in payments to hundreds of suppliers that operate in critical segments and have a greater need for liquidity.

Fundação Telefônica Vivo donated R\$ 36.6 million to contribute to the fight against Covid-19, with the purchase of hospital equipment and supplies, acquisition of masks and protective materials for health professionals and market baskets to support families and communities in vulnerability situations.

We invested heavily in the **#TemVivoPraTudo**, TemVivoPraTudo pillar so that Brazil becomes increasingly digital, with a focus on fiber (FTTH) up to the customer's home, 4.5G, 5G. In the mobile operation, we increased our market leadership with a 33% share - the highest in the last 14 years -, we grew in prepaid services and maintained a strong leadership in postpaid services. In the quest to always offer differentiated services, we launched the 5G DSS. We connected hundreds of thousands of new customers with ultra-fast internet, who saw Vivo as their main ally during this period. We expanded fiber reach by bringing technology to around 100 new cities, ending the year with 15.7 million households.

At Vivo, we believe that digital life is real life and that technology is in service of society's development and transformation. And we fulfilled this role by materializing our purpose in four pillars that support our investments, relationships and strategic decisions: **#TemVivoPraTudo, #TemTudoNaVivo, DNA Vivo and #VivoSustentável.**



Vivo also differentiates itself and gains competitiveness in Brazil by acting as a hub for digital services, with solutions that make life easier for customers in different segments, going far beyond telecommunications services. **#TemTudoNaVivo** means innovating and forming partnerships with startups and other companies to deliver new solutions with agility and quality. On this front, the launches of the Loja.Vivo marketplace, which sells digital and technology products, and Vivo Money, a 100% digital personal credit service for Control and Postpaid customers, were highlights in 2020. In the mobile segment, Vivo Selfie maintained its growth by offering customized plans integrated with digital applications of the most admired brands in the market.

DNA Vivo, present in everything we are and in everything we do, is what drives digital transformation, business growth and the delivery of the best experience to customers. In our corporate culture, we strengthen ethical values and value diversity in order to have a truly inclusive, collaborative and innovative work environment, allowing each person to develop their personal and professional potential. **#DNAVivoEmTudoQueSomos** is strengthened, for example, when we reach a percentage of 42% of women in the workforce and 33% of female presence in leadership positions. Also when 43% of the Trainee Program vacancies are filled by black candidates.

The **#VivoSustentável** pillar includes environmental, social and governance initiatives, or ESG, identifying the connected actions to promote care for the environment and people and the commitment to transparency and best corporate governance practices.

In our relationship channels, physical stores and digital service platforms, such as *Meu Vivo*, **#DNAVivoEmTudoQueFazemos** provides the best experience for our customers. The digitization of processes, in addition to increasing efficiency and generating business value, increases customer satisfaction with our products and services. The growth of Aura, Vivo's artificial intelligence, present in more than 20 relationship channels, is a highlight of this accelerated transformation in 2020.

#VivoSustentável directs our conscious eye to the socio-environmental impacts of our activities and the connections we have built with the planet and society. Supported by the relevance, leadership and credibility of the Vivo brand, we took the lead to discuss important issues in this new digital age - such as diversity, female empowerment, care for the environment and conscious use of technology.

Since 2019, we have been a carbon neutral company in direct emissions, with the acquisition of carbon credits in socio-environmental actions, and we have made strong progress in our projects to reduce CO₂ emissions. We continue to be a company that consumes 100% renewable energy and we encourage distributed energy generation, with a partnership for the implementation of more than 70 solar, water and biogas plants throughout Brazil.

At the same time, we have strengthened the circular economy with actions aimed at conscious consumption. We launched the Recicle com Vivo (Recycle with Vivo) campaign, with the motto "Vivo takes care of your electronic waste and together we take care of the environment," to promote the engagement of the whole society in the proper disposal of electronic waste. As a result, we collected around 7.6 tons of cables, batteries, chargers and cell phones in our stores.



We believe in the power of education and we are protagonists in the social transformation based on digitalization. Fundação Telefônica Vivo, recognized in an international award from Unesco, contributes to the development of educators and the improvement of teaching technologies in our country. In 2020, investments in various social programs aimed at improving public education totaled R\$ 59 million and benefited almost 2.4 million people across Brazil. One of the main initiatives is the Connected Schools program, a continuing education platform for educators that promotes innovative teaching practices connected to digitalization trends and new technology solutions, expanding teaching and learning horizons.

In terms of governance, it's worth mentioning, in 2020, the unification of Vivo shares traded in B3 in a single class, which guarantees more rights and protection to all shareholders, who have voting rights and tag along concession, in line with the current corporate law and the highest levels of corporate governance in the market. We are also among the ten leading companies in the new sustainability index, the S&P/B3 Brazil ESG, and we became part of the Corporate Sustainability Index (ISE B3) portfolio for the ninth consecutive time. We were also prominently recognized in the 2021 Sustainability Yearbook, prepared by S&P Global ESG. Listed in the publication as one of the companies with the highest performance in sustainability, Vivo was highlighted in the Industry Mover category for achieving an annual evolution of 16.6% in the ranking score - the highest growth in the telecom sector.

All of these initiatives and achievements reinforce our commitment to the principles and guidelines of the Global Compact and Sustainable Development Goals (SDGs), proposed by the United Nations (UN).

We are confident that, with advances in medicine and international cooperation, we will overcome this difficult moment. The transformation of society will continue, with digitalization stimulating and strengthening irreplaceable human contact. Guided by the purpose of **Digitalizar para Aproximar (Digitize to Bring Closer)**, with the strength of its employees, the confidence of shareholders and the recognition of customers, Vivo continues to leave a unique legacy to bring people closer to their dreams, to boost the development of our society and take care of our planet.

Christian Mauad Gebara
Vivo's CEO



Digitalizar para **APROXIMAR** (Digitize to Bring Closer)

Digitization and connectivity accelerate access to information and knowledge and boost the country's economic, social and environmental development. Vivo, a brand of Telefônica Brasil S.A., is the national leader in the telecommunications sector and connects millions of Brazilians to infinite possibilities, guided by the purpose of *Digitalizar para Aproximar* (Digitize to Bring Closer).

Our purpose is born out of the belief that the technological revolution must be part of everyone's life, and not a privilege of the few. We want the opportunities that the digital world offers to be universal, contributing as a positive force for the transformation of individuals, companies and society.

That is why we have brought digitalization to millions of Brazilians, bringing different realities closer together and reducing the distance between people and what matters to each one - education, culture, entertainment, health, business and, above all, other people.

By constantly investing in infrastructure, services and data intelligence, we not only lead technological advances, we create solutions for people and companies to digitize and get closer.





Our strategy to materialize this purpose and generate value with sustainability is based on **four pillars**:

#TemVivoPraTudo

We want Vivo to always be the best alternative for any connection that our customers need

#TemTudoNaVivo

Ensuring that everything related technology can be found at Vivo, increasingly becoming a platform for the distribution of digital services

#DNAVivo EmTudoQueSomos

We promote diversity and inclusion to strengthen and value ethics and our values in all decisions and in the relationship with all audiences

#DNAVivo EmTudoQueFazemos

We want to offer the best digitalization and connectivity experience, with innovative products and services to meet each type of customer

#VivoSustentável

Our commitment to sustainability is present in everything we do and expands the value we generate and share with all audiences, with a conscious look at our impacts and the consequences of hyperconnectivity



The Telecom sector IN 2020

In Brazil, with the various travel restriction measures adopted to try to contain the advancement of the new coronavirus, internet data consumption has grown by up to 50%, according to data from the National Telecommunications Agency (ANATEL), and purchases on e-commerce platforms increased 39% in the first six months of 2020, according to the EBIT | Nielsen report.

The telecommunications infrastructure and digital solutions have taken on a fundamental role to guarantee the continuity of business and life in society in this unprecedented scenario. The joining of efforts of all the operators made possible the analysis of mass data from cell phones connected to the Radio Base Stations (ERBs), which allowed the identification of displacement rates of the population in the big urban centers and supported the public power in the formation of public policies and emergency actions to try to contain the progress of the disease.

The availability of equipment and digital connections enabled companies to establish home office routines, allowing professional activities to be carried out by employees in their own homes. The home office has become a common practice in several business areas and is a trend that can be consolidated for more than 20 million people, according to a study by the Institute of Applied Economic Research (Ipea).





For 99% of Brazilian educators, the improvement of the connection infrastructure in public educational institutions has become essential

In the same vein, educational activities for many young people and children throughout the year have been ensured through the internet and virtual meeting software. In Brazil, the scenario showed the importance and urgency of combating the lack of connectivity in public schools, in order to guarantee the complete training of students and the professional development of teachers. For 99% of Brazilian educators, the improvement of the connection infrastructure in public educational institutions has become essential, according to a survey conducted by the Datafolha Institute.

In this environment, ensuring the maintenance of telephone and internet networks and availability has become even more important. In Brazil, the operators acted together on this front, with the creation of an integrated supervisory committee, under the management of the National Union of Telephone and Mobile Cellular and Personal Services Companies (Conexis Brasil Digital).

The objective of this union was to ensure the adequate planning of actions and the adoption of best practices and emergency measures, such as the permanent installation of the teams for the implementation, installation, repair and maintenance of the network and services. In addition, the committee provided access to official bodies for direct communication with the Brazilian society through the sum of the operators' networks and customer bases.



Digitization in the pandemic

Brazil has about 127 million internet users, which corresponds to 74% of the Brazilian population¹

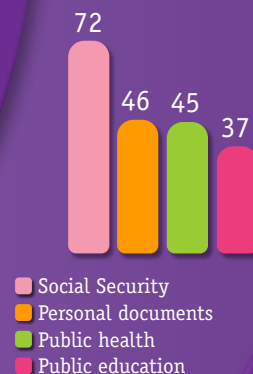
72% sought health-related information online

20% had a medical consultation or with another health professional over the internet

20% downloaded the government app with information about Covid-19

32% of users performed public services online related to worker rights or social security entirely over the internet

The most sought after types of public services:



43% paid for movie or tv show streaming services

64% followed audio or video streams in real time

- Demand practically doubled compared to 2016

66% bought products or services over the internet

- That proportion was 44% in 2018

46% used messaging apps to mediate purchases

- The proportion of users who ordered meals via websites or apps jumped from 15% in 2018 to 44% in 2020

49% performed work activities over the internet

82% of users who attend schools or universities attended classes or did remote educational activities

- 37% of them use their cell phones more often to attend classes online

38% of working users performed professional activities remotely

- 30% of them sold products or services through messaging applications

¹ Sources: 2019 Home TIC Survey and Covid-19 TIC Panel, August 2020.

Vivo IN 2020

Our purpose proved to be more current than ever in 2020, allowing a targeted action to offer customers the best experience, innovative products and services and excellent connectivity in all business segments.

Our complete portfolio includes voice, data and digital solutions services and products, reaching a customer base with 95 million accesses (the same customer can contract more than one product or service). We are market share leaders in segments with solid growth.

Our mobile network covers more than 84% of Brazilian municipalities, benefiting almost 97% of the national population. The broadband network is now available for 24.5 million homes (homes passed), with 64% of this total having optical fiber technology (FTTH).



Mobile

Voice Services

3G, 4G and 4.5G

Sale of appliances



Fixed

Voice Services

Fiber

FTTH (Fiber-to-the-home)

FTTH (fiber-to-the-curb)

IPTV



Digital services

Apps

Internet of Things (IoT)

Digital security

Complete solutions and IT support

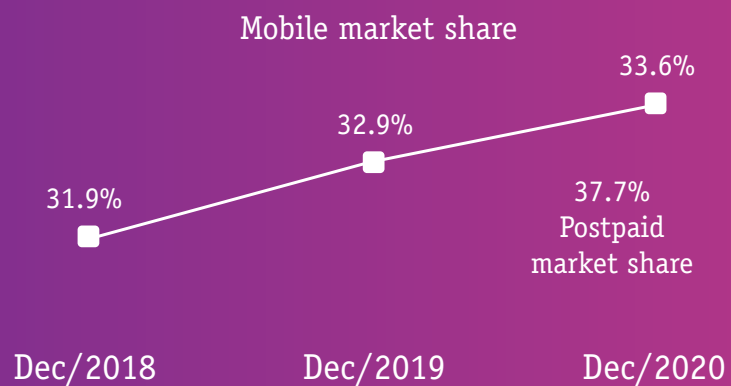
OTT





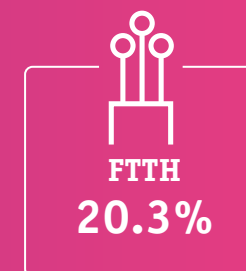
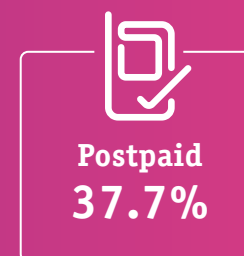
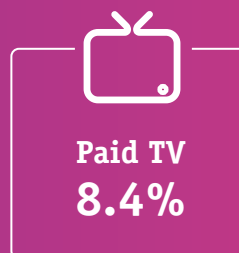
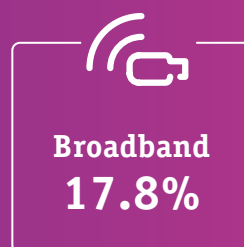
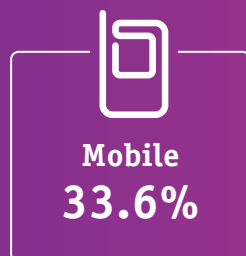
Accesses

95 million
accesses, leading in Mobile
and FTTH (fiber-to-the-home)
market shares



Accesses (thousand)	2020	2019	Var. 20/19 (%)
Mobile accesses	78,532	74,582	5.30%
Postpaid	44,870	43,174	3.90%
M2M	10,452	10,099	3.50%
Prepaid	33,663	31,408	7.20%
Fixed accesses	16,519	19,044	-13.30%
Fixed broadband	6,276	6,908	-9.10%
FTTH	3,378	2,477	36.30%
Others	2,899	4,430	-34.60%
Cable TV	1,248	1,320	-5.50%
IPTV	891	715	24.70%
DTH	357	605	-41.00%
Voice	8,995	10,817	-16.80%
Total accesses	95,051	93,627	1.50%

Vivo's Market Share in Brazil*



*Source: Anatel, December 2020.



Infrastructure and contribution to progress

1,647
sales points
(our own +
outsourced)

11,571
sales points
in retail
chains*

**Consolidated
data until
December 2020.*

4,694
municipalities
covered by the
mobile network

84.3%
of the total
number of
Brazilian cities

96.7%
of the
population

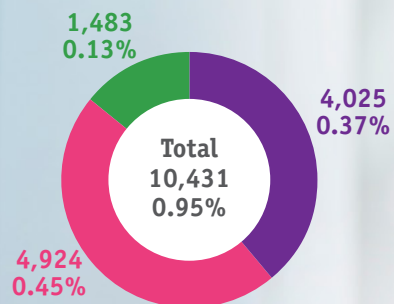
266 cities with
FTTH coverage

**15.7
million**
HPs
(homes passed)

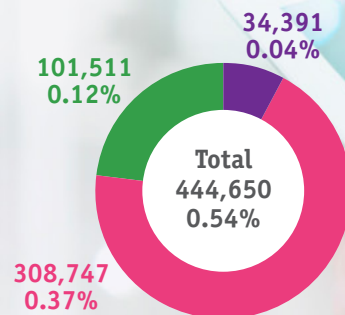
1,872
cities with
4.5G coverage

Our contribution to the Gross Domestic Product (GDP) is measured using the “Total Impact During 2020” global methodology and reached 10.4 billion euros. This value includes the direct impact derived from our economic activity and the indirect and induced impacts resulting from the increase in consumption as a result of the increase in income from the jobs generated.

Impact on Brazilian GDP
(€ million)



Impact on
job creation



■ Direct ■ Indirect ■ Induced



Employability

32,759
employees*

81 young people working
in internship positions

101,190 employees hired by
service providers

**Employees hired under the CLT regime
are considered. The following are not considered:
interns, apprentices, third parties,
advisers and Hub SP.*

Financial highlights

R\$ 43,126 million
in net revenue

R\$ 9,610 million
of Free Cash Flow

R\$ 4,771 million
net profit

R\$ 5,418 milhões
in shareholder remuneration through
the distribution of earnings

R\$ 27,135 million
of added value distributed



Capital market

Vivo is the **eighth most valuable brand in Brazil**, valued at

US\$ 2.168 billion
(Brand Finance ranking)

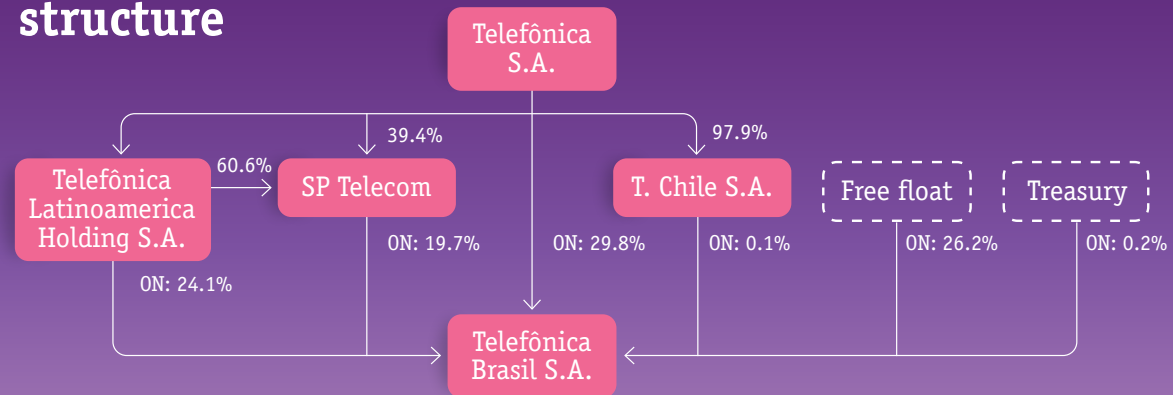
The brand belongs to Telefônica Brasil S.A., a publicly traded company with shares listed on B3 S.A. - *Brasil, Bolsa, Balcão* ("B3") and on the New York Stock Exchange ("NYSE")

VIVT3

In 2020, all the company's preferred shares were converted into common shares. The papers are listed under the ticker "VIVT3." The initiative strengthens the commitment to the best governance practices and increases the liquidity of shares and the attractiveness for investors, guaranteeing the right to vote and tag along for all shareholders, in line with the current corporate law.

- Selected for the ninth consecutive year to compose the Corporate Sustainability Index (ISE) portfolio
- Classified as one of the ten most representative among those that integrate the new S&P/B3 Brazil ESG index, launched in 2020, in a partnership between B3 and S&P Dow Jones - manager of the Dow Jones Sustainability Index (DJSI)
- Highlight in the S&P Sustainability Yearbook 2021, with a 16.6% growth in ESG performance

Corporate structure



Governance structure



Women occupy **25%** of the positions on the Board of Directors



Business model

Inputs

Financial Capital

- Results of operations
- Financing with financial institutions

Infrastructure

- Operations network distributed by 84.3% of Brazilian municipalities
- 13,200 sales points (owned, outsourced and retail chain) across the country

Customers

- 95 million accesses to our services
- Digitalized service network, aiming at customer satisfaction

Innovative Culture

- Research and studies on the main trends in the sector
- Teams organized using agile methodology, which facilitates innovation
- Big data tools for analyzing big data

Share Capital

- Vivo brand reputation
- 1,200 suppliers
- *Fundação Telefônica's* recognized performance

Employees

- 32.7 thousand employees and 101 thousand allies
- Structured people management

Natural Capital

- Water and energy to supply operations
- Mineral consumption and land use to expand the network
- Use of electromagnetic spectrum bands for 4G

External environment

Brazilian economy

Brazilian legislation

International commitments (SDG/Global Compact)

Covid-19 Pandemic

Value generation

Financial Capital

- Net profit of R\$ 4.8 billion
- R\$ 5.4 billion distributed to shareholders

Infrastructure

- 15.7 million residential and commercial homes served with FTTH technology

Customers

- Constant growth of NPS (Net Promoter Score)
- More than 2 thousand employees trained to develop customer experience projects within the scope of Lean 6 Sigma

Innovative Culture

- 340 million Aura interactions
- Innovative startups supported by Wayra
- Involvement in the digitization debates

Share Capital

- Contribution to Brazilian GDP and job creation (Total Impact During 2020)
- R\$ 24.8 billion spent with suppliers
- Recognition of Connected Schools (*Fundação Telefônica*) with Unesco award

Employees

- Average of 27.31 hours of training per employee
- Diversity Program

Natural Capital

- 100% of the energy matrix from renewable sources
- 96.5% of the electronic waste volume generated at our plant intended for recycling
- Reverse logistics in 819 tons of cell phones and electronic equipment



Our actions regarding Covid-19

The challenges and changes that the Covid-19 pandemic brought in 2020 highlighted the importance of digital life and connections. Our purpose proved to be more relevant than ever for society and, in particular, for the development of Brazil.

