

ANNUAL SUSTAINABILITY REPORT 2018



[SUMMARY

INTRODUCTION 03

Material topics	04
Stakeholders survey	04
Global Compact and Sustainable Development Goals	06
Message from Management	10

CHAPTER 1 ABOUT OI 12

Values and principles	13
Operations	14

CHAPTER 2 VALUE CREATION MODEL 15

New businesses	16
Ownership structure	17
Corporate governance	18
Risk management	20

CHAPTER 3 RESULTS 22

Operational performance	23
Judicial reorganization	24
Economic and financial results	25

CHAPTER 4 VALUE RELATIONSHIP 28

Ethics and responsibility in relationships	29
Employee engagement	32
Responsibility in supply chain	35
Society development	35
Relations with investors and shareholders	39

CHAPTER 5 ENVIRONMENTAL MANAGEMENT 41

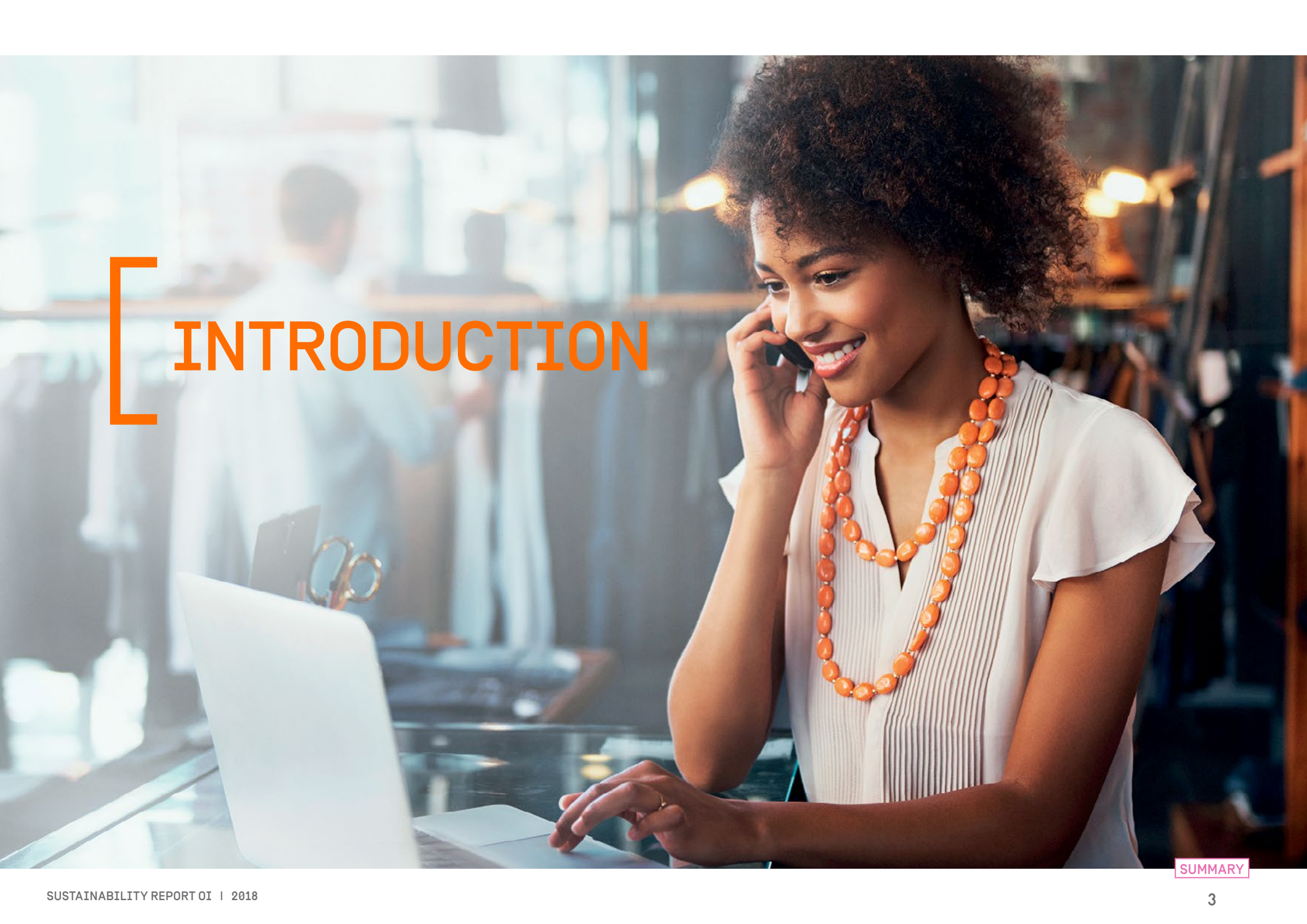
CHAPTER 6 SOCIAL BALANCE SHEET 44

CHAPTER 7 FINANCIAL STATEMENTS 51

CHAPTER 8 GRI STANDARDS 52

ACKNOWLEDGMENTS AND CORPORATE INFORMATION 63

EXIBHIT – ADDITIONAL INDICATORS 64



[INTRODUCTION

SUMMARY

This publication includes information about our operations in 2018, besides discussing policies, practices, performance, and management. You will find the key issues guiding our relationships and our actions in 2018, with a view to create value to our stakeholders and assure sustainability over time.

The information reported comprises all our operations in Brazil – Oi S.A. and its subsidiaries, from January 1st to December 31st, 2018, and is based on the guidelines of the Global Reporting Initiative (GRI), in its Standard disclosure version (Core option), including our performance within economic, social and environmental scopes. In 2018, no relevant changes occurred in relation to the Company's size or structure. The previous report, referring to our performance in 2017, was disclosed based on GRI's G4 guidelines. GRI 102-1, 102-6, 102-10, 102-49, 102-50, 102-51, 102-52, 102-54

This report also considers the Abrasca [Brazilian Association of Listed Companies] Criteria for Preparation of Annual Reports, the Ibase [Brazilian Institute of Social and Economic Analysis] Social Balance Sheet, the Brazilian Technical Accounting Standard No. 15 (NBCT 15), the Brazilian Committee of Accounting Pronouncements (CPC) and the Guidance Committee for Disclosure of Information to the Market (Codim). The accounting information complies with the International Financial Reporting Standards (IFRS), in accordance with the guidance of the Brazilian Securities and Exchange Commission (CVM). This report was approved by the Company's senior management. GRI 102-12, 102-32

MATERIAL TOPICS

We enquired stakeholders in 2014 to know the topics they considered more relevant for business sustainability, from the viewpoint of their relations with Oi. Below, we describe our survey and its results listing the material topics throughout the report. GRI 102-42, 102-43, 102-46

STAKEHOLDERS SURVEY

GRI 102-40

SECTOR SURVEY

Material topics were evaluated in terms of sustainability in accordance with:

OUR
2014
SUSTAINABILITY
REPORT

THREE PEERS IN THE
NATIONAL
MARKET

KEY SECTOR PERFORMANCE
INDICATORS OF THE
EUROPEAN
FEDERATION
OF FINANCIAL
ANALYSTS
SOCIETIES
(EFFAS)

GLOBAL SURVEY
"SUSTAINABILITY –
WHAT MATTERS TO THE
TELECOM INDUSTRY",
FROM GOVERNANCE &
ACCOUNTABILITY INSTITUTE

ON-LINE CONSULTATION WITH STAKEHOLDERS

An on-line consultation collected our stakeholders' opinions, aiming at knowing, among topics verified in the previous phase, which were the most material topics for Oi's sustainability, according to their viewpoints. We obtained 333 responses from the following stakeholders:

- Shareholders, investors and/or market analysts;
- Financial agents;
- Customers from all segments;
- Employees;
- Outsourced workers;
- Administrative suppliers;
- Operational suppliers;
- Members of legislative and executive branches;
- Environmental organizations representatives;
- Social organizations representatives;
- Representatives of other telcos;
- Universities representatives.

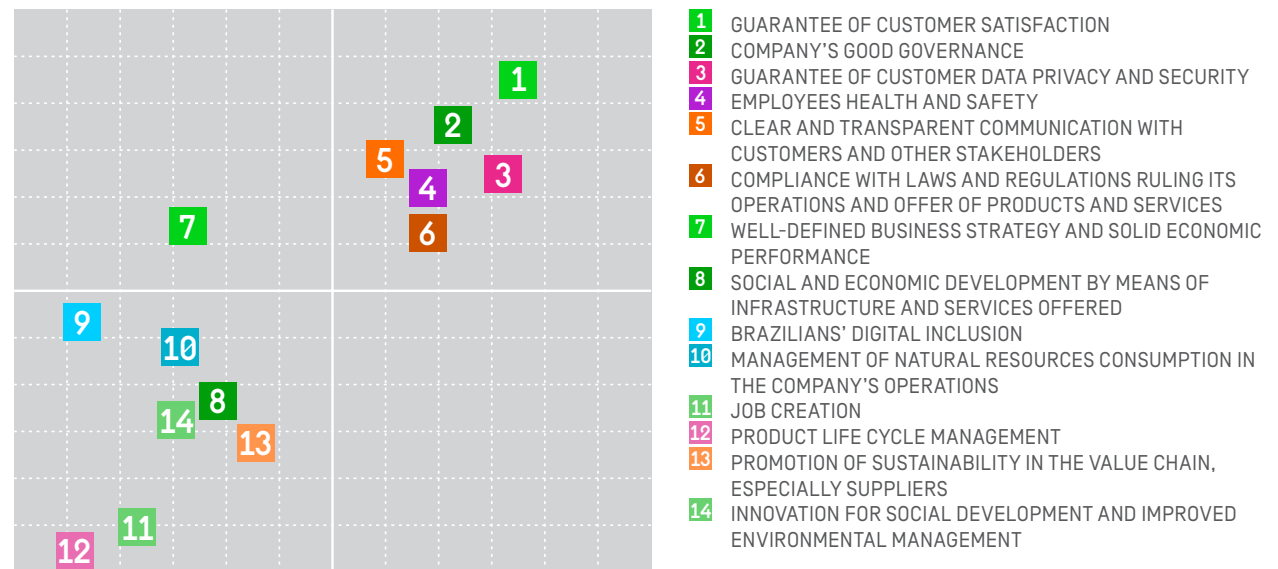
LEADERSHIP PRIORITIZATION

20 members of the Company's senior management were interviewed, including the CEO and chairman of the Board of Directors. We conducted a prioritization test, from topics verified in the first phase, to capture those more relevant for our sustainability strategy in the short term.

MATERIAL TOPICS

GRI 102-44, 102-47

Consolidation of results and composition of the material topics matrix.



Understanding the matrix: the upper quadrant topics are considered the most relevant, therefore, they are thoroughly discussed herein, since according to stakeholders' opinion, these are more relevant for our sustainability for now.



OPEN CHANNEL

In case of doubts or suggestions, you may contact our Corporate Finance Executive Board via e-mails:

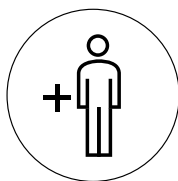
pp-sustentabilidade@oi.net.br or invest@oi.net.br. GRI 102-53

GLOBAL COMPACT AND SUSTAINABLE DEVELOPMENT GOALS

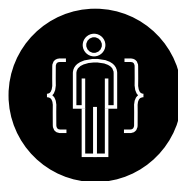
As Global Compact signatories, since 2009, we have been promoting initiatives concerned with its principles and the Sustainable Development Goals (SDG). Voluntarily, we make available information to the Carbon Disclosure Project (CDP) and we annually publish our GHG (Greenhouse Gass) emissions inventory in the Public Registry of Emissions of the Brazilian GHG Protocol Program. In addition, we took actions within the scope of the Statement of Mutual Cooperation against Child Abuse, which gathers telecom companies, the Federal Public Prosecutor Office, the Federal Police and SafeNet Brasil to curb and fight against crimes practiced via the Internet against children and adolescents. In 2018, we adhered to the Business Pact for Integrity and Against Corruption, a voluntary commitment undertaken by private and government companies, with a view to promoting a more ethical and upstanding market and prevent corruption practices.

PROGRESS REPORT

GLOBAL COMPACT



1. Businesses should support and respect the protection of internationally proclaimed human rights.



2. Make sure that they are not complicit in human rights abuses.



3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.



4. The elimination of all forms of forced and compulsory labor.



5. The effective abolition of child labor.



6. The elimination of discrimination in respect of employment and occupation.



7. Businesses should support a precautionary approach to environmental challenges.



8. Undertake initiatives to promote greater environmental responsibility.



9. Encourage the development and diffusion of environmentally friendly technologies.



10. Businesses should work against corruption in all its forms, including extortion and bribery.

SUSTAINABLE DEVELOPMENT GOALS



End poverty in all its forms everywhere.



End hunger, achieve food security and improved nutrition and promote sustainable agriculture.



Ensure healthy lives and promote well-being for all at all ages.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



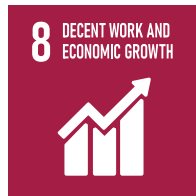
Achieve gender equality and empower all women and girls.



Ensure availability and sustainable management of water and sanitation for all.



Ensure access to affordable, reliable, sustainable and modern energy for all.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



Reduce inequality within and among countries.



Make cities and human settlements inclusive, safe, resilient and sustainable.



Ensure sustainable consumption and production patterns.



Take urgent action to combat climate change and its impacts.



Conserve and sustainably use the oceans, seas and marine resources for sustainable development.



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.



Strengthen the means of implementation and revitalize the global partnership for sustainable development.

OI'S ACTIONS	PAGE/ DESCRIPTION	CORRELATION WITH GLOBAL COMPACT PRINCIPLES	CORRELATION WITH SDG
Sustainability Policy	42	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	1, 4, 5, 6, 7, 8, 9, 11, 12, 13, 15, 17
Occupational Health and Safety and Environment Policy	42-43	1, 2, 7, 8, 9	3, 8, 15
Stakeholder Engagement Policy	32	7, 10	17
Code of Ethics and Compliance Program	20, 29, 39	1, 2, 4, 5, 6, 7, 8, 10	4, 5, 16
Climate Change Policy	42-43	1, 2, 4, 5, 6, 7, 8, 10	7, 11, 12, 13, 17
Whistleblowing Channel	5, 29	1, 2, 3, 4, 5, 6, 7, 8, 10	4, 5, 16
Ethics Committee	29	1, 2, 3, 4, 5, 6, 10	16
Training on ethical conduct	13	1, 2, 4, 5, 6, 7, 8, 10	4, 5, 16
Sustainability in supply chain	37	1, 2, 4, 5, 7, 8, 10	8, 9, 12, 17
IoT Laboratory	36	1, 2, 4, 5, 7, 8, 10	8, 9, 11, 12
Internal Audit	18-20	2, 3, 4, 5, 6, 10	16
GHG Emissions Inventory	69-70	1, 2, 7, 8, 9	7, 11, 12, 13, 17
Annual information to the CDP	6, 42	8, 9	7, 11, 12, 13, 17
NAVE - Núcleo Avançado em Educação [Advanced Education Center]	36	1, 2, 5, 9	4, 8, 9, 10
Oi Kabum!	37	1, 2, 5	4, 8, 9, 10
Labsonica	37	1, 2, 5	4, 8, 9, 10
Labora	39	1, 2, 5, 7, 8, 9	4, 8, 9, 10, 12, 13, 15
Oito	16	1, 9	1, 4, 8, 9, 11, 16, 17
Fundo da Infância e do Adolescente (FIA) [Childhood and Adolescents Fund]	38	1, 2, 5	2, 3, 16
Sports Sponsorship	37	1, 2, 5, 9	3
Cultural Centers and Sports Sponsorship	37-38	9	4
Telecommunications Museum	37	9	4, 9
Free association to unions, collective bargaining	59, 74	1, 2, 3, 4	8, 16

OI'S ACTIONS	PAGE/ DESCRIPTION	CORRELATION WITH GLOBAL COMPACT PRINCIPLES	CORRELATION WITH SDG
Waste management	42, 47, 71	7, 8, 9	9, 12, 15
Actions to reduce GHG	42, 58	7, 8, 9	7, 11, 12, 13, 17
Own fleet management	69-70	7, 8, 9	9, 12, 13, 15
Statement of mutual cooperation against child abuse	6, 38	1, 2	3, 5
Corporate risk mapping	20-21	7, 10	16
Digital inclusion – broadband program at schools (PBLE)	40	1, 5	4, 8, 15, 16
Digital Inclusion – General Plan of Universalization Goals [PGMU]	24, 40	1, 5	4, 8, 15, 16
Digital Inclusion - Backhaul	40	1, 5	8, 16, 17
Digital Inclusion – Communication Mediation Center [CIC] – Brazilian Sign Language Center Platform	30	1, 8	10, 11, 16, 17
Public disclosure of reports, results, minutes, acts, material facts, notices, and filings	39	10	16
Internal controls environment suited for Sarbanes-Oxley Certification	18, 20	10	16
Renewable energy and energy efficiency initiatives	43	7, 8, 9	7, 11, 12, 13

MESSAGE FROM MANAGEMENT

GRI 102-14

During 2018, we continued prioritizing structuring actions, aiming the Company's sustainability in the short and medium terms. We continued focused on improving quality, digital transformation, cost control, cash management, and our debt restructuring, also striving to recover sales and upgrade our network. Amid our business growth initiatives, it is worth mentioning that we complied with all commitments provided for in the Court-Supervised Reorganization Plan (PRJ), approved in December 2017.

We sustained a solid evolution of quality indicators, such as the reduction of complaints at ANATEL (Brazilian Telecommunications Agency), as well as the number of lawsuits at special civil courts. Through digitalization, we advanced the optimization of internal procedures and we enhanced customer journey and experience. We launched innovative products, such as mobile phone and paid TV cutting-edge functionalities, offering more data, content, autonomy, and transparency to our customers.

To change the market level, we defined a consistent Capex plan, concerned with optical fiber network expansion and mobile network upgrade. Part of the initiatives foreseen was already implemented focused on our infrastructure modernization, from partnerships with global suppliers.



“We have Brazil's largest optical fiber network, with over 370,000 km, which gives us a privileged position as one of the 5G enablers in the Brazilian territory”

We invested to bolster strategic fronts infrastructures, such as optical fiber and 4.5G network. Thus, the incremental investment will be mainly earmarked to increase high-speed broadband and mobile coverage, thus, contributing to Oi's growth upturn and greater market share. With such a move, we are poised to 5G technology, still not available in the country, as well as IoT solutions. Today, we have Brazil's largest optical fiber network, with over 370,000 km, which gives us a privileged position as one of the 5G enablers in the Brazilian territory.

We concluded the conversion of debt into shares with bondholders, thus reducing financial debt from R\$ 55 billion to R\$ 16 billion. Our corporate governance advanced, with the election of a Consensual Slate, appointed by Oi's management to establish the new Board of Directors, composed of 11 independent members, as provided for in the PRJ.

