



RELATORIO DE SUSTENTABILIDADE 2020

GENTE E INOVAÇÃO
CONFIANÇA NO FUTURO E NO
CRESCIMENTO SUSTENTÁVEL

Algar ▶
Telecom

People management

Assistance for employees, which was already a priority for **Algar Telecom**, was reinforced in the context of in 2020's COVID-19 pandemic. In addition to monitoring employees who showed symptoms, keeping a close eye on the evolution of hospitalized employees and a properly structured testing program, we prioritized two critical groups: technicians working in the field and store attendants. Both were given protection equipment together with specific guidance on maximizing safety when attending customers.

Remote work, previously adopted in specific cases through our *Talento Flex* program, has become a viable and productive option for almost all of our activities. In addition to support in the form laptops/notebooks and office chairs to make remote workplaces more ergonomic, we launched a campaign called "Be **Algar Telecom** anywhere," in which we delivered kits containing personalized backpacks, notebooks and mugs.

Based on our own experience of the pandemic and feedback from our employees, we developed a hybrid remote work model and introduced a monthly amount to cover costs such as internet, electricity, etc. This model did not come into effect in 2020 because the second wave of infections began, and we decided to extend remote work until it is safe for everyone to go back to the office.

We did not reduce business hours or suspend contracts as authorized by Brazil's Provisional Measure 936/2020, which introduced the Emergency Employment and Income Maintenance Program. We have, however, adopted measures authorized by MP 927 to preserve employment and income in the pandemic scenario, such as postponing the constitutionally mandatory vacation bonus (1/3 monthly salary) and asking employees who had accrued vacations to take them immediately, so we did not allow them to swap their vacation for cash nor did we prepay the annual Xmas bonus ('13th monthly salary') that we used to do from April to July. Comp time and bringing holidays forward were no longer allowed. These measures helped us steady our cashflow and avoid job losses during the most critical period of the crisis.

Our internal communication was stepped up during this period, with transparent information posted periodically to highlight employee safety while engaging leaders and teams to avoid downtime and ensure continuity for our operation. We launched a campaign (called #Gentedefibra, literally 'people with fiber') to highlight the courage, commitment and dedication of our employees in all their activities. Another campaign called 'People caring for People' reflects our business purpose and restates our commitment to our employees while encouraging them to take care of each other by taking preventive measures.

Our digital communication channels delivered crucial support during the pandemic. We boosted interaction in existing channels such as our corporate intranet (Algarnet), internal social network via *Facebook (Workplace)*, remote meetings and chat tool for employees (Workplace Chat) - which has a virtual assistant called Ju, to help employees with Human Talent issues. Others were reformulated, such as our talent integration program, which gained an online video track called #SouAlgar, and our Essence program, involving management and employees in a dialogue around our strategy and culture, which migrated to 100% online delivery.

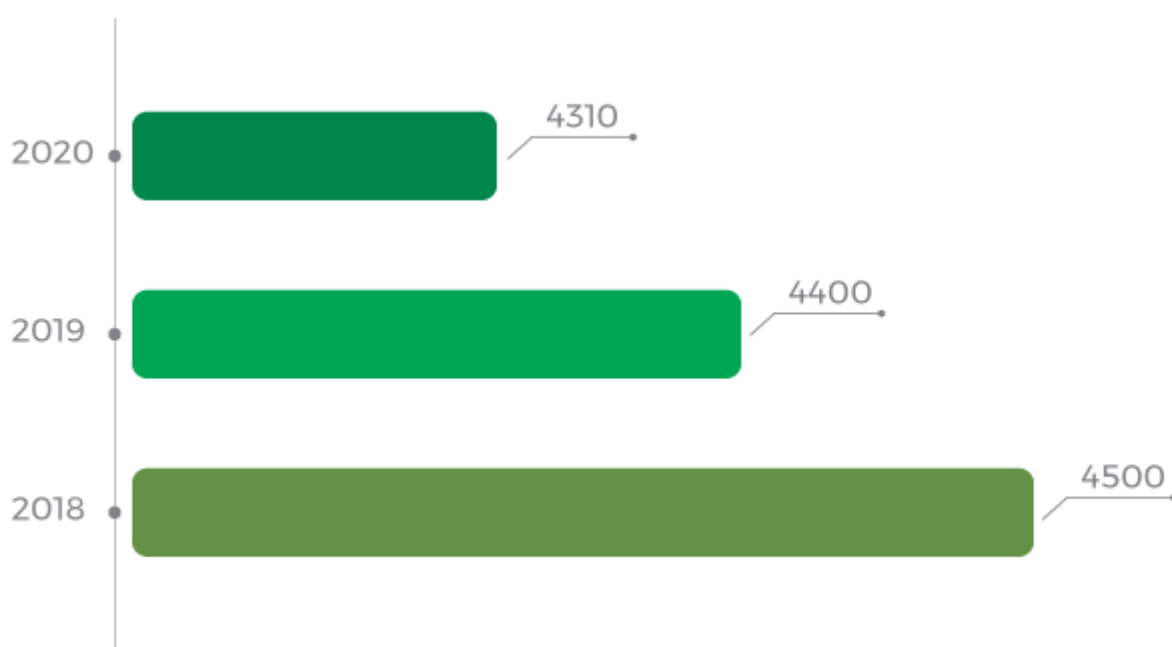
Taking care of our people, remote work and effective communication will continue to be our people-management focus in 2021.