Taking care of Vivo's employees and service providers and keeping operations running to bring the best connection to our customers were our absolute priorities throughout the year. As soon as the first case of the disease was diagnosed in the country, we started our crisis management procedure to respond to the uncertainties in the external scenario and to advance in our digitalization and innovation strategy.

Daily meetings of our Crisis Committee, involving the CEO and executives from different areas, and the communication processes ensured the quick dissemination of health information and protocols to all areas of the company, reducing risks and preserving the teams' integrity.

With different initiatives and actions developed throughout the year, we seek to ensure the safety of all audiences connected to our business.

We were also one of the companies to support the Não Demita (Do Not Fire) movement, created in early 2020 to engage Brazilian companies to seek alternatives to ensure people's employability during the most difficult phase of the crisis last year. In order to guarantee this commitment, Vivo used, between December 17 and 31, the benefit of Provisional Measure nº 936/2020, created by the federal government and in a collective agreement negotiated with the federations representing the unions, to temporarily suspend the work contracts of administrative employees.



Fundação Telefônica Vivo
donated

R\$ 36.6 million
to contribute to actions
to combat the new
coronavirus in Brazil



Employees

- Emergency purchase of protective equipment, distributed in record time to all employees (with an emphasis on field employees, due to customer service at the customers' home)
- Development of specific protection protocols for each audience (call center, store, administrative and field)
- Weekly newsletters for guidance on the correct use of protective equipment and preventive measures against Covid-19, with monitoring and inspections in administrative buildings, field and stores to verify the prevention protocols
- Availability of the home office model to employees in the administrative areas and their own call centers
- Adhesion to the Não Demita (Do Not Fire) movement (naodemita.com), which brought together over 2 thousand companies in Brazil, reinforcing the commitment to maintain the workforce to help prevent or minimize the economic and social impacts caused by the pandemic
- Management of prevention and constant monitoring actions by service providers and allies/third parties
- Adaptation of commercial teams to serve our customers, such as the WhatsApp and drive-thru service solution



- Content curatorship about tools for home office productivity and experts invited to talk about how to reconcile children and home office, creativity in times of isolation and how to deal with loneliness
- Online consultations via telemedicine, carried out by a specialized medical team, for employees and dependents
- Social and psychological assistance with trained professionals

- Digital monitoring of the buildings' occupation, to guarantee distancing and avoid agglomerations in the buildings
- Inclusion of hydrogen peroxide dispensers in Eco Berrini elevators (greater concentration of employees) and call centers in Curitiba and Maringá
- Signaling in all units, on the floors and elevators, and banners informing about protection measures



Customers

- Prioritizing service in digital channels
- Temporary release of TV channels
- Temporary free internet bonus for Vivo cell phones with Prepaid, Control and Postpaid plans
- Free access for customers with Vivo cell phones to wellness, education and music applications
- Installment payment of debts for non-paying individual customers
- Joint effort with all other operators to ensure connectivity quickly and safely



Communities

- Fundação Telefônica Vivo invested R\$ 14.5 million in the purchase of hospital supplies and equipment, food and hygiene and cleaning products, benefiting nine states
- In an unprecedented move, Fundação Telefônica Vivo and Santander Brasil have teamed up to import 200 respirators and support the health network in Brazil
- The education platforms offered free of charge by Fundação Telefônica Vivo trained approximately 72 thousand educators in the use of digital resources to improve student learning



Suppliers

- Vivo prepaid receivables from suppliers in the second and third quarters of 2020, in the amount of approximately R\$ 2 billion, as a way of supporting the cash flow of these companies to maintain their productive activities

With this operating model, our company has expanded the offer of digital products and services and of greater value to customers. Core business revenue represented 86% of total net revenue, which reached an increase of 1.5% in 2020 compared to the previous year.

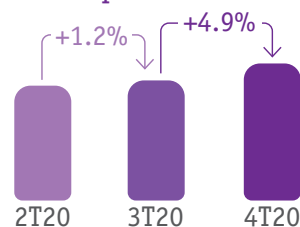
1. Due to atypical results mainly from Covid-19, the reported EBITDA is considered as Recurring EBITDA.
2. Free Cash Flow after leasing payment.



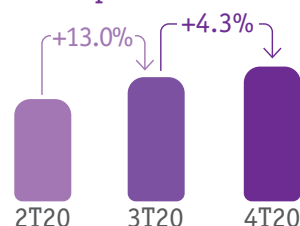


Evolution of revenue in key segments

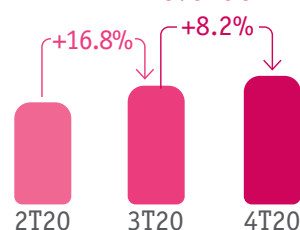
Postpaid Revenue



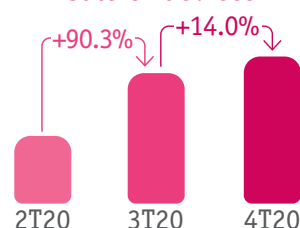
Prepaid Revenue



FTTH Revenue



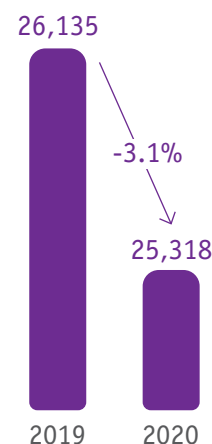
Sale of devices



On the efficiency front, we continue to invest in improving, expanding and integrating operating systems, transforming billing processes and accelerating Big Data projects, which are essential for the launch of new products and services focused on offering the best customer experience.

Thus, operating costs and expenses decreased by 3.1% in the annual comparison, reflecting the growth in the use of digital channels in sales of products and services, the increasing adoption of digital invoices (e-billing) by customers and the reduction of calls in the call center. The result was also driven by lower costs of goods sold, due to reduced equipment sales because of the pandemic.

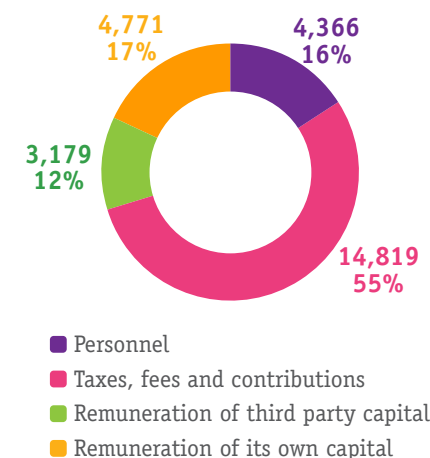
Operating costs (R\$ million)



Efficiency in financial management and investment allocation allowed an increase of 12.6% in free cash flow (R\$ 9,610 million), increasing liquidity and reducing the company's leverage level. Thus, we decided to distribute R\$ 5.4 billion in the form of dividends and interest on equity (JSCP), providing a payout of 113.6%.

The added value distributed totaled R\$ 27.1 billion. This amount is 5.1% lower in the annual comparison, mainly due to the 2.7% decrease in revenues. The payment of taxes, fees and contributions represented 54.6% of the total, in line with the representativeness in recent years.

Distribution of added value (R\$ million)





#TemVivo PraTudo

Vivo is part of the lives of thousands of Brazilians, and our commitment is to be the best alternative for any connection that our customers need. Therefore, we seek to have the largest network, with capillarity and guaranteeing a value offering with a broad portfolio of complementary services, innovation and a shorter time to market.

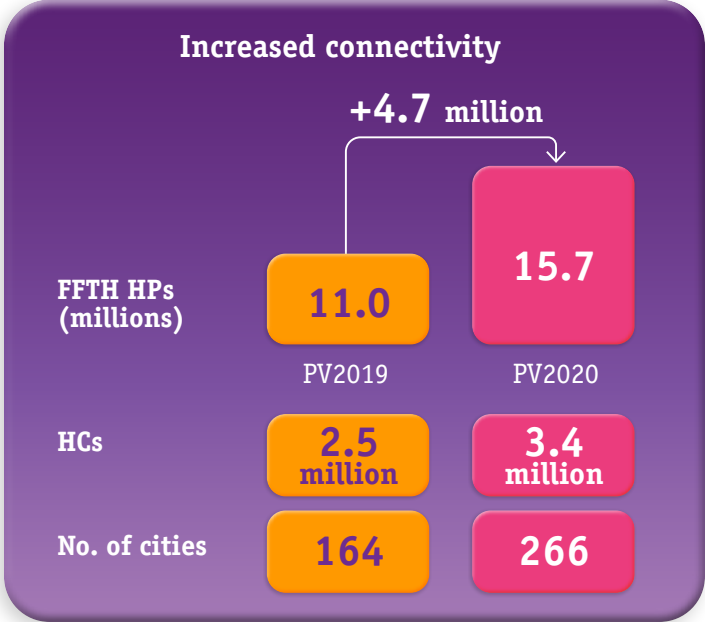
FIBER

In 2020, we reached 15.7 million residential and commercial homes (HPs) served with FTTH (fiber-to-the-home) technology.

To accelerate this expansion, Grupo Telefónica and the Canadian investment group CDPQ reached an agreement to create FiBrasil - each with 50% control. The new company will carry out the construction, development and operation, in Brazil, of a neutral and independent wholesale fiber network, implementing and marketing FTTH infrastructure to telecommunications

providers in medium-sized municipalities outside the state of São Paulo.

FiBrasil will start its activities in 2021, with 1.6 million HPs previously operated directly by Vivo. The joint venture's goal is to reach a total of 5.5 million HPs in the next four years, with Vivo as an anchor customer. This initiative accelerates the implementation of the technology in the country and reduces the time to market for our convergent offer of products and services.





MOBILE

Our leadership in the mobile telephony segment, with a 33.6% market share in Brazil, is driven by a comprehensive offer of products and services that meet the different customer profiles and their specific needs. We evolved our offer of postpaid plans, delivering additional benefits, such as more franchise and international roaming.

In the Postpaid segment, Vivo Easy, Vivo's digital plan, grew its customer base by 113% in 2020, compared to the previous year. The business model makes it possible for the customer to contract and customize the plan directly through the exclusive application, driving more efficient choices for each voice and data consumption profile.

The growth of customers in the prepaid segment is supported by the expansion of the offers portfolio, providing more choices to customers and allowing the base's profitability to be maximized.



Our segmented performance, using Big Data and machine learning solutions, makes it possible to offer a more personalized experience to customers

We also expanded our actions aimed at B2B customers, whose customers were impacted by the effects of the economic crisis resulting from the Covid-19 pandemic. The launch of offers with better value in data and the organization of teams to meet urgent demands arising from the new remote work (home office) model contributed to minimize the adverse effects of the 2020 scenario. minimizar os efeitos adversos do cenário de 2020.



The 5G revolution

5G technology will be decisive for the digitalization of the country. The arrival of this solution in the country will allow for a revolution in the way companies and people use the mobile internet and communicate, enabling massive connections with more speed, less latency (response time), greater reliability and availability.

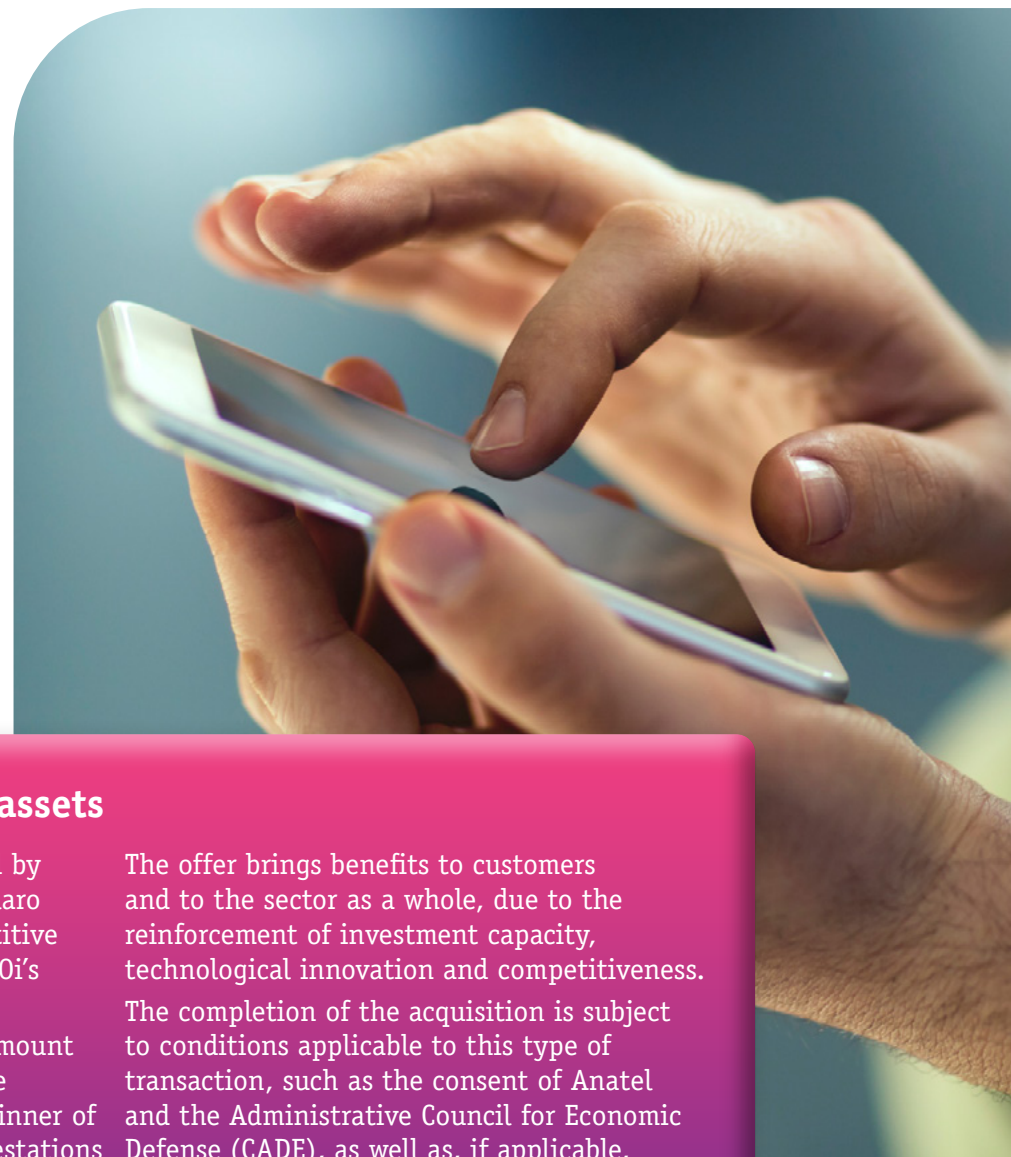
In 2020, we launched the 5G DSS (dynamic spectrum sharing) pilot project in eight Brazilian cities - Belo Horizonte, Brasília, Curitiba, Goiânia, Porto Alegre, Salvador, São Paulo and Rio de Janeiro. This solution provides, by sharing part of the spectrum that is currently allocated, a new experience for customers with smartphones already prepared for the new technology.

At the same time, we work together with partner smartphone manufacturers to expand the offer of devices with built-in 5G technology. At the end of 2020, our sales points offered a total of 17 different options to our customers.

In February 2021, the National Telecommunications Agency (Anatel) approved the announcement for the 5G auction, which is expected to take place in 2021. The event will allow the acquisition of the 3.5 GHz (gigahertz) band, allowing operators to launch the technology with network equipment 100% dedicated to providing services of this technology.

With the evolution of 5G across the country in the coming years, new digital applications could be accelerated, such as immersions in virtual reality and augmented reality, connections of machines and equipment to the internet, high-precision automation and other mission-critical functionalities.

The low latency of the new network, for example, tends to allow remote control of infrastructures and the operation of autonomous cars, innovations with the potential to transform and improve the quality of life.



Acquisition of Oi's mobile assets

In December 2020, the offer submitted by Telefônica Brasil along with TIM and Claro was declared the winner of the competitive procedure for the sale of the assets of Oi's mobile telephony operation.

The submitted proposal, in the total amount of R\$ 16.5 billion, was approved by the Judicial Reorganization court as the winner of the auction, after the favorable manifestations of the Public Ministry of the State of Rio de Janeiro and the Judicial Administrator.

The offer brings benefits to customers and to the sector as a whole, due to the reinforcement of investment capacity, technological innovation and competitiveness. The completion of the acquisition is subject to conditions applicable to this type of transaction, such as the consent of Anatel and the Administrative Council for Economic Defense (CADE), as well as, if applicable, submission to the company's General Shareholders' Meeting.



#TemTudo NaVivo

Everything about technology can be found at Vivo.
We are a digitization hub, an integrated provider and a partner of our customers for the technologies to come. Our goal is to offer a one-stop shop experience, integrating customer service channels and developing a consultative mindset at all points of experience.

Partnerships **AND SERVICES**



Vivo Selfie plans add value to the experience of our customers in the mobile segment through partnerships with highly recognized digital content platforms. The marketing models meet different profiles and needs, facilitating the whole family's access to movies, tv shows, music and other entertainment options.

In 2020, Vivo Selfie also started offering access to Disney+, a subscription streaming service that arrived in Brazil with content from The Walt Disney Company franchises (Disney, Pixar, Marvel, Star Wars and National Geographic). Customers can also access Spotify, Netflix, Premiere and other successful apps.

LOJA vivo

In 2020, we launched our **Marketplace**, reinforcing our #TemTudoNaVivo strategy, whose central idea is to offer customers the possibility of finding everything they need in terms of connectivity at Vivo. This is another step towards becoming a one-stop shop, offering items from the most desired brands in the market that are connected to Vivo's business and purpose.

Our Marketplace will have hundreds of product offerings linked to the technology of global and national brands. To facilitate customer navigation, the platform is divided into four categories: Connected Home, TV and Audio, Smartphones and Computers.



Vivo Money is Vivo's Personal Credit service, exclusively for customers of the Control and Postpaid plans. Loans are requested 100% online and securely, with more simplicity, agility and without bureaucracy, adding even more value to the customer experience and also contributing to financial inclusion. The values range from R\$ 1 thousand to R\$ 30 thousand, with rates starting at 1.49% per month and payment starting at 6 up to 24 installments. In just six months, one in three Vivo Money loans was granted to freelancers, strengthening small businesses and boosting the local economy.



Terra, one of the largest and most relevant content portals in the country, invests in curating and producing exclusive journalistic material to provide relevant, responsible and ethical experience and content to readers, contributing to the formation of opinion and a more informed and engaged society. Terra also has extensive experience in covering major events, also investing in strategic partnerships to serve its public in a different way.





Digital services, cybersecurity and cloud

The services and products offered with Vivo Empresas enhance digitalization and business efficiency in Brazil. Our partnership with corporate customers was strengthened in 2020 with the growth in the offer of cybersecurity and cloud solutions; and the IoT portfolio has provided better business management and efficiency through relevant information in real time.

Our strategy of totalizing B2B customers, integrating the product portfolio of the mobile and fixed segments, increased loyalty and satisfaction with the solutions offered. We also registered growth in the Corporate IT area, materializing our promise to act as a hub for digital services.



Open innovation

Wayra, Vivo's open innovation hub, has been present in Brazil since 2012 and its mission is to seek investment opportunities in startups that have disruptive technological solutions in synergy with strategic themes for Vivo. Through its corporate venture capital investment fund, Wayra invests and supports startups in generating business with Vivo and Grupo Telefónica worldwide, aiming to scale their solutions in joint projects.

Wayra strengthened its operations in Brazil in 2020, through a strategic partnership with Cubo

Itaú, the largest fostering center for innovative entrepreneurship in Latin America - with more than 500 startups and 20 integrated corporations. With this change, Wayra seeks to expand its positive impact to foster the innovation ecosystem in the country.

Since the beginning of its activities in Brazil, Wayra has invested a total of R\$ 19 million in 79 startups and new digital businesses. In 2020 alone, of the 34 scale ups invested in the portfolio, more than 40% had already generated business with Vivo.



Wayra also develops the role of driving Vivo's Challenges. Open to interested parties from all over Brazil, the Challenges allow the identification of innovative solutions through startups that, in collaboration with Vivo, can add value to the business, connected to the purpose of Digitalizar para Aproximar (Digitize to Bring Closer). Those selected for the final phase have the chance to make a presentation to the executives with a focus on generating business and contracts with Vivo. The first one, launched in 2020, proposed the search for solutions to improve the reverse logistics area, involving topics such as management and collection service, crowdshipping tool, transportation management system, reverse logistics, among others.