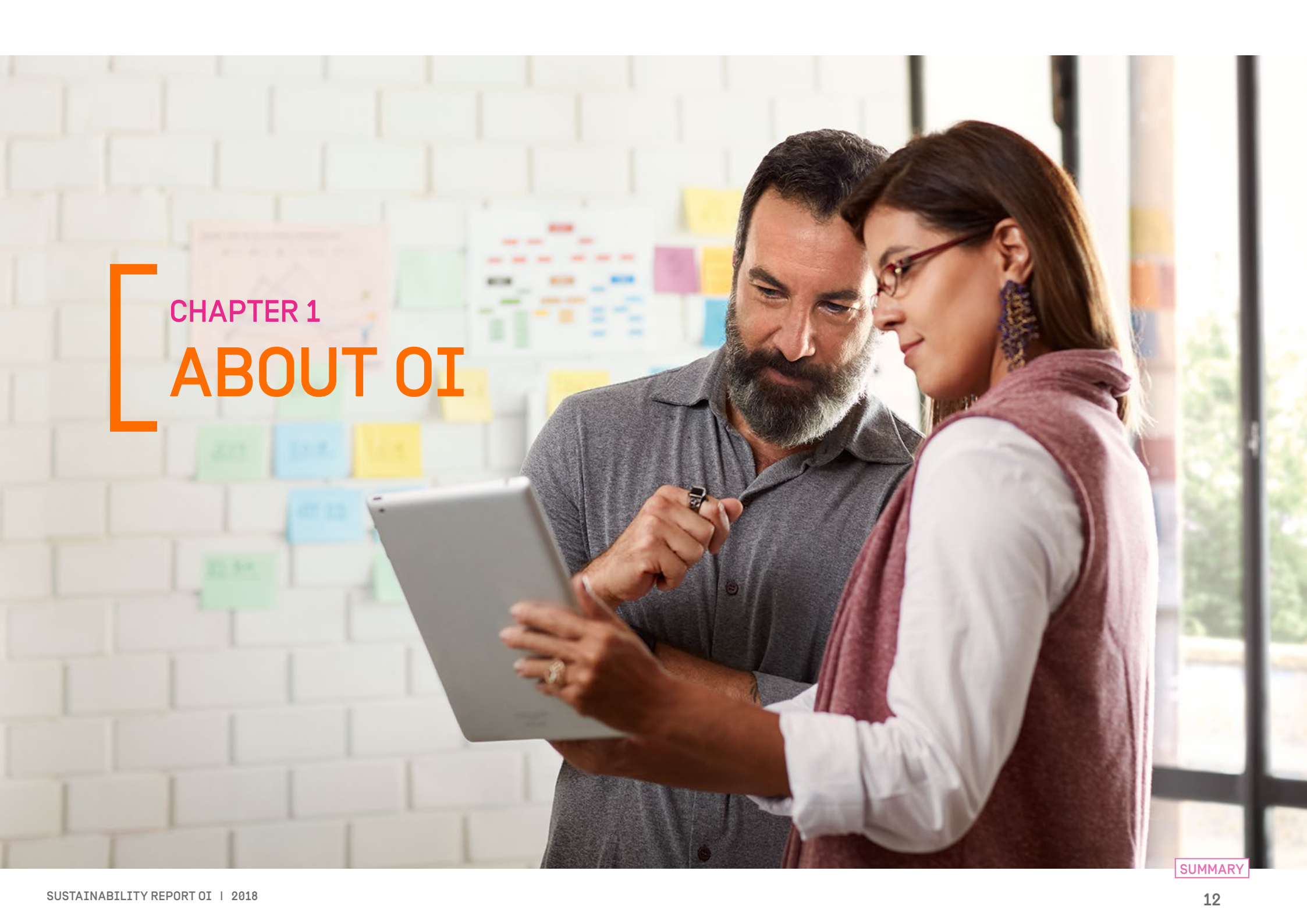
We broadened our Compliance Program and we adhered to the Business Pact for Integrity and Against Corruption. We reinforced the commitments assumed as signatories of the UN Global Compact and our collaboration to achieve the Sustainable Development Goals. We continue diversifying our energy consumption matrix, migrating to renewable sources, with 25% of energy acquired deriving from the Free Market's renewable energy sources, such as biomass and small hydroelectric plants (SHP). In addition, we participate in several generation projects in Brazil, in partnership with companies specialized in the construction of solar energy plants.

As far as social responsibility is concerned, *Oi Futuro* publicly consolidated its position as an institution of innovation and creativity, with the inauguration of Lab Oi Futuro, targeting cultural and social entrepreneurs. Four public notices were issued for artists and cultural producers, and nearly 2,000 applications were received. By means of Oi's Program of Cultural Sponsorships, our major public notice, 53 projects were selected in 11 States, impacting nearly 700,000 people. Also in 2018, 13 youngsters qualified by the Advanced Education Center (NAVE) initiated their professional career at Oi.

2018 was a year marked by a pursuit of sustainability and our vision of the future. We set up the foundation for the Company from now on achieve new strategic priorities, with a view to business growth, competitive advantage and opportunities optimization. We are positioned to maximize value creation for Oi's shareholders and continue bringing “experiences that make sense in people's lives”.

Good reading!

Eurico Teles
Diretor-Presidente



CHAPTER 1

ABOUT OI

VALUES AND PRINCIPLES

GRI 102-16

OBJECTIVE

Stimulate experiences that make sense in people's lives.

MANIFEST

Needless to say that the world has changed. Work, information, education, leisure, art... EVERYTHING HAS CHANGED!

Technology opened room for everything to happen differently. Life is digital, with more fluid experiences and networking. Today, people can and expect much more. Now, it's the customer's time.

It's time to think about what has not been done. Rethink ideas that simplify life. Devise integrated solutions that understand and anticipate what Brazilians need. With empathy, technology defeats bureaucracy.

Our creativity moves to improve people's lives. Straight up, without promises, thus, we deliver what really matters, fairly, smartly, cut to the chase.

This is the reason why Oi was not born to be another one. We look ahead, we don't look the

other way. We have been transforming ourselves to increasingly to look exactly like you, fine-tuned to your pace; solve what does not make sense for you. This is to do something different.

VALUES

COMMITMENT TO CUSTOMER

Put ourselves in our customers' shoes to deliver the products and services they want and how they need them.

RESULT IN EVERYTHING WE DO

Focus on quality, in what really matters and nothing more, smartly and straight to the point.

CONNECTED TO EVOLUTION

We do not stop. We are bold, we see what has not been done, we rethink ideas that simplify our customers' lives.

COLLABORATION TO MAKE IT HAPPEN

Together we are unbeatable. We combine inspiration, creativity, and diversity to build the world we believe.

MOST IMPORTANTLY, INTEGRITY

Some things cannot be negotiated. Who is high-principled neither deviates from the rules of the game, nor of ethical conduct standards.

WE ARE OI

And we are Oi. We know that in each action or decision we are representing the entire organization.



SUMMARY

OPERATIONS

We are one of Brazil's largest telecom integrated services providers, with approximately 15,000 direct employees, combining nearly 57.1 million Revenue Generating Units (RGUs) at the end of 2018. We operate nationwide and we offer a range of integrated telecommunication products, including fixed and mobile telephony, use of networks (interconnection), data transmission (including broadband) and paid TV (also offered through double-play, triple-play, and quadruple-play packages), Internet services, IT and other telecommunication services for residential customers, corporations and government. GRI 102-2, 102-4, 102-7

We are present in 26 Brazilian states and in the Federal District; we have approximately 362.9 thousand km of optical fiber installed, holding Brazil's largest backbone. In addition, our mobile coverage comprises nearly 94% of the Brazilian population. GRI 102-6

We hold a 16.4% market share in mobile telephony and 32.4% in fixed telephony. We also make available, as part of converged offers, 2 million Wi-Fi hotspots also maintained in public sites, such as airports and shopping centers.



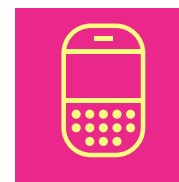
PRESENCE IN
26 BRAZILIAN STATES
AND IN THE **FEDERAL DISTRICT**



BACKBONE OF
362.9 THOUSAND KM
OF **OPTICAL FIBER**
THE LARGEST IN BRAZIL



MOBILE COVERAGE
COMPRISING
94% OF THE BRAZILIAN
POPULATION



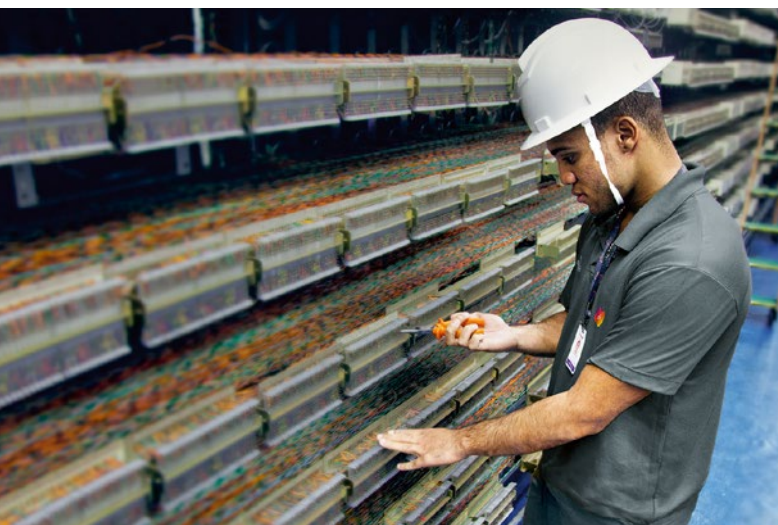
MARKET SHARE OF
16.4%
IN **MOBILE TELEPHONY**



MARKET SHARE OF
32.4%
IN **FIXED TELEPHONY**



MAINTENANCE OF
2 MILLION
WI-FI HOTSPOTS



A woman with dark hair and bangs, wearing a purple long-sleeved shirt and a light-colored apron, stands with her arms crossed in a workshop. The background is filled with various wooden moldings and samples arranged on shelves.

CHAPTER 2

VALUE CREATION MODEL

SUMMARY

NEW BUSINESSES

GRI 203-1, 203-2

Digital transformation is part of our daily activities to explore business opportunities connected with high-potential verticals. We maintain *Oito*, a hub located in the city of Rio de Janeiro, focused on entrepreneurship, innovation, generation of new businesses, acceleration of technical solutions, startups development and support to social initiatives.

In 2018, we reinforced our commitment to creating innovation initiatives. From a continual investment in innovation and R&D projects, totaling over R\$595,000 in 2018, we continued focused on business incubators and science & technology institutions.

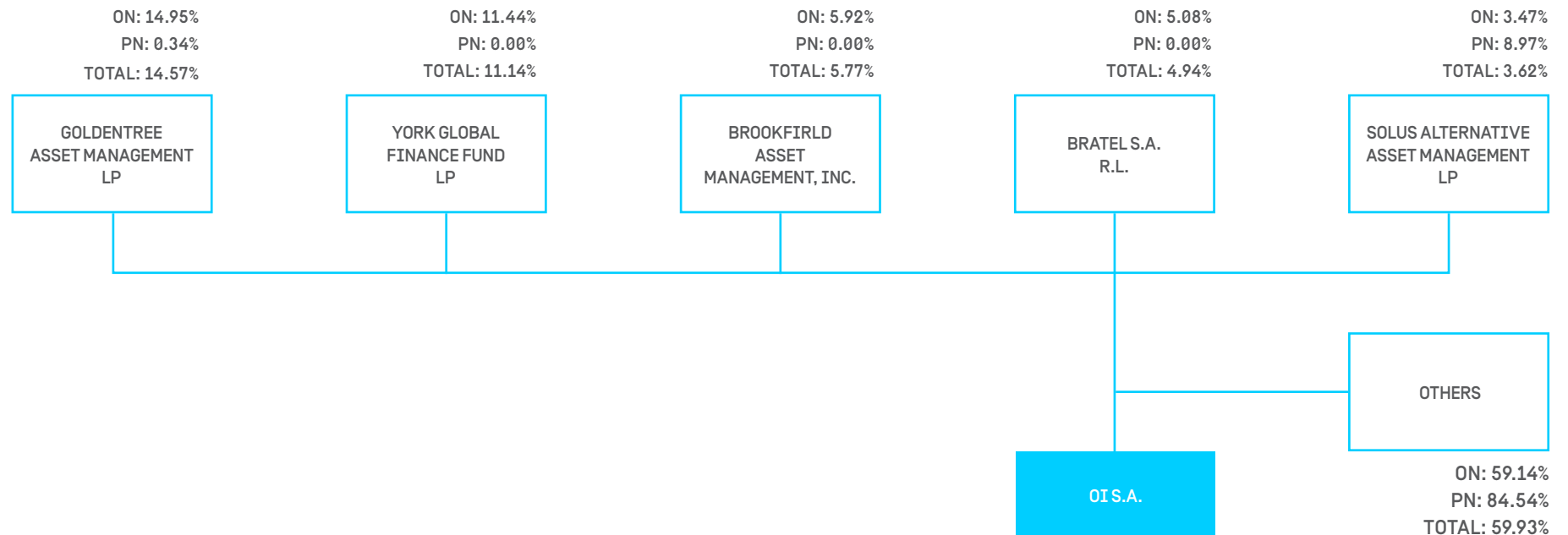
This investment was made within the scope of the incubation/acceleration program developed at *Oito*, having as consideration, the signature of a Cooperation Agreement between the hub and Pointer Networks S.A. (a company of Oi economic group). This agreement confers to Pointer an option to underwrite until 10% of startups' capital stock within 36 months. In 2018, six cooperation agreements were signed with the program's startups. Up to date, none of the options has been exercised and one of them was sold (i.e., currently, we have the option to underwrite the capital stock of five different startups).

In addition, PUC-RJ's Gênesis Institute was engaged by Pointer to assist in the conduction of *Oito*'s incubation/acceleration program. The institute will convey the University's knowledge to society, therefore, it involves several groups of innovative projects survey. The services agreement to execute the business incubation project amounted to R\$ 506,920.00.



SUMMARY

OWNERSHIP STRUCTURE



NUMBER OF CAPITA STOCK SHARES
 ON: 5,796,477,760
 PN: 157,727,241
 TOTAL: 5,954,205,001

TREASURY SHARES:
 ON: 30,595 [0.001%]
 PN: 1,811,755 [1.15%]
 TOTAL: 1,842,350 [0.03%]

POSITION IN JULY 2019

CORPORATE GOVERNANCE

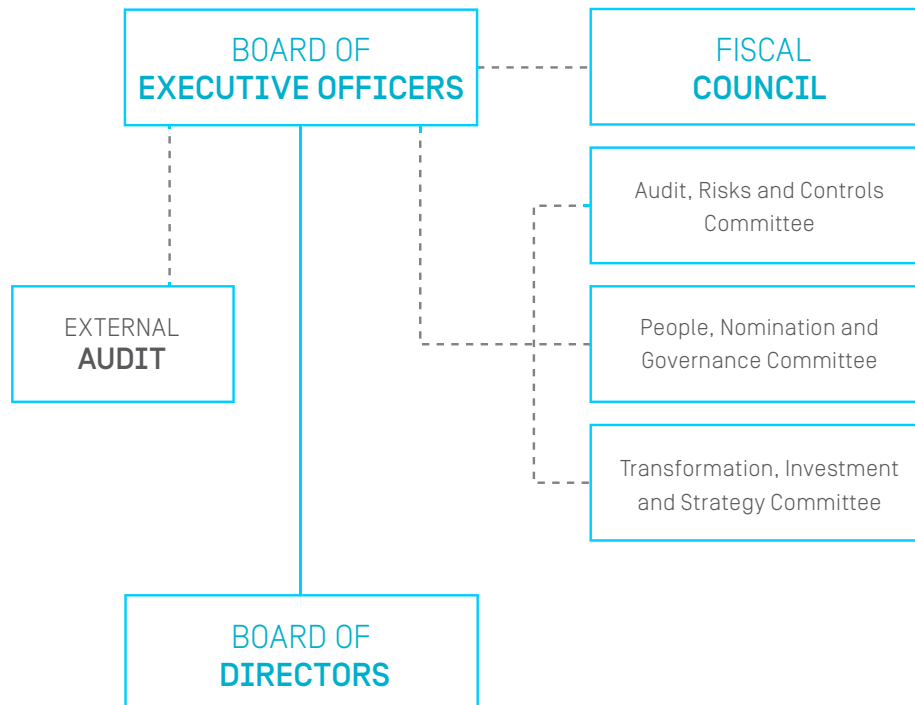
GRI 102-5, 102-18, 102-19, 102-20, 102-21, 102-23, 102-24, 102-26, 102-28, 405-1

Our bylaws, approved in September 2015, are characterized by high corporate governance standards, among them the adoption of recommendations of the Brazilian Corporate Governance Code – Listed Companies and the disclosure of the Governance Report. Our shares

are listed on B3 and our ADRs are traded at NYSE; therefore, we operate in accordance with the US laws principles, highlighting SOX (Sarbanes-Oxley Act), which requires the creation and maintenance of processes to increase controls, security, and transparency when conducting business.

BOARD OF DIRECTORS

Members of the Board of Directors are elected at the Shareholders' Meeting. The Board of Directors' performance was not evaluated in 2018. The evaluation model of the Board and Committees will be discussed in 2019.



COMMITTEES

GRI 102-22, 102-33, 102-34

The Board of Executive Officers' advisory committee (Management Committee) and the Board of Directors' advisory committees (Strategy, Investment & Infrastructure, Audit, Risk & Controls, People, Nomination and Corporate Governance Committees) are liable for reporting critical issues to the Board of Directors. The Board of Directors' advisory committees, pursuant to Article 32 of the Company's Bylaws, are created by the Board of Directors, which elects, among its members, the composition of respective Committees.



MANAGEMENT COMMITTEE (CDG)

Higher-level internal committee, composed of L1 officers (L1 officers directly report to the Chief Executive Officer) and the Chief Executive Officer, responsible for decision-making processes and monitoring of the most relevant topics for the Company.

STRATEGY COMMITTEE (CE)

It establishes the strategic guidance, the sustainable development policies and oversees the strategic planning, results and the Company's financial and operational performances.

INVESTMENT AND INFRASTRUCTURE COMMITTEE (CII)

It oversees the infrastructure strategies and the Company's investment relocation models, it monitors the execution of Capex plans and the operational quality indicators relating to infrastructure and supports the Board of Directors in issues concerning the evaluation of investments in strategic assets.

AUDIT, RISKS AND CONTROL COMMITTEE (CARC)

It assesses the business risk and internal control mechanisms, it monitors contingencies, it articulates the management's bodies and the Company's oversight.

PEOPLE, NOMINATION AND CORPORATE GOVERNANCE COMMITTEE (CGN&G)

It ensures a continual adoption of the best corporate governance practices and business conduct, as well as oversees the Company's human resources strategy. The Committee analyzes the adoption of an annual individual evaluation of its members.

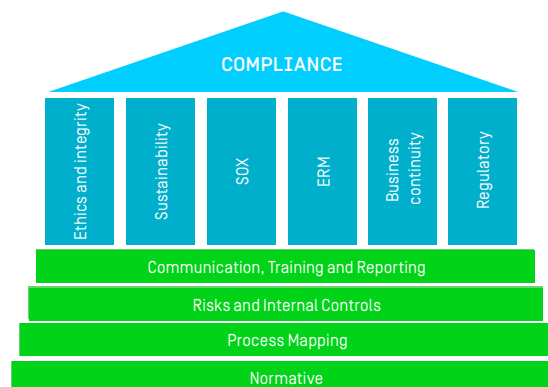
RISK MANAGEMENT

GRI 102-11, 102-15, 102-25, 102-27, 102-29, 102-30

We have our Compliance Program, which aims at improving the corporate risk mitigation structure, the anticorruption mechanisms and optimizing our business processes. The Compliance Executive Board is liable for structuring and executing the Compliance Program and periodically reports its evolution to the Audit, Risks and Control Committee and to the Board of Directors.

