



# SUSTAINABILITY REPORT **2019**

REDE *D'OR*  
SÃO **LUIZ**







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# FOREWORD

Welcome to the D’Or São Luiz Sustainability Report 2019, an overview of our key achievements in the year across the financial, social and environmental dimensions. The following pages describe our operational performance; our relations with patients, local communities and other stakeholder groups; people management highlights in the year; our social and environmental responsibility initiatives; and our progress in innovation, research and Group expansion. These achievements have further strengthened our leadership in Brazil’s private hospital segment, and have poised us for continued growth in the years to come.

This Report has been prepared in accordance with the Standards issued by the Global Reporting Initiative (GRI), an organization that has developed a globally accepted framework for reporting on corporate performance. The quantitative and qualitative information in the report is for fiscal 2019; exceptions are noted throughout the text. **GRI 102-46, 102-50**

We hope you enjoy the report!





# MESSAGE FROM THE CEO

GRI 102-14







Without doubt, we have emerged from 2019 a stronger organization. In the year, we continued to implement our expansion plan, working toward our goal of growing bed capacity in Brazil by 57%—from 7,000 to 11,000—by 2023. At the time of writing this Report, in May 2020, our network comprised a total of 49 hospitals, including 48 own hospitals and one hospital under management. We have more than 51,000 employees and 87,000 registered physicians, and had 4.156 million emergency department visits, 286,700 surgeries, 33,000 deliveries and 504,000 admissions in the year, as well as reaching 8,200 robot-assisted surgeries in the period. But these figures are only a small cross-section of what D’Or São Luiz represents today: the largest private hospital network in Brazil.

With an unwavering commitment to quality of service and excellence in management, we have invested in expanding our reach to serve an increasing number of people. In 2019, we opened DF Star and Vila Nova Star—now two of Latin America’s leading providers of cutting-edge medicine—and we expanded our network of oncology clinics. In 2020 we completed the acquisition of Perinatal, one of Rio de Janeiro’s top maternity hospitals, and we made our first inroads into the South with the acquisition of Santa Cruz Hospital in Curitiba. We also completed renova-

tions and expansions, such as the newly opened Niterói D’Or. Few companies have succeeded in maintaining the level of investment momentum seen at D’Or São Luiz, of which the March 2020 launch of the Glória D’Or—the largest hospital complex in Rio de Janeiro State—is a case in point.

Our efforts have won us recognition from society. We were named company of the year in the *Melhores e Maiores* awards, one of the most prestigious accolades in the Brazilian business world, presented by weekly news magazine *Exame* since 1974. We also became the first privately held company to receive an *Empresa de Valor* award—the award has been presented by the business newspaper *Valor Econômico* since 2001. We ranked first in the health care services category for the fifth consecutive year since 2015. Our Group was also named best company in the health care sector in newspaper *O Estado de S.Paulo*’s *Empresas Mais* awards.

Our sustainable development efforts earned us a Gold designation for Climate Leadership among health care organizations in Latin America in the Health Care Climate Challenge 2019 awards. The designation recognizes organizations that have achieved outstanding results in reducing carbon emissions. Knowing that good health cannot be achieved without

quality of life, we have implemented a series of initiatives to reduce our impacts on the environment, such as procuring more modern and energy-efficient equipment. Today, we are among the companies in Latin America that is highest invested in tackling climate issues in our operations.

The D’Or Research & Education Institute (IDOR) is today a leader in research and science across a wide range of medical fields, and in training health professionals. In 2019 we launched our first undergraduate program, in Radiology. This is the first step in establishing a medical school that will be housed at the Glória D’Or. We currently have research programs in neuroscience, intensive care medicine, internal medicine, pediatrics and oncology, as well as an offering of undergraduate, doctorate, specialization, extension and residency programs across different specialties.

We also dedicated special efforts in the year to creating synergies to improve sustainability in the sector. We partnered with Bradesco and SulAmérica to craft health insurance models that provide policyholders with greater security along the patient journey, while providing payers with greater cost predictability and reduced expenses on redundant testing and consultations. This has been another year of strong results, in which we have wor-

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We have emerged from 2019 a stronger organization. We have worked to achieve growth without diminishing our focus on quality of care

ked to achieve growth in tandem with the market without compromising on quality of care and putting the patient first.

We are a services company and our focus will always be on people—our priority at D’Or São Luiz. Accordingly, we dedicate a substantial part of our investments to training employees, and track indicators that guide our organization and staff toward goals. But this would be to no avail without professionals who have a sense of urgency in solving problems in health care and, above all, who understand that patients must be at the center of all our decisions. It is this passion for taking care of others that has taken us where we are today. I am confident that we will continue working together not only toward further accomplishments, but also in delivering a compassionate approach to care, the basis of our value proposition.

**Heráclito Gomes**  
CEO





# WHO WE ARE

As the largest private hospital group in Brazil, D'Or São Luiz served more than 7 million patients in 2019



# Who we are

D’Or São Luiz (DSL) is the largest private hospital network in Brazil, with a presence in six states (Rio de Janeiro, São Paulo, Pernambuco, Maranhão, Sergipe and Bahia) and the Federal District. We provide the full spectrum of hospital services, including clinical care, surgery, laboratory tests and imaging procedures. At year-end 2019, we had 45 own hospitals and two managed hospitals (Albert Sabin Jewish Hospital, in São Paulo and the State Children’s Hospital in Rio de Janeiro), which delivered full-service, comprehensive care to more than 7 million patients during the year. We also provide consulting and management services to clinics and hospitals through our D’Or Consultoria and D’Or Soluções divisions.

**GRI 102-1, 102-2, 102-4, 102-6, 102-7**

Our Group began to form with the founding of Grupo Labs in Rio de Janeiro (RJ), in 1977. The opening of our new Barra D’Or Hospital in 1998 marked a watershed that ushered in a new concept of hospital hospitality unparalleled in Brazil. Now under the Rede D’Or brand, we began to pursue a national expansion strategy, entering the Northeast market in 2007, the São Paulo market in 2010, and the Federal District in 2012—that same year, we began operating under the name D’Or São Luiz.

Meanwhile, we strengthened our Group reputation as the market leader in cancer diagnostics and treatment (with more than 40 Oncologia D’Or clinics) and in medical innovation through the D’Or Research & Education Institute (IDOR). The most important steps in this journey are summarized on our web portal (<https://www.rededorsaoluiz.com.br/o-grupo/historico>).

In 2019, we continued to expand our reach and presence. We acquired the Group’s first hospital in Sergipe (the capital of Aracaju, a state in northeastern Brazil), three additional hospitals in Rio de Janeiro and another in São Paulo. Two new Star-branded hospitals were completed—in Brasília and São Paulo—and we initiated the expansion of the Niterói D’Or, in Niterói (RJ). In recognition of our absolute leadership in the private hospital segment, we were named best company in the health care sector in **O Estado de S.Paulo’s Empresas Mais** awards; Company of the Year in Exame’s annual Biggest & Best list; and **Empresa de Valor** 2019 in the *Valor 1000* yearbook.

## OUR MISSION

**GRI 102-16**

Provide highly effective hospital care delivered by qualified and motivated teams, while acting ethically and respecting individuals in their social contexts.

## OUR VISION

**GRI 102-16**

To be a leader for hospital management and health care services delivered to the highest standards.

## OUR VALUES

**GRI 102-16**

- Competence
- Credibility
- Development
- Compassion
- Integrity
- Respect





## Awards and recognition in 2019

### EPIMED SOLUTIONS

#### EFFICIENT ICUS

ICUs at 13 D'Or São Luiz hospitals received Efficient ICU certification in 2019 within the Epimed Monitor system, which encourages health care providers to assess and achieve improved clinical outcomes through more efficient allocation of resources in treating critically ill patients.

#### TOP PERFORMER ICUS

In the year, ICUs at 12 Group hospitals were awarded Top Performer status for superior clinical outcomes achieved through more efficient allocation of resources in treating critically ill patients. The recognition is given to Brazil's top-performing intensive care units (ICUs) based on an Efficiency Matrix.

### 3M CERTIFICATION

D'Or São Luiz hospitals have received certification for best practices and quality assurance from 3M do Brasil, including:

#### SAFE CATHETER PLACEMENT

26 hospitals (11 in Rio de Janeiro, 8 in São Paulo, 3 in Brasília, 3 in Pernambuco and 1 in Maranhão) received recognition in 2019 for best health care practices in safe placement of central venous catheters in order to prevent complications such as infiltration, dislodgement and extravasation and consequent damage to the vein, loss of the catheter or even infections.

#### QUALITY IN SKIN PREPARATION AND NORMOTHERMIA

Quality Certification for Skin Preparation and Normothermia was awarded to 14 hospitals (7 in São Paulo, 4 in Rio, 2 in the Federal District and 1 in Recife), attesting to good practices in surgical procedures.

#### SKIN INJURY PREVENTION

Recognition for excellence in quality of care and patient safety was awarded to 17 hospitals (5 in São Paulo, 5 in Rio, 4 in Recife and 3 in the Federal District) within the Skin Injury Prevention Program, which assesses staff performance in preventing injury and maintaining the integrity of the skin.

**CLEANING AND STERILIZATION** Certification for Good Practices in Cleaning and Sterilization was issued to 13 hospitals (6 in São Paulo, 4 in Rio, 2 in Recife and 1 in the Federal District). This recognizes our staff's efforts to ensure effective item cleaning, preparation, sterilization, storage and distribution.

### 100 MOST INFLUENTIAL HEALTH PROFESSIONALS

Dr. Paulo Hoff, who heads our Oncology division, was named one of the most influential health professionals in 2018 in the Thought Leadership category of the 100 Most Influential Health Professional Awards 2019 (Grupo Mídia). Jorge Moll Filho was elected one of the most influential professionals in the Entrepreneur category.

### ISS RECIFE AWARD

This award was presented in September to the largest service taxpayers in the year. Hospital Esperança Recife was the top taxpayer in Recife.

### COMPANY OF THE YEAR

We received the title of *Empresa Valor 1000* from the newspaper *Valor Econômico*; Company of the Year in the *Maiores & Melhores Awards 2019 (Exame)*; and best company in the health care sector in the *Estadão Empresas Mais* awards (*O Estado de S. Paulo*).