The second Wayra Challenge, launched in February 2021, was aimed at startups that can accelerate the inclusion of visually impaired people through reading tools applicable to Vivo's internal communication platforms



Another way in which Wayra operates is based on the development of Open Innovation programs in partnership with other public and private organizations on themes of synergy with Vivo's strategic technology and impact priorities. That's the case of the Agro IoT Lab, which was developed in 2019, in a partnership between Vivo, Raízen, Pulse, Ericsson and Esalq/USP in order to map startups with disruptive solutions for agribusiness. As a result of this program, Wayra invested in two startups, Ativa and Iotag, which developed new service products in a partnership with Vivo - that's the case of Vivo Clima Inteligente (Vivo Smart Climate) and Vivo Maquinário Inteligente (Vivo Smart Machinery). Another example of a program to foster the entrepreneurial ecosystem was BNDES Garagem, a national initiative to accelerate startups in the creation (initial stage) and growth (market traction) phase that took place in 2019, being carried out by the consortium formed between Wayra and Liga. In 2021, BNDES Garagem II will take place, even more comprehensive and focused on impact, with support from the AWL consortium - formed by Artemisa, Wayra and Liga.



[Click here to see the complete portfolio of Wayra's current and invested startups.](#)



Vivo Discover fosters open innovation

The **Vivo Discover** program, launched in 2019, focuses on the generation of new business with startups, which can contribute to agility, disruption and entrepreneurial spirit for Vivo, in addition to strengthening and fostering the culture of open innovation within the company, through the engagement of employees and leaders.

Vivo Discover's main pillar of activity is the "Vivo Shapers Program," an initiative that aims to develop "innovation multipliers" throughout the company and which has already trained more than 40 Vivo executives, qualifying them to seek partners in the startups ecosystem to address opportunities in different areas of the company. The six-month training journey involves innovation methodologies such as design thinking, start-up scouting (search for startups with solutions to internal challenges) and business models with startups.

During training, Shapers identify relevant pain points that can be addressed by startups. In addition to promoting value creation for Vivo, the participants encourage a culture of innovation among their teams and colleagues, disseminating the concepts and learning obtained during the program.

Picture: Ariana Assumpção



#DNAVivo EmTudo QueFazemos

The #DNAVivo pillar seeks to transform and standardize the way we relate to our customers and the culture of those who are part of Vivo, creating a unique DNA of relationship and service excellence in all contact points and for all customers.



DNA Vivo values



We have sustained our program to transform the customer experience over the past three years into four unique operating principles. These values guide our performance and support the **#DNAVivoEmTudoQueFazemos** Program on its two main pillars:

**Transformation
of the Customer
Journey**


**Customer-Centered
Culture**



Transformation of the customer **JOURNEY**

To transform the customer journey, we count on the digital relationship revolution. The digitalization of customer service and relationship channels improves the customer experience, offering solutions to the main demands in the various segments of operation and commercialization. Aura, Vivo's artificial intelligence, drives this evolution and facilitates interaction, offering the most appropriate answers for each type of consultation.

Launched in 2018, Aura is already present in more than 20 relationship channels, such as the Meu Vivo application (e-care and companies), automatic service and social networks. The technology was also applied to the WhatsApp channel, an application that registered a significant growth in service in 2020, due to the effects of the Covid-19 pandemic.



In 2020,
there were more than
**340
million**
interactions by
Aura, Vivo's artificial
intelligence

The number
of users of the
Meu Vivo app grew
25%
over the previous
year

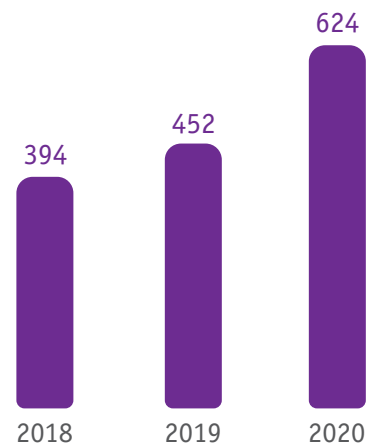
WhatsApp service
surpassed
**160
million**
interactions

Meu Vivo has more than 80 million accesses per month and 19 million unique users. The channel already accounts for 77% of Vivo's service every month, and this number reaches 83% considering only Postpaid, fiber and TV customers. This shows the channel's effectiveness, since the engagement rate of those who use Meu Vivo (return to the application in the month following) is almost 100%.

The most accessed features are internet consumption, invoice consultation, internet sharing and technical support, which can be entirely digital or by scheduling a technician's face-to-face visit.

This digital transformation, in addition to improving the experience of our customers, expands Vivo's efficiency when conducting business. In 2020, the company was able to save around R\$ 1.5 billion in operating expenses due to the advancement in the digitalization of internal processes and channels.

OPEX savings with digitization compared to the previous year (R\$ million)





On different fronts of the company, the digitalization journey adds value and promotes the improvement of quality indicators.

- Billing > 84% reach of digital accounts (e-billing)
- Charges > 64% of payments made on digital platforms
- Customer service > 25% technical support done digitally
- Digital sales > 61% growth compared to 2019
- Digital refills > 37% of refills made on digital channels
- Call center > 24% reduction in the number of calls



Customer experience program

All the transformation that happens not only in the digital channels, but also in the remote and in-person channels, has been based on a customer experience program (CX Program) with recognized fronts in the national and international market. The program is structured around three pillars:



Measuring the satisfaction of 100% of the contact points of B2C and B2B customers, through a robust system that already has millions of responses that feed back into all areas and hierarchical levels of the company, providing insights into opportunities and their impacts on Customer satisfaction.



Accelerate transformation through Satisfaction Squads, with multidisciplinary teams formed to identify and resolve structural opportunities that touch different areas of the company.

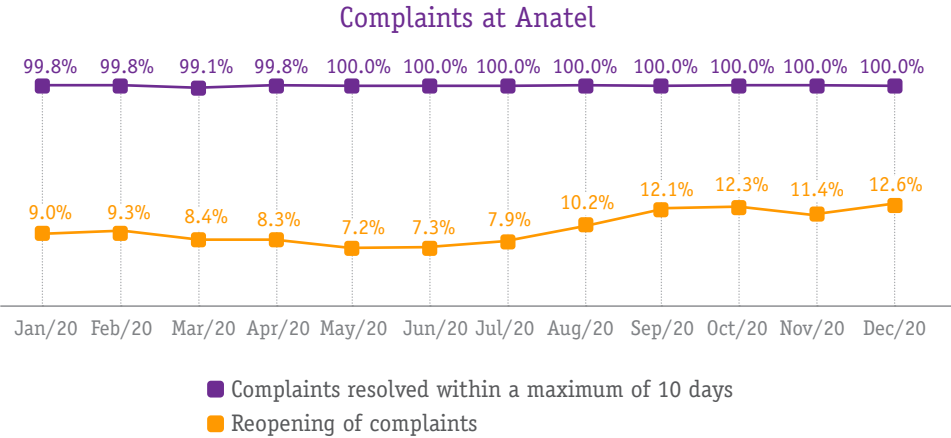


Take care of dissatisfied customers, creating a Close-the-Loop program, in which the business areas themselves get in touch with customers to reverse dissatisfied to satisfied and, more than that, offer a learning opportunity for those who interact with customers on a daily basis.

It's possible to see efforts on all these fronts translated into the global growth of customer satisfaction (NPS - Net Promoter Score), which has grown steadily over the past few years.

NPS	2020	2019	2018
Year-to-year evolution of NPS	+ 1 p.p.	+ 2 p.p.	- 1 p.p.

The results of the CX program, coupled with Vivo's commitment to increasingly improve customer satisfaction, are reflected in the improvement of most of the indicators monitored by official bodies - such as Anatel's Satisfaction Indicator and the indicators of complaints related to Vivo registered on platforms such as Anatel's consumer panel and Consumidor.gov.br, maintained by the National Consumer Secretariat (Senacon), in addition to the other entities that make up the National Consumer Protection System.



National Procon

- 43% reduction in the volume of complaints and position improvement in the agency's ranking



State of São Paulo Procon

- 1st place among companies in the sector that most resolve complaints when the customer complains at Procon



Consumidor.Gov

- Maintenance of Vivo's leadership in the sector, both in terms of resolution and in the satisfaction of customers seeking this agency





Customer-Centered Culture

We want the customer experience (CX) culture to be the main driving force for transformation and for all direct and indirect employees at Vivo to be responsible for transforming the experience of our customers. We created programs that enhance this mindset change, among which three deserve mention:

Experience of the Executives in the Channels

To sensitize the customer and cast experience, we created a program in which all executives experience the main channels of customer interaction. More than 800 in person and digital visits have taken place in the past 18 months.

CX Projects Implementation Methodology

In addition to one of the largest Lean 6 Sigma programs in Brazil, we have extended training in diagnostic methodologies to develop CX projects for over 2 thousand employees in their respective areas. Thus, everyone in the company can identify opportunities and implement actions to improve the customer experience.

CX Culture Promotion Days

We created a great event, with the participation of thousands of employees, in which real cases of customers are shown that are emblematic of CX. At this point, we reinforce the importance of the consistency of the experiences generated and share the best practices adopted by companies in the national and international markets.





Data protection and **PRIVACY**



It's also part of our DNA to protect customer privacy, encompassing the transparent, secure and reliable management of data shared by consumers and companies that use our products and services in the digital transformation journey. We have a governance model, with internal policies and standards, which directs how this information is treated and protected in our systems and databases.

Our operations are guided by the Grupo Telefónica's **Privacy Policy** and by the **Data Privacy and Protection Policy of Vivo's Customers and Holders** (updated in 2020). These guidelines define the projects and investments we make to protect shared information from cyber-attacks that could affect our internal systems.

To make our management even more transparent, we provide all the procedures on how we operate in our **Data Privacy Center** (www.vivo.com.br/a-vivo/informacoes-aos-Customers/centro-de-privacidade).

In 2020, we received from Anatel a Procedure to Determine Noncompliance with Obligations (PADO) related to a possible cybersecurity weakness in Meu Vivo. Our technical teams acted with priority to detect failures and correct problems, taking all the existing containment initiatives in our management plans.

We identified a total of 224 customers who had data consulted and accessed by third parties in the two events that generated PADO. Of this total, less than half (102 customers) had their information exposed, not 24 million customers, as announced by the press.

Last year, we also registered 32 lawsuits related to the subject, six of which have a proven complaint of data disclosure and third party invoices made available. The claims involved a total amount of R\$ 38.3 thousand in judicial indemnities.



General **DATA PROTECTION** Law

The General Data Protection Law - LGPD (Law No. 13.709/18) came into force in September 2020, two years after its promulgation by the federal government. Since 2018, we have been working to ensure the compliance of all our operations with this new legislation, strengthening and expanding Vivo's commitment to the security and protection of customer information. This effort, initially through the LGPD adaptation project, has now become Vivo's Privacy Governance Program.

At the Data Privacy Center, Vivo's customers can learn about all the data that is shared and the treatment of that information in our processes through a digital channel. When accessing the Meu Vivo information, users can request details about how this information is being treated and stored by our company, following all the provisions of the General Data Protection Law.



The LGPD adequacy project was structured with seven work fronts to guarantee the evolution of information security processes and culture in accordance with the guidelines of the legislation (see table). One of these fronts involved the creation of the Data Protection Office (Office-DPO) area and the creation of the Data Protection Officer position, leader of the new structure responsible for the governance of issues related to data protection and privacy in the company.

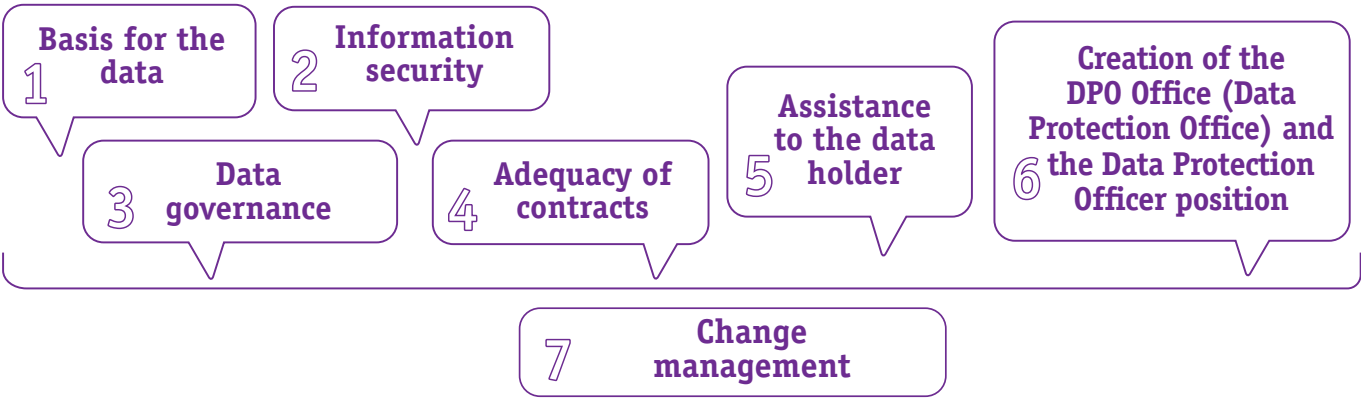
We also launched, in March 2020, training in digital format for all employees regarding LGPD.

The DPO's duties include monitoring, together with the business areas, of the development of new processes that require the processing of personal data to ensure adherence to the LGPD to internal procedures and guidelines. Periodically,

a communication is sent to managers to identify new processes and demands that require mapping by the DPO, legal basis for the processing of personal data and information security assessments. In 2021, our objective is to implement a governance tool that automates the flow of these procedures and the contact with all areas of Vivo.

The LGPD Program implemented in our company a methodology that guarantees the privacy principles from the conception of new projects, called Privacy by Design (PbD). In this way, we ensure that new projects are classified into three risk levels (high, medium or low), according to a form filled out by the manager.

Our LGPD program
Structured on 7 fronts



Medium and high risk initiatives are reevaluated, even before they are initiated, to identify opportunities for improvement that can reduce the risks of privacy and data protection.

The contracts signed with third parties that involve data processing were revised and adapted to the new legislation, with the inclusion of the Personal Data Processing Term.





DIGITAL Security

Studies point out the dimension of impacts related to information security risks. According to the Global Risks Report 2020, from the World Economic Forum (WEF), cyber-attacks are, on the global risk map, among the most likely and impactful.

In this context, we treat digital security with diligence and extend this commitment to the main service providers. We have an extensive list of protocols to be followed, which we developed based on the company's security requirements and market frameworks (ISO 27001 and ISO 22301, NIST, PCI/DSS etc.), especially related to secure systems and servers. It is our commitment to protect all our customers' data and ensure confidentiality, integrity and availability in accordance with Grupo Telefónica's Global Security Policy, whose guidelines cover operations in all countries in which the group operates.



It is our commitment
to protect all our customers' data
and ensure confidentiality,
integrity and availability



In case of any incident that violates or compromises the security of our information, we have a Security Incident Response area that acts promptly and has a specific email address for this type of service (csirt.br@telefonica.com). To ensure the security and privacy of our customers, we have a robust digital security structure, which directs our operations, in order to prevent leaks and cyber-attacks. To mitigate these risks, inherent to our business, we operate based on four pillars: **anticipate, prevent, detect and respond.**



Anticipate

Foresee threats before they occur, managing new risks, learning opponents' techniques, tactics and procedures.



Prevent

Through the digital security transformation, support our business by ensuring regulatory compliance and privacy, aligning digitization with security requirements from end to end.



Detect

Identify any security incident as early as possible, using integrated monitoring.



Respond

Be able to control and respond to security incidents and minimize impacts.



#DNAVivo EmTudo queSomos

Digitizing and bringing our customers and society closer together is only possible if we have this culture at home.

First of all, we live our DNA in everything we are. We believe that a good employee experience is the best way to a good customer experience. Inspired by this, we started with us.

We dedicate energy to make Vivo a more diverse company and implement agile methodologies throughout the company, seeking to connect with the most innovative ways of working.

Our employees*

* It considers permanent employees (does not include interns, apprentices, third parties and advisers). Covers data from Telefônica Brasil S.A. (excluding TISA Hub São Paulo and apprentices) and Terra Networks Brasil S.A.

13,895
women (42%)

18,864
men (58%)

8,206
up to 30 years old

22,179
between 30 and 50 years old

2,374
over 50 years old

114
in management
positions

3,410
in intermediate
leadership
positions

29,235
in other
positions

Proportion of
amounts paid
to women in
relation to men
in 2020 by
functional level

	Salary medium	Remuneration *
Management positions	90%	88%
Intermediate leadership positions	100%	110%
Other positions	80%	81%

*Includes salary, PPR/bonus and variable remuneration.





DIVERSITY in Vivo



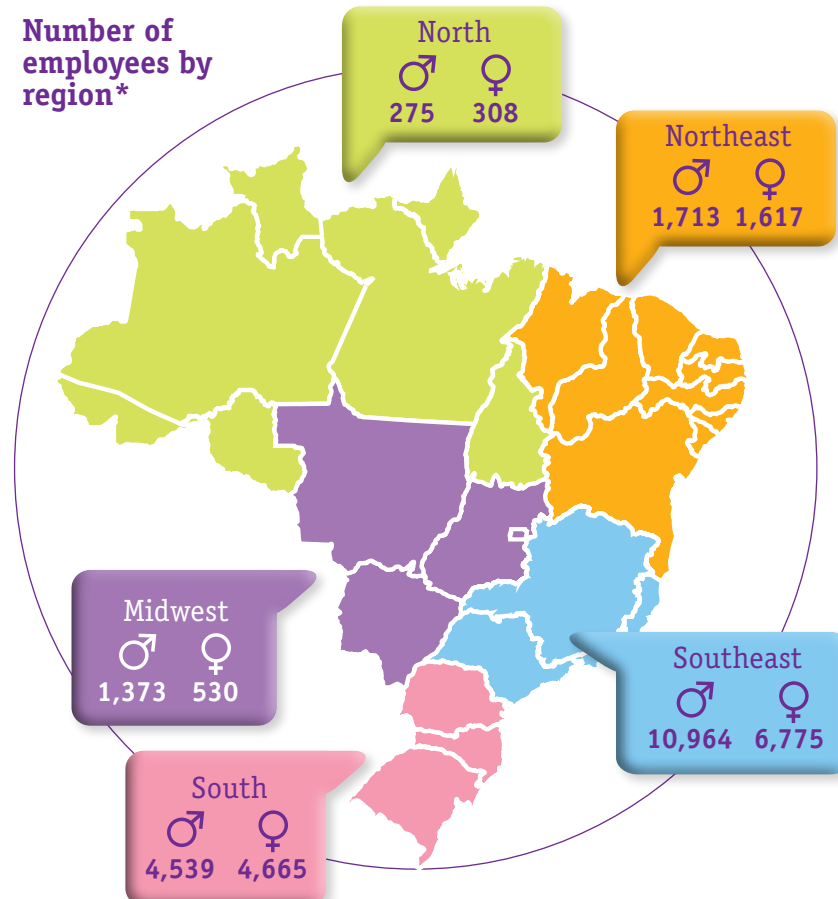
Diversity is essential for us to work in an environment that encourages innovation and creativity. The union of different people adds value and brings success to our company, materializing our corporate purpose.

To strengthen this vision, we have developed the Vivo Diversity Program since 2018, with actions to promote the inclusion and awareness of all employees and leaderships. Our goal is to consolidate, in our

corporate culture, the freedom for all people to express their identity and reach their maximum potential.

The Vivo Diversity Program has four affinity groups, in which almost 1,500 employees directly participate. It is in these forums that we discuss, idealize and execute actions and projects related to diversity promotion at Vivo.

In addition, internal actions are implemented with a focus on inclusion and awareness of racial, gender, LGBTI+ themes and people with disabilities among Vivo employees. Among them, we highlight the Diversity Journey, which has 12 topics discussed once a month with the entire company. We bring employees and external guests to share their experiences, and each edition is accompanied by an action that symbolizes concrete movements, such as the launch of a new policy or the provision of benefits.



* The data includes all employees because the breach between a determined and an undetermined contract is not significant.



Vivo Afro

The percentage of black people in leadership positions went from 16% in 2017 to 18.2% in 2020. The number of black employees in the company increased from 20.7% in January 2018 to 26.2% in December 2020.

In the 2020 edition of the Trainee Program, 43% of open positions for young leaders were filled by black candidates. We also strengthened corporate education actions, addressing issues such as racial literacy to reduce bias and prejudice, and career development, in which 23 black talents from the company were qualified in topics such as self-knowledge, self-image, corporate environment and strategies for career growth.

Vivo Pride

Approximately 3% of our employees declare themselves as part of the LGBTI+ community. The number of trans employees at Vivo doubled in relation to 2019, five young trans apprentices were effected at the company last year and another five trans apprentices hired. Affirmative actions should also be highlighted, such as the use of LGBTI+ pride colors on the façades of Vivo's buildings in June, and the change from paternity leave to parental leave in August, which extended the period of absence to 30 days and included non-pregnant mothers among those eligible for the benefit.

#FuturoVivo



In November, Black Awareness month, Vivo launched the Fábulas da Conexão (Connection Fables) project.

Young black writers, illustrators and animators, from different places in Brazil, were invited to create four short films under the mentorship of Renata Martins and Diego Paulino, exponent names in the national cinema. The campaign's objective was to provide a point of view on black representativeness in the advertising market and the Afro-Brazilian culture in the construction of technological narratives. The

project was curated by Andreza Delgado, one of the creators of PerifaCon.