To define the guidelines and rules of the Program, we have several standards, namely, the Code of Ethics, the Anticorruption Policy and the Policy of Gifts, Presents, and other Amenities, which are reviewed every 2 years and are formally approved by senior management.

COMPLIANCE PROGRAM PILLARS



Ethics and integrity

Execution of the Compliance Program, taking into account all dimensions and areas of activity.

Sustainability

Coordination and monitoring of sustainability initiatives potentially impacting businesses, partners, customers, suppliers, and other related parties, with a view to improving economic, social and environmental performance.

SOX

Structuring of processes to assure compliance with the Sarbanes-Oxley Act, by maintaining controls, aiming transparency when conducting businesses, financial management, bookkeeping, management and disclosure of information.

Enterprise Risk Management – ERM

Identification, evaluation, and report of business inherent risks establishing control activities in each process, with a view to addressing main weaknesses identified and report improvement opportunities.

Business continuity

Elaboration and monitoring of actions executed by Oi's executive boards, concerned with business continuity assurance.

Regulatory

Support to activities of the Regulations and Institutional Affairs Executive Board, in the process of verifying the regulatory compliance by business areas, due to claims, inspections, normative changes or penalties issued by regulators.



We also have a Risk Management and Internal Controls Policy, approved by senior management and published internally. The monitoring procedures described by this Policy are annually reviewed and updated, aiming at ensuring the identification and prioritization of critical risks, besides devising mitigation actions and controls.

Our Risk Management Policy establishes a methodology to identify, assess, treat, monitor and report risks. Risks are divided by categories and sub-categories concerning environmental, social and integrity aspects.

The policy adheres to the best and main practices of the market, such as:

- Best corporate governance practices of the Brazilian Institute of Corporate Governance (IBGC);
- ABNT NBR ISO 31000:2009 – Risk Management – Principles and Guidelines;
- The Committee of Sponsoring Organizations of the Treadway Commission (COSO);
- ABNT NBR ISO 22301:2013 – Society Security – Business Continuity Management System;
- Law No.12.846/13 (anticorruption) – for the purposes of assessing corruption risks.

Fine-tuned to the market and society requirements concerning sustainability and transparency of operations, in 2018 we initiated a broad process of reviewing and enhancing our corporate risk management structure.

We monitor key financial risks of the companies composing Grupo Oi S.A.'s consolidated structure, by means of rules laid down in the Treasury Policy, namely, the Investments Policy, the Hedge Policy and the Funding Policy.

The implementation of these policies seeks to ensure active and continued management of liquidity, credit and market risks (including forex and interest rate risks) of the Company.

We monitor the adhesion of financial operations to the thresholds established by policies and we report to the Company's senior management and the Board of Directors, which oversees Oi S.A.'s compliance with policies, as well as its levels of exposure to financial risks.

Currently, we are mainly exposed to the market risk deriving from variations in foreign exchange rates which impact our foreign currency-denominated liabilities, besides variations in interest rates, which affect financial operations' cash flow. Concerning credit risk, the Company mitigates such risk through portfolio diversification and investing in AAA, AA, A rating and sovereign risk counterparties. The liquidity risk is monitored to ensure sufficient cash to meet operational needs and finance capital expenditures.

Key risks to which our business is exposed and how we manage them can be viewed in sections 4 and 5 of our Reference Form, available at <http://www.oi.com.br/ri>.

A man with glasses and a beard, wearing a light blue shirt and a dark tie, is sitting at a desk and looking at a tablet. A woman with long brown hair, wearing a light blue button-down shirt, is leaning over his shoulder, smiling and pointing at the tablet. They are in an office with large windows in the background.

CHAPTER 3 RESULTS

OPERATIONAL PERFORMANCE

We ended 2018 with 57.1 million Revenue Generating Units (RGUs), as follows:

14.7
MILLION IN THE RESIDENTIAL SEGMENT

35.0
MILLION IN THE PERSONAL MOBILITY SEGMENT

6.7
THOUSAND IN THE B2B SEGMENT

640
THOUSAND PUBLIC PHONES

RESIDENTIAL (FIXED TELEPHONY, BROADBAND, AND PAID TV)



Fixed

We ended 2018 with 8.3 million fixed telephony residential customers, down 10.4% from 2017, due to a trend of the market migrating demand to mobile telephony. We are focused on convergence to increase the value proposition of our services.



Broadband

We ended 2018 with 4.9 million fixed broadband RGUs in the residential segment, down 5.3% from 2017, due to fierce competition with local players in small cities, out of large urban centers. We boosted our regional commercial activity and we adopted one-off measures to suit offers to each type of customer. We are also investing in fiber, with network reuse strategy.



Paid TV

According to Anatel, we posted the best performance in the market. While the market went down 3% in 2018, we grew by 6% our paid-TV customer base, reaching 1.6 million customers in 2018.

PERSONAL MOBILITY

We ended 2018 with 35.0 million RGUs, down 4.4% from 2017. Prepaid customer base decreased, due to the market trend of consolidating chips. Even so, our base dropped less than the market, favoring higher market share. In postpaid, we added over 1 million customers to our base, as a result of investments in 4.5G and the offer of plans with benefits and competitive prices.

B2B

Our B2B customer base grew by 3.3% in 2018, an addition of 6.7 million customers in the period, boosted by an increase in the mobile base. Our efforts focused on the sale of data and IT services, besides simplifying processes and converging after-sales services [IT and Telecom].

JUDICIAL REORGANIZATION

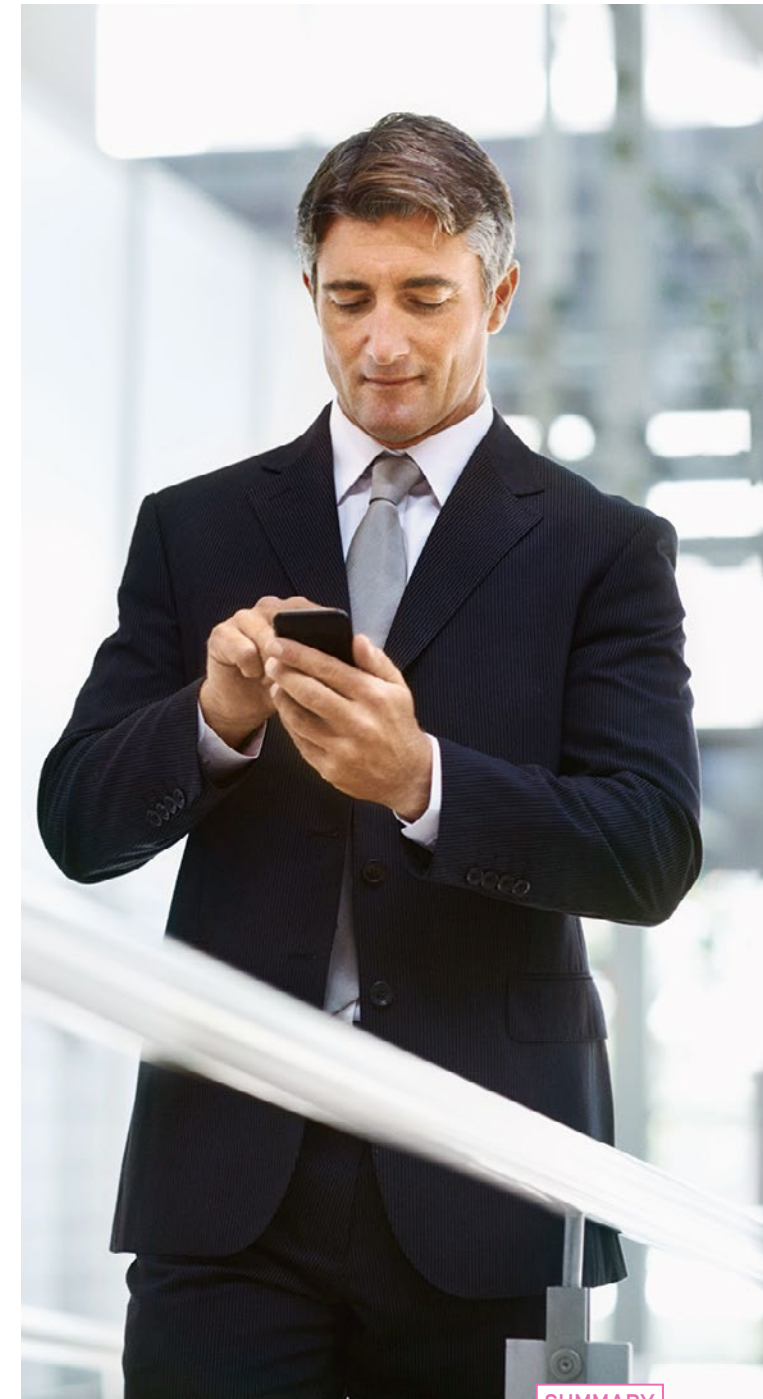
In June 2016, we filed a reorganization petition before the District Court of Rio de Janeiro, as approved by the Board of Directors and competent corporate bodies. The filing of a reorganization petition was another Management's step to financially restructure the Company, which continued conquering new customers, sustaining its sales of products and services for all market segments in all its distribution and services channels. We continue focused on investments in structuring projects that improve quality services so that to continue offering technological advances, high standards of services and innovation to customers.

In January 2018, we ratified the plan approved at the Creditors General Meeting. In July, we concluded the financial debt restructuring and, in September, we announced our new Board of Directors, consolidating an important phase of governance. In addition, at the year-end, the new General Plan of Universalization Goals – PGMU was approved, enabling us to relocate part of investments in fixed telephony to mobile telephony.

“ We continue focused on investments in structuring projects that improve quality services so that to continue offering technological advances, high standards of services and innovation to customers.”

We should remain under court supervision within a two-year term as of January 8, 2018, date of motion ratification, or until obligations provided for in the Judicial Reorganization Plan are complied with (PRJ).

PRJ details are outlined in section 6.3 of our Reference Form, available at: <http://www.oi.com.br/ri>.



ECONOMIC AND FINANCIAL RESULTS

With PRJ approval and ratification by courts, we keep our strategy of focusing on our operational restructuring, based on sustainable growth and grounded on innovative services, quality, and modernization. 2018 was a year of cost-savings, grounded on operational efficiency and digital transformation. We reduced our costs by R\$ 1.4 billion, a 10% decrease compared to 2017.

Our revenues have been still impacted by a slow economic recovery, especially the personal mobility segment, more specifically the prepaid segment, which is directly influenced by the unemployment rate in the country. Our consolidated net revenue was also affected by a drop of fixed telephony annual revenue, partially mitigated by higher-paid TV revenues in the residential segment and revenues from the personal mobility segment (postpaid and Mobility Control).

EBITDA totaled R\$ 5.8 billion, with a margin of 26.8%. Annual net income of R\$ 24.6 million was impacted by a positive financial result, due to the accounting recognition of adjustments inherent

to PRJ approval and a provision for onerous agreement recorded.

In 2019, we will continue focusing on the 4.5G mobile coverage expansion, the optical fiber network massification to offer high-speed broadband in areas with growth prospects. Such action will be stepped up from funds available upon the conclusion of R\$ 4 billion capital increase, as provided for in the PRJ.



DISTRIBUTION OF VALUE ADDED (DVA)

GRI 201-1

In 2018, Oi distributed approximately R\$ 38.9 billion in value added to:

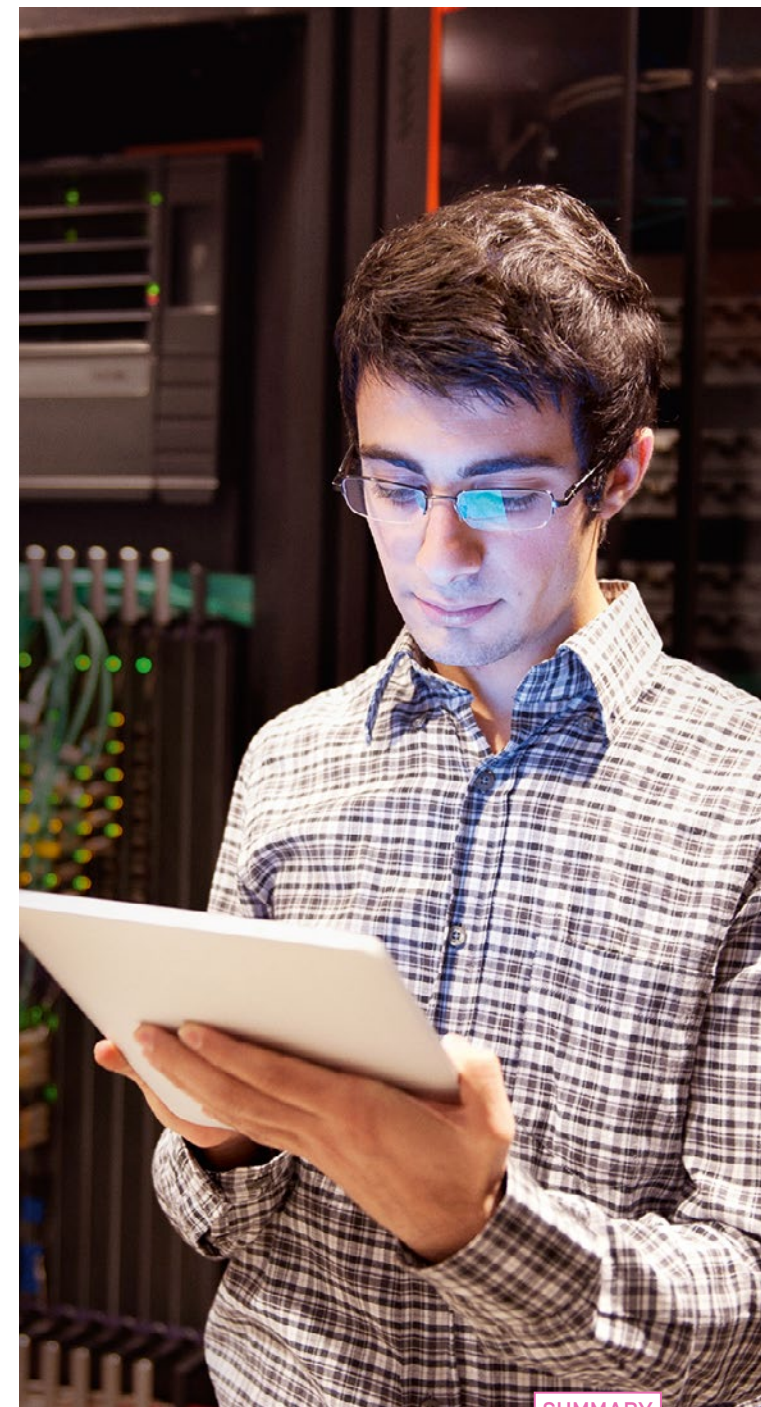
DISTRIBUTION OF VALUE ADDED	2018		2017		2016	
	TOTAL (R\$ MILLION)	%	TOTAL (R\$ MILLION)	%	TOTAL (R\$ MILLION)	%
Government	3,367	8.6	9,126	48.0	10,801	76.8
Employees	2,315	5.9	2,529	13.3	2,537	18.0
Shareholders	24	0.1	-291	-1.5	-178	-1.3
Retained	24,591	63.1	-6,365	-33.5	-8,028	-57.1
Third parties	8,666	22.2	14,008	73.7	8,928	63.5
TOTAL	38,963	100.0	19,007	100.0	14,060	100.0

[DVA - LINK TO COMPLETE DVA]

DEBT

Our consolidated gross debt totaled R\$ 16.4 million in 2018, down 69.9% year-on-year, due to the conclusion of the judicial reorganization process, since the accounting effects of contractual conditions of new debts now are valid as of February 5, 2018, date of plan's ratification. At the end of 2018, the foreign currency-denominated debt accounted for 53.7%, with the 12-year consolidated average term.

R\$ MILLION	DEC/18	DEC/17	DEC/ 16	% GROSS DEBT
INDEBTEDNESS				
Short term	673	54,620	48,191	4.1%
Long term	15,777	-	-	95.9%
Total debt	16,450	54,620	48,191	100.0%
in domestic current	7,633	14,835	13,448	46.4%
in foreign currency	8,817	39,681	34,638	53.6%
Swap	-	105	105	0.0%
(-) Cash	(4,624)	(6,999)	-7,849	-28.1%
(=) Net Debt	11,826	47,621	40,342	71.9%



SUMMARY



INVESTMENTS

Investments in Brazilian operations totaled R\$ 6.0 billion in 2018, 8.0% higher than in 2017, evidencing our concern with the quality of services and maintenance of financial discipline.

In 2018, we invested 83.9% in network, especially in: (I) improving the fixed network for the fiber and broadband service, (II) boosting the quality of the mobile network, (III) implementing and expanding 4G and 4.5G networks and (IV) investing in voice and data transmission equipment.

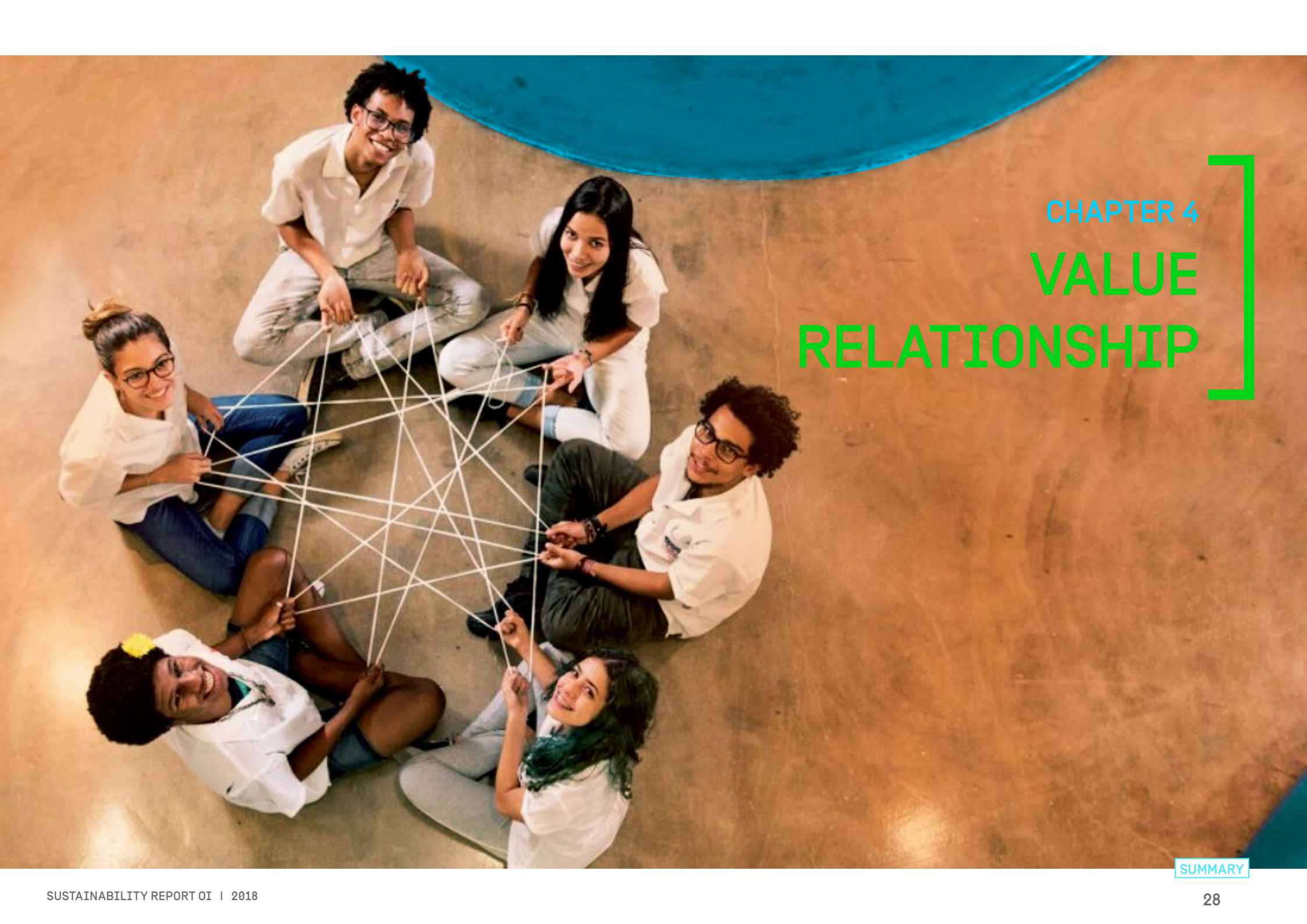
We increased investments in infrastructure and the network core. Therefore, it was possible to enhance the network's solidity and quality, ensuring a more efficient operational

performance and promoting a consistent improvement of service quality and user experience.