### MARCH

We received a best original paper award for an article describing our fainting management program, presented at the European Heart Rhythm Association (EHRA) Conference in Lisbon.

### NOVEMBER

The Group received Gold status for Climate Leadership in Latin America in the Health Care Climate Challenge 2019 awards, presented by NGO Health Care Without Harm.

## International awards 2019



# Our network (2019)

## MARANHÃO - 1 HOSPITAL

UDI

## PERNAMBUCO - 4 HOSPITALS

Esperança Olinda  
Esperança Recife  
Memorial São José  
São Marcos

## RIO DE JANEIRO - 17 HOSPITALS

Barra D'Or  
Caxias D'Or  
Copa D'Or  
Copa Star  
Niterói D'Or  
Norte D'Or  
Oeste D'Or  
Quinta D'Or  
Real D'Or  
Rios D'Or  
Badim  
Bangu  
Clínica São Vicente  
Samer  
Pro Criança Jutta Batista Pediatric Hospital  
Rio Mar  
Perinatal

## SERGIPE - 1 HOSPITAL

São Lucas

## BAHIA - 1 HOSPITAL

São Rafael

## FEDERAL DISTRICT - 4 HOSPITALS

Coração do Brasil  
Santa Helena  
Santa Luzia  
DFStar - DF

## SÃO PAULO - 17 HOSPITALS

Assunção  
Bartira  
Children's Hospital  
Alpha Med  
Brasil Hospital and Maternity Center  
Ribeirão Pires Hospital and Maternity Center  
São Luiz Anália Franco Hospital and Maternity Center

### UNDER MANAGEMENT

Albert Sabin Jewish Hospital - RJ  
State Children's Hospital - RJ

São Luiz Itaim Hospital and Maternity Center  
São Caetano São Luiz Hospital and Maternity Center  
Sino-Brazilian Hospital and Maternity Center  
São Luiz Jabaquara  
São Luiz Morumbi  
Villa Lobos  
viValle  
IFOR  
Vila Nova Star - SP  
Aviccena

**6,800**

operational beds, up 15.1% from 2018

**504,000**

admissions, 12.5% more than in 2018

**286,700**

surgeries performed, an increase of 30% on the previous year

**4.15 mn**

emergency department visits, 4.2% more than in 2018

**32,500**

deliveries

D'Or São Luiz hospitals are present in three regions in Brazil (Southeast, Northeast and Midwest), with an especially strong presence in Rio de Janeiro and São Paulo. Read more about our acquisitions, new hospitals and expansions in the year in the chapter *Our business performance*.

**51,000**

employees

**87,000**

registered physicians



# Oncology

Our oncology network—Oncologia D’Or—comprises 45 units in eight states (Rio de Janeiro, São Paulo, Maranhão, Bahia, Pernambuco, Ceará, Sergipe and Tocantins) and the Federal District. More than 390 physicians provide world-class diagnostics and care for all types of cancer. In 2019, the Group provided an average of 34,000 episodes of care per month, using the full spectrum of antineoplastic treatments—chemotherapy, targeted therapy, immunotherapy, hormone therapy, radiotherapy and bone marrow transplants—to approximately 7,000 patients each month.

Our differentiators in Oncology include integration between oncology physicians and the clinical staff of each hospital in the Group, increasing overall efficiency and quality of care. This model of care is further supported by daily multidisciplinary Tumor Board meetings to discuss cases online, bringing together physicians from across Brazil. In addition to better-informed decisions, daily meetings—which are attended by key people throughout the Group—help to align medical practices Group-wide.

Another differentiator in Oncology is the streamlined care pathway for cancer patients within the network, which accelerates early diagnosis and treatment. The

service has been branded as “Green Line” in some states.

In 2018 and 2019, Oncologia D’Or invested more than R\$ 130 million in new radiation therapy equipment—the largest investment in the segment in Latin America. Through these acquisitions, the Group has set up new treatment centers and reopened other centers to offer cutting-edge treatment for a significantly larger number of patients.

Besides state-of-the-art linear particle accelerators, the Oncologia D’Or network has been the first to introduce a number of leading-edge technologies in Brazil, including CyberKnife (a robotic arm for delivering high-energy radiation in radiation therapy), Tomotherapy and GamaKnife, which deliver superior results compared to conventional accelerators in selected patients.

But these investments in technology have not detracted from our mission of providing compassionate and personalized care that is planned to suit each patient’s individual needs.

## NEW UNITS AND CERTIFICATIONS IN 2019

We opened four Oncology centers in 2019. In March, São Luiz São Caetano (SP) opened a dedicated center for cancer care. We also acquired Centro de Oncologia Médica (COM) in São Luiz—the first Oncologia D’Or unit in that state. In the last quarter of the year, we added additional units in Bahia (at the Heart and Lung Hospital in Salvador) and in Brasília (a new Oncologia D’Or Acreditar clinic) to the network.

In March, the Oncologia D’Or Acreditar clinic received certification within the American Society of Clinical Oncology’s (ASCO) Quality Oncology Practice Initiative (QOPI®), which up to 2019 had been obtained by only three other medical centers in Brazil. The certification attests to the quality standards in place at each center across dimensions such as controls, record keeping and patient care.

## INTERNATIONAL SYMPOSIUMS AND CONFERENCES

In 2019 we organized five scientific symposiums, each dedicated to a specific area of oncology: the 4<sup>th</sup> International Hematology Symposium, held in May in Brasília; the 1<sup>st</sup> International Symposium on Women’s Cancer, held in June in São Paulo; the 4<sup>th</sup> International Urologic Oncology Symposium, held in July in Rio de Janeiro; the 4<sup>th</sup> International Lung Cancer Symposium, held in August in São Paulo; and the 6<sup>th</sup> International Gastrointestinal Cancer Symposium, held in September in Bahia.

We also organized the seventh edition of the Oncologia D’Or International Conference in November, bringing together around 3,800 delegates in three days of presentations and discussions about significant developments in the treatment of a wide range of cancer types. The event took place at Windsor Oceânico Hotel in Rio de Janeiro; activities were organized concurrently in 10 conference rooms, featuring more than 400 nationally and internationally renowned speakers.





# D'Or Research & Education Institute (IDOR)

The D'Or Research & Education Institute (IDOR), founded in 2010, is a nonprofit institution that promotes research, education and innovation in health care. With D'Or São Luiz (DSL) as its lead sponsor, IDOR undertakes research in fields such as neuroscience, intensive care medicine, internal medicine, pediatrics and oncology. As an education center, IDOR offers doctorate, undergraduate, specialization, extension and residency programs.

Based in Rio de Janeiro, and with units in São Paulo, Salvador and Brasília, IDOR maximizes impact and reach through synergies with other hospitals in the DSL and Oncologia D'Or network. Research projects and experimental testing of new medicines and technologies are regularly undertaken at Group hospitals to drive advances in areas such as intensive care medicine, neurology and pediatrics.

## RESEARCH HIGHLIGHTS

IDOR conducts advanced research in both applied science (with direct, short-term impacts) and basic science (long-term research to study biological, physiological and pathological mechanisms). Research projects are conducted by multidisciplinary teams and are integrated with academic training and clinical practice.

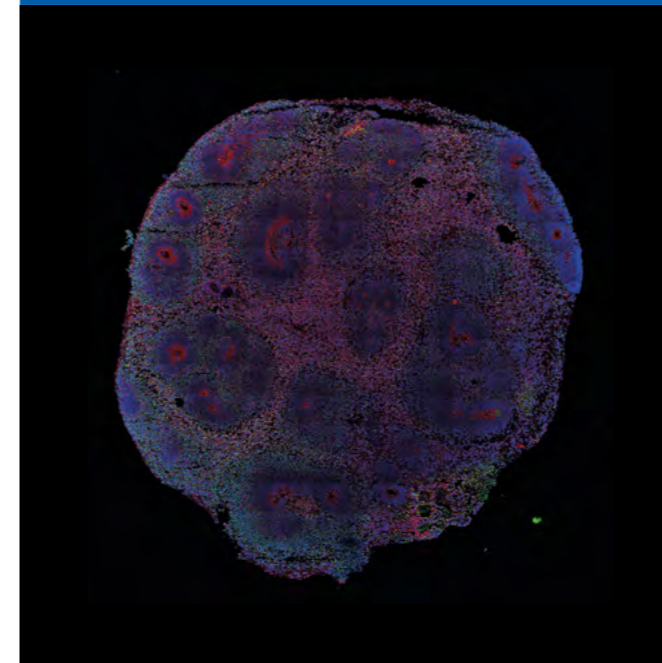
Some of the most significant lines of research pursued at IDOR in recent years include intensive therapy, cancer research and technology, expanded deployment of digital innovation, and research into the use of magnetic resonance imaging for advanced diagnostics.

Since inception, IDOR has published more than 700 scientific papers, including more than 100 in 2019. Around 4,000 citations to our papers were made throughout the year. The list of articles published in 2019 includes a paper that correlated consumption of contaminated water with higher incidence of microcephaly due to

## Lab-grown brain organoids

In a collaboration with scientists from the Federal University of Rio de Janeiro (UFRJ), IDOR researchers created the first brain organoids—three-dimensional structures created from reprogrammed cells, which serve as a model of the human brain—with primary ocular structures. These

organoids have been used in a number of other studies, such as research related to neural damage caused by the Zika virus and studies using alternative substances to treat epilepsy and rare diseases, like Dravet Syndrome. In 2019, pigmented retinal cells were successfully inserted into these structures for the first time, which in theory could allow organoids to sense light stimuli. The breakthrough promises to broaden scientists' understanding of several diseases and accelerate research on the development of the human brain.



A brain organoid infected with the Zika virus for 13 days. Zika-infected cells are shown in green, neurons in red and cell nuclei in blue

## IDOR research at a glance

84 researchers

700+ papers published in leading scientific journals

70+ papers published per year

13,000 citations

60 scientific collaborations in more than 60 countries



the Zika virus in the Northeast, further expanding IDOR's recognized contribution to elucidating the effects of this infection on the nervous system; in intensive care medicine, two studies used machine learning and big data to map out data from intensive care units; and a pioneering study on neurofeedback training reported changes in patients' brain connections in record time—less than 1 hour.

In 2019, IDOR articles were prominently published in renowned international scientific journals, such as *Blood*, *Neuroimage: Clinical*, *Intensive Care Medicine* and the *Journal of the American Medical Association* (JAMA).