The unprecedented campaign had more than 58 million impacts in the digital environment and more than 854 thousand interactions, in addition to a positive return in surveys with influencers and opinion-forming groups, with content reception above 71% in publications in the digital environment (earned media, i.e., outside the official Vivo channels).

In addition, internal actions were delivered with a focus on inclusion and awareness of racial issues among Vivo employees.



Check out the full **Fábulas da Conexão** (Connection Fables) playlist on YouTube



Vivo Women

At Vivo, diversity is expressed in the numbers and indicators of our team of employees. Women occupy 42.4% of the positions in our company and are present in 25% of leadership positions (directors) and 31% of general leadership positions (executive directors). We also ended 2020 with a total of 106 employees working in technical areas, compared to only 12 in 2018. On the Board of Directors, they represent 25% of the members.

The female presence in the labor market was the theme of Women's Week, promoted in March. The fight on violence against women was highlighted in October 2020, the month in which we joined the Business Coalition for the End of Violence Against Women and Girls and published our reception and guidance channels on this topic.



Vivo Disabled People

In our company, we include employees with any type of disability in different areas and positions. Each year, the inclusion initiatives are strengthened and, at the end of 2020, we had 464 employees with disabilities employed. This group is represented by people with the following disabilities: hearing (13%), physical (58%), intellectual (0.4%), rehabilitated (10%) and visual (19%).

Recognition of Diversity

- Our company was among the **35 best companies for women to work** in the ranking prepared by the Great Place to Work (GPTW) consultancy. We were also elected one of the 150 Best Companies to Work For in the national ranking.
- **We were the only Telecom** to integrate the Exame Diversity Guide, carried out by Exame magazine in partnership with the Ethos Institute for Social Responsibility.
- **We won** the CNN 2020 Notables Award, in the Diversity category. The first edition of the event, held by the CNN Brasil channel, recognized companies, institutions and people who stood out during the year, especially with the Covid-19 pandemic challenge.
- **2nd place** among the best rated companies in the Racial Equality Index in Companies (IIRE). IIRE is an initiative by Zumbi dos Palmares University that researched 23 companies on affirmative actions to reduce racial inequality.

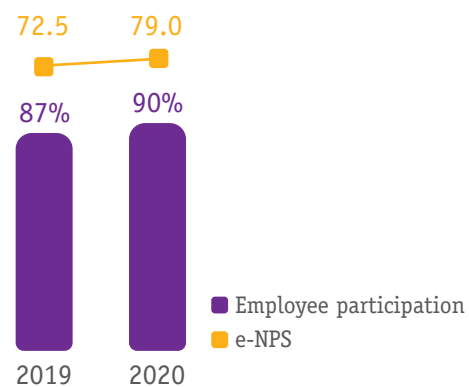


MOTIVATION survey

In 2020, we carried out the second edition of our Motivation Survey, which assesses the level of engagement and adhesion of our employees with Vivo's purpose and values. This research has been adopted since the disclosure of our purpose to Digitalizar para Aproximar (Digitize to Bring Closer) and replaces the Climate Survey, which had been conducted until then. The consultation uses the e-NPS (Employee Net Promoter Score) methodology and is based on the key question: "How likely are you to recommend the company as a good place to work for people close to you?"

Approximately 90% of our employees participated in the Motivation Survey, an increase of 3 percentage points in relation to the 2019 cycle. In addition, the e-NPS index had an increase of 6.5 points.

Motivation Survey
Results





Development and **DIGITIZING**



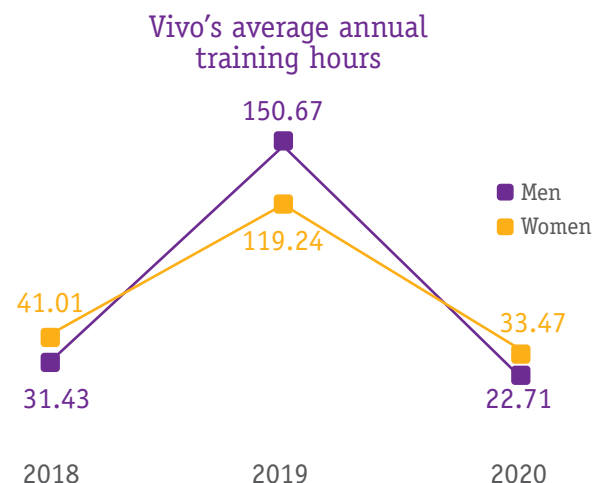
Average training hours by functional level

	2020	2019	2018
Management positions	5.92	13.55	12.30
Intermediate leadership positions	17.86	44.29	20.12
Other positions	28.67	142.98	37.20
Total	27.31	107.40	35.53

In 2020, Vivo reinvented the training of its entire service chain, digitizing its methodologies, with the inclusion of virtual environments and the use of active learning methodologies. Taking into account all methodologies (in person, virtual, e-learning, self-study, directed studies, etc.), we reached an average of 205 thousand participations per month in technical and behavioral training for Field, Call Center and Stores. Of this total, 37% were our own employees and 63% were third parties.

The new training strategy was created based on the workload review, the development of new educational solutions and the adaptation of some cases and experiences. This transformation of the model made it possible to reduce some training hours, ensuring effectiveness. In addition, the instructors underwent an improvement in the digital environment, ensuring the best training experience, and improved important skills to conduct these new formats.

There were more than 500 thousand hours of training per month dedicated to training for the sales force, business managers, call center, telesales and technical assistance, among other professionals.





Some other actions were carried out, such as the reorganization and dissemination of the themes of our Leadership Academy to support managers to conduct their teams remotely. This movement included the dissemination of short contents, called “pills,” on different topics, such as remote team management, remote communication and virtual collaboration, in addition to specific themes for the management and formation of teams, which generated the massive participation of our leaders. We had an increase of 47% of courses completed in relation to 2019. In addition, we made access to content available to more than 300 specialists, who carried out, on average, 83 training sessions per month.

In 2020, we had approximately 647 thousand hours of training, resulting in an increase of 100% in comparison with 2019. An action in partnership with our Corporate University of Spain (Universitas) enabled the participation of more than 3 thousand employees from Brazil in a Self-knowledge course led by our Spanish facilitators. Completely online and interactive, the course provided participants with four hours of daily dedication in two days (two hours in the morning and two in the afternoon), in addition to periods of individual reflection, totaling more than 12 thousand hours of training.

To name a few specific actions, our internal Mentoring Program was conducted 100% remotely, with check points between mentors and mentees.



Our training in Lean 6 Sigma had adjustments to adapt the Yellow Belt training to a 100% virtual environment. In addition, the content has been adapted to serve people with disabilities with sign language translation and subtitles in videos



Health and **SAFETY**

It is part of Vivo's DNA to maintain a work environment that encourages, among our employees, the adoption of healthy habits and quality of life. The focus on the well-being, health and safety of people has always been present in our company, but it gained even more relevance in 2020, due to the social distance actions and the prevention actions against the new coronavirus.

Among the initiatives we conducted last year, we highlight the training on mental health for leaderships and lives with specialists to

raise awareness among employees about the importance of primary care and disease prevention.

The home office work model, available to employees in the administrative areas and call centers in 2020, was already an institutionalized and standardized practice in the company, as a way to promote the well-being of employees. Before the pandemic, home work could occur up to twice a week, with the support of the entire infrastructure of equipment and systems to conduct activities.



24.4%
of eligible employees
completed the
questionnaire to
assess primary
health care

We recorded an
81.52%
satisfaction rate
(e-NPS) among
leaders trained in
mental health



This model facilitated the rapid migration of teams to the home office regime that we adopted as a way to prevent contamination by the new coronavirus. At the end of 2020, when we started the gradual return of in person activities, we developed digital applications to monitor the occupation of the offices and ensure everyone's safety in the activities.

In terms of occupational safety, we have the occupational health and safety management system, developed and implemented based on the international standard ISO 45001 - our objective is to obtain the system's certification from the second half of 2021. The system covers 100% of Vivo's operations and employees, establishing guidelines to reduce the risk of accidents.

One of the main practices we conduct is the Weekly Safety Dialogues (DSS), which address topics relevant to the safe practice of activities and actions to be taken in each type of activity. In addition, safety inspections carried out in field activities contribute to raise awareness and strengthen the safety culture across our company.



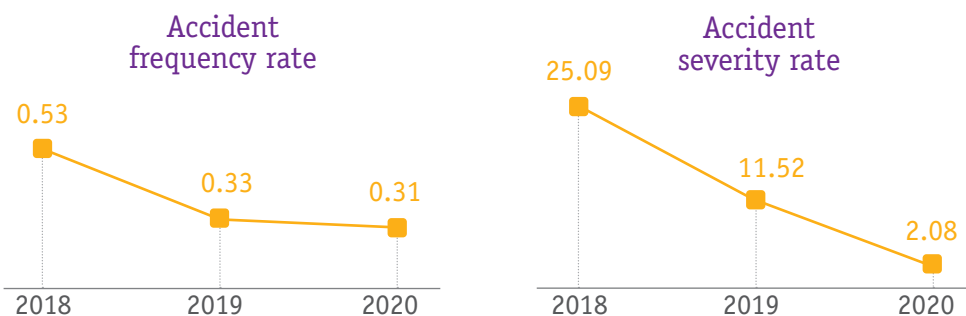
We created AppAudit, an application to record and monitor field inspections, allowing a direct interface with managers to carry out pending issues and execute action plans and improvements

Digitization also boosts security in our activities. In 2020, we implemented a new functionality in the call system used by field teams that enables the digital filling of the Preliminary Risk Analysis (APR), one of the main tools to ensure that all protective measures and equipment were adopted by professionals before carrying out a risk activity.

In addition to the management system, our employees are represented by the Internal Accident Prevention Commissions (CIPAs), formed in accordance with the provisions of Brazilian law (NR5). In 2020, there were 51 CIPAs in operation at Vivo, covering 80.9% of employees.



CIPAs act as a channel for all employees to contribute to the management of the security issue in our company. Through monthly meetings, CIPAs provide the evaluation of suggestions and opportunities for improvement pointed out in the different communication channels and dialogues that we have established, such as the exclusive e-mail to address the management system and contacts with the network of focal points in security established to support all of Vivo's audiences. Our team members participate in a trail of knowledge following the same purpose as Digitalizar para Aproximar (Digitize to Bring Closer).



Absenteeism rate*

	2020	2019	2018
By gender			
Men	0.04	0.04	0.04
Women	0.05	0.06	0.07
By region			
North and Midwest	0.06	0.06	0.06
Northeast	0.08	0.08	0.06
Southeast**	0.04	0.04	0.05
Sao Paulo	0.03	0.03	0.04
South	0.04	0.06	0.07
Consolidated	0.05	0.05	0.05

*Number of days lost due to any illness or accident, with more than one day of certification, excluding maternity leave, divided by the total number of days worked.

**The rates for the Southeast region do not include São Paulo, the rates of which are shown in a separate line from the table.

Accident frequency rate*

	2020	2019	2018
By gender			
Men	0.50	0.48	0.76
Women	0.04	0.12	0.22
By region			
North and Midwest	0.79	0.62	0.79
Northeast	0.25	0.46	0.48
Southeast**	0.52	0.31	0.57
Sao Paulo	0.14	0.19	0.46
South	0.37	0.40	0.54
Consolidated	0.31	0.33	0.53

*Number of typical occupational accidents over the total hours worked times 200,000. The hours worked take into account the total effective hourly load, considering the companies Telefônica Brasil S.A., Fundação Telefônica and Terra Networks Brasil S.A. and 100% of the functions, including young apprentices, interns, advisers and global operation. The hours totaled 73,577 thousand man-hours in 2020. There were no serious accidents recorded (according to internal regulations - any accident that causes permanent incapacity for work (total or partial), according to the situations provided for in Table 1, item 3.4.4 of NBR 14.280), nor deaths.

**The rates for the Southeast region do not include São Paulo, the rates of which are shown in a separate line from the table.

Accident severity rate*

	2020	2019	2018
By gender			
Men	3.44	18.64	40.77
Women	0.21	1.67	3.37
By region			
North and Midwest	4.82	13.42	7.52
Northeast	1.43	8.46	4.70
Southeast**	3.55	11.41	10.28
Sao Paulo	1.03	10.34	49.18
South	2.61	13.64	11.95
Consolidated	2.08	11.52	25.09

*Total days lost due to accidents divided by the total hours worked times 200,000. The hours worked take into account the total effective hourly load, considering the companies Telefônica Brasil S.A., Fundação Telefônica and Terra Networks Brasil S.A. and 100% of the functions, including young apprentices, interns, advisers and global operation. The hours totaled 73,577 thousand man-hours in 2020.

**The rates for the Southeast region do not include São Paulo, the rates of which are shown in a separate line from the table.



#Vivo Sustentável

The purpose of *Digitalizar para Aproximar* (Digitize to Bring Closer) also involves a conscious look at the impacts of technology and hyperconnectivity. We continue to place our brand at the service of society and the planet to expand the value we generate and share with all audiences, towards a sustainable, fair and ethical society.



Vivo and sustainable **DEVELOPMENT**

The global society's movement towards sustainability is driven by several external initiatives, with which Vivo is aligned. The main one is the 2030 Agenda and the 17 Sustainable Development Goals (SDGs), with goals on different fronts to eradicate poverty, protect the environment, strengthen human rights and fight corruption. In 2020, we conducted the SDG Action Manager, a performance assessment for the achievement of the SDGs, and identified significant contributions from our business to 13 Objectives.





Our work is guided by our participation in the Global Compact Brazil Network, an initiative led by the United Nations (UN) and to which our company has been a signatory since 2010. In addition to this initiative, we adhere to the Women's Empowerment Principles (WEPs), an action organized by UN Women and the Global Compact.

We are signatories to the Standards of Business Conduct, a document prepared by the UN Free & Equal Movement, which promotes equal rights and fair treatment for lesbian, gay, bisexual, trans and intersex people. We also participate in movements that promote diversity:

- Business Coalition for Racial and Gender Equity
- LGBTQ Business and Rights Forum
- Movement + Mulher 360
- Social Inclusion Business Network

On the environmental front, our company actively participates in platforms that contribute to connecting businesses and companies to the demand for combating global warming. We follow the guidelines of the GHG Protocol to account for greenhouse gas (GHG) emissions and disclose our results

in the Public Emissions Registry, in addition to providing information on climate change management at the CDP (Carbon Disclosure Project), a global organization that supports investors and analysts dedicated to this topic. We are also part of the RE100, which brings together companies from around the world committed to achieving 100% renewable energy consumption in their operations.

Social responsibility has always been a permanent theme on Vivo's agenda, and in 2020, we incorporated the management model proposed by ISO 26000 - Social Responsibility Guidelines into our strategy, so that Vivo's commitment to this theme could be perceived in practice by all.

This means that we are following the best market practices, acting in an ethical and responsible manner, respecting human rights - with initiatives that benefit our employees and suppliers - and committed to promoting a positive impact for the whole of society.





Achievements and Recognitions

Always committed to the best ESG practices, we are present in the most important sustainability indexes and rankings

We are the company with the best reputation in the telecommunications sector in Brazil, according to the **Corporate Reputation Business Monitor** (Merco). Of the 100 companies with the best reputation, we occupy the 33rd position - we were the only telecom with growth, advancing 13 positions in 2020.

We periodically monitor Vivo's reputation through surveys conducted in accordance with the RepTrak® methodology, the most widely used worldwide and aligned with Grupo Telefónica. This survey covers two groups of participants, customers and non-customers, and includes issues related to four dimensions of our reputation: innovation; leadership and finance; customer guidance; and integrity and citizenship.

Indexes

- For the 9th consecutive year, we are on **B3's Corporate Sustainability Index (ISE)**: we are one of the 39 most sustainable publicly traded companies in Brazil
- **S&P/B3 Brazil ESG** (environmental, social and governance) Index: we are listed among the 10 most relevant companies in the new index
- **B3's Carbon Efficient Index (IC02)**: our shares were included in the portfolio that lists the companies with the best efficiency in managing greenhouse gas emissions

Rankings

- We are one of the 4 Brazilian companies to be included in **List A of Climate Change of the CDP (Carbon Disclosure Project)**.
- Highlight in **The Sustainability Yearbook 2021**, prepared by S&P Global ESG: in addition to being listed among the best performing sustainable companies in the world, we were recognized in the **Industry Mover category**
- The only telecom company in Brazil to compose the **Vigeo Eiris Best Emerging Market Performers Ranking** for six consecutive years
- We were listed on ALAS20 as one of the 10 Leading Sustainability Companies, reaching our best position (6th place) in the ranking

Certifications

- We implemented **ISO 26000** (corporate responsibility)
- We are the only telecom with **ISO 14001** certification scope present in more than 80% of Brazilian states
- 1st Telco in Brazil to obtain **ISO 50001** (energy management) certification, in 2020
- **LEED PLATINUM** certification of Vivo Shopping Villa Lobos store in São Paulo: first operator in the country to receive the highest seal of international certification as a recognition for the implementation of international sustainable innovation standards
- In 2020, our Compliance System, #VivodeAcordo Program, was certified in the **DSC 10.000** standard, which considers guidelines based on the requirements of the certification standard and on the Brazilian legislation related to the theme of integrity (anti-corruption)

SUSTAINABILITY Governance

Our structure for managing sustainability aspects, as well as the policies and guidelines we adopt, provides strategic decision-making with a careful eye on ESG (Environmental, Social and Governance) issues.

The Board of Directors sets the general business guidelines, considering the best allocation of resources for the generation of value and the promotion of sustainable development. Of the 12 members on the Board of Directors, eight are independent, in line with the parameters set by the Novo Mercado Regulation, a listing segment of B3 - Brasil, Bolsa e Balcão that demands the best corporate governance practices. The Board of Directors also has six members specialized in the telecommunications sector.

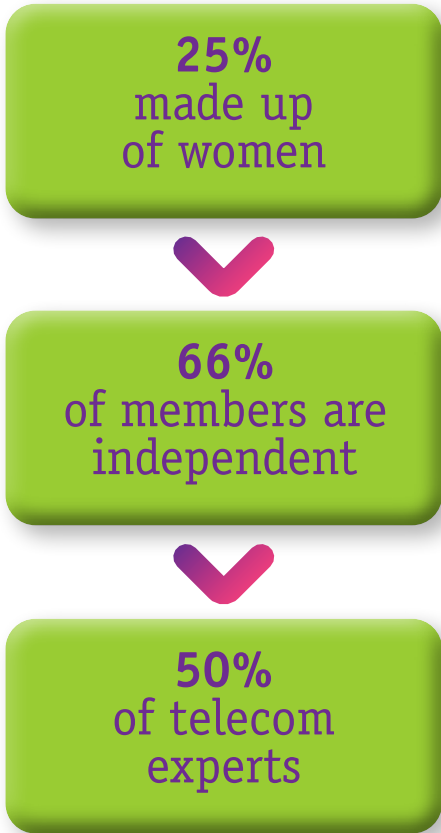
The analyzes and deliberations of the Board of Directors are supported by four advisory committees. Among them is the Quality and Sustainability Committee, comprised by three members elected by the Board of Directors. The body meets, ordinarily, twice a year and, extraordinarily, whenever summoned by the Committee's

Chairman. The discussions are guided by themes related to the company's quality and sustainability.

At the executive level, the president and vice-presidents develop the business strategy supported by the ESG vision in an integrated manner. Sustainability management, under the coordination of the Vice President of Institutional Relations and Sustainability, is strengthened with the Sustainability Committee, in operation since 2018 and comprised by Vivo's CEO, vice-presidents and directors.

This integrated performance is guided by the guidelines of the Responsible Business Plan, a document reviewed annually and which establishes medium and long-term initiatives and goals for the entire company based on six strategic pillars, connected to the Sustainable Development Goals (SDGs). The goals are approved by the Board of Directors, through the Quality and Sustainability Committee's report.

Composition of our Board of Directors:



The pillars of the Responsible Business Plan

We have a strategy based on the power of our business to generate positive impact and long-term value, with six action pillars, transversal to the company





Risk management

Telefónica, as a whole in the development of its business, applies the Corporate Risk Management Policy in the effective management of the company's exposure to the various risks inherent to the business, in line with the Group's global guidelines, which standardizes the entire management structure and risk management mechanisms, meeting its strategic objectives.

Risk management is monitored by the Board of Directors, through the Audit and Control Committee's report. Our way of acting allows us to identify all factors, internal and external, that can affect our company, adopting mechanisms that minimize the risks to which we are exposed.

For this, we use instruments that protect us from the impact associated with these risks, such as taking out insurance, for example, which minimizes possible financial losses.

As our operation is large and complex, we are exposed to risks on many different fronts, which include aspects such as the provision of services from key suppliers, market consolidation, concession contracts, Anatel regulations, compliance with laws, climate change, rapid technological changes, among others.

To manage these risks, we have adopted a series of internal controls and mitigation procedures. This model provides agility to our processes and efficiency in the allocation of efforts and resources, as it allows us to identify, evaluate, control and report the factors that may impact our performance.



