We are presenting the Sustainability Report 2017 with information about the Algar group, its business, governance, strategy and performance. This document was prepared based on the guidelines of the Global Reporting Initiative (GRI) for the seventh consecutive year – according to the “GRI Standards”, “core” reporting option – the methodology that confers on the report relevance, transparency and comparability.

The content covers the performance of the eight subsidiary companies of the Algar group: in the Information and Communication Technology (ICT) sector, Algar Telecom and Algar Tech; in the farming segment (known as Agribusiness), Algar Agro and Algar Farming; in Services, Algar Segurança and Comtec; in Tourism, Rio Quente Resorts; and in innovation, Algar Ventures, responsible for the acceleration of Alsol Energias Renováveis. The information refers to the period between January 1 and December 31, 2017. In the case of Algar Segurança, data up to November 2017 were considered, the month in which it was divested to the parent company Árvore S/A Empreendimentos e Participações. When applicable, the indicators are shown with a historical reference to the previous two years to enable a comparison of the results between different periods.

The financial information presented abide by the International Financial Reporting Standards (IFRS) and were audited by E&Y. The social and environmental performance indicators were ascertained and validated internally, and were not submitted to external assurance.

The report is available on the site of the Algar Group, where we also have an evaluation section. We encourage readers to send us suggestions, criticisms and considerations about the content and format of the report.

For further information about this publication, please contact:
Luciana Ferreira Neves Vasconcelos,
Corporate Vice President, Finance
luciana.vasconcelos@algar.com.br | Tel.: 55 34 3218-3008
Rua Lapa do Lobo, 800 – Granja Marileusa
Postal Code 38.406-644 – Uberlândia, MG
How did we select the topics for the report?

GRI 102-46 | 103-1 | 102-48 | 102-49 | 102-40 | 102-42 | 102-43 | 102-44

We want this report to be relevant for our strategic stakeholders. That is why we invited these stakeholders to assist us in defining which topics were to be covered in the publication. In 2014, using an on-line questionnaire, we polled the opinion of employees, clients and suppliers about which impacts most affected our business and our relations with society and the environment. Internally, we carried out the same analysis among the Company’s senior management. They all had to choose from 46 topics those they considered most relevant. The results are mapped in the materiality matrix.

Materiality matrix

GRI 102-47

The figures shown next to the icons refer to the topics mentioned in the poll questionnaire. In the upper right-hand quadrant are the ten most relevant topics in the Company’s view and that of its strategic stakeholders and which, therefore, were given priority for inclusion in this report. In addition to these ten priority topics, the Algar group will present another 34 GRI standard content topics, as well as information about how the indicators are managed.
MATERIALITY MATRIX

ECONOMIC TOPICS
1. Economic performance
2. Market presence
3. Indirect economic impacts
4. Procurement practices

ENVIRONMENTAL TOPICS
5. Use of materials and recycling
6. Energy consumption
7. Water resources e reuse of water
8. Management and impact on biodiversity
10. Control of effluents and waste
11. Environmental impact of the use of products and packaging
12. Compliance with laws and regulations and relationship channels
13. Significant environmental impacts of transportation
14. Environmental investments and expenditures
15. Environmental assessment of suppliers
16. Complaint mechanisms related to environmental impacts
17. Employment
18. Labor relations
19. Occupational health and safety
20. Training and education
21. Diversity and equal opportunity
22. Equal remuneration for men and women
23. Assessment of labor practices of suppliers
24. Complaint mechanisms related to labor practices
25. Investments
26. Non-discrimination
27. Freedom of association and collective bargaining
28. Child labor
29. Forced or compulsory labor
30. Safety practices
31. Indigenous rights
32. Evaluation of human rights within the organization
33. Assessment of suppliers in relation to human rights
34. Complaint mechanisms related to human rights
35. Local communities
36. Anti-corruption
37. Position of the organization with regard to public policies
38. Anti-competitive behavior
39. Compliance with laws and regulations
40. Assessment of suppliers in relation to impacts on society
41. Complaint mechanisms related to impacts on society
42. Health and safety of customers when using your products
43. Product and service labeling
44. Marketing communication
45. Customer privacy
46. Compliance with laws and regulations on products and services

Priority to Senior Management

Priority to Stakeholders