IDOR also organized 15 research-related events in 2019, including our first Translational Neuroinflammation Workshop and several lectures delivered by Brazilian and international researchers throughout the year. As part of its Calling for Science program, IDOR opened its main campus to high school students, who were introduced to the research work conducted at the Institute and had the opportunity to learn about the importance of research for advances in medicine.

The Institute also hosted more than 40 events in 2019, including 15 in the area of research, 5 directly related to education, 14 relating to innovation and 6 institutional events.

**EDUCATION**

IDOR offers residency programs for more than 10 specialties, and over 20 graduate programs. Since 2010, IDOR education programs have reached more than 1800 students—in 2019 alone, approximately 1000 new students enrolled.

Three new residency programs approved by the Brazilian Ministry of Education are now offered in Rio de Janeiro: Thoracic Surgery, Basic Surgery and Gynecology and Obstetrics. In São Paulo, IDOR now organizes the selection process for residencies at hospitals in the state. In total, 90 new resident physicians were admitted to our hospitals in Rio de Janeiro, São Paulo and Salvador. IDOR also runs an academic internship program in Intensive Care Medicine and Medical Emergencies, offering 99 spots in 2019.

Among the highlights in 2019 was a collaboration established with the prestigious Harvard T.H. Chan School of Public Health in which IDOR will offer and host its "Principles and Practices of Clinical Research" program in Brazil. The nine-month program, with both on-line and in-person activities, is recognized worldwide for excellence in researcher training.

Also in education, IDOR's undergraduate program in Radiology welcomed its first class, and the first doctoral thesis in Medical Sciences was defended.

**IDOR education at a glance**

**160** medical students in internships at our hospitals

**20** new extension and specialization courses offered in 2019

**38** residency programs in Rio de Janeiro, São Paulo and Bahia

**475** resident physicians in the last three years

**20+** graduate programs, including doctoral programs

**648** health professionals enrolled in extension programs

**171** health professionals enrolled in graduate programs

**2,800+** students in the last three years

**1,300+** candidates for academic internships in Intensive Care Medicine and Medical Emergencies (99 openings)







**More than 1,800 students have attended programs at IDOR since 2010**

**OPEN D'OR HEALTHCARE INNOVATION HUB**

The Open D'Or Healthcare Innovation Hub connects IDOR to startups, investors, researchers and other players in the health care sector, both in Brazil and abroad. The Hub operates on two different fronts: the first is helping D'Or São Luiz to tap into innovation developed by healthtechs; the second is incubation of startups that have partnered with Open D'Or to develop solutions to real-world challenges facing IDOR, DSL or the broader health care industry.

In 2019 IDOR was represented at a number of high-profile events in the medicine innovation ecosystem. In the US, we attended the JPM Healthcare Conference,

one of the most important health care investment and technology conferences in the world. We also attended Med in Israel, the foremost digital health conference in Israel, and Web Summit (Portugal), one of the largest tech events globally.

We also made a presence at Brazil@SiliconValley, a conference program created by Brazilian students based in Silicon Valley (California) to boost the competitiveness of Brazilian companies through innovation. Brazil@SiliconValley was jointly sponsored by IDOR and Sciens Institute, an initiative created in California to establish strategic collaborations between IDOR and other companies and research institutions.

In Brazil, we participated in Hacking.Rio—the largest hackathon in Latin America—as anchor supporters of the Health cluster (focused on solving health challenges). We also partnered with BNDES Garagem, a program created by the Brazilian Development Bank (BNDES) to accelerate startups, and with Israel Trade, a business network bringing together Brazilian and Israeli organizations.

**500+**

healthtechs identified in Brazil and internationally

**100+**

startups contacted

**5**

proofs of concept completed

**10+**

events and workshops open to the general public, with more than 500 participants

**10+**

corporate partners conducting testing and validation at Living Lab



# D'Or Consultoria

In 2019, D'Or Consultoria had more than 1,250 clients with a total of 2 million insurance and benefits users



D'Or Consultoria, created in 2015, has a team of specialists in insurance and corporate benefits. The division manages more than R\$3 billion in premiums, 2 million lives, and more than 1,250 clients. D'Or Consultoria is present in six geographies—São Paulo (São Paulo City and rest of state), Rio de Janeiro, Bahia, Pernambuco and Minas Gerais—providing operational management, risk and health management, advisory, market assessments, marketing and communications services specializing in health care and corporate benefits.

Health and Quality of Life teams support client companies' employees with services and advice on benefits and health. D'Or Consultoria is the only player on the market that is genuinely specialized in this segment; we offer services and content that help educate employees about the importance of prevention, using a plain-language and personalized approach.

We use technology to integrate the company's full spectrum of health data—occupational health, outpatient care, medication, etc.—and then perform user behavior analysis to proactively develop customized programs targeted to client profiles.

D'Or Soluções combines occupational health and safety and health care servi-

ces, relying on a multidisciplinary team, cutting-edge equipment and partners to help client companies comply with Ministry of Labor regulations. D'Or PME offers health and/or dental insurances plans for small and medium-sized businesses, with specialized professionals and customized service. The division has a unique system that prepares and submits quotes for health insurance plans in minutes.

It also offers the following corporate insurance products: Surety Bonds (as guarantees for obligations undertaken to third parties), Property & Casualty Insurance (coverage for losses, damages and liability) and Financial Lines (coverage for liability, fraud, errors and omissions). The portfolio further includes individual insurance with simple structures and affordable pricing.



# HOW WE OPERATE

The D'Or São Luiz management model: strategic guidelines, governance structure, ethics and integrity

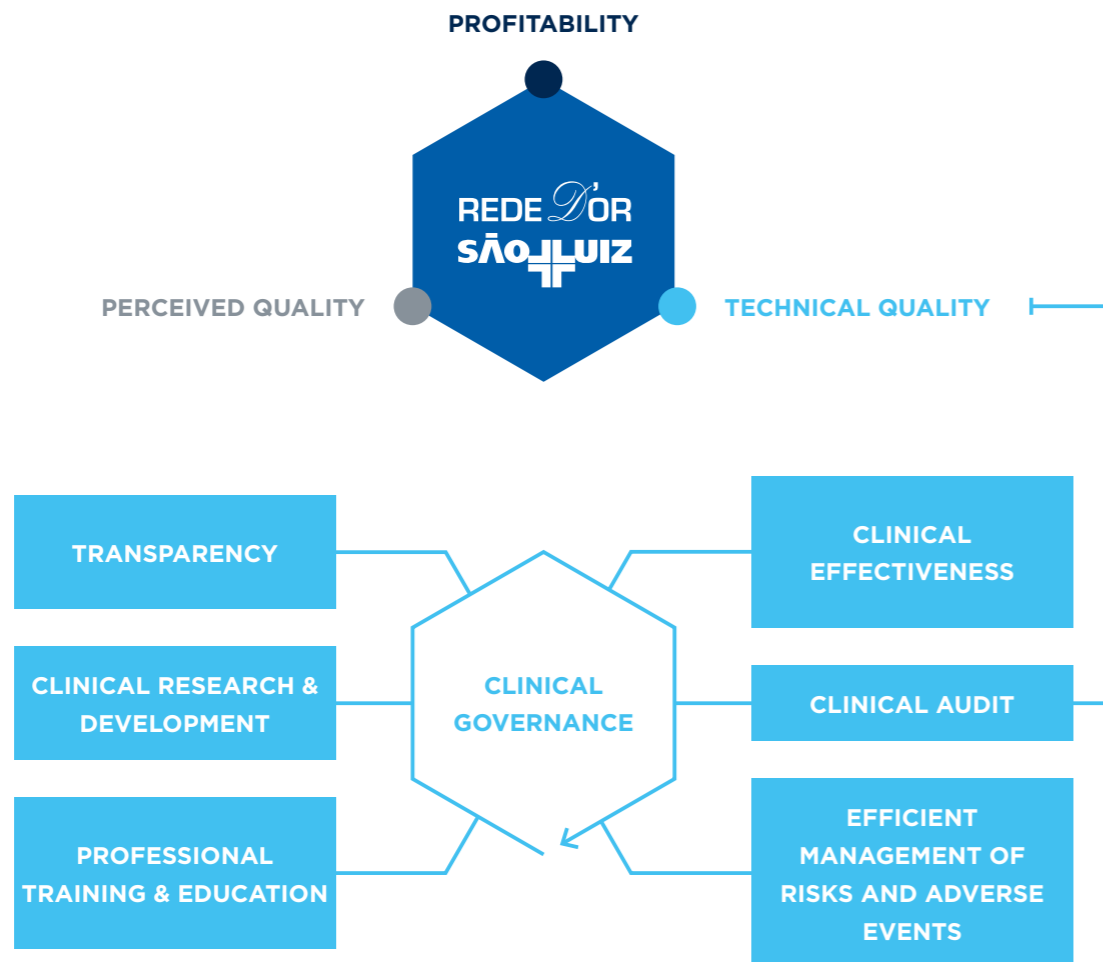




# How we operate

Guided by our Vision, Mission and Values, our management model rests on three pillars—profitability, perceived quality and technical quality. Our approach to health care is based on delivering compassiona-

te care using state-of-the-art technology and high standards of quality and comfort for patients, staff and physicians. The DSL management model is summarized in the diagram below:



## Our hospital operations are underpinned by the following concepts:

### Greater complexity

We are prepared to treat the most complex cases using cutting-edge technology and infrastructure.

### Hospital network

Continual expansion of our network, in terms of both the number of hospitals and available beds.

### Emergency department preparedness

Ready to deliver service 24 hours a day.

### Gains of scale

Achieving gains a scale is a priority in our negotiations with suppliers and health insurance carriers.

### Quality of care

Continuously improving the care we deliver to patients.

### Multidisciplinary team

Highly trained, up-to-date and motivated physicians.



# Materiality exercise

Apart from our Vision, Mission, Values and management model, DSL's activities are guided by identified material topics, i.e. aspects reflecting significant impacts (economic, environmental and social) from our organization or which influence stakeholders' decisions and assessments. Our list of material topics was revisited in 2019 based on the Global Reporting Initiative (GRI) to identify those aspects that are most material to our industry and which affect our management of the business.