Business



Possible losses arising from changes in the business environment, the market or the regulatory environment.



Operational



Possible losses due to failures in areas such as customer service, processes, human resources management, equipment, systems and other factors that may interrupt our activities.



Financial



Possible loss of value due to financial variables or lack of assets liquidity, commercial credit risks and risks of a fiscal nature.



Global



Risks transversal to Grupo Telefónica that result in losses as they affect our reputation, brand and innovation capacity.



Learn more about Vivo's risk management in sections 4 and 5 of the Reference Form ([click here](#)) and in Part I, item 3, of Form 20-F ([click here](#)).

Ethics and COMPLIANCE

The Responsible Business Principles, our Code of Ethics, define the basic values to act with integrity, transparency and commitment in everything we do in our daily activity - both when we act individually and as a team. They guide us to establish a trustworthy relationship with all the stakeholders that are part of our value chain, including suppliers and business partners.

We provide periodic training to our employees in order to reinforce the concepts and principles of our Code of Ethics. In the past year, 89.4% of our employees and 100% of our Board of Directors, subsidiaries and joint ventures have been trained.

Together with the Responsible Business Principles, our Compliance Program - called #VivoDeAcordo - is responsible for disseminating the ethics and integrity culture and, also, guiding all employees regarding the commitment to regulatory compliance, promoting the company's values above individual values, in addition to helping Vivo to comply with the applicable anti-corruption laws.



In 2020, Vivo obtained the certificate in the DSC 10.000 standard, which shows the excellence of its Compliance Program, #VivoDeAcordo, and reinforces the perception of ethics and integrity that employees, customers and partners have regarding Vivo, as well as promotes the strengthening of internal mechanisms to fight corruption



#VivoDeAcordo includes, among its activities, training and frequent communications, both considered important means to strengthen the company's organizational culture of integrity and transparency.

These actions are focused on raising awareness, engaging and informing employees about the ethical and anti-corruption rules that Vivo is subject to, be they laws or internal regulations, in addition to reinforcing the importance of acting correctly in the exercise of its functions and in all internal and external relations, aiming at mitigating risks and disseminating the conduct expected by the company.



The trainings cover, among others, topics on the fight against corruption and have a diversified approach. All employees, when hired, undergo telepresential and online training. In addition, periodic regional meetings are held on compliance issues involving the teams in each location. Content is also available, via #VivoDeAcordo, for the multiplication of knowledge about compliance by the performance of company leaders (such as #VivoDeAcordo Multiplique). The program also counts on the partnership of the other areas to strengthen the culture of integrity and ethics, our most fundamental values.

In addition, #VivoDeAcordo contemplates acting in the negotiation of contractual clauses related to the fight against corruption and anti-corruption certificates, evaluation of integrity questionnaires, conducting reputational research (integrity due diligence) based on previously established criteria with certain third parties, with which we relate, and analysis of situations where there are possible conflicts of interest.

Talk to #VivoDeAcordo

Internal consultation channel to clarify doubts about ethical dilemmas, related to situations to which employees may be exposed, such as offering and receiving giveaways, invitations, gifts and hospitality, doubts about rules, anti-corruption laws and any issues related to compliance. The channel is also available for discussions and negotiations on certificates and contractual clauses to combat corruption and the assessment of integrity questionnaires. In 2020, we received more than 1,600 inquiries related to the compliance issue through the Talk to channel, accessible via intranet or the Compliance Department's email address.

Reporting Channel

Channel open to all audiences through which we receive reports of irregularities or non-compliance with the Responsible Business Principles, policies, regulations, work instructions, as well as violations of current legislation. In the last year, we received 582 complaints, as shown in the table below.

Manifestations in the Reporting Channel in 2020

Number of complaints received in the year	582
Substantiated complaints ¹	237
Unsubstantiated complaints ¹	269
Complaints under review ¹	109

1. Includes manifestations received in 2020 and in previous years.

☎ 0800 650 1515

@ alerta.vivo.br@telefonica.com

✉ Inspection Board
Av. Luis Carlos Berrini, 1376
29th floor – Side A
Zip Code: 04571-936
São Paulo – SP

**Can also be accessed via intranet or in person.*



HUMAN Rights

We pledge to work, within our area of influence, to prevent any abuse of human rights. For this reason, we have the Human Rights Policy, approved by the company's executives in October 2019.

This policy formalizes the commitments assumed and the commitment to respect for Human Rights, which is generally represented in the Responsible Business Principles of Grupo Telefónica and more specifically in a set of policies and standards that ensure respect for and the application of internationally recognized social, economic and cultural human rights. The policy also reinforces the commitment to provide fair and equitable treatment in cases where there is any adverse effect on human rights.



Human Rights Policy

The Human Rights Policy is aligned with the United Nations Guiding Principles on Human Rights for Companies:

- Universal Declaration of Human Rights
- Global Compact
- International Covenant on Economic, Social and Cultural Rights
- Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- International Labor Organization (ILO) Fundamental Agreements
- International Covenant on Civil and Political Rights
- Convention on Children's Rights
- Convention on the Rights of Persons with Disabilities
- Freedom of Expression and Privacy Principles of the Global Information Networks (GNI) Initiative

This commitment extends to all audiences with which we relate



With the employee

We have internal policies and processes to promote respect for labor rights and avoid discriminatory practices. These commitments are materialized fundamentally with:

- Diversity, inclusion and equal opportunities
- Security and health
- Freedom of association and the right to collective bargaining
- Repudiation of forced, slave or child labor



With the customer

We work to offer products and services that contribute to generating a positive impact on people's lives, seeking to guarantee the following commitments:

- Privacy
- Security
- Freedom of expression
- Responsible development and use of products and services
- Protection of minors
- Non-discrimination



With society

We act to generate positive social impact and be an agent that promotes the sustainable growth of societies in themes such as:

- Anti-corruption
- Digital inclusion
- Environment
- Communities



With our supply chain and our relationships with business partners

When we work with suppliers, contractors or allies, we make the following commitments:

- Compliance with the Minimum Responsible Business Criteria
- Management system to ensure that suppliers comply with these principles
- Collaboration in sectoral initiatives that fight the exploitation of minerals in conflict areas



In order to guarantee the alignment of suppliers, when they register on our purchasing platform, these partners formalize their acceptance of the anti-corruption clauses related to the Responsible Business Principles, in addition to filling out the declarations and agreement with our Sustainability Policy in the Supply Chain. Suppliers, which include specific items related to human rights (read more on page 84).

We also promote due diligence processes to identify, prevent and avoid possible violations of human rights, including, among other issues, compliance with labor rights.

Best practices in corporate social responsibility

We implemented ISO 26001, a voluntary standard that establishes seven principles of social responsibility. In 2020, we evaluated our practices, studied market trends and concluded a process to assess the company's adherence to the standard.

Throughout 2021, working groups will conduct transversal actions for the evolution in the gaps identified by this first study, promoting continuous improvement and periodic reassessment of our activities.



ENVIRONMENT

We manage the possible environmental risks and impacts of our operation following the guidelines and procedures of the Environmental Management System (EMS), certified in the international standard ISO 14001.

Through the EMS, we have improved our controls and devised strategies for continuous improvement that align economic performance with environmental preservation. Currently, the SGA covers the processes of planning, implantation, maintenance, operation and deactivation of mobile and fixed networks in 51 Brazilian municipalities, elected based on technical criteria - number of websites, number of technologies, population served and accesses.

Aiming at the continuous improvement and compliance of the EMS, we have carried out an Annual Audit Plan, which verifies the effectiveness of the operational controls, the management of the aspects and impacts of our operation and the compliance with legal requirements. In 2020, we carried out the external maintenance audit, with our ISO 14001:2015 certification being evaluated and maintained.

Our environmental management model makes it possible to monitor the main indicators related to possible environmental impacts of our operations. In this process, we also have the monitoring of the legal assistance KPIs' evolution from our critical suppliers for environmental criteria and of the technical buildings located in the 51 municipalities where EMS operates.

Water consumption

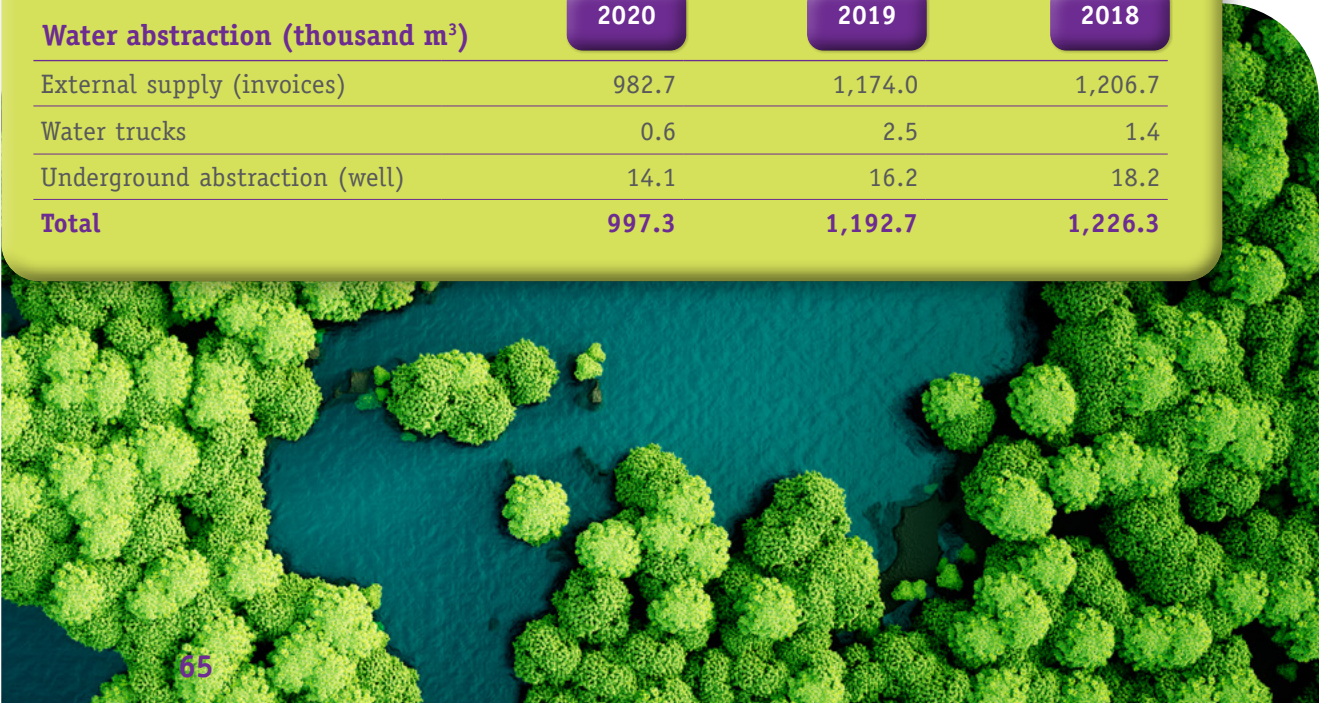
Water consumption in our operations is linked to the supply of offices and technical buildings, in which we adopt practices to increase efficiency in consumption, promoting conscious use and reducing the environmental impact on water resources, such as automatic taps and periodic on-site assessments to correct any leaks.

Currently, in our headquarter building in São Paulo, which concentrates the largest number of employees, Eco Berrini, we have a system to capture rainwater and treat gray water for reuse in the sanitary discharge system, in

addition to efficient and low-consumption hydrosanitary equipment when compared to conventional devices.

In 2020, due to the adoption of the home office system and the consequent reduction in the frequency of in person activities, water consumption decreased by 16% in relation to the previous year. Our management efforts include multidisciplinary coordination to identify opportunities for improvement that can increase our eco-efficiency, especially in buildings with a higher number of employees.

	2020	2019	2018
Water abstraction (thousand m ³)			
External supply (invoices)	982.7	1,174.0	1,206.7
Water trucks	0.6	2.5	1.4
Underground abstraction (well)	14.1	16.2	18.2
Total	997.3	1,192.7	1,226.3





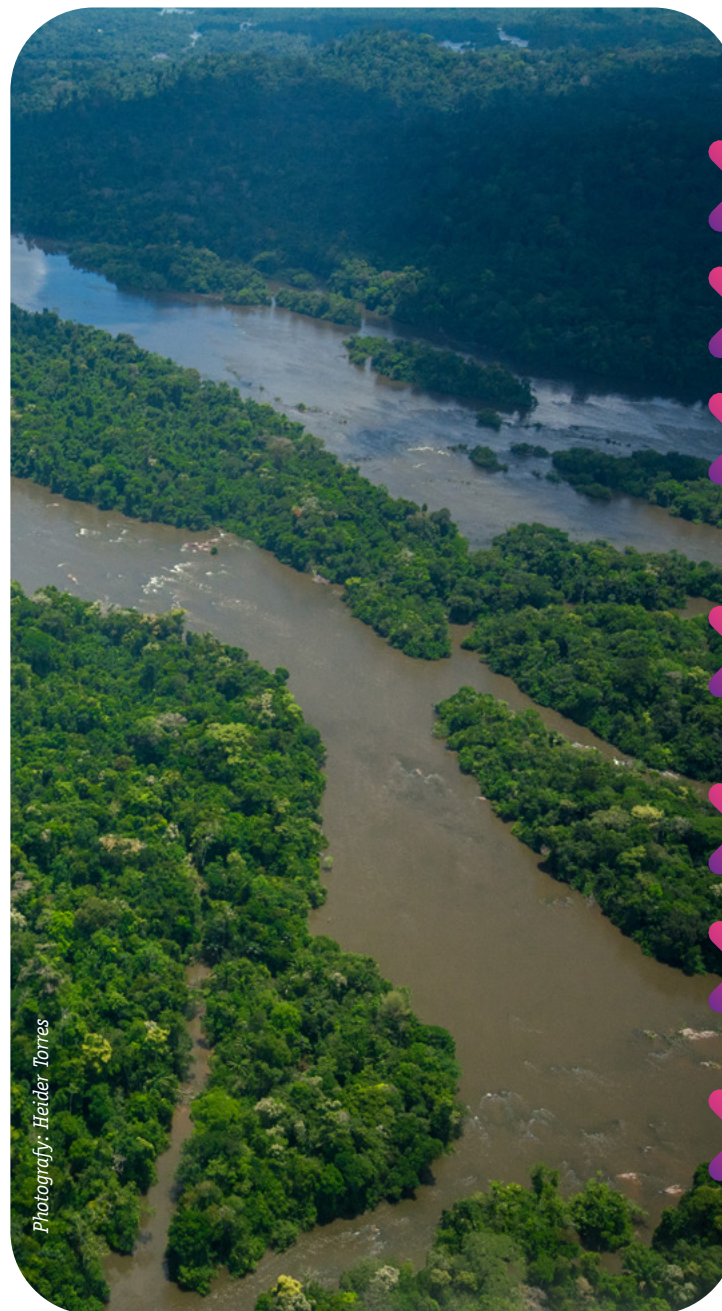
Biodiversity

Although our operations have little impact on wildlife, we seek to protect forests and their biodiversity. We value the services provided by the environment, recognizing the people who work in the conservation of the Amazon biome through the acquisition of carbon credits from REDD+ projects. With this resource, we work on the remuneration of those who support themselves and develop from the standing forest. The sustainable management of this natural asset prevents environmental degradation due to deforestation and the loss of biodiversity.

In 2020, we started to dedicate most of our carbon offsetting efforts to the Amazon rainforest. The main project, which we have supported since 2019, is REDD+ Vale do Jari. Developed by Fundação Jari e Biofilica S.A., the initiative trains local farmers in sustainable management techniques and agroextractive production in Pará and Amapá, promoting the well-being of communities and making them maintainers of forest resources.

We acquired REDD+ Vale do Jari credits in 2019 and 2020 - and we already guaranteed the acquisition of next year. Vivo's investments in this project have contributed to avoid the deforestation of approximately 360 hectares, covering more than 180 thousand trees.

In 2020, we also started to offset our greenhouse gas emissions through the Cikel project, in Pará, which pays agricultural producers who have opted for environmental conservation. Vivo's investments in this project in 2020 and 2021 contribute to avoid the deforestation of approximately 60 hectares, covering more than 80 thousand trees.



REDD+ Vale do Jari Project in numbers*

- > **15 communities** served
- > **303 families** benefited
- > **1.18 million** hectares monitored to prevent illegal invasions and deforestation
- > **65 thousand** hectares of avoided deforestation in 30 years
- > **2.7 million** tCO₂e already avoided and verified
- > **340** species of flora, of which 54 are threatened with extinction
- > **2,070** species of fauna, of which 133 are threatened with extinction

*Data refer to the project as a whole, and not just to the portion supported by Vivo.



ENERGY

Electric energy is one of the most relevant inputs for our operations and, therefore, reducing the impacts associated with this resource represents an important part of the strategy, in line with our purpose and commitment to sustainable development.

In 2020, our company obtained the ISO 50001 - Energy Management System certification, becoming the first Telecom in Brazil (and the first Grupo Telefónica operation outside Spain) to obtain this certificate. This System aims to promote the reduction of greenhouse gas emissions and energy costs, improve energy efficiency in our operations, prioritize renewable sources and mitigate other related environmental impacts through the systematic management of electricity, which represents, on average, 96% of our total consumption. The certification covers the Eco Berrini building, in São Paulo, where our headquarters is located.



	2020	2019	2018
Electric power consumption¹			
Total electricity consumption (GJ)	6,501,234	6,625,200	6,505,730
Total electricity consumption (MWh)	1,805,898	1,840,333	1,807,147
Percentage from the Free Market (renewable)	28%	25%	27%
Percentage compensated with I-REC certificates	68%	70%	17%
Percentage of distributed generation	4%	2%	0%
Total percentage of electricity from renewable sources	100%	100%²	44%
Electricity expenses (R\$ million)	935	1.081	763

1. Telefónica does not purchase other types of energy nor does it sell energy.

2. 3% of the total refer to i-RECs issued in March 2020, after the Spanish audit was closed (in February 2020).

	2020	2019	2018
Energy generated by fuel consumption (GJ) *			
Diesel	47,930	60,493	64,432
Gasoline	128,922	145,026	165,309
Ethanol	110,840	139,388	147,409
Total	287,692	344,907	377,152

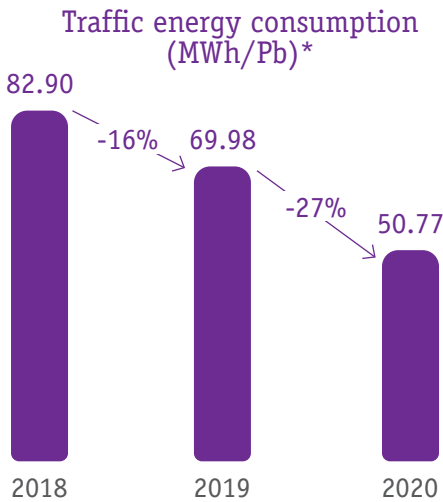
*It adopts the conversion factors of the 2020 National Energy Balance and covers the burning of fuels in the fleet and operations. Only ethanol is considered a renewable source, since the biofuel percentages of gasoline and diesel have not been separated and considered as such.

The Energy Policy guides our management and establishes the company's commitments to continuous improvement with a focus on increasing energy efficiency

In 2020, our total electricity consumption was 2% lower than in the previous year, even with the impacts and changes caused by the pandemic, which increased the demand for data flow and, therefore, for the telecommunications infrastructure. This scenario reinforces energy's relevance in our business model and the importance of actions for greater efficiency and decarbonization of our electrical matrix.

In terms of energy efficiency, we achieved a significant evolution in 2020 in the annual comparison. Driven by the effects of social distancing actions, the volume of data trafficked in our network increased by 34%, while the indicator of energy consumption per data trafficked decreased by 27%.

Among the initiatives that we carry out to reduce the consumption of electricity is the SUSI Project, which uses thermodynamic techniques to promote the cooling of indoor environments from outside air. Thus, on colder days, the air conditioning units can be totally or partially turned off, maintaining the thermal comfort of the environments. Another action is the Power Saving Features project, which promotes the reduction of energy consumption of cells with automatic blocking in sectors with low measured traffic, as long as there is sufficient alternative capacity available to deal with demand. Considering these two projects and other energy efficiency initiatives in our operations, the total energy saved in the year was 38,620 MWh.



* It includes the consumption of electric energy and the energy generated by the consumption of fuels. The figure does not include energy generated by fuels consumed in the fleet.