Profile of the employees

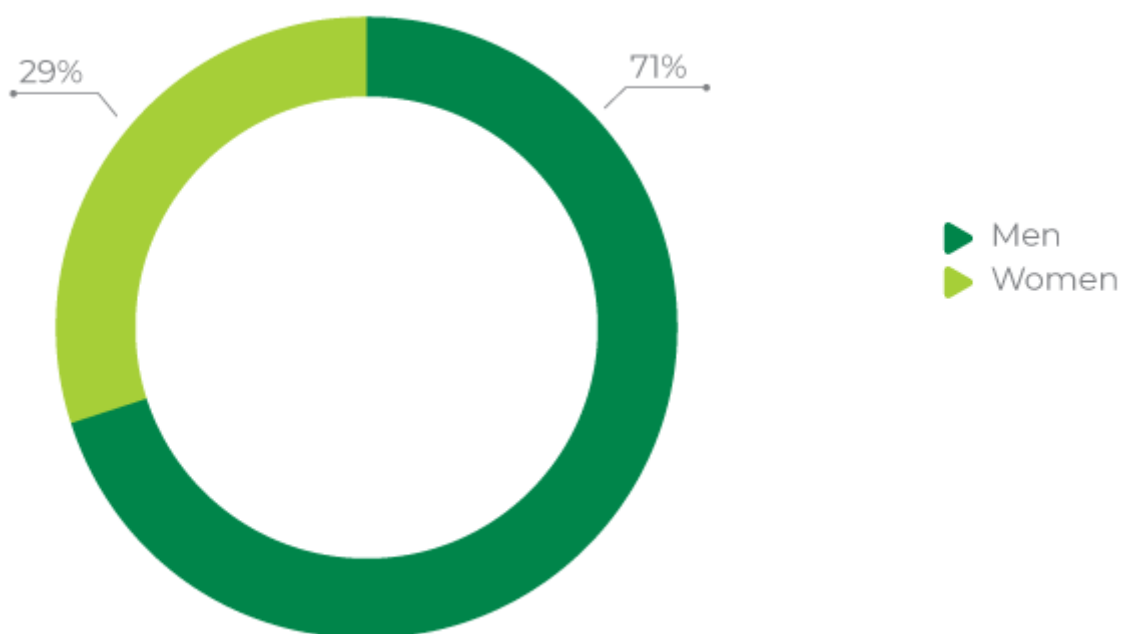
GRI 102-7, 102-8, 405-1

Our end-2020 headcount of 4,310 employees was down 2% on the previous year. This variation may be due to outsourcing some back-office processes. Our staff consists mostly of professionals from the Southeast region of Brazil, in the proportion of 70% men and 30% women (20% women at executive level). Most of our employees (63%) are in the 30-50 age group.