The materiality exercise, conducted with support from specialized independent consultants, included a review of secondary sources; industry benchmarking; a stakeholder survey questionnaire address-

sed to employees, physicians and customers; consolidation of the online survey results and development of the material topic list; and validation and approval of the list by Group executives. The following diagram shows the 18 topics deemed most material (12 material topics and 6 secondary topics), broken down by primary area of impact (economic, environmental or social).

Our materiality exercise included industry benchmarking, internal studies and surveys of key stakeholder groups

## DSL'S MATERIAL TOPICS (2019-2020) GRI 102-44, 102-47

ECONOMIC DIMENSION	ENVIRONMENTAL DIMENSION	SOCIAL DIMENSION
<b>Topic 1</b> Value creation and economic performance	<b>Topic 6</b> Responsible use of water and materials	<b>Topic 9</b> Data privacy and confidentiality
<b>Topic 2</b> Ethics, integrity and transparency	<b>Topic 7</b> Energy efficiency and compliant medical waste management	<b>Topic 10</b> Partnerships with governments and the regulatory environment
<b>Topic 3</b> Disruptive technologies and health care innovation	<b>Topic 8</b> Impacts from climate change on human health and infrastructure	<b>Topic 11</b> Supply chain management
<b>Topic 4</b> Quality, efficiency and safety in patient/customer service and relations		<b>Topic 12</b> Compassionate hospital management
<b>Topic 5</b> Industry collaboration and competition		<b>Topic 13</b> Access to health care services
		<b>Topic 14</b> Health promotion and disease prevention
		<b>Topic 15</b> Attracting and retaining talents, equity and diversity
		<b>Topic 16</b> Qualification, training and development of health professionals
		<b>Topic 17</b> Employee health, safety and well-being
		<b>Topic 18</b> Private social investment in surrounding communities

### KEY

MATERIAL TOPICS

SECONDARY TOPICS

**APPROACH TO STAKEHOLDER ENGAGEMENT** GRI 102-42, 102-43

Stakeholders are identified and prioritized based on business opportunities, challenges and ongoing concerns. In identifying stakeholders, we consider market trends; demographics in the regions where we

operate; our existing relations with customers; the different tools available to monitor data and information; and internal processes and communication channels.



STAKEHOLDER GROUP GRI 102-40	APPROACH TO ENGAGEMENT	FREQUENCY OF ENGAGEMENT
Patients	Regular satisfaction surveys, Contact Us page, social media, Ombudsman Channel, media campaigns, informational leaflets	Regular satisfaction surveys – daily
Physicians	Scientific events at D’Or São Luiz, participation in symposiums and conferences, and marketing emails	Monthly / annual
Media	Contact Us page, press office and press releases	Daily
Shareholders	General meetings, committee meetings and Executive Board meetings, financial information and reporting	General Meeting – annual; Executive Board meetings – weekly; Board of Directors meetings – monthly, or as otherwise necessary
Employees	Breakfast with management, Manager Newsletters (monthly email newsletters), <i>Nossa Rede</i> – a monthly magazine, <i>Painel Vida</i> – a weekly wall newspaper, CI/IT/HR Communications – on-demand email communications, internal campaigns, intranet, Correspondent Network and Whistleblowing Hotline	Newsletters – monthly; campaigns – on demand; wall newspaper – monthly
Society	Contact Us page, social media (Facebook, Instagram and Twitter), marketing emails, sponsorship for cultural, sporting and social projects, and Ombudsman Channel	Sponsorship for social projects – annual; Ombudsman Channel – daily; lectures – monthly
Suppliers	Ombudsman Channel for concerns related to misconduct	Daily
Health insurance carriers	Contact Us page, relationship channels	Daily
Researchers	D’Or Research & Education Institute, IDOR marketing emails, scientific events	Daily, monthly and annual



# Our governance structure

GRI 102-18

DSL's Board of Directors (BoD) and Executive Board are our highest governance bodies. The BoD is advised by the Audit Board, the Executive Committee (ExCom) and Subject-Matter Committees (Remuneration and Audit). The Executive Board implements guidance approved by the Board of Directors and manages the economic, environmental and social aspects of our operations.

## BOARD OF DIRECTORS (BOD)

The Board of Directors is responsible for setting business strategy, overseeing targets and management decisions, and monitoring business performance. Under our Bylaws, members of the Board of Directors are elected by shareholders in a general meeting, for a renewable term of one year. In line with governance best practices, the chairman of the BoD is not a member of the Executive Board.

### COMPOSITION OF THE BOARD OF DIRECTORS (2019)

TITLE	MEMBER
CEO	<b>JORGE NEVAL MOLL FILHO</b>
DEPUTY CHAIRMAN	<b>PAULO JUNQUEIRA MOLL</b>
MEMBERS	<b>ANDRÉ FRANCISCO JUNQUEIRA MOLL</b> <b>PEDRO JUNQUEIRA MOLL</b> <b>JOSÉ ROBERTO VAREJÃO GUERSOLA</b> <b>STEPHEN H. WISE</b> <b>WOLFGANG STEPHAN SCHWEDTLE</b>

DSL's governance structure is based on best-practice governance and includes several subject-matter advisory committees

## EXECUTIVE BOARD

The Executive Board is responsible for managing the business in accordance with guidance provided by the Board of Directors or decisions taken by the General Shareholders' Meeting. The Executive Board has a minimum of two and a maximum of eight members. Executive Board members serve renewable terms of three years.

### EXECUTIVE BOARD COMPOSITION (2019)

TITLE	MEMBER
CEO	<b>HERÁCLITO DE BRITO GOMES JUNIOR</b>
VICE PRESIDENT / MEMBER	<b>PAULO JUNQUEIRA MOLL</b>
EXECUTIVES WITHOUT SPECIFIC DESIGNATIONS	<b>MAURO TEIXEIRA SAMPAIO</b> <b>OTÁVIO DE GARCIA LAZCANO</b> <b>MAURÍCIO DA SILVA LOPES</b> <b>RODRIGO GAVINA DA CRUZ</b>

## ADVISORY BODIES

The Executive Committee (ExCom), comprising members of the Executive Board, meets weekly to set overall guidance, validate proposed orders of business, make decisions in the event of an impasse, and monitor the Group's business performance.

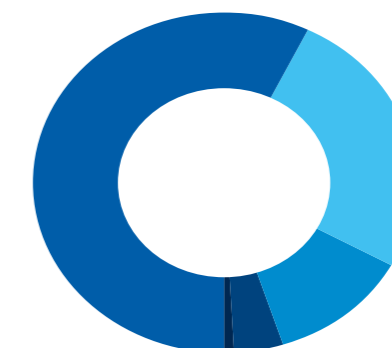
Subject-matter committees support the Board of Directors and Executive Board in reviewing material business matters and in informing business decisions. In 2019, these committees addressed the areas of remuneration and audit. They also report on social, economic and environmental impacts from our operations to the BoD and the Executive Board.

The Institutional Control department is responsible for monitoring and reporting on social and environmental matters. This includes responsibility for Group-wide forensic audit, security, risk and sustainability activities. The department conducts a continuous and environmental Annual Audit Program, as well as special audits in response to reports on procedures violations.

## GENERAL SHAREHOLDERS' MEETING

Our shareholders hold annual meetings during the first four months after fiscal year-end, and extraordinary meetings whenever necessary. Meetings are led by a chairperson and a secretary appointed by shareholders representing a majority of the Group's voting stock in the meeting.

### OWNERSHIP STRUCTURE GRI 102-5



- MOLL FAMILY **57.37%**
- SINGAPORE SOVEREIGN FUND (GIC) **25.93%**
- CARLYLE **11.88%**
- TREASURY **4.17%**
- MINORITY **0.65%**

# Risk management

GRI 102-11

We have a series of policies, operational and financial strategies, and governance practices in place that ensure we adequately identify, assess, prioritize and implement appropriate action and plans to prevent and address risks. In 2019 we made important strides in corporate risk management.

We created a Corporate Risk Management department under the leadership of an Institutional Control officer to implement and monitor risk management across corporate functions and business units. The department's mission is to protect the physical integrity and well-being of people and the security of our assets, and mitigate potential exposure to risks and impacts from our business on people, communities and the environment. The new risk management process is based on a matrix in which identified risks are classified based on two variables: likelihood and impact.

As part of the process, we created a Risk Committee with representatives from different functions. The Committee developed a risk matrix based on an assessment of the likelihood of occurrence of risk events and the magnitude of both tangible and intangible impacts. We also created a proprietary risk modeling methodology and system and a set of key risk indicators (KRIs) that will provide an early warning of exposure and potential future losses.

The new department was structured based on the framework outlined by the International Organization for Standardization (ISO), an institution based in Geneva, Switzerland, with a membership of 162 national standards bodies. ISO has developed globally accepted standards on preventing risks and fraud and assessing internal controls.

In relation to environmental risks, all of our projects undergo an environmental licensing process that identifies potential impacts and establishes, where appropriate, mitigation actions that are monitored by the appropriate government agencies. Financial risks are managed as part of a financial strategy previously approved by senior leadership and by shareholders. Our capital management process is designed to ensure our business continuity and maximize investor returns. Macro economic conditions are monitored and identified developments are taken into account in adjusting our capital structure.