Reduction with the main energy efficiency initiatives in 2020 (kWh)

Disconnect 2G 1800 - Physical	9,799,107
Disconnect from TVA	6,712,662
Compaction and disconnect from Switchboards	5,824,256
Power Saving Features 2020 (Consolidated)	5,212,812
Air conditioning (SUSI/Entalpia)	4,228,384



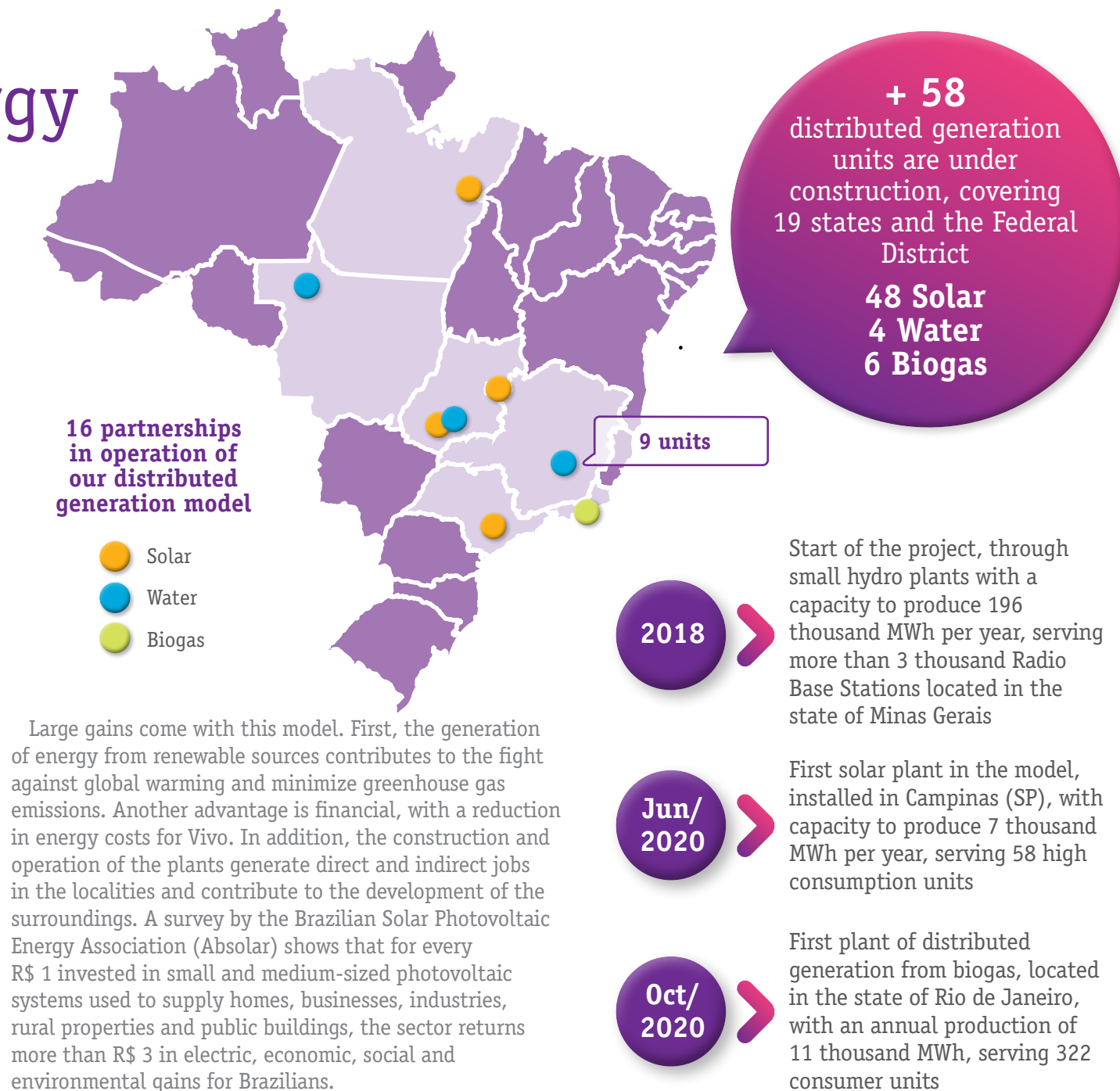
Renewable energy

Since November 2018, 100% of the electricity supply has come from renewable sources, through a combination of renewable energy acquisition in the free contract environment, implementation of distributed generation projects and purchase of certificates (I-RECs). In 2020, we continued to expand our strategy to produce the energy we use in our operations from renewable sources.

Our distributed generation model has solar, hydro and biogas plants located in 23 states and the Federal District. Our plan is to have more than 70 distributed generation plants in operation by June 2022. Of this total, 16 are already in operation, and the rest should be operational by mid-2021.

Investments in the distributed generation model are made by contracted companies, with the counterpart of a long-term partnership with Vivo of up to 20 years. With all the plants operating, Vivo will produce around 670 thousand MWh of energy per year, enough to supply the entire consumption of a city with up to 300 thousand inhabitants.

When completed, the project will account for more than 80% of Vivo's low voltage consumption, serving more than 28,000 units, including stores, towers, antennas, telecommunications equipment and offices. In addition to the environmental benefit, by using renewable and low-impact sources, the measure will contribute to the reduction of energy costs.





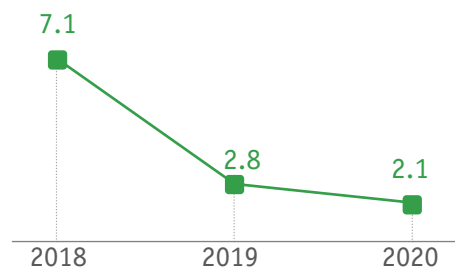
Climate CHANGE

Vivo is committed to combating climate change and its impacts. Our company is the first in the telecommunications sector in Brazil to have a direct operation that is 100% neutral in relation to carbon emissions. This result stems from different projects to reduce and offset the environmental impacts related to energy consumption and CO₂ emissions.

We monitor the greenhouse gas (GHG) emissions of our operations systematically, and the goals established internally for reducing and offsetting emissions are linked to the variable remuneration of all employees and executives of the company.

The accounting for GHG emissions has been carried out since 2010, according to the guidelines of the GHG Protocol and published in our inventory made available in the Public Emissions Registry, a platform developed by the Brazilian GHG Protocol Program. Since 2012, the inventory, for which the data is insured by a third party, has received the Gold Seal of classification on the platform.

Intensity of emissions by traffic scopes
1 and 2 (tCO₂e/Pb)



GHG inventory (tCO₂e)

	2020	2019	2018
Scope 1 - Direct emissions			
Kyoto Protocol	30,948	28,802	27,350
Montreal Protocol	47,153	45,111	53,632
Total	78,101	73,913	80,983
Scope 2 - Indirect emissions from electricity acquisition			
Location approach	112,706	138,102	133,699
Purchase choice approach	0	0	74,435
Scope 3 - Other indirect missions			
Purchase of products or services	151,548	188,401	214,888
Capital goods	20,506	40,726	142,901
Activities related to energy consumption	7,325	9,764	43,429
Business trips	1,591	8,685	5,142
Use of products sold	49,367	49,827	39,587
Total	230,337	297,403	445,947

We have reduced our intensity of emissions by 25% in the last year, and since 2018, the decrease has been 70%



Since 2015, we have managed to reduce around 70% of our emissions, mainly due to the evolution of the renewable sources share to 100% of our matrix (learn more on page 67). Although we always evaluate the possibilities of reduction, we still have direct emissions that could not be avoided, which are 100% offset by the purchase of carbon credits. Our investments in carbon credits are directed to projects that value the conservation of the Amazon and promote sustainable management of the forest (learn more on page 66). As in recent years, deforestation has been presenting itself as the largest source of emissions in Brazil, it is extremely important to support projects like these, which aim to keep the forest standing.

In 2020, among the measures we adopted to reduce our direct emissions (Scope 1) are the improvements in operational controls on the performance of equipment, the reduction of test time in generators powered by fossil fuels and the preference for the use of ethanol in our plant. fleet. Total fuel consumption decreased by 17%, impacted by the reduction initiatives and the reduction

in displacements due to the pandemic scenario. Despite these initiatives, total Scope 1 emissions increased in absolute terms this year due to the greater need for maintenance and recharging of refrigerant gases in air conditioning equipment.

In addition to the GHG Protocol, our company participates in the CDP (Carbon Disclosure Project) initiative, annually answering the climate change questionnaire. In 2020, the first year of Vivo's reporting, separately from Grupo Telefónica, we were one of the only four companies in Brazil to receive a Grade A, maximum rating. This classification recognizes our leadership position, with emphasis on the development of digital products combined with decarbonization, the promotion of the voluntary carbon market and the high level of control and governance for information related to impacts and mitigation of climate risks, also engaging our suppliers on that theme. In addition, we are part of the IC02 portfolio, a B3 index that demonstrates our commitment to the low carbon economy.

Since 2019, we have been a **carbon neutral** company in our direct operations and are committed to keep evolving to reduce our impact in the coming years.

In 2020, we were recognized by CDP as one of the leading companies in the climate issue with a Grade A





Risks and opportunities

Risks associated with the climate change context are included in the company's overall risk assessment, the results of which are reported to the Audit and Control Committee. We periodically carry out the assessment in a quantitative manner, measuring the potential impact of adverse events on operating cash flow, considering the physical and transition risks.

To manage these risks, we promote Energy Efficiency Programs and Renewable Energy and Distributed Energy Generation Plans, in addition to having a dedicated Business Continuity area, guided by the Global Business Continuity (GBC) Regulation, which prescribes preventive management of risks, guaranteeing the maximum resilience of our operations in the event of any possible interruption.

We also identified opportunities for business growth, such as the sale of products that reduce our customers' carbon emissions, driving them towards decarbonization through technology and the digital connection. We believe that digitalization will be fundamental to face the transition to a low carbon economy and we are aligning our commercial and environmental

strategies to find opportunities related to these new types of solutions, which have the potential to optimize resource consumption and, therefore, reduce impacts on the environment.

In 2021, we will review and deepen our study in the face of climate risks and opportunities, in light of the **Task Force on Climate-related Financial Disclosures (TCFD) principles**.



In the last year, three risks were considered to be the main ones in this assessment:

The **increase in average temperatures**, which may impact our operating costs, mainly due to the greater need to cool network equipment. High temperatures can also lead to equipment failures and shortened service life.

The **increase in the severity of extreme weather events**, such as floods and landslides, which can damage our infrastructure and lead to disruptions in service and operations.

The **scarcity of natural resources**, which can raise the price of electricity, a priority input for the operation of telecommunications networks. This scenario would increase our operating costs associated with energy.

Sustainability for customers

The new technologies and telecommunications solutions we offer have the potential to decarbonize various value chains. These services contribute to the operational efficiency of our customers and avoid travel and energy consumption, contributing to the carbon footprint of people and companies becoming increasingly smaller (see the side table). We want to boost the low carbon economy by shortening distances through digital connection.

With the **Eco Smart** seal, we demonstrate the value that Vivo Empresas products generate for the sustainability of our B2B customers. Certified by the Spanish Association for Standardization and Certification (AENOR), the seal visually demonstrates the relevant environmental advantages that can be generated in the operational routines and direct activities of the customer itself when contracting our digital products and services based on connectivity, internet of things (IoT), cloud and big data.

The benefits represented by the seal range from the reduction of energy consumption, CO₂ emissions and water consumption to the potentiation of the circular economy. It can even be used as an important tool to reinforce the ESG criteria of companies and meet the demands of consumers who today seek businesses committed to sustainability.



	Customer emissions avoided by digitization (thousand tCO ₂ e)		
	2020	2019	2018
Telecommunications	1,298.0	238.8	99.5
Internet of Things (IOT)	213.3	352.2	NA
Audio/video conferencing	104.8	65.9	0.2
Fleet management	13.8	16.5	20.1
Workforce management	1.4	0.9	0.9
Cloud and visualization services	0.2	0.2	0.2
Total	1,631,4	674,4	120,9

This is the case of **Vivo Energy Efficiency**, which, through advanced telemetry focused on the measurement, prediction and automation of electrical systems, identifies operational irregularities and waste, allowing the automation of processes, the taking of strategic actions and, consequently, the optimization of energy performance and the reduction of CO₂ emissions.

We also provide the **Eco Rating** seal that demonstrates the environmental performance of the mobile devices and tablets in our portfolio. This information can help our customers make more sustainable purchasing decisions. The grades vary from 1 to 5 and are available for consultation in all of our stores, both in digital pricing and in the virtual store. The higher the grade, the more sustainable the model is.



Click here and learn more about Eco Rating.



Virtual calculator

In 2020, we carried out an unprecedented initiative in the sector: the launch of a virtual calculator that helps the customer to understand and calculate its carbon footprint associated with the use of our main services. The portal includes information on what the carbon footprint is, the climatic impact of day-to-day actions - such as making a call or surfing the internet - and highlights of the company's GHG emissions management. There, you can access the calculator and, following the instructions, calculate your carbon footprint.



Click here, access Vivo's virtual calculator and discover your carbon footprint through the use of our services



Climate goals

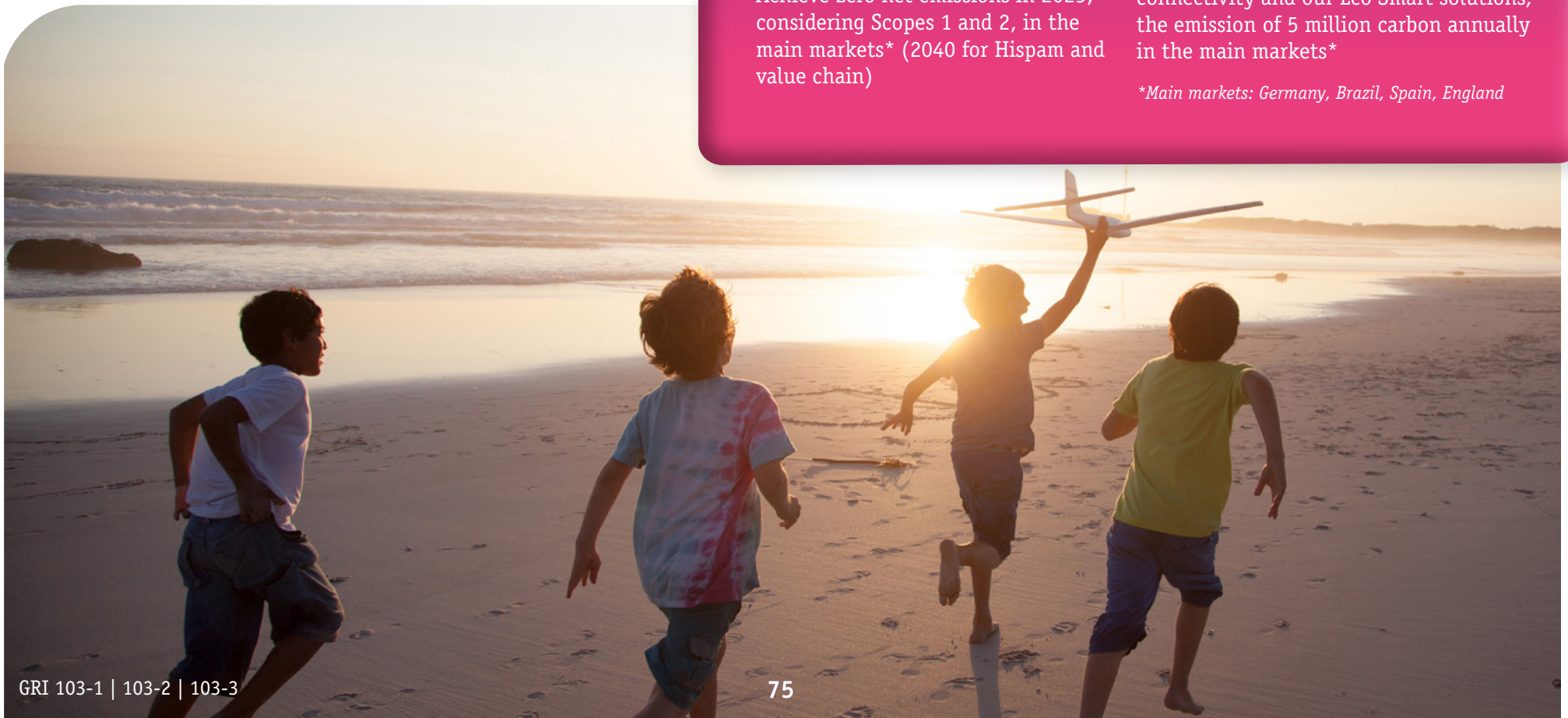
We invest and improve our environmental performance in synergy with the global goals established by Grupo Telefónica and aligned with the SBTi (Science Based Targets Initiative) movement.

SBTi is a joint action between CDP, Global Compact (UN), World Resources Institute (WRI) and World Wide Fund for Nature (WWF) that encourages companies to set targets to reduce greenhouse gas emissions that effectively contribute to the fight against global warming.

The Group's Objectives for the 2015-2025/2040 period

- Reduce energy consumption by 90% per traffic unit (MWh/PB) by 2025, compared to 2015
- Continue using 100% electricity generated from renewable sources in the main markets* (2030 for Hispam)
- Reduce by 70% Scope 1 and 2 emissions by 2025 globally, and 90% in the main markets* (for Brazil, specifically, the target is 72%)
- Reduce CO₂ emissions in our value chain by 39% by 2025 and achieve zero net emissions by 2040
- Achieve zero net emissions in 2025, considering Scopes 1 and 2, in the main markets* (2040 for Hispam and value chain)
- Get customers to avoid, through connectivity and our Eco Smart solutions, the emission of 5 million carbon annually in the main markets*

**Main markets: Germany, Brazil, Spain, England*





CIRCULAR economy

We act so that all the different residues generated in our operations are disposed of in an environmentally correct way and, whenever possible, sent for recycling or reuse. The Telefônica Solid Waste Management (GReTel) tool allows us to manage the flow of generation, transportation and destination of waste, promoting supply chain traceability and enabling circular economy actions.

In 2020, we sent 96.6% of the total volume of electronic waste generated at our plant for recycling, with more than 13.3 thousand tons separated and uncharacterized to be reincorporated into the production chain as new inputs.

Among the improvement actions we are taking on this front is the implementation of a platform called the Supplier Monitoring Panel, in which we carry out the assessment of the legal compliance of third party suppliers and others involved in the waste management chain.

Waste destination for recycling (tons)	2020	2019	2018
Electronics			
Cables and Metals	10,007.7	6,478.2	5,713.9
Batteries (hazardous waste)	1,741.1	1,238.4	1,104.9
Operational and office RAEE (Electrical and Electronic Appliances Waste)	1,586.2	1,279.1	1,179.9
Modems, routers and decoders	377.7	523.1	438.0
Fluorescent lamps (hazardous waste)	4.8	0.5	2.6
Cell phones and customer accessories	7.6	6.6	5.0
Non-electronic			
Paper and cardboard	134.2	80.9	37.7
Lubricating oils (hazardous waste)	6.0	ND	ND
Other recyclable waste ²	501.0	ND	ND
Total	14,366.4	9,606.8	8,482.0

1. For 2018 and 2019, only lamp residues from the Chucri Zaidan and EcoBerrini buildings were considered. In 2020, the control expanded to other technical buildings of Telefônica Brasil.

2. Recyclable waste from our operational routines, such as wood, glass, plastic, batteries and toners.

Destination of waste to landfills (tons)	2020	2019	2018
Cables and metals	394.9	299.1	298.6
Operational and office RAEE (Electrical and Electronic Appliances Waste)	5.3	0.0	0.0
Other non-recyclable customer waste	0.5	0.1	0.1
Other waste ¹	430.4	ND	ND
Total waste destined for landfills	831.1	299.2	298.7

1. Non-recyclable waste from our operational routines, such as organic, scrap, among others.

Recycle with Vivo

One of the main initiatives to promote the circular economy in our business model is the Recycle with Vivo program, which, since 2006, has demonstrated our leading and pioneering role in reverse electronics logistics. In 2020, this project gained an important impetus with a new campaign to engage and raise awareness among society.

With the “Vivo takes care of your electronic waste, and together we take care of the environment” approach, we invite society to reflect on the actions necessary for the correct disposal and recycling of materials such as cell phones, cables and tablets.

The campaign included films, prime time television commercials, social media dissemination by digital influencers, activations on Vivo’s communication channels with customers and mobilization of our employees to collect electronic waste on Recycling Day. These actions resulted in an increase of 15% in the volume (in tons) of waste collected in the program, which has national coverage, with more than 1,600 collection points.

Our stores and resellers were equipped with new waste bins, which, in addition to receiving electronic waste disposal from customers and non-customers, reflect the new concept and visibility that Vivo has brought to this movement that is so important for society.

We also count on the reverse logistics of fixed network equipment (modems and decoders), which allows the reconditioning of more than 1 million equipment every year. In 2021, we will start scheduling with artificial intelligence and personalized collections, in addition to continuing to receive equipment in our stores.

At Vivo Renova, we offer special discounts for the exchange of old devices for new ones. Through this program, we have collected and reused more than 500 thousand devices since 2013.

More than **5 million** items (118.9 tons) have been received and sent for recycling since the beginning of **Recycle with Vivo**, in 2006.