In 2019, incremental investments will continue focused on the customer and will target the access, the expansion of 4.5G coverage and the massification of fiber for high-speed broadband offer.

INVESTMENTS (R\$ MILLION)	2018	2017	2016
Network	5,096	4,643	4,068
IT services	614	622	447
Others	368	364	244
TOTAL	6,078	5,629	4,759

“Investments in Brazilian operations totaled R\$ 6.0 billion in 2018. In 2019, incremental investments will continue focused on the customer and will target the access, the expansion of 4.5G coverage and the massification of fiber for high-speed broadband offer.”



CHAPTER 4 VALUE RELATIONSHIP

SUMMARY

ETHICS AND RESPONSIBILITY IN RELATIONSHIPS

Transparency and constant dialogue are essential in our relationship with different stakeholders. We always seek a close relationship with society, suppliers, customers and investors, anticipate demands, take part in discussions on public policies and provide any clarifications necessary.

Oi makes available an exclusive whistleblowing channel to make complaints on employees, suppliers and service providers, who fail to comply with internal rules and policies, as well as prevailing laws. All complaints are verified, and confidentiality is guaranteed to all those involved, as well as the non-retaliation of whistleblowers. Complaints can be submitted anonymously or identified and are analyzed by Oi's Ethics Committee. The sanctions for not complying with the Code of Ethics observe the Company's disciplinary system and may be executed by means of oral, written warning, suspension or employment agreement termination, regardless of eventual filing of legal proceeding. GRI 102-31

In 2018, our Whistleblowing Channel recorded three complaints considered valid, two of them relating to environmental impacts and another one with labor practices. The cases connected with environmental impacts were solved by means of maintenance and the labor practice was solved by means of oral warning. We did not record any complaints related to corruption, discrimination, impacts on society or human rights.

GRI 103-2, 205-3, 406-1



WHISTLEBLOWING CHANNEL

<http://www.canalconfidencial.com.br/oi/>

0800 2822088



CUSTOMER SATISFACTION

DIGITAL CONVERGENCE

In 2018, we bolstered Oi's digital transformation process, by digitalizing services and sales through robotization and artificial intelligence, besides tools, such as:

- E-care
Self-service channels for customers: *Minha Oi*, *Oi Mais Empresas*, and Virtual Technician.
- E-commerce
Sales via online channels, website and/or app.
- E-billing
Customer base with online billing and a second copy via e-mail.

ACCESSIBILITY

In 2018, we elaborated and disseminated a new booklet to guide on how to assist disabled people. To develop this booklet, we conducted a survey at all stores maintaining on-site services. In addition, we mapped the pages on the Internet to check compliance items in accordance with the Operational Manual of Accessibility General Rules and respective action plans to adjust eventual non-conformities. We monitor the reports of the Communication Mediation Center (CIC) to improve remote services. In addition, we mapped *Oi Futuro* and its projects, seeking to identify technological innovations and initiatives concerned with accessibility and its interaction

with telecommunications. As a result of these actions, in 2018, we were ranked first in the efficiency indicator of interaction mechanisms via electronic message, webchat and video call in remote services channels for disabled people and ranked third in the overall classification of the Anatel's Telecommunications Accessibility Ranking. GRI 203-1

IMPROVED SERVICES

GRI 102-48

Seeking to improve our services, we conducted an electronic survey to measure customer satisfaction at the call center, within 24 hours after the first contact. The customer is invited via voice message to evaluate the last call, on a scale of 0 to 10.

The survey application model changed in April 2018, an invitation is made via voice message closer to customer service. The objective is to improve this model in 2019, by immediately transferring to survey after call center assistance. Therefore, we seek a closer customer relationship and a more accurate measurement after ending the call. We also have the possibility of assisting online in critical cases through a specialized cell.

We conducted several studies, by means of quantitative and qualitative surveys to understand customer perception in relation to his needs, as well as identify his behavior and opinion on brand communication and the



market. In quantitative surveys with our base, we also map customer satisfaction. These inputs are used to plan new offers, lines of communication and the Company's internal processes.

In 2018, we conducted 193 quantitative surveys via telephone, exploratory surveys, polls via e-mail, other digital platforms and social listening on social networks.

	AVERAGE (MOBILE AND RESIDENTIAL)			MOBILE			RESIDENTIAL		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
Brazil	6.32	7.02	7.44	6.14	7.12	7.43	6.49	6.97	7.12
Amapá, Maranhão, Piauí, Pará and Ceará	6.12	7.04	7.65	6.08	7.24	7.57	6.16	6.92	7.24
Federal District, Amazonas, Mato Grosso do Sul, Rondônia, Roraima, Goiás, Acre, Mato Grosso and Tocantins	6.64	7.05	7.27	6.33	7.11	7.25	6.95	7.03	7.11
Minas Gerais e Espírito Santo	6.20	6.89	7.28	6.06	6.92	7.21	6.33	6.87	6.92
Rio Grande do Norte, Paraíba, Bahia, Alagoas, Pernambuco and Sergipe	6.30	7.07	7.56	6.13	7.11	7.55	6.47	7.03	7.11
Rio de Janeiro	6.33	7.03	7.55	6.22	7.27	7.61	6.43	6.95	7.27
São Paulo	5.97	7.03	7.36	5.76	7.04	7.36	6.17	6.46	7.04
Paraná, Rio Grande do Sul and Santa Catarina	6.68	7.07	7.28	6.40	7.14	7.16	6.95	7.05	7.33

CUSTOMER DATA PRIVACY

GRI 418-1

The company's actions to protect customer privacy are based on applicable legal rules and seek to define network technology standards and team awareness, especially, in business, information technology, and engineering areas.

The flow of approvals will assess the need for the user having access or not to the group of information collected. Information security management assures security minimum requirements in the research and development of products, as well as in tests preceding production, and makes available customers information.

We are always assessing improvements in our internal processes, aiming at enhancing our customers' data privacy. In 2018, 694 complaints were received by Anatel channels about the improper use of customer data, nearly 15% less than in 2017.

COMPLAINTS REFERRING TO THE IMPROPER USE OF CUSTOMER DATA

	2018	2017	2016
Broadband	69	44	105
Fixed telephony	274	365	396
Mobile telephony	313	371	438
OI TV	38	39	44
TOTAL	694	819	983

In 2019, we will focus on the expansion and reinforcement of security processes, based on security protocols developed according to the best international security standards and practices.

All telecommunications services provided comply with Law No. 9,472/97 [General Telecommunications Act, LGT], and the General Rule of Telecommunication Services Consumer Rights (RGC), approved by Resolution No. 632/2014 of the Brazilian Telecommunications Agency (Anatel) and specific rules of each service, also enacted by Anatel. In the specific case of the Conditioned Access Service [SeAC], Law No. 12,485/2011 and rules of the Brazilian Film Agency [Ancine] are also observed. Therefore, each service contains definitions and rules as to the elements necessary to its operation and characteristics.

RGC discusses users' and operators' rights and obligations. Among users' rights, we highlight invoices to breakdown services used and respective collection amounts, besides taxes levied. Among the operator's obligations, it answer any user doubt, complaint or compliment. We comply with laws, by offering a 24-hour call center and contact channels at stores or website, we also increasingly work to offer digital channels that facilitate payment.

GRI 417-1

EMPLOYEE ENGAGEMENT

EMPLOYEES PROFILE

GRI 102-7, 102-8

NUMBER OF EMPLOYEES BY JOB CATEGORY	2018			2017			2016		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Board of Executive Officers	79	14	93	82	11	93	83	11	94
Management	547	221	768	576	240	816	553	238	791
Supervision/coordination	598	372	970	421	488	909	547	327	874
Staff	8,202	5,007	13,209	8,179	4,796	12,975	7,854	4,818	12,672
EMPLOYEES ⁽¹⁾	9,426	5,614	15,040	9,258	5,535	14,793	9,037	5,394	14,431
Outsourced workers ⁽²⁾	-	-	117,681	-	-	117,520	-	-	116,460
Apprentices ⁽³⁾	67	73	140	66	72	138	51	65	116
Trainees ⁽⁴⁾	22	48	70	75	66	141	172	168	340
TOTAL	9,515	5,735	132,931	9,399	5,673	132,592	9,260	5,627	131,347

NUMBER OF EMPLOYEES BY REGION	2018			2017			2016		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
South	1,312	505	1,817	1,222	452	1,674	1,101	438	1,539
Southeast	5,270	3,405	8,675	5,275	3,393	8,668	5,193	3,271	8,464
Mid-west	979	395	1,374	875	371	1,246	858	331	1,189
Northeast	1,433	1,081	2,514	1,458	1,119	2,577	1,461	1,142	2,603
North	432	228	660	428	200	628	424	212	636
TOTAL	9,426	5,614	15,040	9,258	5,535	14,793	9,037	5,394	14,431

⁽¹⁾ All employees are hired for an indefinite term, in accordance with the Brazilian Labor Laws (CLT) and on a full-time basis.

⁽²⁾ Outsourced workers are hired in accordance with CLT, employment agreement term and working hours are exclusively defined by the client. Oi does not manage service providers' individual data, therefore, it does not have data separating them by gender.

⁽³⁾ Apprentices are hired for a determined term, in accordance with CLT, with four daily working hours.

⁽⁴⁾ Trainees are hired for a determined term, ruled by Trainee Law, with four or six daily working hours.



SUMMARY

DEVELOPMENT

GRI 404-1, 404-2

Since 2015, we have been conducting the Performance Follow-Up Cycle, which was improved in 2018, and became more assertive and less bureaucratic. The cycle proposes direct conversations between employees and managers, focused on self-development, satisfaction, improvement of Oi's and individual results.

In addition, the Company has a Corporate Education Program, which aims at improving learning, ensuring mapping and disseminating key knowledge by means of practices and educational actions stimulating its employees.

Since 2016, *Oi Educa* has been our main educational tool and training management. Besides conventional e-learning, this platform offers video resources, virtual training rooms, libraries, chats, and forums, with an environment for employees' collaboration and interaction. We believe in social learning, wherein collaboration and exchange of knowledge are key factors for people's development and, accordingly, business evolution.

In 2018, training courses totaled 365,670 hours. On average, 23 hours/employee.

NUMBER OF TRAINING HOURS

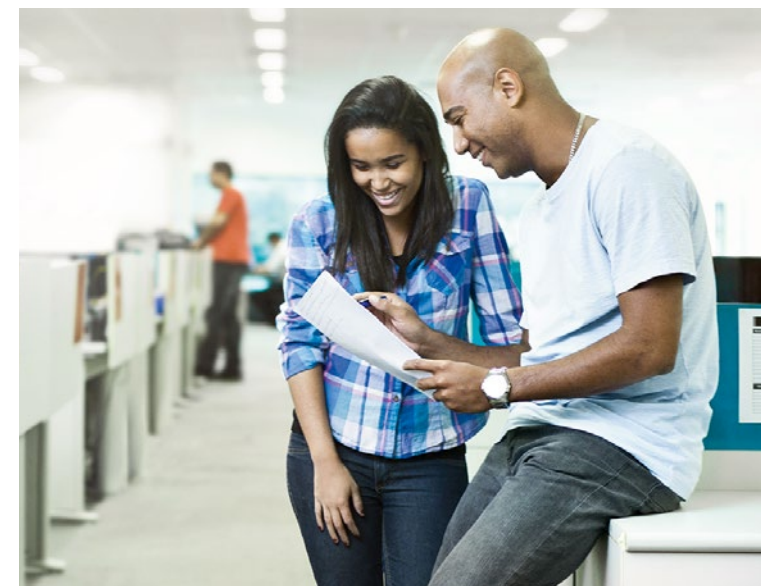
GENDER	2018	2017	2016	Per capita 2018
Male	244,008	118,521	157,313	25
Female	121,662	37,815	53,458	20
TOTAL	365,670	156,336	210,772	23

Among the programs concerned with all employees, we highlight three main pillars:

Technical Skills Development Tracks – critical knowledge map project connected with areas' processes, built up in partnership with executor teams.

Leadership Development Training – Company's leadership development program, aiming excellence when performing their activities, focused on the best management practices.

Business Knowledge Tracks, in several formats and methodologies, such as on-site and on-line actions – programs targeting business teams, focused on specific knowledge of the Company's products and offers.



HEALTH AND SAFETY

GRI 403-1, 403-3, 403-4

We are concerned with guaranteeing our employees' health and safety; therefore, we map all eventual risks present in the nature of business. Concerning occupational safety, we maintain a culture of prevention, especially in field activities.

We have Accident Prevention Internal Commissions (CIPAs), accounting for 76% of our employees, and Voluntary Fire Brigades, representing 71% of our workforce.

Concerning occupational diseases, the activities performed by our employees are considered of low risk.

In compliance with laws, we provide our employees with the Personal Protective Equipment (PPE), Collective Protective Equipment (CPE), besides benefits set out in labor collective bargaining agreement: health care, hospital, dental insurance, and pharmaceutical allowance to employees and dependents.

In 2018, we recorded 16,383 hours of e-learning training via *Oi Educa* Portal, with content concerned with, for instance, risk management and good practices in field activities. The program went beyond training, bringing the prevention concept to the field. A total of 6,295 employees received training on how to work safely with electricity and at heights, in order to ensure the health and safety of workers directly and indirectly involved in these activities. In addition, 482 employees were trained in Responsible and Preventive Management, reinforcing the need for awareness when using vehicles.

In 2018, our safety team carried out over 2,239 field inspections and 2,135 Safety Weekly Dialogues (DSS) concerned with team awareness. The Internal Week for Workplace Accident Prevention (National SIPAT) relied on 4,101 participants, with lectures, educational material and awareness campaigns about safe work.

By means of the *Oi Vida em Dia* [Oi Up-to-Date with Life] Program, initiated in 2014, we promote initiatives concerned with appreciation, care, and recognition of our human capital. Going beyond the mandatory medical examination, the Company complements periodic exams with

laboratory exams which assist in the early diagnosis of diseases or other factors putting employees' health at risk.

Another benefit granted is the Home Office Program, which seeks to motivate, increase productivity and provide life quality to employees, through once-a-week remote work. The pilot project took place in 2017 with approximately 400 professionals. According to an in-company survey conducted with program participants, 94% of employees are motivated to stay at Oi because of the Home Office Program.

Health and safety indicators

GRI 403-2

INJURY RATE	NORTH	MID-WEST	NORTHEAST	SOUTH	SOUTHEAST	OVERALL 2018
Male	0.26	0.49	0.42	0.15	0.17	0.24
Female	-	-	0.19	-	0.23	0.18
TOTAL	0.17	0.35	0.32	0.11	0.20	0.22
Outsourced workers	0.82	0.42	0.52	0.57	0.42	0.66
TOTAL LOST WORKDAYS	NORTH	MID-WEST	NORTHEAST	SOUTH	SOUTHEAST	OVERALL 2018
Male	0.78	3.70	4.05	1.75	2.49	2.68
Female	-	-	1.85	-	3.17	2.28
TOTAL	0.50	2.65	3.10	1.27	2.76	0.22
Outsourced workers	6.44	7.88	4.94	7.09	3.98	5.24
TOTAL ABSENTEEISM	NORTH	MID-WEST	NORTHEAST	SOUTH	SOUTHEAST	OVERALL 2018
Total employees (direct)	599	1,435	2,514	1,817	8,675	15,040
Cost due to hours lost (R\$)	158,136	378,840	663,696	479,688	2,290,200	3,970,560
Days lost absenteeism-direct employees	1,440	3,579	8,140	3,907	24,984	42,050
TOTAL ABSENTEEISM-DIRECT EMPLOYEES	0.91	0.94	1.23	0.81	1.09	1.06

RESPONSIBILITY IN SUPPLY CHAIN

SUPPLY CHAIN PROFILE

GRI 102-9, 204-1, 414-1

In 2018, our supply chain was composed of 1,321 companies, which received nearly R\$ 10.92 billion in payments, and 99.6% of this amount was allocated to suppliers present in the Brazilian territory. In our supply agreements, we maintain clauses referring to human rights, labor practices, respect to environment and compliance with anti-corruption laws.

Key elements of this supply chain are the Network Service Providers (NSPs), –responsible for the implementation and maintenance of external plants, optical fiber infrastructures and specialized licensing services –, call center companies, technology and equipment suppliers. They account for nearly 60% of total payments made to suppliers and operate in key activities, contributing to the quality of our operations and to service excellence.

Supplier compliance is monitored by means of evaluations of the Supplier Qualification Index – HR Pillar (IQF-RH), which deals with issues concerned with HR Management, Occupational Health and Safety. Evaluation is conducted by Labor Relations, Benefits and Outsourced Workers Management, in partnership with the Health, Safety, Environment and Welfare Management.

In 2018, 42 IQF-RH evaluations were conducted with 13 previously selected suppliers. The evaluation gives a score based on the compliance with items and the action plan, under the responsibility of the contract managers and the supplier evaluated, to correct non-conformities identified, increase operational efficiency and reduce occupational accidents and labor contingencies.

SOCIETY DEVELOPMENT

GRI 416-1, 416-2

The activity we develop does not pose risks to customer's health and safety. Eletromagnetic radiation from our Base Radio Stations (ERBs) complies with laws and occurs at levels lower than radio and TV stations. Our ERBs coverage ranges from tens of meters to approximately five kilometers. Noise emission also complies with federal laws. We continuously monitor these levels and we submit periodical reports to Anatel on the intensity of radiation fields and the measures adopted to reduce noise levels.

SOCIAL INVESTMENT

GRI 201-4, 203-2, 413-1

We invest in social projects using incentive and our own funds, by means of our Sponsorship and Events area, and Oi Futuro, Oi's innovation and creativity institute, which promotes, supports and develops innovative and collaborative actions to improve society's life. Concerned with education, culture, social innovation and sports, the Institute expedites initiatives to potentialize individual and collective development, fomenting innovation, collaborative solutions and stimulating connections between organizations, ideas and people.