## MAIN MONITORED RISKS

CATEGORY	MONITORED RISKS	MANAGEMENT APPROACH
Operational	Risks inherent to our operations in areas such as emergency departments, surgical wards, intensive care units, pediatrics, building maintenance, nutrition, hygiene and housekeeping, risk management, laundry and linen services, patient service and Ombudsman Channel	Risks are identified, addressed by establishing defenses, and monitored by internal audits. Patient risks are managed statistically; a notification system stores data on all relevant events, which are then investigated and addressed
Environmental	Natural and energy resources	We invest in energy efficiency projects to mitigate these risks, such as by automating air conditioning systems at our hospitals
	Gas leaks	All of our facilities have Emergency Response Plans that include measures to prevent and respond to fires and leaks
	Medical waste	Risks are mitigated using procedures based on our Medical Waste Management Plan, including procedures on managing the production, segregation, collection, storage, recycling and disposal of waste materials
	Noise	Tools such as standard equipment checklists help to ensure that noise emissions are identified, classified and addressed
	Air quality	Each site's Maintenance, Operation and Control (PMOC) Plan establishes procedures for monitoring, addressing and ensuring air quality standards are met in collective air-conditioned environments
Radiation	At facilities where there is a risk of radiological exposure, procedures are in place that conform to a Radiological Protection Program approved by the Brazilian health surveillance agency, ANVISA	



**MAIN MONITORED RISKS**

CATEGORY	MONITORED RISKS	MANAGEMENT APPROACH
Financial	Interest rates	We have liabilities (loans, financing and debentures) that are subject to changes in value caused by the fluctuation of interest rates. This inherent risk can affect our cash flows as a result of these fluctuations
	Credit	We are exposed to credit risk in our operational and financing activities. Where an imminent risk of impairment is identified, we recognize provisions to reduce assets to their net realizable value
	Liquidity	We seek to match our debt maturities to cash generation cycles in order to avoid the need for additional leverage
	Foreign currency	Related to loans, financing and trade payables denominated in foreign currency (especially the US dollar). The underlying risk arises from the possibility of losses caused by foreign-exchange variance
	Derivatives	We have fair value hedging derivatives for loans and financing in foreign currency. We also have swaps to hedge against exposure to variable interest rates

**Financial implications and other risks and opportunities due to climate change** GRI 201-2

Our risk assessments include potential losses caused by sudden extreme events related to climate change, such as storms, cyclones, hurricanes, tornadoes, flooding and destruction caused by windstorms. These assessments consider impacts affecting both the interior of the facility and its equipment and structures, as well as the surrounding area and access to the facility by the public, suppliers or basic services, resulting in material and financial losses, bodily injury and disruption of our operations.

Climate change directly affects the cost of insurance around the world, as when the risk of extreme weather events increases, insurance deductibles are increased and caps are imposed on coverage for natural disasters and damages.

Identified risks also include higher operating costs as a result of higher utilities rates, and operational impacts from water rationing in connection with droughts or from flooding caused by heavy rainfall, which could prevent access to our facilities by employees, customers and suppliers.



# Our commitment to ethics

GRI 103 | 205, 103 | 407, 103 | 415, 103 | 419

We uphold the highest standards of ethics and integrity in our care delivery practices and in our commercial transactions. In doing so, we observe the principles laid down in our code of conduct; our Integrity Program; and our Corporate Anti-corruption Policy.

We also have a confidential Whistleblowing Hotline that is open to all stakeholders. The Compliance department is responsible for managing the Whistleblowing Hotline, while the Institutional Security department, jointly with unit and business-function directors, is responsible for investigating reports and taking appropriate administrative action for any confirmed misconduct.

The highest standards of integrity are observed in our commercial transactions and care delivery practices at D’Or São Luiz

## INTEGRITY PROGRAM

DSL’s Integrity Program comprises internal policies and standards establishing our approach to matters such as compliance, internal audit, relations with suppliers and government, conflicts of interest, sponsorship and donations, and social and environmental risk assessments. The Program is based on the Brazilian Anti-corruption Act (Act 12846/13) and consists of six pillars:

- Risks and controls**  
 Assessments of risks and controls inform rules, policies and procedures for preventing, detecting and remediating incidents of misconduct;
- Whistleblowing Hotline**  
 The Whistleblowing Hotline receives reports of incidents involving violations and/or noncompliance with our Code of Conduct or with laws, policies, standards, regulations and procedures;
- Accountability and independence**  
 Our compliance department has the independence and impartiality needed to enforce Program standards;
- Policies, standards and procedures**  
 Observing our policies standards and procedures helps to standardize the processes involved and their component activities;

- Communication and training**

Our Code of Conduct is available in our main communication channels (website and intranet), as are our policy documents (intranet). We provide training at all significant facilities and operations;

- Tone from the top**

Executives and directors commit to the Program and monitor implementation.

In 2019, a total of 9,873 employees—in all states in which we are present—attended 254 compliance training sessions based on the Integrity Program pillars, including anti-corruption standards and our revised Code of Conduct. The number of employees trained is 7.5 times higher than that in 2018, in which we focused on training employees in leadership positions. **GRI 205-2**

## COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES, BY REGION IN 2019

REGION	PEOPLE TRAINED	%
Northeast	2,997	28.04
Midwest	833	19.64
Southeast	6,043	16.39
<b>Total</b>	<b>9,873</b>	<b>19.05</b>



# Code of Conduct

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Our Code of Conduct is publicly available at <https://www.rededorsaoluiz.com.br/o-grupo/sustentabilidade>. In 2019, the Code was revised to incorporate new topics on diversity in the workplace and information about the General Data Protection Act.

All employees are required to formalize their affirmation of the Code and sign a statement that they have read and understood its content. The Code addresses aspects such as compliance with laws, standards and regulations, professional conduct, transparent relations and shared responsibility. It describes the behavior expected of all employees in their relations with peers at the workplace and other stakeholders (customers, suppliers, government officials, communities, the media).

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The DSL Code of Conduct is publicly available and was revised in 2019

## HUMAN RIGHTS GRI 103 | 406

Although we do not have a specific policy on human rights, our Code of Conduct contains guidelines and principles on corporate responsibility, provides related guidance, and promotes respect for human rights. This includes rejecting any form of undignified labor, such as forced or child labor.

The Code also clearly establishes that we will not tolerate any discrimination on any basis (ethnicity, origin, sex, sexual orientation, religious belief, marital status, social class, disability, age or ideology).





# Corporate Anti-corruption Policy

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DSL's Anti-corruption Policy—which is available at <https://www.rededorsaoluiz.com.br/o-grupo/sustentabilidade>—applies to all directors, executives, employees, representatives and third parties related to D'Or São Luiz.

The Policy contains procedures on preventing bribery and corruption, protecting our reputation, and ensuring we are prepared to promptly respond to any issues involving misconduct. It provides specific guidance on matters such as receiving and offering gifts, political con-

tributions, donations, record keeping and internal controls, compliance training and compliance with regulations.

Corporate risk assessments cover corruption-related risks based on the Brazilian Anti-corruption Act. The scope of these assessments includes sponsorship, donations and partnerships; conflicts of interest; gifts, entertainment and hospitality; noncompliance with laws and regulations; dealings with government officials; relations with blacklisted companies, and other matters. **GRI 205-1**

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Our Corporate Anti-corruption Policy aims to prevent any misconduct which could harm our image and reputation





# Whistleblowing Channel

We have a Whistleblowing Channel that can be reached 24/7 by telephone or via the internet (web portal or email). The channel can also be contacted by snail mail.

- **Telephone**  
0800-377-8031
- **Website**  
<https://canalconfidencial.com.br/canalconfidencial>
- **Email**  
[canaldedenuncias@rededor.com.br](mailto:canaldedenuncias@rededor.com.br)
- **Snail Mail**  
Rua Voluntários da Pátria, 138, Botafogo, Rio de Janeiro (RJ),  
CEP: 22270-010 (Care of the Compliance department)

Concerns about misconduct can be reported by telephone, email, letter or on the DSL website. Cases are handled anonymously and in confidence

Two Group companies—D’Or Consultoria and Richet Medicina & Diagnóstico—have their own whistleblowing channels. Concerns involving D’Or Consultoria can be reported by telephone (0800 450 4510), via the internet ([canalconfidencial.com.br/dorconsultoria](https://canalconfidencial.com.br/dorconsultoria)) or by email ([canaldedenuncias@dorconsultoria.com.br](mailto:canaldedenuncias@dorconsultoria.com.br)). Richet can be contacted to report concerns by telephone (0800 591 0872), on the website <https://canalconfidencial.com.br/richet> or by email to [canaldedenuncias@richet.com.br](mailto:canaldedenuncias@richet.com.br).

All concerns are handled confidentially by the Compliance department which, after reviewing the reports, submits them to the functions involved for investigation, unless the nature and complexity of the case warrants escalation to senior management.

In 2019 we received a total of 1,092 reports, an increase of approximately 12% compared to 2018 (971 reports). Incidents of misconduct accounted for 38% of total reports (416 reports).

The Whistleblowing Channel received 220 reports related to discrimination or abusive practices (workplace or sexual harassment). Following investigation, 52

were found to be substantiated or partly substantiated. The action taken in response ranged from admonition and oversight to termination and legal action.

**OMBUDSMAN CHANNEL** GRI 102-44  
DSL has an Ombudsman Channel for receiving suggestions, requests, criticisms and compliments from our customers and other stakeholder groups. In 2019, the channel handled a total of 65 cases. Customer cases are given priority, and accounted for 46% of total cases processed by the Ombudsman Channel.

## NUMBER OF OMBUDSMAN CASES (2019)

Complaints	30,492
Praise	15,510
Information	18,617
Requests	742
Suggestions	588
<b>Total<sup>1</sup></b>	<b>65,949</b>

<sup>1</sup> Data for the period January to December 2019.

# OUR STANDARD OF CARE

We are committed to quality, safety and efficiency in care delivery





# Our standard of care

With “Quality, efficiency and safety in patient/customer service and relations” as one of our material topics, we work continually to offer the best possible experience to patients using our services.

These efforts include providing training and reskilling to our employees on delivering compassionate care; providing state-of-the-art infrastructure, in terms of both facilities and architecture as well as hospital equipment; and operational excellence driven by innovation and synergies across different services and units. Patient satisfaction with our services is monitored through regular surveys. Complaints about services received by the Ombudsman Channel inform action plans for improvement.

The DSL Manual of Best Practices in Care Delivery has improved our approach to

assessing the technical quality of our hospitals against national and international accreditation models and best practices in care delivery. The Manual includes requirements on organizational management (leadership, access management and quality management), care delivery (outpatient care, emergency departments, surgical and obstetric ward, inpatient and maternity wards, intensive care units and clinical pharmacy) and diagnostics and therapeutics (hemodynamics, endoscopy, imaging and laboratory tests and hemotherapy). Periodic site assessments are based on 22 standards and 1,643 requirements.

Hospitals undergo periodic visits to assess quality across key processes



## ACCREDITATION

Through hospital accreditation, which we implemented in 2006, we work to improve our procedures for assessing the quality of health care services at our hospitals. At year-end 2019, 34 of our hospitals and clinics were accredited by specialized national (21 sites) and international (13 sites) organizations. These accreditation frameworks assess our infrastructure, processes and results, value chains, professional training and development programs, process standardization and improvement. Each site regularly undergoes audits for continued accreditation and/or recertification.