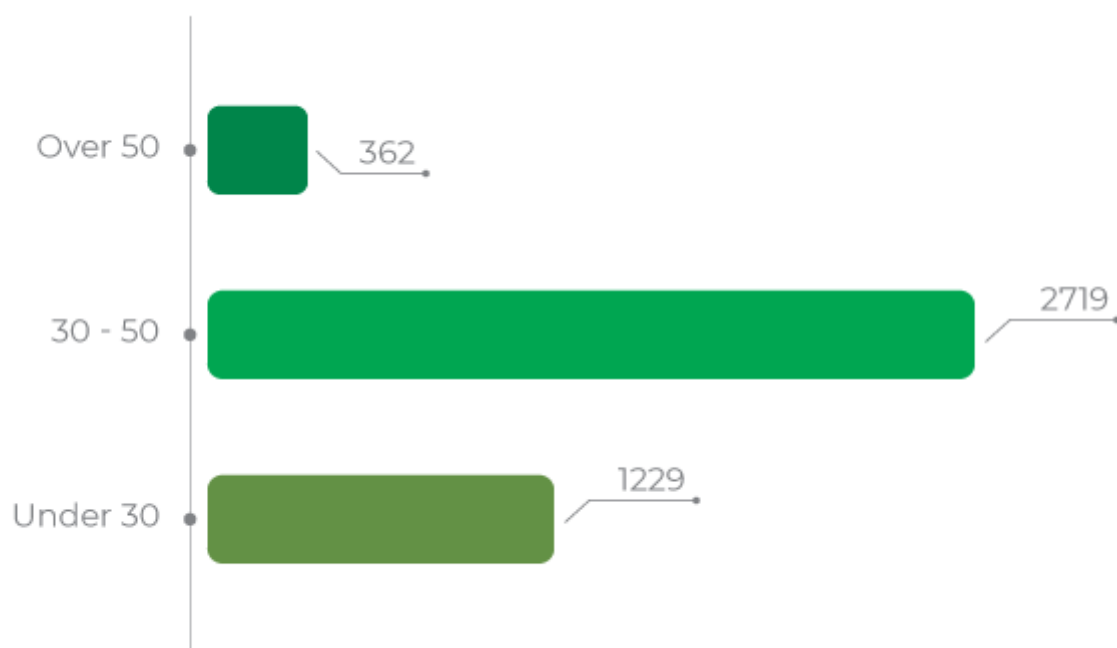
Number of employees



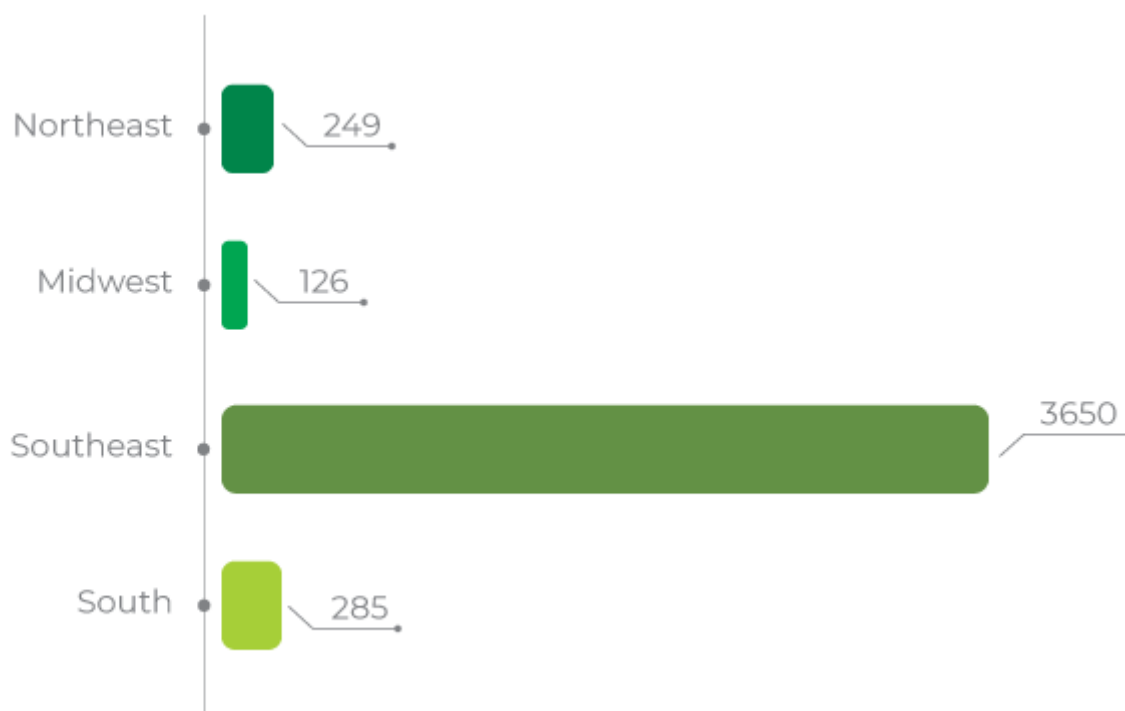
Employees' gender - 2020



Employees by age group -2020



Employees by region - 2020



Attraction and engagement

Attracting talent and engaging teams are important challenges for a market leader in its region and growing rapidly on the national level. With this in mind, in 2020 we started a plan to strengthen our image as a company that follows best people management practices and offers special conditions and benefits. We built partnerships with universities in order to attract new professionals by holding online events and presentations. We used innovative ways of advertising vacancies, including videos in which employees called on their colleagues to take part in selection processes. We launched a campaign called “Algar is for people who believe” and we stepped up our social network activities.

Since there were no longer geographic barriers to hiring, we were able to recruit talents from any region in Brazil, particularly for IT jobs. In addition, by hiring people for our regional sales teams we aim to ensure adherence to local culture while keeping our corporate culture and values strong at all times.

The initiatives we conducted to attract, engage and develop employees include performance appraisal programs, such as profit sharing, incentives for internal reallocations and merit-based promotion. Employees are appraised using the Nine Box methodology, which analyzes a professional’s past performance and potential for the future.

Staff turnover was 20% in 2020 (turnover- admissions, dismissals and relocations).

Diversity

SDGs 5 and 10

Our vision calls for strengthening respect for people and their coexistence in the workplace through practices that will not tolerate discrimination but favor actions and projects that help inclusion, focusing especially on legal compliance and lowering our company's risk levels.

In 2020, we introduced a governance model for Algar Without Barriers, which ensures a respectful and tolerant environment for differences in gender, age, disability, ethnicity and sexual orientation. We also structured indicators and targets and started monitoring them, ran internal campaigns to mobilize leaders and highlighted news of differentials already in place at **Algar Telecom**. We also mobilized employees to support new projects, and posted educational content on our intranet (Workplace).

Backed by our Diversity Committee, we conducted engagement campaigns focusing on female employees, such as a space for breastfeeding, expressing and storing breast milk during working hours, extended maternity leave, half-day working for mothers with children under one.