NAVE project

KEY INVESTMENTS OF OI FUTURO'S SPONSORSHIPS AND EVENTS AREA

GRI 201-4

R\$ THOUSAND	2018	2017	2016
Education	8,726,995	6,281,013	8,907,144
Culture	41,914,559	39,344,012	36,071,379
Social investment	2,804,192	3,221,631	3,283,887
Sports	22,649,952	22,032,611	21,620,514
Administrative structure – Oi Futuro	5,475,421	4,151,341	5,060,773
TOTAL	81,571,119	75,030,608	74,943,697
Direct investment	28,754,524	27,976,916	26,492,296
Investment via tax incentives	52,816,595	47,053,691	48,451,402

EDUCATION

In the educational area, *Oi Futuro* invests in NAVE, the Advanced Education Center, a public-private partnership developed since 2006 jointly with the Education State Department of Rio de Janeiro and Pernambuco in two technical high schools. This program offers programming and multimedia technical courses, focused on training youngsters on creative economy and full exercise of citizenship.

NAVE

NAVE already qualified over 2,500 students and, currently, records 1,000 students and 70 teachers in two schools. To extend its scope, it launched the e-NAVE book in 2018: “Guia de Práticas Pedagógicas Inovadoras” (Innovative Educational Practices Guide), a free-of-charge publication gathering 40 innovative educational practices created in the program and accessible to other public and private schools. Launched in May, in an event with authorities, experts and educators, the

digital book recorded over 2,000 downloads until the end of 2018.

By means of NAVE, *Oi Futuro* also contributed to qualify and certify approximately 500 public school teachers of Rio de Janeiro and Pernambuco, with on-site and semi-onsite courses on robotics, media, and education, use of new educational technologies and full-time education.

Also in 2018, with *Oi Futuro*'s support, Oi launched the second edition of *Geração Nave*, a career program, which foresees the hiring of young technicians as digital residents at Oi. In 2018, 13 youngsters qualified by NAVE initiated their professional career at Oi. Besides offering them their first career opportunity, this program seeks to inspire a culture of innovation at Oi.

Learn more at:  oifuturo.org.br/en/institute/education/

CULTURE

Concerning culture, *Oi Futuro* promotes a convergence of art, science, and technology.

LabSonica

LabSonica is a laboratory of sound and musical experimentation that stimulates creativity and innovation in the sound industry. We offer technical conditions and physical structures for artistic production, such as record studio, rehearsal rooms, workshops, auditorium and coworking space. At *LabSonica*, we have artist-in-residence programs, workshops and pocket shows, privileging independent record companies, researchers and art students throughout the country.



Oi Futuro Cultural Center

The *Oi Futuro* Cultural Center, which includes besides galleries and a theatre, the Telecommunications Museum – recorded nearly 100,000 visitors in 2018. *Oi Futuro* Cultural Center's event schedule was again recognized by audience, press, and critics: five theatre plays exhibited at *Oi Futuro* received, 59 nominations and 14 national awards. The plays were “Isaac no Mundo das Partículas”, “Thomas e as mil e uma invenções”, “CérebroCoração”, “O choro de Pixinguinha” and “Tebas Land”.

Telecommunications Museum

The Museum, a unique space of research and preservation of Brazil's telecommunications, initiated its revamp project. With free entrance, it preserves and disseminates the history of telecommunications in Brazil and worldwide. This permanent exhibition is a result of continued historical collection research supported by *Oi Futuro* in its Technical Reserve, which currently includes approximately 130,000 items, among objects, photos, tapes and documents from different periods.

In November 2018, the Museum launched its first game app, the *Telebô*, which allows remote access to Museum collection, with immersive storytelling enabled by augmented reality.

Oi Program of cultural sponsorships

In 2018, the Institute issued four public notices for artists and cultural producers and received

nearly 2,200 applications. Through its main public notice, the *Oi* Program of Cultural Sponsorships selected 53 projects in 11 Brazilian states.

To reach new audiences, new cultural sponsorship models were created and partnerships were signed to potentialize resources and achievements. The *Pontes* Program is an example, carried out jointly with the British Council, which enabled the residence of British artists in 10 Brazilian festivals, from north to the south of the country. The *Arte Sônica Ampliada* Program (ASA), also developed jointly with the British Council, offered to 50 women working with music in Rio de Janeiro outskirts the chance of being mentored nationwide and internationally, and being prepared for new forms of acting in the musical scenario.

Oi Kabum! Lab

Oi Kabum! Lab offered to 80 youngsters (from urban communities, students, or former public school students) courses relating to the creative economy, photography, graphic design, web design, computer graphics and video. This is a project sponsored by the state law of ICMS RJ [State value-added tax] and executed in partnership with the Rio de Janeiro local government and the Popular Image Creation Center [CECIP].

Learn more at:  oifuturo.org.br/en/institute/culture/

SOCIAL INNOVATION

Concerning social innovation, *Oi Futuro* consolidated Labora's reputation, its Social Innovation lab, as a connection platform for entrepreneurs, businesses and organizations committed to social impact.

Labora

In 2018, the Institute carried out three acceleration cycles of startups and social-impact organizations, with renowned partners. 55 businesses and organizations were accelerated, besides nearly 300 entrepreneurs.

Labora also promoted an ongoing agenda of lectures and workshops discussing topics, such as diversity and inclusion, private social investment and social businesses. 25 events took place, gathering over 1,000 people, in partnership with different institutions.

In addition, the Institute sponsored the launch of two private social investment publications,

in partnership with other institutions and foundations: "*Olhares sobre a atuação do investimento social privado no campo de negócios de impacto*" [An eye on private social investment actions in impact businesses] [organized by GIFE – Group of Foundation Institutes and Corporates] and "*Guia FIIMP*" [Foundations and Impact Institutes].

Program to foster and protect children and adolescents

Complementing their social contribution, Oi and *Oi Futuro* support the Committees on the Rights of the Child and Adolescent, nationwide, in states and municipalities, by means of the Children's and Adolescents' Fund (FIA). Thus, Oi and *Oi Futuro* contribute to bolstering government policies that guarantee the human rights of the child and adolescent throughout the country. In 2018, four initiatives were sponsored.

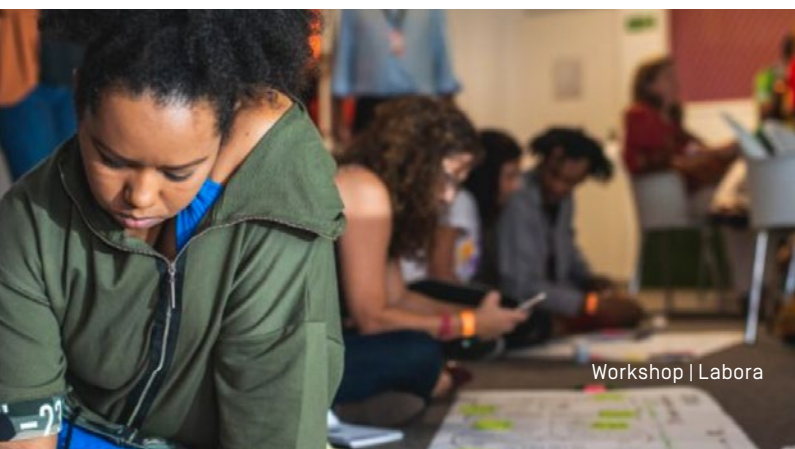
Learn more at:  oifuturo.org.br/en/institute/social-innovation/

SPORTS

As far as sports are concerned, Oi, by means of *Oi Futuro*, was recognized in 2018, by the Ministry of Sports through "Empresário Amigo do Esporte" [Sports Friend Entrepreneur] award, under the category "Largest Educational Sports Supporters", for its contribution to the development of social and sports projects which promote inclusion, citizenship, diversity and healthy lifestyle. In 2018, seven sports projects were supported by the Institute, assisting 1,900 beneficiaries.

In addition, *Oi Futuro* connects social and sports projects to large events sponsored by Oi, such as the World Surf League (WSL) and the Skate Total Urbe [Oi STU], giving children and adolescents the opportunity of approaching high-performance athletes supported by Oi and other sports professionals.

Learn more at:  oifuturo.org.br/instituto/esporte/



Workshop | Labora



Startup Awards



Skate: inclusion and citizenship

RELATIONS WITH INVESTORS AND SHAREHOLDERS

The Investor Relations (IR) department's mission is to develop and execute the policy of transparency and disclosure of information, besides cultivating a close relationship with analysts and investors and act as the key communication channel of the Company with domestic and international capital markets agents.

Notices and information are disclosed by the IR department through official vehicles indicated by regulatory agencies of the capital markets wherein the Company holds securities, besides its **Investor Relations website**.

RELATIONSHIP WITH THE INDUSTRY

GRI 102-13, 415-1

We greatly value cooperation in the industry, for example, in infrastructure sharing, and participating actively in discussions about key issues for the consolidation of telecommunications in Brazil.

We have institutional representatives who maintain contacts with regulatory agencies, namely, the Brazilian Telecommunications

Agency (ANATEL), the Ministry of Science, Technology, Innovations, and Communications (MCTIC), the Brazilian Electricity Agency (ANEEL), the Administrative Council for Economic Defense (CADE) and the Brazilian Film Agency (ANCINE) – and with executive and legislative branches, in the federal, state and municipal scopes. To ensure ethics in these relationships, our actions are guided by the Code of Ethics and by the Policy of Institutional Performance of Oi Companies.

To monitor and analyze bills under discussion at the National Congress, at the Legislative Chamber of Federal District, at the legislative assemblies of states and municipal chambers discussing telecommunications-related issues, we rely on the Monitoring Committee on Legislative Proposals (CAPLE). In 2018, two meetings were held and 22 legislative proposals were selected for analysis and monitoring.

Relevant discussions on federal telecommunications laws took place in 2018. In partnership with the National Union of Telecoms, Personal and Mobile Service (SindiTelebrasil), we participated in discussions of several bills within federal scope, namely:

- [PLC 79/2016](#), which discusses the new telecommunications regulatory framework;
- [PL 7.236/2017](#), which discusses the use of funds from the Telecommunications Services Universalization Fund-FUST.

- [PLS 349/2018](#), which discusses the rules of collection applicable to the Inspection Fees of the Telecommunications Inspection Fund (FISTEL) on terminals used in machine-to-machine communication applications (M2M).
- [PL 9.039/2017](#), which discusses the mobile telephony coverage in rural areas.
- [PL 9.165/2017](#), which sets out the Policy of Connected Education Innovation.
- [PLS 433/2018](#), which authorizes the use of FUST funds to pay telecom expenses of the Brazilian Antarctic Program (PROANTAR).
- [PLP 470/2018](#), which establishes a 180-day term to install jammers in prisons.
- [PL 7.182/2017](#), which discusses the fixed broadband data franchise.
- [PL 9.615/2018](#), which discusses the telemarketing registration rules.
- Provisional measures of the telecom industry's interest, especially those referring to taxation and personal data privacy.

In dialogue with state and municipal political leaders, we highlight discussions on laws referring to the mobile telephony installation and expansion, the urban and environmental licensing of telecommunications infrastructure and the transition from aerial cabling to underground cabling in municipalities, rules on consumers priority services.

We neither support nor contribute to political parties, politicians or related institutions, as we are a public utility concessionaire, therefore, we comply with Law No. 9.504/1997. In 2018, we hosted an 8-hour pilot workshop on good practices of relationship with public agents, targeting several Oi's departments that maintain the relationship with public agents.

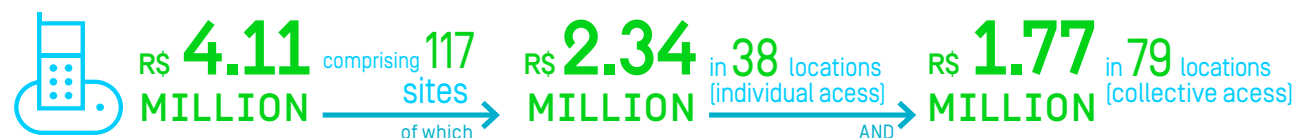
ACCESS TO TELECOMMUNICATIONS AND DIGITAL INCLUSION

Broadband Program at Schools [PBLE]

PBLE's objective is until 2025, make available the Internet with speed equal to or higher than 2MB at public elementary and high schools, and for teachers, indicated by the Ministry of Education (MEC) based on the Census of the National Institute of Studies and Researches (INEP). In 2018, we assisted 103 new urban schools, totaling 53,361 urban schools. In addition, 3,726 rural schools were assisted.

General Plan of Universalization Goals [PGMU]

It seeks to guarantee access to fixed telephony. In 2018, we invested over



Backhaul

It consists of broadband installation in municipalities and upgrades of previously installed speeds. Currently, we provided Backhaul services to over 3,176 Brazilian municipalities.

INVESTMENTS IN INFRASTRUCTURE AND SERVICES IN 2018

GRI 203-1

PROGRAM	INVESTMENT
BROADBAND PROGRAM AT SCHOOLS	R\$ 250,000
GENERAL PLAN OF UNIVERSALIZATION GOALS	
Individual access [38 sites]	R\$ 2.34 million
Collective access [79 sites]	R\$ 1.77 million
TOTAL (117 SITES)	R\$ 4.11 MILLION
INSTALLATION OF PUBLIC TELEPHONES	
Villages [2]	R\$ 0.05 million
Settlements [20]	R\$ 0.42 million
Schools [235]	R\$ 5.16 million
Health clinics [57]	R\$ 1.24 million
Federal highway police stations [2]	R\$ 0.042 million
Quilombo community [1]	R\$ 0.021 million
TOTAL	R\$ 6.93 MILLION
BACKHAUL	R\$ 10 MILLION

CHAPTER 5

ENVIRONMENTAL MANAGEMENT

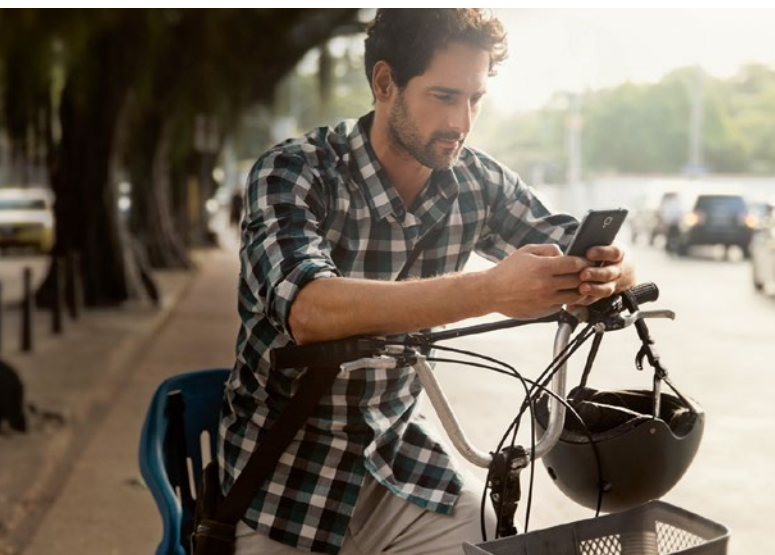
GRI 102-56



SUMMARY

ENVIRONMENTAL MANAGEMENT

Sustainability has been gradually built up into Oi's businesses, activities, processes, and operations, by means of commitments, such as the publication and disclosure of the Sustainability Policy and the Health, Safety and Environment Policy (SSMA), which have been positively and progressively impacting our practices. The Sustainability Policy's objective is to define the guidelines to build mechanisms aiming the business continuity and management of social and environmental impacts resulting from the Company's activity. The content of the Sustainability Policy is available at [Oi's website](#).



We adopt international standards, such as the Global Reporting Initiative (GRI) to elaborate on the Sustainability Annual Report and the GHG Protocol to draw up the GHG Inventory. We also annually report our strategy and climate change-related actions to the Carbon Disclosure Project (CDP).

In 2018, we earmarked R\$ 4.6 million to environmental protection investments, and 58% of this amount corresponds to the issue of radiometric reports, to monitor the quality of radiofrequency signals and evidence measurement with ANATEL and public authorities.

ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS (R\$)	2018	2017	2016
Waste treatment and disposal (fixed collection points + dumpsters)	R\$ 921,408.47 ⁽¹⁾	R\$ 871,200.92	R\$ 1,165,996.25
Disposal of batteries, devices, and accessories collected at Oi stores	-	R\$ 69,000.00	... ⁽⁵⁾
Environmental licensing expenditures	R\$ 700,007.94 ⁽²⁾	R\$ 599,458.37	R\$ 732,758.21
Issue of radiometric reports	R\$ 2,664,084.22 ⁽³⁾	R\$ 3,568,224.97	R\$ 4,856,000.00
Transportation expenses and storage of solid waste	R\$ 298,969.66 ⁽⁴⁾	R\$ 312,351.91	R\$ 301,305.00
External assurance for the GHG inventory	R\$ 5,990.00	R\$ 6,930.00	R\$ 19,124.00
Prevention and environmental management costs	-	R\$ 95,361.00	... ⁽⁶⁾
TOTAL	R\$ 4,590,460.29	R\$ 5,522,527.17	R\$ 7,075,183.46

Notas: ⁽¹⁾ In 2018, due to the new rules on garbage collection in the Federal District and in Goiás, suppliers had to be changed. In Rio de Janeiro, we included buildings not listed in the fixed collection agreement, thus, resulting in a difference compared to 2017.

⁽²⁾ The amount includes environmental licenses of sites and special projects connected with optical fiber implementation.

⁽³⁾ The amount comprises 1) R\$ 506,240.90 of radiometric reports, which aim at measuring the quality of radiofrequency signals, mainly evidencing the regular status before the public authorities, and 2) 2,157,843.32, destined to comply with conditions required by the regulatory agency (Anatel).

⁽⁴⁾ Cost represents the sum of transportation and shipping expenses since Oi has no scrap storage direct costs. Our distribution/storage centers are located in the proper environment, except for PA (Pará), AM (Amazonas) and MG (Minas Gerais) branches, which are located at FEDEX and do not store batteries. Estimated weight carried: 278 tonnes.

⁽⁵⁾ In 2016, waste of mobile phone batteries, devices and accessories collected at Oi stores were shipped for temporary storage at Oi Logistics storage and distribution centers.

⁽⁶⁾ No expenditure in 2016 in item "Prevention and environmental management costs", due to the suspension of the Building Risk Project – Environmental Pillar, to be in conformity with Oi's internal definitions. In 2017, the Project resumed and we evaluated 17 administrative buildings.

ENERGY CONSUMPTION

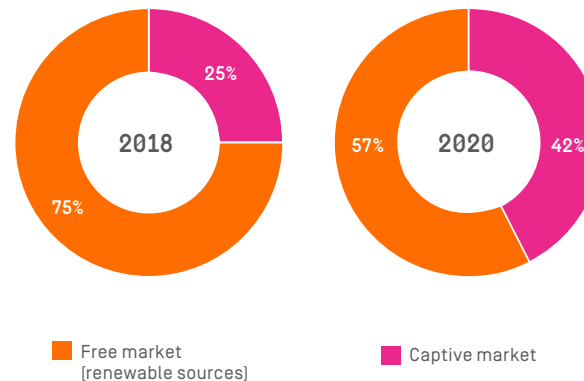
GRI 301-3, 302-1, 302-3, 302-4, 307-1

Energy management is inserted in Oi's strategic planning and seeks to diversify its consumption matrix, migrating to low-cost renewable sources, besides contributing to the environment, especially in the fight against climate change. Currently, 25.4% of the energy acquired derives from the free market's renewable sources, such as biomass and small hydroelectric plants (SHP). In addition, we participate in several distributed generation projects, in partnership with companies specialized in solar plant construction.