Within the framework of Organização Nacional de Acreditação (ONA), Brazil’s foremost accreditation body, six hospitals were upgraded to level 3—“Accredited with Excellence”, the organization’s highest standard of quality (Caxias D’Or, Norte D’Or, São Marcos, Criança SP, Jabara, IFOR and Villa Lobos) and one was upgraded to level 2—“Full Accreditation” (Bartira). Three hospitals were recertified as “Accredited with Excellence” (São Vicente, São Marcos and UDI). DF Star was certified within the QMentum International™ Accreditation program.

## Hospitals with international accreditation (QMentum and Joint Commission)\*

ACCREDITATION	HOSPITALS	GEOGRAPHY
QMentum	Barra D'Or Quinta D'Or	Rio de Janeiro
	DF Star	Federal District
	Esperança Recife	Pernambuco
	Brasil Hospital and Maternity Center São Luiz Anália Franco Hospital and Maternity Center São Luiz Morumbi Vivalle	São Paulo
	São Lucas	Sergipe
Joint Commission	Copa D'Or Rios D'Or	Rio de Janeiro
	Memorial São José	Pernambuco
	São Luiz Itaim Hospital and Maternity Center	São Paulo

\*The following hospitals are currently undergoing accreditation in 2020: Bangu, Copa Star, Real D'Or, Samer, Jutta Batista, Alpha Med, Ribeirão Pires, Vila Nova Star and Aviccena.

## Hospitals with national accreditation (ONA)\*

ACCREDITATION	HOSPITALS	GEOGRAPHY
Excellence	Clínica São Vicente Caxias D'Or Niterói D'Or Norte D'Or Oeste D'Or State Children's Hospital (under management)	Rio de Janeiro
	Coração do Brasil Santa Luzia	Federal District
	Esperança Olinda São Marcos	Pernambuco
	Assunção Children's Hospital São Luiz Jabaquara Villa-Lobos IFOR	São Paulo
	UDI	Maranhão
Full	São Rafael	Bahia
	Santa Helena	Federal District
	Bartira São Caetano São Luiz Hospital and Maternity Center Sino-Brazilian Hospital and Maternity Center	São Paulo



# Patient experience

We have a patient-centered care delivery model that fosters engagement, a sense of partnership and empathetic and compassionate care.

In 2018 we joined the WMTY (What Matters to You?) movement, an initiative launched in the US in 2010, and have since sought to encourage more meaningful conversations between health professionals and patients. A simple question posed to patients and their families—“What matters to you?”—supports the development of compassionate relations and prioritizing patient opinions in health care decision-making. **GRI 102-12, GRI 102-13**

In 2019, we marked WMTY Day on June 6 with efforts to strengthen our values within the movement, such as engagement between health professionals and those receiving care, and the importance of communication and building relations based on trust. Patient requests ranged from simple wishes (seeing a sunset, going to the circus, having their hair done) to hosting a wedding and a baptism ceremony within the hospital. We encourage initiatives such as these as part of the daily routine at our hospitals.

## **PATIENT SAFETY** GRI 103 | 416, 416-1

Our hospitals adopt international standards in managing risks and preventing incidents with the potential to affect patient safety and well-being. The day-to-day practices of physicians and other staff conform to recommendations issued within the Brazilian Patient Safety Program (of the Ministry of Health) and are aligned with international best practice. Care delivery risks are periodically assessed. Barriers (safety protocols) or process changes are implemented to minimize potential risks.

Regular audits at all units assess procedures against safety criteria, such as proper patient identification, implementation of safe surgery protocols and proper use of antibiotic prophylaxis. Any incidents are monitored and adequately addressed.

### **1<sup>ST</sup> SOBRASP CONFERENCE**

In June 2019 we attended the 1<sup>st</sup> Conference of the Brazilian Society for Quality and Patient Care & Safety (SOBRASP), held in Rio de Janeiro, where we had the opportunity to present to an audience of more than 1,000 professionals our progress on quality, patient care and patient safety, in a presentation titled “Challenges and gains from empowering patients by including them in institutional decisions.” We also described our patient-centered care delivery model and our approach to providing safe and compassionate care.

### **QUALITY SHOWCASE**

In an initiative to encourage professionals to share good practices and results from efforts to improve technical quality in our hospitals, in December we organized a Quality Showcase featuring case studies across the following topics: Safety

Culture, Process Improvements, Innovative Practices, Clinical Cases, Patient Experience and Reducing Waste. A total of 120 case studies were presented and assessed by an independent panel, with the 11 best case studies receiving prizes.

### **HOSPITAL HOSPITALITY CONFERENCES IN THE METROPOLITAN AREA**

In 2019 we organized a cycle of Hospital Hospitality Conferences where our Metropolitan hospitals (Quinta D’Or, Caxias D’Or, Niterói D’Or, Norte D’Or and Samer) had the opportunity to come together to share experience in the area of hospitality, with a focus on quality. Three conferences were held between June and August to discuss topics such as hospitality procedures, accommodation and waste management.

### **AN AWARD-WINNING EMERGENCY CARE PROTOCOL**

Our heart arrhythmia service team developed and implemented a unique protocol to standardize care delivery for fainting patients seeking emergency care at our hospitals. The standard provides guidance on diagnosing the cause of syncope and categorizing cases to select the most severe ones for immediate admission. The new procedures helped to reduce the percentage of undiagnosed patients by almost 17%. The protocol received recognition from the European Cardiac Arrhythmia Society: in March 2019, it was selected as the best original scientific poster.

## Technical quality indicators

INDICATORS (SASB MATERIAL TOPIC: QUALITY, EFFICIENCY AND SAFETY IN PATIENT/CUSTOMER SERVICE AND RELATIONS)	2018	2019
Average length of stay (Adult ICU) - <i>days</i>	5.21	5.00
24-hour adult ICU readmission rate - %	0.40%	0.36%
Standardized hospital lethality rate (observed/expected) - <i>Score (&lt;1.00&gt;)</i>	0.48	0.46
Catheter-related bloodstream infection incidence density - <i>per thousand</i>	0.99	0.88
Catheter-associated urinary tract infection incidence density - <i>per thousand</i>	0.77	0.79
Ventilator-associated pneumonia incidence density - <i>per thousand</i>	1.68	1.43
Pressure ulcer incidence rate (%)	0.043%	0.045%

## Perception and satisfaction surveys GRI 102-44

Periodic patient satisfaction surveys help to inform initiatives to improve care delivery and services. All hospital departments are assessed—including emergency and maternity wards, outpatient departments and testing and diagnostic imaging departments—against criteria such as reception, nutrition, accommodations, cleanliness, concierge service, nursing, anesthesia, medical staff and testing services.

In 2019, a total of 497,434 survey questionnaires were answered. Of these, 221,079 provided customer feedback, of which 53% were compli-

ments, 30% were complaints and 17% were suggestions. Based on the surveys, we develop indicators that can be benchmarked against our industry and used to build matrixes to support improvement actions.

<b>COMPLIMENTS</b>	<b>53%</b>
Complaints	30%
Suggestions	17%
<b>TOTAL</b>	<b>100%</b>

## World Patient Safety Day

GRI 102-12, GRI 102-13

In 2019 we participated in the World Patient Safety Day campaign organized by the World Health Organization (WHO) under the theme, “ Patient Safety: a global health priority” and the slogan “Speak up for Patient Safety!”. Meetings were held in all our geographies (RJ, SP, PE and DF) to discuss good hospital practices for patient safety, with staff reaffirming their commitment to patient safety in their day-to-day activities. We also engaged patients in discussions about the importance of safe care.

D’Or São Luiz also conducts annual Hospital Surveys on Patient Safety Culture (HSOPSC) using a methodology developed by the Agency for Healthcare Research and Quality (AHRQ) to measure improvement in our safety culture. Assessments are made across 12 safety dimensions, with a total of 42 questions.

In 2019, 32,632 professionals at 41 hospitals responded to the survey. Our best-performing dimensions were: Hospital Management Support for Patient Safety and Organizational Learning—Continuous Improvement.

## Communications and information security

Our service information and labeling and marketing communications conform to applicable laws and regulations, especially those of the Brazilian Private Health Care Agency (ANS), the Health Surveillance Agency (ANVISA) and the Consumer Protection Code. Our communications with the public conform the rules issued by the Federal Board of Medicine. In 2019 there were no incidents of non-compliance concerning customer or marketing communications at D’Or São Luiz. **GRI 103 | 417, 417-1**

Our Information Security Policy is currently under review, in an exercise that has included benchmarking best practices and incorporating those practices in our processes. D’Or São Luiz has a program in place for protecting patient data and our information technology (IT) assets. The program includes policies, standards, indicators and training on information security.

A multidisciplinary working group is responsible for reviewing and reformulating all processes related to patient data in accordance with the Brazilian General Data Protection Act (Act 13709/2018—LGPD). There were no breaches of customer privacy or losses of customer data in 2019. **GRI 103 | 418, 418-1**



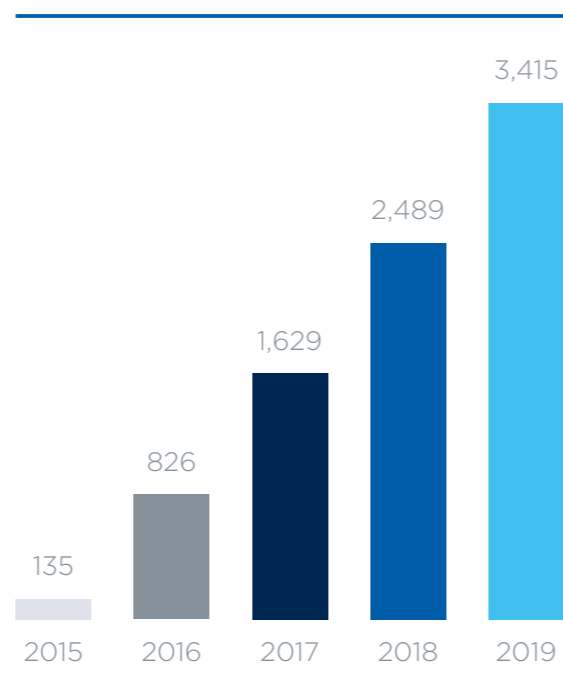
# Technology and innovation

Since 2018, our progress on innovation has been guided by a digital transformation agenda that includes four fronts of action: patient experience, physician relations, hospital efficiency, and process and service improvement. By deploying advanced technology and innovative solutions, we are preparing for changes that are already happening in the health care industry.