Watch the campaign video

To learn more

Access the Recycle with Vivo website

Customer equipment destined for reverse logistics	2020		2019		2018	
	Weight (t)	Amount of items	Weight (t)	Amount of items	Weight (t)	Amount of items
Recycle with Vivo	7.6	88,094	6.6	113,140	5.0 ¹	89,921 ¹
Vivo Renova	9.3	59,750	16.7	114,489	11.9	84,227
Fixed telephony - recycling	377.7	1,007,083	523.1	1,394,905	438.0	1,168,089
Fixed telephony - recovery	424.4	1,065,291	419.6	1,016,878	528.0	1,408,229
Total	819.0	2,220,218	966.0	2,639,412	982.9	2,750,466

1. There was a change in the accounting premise, which now includes all items received at the polls. Therefore, there is a difference in the amount historically reported.



TELEFÔNICA VIVO Foundation

The actions of the Telefônica Vivo Foundation, strengthening education as a pillar of social transformation, broadens the scope of our purpose to Digitalizar para Aproximar (Digitize to Bring Closer). In 2020, we invested R\$ 59 million in social programs aimed at improving public education, which benefited approximately 2.4 million people across Brazil.

One of the main projects developed is Escolas Conectadas (Connected Schools). The platform encourages the continuing education of educators, promoting inclusion in digital culture and the development of 21st century skills in teachers and their students. The free training courses stimulate innovative teaching practices connected with the Brazilian educational scenario and contribute to an articulation work by establishing partnerships with State and Municipal Education Departments.

In 2020, Escolas Conectadas (Connected Schools) was recognized with the UNESCO-Hamdan bin Rashid Al-Maktoum Award for Outstanding Practice and Performance in Improving Teacher Effectiveness. Since its creation, it was the first time that a Brazilian institution received the Unesco award. The international award promotes initiatives aimed at inclusive and quality education, in line with the goals of the Education for All program, one of the priorities of the United Nations (UN).

In 2020, in given the pandemic scenario, the Telefônica Vivo Foundation intensified its actions in the spheres in which it already operates, in addition to contributing to other essential areas of society that were most vulnerable during the year, such as health and food security (learn more on page 19).



Access the Telefônica
Vivo Foundation 2020
Social Report

Telefônica Vivo Foundation contributions in 2020*

R\$ 59,411,090

Total Private Social
Investments

R\$ 2,378,141

People benefited by the
Telefônica Vivo Foundation

**Does not include resources and
beneficiaries of actions to combat Covid-19.*



FUNDAÇÃO
TELEFÔNICA
vivo



Projects and initiatives of the Telefônica Vivo Foundation

Digital education platforms

- **Escolas Conectadas (Connected Schools):** continuing education platform with free courses for educators (escolasconectadas.org.br)
- **Escola Digital (Digital School):** concentrates more than 30 thousand digital resources aimed at students, parents and teachers (escoladigital.org.br)
- **Pense Grande (Think Big):** the project offers development opportunities for young people in the areas of social entrepreneurship, life project and digital technologies (pensegrande.org.br)

Digital volunteering

- **Game do Bem (Good Game):** online and collaborative game with citizenship practices in which players can perform “good missions”
- **Resgate Solidário (Solidary Rescue):** action that benefited 29 institutions in Brazil, with an initial investment of R\$ 408 thousand to service priority actions to combat Covid-19. With the participation of Vivo employees, who completed missions on Game do Bem and exchanged their points for *Resgate Solidário*, the Telefônica Vivo Foundation made a new financial contribution of R\$ 122.4 thousand - totaling R\$ 530.4 thousand donated to institutions
- **Portal do Voluntário (Volunteer Portal):** with the support of 63 committees in 48 Brazilian cities during the social distancing period, we offer personalized actions, such as calls for the elderly and people with disabilities and making fabric masks, among others





Responsible use of **TECNOLOGY**

As protagonists in the discussion with society about the conscious use of technology, we have initiatives in this field that promote the balance between physical and digital relationships, the true online and offline connection.

#TemHoraPraTudo

The #TemHoraPraTudo campaign proposes a more conscious look at the use of technology, choosing to experience all connections in full in their own time, one at a time. By proposing a reflection on the use of technology, the initiative shows how disconnecting is also important for people to have the best connection and the best experiences. With this approach, we encourage a more balanced and conscious use, so that we get the best that this technology has to offer in our lives



To
learn
more

Click here
and watch
the campaign
video

VivoBrincar

In 2020, at the beginning of the pandemic, the Vivo Brincar Em Casa (Vivo Play At Home) campaign came as another content option for adults and children looking for activities that inspire offline moments together. Weekly content, such as play tutorials, tips and activities, were posted organically on Vivo's main channels (Instagram, Twitter and YouTube). These posts were boosted in September and October, reaching even more people.



To
learn
more

Click here and
access the Vivo
Brincar (Vivo
Play) page





Dialogando (Dialog)

A pioneering initiative for the conscious use of technologies, the Dialogando (Dialog) portal gathers content on sustainability, innovation, entertainment, education, behavior and safety. The platform, created by Vivo and present in 11 countries besides Brazil, stimulates dialogue and reflection in society, always under a technological point of view and its impacts.

The posts, podcasts, articles and other materials published are produced by a multidisciplinary team of journalists, advertisers and researchers linked to the technology area, who act as curators of the information made available. The content also has the seal of non-governmental organizations, such as Safernet.

Dialogando (Dialog) Portal in 2020

In 2020, the dissemination of content that helped people to deal with the impacts of Covid-19, especially in digital life, deserved a special mention. Disclosures ranged from security when shopping online and using apps to healthy habits to deal with social distancing and keep the body and mind active during quarantine. Another important communication front of Dialogando (Dialog) was the fight against fake news. We published 31 articles on the portal that guided internet users on how to identify the veracity of a news story. This series of materials had approximately 546 thousand accesses.



3.2 billion
people in the world have
access to the internet

22% of the time
spent online is to access
social networks

96% of millennials
have profiles in one of
these networks



Click here and access the
Dialogando (Dialog) campaign
with tips to deal with the effects
of the pandemic



Relationship with **SUPPLIERS**

Annually, more than 1.2 thousand companies are hired by Vivo to provide products and services that are indispensable for the realization of our purpose to Digitalizar para Aproximar (Digitize to Bring Closer). Our company handles almost R\$ 25 billion a year with these partners and, therefore, we guarantee to operate DNA Vivo in this entire supply chain.

This business relationship, guided by ethics and transparency, is based on the guidelines of the Sustainability Policy for the Supply Chain, implemented since 2016 and revised in 2019. The document establishes the Principles and Minimum Criteria for a Responsible Business that our suppliers must follow. In 2020, we

released the updated policy to our partners, reinforcing the commitment to key themes in human rights, the right to disconnect, diversity and inclusion, privacy and digital security.

All of our quotation, purchase and contracting processes are carried out through a digital and online platform, in which registered suppliers present documents proving their fiscal regularity. Through this system, we also signaled the acceptance of the Sustainability Policy for the Supply Chain, as well as the terms and conditions set out in the anti-corruption clauses and the Responsible Business Principles.

	2020	2019	2018
Suppliers hired			
Total suppliers	1,229	1,247	1,301
Local suppliers ¹	96.2%	96.9%	97.8%
Total expenses with suppliers (R\$ billion)	24.8	25.7	23.5
Expenses on local suppliers ¹	98.7%	99.1%	99.7%

1. Suppliers in Brazil are considered local. The amounts are consolidated for the entire Vivo operation, with no segmentation of operating units.

Supplier risk assessment

To improve our supply chain management, with a focus on promoting sustainability and DNA Vivo, we have developed a risk matrix that identifies the suppliers with the highest level of criticality for Vivo's business. Companies that operate in these segments undergo administrative audits throughout the contracting process.

Our goal for the 2021-2022 biennium is to strengthen this monitoring process through documentary and in person audits, focused on monitoring the execution of action plans and improvements to correct eventual non-conformities, aiming at the development and evolution of suppliers.

In this way, we aim to mitigate risks related to the safety of activities, accidents with people, relationships with customers and labor practices that are not in accordance with our values or the legislation, among other aspects.

Supplier categories with the highest level of criticality

Sales channels	Works and constructions
Network maintenance and equipment installation	Property security, surveillance and transportation of valuables



Monitoring of suppliers

After contracting, our suppliers are monitored by Vivo’s teams during the fulfillment of contracts to ensure adherence to our principles and compliance with legal and regulatory requirements. This procedure is carried out through internal processes and partnerships with independent platforms focused on the assessment of suppliers.

Among the existing platforms, we use Ecovadis, which provides instruments for a documentary audit focused on sustainability criteria, covering ethical, social, environmental and supply chain management aspects, including conflict zone minerals. Ecovadis’ methodology for assessing

sustainability performance, shown in the side table, was used in more than 150 countries, being applied to a total of 138 Vivo suppliers in 2020.

We carry out our own administrative audits, focused on the evaluation of aspects related to human rights, workers’ health and safety, security, privacy and data protection, among other topics. Suppliers are selected to undergo these monitoring processes based on criteria that involve not only the financial amount involved in contracting, but also the criticality and the risk level for Vivo’s business.



Audits and Self-Assessment at Vivo’s suppliers

	2020	2019	2018
Allies - focus on sustainability	5	9	21
Information privacy and security	88	54	64

Critical partners for the Environmental Management System (EMS)

In the environmental area, suppliers are evaluated considering their activities and their environmental aspects, such as gas emissions, waste generation, storage and handling of dangerous products and readiness to deal with environmental emergencies. In this way, we are able to prioritize management over suppliers in relation to the potential environmental impact. In line with the requirements of ISO 14001, we prioritize the most critical suppliers for the EMS and monitor this group through documentary audits. In 2020, 168 contracts were monitored.



Third Party/Allied Management

In our operations, we have an expressive number of service providers, which we call Allies, to carry out activities that improve the experience of our customers and guarantee the infrastructure quality we provide. In 2020, through our 1,134 labor suppliers, more than 101 thousand professionals were allocated at different stages of our business model.

We have a specific area - Allied Management - to monitor and verify legal compliance, safety standards and application of the Responsible Business Principles for service providers. This team's duties include carrying out on-site and/or documentary inspections, on a monthly basis, of most of the allied companies with which we have current contracts.

This work is monitored by the Allies Committee, which provides the status of contractual compliance by supplier companies with respect to all items monitored in our internal processes.

Number of allied suppliers by type	2020	2019	2018
Call Centers	28,305	30,574	37,741
Dealers	22,134	27,041	27,075
Health professionals	9	63	115
Network	34,872	33,675	39,566
Others	15,870	16,391	17,514
Total	101,190	107,744	122,011



REPORT Attachments

Since 2004, Vivo has released its Sustainability Report annually. This is an important document to be accountable to society and to show the alignment of our business with the global sustainable development agenda. As signatories to the Global Compact, this publication also highlights our progress in promoting human rights, decent work, conserving environmental resources and combating corruption.

Committed to the timely communication of Vivo's corporate sustainability performance, we made the ESG Annual Report publicly available to stakeholders, together with the disclosure of financial results in March 2021. This complementary version of the Sustainability Report brings together highlights of our work on key themes for an integrated view of environmental, social and governance aspects.

This Report has been prepared in accordance with the GRI Standards: Essential option. The GRI Standards are the most adopted model in the world for the elaboration of this type of document, and their disclosure and

continuous improvement involve stakeholders from different nations, under the coordination of the Global Reporting Initiative (GRI). The publication also looks at the Integrated Reporting framework and disclosure requirements of the other transparency platforms in which we participate, such as B3's Corporate Sustainability Index (ISE) and the Dow Jones Sustainability Index.

The data presented here covers the period from January 1 to December 31, 2020. The document was submitted to an independent audit, as in previous years (check out the assurance report on page 99). The assurance of the Sustainability Report is coordinated globally by the Grupo Telefónica and the budget for this process is approved within the scope of the company's Audit Committee, involving members of the governance structure. Any data re-presented is flagged throughout the content.



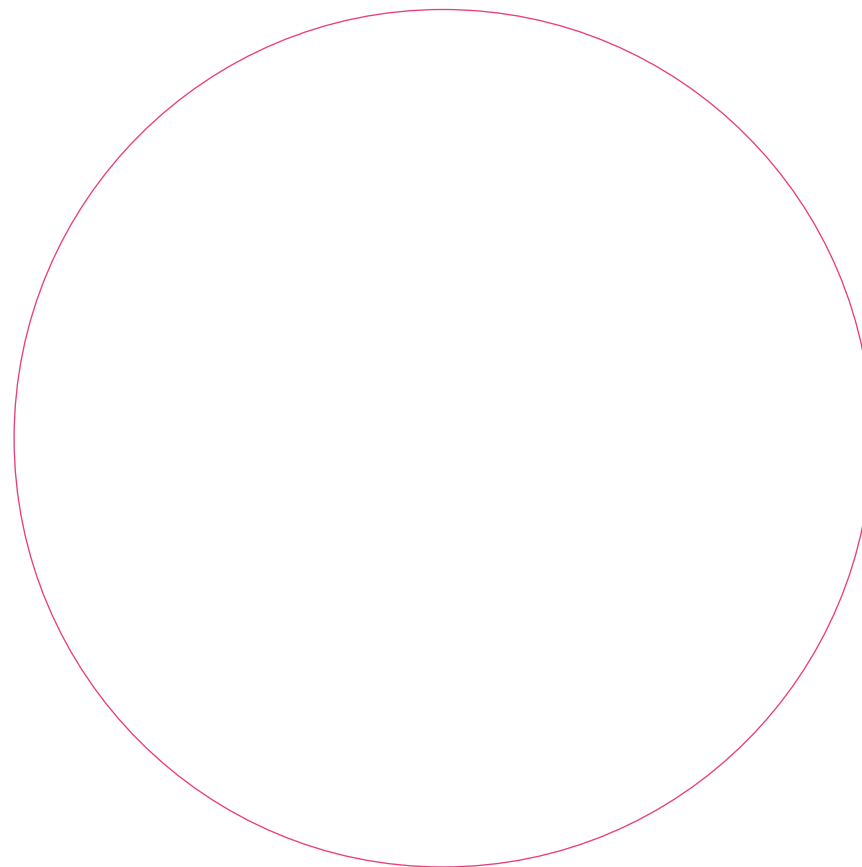
Send comments,
doubts and suggestions
related to the Report
to our team by e-mail
**[sustentabilidade.br@
telefonica.com](mailto:sustentabilidade.br@telefonica.com)**



Materiality matrix

The content of the Report is guided by the materiality matrix, prepared in accordance with the principles to define the GRI content. The current matrix, which brings together the material topics addressed in this reporting cycle, was prepared in 2018 and revised in 2019, based on a broad consultation process with our stakeholders (service providers, customers, business partners, executives, market peers, investors and shareholders, government, financial institutions, employees, press and media), also considering the Responsible Business Plan and the Stakeholders Panel, promoted worldwide by Grupo Telefónica. The Stakeholders Panel is conducted based on a methodology developed internally, implemented and validated by Ipsos (a multinational market research company). This methodology allows us to obtain the materiality matrix in accordance with the principles established by the GRI (Global Reporting Initiative) Standards. These principles determine that the materiality analysis must consider the aspects that reflect the company's impact on economic, environmental and social issues and how these issues influence the decision-making about the company by its audiences.

In 2020/2021, we are conducting a new materiality review. We believe that the Covid-19 pandemic has generated important changes in the operation of markets and society, which undoubtedly impact the expectations of interested parties. The scenario we are experiencing has accelerated trends that already existed and reinforces the idea that social, environmental and governance problems involve financial risks and must be managed appropriately. For this reason, we have carried out a new update in order to identify these changes and to measure their impact. The results of the ongoing consultation will guide Vivo's next report.



Click here and learn more about how we prepared our materiality matrix in the 2019 Sustainability Report

Continuous engagement

Since 2016, the Grupo Telefónica promotes online meetings of the Stakeholders Panel every six months. This forum brings together representatives of the company’s main global stakeholders and experts to discuss relevant topics in the integration of sustainability into our business.

At the national level, this practice was translated into the Responsible Business Panel. Structured in two levels of representation, this panel allows us to strengthen the relationship with the participating stakeholders and discuss priority issues on the local agenda. Within the scope of the Responsible Business Panel, we have the Advisory Panel, made up of 10 to 12 specialists, and the Extended Panel, which covers a representative number of interested parties.

The identification of Vivo’s stakeholders follows internal regulations, which define them as the groups whose needs, interests or expectations are directly or indirectly affected by the development of the company’s activity, and therefore have the ability to directly or indirectly influence its performance. In this process, we considered as main inputs a theoretical list of stakeholders associated with the telecom model, the stakeholders prioritized by Grupo Telefónica and the audiences identified by peer companies in Brazil and abroad.

Among the identified audiences are: academia (universities), shareholders and Investors, Anatel, multilateral associations (UN, UNESCO, UNICEF and others), sector associations (SindiTel, TeleBrasil, ASIET and others), customers, employees, local communities, competitors, suppliers, governments (federal, state or municipal), press, influencers and social networks, financial institutions, media, third parties, non-governmental organizations, Procon and Society in general.

In 2020, the development of a good practices manual for engagement with stakeholders, based on the AA1000 standard, deserved special mention.

Communication channels with stakeholders	Dialogue channel	Impact KPI
Customers	Meu Vivo App	Unique users
	URA	Customers served
	Digital channels	Total Customers
Employees	E-NPS	Answer rate
	Workplace	Percentage of monthly active users
Society	Reputation	Number of interviews carried out (RepTrak®)
Opinion leaders and media and communication services	Press releases and interviews	Communication management



Complement to **GRI CONTENTS** and management indicators

102-3 | Location of headquarters

Our headquarters are located in the city of São Paulo (SP).

102-8 and 102-41 | Information on employees and other workers and Collective bargaining agreements

At the end of 2020, we had 33,828 permanent employees, of whom 33,713 had an employment contract for an indefinite period and were covered by collective bargaining agreements or conventions. The other 115 refer to apprentices, whose employment contract is for a fixed term. In addition, our team included 81 interns, 44 men and 37 women.

Number of permanent employees per workday*

	2020		2019		2018	
	Men	Women	Men	Women	Men	Women
Integral	16,451	9,412	16,632	8,738	16,365	8,491
Partial	2,413	4,483	2,505	4,918	2,690	5,092
Total	18,864	13,895	19,137	13,656	19,055	13,583

*Does not contain data from Tlog, TIS and apprentices

102-45 | Entities included in the consolidated financial statements

The complete list of entities included in the Financial Statements can be found on page 29, Item 2, d, in the document: <http://ri.telefonica.com.br/pt/documentos/2206-DF-Anuais-Completa-2020.pdf>. The governance, environmental and social information reported in this Report represents 98.7% of the scope of financial statements.

205-1 | Operations assessed for risks related to corruption

The Compliance area is responsible for monitoring the basic compliance risk and the specific integrity risk, which includes the topic of corruption and which, when identified, is reported to the Audit area for inclusion in the company's risk map, which is a confidential document and therefore will not be disclosed in this Report. As it is a qualitative assessment, a tool for this purpose has not been implemented.

GRI 205-2 | Communication and training about anti-corruption policies and procedures

Percentage of employees trained in the Responsible Business Principles¹

General (total number of Telefônica employees)	89.4%
% of subsidiaries trained	100%
% of joint ventures trained	100%

1. Training in the Responsible Business Principles is applied globally by Grupo Telefônica. The percentage refers to Brazilian employees invited by the Group to undergo training in the year.



DJSI | Average Power Usage Effectiveness (PUE)

Energy intensity in Data Centers in 2020

Total internal electricity consumption (MWh)*	72.341,94
Chucri Data Center	2.99
Bonfim Data Center	2.00
Osasco Data Center	4.12
CIS Data Center	2.91

*Only considers its own DC, CIS and three other leased ones (CIC, NDC, TB I).

GRI 302-1 | Energy consumption within the organization

Fuel consumption (thousand liters)	2020	2019	2018
In the fleet			
Diesel	161	167	181
Gasoline	3,822	4,134	4,802
Ethanol	5,192	6,529	6,904
Total	9,175	10,830	11,888
On the operation			
Diesel	1,189	1,537	1,634
Gasoline	177	364	326
Total	1,366	1,901	1,959

102-13 | Membership of associations

Vivo is associated and participates in meetings in the following sectorial entities: Brazilian Association of Information and Communication Technology Companies (Brasscom); Brazilian Association of Competitive Telecommunications Service Providers (Telcomp); Brazilian Association of Company-Customer Relations (Abrarec); Brazilian Business Communication Association (Aberje); Brazilian Telecommunications Association (Telebrasil); Brazilian Pay TV Association (ABTA); Inter-American Telecommunications Companies Association (Asiet); American Chamber of Brazil-United States Commerce (Amcham); Brazilian Business Council for Sustainable Development (CEBDS); Brazilian Institute of Studies on Competition, Consumption and International Trade (Ibrac); and the National Union of Telephone and Mobile and Personal Service Companies (Conexis Brasil Digital). In 2020, Vivo did not make contributions to tax-exempt groups, such as spending on political campaigns, political organizations, lobbyists or lobbying organizations.