Our female headcount overall (28.9%) is still lower than the male number, except for Brain, where the numbers are 50-50 although women are 67% of the leadership. Our challenge is to grow and pursue gender equity.

To help women climb the ladder, in addition to our program supporting women's careers and maternity arrangements, we have a program preparing women for executive positions that highlights cases of success and balanced gender roles. Another program combats violence against women and has groups that collect workplace perceptions or insights for women.

In 2020, we signed a Letter of Adhesion to the 10 commitments drafted by the Forum on Companies and LGBTI+ Rights, in which we commit to offering an employment agenda for all, while respecting and fostering LGBTI+ rights, in a respectful, safe and healthy environment. In addition to using social names on badges, we have affinity groups collecting perceptions or insights of workplaces for LGTBI+.

We are partners of the Diversity+ Program set up by the Algar conglomerate in 2019, in partnership with the Municipality of Uberlândia, the Persons with Disabilities Municipal Council and 16 other companies in the region. The project offers apprenticeships and inclusion programs for Persons with Disabilities (PWDs). For the first stage of the program, we created a talent bank by mapping people with disabilities to then facilitate access to job opportunities and provide free training.

In 2020, we developed our 'Open Doors' program for disabled interns in some areas and admitted xxx new hires. PWDs currently number 0.7% of our employees. During the year, we also ran our Apprentice Without Barriers and Fiber Talents program and a referrals campaign to recommend People with Disabilities. Our challenges for the coming cycle, in addition to hiring, include managing accessible sales channels while arranging support and engagement for the PWDs we have hired.

We are working hard to eliminate racism and strengthen equity irrespective of race or ethnicity through our Representativity Program for hiring black workers (Afro-Brazilians). Our Fiber Talents program for racial inclusion was set up to collect workplace perceptions/insights for

black men and women. Employees described locally as ‘blacks and browns’ comprise 35.0% of our headcount. To progress toward ethnic-racial equity, we aim to hire more people from different ethnicities and then monitor their development in order to promote black employees.

We also believe in diversity across generations to tap complementary skills and knowledge, therefore we have initiatives promoting inclusion for young people entering the labor market as well as opportunities for more experienced applicants. Those now underway include the Young Apprentice program, a multigenerational mentoring program, and another through which talents aged over 50 earn recognition.