These technology investments are focused on patient safety and quality of care. The tools we have leveraged to achieve this include data analytics, digital channels and supporting technologies, as well as agile development models and design thinking.

D'Or São Luiz is the Brazilian leader in robot-assisted surgery, and has combined substantial investments in cutting-edge equipment with up-to-date training of our medical staff through case studies and continuing education courses. Ten Group hospitals have robot-assisted surgery technology that supports increased precision, minimized incisions and better postoperative recovery.

## Growth in robot-assisted surgeries (2015-2019)



## Investments in 2019

Some of our most significant recent investments in infrastructure and equipment include:

### MECHANICAL ROOMS

We invested R\$6 million in 2018 and 2019 in building or renovating mechanical rooms at 10 hospitals. In 2020 our budget for these projects was R\$ 16.5 million, covering 27 hospitals.

### INFRASTRUCTURE

59 infrastructure projects were developed in 2019, and 26 will continue into 2020. R\$26.3 million was invested in 2019.

### M&A

We invested R\$ 13.4 million as part of 19 M&A (merger and acquisition) projects in the year, including investments in integrating and improving infrastructure at recent acquisitions.

### CONSTRUCTION & RENOVATION WORKS

A total of 210 construction and renovation projects were carried out in 2019 (of which 151 have been completed), an investment of R\$ 6.88 million.

### INFORMATION SECURITY

A total of R\$ 9 million invested in 2019 across 26 projects.

### INFRASTRUCTURE OPERATIONS

Our infrastructure projects in the year included a server and switch refresh and replacement of servers, data storage devices, licenses and other IT hardware and software. The approved investment was R\$ 21.4 million.

## Highlights in the year

### OPENED VILA NOVA STAR

In an investment of R\$ 413 million, Vila Nova Star was opened in São Paulo in May and is the first hospital in Brazil to be equipped with a CyberKnife robotic radiosurgery system that directs highly concentrated radiation to small points for pinpoint precision and minimal side effects. Other innovations include Tomotherapy, a linear particle accelerator that delivers radiation doses like a computerized tomography scanner, and a Da Vinci surgical system that uses advanced robotics for minimally invasive procedures.

### NEW RADIATION THERAPY TECHNOLOGIES

Our investments in radiation therapy for cancer treatment have exceeded R\$ 130 million, the largest investment in this segment by a single private health care group in Latin America. In February 2019 we first used our new Truebeam STX radiosurgery treatment system at Quinta D’Or (RJ), which has provided a step improvement in treatment speed and accuracy.

In April, we opened an Oncologia D’Or Radiation Therapy unit at São Luiz Jabquara (SP), equipped with state-of-the-art technology such as the Versa HD radiation therapy and radiosurgery system. The recently opened DF Star hospital, in Brasilia, has a Gamma Knife radiosurgery system for knife-free brain procedures.

### ROBOT-ASSISTED KIDNEY AUTOTRANSPLANTATION

A robot-assisted kidney autotransplantation procedure was carried out at Copa Star to cure a case of nutcracker syndrome—this was the first successful procedure of its kind in Latin America, performed by our urologist Ricardo Ribas. Due to the pain caused by the rare disease (a pinched left renal vein), the patient had not been able to work or perform simple tasks at home for years. As a solution, robotic surgery was used to remove the diseased kidney and replace it with the patient’s own right kidney.

In 2019 D’Or São Luiz continued to lead in deploying innovative medical technologies, including in robot-assisted surgery, radiology and radiation therapy



### SEPARATION OF THORACO-OMPHALOPAGUS TWINS (STATE CHILDREN’S HOSPITAL)

D’Or São Luiz manages the State Children’s Hospital (HEC) in Rio de Janeiro through the D’Or Public Health Institute, the Group’s social arm, which extends our hospital management expertise to public health care providers. In May 2019 the hospital successfully performed a rare and complex surgical procedure: the separation of two thoraco-omphalopagus conjoined twin sisters (joined at the trunk). The girls were born in February, with their livers and part of the abdominal wall joined together. It was a very unusual

case, with only 13 similar cases described in the literature.

The surgical procedure, which took 11 hours, involved nine pediatric surgeons, a general surgeon, six anesthetists and five pediatricians. In addition to separating their livers and abdominal membranes, the appendages and last ribs of each infant were also reconstructed.



# OUR EMPLOYEES

Our workforce is made up of skilled, motivated and up-to-date professionals; learn more about them in the following chapter





# Our employees

In 2019 we had a workforce of approximately 51,000 direct employees, supported by 14,000 third-party employees. All employees are committed to our Mission and to delivering high-quality care. To support them in doing so, we provide them with continuous reskilling and capacity building.

Staff motivation and engagement are strengthened through a people management approach that aims to attract, retain, reward and develop our talents.



## Information on employees and other workers GRI 102-8

### WORKFORCE BY EMPLOYMENT CONTRACT AND GENDER<sup>1</sup>

EMPLOYMENT CONTRACT	2017			2018			2019		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total*	10,192	29,004	39,196	11,823	33,941	45,764	13,667	38,146	51,813

<sup>1</sup> All contracts are for an indefinite term.

### EMPLOYEES BY GENDER AND REGION<sup>1</sup>

REGION	2017			2018			2019		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
NW	0	0	0	5	15	20	6	14	20
NE	1,280	3,664	4,944	2,502	6,853	9,355	2,744	7,944	10,688
MW	795	2,524	3,319	886	2,773	3,659	1,138	3,103	4,241
Sergipe	8,117	22,816	30,933	8,430	24,300	32,730	9,779	27,085	36,864
Total	10,192	29,004	39,196	11,823	33,941	45,764	13,667	38,146	51,813

<sup>1</sup> We have no operations or employees in the South.



**WORKFORCE BY EMPLOYMENT TYPE**

EMPLOYMENT TYPE	2018			2019		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Full time	11,763	33,907	45,670	13,667	38,146	51,813
Part time	60	34	94	0	0	0
<b>Total</b>	<b>11,823</b>	<b>33,941</b>	<b>45,764</b>	<b>13,667</b>	<b>38,146</b>	<b>51,813</b>

**EMPLOYEES BY AGE GROUP**

AGE GROUP	2017	2018	2019
< 30	ND	12,697	15,719
30 to 50	ND	25,316	31,890
> 50	ND	3,967	4,204
<b>Total</b>	<b>ND</b>	<b>41,980<sup>1</sup></b>	<b>51,813</b>

<sup>1</sup> The data in the table excludes new acquisitions and therefore the total amounts to 41,980 employees. We are structuring our controls to disclose data in the format required by GRI in the following cycle.

**WORKFORCE BY EMPLOYEE CATEGORY AND GENDER**

EMPLOYEE CATEGORY	2017		2018		2019	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Executive Board	53	25	36	11	36	16
Managers	93	137	38	97	47	120
Coordinators	276	673	403	834	532	1,122
Administrative	6,948	16,843	7,471	18,172	9,473	22,386
Technical	2,822	11,326	3,875	14,827	3,579	14,502
<b>Total</b>	<b>10,192</b>	<b>29,004</b>	<b>11,823</b>	<b>33,941</b>	<b>13,667</b>	<b>38,146</b>

**MEMBERS OF GOVERNANCE BODIES**

GOVERNANCE BODIES	2017	2018	2019
Board of Directors	-	7	7

# Attracting, developing and rewarding talent

GRI 103 | 401

At D’Or São Luiz we use an integrated approach to people management. A human resources portal organizes our recruiting, selection, positions and salaries, payroll and workplace health and safety processes, as well as individual employee data and individual function structures. We provide employee compensation and benefits that are competitive with market practices, and have a variable compensation program linked to performance targets.

DSL offers employee benefits such as health and dental plans, meal vouchers or workplace cafeterias, and merchant discounts. Through our Benefits Club, employees receive a range of perks and discounts on products and services. We also offer financial support (partial discounts on tuition) for employees who enroll in undergraduate and graduate programs, provided they are related to employees’ roles and depending on professional performance. These benefits are offered at all organizational levels except half time or temporary employees. **GRI 401-2**

## HIRES AND TURNOVER

We have documented procedures in place for attracting and selecting talent—with preference given to internal sourcing—and supporting career development. In 2019, 16,391 new employees were hired and 12,739 were terminated.

Our human resources teams have continued to implement a program of turnover reduction initiatives, informed by feedback from interviews with employees leaving the Group and a country-wide assessment to identify the root causes of employee turnover. For recently hired employees, we conduct monthly surveys to gauge how well they have been able to adapt to the company and our processes.

In Rio de Janeiro, we implemented a new simulation-based induction model: on the first day, employees receive general information about the company; on the second day they participate in a simulation of real-world job situations, preparing them to deliver safer and more effective patient-centered care.