The strategy is guided by the following objectives:

- Reduce energy costs;
- Plan and control energy expenditures;
- Improve and optimize processes;
- Establish governance of processes control and results concerned with energy consumption;
- Execute energy projects;
- Raise energy-saving awareness at the Company;
- Strengthen relationships with concessionaires.

OI'S CONSUMPTION ENERGY MATRIX IN 2018 AND GOALS FOR 2020



The electricity consumed by Oi is split into the energy acquired from concessionaires, which accounts for nearly 75% of total energy consumed and the energy acquired at the free market, deriving from renewable sources. In 2018, 1,564.3 GWh [5,631,589.50 GJ] of energy was consumed, down 3.5% from previous years.

IMPACT REDUCTION

GRI 301-3, 302-1, 307-1

Oi Troca Fácil is an action that aims at reducing impacts, in line with a consumer awareness model towards a circular economy and concerned with the environment. Since 2016, we have been offering discounts to used devices when the customer buys a mobile phone at our stores. Used devices are collected by our partner, they are thoroughly revised and tested

by specialized technicians to then be resold with a three-month warranty. Altogether, 261 devices were exchanged in 2018.

We recovered decoders – devices used by Oi TV –, after the termination of agreements with customers, and then reused by new customers. In 2018, we collected 602,000 devices, resulting in R\$ 73.2 million savings for the Company. We also made available collection boxes for mobile phones, batteries and accessories disposal at our stores, besides collecting cells and batteries in our administrative buildings.

DATA CENTER REVAMP

GRI 102-48

Our project to migrate our data center in Belo Horizonte to Brasília was contractual compliance and an opportunity to upgrade technologies, devise improvements and reduce costs for the Company. Such move was completed in 2018, therefore, various servers were virtualized, enabling to decrease the use of physical servers and the need for space to accommodate equipment, thus, reducing maintenance costs and electricity consumption. Our estimate is to reduce by 50% the energy used and by nearly 33% the physical servers.

CHAPTER 6

SOCIAL
BALANCE SHEET

SOCIAL BALANCE SHEET

1 – BASIS OF CALCULATION

	2018 – R\$ THOUSAND	2017 – R\$ THOUSAND
Net revenue [NR]	22,060,014	23,789,654
Operating revenue [OR]	21,340,608	-5,557,540
Gross payroll [GP]	2,314,644	2,528,681
Total Value Added [TVA]	38,963,935	19,007,286

2 – INTERNAL SOCIAL INDICATORS

	2018				2017			
	R\$ THOUSAND	% OVER GP	% OVER NR	% OVER TVA	R\$ THOUSAND	% OVER GP	% OVER NR	% OVER TVA
Food	179,874	7.77%	0.82%	0.46%	182,901	7.23%	0.77%	0.96%
Payroll taxes and benefits	452,245	19.54%	2.05%	1.16%	453,486	17.93%	1.91%	2.39%
Private pension	23,640	1.02%	0.11%	0.06%	43,097	1.70%	0.18%	0.23%
Health	178,558	7.71%	0.81%	0.46%	175,084	6.92%	0.74%	0.92%
Occupational health and safety	6,522	0.28%	0.03%	0.02%	6,316	0.25%	0.03%	0.03%
Education	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%
Culture	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%
Professional qualification and development	9,478	0.41%	0.04%	0.02%	9,318	0.37%	0.04%	0.05%
Daycare or daycare assistance	10,628	0.46%	0.05%	0.03%	11,264	0.45%	0.05%	0.06%
Sports	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%
Profit sharing	237,253	10.25%	1.08%	0.61%	298,789	11.82%	1.26%	1.57%
Transportation	33,944	1.47%	0.15%	0.09%	37,168	1.47%	0.16%	0.20%
Other	19,976	0.86%	0.09%	0.05%	17,023	0.67%	0.07%	0.09%
TOTAL – INTERNAL SOCIAL INDICATORS	1,152,119	49.78%	5.22%	2.96%	1,234,447	48.82%	5.19%	6.49%

3 – EXTERNAL SOCIAL INDICATORS

	2018				2017			
	R\$ THOUSAND	% OVER OR	% OVER NR	% OVER TVA	R\$ THOUSAND	% OVER OR	% OVER NR	% OVER TVA
Education	8,727	0.04%	0.04%	0.02%	6,281	-0.11%	0.03%	0.03%
Culture	41,915	0.20%	0.19%	0.11%	32,587	-0.59%	0.14%	0.17%
Health and sanitation	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%
Sports	22,650	0.11%	0.10%	0.06%	1,856	-0.03%	0.01%	0.01%
Combating hunger and supporting food security	-	0.00%	0.00%	0.00%	41	0.00%	0.00%	0.00%
Sector indicators	-	-	-	-	-	-	-	-
Others	8,280	0.04%	0.04%	0.02%	7,332	-0.13%	0.03%	0.04%
TOTAL CONTRIBUTIONS FOR SOCIETY	81,571	0.38%	0.37%	0.21%	48,097	-0.87%	0.20%	0.25%
Taxes (excluding social contributions)	3,087,335	14.47%	14.00%	7.92%	8,863,211	-159.48%	37.26%	46.63%
TOTAL – SOCIAL EXTERNAL INDICATORS	3,168,906	14.85%	14.36%	8.13%	8,911,308	-160.35%	37.46%	46.88%



4 – ENVIRONMENTAL INDICATORS

	2018				2017			
	R\$ THOUSAND	% OVER OR	% OVER NR	% OVER TVA	R\$ THOUSAND	% OVER OR	% OVER NR	% OVER TVA
4.1 - INVESTMENTS RELATED TO THE COMPANY'S PRODUCTION/OPERATION								
Land expropriation	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
Environmental liabilities and contingencies	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
Technological and industrial development program	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
Energy conservation	1,656	0.01%	0.01%	0.00%	1,497	-0.03%	0.01%	0.01%
Environmental education	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
Sector indicator	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
Others	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
TOTAL INVESTMENTS RELATED TO THE COMPANY'S PRODUCTION/OPERATION	1,656	0.01%	0.01%	0.00%	1,497	-0.03%	0.01%	0.01%
4.2 - INVESTMENTS IN EXTERNAL PROGRAMS AND/OR PROJECTS								
Environment educational projects in communities	0	0.00%	0.00%	0.00%	12	0.00%	0.00%	0.00%
Preservation and/or recovery of degraded areas	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
Others	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
TOTAL INVESTMENTS IN EXTERNAL PROGRAMS AND/OR PROJECTS	0	0.00%	0.00%	0.00%	12	0.00%	0.00%	0.00%
TOTAL INVESTMENTS IN ENVIRONMENT (4.1 + 4.2)	1,656	0.01%	0.01%	0.00%	1,509	-0.03%	0.01%	0.01%

DISTRIBUTION OF INVESTMENTS IN ENVIRONMENT	2018		2017	
	R\$ THOUSAND	% OVER TOTAL	R\$ THOUSAND	% OVER TOTAL
Total investments in environmental prevention	0	0.00	0	0.00
Total investments in environmental maintenance	0	0.00	0	0.00
Total investments in environmental compensation	0	0.00	0	0.00
Number of environmental, administrative and legal proceedings filed against the company:	381		359	
Environmental-related fines and indemnification in administrative and/or legal proceedings:	Not reported		Not reported	
Regarding the establishment of annual targets to minimize waste and consumption in general in production/operation to increase efficacy when using natural resources, the Company:	☐ Has no targets ☐ Meets from 0% to 50% ☐ Meets from 51% to 75% ☒ Meets from 76% to 100%		☐ Has no targets ☐ Meets from 0% to 50% ☐ Meets from 51% to 75% ☒ Meets from 76% to 100%	

5. WORKFORCE INDICATORS

	2018	2017
	UNITS	UNITS
Headcount at the end of period	15,040	14,793
Number of admissions in the period	2,787	2,669
Employee termination in the period	2,601	2,347
Number of outsourced workers	117,681	117,520
Number of interns	70	141
Number of employees over 45 years of age	3,798	3,494
Number of employees by age group:		
Under 18 years old	0	0
Between 18 and 35 years old	5,419	5,938
Between 36 and 45 years old	5,825	5,534
Between 46 and 60 years old	3,184	2,854
Over 60 years old	612	467
Number of employees by level of education:		
Illiterate	0	0
Elementary school/junior high school	44	38
High school/technical school	6,062	6,115
College degree	7,176	6,955
Postgraduate degree	1,758	1,685
Number of women working at the company	5,614	5,535
% of leadership position held by women	28%	28%
Number of men working at the company	9,426	9,258
% of leadership position held by men	72%	72%
Number of afro-descendants working at the company	Not reported	Not reported
% of leadership position held by afro-descendants	Not reported	Not reported
Number of disabled people	231	257
Gross remuneration divided by:		
Employees	Not reported	Not reported
Management members	Not reported	Not reported
Difference between the lowest salary paid by the company and minimum wage (nationwide or regionally):		
Difference between the lowest salary paid by the company and minimum wage	0	219
Source	FPW payroll	FPW payroll

6 – SIGNIFICANT INFORMATION WITH RESPECT TO THE EXERCISE OF CORPORATE CITIZENSHIP

Ratio between the highest and lowest compensation at the company	Not reported		Not reported	
Total number of accidents at work	Not reported		Not reported	
The social and environmental projects developed by the company were established by:	☐ Senior management ☒ Senior and mid-level management ☐ All employees		☐ Senior management ☒ Senior and mid-level management ☐ All employees	
Safety and healthiness standards at workplace were defined by:	☐ Senior management ☒ Senior and mid-level management ☐ All employees ☐ All + CIPA (Internal Accident Prevention Committee)		☐ Senior management ☒ Senior and mid-level management ☐ All employees ☐ All + CIPA (Internal Accident Prevention Committee)	
Concerning freedom of association, right to collective bargaining and employee internal representation, the company:	☒ Does not participate ☐ Observes ILO standards ☐ Incentives and observes ILO		☒ Does not participate ☐ Observes ILO standards ☐ Incentives and observes ILO	
Private pension encompasses:	☐ Senior management ☐ Senior and mid-level management ☒ All employees		☐ Senior management ☐ Senior and mid-level management ☒ All employees	
Profit sharing applies to:	☐ Senior management ☐ Senior and mid-level management ☒ All employees		☐ Senior management ☐ Senior and mid-level management ☒ All employees	
When selecting suppliers, the same ethical, social and environmental standards adopted by the company:	☐ Are not considered ☐ Are suggested ☒ Are required		☐ Are not considered ☐ Are suggested ☒ Are required	
As to employee participation in volunteering programs, the company:	☐ Does not participate ☒ Supports ☐ Organizes and stimulates		☐ Does not participate ☒ Supports ☐ Organizes and stimulates	
Total number of consumers' complaints and comments:	At the company	Not reported	At the company	Not reported
	At Procon	Not reported	At Procon	Not reported
	At the courts	Not reported	At the courts	Not reported
% of complaints and comments answered or solved:	At the company	Not reported	At the company	Not reported
	At Procon	Not reported	At Procon	Not reported
	At the courts	Not reported	At the courts	Not reported
Fines and indemnities to customers decided by consumer protection and defense bodies or by the courts:	At Procon	Not reported	At Procon	Not reported
	At the courts	Not reported	At the courts	Not reported

ACTIONS EXECUTED BY THE COMPANY TO REMEDY OR MINIMIZE CAUSES OF COMPLAINTS:				
Number of labor lawsuits filed against the company:	34,428		36,274	
Lawsuits which were granted relief	N/A*		N/A*	
Lawsuits judged groundless	N/A*		N/A*	
Total amount of indemnifications and fines paid according to court's decision:	Not available		Not available	
TOTAL VALUE ADDED TO DISTRIBUTE (R\$ MILLION):	38,964		19,007	
DISTRIBUTION OF VALUE ADDED (DVA):	R\$ MILLION	% OVER TOTAL	R\$ MILLION	% OVER TOTAL
Government	3,367	8.6	9,126	48.0
Employees	2,315	5.9	2,529	13.3
Shareholders	24	0.1	-291	-1.5
Outsourced workers	8,666	22.2	14,008	73.7
Retained	24,591	63.1	-6,365	-33.5

7 – OTHER INFORMATION

In item 3, "Others", we considered the Sustainability item (support to Community, Environment and Biodiversity development projects). *Oi Futuro's* administrative structure was also considered – support areas (Communication, HR, Financial, Planning, Assets and Sponsorships).

In item 4.2 "Number of environmental, administrative and legal proceedings against the company"; only administrative proceedings are informed. Legal proceedings will not be reported by managerial/strategic decision.

In "Number of afro-descendants" and "% of leadership positions held by afro-descendants" of item 5, Oi does not collect this information according to IBGE's criterion (self-declaration) in the system.

Concerning item 6, more specifically with respect to the number of lawsuits which were "granted relief" / "groundless", it is not possible to inform, since the absolute majority of proceedings were "partially granted relief".

CHAPTER 7

FINANCIAL STATEMENTS



CLICK HERE TO
DOWNLOAD THE
PDF FILE

This Report and the Financial Statements discuss the performance of OI S.A. and its subsidiaries. In turn, social and environmental indicators reported only refer to the Parent Company, as these aspects are not managed in subsidiaries. GRI 102-45





CHAPTER 8

GRI STANDARDS CONTENT INDEX

GRI 102-55

SUMMARY

GRI STANDARDS – CONTENT INDEX

	FOUNDATION	PAGE/ANSWER	GLOBAL COMPACT	SDG	MATERIALITY
GENERAL DISCLOSURES	ORGANIZATIONAL PROFILE				
	102-1	Name of the organization	4		GRI Standards [Essential]
	102-2	Activities, brands, products, and services	14		GRI Standards [Essential]
	102-3	Location of headquarters	63		GRI Standards [Essential]
	102-4	Location of operations	14		GRI Standards [Essential]
	102-5	Ownership and legal form	18		GRI Standards [Essential]
	102-6	Markets served	4, 14		GRI Standards [Essential]
	102-7	Scale of the organization	14, 32		GRI Standards [Essential]
	102-8	Information on employees and other workers	32		GRI Standards [Essential]
	102-9	Supply chain	35		GRI Standards [Essential]
	102-10	Significant changes to the organization and its supply chain	4		GRI Standards [Essential]
	102-11	Precautionary Principle or approach	20		GRI Standards [Essential]
	102-12	External initiatives	4		GRI Standards [Essential]
	102-13	Membership of associations	39		GRI Standards [Essential]
	STRATEGY				
	102-14	Statement from senior decision-maker	10		GRI Standards [Essential]
	102-15	Key impacts, risks, and opportunities	20		Material
	ETHICS AND INTEGRITY				
	102-16	Values, principles, standards, and norms of behavior	13	10	GRI Standards [Essential]
	102-17	Mechanisms for advice and concerns about ethics	74	10	Material

	FOUNDATION	PAGE/ANSWER	GLOBAL COMPACT	SDG	MATERIALITY
GENERAL DISCLOSURES	GOVERNANCE				
	102-18	Governance structure	18, 65		GRI Standards [Essential]
	102-19	Delegating authority	18		Material
	102-20	Executive-level responsibility for economic, environmental, and social topics	18		Material
	102-21	Consulting stakeholders on economic, environmental, and social topics	18		Material
	102-22	Composition of the highest governance body and its committees	19		Material
	102-23	Chair of the highest governance body	18		Material
	102-24	Nominating and selecting the highest governance body	18, 65		Material
	102-25	Conflicts of interest	20		Material
	102-26	Role of highest governance body in setting purpose, values, and strategy	18		Material
	102-27	Collective knowledge of highest governance body	20		Material
	102-28	Evaluating the highest governance body's performance	18, 65		Material
	102-29	Identifying and managing economic, environmental, and social impacts	20		Material
	102-30	Effectiveness of risk management processes	20		Material

	FOUNDATION	PAGE/ANSWER	GLOBAL COMPACT	SDG	MATERIALITY
GENERAL DISCLOSURES	GOVERNANCE				
	102-31	Review of economic, environmental, and social topics	29		Material
	102-32	Highest governance body's role in sustainability reporting	4		Material
	102-33	Communicating critical concerns	19		Material
	102-34	Nature and total number of critical concerns	19		Material
	STAKEHOLDER ENGAGEMENT				
	102-40	List of stakeholder groups	4		GRI Standards (Essential)
	102-42	Identifying and selecting stakeholders	4		GRI Standards (Essential)
	102-43	Approach to stakeholder engagement	4		GRI Standards (Essential)
	102-44	Key topics and concerns raised	5		GRI Standards (Essential)
	REPORTING PRACTICES				
	102-45	Entities included in the consolidated financial statements	51		GRI Standards (Essential)
	102-46	Defining report content and topic Boundaries	4		GRI Standards (Essential)
	102-47	List of material topics	5		GRI Standards (Essential)
	102-48	Restatements of information	30, 43		GRI Standards (Essential)
	102-49	Changes in reporting	4		GRI Standards (Essential)
	102-50	Reporting period	4		GRI Standards (Essential)
	102-51	Date of most recent report	4		GRI Standards (Essential)
	102-52	Reporting cycle	4		GRI Standards (Essential)
	102-53	Contact point for questions regarding the report	5		GRI Standards (Essential)
	102-54	Claims of reporting in accordance with the GRI Standards	4		GRI Standards (Essential)
	102-55	GRI content index	52		GRI Standards (Essential)
	102-56	External assurance	41		GRI Standards (Essential)

		FOUNDATION	PAGE/ANSWER	GLOBAL COMPACT	SDG	MATERIALITY
SPECIFIC TOPICS STANDARD						
ECONOMIC STANDARDS						
TOPIC: ECONOMIC PERFORMANCE						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5		8	Non-material
	103-2	The management approach and its components	26, 35, 36		8	Non-material
	103-3	Evaluation of the management approach	26, 35, 36		8	Non-material
ECONOMIC PERFORMANCE	201-1	Direct economic value generated and distributed	26		8	Non-material
	201-4	Financial assistance received from government	35, 36		8	Non-material
TOPIC: MARKET PRESENCE						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	6		Non-material
	103-2	The management approach and its components	67	6		Non-material
	103-3	Evaluation of the management approach	67	6		Non-material
MARKET PRESENCE	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	67	6		Non-material
TOPIC: INDIRECT ECONOMIC IMPACTS						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5		8, 9	Non-material
	103-2	The management approach and its components	16, 30, 35, 40		8, 9	Non-material
	103-3	Evaluation of the management approach	16, 30, 35, 40		8, 9	Non-material
INDIRECT ECONOMIC IMPACTS	203-1	Infrastructure investments and services supported	16, 30, 40		8, 9	Non-material
	203-2	Significant indirect economic impacts	16, 35		8, 9	Non-material
TOPIC: PROCUREMENT PRACTICES						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5			Non-material
	103-2	The management approach and its components	35			Non-material
	103-3	Evaluation of the management approach	35			Non-material
PROCUREMENT PRACTICES	204-1	Proportion of spending on local suppliers	35			Non-material