Our numbers:

35.0%*

28.9%

71.7%

Blacks and browns

Women

Men

* Self-reported sample from GPTW survey data in 2021.

Professional training and education

GRI 404-1

We offer training programs, discussion forums, Workshops and face-to-face and remote meetings to help train and develop our employees. In 2020, **Algar Telecom** delivered 230,000 training hours (averaging of 53 hours per employee). Due to the pandemic, asynchronous outnumbered synchronous learners (64% to 36%).

The year’s highlight was the *Essence Program* used to spread our culture. Training programs held throughout the year were delivered to nine groups totaling over 900 attendees and they covered all our regions. On these occasions, the steering committee discussed the question of ‘integrity culture’ with employees, emphasizing processes and policies related to ethics and transparency for all relationships, based on our Code of Conduct. The program’s first session was held in person for our Campinas team in February. The others were held online, following social distancing protocols.

Our *ASES Development Program* activates 4 learning axes: Agile, Business, Customer and Relationship, People and Culture. Officers designated for each track provide support for employees once they have finished training. We also develop specific training programs and webinars for our business areas and others to prepare content multipliers. In terms of agile learning, we offer courses for this more collaborative and flexible way of working.

Executive training in most cases is provided through UniAlgar, Algar’s corporate university,

which favors our competitiveness based on education. We hold in-person, remote and hybrid courses based on a 70 (practice) x 20 (mentoring) x 10 (content) model, in which exchanging experience helps consolidate learning. The aim is to instigate a changed mindset, create space for disruptive trends and encourage exponential thinking. The most highly rated experiences are those that address real-life business situations. Many classroom experiences were migrated into the company and eventually adopted in practice, such as Inovatrix, Customer Journey, Design Thinking, and BSC, leading to gains for the entire organization.

We also have partnerships with universities such as Fundação Dom Cabral, Fundação Getúlio Vargas and other institutions in the cities where we operate. Employees may take courses related to their professional activities and obtain financial support from the company if they are covered by our benefits policy.

Other demands are directed to *Brain Academy*, which offers innovative and agile management perspectives (for more details click here).

Internship program

Given the importance of internships and training for young people entering the job market, we run a highly qualified program offering attendees real prospects of being hired on concluding the program. In 2020, we hired 38 interns. For 2021, we intend to restructure the program to include planning to identify and promote new talent for our key business areas.

Compensation and benefits

GRI 102-41

Our compensation consists of one fixed and one variable portion, that depend on reaching individual goals in line with **Algar Telecom's** strategic planning. We also offer profit sharing and a benefits package in line with industry standards. Our compensation policy is addressed in collective bargaining agreements covering 99% of our employees (only executives are not covered by the agreement, since their compensation depends on our rules).

We have other benefits for the physical and mental health of our employees and for encouraging them to take up a healthy lifestyle:

- **Gympass** – Arrangement enabling every professional to use a gym;
- **Psychology Live Program** – Online psychological advice platform in partnership with Albert Einstein Hospital to support employees going through emotional and personal difficulties;
- **Doctor Health (Doutor Saúde)** – Offers healthcare over the phone for low complexity cases. More serious situations are referred to physicians for in-person consultation.

Career path

We help all employees build career paths, which may be linear (for leadership positions) or Y-shaped, when there is career progression to non-managerial positions, such as specialists in certain areas of knowledge. We present professional growth opportunities and give preference to internal recruitment.

We assess performance annually and guide leaders to hold feedback sessions frequently rather than just on occasions when results are consolidated. Our Performance Assessment *Process* (PAP) covers:

- **360º Assessment** – comprising collaborative skills, relations with superiors, peers, subordinates and self-assessment. It includes analyses of technical competence, ability to execute, aspirations of the professional in question and annual follow-up. In 2020, 2,914 employees underwent the assessment process and got individual feedback.
- **Calibration Committee** – Group that assesses, analyzes and balances performance perceptions of a group of people of the same level of complexity. In 2020, we organized more than 15 calibration groups. The behavioral aspect has gained weight when calibrating executives for career advancement.
- **Feedback** – Feedback with manager, analysis of calibration report and suggested action plan. All employees assessed got feedback for this cycle.
- **Execution** – Execution phase of the Individual Development Plan for each employee.