Contributions to tax-exempt groups by organization made in 2020 (R\$)

Conexis Brasil Digital	568,107.25
ABTA	346,200.00
Telebrasil	129,344.00
Brasscom	107,320.74
IBRAC	16,104.00
ABERJE	33,408.00
ABDTIC	20,000.00
Others	85,111.00
Total	1,305,594.99

DJSI | Performance evaluation of the Board and the Executives

Annually, the Board of Directors members perform a self-assessment of performance, through an online survey with 19 questions, organized in five groups and related to the structure and operation of the Board of Directors. The results of this process are presented annually at a collegiate meeting. This assessment contributes to the continuous improvement of governance, but it is not related to variable remuneration, since the directors receive only fixed remuneration.

Within the management scope, Executives are eligible for variable remuneration, determined from financial and non-financial elements:

- Total revenue;
- Operational result;
- Cash flow;
- Net Promoter Score (NPS) - result of the year and gap in relation to the best competitor;
- RepTrak® (corporate reputation index);
- Greenhouse gas emissions;
- Percentage of women in senior leadership positions.

This group is also eligible for the Performance Shares Plan, which consists of granting a certain number of shares of Telefônica S.A., its parent company, as long as the requirements set forth in the program are met. This plan considers financial indicators and the Total Shareholder Return (TSR). It does not have a clawback clause and does not allow shares to be exercised if the predefined performance indicators are not met.



306-3, 306-4 e 306-5 | Waste generated, Waste diverted from disposal and Waste directed to disposal

Waste destination for other treatments (tons)	2020	2019	2018
Operational and office RAEE (Electrical and Electronic Appliances Waste)	64.0	ND	ND
Batteries (hazardous waste)	6.3	ND	ND
Other waste ¹	90.8	ND	ND
Total waste destined for other treatments	161.1	ND	ND

1. Cables and metals are included in the "Other waste" category.

Reuse of materials (tons)	2020	2019	2018
Modems, routers and decoders	424.4	419.6	528.0
Customer cell phones	9.29	16.7	11.9
Total	433.7	436.3	539.9

Waste rates (tons) in 2020

Total waste generated	15,359
Total waste used/recycled/sold	14,366
Total waste disposed	831
Total waste destined for other treatments	161

GRI 401-1 | New employee hires and employee turnover

Turnover in 2020 ¹	Number of hires	Hiring rate ²	Number of dismissals	Turnover rate ³
By gender				
Men	2,162	11.50%	2,437	12.19%
Women	2,370	17.10%	2,129	16.19%
By age group				
Up to 30 years old	2,304	28.08%	1,773	24.84%
Between 30 and 50 years old	2,142	9.66%	2,598	10.69%
Over 50 years old	86	3.62%	195	5.92%
By region				
North	102	17.50%	120	19.00%
Northeast	418	12.55%	487	13.60%
Midwest	195	10.25%	379	15.10%
South	1,811	19.68%	1,905	20.20%
Southeast	2,006	11.31%	1,675	10.40%
Sao Paulo	1,655	11.55%	1,333	10.40%
Total	4,532	13.8%	4,566	13.9%

1. It considers permanent employees (does not include interns, apprentices, third parties and advisers). Covers data from Telefônica Brasil S.A. (excluding TISA Hub São Paulo and apprentices) and Terra Networks Brasil S.A.

2. Calculated as the number of hires over headcount at the end of the period.

3. Calculated as (total hires + total dismissals)/2 over headcount at the end of the period.



403-3 e 403-6 | Occupational health services and Promotion of worker health

Flexible working hours | Employees can agree with their managers to change the lunch time, from the standard model of 1 hour and a half without clocking in to an interval of 1 hour with mandatory clock in.

Working from home (home office) | Remote work up to twice a week was already common practice before the pandemic.

Daycares or contributions | All employees in administrative areas with children up to 7 years of age can receive the benefit of daycare assistance, as long as they prove the child's enrollment in a school or daycare. For those with dependents between 1 month and 3 years of age, there is also the possibility of receiving babysitting assistance. In addition, employees who have children with disabilities, regardless of age, may receive special assistance after approval by Vivo's medical team.

Maternity and paternity leave paid in addition to the legally required minimum | Professionals entitled to leave continue to receive remuneration equivalent to the one they had when they were not on leave. The variable installments are estimated by the average of the last six months, and the discounts applicable by law, adherence to health and social security and union plans, among others, are not changed. Women take 6 months of leave, while men are entitled to 30 days of leave.

Occupational health services | We operate in accordance with the legislation in the periodic monitoring of the employees' health.

405-1 | Diversity of governance bodies and employees

At the end of 2020, our Board of Directors and Audit Board consisted of 15 members, with 4 women (26.7%) and 11 men (73.3%). Twelve of these members (80%) were over 50 years old, with the others (20%) aged between 30 and 50 years old.

Composition of functional levels in 2020*

	Management positions	Intermediate leadership positions	Other positions
By gender			
Men	74.6%	69.1%	56.2%
Women	25.4%	30.9%	43.8%
By age group			
Up to 30 years old	0.0%	4.2%	27.6%
Between 30 and 50 years old	74.6%	84.9%	65.7%
Over 50 years old	25.4%	10.9%	6.7%

* It considers permanent employees (does not include interns, apprentices, third parties and advisers). Covers data from Telefônica Brasil S.A. (excluding TISA Hub São Paulo and apprentices) and Terra Networks Brasil S.A.

409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor

We do not allow or tolerate any practice of forced or slave-like labor in our operations. Such topics are part of the Global Human Rights Policy (launched in May 2019) and our Responsible Business Principles (our code of conduct). These values are explicit and are replicated in our Supply Chain Sustainability Policy and included in the standard contract clauses of Grupo Telefónica, whereby all suppliers undertake to follow these guidelines. To monitor compliance with these clauses and guidelines, we monitor, through the Allies Management System, the risks related to labor practices with the labor monitoring procedure, focused on the labor used by suppliers and allies in the services provided to the company. Documentary audits (in 2020 alone, 2,478 administrative audits were carried out) and in-person audits (175 audits in 2020) are carried out annually. This monitoring is based on a Supplier Risk Matrix, which crosses the maturity level of the companies' human resources management with the level of economic dependence regarding Vivo.

417-3 | Incidents of non-compliance concerning marketing communications

In 2020, Vivo was involved in 123 consumer lawsuits (including Procon) involving a discussion about marketing and advertising communications (misleading advertising). Of these, 27 are already closed. The total amount involved in the lawsuits still in progress is R\$ 15,562,053.95.

Demands received from competent authorities in 2020*

Telephone and telematic interceptions	363,125
Metadata	2,550,060
Blocking websites	40,763
Suspension of services	6,373

*100% of requests are fulfilled according to the guidelines and restrictions present in the legislation and regulations in force.

	Fixed	Mobile
Network quality in 2020		
Interruption frequency	0.22	1.74
Interruption duration (hours)	1.77	0.08

415-1 | Political contributions

Telefônica Brasil does not make contributions to political parties, as established in our Responsible Business Principles



Summary of GRI CONTENT

GRI Standard		Disclosure	Page	Omissions	Global Compact	SDG
GRI 101 Foundation 2016						
General disclosures						
GRI 102 General disclosures 2016	Organizational profile					
	102-1 Name of the organization		6	-	-	-
	102-2 Activities, brands, products, and services		6, 11 and 27	-	-	-
	102-3 Location of headquarters		89	-	-	-
	102-4 Location of operations		11	-	-	-
	102-5 Ownership and legal form		15	-	-	-
	102-6 Markets served		6, 11 and 27	-	-	-
	102-7 Scale of the organization		12, 13 and 14	-	-	-
	102-8 Information on employees and other workers		44, 45 and 89	-	6	8 and 10
	102-9 Supply chain		82, 83 and 85	-	-	-
	102-10 Significant changes to the organization and its supply chain		25	-	-	-
	102-11 Precautionary Principle or approach		17, 18, 19, 51 and 65	-	-	-
	102-12 External initiatives		56	-	-	-
	102-13 Membership of associations		90	-	-	-
	Strategy					
	102-14 Statement from senior decision-maker		3, 4 and 5	-	-	-
	Ethics and integrity					
	102-16 Values, principles, standards, and norms of behavior		6, 32, 58 and 60	-	10	16
	102-17 Mechanisms for advice and concerns about ethics		61	-	10	16



GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
GRI 102 General disclosures 2016	Governance				
	102-18 Governance structure	15	-	-	-
	Stakeholder engagement				
	102-40 List of stakeholder groups	87 and 88	-	-	-
	102-41 Collective bargaining agreements	89	-	3	8
	102-42 Identifying and selecting stakeholders	87 and 88	-	-	-
	102-43 Approach to stakeholder engagement	87 and 88	-	-	-
	102-44 Key topics and concerns raised	87 and 88	-	-	-
	Reporting practice				
	102-45 Entities included in the consolidated financial statements	89	-	-	-
	102-46 Defining report content and topic Boundaries	87	-	-	-
	102-47 List of material topics	87	-	-	-
	102-48 Restatements of information	86	-	-	-
	102-49 Changes in reporting	87	-	-	-
	102-50 Reporting period	86	-	-	-
	102-51 Date of most recent report	86	-	-	-
	102-52 Reporting cycle	86	-	-	-
	102-53 Contact point for questions regarding the report	86	-	-	-
	102-54 Claims of reporting in accordance with the GRI Standards	86	-	-	-
	102-55 GRI content index	94, 95, 96, 97 and 98	-	-	-
	102-56 External assurance	86 and 99	-	-	-



GRI Standard		Disclosure	Page	Omissions	Global Compact	SDG
Material topic Ethic						
GRI 103 Management approach 2016 ¹	103-1 Explanation of the material topic and its Boundary	60, 61, 62, 63, 64 and 87	-	-	-	
	103-2 The management approach and its components	60, 61, 62, 63 and 64	-	-	-	
	103-3 Evaluation of the management approach	57, 60, 61, 62, 63 and 64	-	-	-	
GRI 205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	89	-	10	16	
	205-2 Communication and training about anti-corruption policies and procedures	60 and 89	-	10	16	
GRI 415 Public Policy 2016	415-1 Political contributions	93	-	10	16	
Material topic Contribution to progress						
GRI 103 Management approach 2016 ²	103-1 Explanation of the material topic and its Boundary	8, 9, 10, 13, 23, 24, 25, 78, 79 and 87	-	-	-	
	103-2 The management approach and its components	8, 9, 10, 13, 23, 24, 25, 78 and 79	-	-	-	
	103-3 Evaluation of the management approach	8, 9, 10, 13, 23, 24, 25, 57, 78 and 79	-	-	-	
GRI 201 Economic performance 2016	201-1 Valor econômico direto gerado e distribuído	21			8 and 9	
GRI 203 Indirect economic impacts 2016	203-1 Investimentos em infraestrutura e apoio a serviços	20 and 23	-	-	5, 9 and 11	
	203-2 Impactos econômicos indiretos significativos	13	-	-	1, 3 and 8	
Material topic Promise to the customer						
GRI 103 Management approach 2016 ³	103-1 Explanation of the material topic and its Boundary	32, 33, 34, 35, 36, 37 and 87	-	-	-	
	103-2 The management approach and its components	32, 33, 34, 35, 36 and 37	-	-	-	
	103-3 Evaluation of the management approach	32, 33, 34, 35, 36, 37 and 57	-	-	-	
GRI 417 Marketing and labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	93			16	
Material topic Digital trust						
GRI 103 Management approach 2016 ⁴	103-1 Explanation of the material topic and its Boundary	38, 39, 40, 41, 42, 80, 81 and 87	-	-	-	
	103-2 The management approach and its components	38, 39, 40, 41, 42, 80 and 81	-	-	-	
	103-3 Evaluation of the management approach	38, 39, 40, 41, 42, 57, 80 and 81	-	-	-	
GRI 418 Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	38	-	-	16	

1. The management approach refers to all GRI topics under the theme "Ethic".

2. The management approach refers to all GRI topics under the theme "Contribution to progress".

3. The management approach refers to all GRI topics under the theme "Promise to the customer".

4. The management approach refers to all GRI topics under the theme "Digital trust".



GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
Material topic Talent management					
GRI 103 Management approach 2016 ⁵	103-1 Explanation of the material topic and its Boundary	44, 45, 46, 47, 48, 49, 50, 51, 52, 53 and 87	-	-	-
	103-2 The management approach and its components	44, 45, 46, 47, 48, 49, 50, 51, 52 and 53	-	-	-
	103-3 Evaluation of the management approach	44, 45, 46, 47, 48, 49, 50, 51, 52, 53 and 57	-	-	-
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	91	-	6	5, 8 and 10
GRI 403 Occupational health and safety 2018	403-1 Occupational health and safety management system	52	-	-	8
	403-2 Hazard identification, risk assessment, and incident investigation	52	-	-	8
	403-3 Occupational health services	51 and 92	-	-	8
	403-4 Worker participation, consultation, and communication on occupational health and safety	52 and 53	-	-	8 and 16
	403-5 Worker training on occupational health and safety	51 and 52	-	-	8
	403-6 Promotion of worker health	18, 51 and 92	-	-	3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	19	-	-	8
	403-8 Workers covered by an occupational health and safety management system	52	-	-	8
	403-9 Work-related injuries	53	-	-	3, 8 and 16
	403-10 Work-related ill health	53	-	-	3, 8 and 16
GRI 404 Training and education 2016	404-1 Average hours of training per year per employee	49	-	6	4, 5, 8 and 10
GRI 405 Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	44, 46, 47 and 92	-	6	5 and 8
	405-2 Ratio of basic salary and remuneration of women to men	44	-	6	5, 8 and 10

5. The management approach refers to all GRI topics under the theme "Talent management".



GRI Standard		Disclosure	Page	Omissions	Global Compact	SDG
Material topic Supply chain sustainability						
GRI 103 Management approach 2016 ⁶	103-1 Explanation of the material topic and its Boundary		82, 83, 84, 85 and 87	-	-	-
	103-2 The management approach and its components		82, 83, 84 and 85	-	-	-
	103-3 Evaluation of the management approach		57, 82, 83, 84 and 85	-	-	-
GRI 204 Procurement practices 2016	204-1 Proportion of spending on local suppliers		82	-	-	8
GRI 308 Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria		84	-	8	-
	308-2 Negative environmental impacts in the supply chain and actions taken		84	-	8	-
GRI 409 Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		93	-	4	8
GRI 414 Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria		84 and 85	-	2	5, 8 and 16
	414-2 Negative social impacts in the supply chain and actions take		84 and 85	-	2	5, 8 and 16
Material topic Environment						
GRI 103 Management approach 2016 ⁷	103-1 Explanation of the material topic and its Boundary		65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77 and 87	-	-	-
	103-2 The management approach and its components		65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76 and 77	-	-	-
	103-3 Evaluation of the management approach		57, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76 and 77	-	-	-
GRI 301 Materials 2016	301-3 Reclaimed products and their packaging materials		77	-	8	8 and 12
GRI 302 Energy 2016	302-1 Energy consumption within the organization		67 and 90	-	7 and 8	7, 8, 12 and 13
	302-3 Energy intensity		68	-	8	7, 8, 12 and 13
	302-4 Reduction of energy consumption		68	-	8 and 9	7, 8, 12 and 13
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions		70 and 71	-	7 and 8	3, 12, 13, 14 and 15
	305-2 Energy indirect (Scope 2) GHG emissions		70 and 71	-	7 and 8	3, 12, 13, 14 and 15
	305-3 Other indirect (Scope 3) GHG emissions		70	-	7 and 8	3, 12, 13, 14 and 15
	305-4 GHG emissions intensity		70	-	8	13, 14 and 15
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts		76 and 77	-	8	3, 6, 11 and 12
	306-2 Management of significant waste-related impacts		76 and 77	-	8	3, 6, 11 and 12
	306-3 Waste generated		91	-	8	3, 11 and 12
	306-4 Waste diverted from disposal		76 and 91	-	8	3, 11 and 12
	306-5 Waste directed to disposal		76 and 91	-	8	3, 11 and 12

6. The management approach refers to all GRI topics under the theme "Supply chain sustainability".

7. The management approach refers to all GRI topics under the theme "Environment".



Independent auditors' limited assurance report on the sustainability data contained in the Sustainability Report 2020

To the Board of Directors and Stockholders
Telefônica Brasil S.A.
São Paulo - SP

Introduction

We were appointed by **Telefônica Brasil S.A.** ("Company" or "Telefônica") to submit our limited assurance report on the compilation of sustainability data contained in the **Sustainability Report 2020** of **Telefônica** for the year ended December 31, 2020.

Management's responsibilities

The Company's management is responsible for the preparation and proper presentation of the sustainability data included in the **Sustainability Report 2020**, pursuant to the criteria of the Global Reporting Initiative (GRI STANDARDS) and for the internal controls that it deems necessary to support the preparation of this data free of material misstatement, whether due to fraud or error.

Independent auditors' responsibility

Our responsibility is to express a conclusion on the sustainability data included in the **Sustainability Report 2020**, based on our limited assurance engagement carried out pursuant to Technical Communication CTO 01 – "Issuance of an Assurance Report Related to Sustainability and Social Responsibility", issued by the Brazilian Federal Accounting Council (CFC), based on the Brazilian standard NBC TO 3000 – "Assurance Engagements Other than Audit and Review", also issued by the CFC, which is equivalent to international standard ISAE 3000 – "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board (IAASB). These standards require the enforcement of ethical and independence requirements, as well as other responsibilities, including as to the Brazilian Standard on Quality Control (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures for the fulfillment of ethical requirements, professional standards, and applicable legal and regulatory requirements.

These standards also require the engagement to be planned and performed to obtain limited assurance that the sustainability data included in the **Sustainability Report 2020**, taken as a whole, is free of material misstatement.

A limited assurance engagement conducted pursuant to Brazilian standard NBC TO 3000 and ISAE 3000 mainly consists of making inquiries to Company management and other professionals involved in the preparation of the sustainability data, as well as applying analytical procedures to obtain evidence that enables the issuance of a limited assurance conclusion on the data taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead the auditor to believe that the data taken as a whole might present material misstatements.

The selected procedures were based on our understanding of the aspects related to the compilation and presentation of the sustainability data included in the **Sustainability Report 2020**, on other conditions of the engagement and on our analysis of the areas in which material misstatements might exist. The following procedures were adopted:



- (a) Planning the work, taking into account the materiality and the volume of quantitative and qualitative data, and the operating and internal control systems that were used to prepare the sustainability data included in the Company's **Sustainability Report 2020**;
- (b) Understanding the calculation methodology and the procedures adopted for the compilation of indicators through interviews with the managers responsible for the preparation of the data;
- (c) Applying analytical procedures to quantitative data and making inquiries regarding the qualitative data and its correlation with the indicators disclosed in the sustainability data included in the **Sustainability Report 2020**;
- (d) Comparing the financial indicators with the financial statements and/or accounting records.

The limited assurance engagement also included tests to assess compliance with the guidelines and criteria of the Global Reporting Initiative (GRI Standards), Core option, applied in the preparation of the sustainability data included in the **Sustainability Report 2020**.

We believe that the evidence we obtained is adequate and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied in a limited assurance engagement are substantially less comprehensive than those applied in a reasonable assurance engagement, the objective of which is to issue an opinion on the sustainability data included in the **Sustainability Report 2020**. Consequently, we were not able to obtain reasonable assurance that we might become aware of all significant matters that might be identified in an assurance engagement, the objective of which is to express an opinion. If we had performed an engagement for the purpose of expressing an opinion, we might have identified other matters and possible misstatements in the sustainability data included in the **Sustainability Report 2020**. Therefore, we do not express an opinion on this data.

Non-financial figures are subject to more underlying limitations than financial figures, due to the nature and diversity of the approaches used to determine, calculate and estimate these figures. Qualitative interpretations of the relevance, materiality, and accuracy of the figures are subject to individual assumptions and judgments. Furthermore, we did not consider the figures reported for prior years in our engagement, nor future projections and targets.

The sustainability indicators were prepared and presented in accordance with the criteria of the GRI Standards and, therefore, do not aim to provide assurance with regard to the compliance with social, economic, environmental, or engineering laws and regulations. However, the aforementioned standards establish the presentation and disclosure of possible cases of non-compliance with such regulations when meaningful sanctions or significant fines are applied. Our limited assurance report should be read and understood in this context, which is inherent to the selected criteria (GRI Standards).

Conclusion

Based on the procedures performed, described herein, no matter has come to our attention that leads us to believe that the sustainability data included in the **Sustainability Report 2020** of **Telefônica** has not been compiled, in all material respects, in accordance with the guidelines of the Global Reporting Initiative (GRI STANDARDS).

São Paulo, April 30, 2021

PricewaterhouseCoopers

Independent Auditors

CRC 2SP000160/0-5

Maurício Colombari

Accountant Regional Accounting Council (CRC)
1SP195838/0-3

Credits

General Report Coordination
Responsible Business/Sustainability

Consulting, content and design
usina82

Photos
Telefónica's image database and
Shutterstock

Sustainability Report 2020

vivo