		FOUNDATION	PAGE/ANSWER	GLOBAL COMPACT	SDG	MATERIALITY
TOPIC: ANTI-CORRUPTION						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5		16	Non-material
	103-2	The management approach and its components	29, 74		16	Non-material
	103-3	Evaluation of the management approach	29, 74		16	Non-material
ANTI-CORRUPTION	205-2	Communication and training about anti-corruption policies and procedures	74		16	Non-material
	205-3	Confirmed incidents of corruption and actions taken	29		16	Non-material
TOPIC: ANTI-COMPETITIVE BEHAVIOR						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5			Non-material
	103-2	The management approach and its components	68			Non-material
	103-3	Evaluation of the management approach	68			Non-material
ANTI-COMPETITIVE BEHAVIOR	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	68			Non-material
ENVIRONMENTAL STANDARDS						
TOPIC: MATERIALS						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	7, 8	12	Non-material
	103-2	The management approach and its components	43, 68	7, 8	12	Non-material
	103-3	Evaluation of the management approach	43, 68	7, 8	12	Non-material
MATERIALS	301-1	Materials used by weight or volume	68	7, 8	12	Non-material
	301-3	Reclaimed products and their packaging materials	43	8	12	Non-material
TOPIC: ENERGY						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	8, 9	7	Non-material
	103-2	The management approach and its components	43, 69	8, 9	7	Non-material
	103-3	Evaluation of the management approach	43, 69	8, 9	7	Non-material
ENERGY	302-1	Energy consumption within the organization	43	8	7	Non-material
	302-3	Energy intensity	69	8	7	Non-material
	302-4	Reduction of energy consumption	43	8	7	Non-material
	302-5	Reductions in energy requirements of products and services	69	8, 9	7	Non-material

		FOUNDATION	PAGE/ANSWER	GLOBAL COMPACT	SDG	MATERIALITY
TOPIC: WATER						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	7, 8	6	Non-material
	103-2	The management approach and its components	68	7, 8	6	Non-material
	103-3	Evaluation of the management approach	68	7, 8	6	Non-material
WATER	303-1	Water withdrawal by source	68	7, 8	6	Non-material
TOPIC: BIODIVERSITY						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	7, 8	15	Non-material
	103-2	The management approach and its components	69	7, 8	15	Non-material
	103-3	Evaluation of the management approach	69	7, 8	15	Non-material
BIODIVERSITY	304-3	Habitats protected or restored	69	7, 8	15	Non-material
TOPIC: EMISSIONS						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	7, 8, 9	7, 13	Non-material
	103-2	The management approach and its components	69	7, 8, 9	7, 13	Non-material
	103-3	Evaluation of the management approach	69	7, 8, 9	7, 13	Non-material
EMISSIONS	305-1	Direct (Scope 1) GHG emissions	69	7, 8	7, 13	Non-material
	305-2	Energy indirect (Scope 2) GHG emissions	69	8	7, 13	Non-material
	305-3	Other indirect (Scope 3) GHG emissions	69	8	13	Non-material
	305-4	GHG emissions intensity	69	8	13	Non-material
	305-5	Reduction of GHG emissions	69	8, 9	13	Non-material
	305-6	Emissions of ozone-depleting substances (ODS)	69	8	13	Non-material
TOPIC: EFFLUENTS AND WASTE						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	8	6	Non-material
	103-2	The management approach and its components	71	8	6	Non-material
	103-3	Evaluation of the management approach	71	8	6	Non-material
EFFLUENTS AND WASTE	306-2	Waste by type and disposal method	71	8	6	Non-material

		FOUNDATION	PAGE/ANSWER	GLOBAL COMPACT	SDG	MATERIALITY
TOPIC: ENVIRONMENTAL COMPLIANCE						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	8		Non-material
	103-2	The management approach and its components	43, 71	8		Non-material
	103-3	Evaluation of the management approach	43, 71	8		Non-material
ENVIRONMENTAL COMPLIANCE	307-1	Non-compliance with environmental laws and regulations	43, 71	8		Non-material
SOCIAL STANDARDS						
TOPIC: EMPLOYMENT						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5		1	Non-material
	103-2	The management approach and its components	71, 72		1	Non-material
	103-3	Evaluation of the management approach	71, 72		1	Non-material
EMPLOYMENT	401-1	New employee hires and employee turnover	71		1	Non-material
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	72		1	Non-material
TOPIC: LABOR/MANAGEMENT RELATIONS						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5			Non-material
	103-2	The management approach and its components	72			Non-material
	103-3	Evaluation of the management approach	72			Non-material
LABOR/MANAGEMENT RELATIONS	402-1	Minimum notice periods regarding operational changes	72			Non-material
TOPIC: OCCUPATIONAL HEALTH AND SAFETY						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	3	3	Material
	103-2	The management approach and its components	33, 34	3	3	Material
	103-3	Evaluation of the management approach	33, 34	3	3	Material
OCCUPATIONAL HEALTH AND SAFETY	403-1	Workers representation in formal joint management-worker health and safety committees	33	3	3	Material
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	34	3	3	Material
	403-3	Workers with high incidence or high risk of diseases related to their occupation	33	3	3	Material
	403-4	Health and safety topics covered in formal agreements with trade unions	33	3	3	Material

		FOUNDATION	PAGE/ANSWER	GLOBAL COMPACT	SDG	MATERIALITY
TOPIC: TRAINING AND EDUCATION						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	6		Non-material
	103-2	The management approach and its components	33	6		Non-material
	103-3	Evaluation of the management approach	33	6		Non-material
TRAINING AND EDUCATION	404-1	Average hours of training per year per employee	33	6		Non-material
	404-2	Programs for upgrading employee skills and transition assistance programs	33	6		Non-material
TOPIC: DIVERSITY AND EQUAL OPPORTUNITY						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	6	5	Non-material
	103-2	The management approach and its components	18, 65, 73	6	5	Non-material
	103-3	Evaluation of the management approach	18, 65, 73	6	5	Non-material
DIVERSITY AND EQUAL OPPORTUNITY	405-1	Diversity of governance bodies and employees	18, 65, 73	6	5	Non-material
	405-2	Ratio of basic salary and remuneration of women to men	73	6	5	Non-material
TOPIC: NON-DISCRIMINATION						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	6		Non-material
	103-2	The management approach and its components	29	6		Non-material
	103-3	Evaluation of the management approach	29	6		Non-material
NON-DISCRIMINATION	406-1	Incidents of discrimination and corrective actions taken	29	6		Non-material
TOPIC: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	3		Non-material
	103-2	The management approach and its components	74	3		Non-material
	103-3	Evaluation of the management approach	74	3		Non-material
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	74	3		Non-material
TOPIC: CHILD LABOR						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	5	1	Non-material
	103-2	The management approach and its components	74	5	1	Non-material
	103-3	Evaluation of the management approach	74	5	1	Non-material
CHILD LABOR	408-1	Operations and suppliers at significant risk for incidents of child labor	74	5	1	Non-material

		FOUNDATION	PAGE/ANSWER	GLOBAL COMPACT	SDG	MATERIALITY
TOPIC: FORCED OR COMPULSORY LABOR						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	4	1	Non-material
	103-2	The management approach and its components	74	4	1	Non-material
	103-3	Evaluation of the management approach	74	4	1	Non-material
FORCED OR COMPULSORY LABOR	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	74	4	1	Non-material
TOPIC: RIGHTS OF INDIGENOUS PEOPLES						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	1, 2		Non-material
	103-2	The management approach and its components	74	1, 2		Non-material
	103-3	Evaluation of the management approach	74	1, 2		Non-material
RIGHTS OF INDIGENOUS PEOPLES	411-1	Incidents of violations involving rights of indigenous peoples	74	1, 2		Non-material
TOPIC: HUMAN RIGHTS ASSESSMENT						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	1, 2		Non-material
	103-2	The management approach and its components	74	1, 2		Non-material
	103-3	Evaluation of the management approach	74	1, 2		Non-material
HUMAN RIGHTS ASSESSMENT	412-2	Employee training on human rights policies or procedures	74	1, 2		Non-material
TOPIC: LOCAL COMMUNITIES						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	1	8, 10	Non-material
	103-2	The management approach and its components	35	1	8, 10	Non-material
	103-3	Evaluation of the management approach	35	1	8, 10	Non-material
LOCAL COMMUNITIES	413-1	Operations with local community engagement, impact assessments, and development programs	35	1	8, 10	Non-material
TOPIC: SUPPLIER SOCIAL ASSESSMENT						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	1, 2		Non-material
	103-2	The management approach and its components	35	1, 2		Non-material
	103-3	Evaluation of the management approach	35	1, 2		Non-material
SUPPLIER SOCIAL ASSESSMENT	414-1	New suppliers that were screened using social criteria	35	1, 2		Non-material

		FOUNDATION	PAGE/ANSWER	GLOBAL COMPACT	SDG	MATERIALITY
TOPIC: PUBLIC POLICY						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5	10	16	Non-material
	103-2	The management approach and its components	39	10	16	Non-material
	103-3	Evaluation of the management approach	39	10	16	Non-material
PUBLIC POLICY	415-1	Political contributions	39	10	16	Non-material
TOPIC: CUSTOMER HEALTH AND SAFETY						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5			Non-material
	103-2	The management approach and its components	35			Non-material
	103-3	Evaluation of the management approach	35			Non-material
CUSTOMER HEALTH AND SAFETY	416-1	Assessment of the health and safety impacts of product and service categories	35			Non-material
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	35			Non-material
TOPIC: MARKETING AND LABELING						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5			Material
	103-2	The management approach and its components	31, 74, 75			Material
	103-3	Evaluation of the management approach	31, 74, 75			Material
MARKETING AND LABELING	417-1	Requirements for product and service information and labeling	31			Material
	417-2	Incidents of non-compliance concerning product and service information and labeling	74			Material
	417-3	Incidents of non-compliance concerning marketing communications	75			Material
TOPIC: CUSTOMER PRIVACY						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5			Material
	103-2	The management approach and its components	31			Material
	103-3	Evaluation of the management approach	31			Material
CUSTOMER PRIVACY	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	31			Material
TOPIC: SOCIOECONOMIC COMPLIANCE						
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	5		16	Material
	103-2	The management approach and its components	75		16	Material
	103-3	Evaluation of the management approach	75		16	Material
SOCIOECONOMIC COMPLIANCE	419-1	Non-compliance with laws and regulations in the social and economic area	75		16	Material

ACKNOWLEDGMENTS AND CORPORATE INFORMATION

LOCATION OF HEADQUARTERS GRI 102-3

Rua Humberto de Campos, 425 – Leblon
CEP: 22430-190 – Rio de Janeiro [RJ], Brazil
Phone: [+55 21] 3131-2918
Fax: [+55 21] 3131-1144
Website: www.oi.com.br

BOOKKEEPING SHARE SERVICES

Banco do Brasil S.A.

Rua Professor Lélío Gama, 105, 38º andar – Centro
CEP: 20031-900 – Rio de Janeiro [RJ], Brazil
Phone: [+55 21] 3808-3715
Fax: [+55 21] 3808-6088
E-mail: aescriturais@bb.com.br

ADRS DEPOSITARY BANK

The Bank of New York Mellon

Oi S.A. c/o BNY Mellon Shareowner Services
Phone (toll free): 1-888-BNY-ADRS [269-2377]
Phone (international): +1 201-680-6825
Website: www.mybnymdr.com
E-mail: shrrelations@cpushareownerservices.com
Registered Shareholders Correspondence:

Regular Mail

P.O. Box 505000
Louisville, KY 40233-5000

Overnight Mail

462 South 4th Street, Suite 1600
Louisville, KY 40202

STOCK EXCHANGES

B3 – Brasil, *Bolsa, Balcão* [BM&FBovespa]

Ticker symbol: Oi S/A | OIBR3 and OIBR4 [position as of December 31, 2018]

New York Stock Exchange [NYSE] in the USA

ADR code: OIBR.C [position as of December 31, 2018]
OTC Markets – Pink Open Market in the USA
ADR code: OIBRQ [position as of December 31, 2018]

Contacts

pp-sustentabilidade@oi.net.br
invest@oi.net.br

ACKNOWLEDGMENTS

Coordination

Corporate Finance Executive Board | Compliance Executive Board | Integrity & Sustainability Management

Content production, graphic design and revision

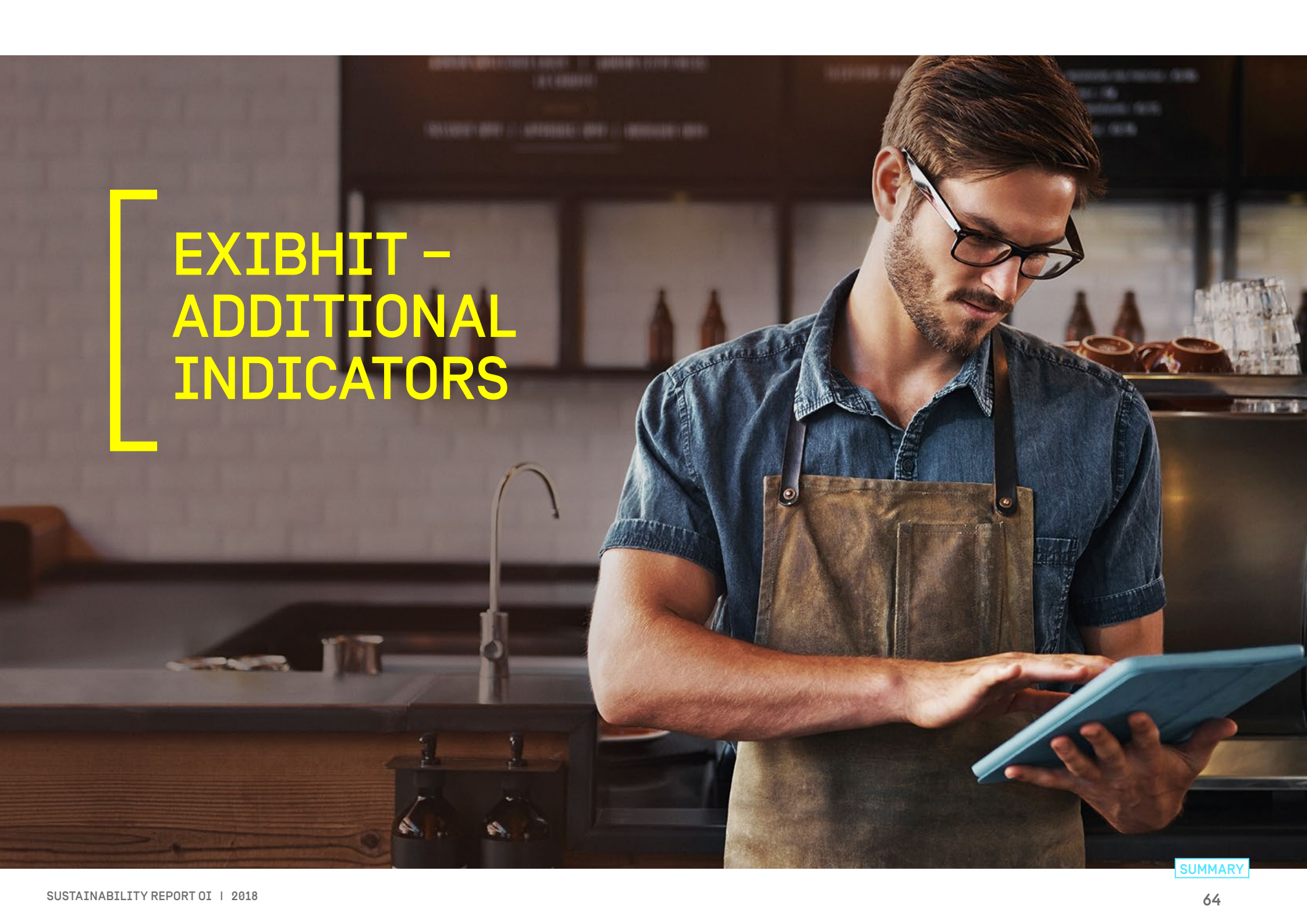
blendON

Independent auditors [as of December 31, 2018]

KPMG Auditores Independentes | SEC and CVM

External verification of GHG inventory

ABNT [Brazilian National Standards Organization], accredited by Inmetro [National Institute of Metrology Standardization and Industrial Quality]

A man with a beard and glasses, wearing a denim shirt and a brown leather apron, is standing in a cafe or kitchen. He is looking down at a blue tablet computer he is holding with both hands. In the background, there is a counter with a faucet, some bottles, and a menu board on the wall.

EXIBHIT – ADDITIONAL INDICATORS



EXIBHIT – ADDITIONAL INDICATORS

GRI 102-18, 102-24, 102-28, 405-1

BOARD OF DIRECTORS

Composition	11 sitting members, no deputy members
Term of office	2 years
Meetings held in 2018	31
% of attendance	90%. Oi's Reference Form states the percentage of attendance of each board member, individually. For additional information, access our Investor Relations website .
Total members	11
Independent members	11
Age [Average, Maximum and Minimum]	Minimum: 45; Average: 60; Maximum: 69
Division by gender	91.9% men; 9.1% women
Compensation [maximum, average, minimum]	Minimum: R\$ 423,608.00 Average: R\$ 685,933.00 Maximum: R\$ 1,043,968.00
Board of Directors evaluation	The Board of Directors charter provides for an annual self-evaluation.

MEMBER	POSITION	AGE	GENDER	EXTERNAL	INDEPENDENT	EXPERIENCE/INDUSTRY
Eleazar de Carvalho Filho	Chairman of the Board of Directors	62	M	Yes	Yes	Financial consulting and experience as a board member of large companies listed in Brazil and overseas.
Marcos Grodetzky	Vice-chairman of the Board of Directors	62	M	Yes	Yes	Financial industry, private equity, and venture capital.
Maria Helena dos Santos Fernandes de Santana	Board member	60	F	Yes	Yes	Financial area, especially capital markets.
Wallim Cruz de Vasconcelos Junior	Board member	61	M	Yes	Yes	Financial area, especially M&A operations, debt restructuring private equity and share public offer.
José Mauro Mettrau Carneiro da Cunha	Board member	69	M	Yes	Yes	Mechanical engineer with experience in executive positions held at telecom, steel and petrochemical companies.
Rodrigo Modesto de Abreu	Board member	60	M	Yes	Yes	Credit database management, business management advisory services. IT and telecom experience.
Henrique José Fernandes Luz	Board member	64	M	Yes	Yes	Business management, board member of companies and institutions.
Paulino do Rego Barros Jr	Board member	63	M	Yes	Yes	Experience in IT and information systems companies.
Roger Solé Rafolfs	Board member	45	M	Yes	Yes	Experience in the telecom industry, areas of marketing, product development, innovation, strategy and P&L management.
Marcos Bastos Rocha	Board member	55	M	Yes	Yes	Business management, experience as a member of the fiscal council and board of directors.
Ricardo Reisen de Pinho	Board member	58	M	Yes	Yes	Mechanical engineer, with experience and, graduated in business management & strategy. Board member of companies and institutions.

STATUTORY BOARD OF EXECUTIVE OFFICERS

STATUTORY BOARD OF EXECUTIVE OFFICERS	
Composition	Minimum of 3 and maximum of 6 members, one Chief Executive Officer, one Chief Financial Officer, one Investor Relations Officer, and one Legal Officer. Other officers shall be Officers without specific designation, elected by the Board of Directors.
Term of office	Chief Executive Officer, Chief Financial and Investor Relations Officer shall remain in office until the conclusion of the Judicial Reorganization Plan.
Meetings held in 2018	23
% of attendance	Each officer's attendance is broken down, individually, in the chart below.
Total members*	4
Independent members	4
Age (Average, Maximum and Minimum)	Minimum: 45; Average: 53; Maximum: 63
Division by gender	100% of men
Compensation (maximum, average, minimum)	Minimum: 15,592,300.00 Average: 21,301,796.00 Maximum: 22,552,768.00
Evaluation	Officers are evaluated in the performance analysis and external assessment processes, which measure their adhesion to attitudes expected by Grupo Oi.

Note: Total members on 12/31/2018.

MEMBER	POSITION	AGE	GENDER	EXPERIENCE/ INDUSTRY	ATTENDANCE OF EACH MEMBER AT THE BOARD OF EXECUTIVE OFF- ICERS MEETINGS
Eurico de Jesus Teles Neto	Chief Executive Officer and Legal Officer	63	M	Legal counseling, business management, board member at telecoms.	96%
Carlos Augusto Machado Pereira de Almeida Brandão	Chief Financial and Investor Relations Officer	45	M	Corporate finance and financial planning analyst in the telecom industry.	87%
José Cláudio Moreira Gonçalves	Operations Officer	52	M	Experience in the telecom market, operations, maintenance and network technological evolution.	95%
Bernardo Kos Winik	Commercial Officer	52	M	Information technologist with business graduation from the School of Business Administration of São Paulo (EAESP/ FGV). Mr. Winik has experience in IT, consulting and telecom markets.	90%

GRI 202-1

PROPORTION OF LOWEST WAGE, BY GENDER, AT SIGNIFICANT LOCATIONS OF OPERATION TO THE LOCAL MINIMUM WAGE

Oi's job position and salary policy is not based on gender. Differences in salary averages by job category are justified by the level of professional development and years of seniority.

STATE	2018		
	MEN	WOMEN	CONSOLIDATED
Acre	101%	130%	101%
Alagoas	103%	128%	103%
Amapá	112%	163%	112%
Amazonas	125%	115%	115%
Bahia	100%	100%	100%
Ceará	100%	100%	100%
Federal District	100%	100%	100%
Espírito Santo	100%	113%	100%
Goiás	100%	100%	100%
Maranhão	104%	105%	104%
Mato Grosso	100%	100%	100%
Mato Grosso do Sul	103%	100%	100%
Minas Gerais	100%	100%	100%
Pará	114%	100%	100%
Paraíba	100%	100%	100%
Paraná	101%	111%	101%
Pernambuco	101%	100%	100%
Piauí	100%	100%	100%
Rio de Janeiro	100%	100%	100%
Rio Grande do Norte	100%	101%	100%
Rio Grande do Sul	100%	100%	100%
Rondônia	100%	106%	100%
Roraima	121%	147%	121%
Santa Catarina	100%	100%	100%
São Paulo	108%	104%	104%
Sergipe	120%	100%	100%
Tocantins	101%	119%	101%

Understanding the table: if the ratio indicates, for instance, 150%, this means that the lowest wage is 50% higher than the national minimum wage. As we operate throughout the country, we do not apply the classification of “significant locations of operation” and for this reason, we break down information by state.

GRI 206-1

LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTI-TRUST AND MONOPOLY PRACTICES, AND THEIR OUTCOME

In 2018, no legal actions were filed against Oi due to anti-competitive behavior, anti-trust and monopoly practices.

GRI 301-1

MATERIALS USED BY WEIGHT OR VOLUME

CONSUMPTION OF MATERIALS BY TYPE	2018	2017	2016
PACKAGING MATERIALS			
Sales bags (units)	280,000	280,000	300,000
Interoffice mail envelopes (units)	-	20,000	10,000
Cardboard boxes for shipping products and corrugated cardboard coils (tonnes)	11.00	13.00	80.45
MATERIALS USED IN OPERATIONS			
Metal cables (meters)	15,151,512	15,635,914	12,134,366
Optical cables (meters)	28,852,345	15,274,586	7,865,793
Splice closure (units)	647,643	629,107	439,114
Wires (meters)	236,100,230	274,880,718	224,918,500
Terminals (units)	2,514,407	2,638,975	1,947,346

Note: In 2018, no interoffice mail envelopes were acquired.

GRI 303-1

WATER WITHDRAWAL BY SOURCE

SOURCES OF WITHDRAWAL/WATER SUPPLY (M³)	2018	2017	2016
Underground water	29,417	89,234	75,585
Rainwater	8,940	7,080	11,355
Municipal supply or other suppliers	2,288,957	2,187,118	1,751,707
TOTAL	2,327,314.00	2,283,432	1,838,647

In 2018, we continued investing in employees' awareness and we carried on the execution of water-saving practices. The use of underground and rainwater seeks to reduce water consumption from concessionaries, targeting yard cleaning, conservation of garden, toilets, amongst others. Increased water consumption in 2018 was due to an increment in the number of buildings and operational facilities, besides improvements in methods to check actual consumption.

GRI 302-3
ENERGY INTENSITY

In 2015, the Energy Executive Board started monitoring the energy intensity ratio, firstly, taking into account, the ratio between energy consumption and the number of employees. In 2018, the result was a monthly average of 8.6 MWh/employee.

Oi is an electro-intensive corporation, which means that the energy connected to equipment operation represents the most relevant share of consumption. Therefore, variation in effective consumption has no relevant impact on energy consumption. According to this information, we conclude that the ratio still needs maturation for us to define effective targets.

GRI 302-5
REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES

We do not have a measurement by sector of reductions in energy requirements of products and services due to the complexity to obtain these data. We still do not have a strategy or date to disclose eventual results. We are analyzing energy intensity ratios already used in the sector to outline an action plan.

GRI 304-3
OWNED, LEASED, MANAGED OPERATIONAL UNITS OR ADJACENT TO PROTECTED AREAS AND HIGH BIODIVERSITY VALUE AREAS OUTSIDE PROTECTED AREAS

In 2018, we continued regularizing environmental licensing processes associated with the special projects mentioned below, besides updating registrations with the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), having all requests from public authorities answered by the Company:

Amapá [Oiapoque-Calçoene] – aerial and underground cabling, within state and federal scopes.

Manaus [Boa Vista] – Project 1, an operating license was renewed with the fiber installed

In 2019, we expect to carry on processes underway, besides obtaining authorization to implement aerial and underground optical fibers in Project 2 [Manaus-Boa Vista].

GRI 305-1, 305-2, 305-3, 305-4, 305-5, 305-6
EMISSIONS AND REDUCTION OF GHG EMISSIONS

We have been maintaining a fleet system since 2014, which consolidates each vehicle's activity tracker, with a user-friendly interface for the fleet manager, so that aspects are improved, such as, aggressive driving, preventive maintenance and use of more efficient routes, thus, contributing to environmental management and GHG emissions control. At the end of 2018, SEREDE and CONECTA, our key network services providers (PSR), totaling 18,276 vehicles, recorded 87.3% of their fleet tracked. Due to state laws, vehicles of SEREDE's Paraná branch had their tracking system removed and excluded from the calculation.

Since 2009, we have been annually mapping direct and indirect emissions in our GHG emissions inventory, voluntarily disclosed in the public registry of emissions of the Brazilian GHG Protocol Program (inventory methodology) and CDP.

DIRECT AND INDIRECT EMISSIONS - SCOPES 1 AND 2 (TCO ² E)	2018	2017	2016
Scope 1 [generators, own fleet and cooling gases]	78,547.90	93,376.09	77,172.78
Scope 2 [electricity bought and consumed]	114,747.37	146,447.79	130,527.61
TOTAL	193,295.27	239,823.88	207,700.39
INDIRECT EMISSIONS – SCOPE 3 (TCO ₂ E)	2018	2017	2016
Goods and services acquired	17,013.65	19,551.96	41,605.43
Activities related to fuel and energy not included in scopes 1 and 2 *	1,596.32	2,614.70	1,964.76
Transportation and upstream distribution	3,757.15	6,457.95	13,803.24
Business travels	4,383.03	4,452.33	3,950.80
Commuting	18,770.43	16,943.89	15,453.36
TOTAL	45,520.58	50,020.83	76,777.59

*It refers to energy consumption deriving from condominium apportionment.

Assessing the results of GHG emissions inventory in 2018 compared to the previous year, we can see reductions in three scopes reported:

16% in scope 1 **22%** in scope 2 **9%** in scope 3

In scopes 1 and 3, key reductions were seen in mobile combustion, owing to higher utilization of ethanol in replacement of gasoline in vehicles of network services providers, whether pertaining to Grupo Oi (SEREDE and Conecta), or contractors. Some of Oi's initiatives that allow network repair and services to be executed remotely, avoid field transportation of technicians. Remote repairs contributed to reducing fuel consumption, although consumption still has not been measured in terms of GHG emissions and, in absolute figures, such drop cannot be perceived due to Oi's network expansion in Brazil. In August 2018,

Conecta was merged into SEREDE; however, since these companies operate in different regions, this transaction did not cause an impact as far as emissions are concerned.

In 2018, the energy acquired increased by 9% compared to consumption in 2017, due to Oi's telecom network expansion in a few Brazilian states, highlighting the city of Rio de Janeiro. In observance of the Brazil GHG Protocol Program localization approach, the reduction of Scope 2 emissions was due to the change in the emission factor of the Brazilian National Interconnected System (SIN), as made available by the Ministry of Science, Technology, Innovations and Communications (MCTIC).

For additional information about our GHG emissions management, [access](#) our inventory on the GHG Public Registry of Emissions website

GRI 306-2

WASTE BY TYPE AND DISPOSAL METHOD

HAZARDOUS AND NON-HAZARDOUS WASTE BY TYPE AND DISPOSAL METHOD	2018	2017	2016
Non-hazardous waste			
Waste sent to landfill (tonnes)	346	132	129
Recycling via selective waste collection at administrative buildings (tonnes) ⁽¹⁾	117	105	276
Recycling via scrap sale (tonnes)	2,245	2,550	2,188
Recycling of devices, batteries, accessories (tonnes) ⁽²⁾	6	65	2,527
Miscellaneous waste sold for auction (items)	54,381	16,052	69,419
Hazardous waste			
Lamps recycling (items)	45,066	56,267	41,741
Recycling of stationary batteries (tonnes)	251	833	696

(1) In 2018, it was not possible to measure the volume of waste shipped for selective collection at the administrative buildings of AP (Amapá), BA (Bahia), RR (Roraima), SP (São Paulo) and TO (Tocantins).

(2) Until 2016, this information was controlled by items. From 2017, we then report it in tonnes. The difference in waste volumes reported in 2017 and 2018 was due to an amount restricted by a contract with our partner in 2017.

GRI 307-1

NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

Considering that overall, fines applied have different grounds from federal Law No. 13.116/2015, we decided not disclosing the 2018 amounts.

GRI 401-1

TOTAL NUMBER AND RATE OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

ADMISSIONS	2018	2017	2016
By gender			
Male	1,562	1,498	1,153
Female	1,226	1,184	1,001
By age group			
Under 30 years old	1,217	1,168	1,132
30-50 years old	1,512	1,480	1,005
Over 50 years old	59	34	17
By region			
South	421	380	193
Southeast	1,388	1,515	1,268
Mid-West	338	230	156
Northeast	507	474	444
North	134	83	93

EMPLOYEE TERMINATION	2018	2017	2016
By gender			
Male	1,410	1,284	2,637
Female	1,193	1,081	1,654
By age group			
Under 30 years old	803	768	1,135
30-50 years old	1,660	1,474	2,441
Over 50 years old	140	123	715
By region			
South	280	243	477
Southeast	1,394	1,342	2,403
Mid-west	202	177	308
Northeast	617	514	868
North	110	89	235

SUMMARY

TURNOVER RATE [%]	2018	2017	2016
By gender			
Male	10.0%	9.6%	12.5%
Female	8.1%	7.8%	8.8%
By age group			
Under 30 years old	6.8%	6.7%	7.5%
30-50 years old	10.7%	10.2%	11.4%
Over 50 years old	0.7%	0.5%	2.4%
By region			
South	2.4%	2.1%	2.2%
Southeast	9.4%	9.8%	12.1%
Mid-west	1.8%	1.4%	1.5%
Northeast	3.8%	3.4%	4.3%
North	0.8%	0.6%	1.1%

GRI 401-2

BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES

We offer to all employees: food/meal ticket, transportation ticket, life insurance, health care, and dental insurance, 120-day maternity leave, as provided for by laws, with the possibility of extending to the other 60 days, according to the Corporate Citizenship program adhered by the Company. Our private pension plan with the option of adhering to the voluntary plan, with a variable contribution, which encompasses retirement income, sickness allowance and death pension. In 2018, we did not have temporary or part-time employees.

GRI 401-3

PARENTAL LEAVE

	2018
	WOMEN
Total number of employees who took maternity leave	400
Total number of employees that returned to work after maternity leave	216
Total number of employees that should have returned to work after maternity leave	282
Rate of return to work	77%
Total number of employees that were still employed 12 months after their return to work, after maternity leave	203
Total number of employees that returned from maternity leave as from January of the previous year	327
Retention rate	62%

Note: This indicator was not reported in previous years, but due to the global relevance this issue has been gaining over the years, we understand that this indicator must be reported in our Sustainability Annual Report.

In 2018, we did not report paternity leave, as we understand such an indicator does not apply to our activities.

GRI 402-1

MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES AND WHETHER THEY WERE SPECIFIED IN COLLECTIVE BARGAINING AGREEMENTS

There is no minimum notice period in advance, but if relevant operational changes occur, employees, their representatives, and the union will be duly informed.

GRI 405-1

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

AGE GROUP DIVERSITY BY JOB CATEGORY (%)	2018				2017				2016			
	TOTAL	UNDER 30 YEARS OLD	30-50 YEARS OLD	OVER 50 YEARS OLD	TOTAL	UNDER 30 YEARS OLD	30-50 YEARS OLD	OVER 50 YEARS OLD	TOTAL	UNDER 30 YEARS OLD	30-50 YEARS OLD	OVER 50 YEARS OLD
Executive board	0.6%	0.0%	0.4%	0.2%	0.6%	0.0%	0.5%	0.1%	0.7%	0.0%	0.5%	0.1%
Management	5.1%	0.0%	4.4%	0.7%	5.5%	0.0%	4.7%	0.8%	5.5%	0.0%	4.7%	0.7%
Supervision/coordination	6.4%	1.2%	4.6%	0.7%	6.1%	0.7%	5.2%	0.2%	6.1%	1.4%	4.1%	0.6%
Staff	87.8%	15.0%	59.5%	13.3%	87.7%	16.4%	58.7%	12.6%	87.8%	18.4%	56.9%	12.5%
TOTAL	100.0%	16.2%	68.9%	14.8%	100.0%	17.1%	69.1%	13.8%	100.0%	19.9%	66.2%	13.9%

GENDER DIVERSITY BY JOB CATEGORY	2018				2017				2016			
	TOTAL	MEN (%)	TOTAL	WOMEN (%)	TOTAL	MEN (%)	TOTAL	WOMEN (%)	TOTAL	MEN (%)	TOTAL	WOMEN (%)
Executive Board	79	0.5	14	0.1%	82	0.6%	11	0.1%	83	0.6%	11	0.1%
Management	547	3.6%	221	1.5%	576	3.9%	240	1.6%	553	3.8%	238	1.6%
Supervision/coordination	598	4.0%	372	2.5%	421	2.8%	488	3.3%	547	3.8%	327	2.3%
Staff	8,202	54.5%	5,007	33.3%	8,179	55.3%	4,796	32.4%	7,854	54.4%	4,818	33.4%
TOTAL	9,426	62.7%	5,614	37.3%	9,258	62.6%	5,535	37.4%	9,037	62.6%	5,394	37.4%

GRI 405-2

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN

AVERAGE REMUNERATION BY JOB CATEGORY (R\$)*	2018			2017		
	MEN	WOMEN	M/W RATIO (%)	MEN	WOMEN	M/W RATIO (%)
Executive Board	41,276.27	40,991.43	99%	40,194.52	41,733.33	104%
Management	15,161.60	14,671.38	97%	15,170.30	14,351.38	95%
Supervision/coordination	6,165.02	4,791.03	78%	5,718.72	4,423.75	77%
Staff	4,459.95	4,098.17	92%	3,939.90	3,782.04	96%

Note: Average salary differences by job category are justified by the level of professional development and years of seniority.

GRI 407-1

OPERATIONS AND SUPPLIERS IN WHICH THE RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE AT RISK

We ensure employees the right to freedom of association with unions and there are no operations where such right may be at risk. All employees are covered by collective agreements, which are duly signed with respective category unions and deposited at the Mediator system of the Ministry of Labor and Employment.

GRI 408-1, 409-1

OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR

OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR SLAVE LABOR

We do not accept child, forced or slave labor and 100% of our supplier agreements establish the responsibility and commitment to prohibit these practices. In addition, critical suppliers are periodically audited, so to verify the compliance with these legal and contractual requirements. In the Supplier Qualification Index – HR Pillar (IQF-RH), conducted in 2018, no cases of slave labor were identified.

GRI 411-1

INCIDENTS OF VIOLATIONS INVOLVING THE RIGHTS OF INDIGENOUS PEOPLE AND ACTIONS TAKEN

We did not record incidents of violations involving the rights of indigenous people.

GRI 102-17, 205-2 e 412-2

MECHANISMS FOR ADVICE AND CONCERNS ABOUT ETHICS

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

EMPLOYEE TRAINING ON HUMAN RIGHTS POLICIES OR PROCEDURES CONCERNING ASPECTS OF HUMAN RIGHTS

In 2018, we carried on our training about ethics and anti-corruption. Several on-site training courses were given, with an average duration of two hours each, involving over 307 employees from different areas, besides suppliers and 9,391 employees received our on-line training in 2018 (75%). The target for 2019 is to train 100% of our employees.

GRI 417-2

TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND/OR VOLUNTARY CODES CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING, BROKEN DOWN BY TYPE OF RESULT

We did not record any incident of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, whose triggering event has occurred in 2018.

However, previously occurred proceedings were filed, specifically referring to improper invoicing and collection and violation of the users' rights. These refer to 33 lawsuits, judged by lower courts in 2017, with an approximate fine of R\$ 113 million. It is worth mentioning that these lawsuits refer to Oi's judicial reorganization and will be solved under the Reorganization Plan's criteria.

GRI 417-3

TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND/OR VOLUNTARY CODES CONCERNING MARKETING COMMUNICATIONS

During 2018, two complaints were filed with the Brazilian Advertising Self-Regulation Council – CONAR. The first complaint was filed by TIM [No. 37/18] concerning Oi's sales promotion: "A Oferta Continua: Traga seu Pós pra Oi e Leve 15 GB", [Sales promotion continues: bring your post-paid mobile to Oi and gain 15GB] wherein the parties settled an agreement, and Oi undertook to expressly extend the sales promotion to the operator's new and current customers and put an end to any doubt. The second complaint [No. 216/18] was filed by a consumer concerning the advertisement "Oi Mais – O que você faria com mais Internet" [Oi Mais – what would you do if you had more Internet?"] duly filed by CONAR's council members, who understood the advertisement did not have offensive or defamatory content, not violating any provision of the Brazilian Advertising Self-Regulation Code.

GRI 419-1

CASES OF NON-COMPLIANCE WITH LAWS AND REGULATIONS IN THE SOCIAL AND ECONOMIC AREA

In September 2018, the Brazilian National Consumer Department (SENACON) fined Oi in the amount of R\$ 9,374,936.32, due to infringements to consumers' rights. Oi appealed to such a decision and currently is discussing the possibility of executing a TAC [Conduct Adjustment Agreement] with SENACON.

No penalty was applied by CADE/ANCINE/ANEEL in 2018.

We are acting jointly with Anatel to increasingly improve our internal processes and with our suppliers, aiming at enhancing the control of collections received by our customers for services not directly provided by Oi, such as outsourced services or added value services [SVAs].