## New employee hires and employee turnover GRI 401-1

### TURNOVER BY REGION

REGION	2017		2018		2019	
	#	RATE	#	RATE	#	RATE
NW	-	-	2	0.1	6	0.3
NE	1,076	0.21	1,266	0.13	1,901	0.18
MW	1,211	0.36	1,152	0.31	1,389	0.33
Sergipe	9,401	0.30	9,204	0.28	9,443	0.26
Total	11,688	0.30	11,624	0.25	12,739	0.24

### EMPLOYEE HIRES BY REGION

REGION	2017		2018		2019	
	#	RATE	#	RATE	#	RATE
NW	-	-	3	0.15	6	0.3
NE	919	0.19	1,108	0.12	1,842	0.17
MW	999	0.3	1,307	0.36	1,964	0.46
Sergipe	8,436	0.27	9,906	0.3	12,579	0.34
Total	10,354	0.26	12,324	0.27	16,391	0.32



**EMPLOYEE HIRES BY AGE GROUP**

AGE GROUP	2018		2019	
	#	RATE	#	RATE
< 30	6,040	0.48	7,843	0.50
30 to 50	5,986	0.24	8,201	0.26
> 50	298	0.08	347	0.08
<b>Total</b>	<b>12,324</b>	<b>0.29</b>	<b>16,391</b>	<b>0.32</b>

**TURNOVER BY AGE GROUP**

AGE GROUP	2018		2019	
	#	RATE	#	RATE
< 30	4,096	0.32	4,645	0.3
30 to 50	6,758	0.27	7,310	0.23
> 50	770	0.19	784	0.19
<b>Total</b>	<b>11,624</b>	<b>0.28</b>	<b>12,739</b>	<b>0.24</b>

**EMPLOYEE HIRES BY GENDER**

GENDER	2017		2018		2019	
	#	RATE	#	RATE	#	RATE
Men	2,763	0.27	3,159	0.27	4,492	0.33
Women	7,591	0.26	9,165	0.27	11,899	0.31
<b>Total</b>	<b>10,354</b>	<b>0.26</b>	<b>12,324</b>	<b>0.27</b>	<b>16,391</b>	<b>0.32</b>

**TURNOVER BY GENDER**

GENDER	2017		2018		2019	
	#	RATE	#	RATE	#	RATE
Men	3,212	0.32	8,477	0.72	3,397	0.25
Women	8,476	0.29	3,147	0.09	9,342	0.24
<b>Total</b>	<b>11,688</b>	<b>0.30</b>	<b>11,624</b>	<b>0.25</b>	<b>12,739</b>	<b>0.24</b>

**INTEGRATION OF NEW HOSPITALS**

Upon officially completing a merger or acquisition of a new hospital, our Integration function implements a program to align processes, systems and policies with Group standards, and a people management program including training, staff sizing and employee engagement around our organizational culture.

Each program has a duration of approximately six months before Go Live and handover to D’Or São Luiz. The process is divided into three stages: takeover, transition (coexistence) and full integration.

**CAREERS PORTAL**

With the launch of our Careers Portal (<http://bit.ly/trabalhe-conosco-rdsl>) in 2019, we have expanded opportunities for new talents to access job openings at D’Or São Luiz. The platform provides a list of job openings at our hospitals, which users can search by position, by area of activity and by city.

Our new Careers Portal has expanded opportunities for new talents to access job openings at D’Or São Luiz

**TRAINEE PROGRAM**

In the first quarter of 2019 we launched our first Trainee Program to develop young talents who are at an early stage in their careers and have the potential to take on leadership positions at the Company. The first group had the opportunity to learn about the different areas at D’Or São Luiz during the 12 first months of the program; in the next 12 months, they will work in their chosen areas of expertise or interest. The program accepts both internal and external candidates.

**WORKPLACE CLIMATE & ENGAGEMENT SURVEY**

Our Workplace Climate & Engagement Survey is conducted in two-year cycles, interviewing employees across Brazil. The most recent cycle, initiated in 2018, received a 93% response rate from internal stakeholders; the overall favorability rate was 77%. The Survey results inform action plans and improvements addressing the aspects with the greatest impact on employee engagement. Committees of managers and employees monitor progress on action plans and their outcomes.

**PERFORMANCE REVIEW GRI 404-3**

A total of 33,343 (99% of our workforce) employees received performance and career reviews in 2019. Our Competencies Assessment has a two-year cycle that includes an assessment phase (skills assessment, feedback and development of Individual Development Plans (IDPs)) and a development phase (follow-up on actions, feedback and IDP review). In 2018 we implemented the development phase, which included activities to build employees’ technical skills and executive training activities (leadership styles, staff climate).

In 2019, we initiated a new assessment phase in which we compiled and shared the results from the previous phase. Based on a skills and successor assessment,

action plans were developed for the year covering all levels of the organization. In 2020, managers will provide feedback and help to develop Individual Development Plans (IDPs).

**PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW<sup>1</sup>**

YEAR	TOTAL ELIGIBLE EMPLOYEES	PERCENTAGE OF EMPLOYEES WHO RECEIVED PERFORMANCE REVIEW (%)
2017	33,378	96
2018	33,378	97
2019 <sup>2</sup>	35,746	99

1. Data in 2019 is for performance reviews for employees hired up to March. Direct employees with a length of service of more than 90 days are eligible. Interns, apprentices, self-employed workers and employees terminated more than 90 days prior are not eligible; for this reason, the number of eligible employees is not equivalent to the number of employees in our workforce.

2. The data excludes the following 2019 acquisitions: Rio Mar, São Lucas and Richet.



**WORKPLACE DIVERSITY**

GRI 103 | 405, 405-1, SASB MATERIAL TOPIC - ATTRACTING AND RETAINING TALENTS, EQUITY AND DIVERSITY

We foster a workplace environment that is free of any form of discrimination (race, gender, sexual orientation, ethnicity, mental or physical disability, religion, political beliefs, social status or any other form of discrimination). Any misconduct involving discrimination can be reported to our Whistleblowing Hotline. All cases are investigated confidentially; if any reported discrimination is found to be substantiated, appropriate action is taken.

Demographic information is not available about the number of black employees, LGBT employees and people with disabilities (PwDs) in our workforce. There is no significant difference in remuneration between men and women at any organizational level (management, administrative and care delivery). Pay brackets are the same for a given position, without any gender disparity. **GRI 405-2**



**WORKFORCE BY EMPLOYEE CATEGORY AND GENDER (%)**

EMPLOYEE CATEGORY	2017		2018		2019	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Executive Board	67.95	32.05	76.6	23.4	69.23	30.77
Managers	40.43	59.57	28.15	71.85	28.14	71.86
Coordinators	29.08	70.92	32.58	67.42	32.16	67.84
Administrative	29.2	70.8	29.13	70.87	29.73	70.27
Technical	19.95	80.05	20.72	79.28	19.79	80.21
Trainees	-	-	-	-	25	75
Total	26	74	25.83	74.17	26.38	73.62

**WORKFORCE BY EMPLOYEE CATEGORY AND AGE GROUP (%)**

EMPLOYEE CATEGORY	2018			2019		
	< 30	30 TO 50	> 50	< 30	30 TO 50	> 50
Executive Board	0	44.68	55.32	0	44.23	55.77
Managers	2.22	80	17.78	2.31	79.77	17.92
Coordinators	6.55	80.6	12.85	7.88	80.43	11.69
Administrative	34.67	55.37	9.96	34.8	56.78	8.42
Technical	24.96	66.98	8.06	24.8	68.18	7.03
Trainees	-	-	-	87.5	12.5	0
Total	30.24	60.30	9.46	30.34	61.55	8.11

# Training and capacity building

GRI 103 | 404

Through training, development, continuing education and leadership development activities, we ensure our employees' skills are up to date and continually improved. In 2019 we invested a total of R\$ 13.4 million in training and education programs, with our workforce receiving more than 970,000 hours of training in the year. **GRI 404-1. 404-2**

Our leadership and management development initiatives in the year included executive assessments (which promote self-awareness and identify aspirations and opportunities for executives), an in-company MBA in hospital management to train future managers for our hospitals, and Management Academy, a training program specifically for team leaders.

In 2019 the first class of 64 employees completed the MBA program, a 91% completion rate.

We also trained new ambassadors within the Leadership Development program, initially in São Paulo and the Federal District. Training topics are focused on employee lifecycles within the organization, leadership styles, process management, performance indicators and situational leadership. We plan to expand this training to all of our geographies.



**Capacity building: up-to-date content supports the continual development of our employees**

## R\$ 13.4

million invested in training and education in 2019

## 970,000+

hours of training completed in the year

Launched in 2018, our Learning Management System (LMS)—an e-learning platform—has increased training flexibility and availability for employees. The courses on the platform are primarily designed to hone employees' quality-of-service and management skills. The platform can be accessed using any device with an Internet connection, and has intuitive navigation features and a media library with a variety of educational content. The platform will help to standardize our training

activities Group-wide.

In 2019, we enhanced platform usability and available courses, and from September to December 2019, 25,829 employees received training in the **Corporate Document Dissemination**, **Excellence in Service** and **Using Personal Equipment at the Workplace** courses.



# Occupational health & safety

GRI 103 | 403

We use a standard approach to managing Specialized Occupational Health and Safety Engineering Services (SESMT) at all hospitals. Group health and safety management practices conform to the following regulations: Directive 3214/78 (Ministry of Labor and Employment); state fire safety regulations; Fire Department rules and instructions; RDC Resolution 50 (ANVISA); ABNT Regulatory Standards (NBRs); and social security regulations on occupational injuries and job profiles. **GRI 403-1**

In 2019 we restructured our corporate Occupational Health & Safety department, which now has a matrix-based SESMT service and regional SESMT coordinators, improving standardization, controls and quality of delivery. We also implemented an SESMT Committee responsible for aligning processes. The department is staffed by a multidisciplinary team of engineers, technicians, nurses, assistants and apprentices who report to the Human Resources officer, improving control and the quality of department activities.

Regular SESMT activities include campaigns and training (induction of new employees, volunteer fire responder training, accident prevention, use of personal protective equipment and chemicals, and other subjects). Training is administered at the workplace—at no cost for employees—either by the SESMT team or by specialized consultants. **GRI 403-5**

All occupational injuries at our hospitals are reported and investigated, and the SESMT service takes preventive and/or corrective action as appropriate for each case. Safety inspections are periodically performed at all departments and injury indicators are tracked on a monthly basis to assess the causes, risks and areas with higher injury rates. In addition to our statutory Internal Accident Prevention Committees (CIPAs), we have a Sharps Injury Prevention Committee that works to prevent injuries from contaminated sharps. All hospitals have individual CIPA committees; in 2019, a total of 7,457 inspections were carried out to identify and remediate potential safety hazards. **GRI 403-1**



Health and safety matters are addressed in collective bargaining agreements with labor unions, which cover more than 95% of our employees. In collective bargaining agreements, 20% of provisions relate to occupational health and safety. By consensus with labor unions, we recognize that the Regulatory Standards of the Special Office for Social Security and Employment under the Ministry of the Economy are legitimate and legally binding on us in relation to labor matters. **GRI 403-4**

## HEALTH AND SAFETY INDICATORS GRI 403-2

Injury rates have remained at low levels in recent years, as our operations involve a low level of complexity. There were no fatalities in the three-year period 2017-2019. Beginning in 2019, health and safety data have been detailed by gender. The infor-

mation below is for direct employees only; coverage for third-party employees is currently under review. We began operating in Maranhão in 2018 and in Bahia in 2019.

Our corporate Occupational Health and Safety department was restructured in 2019

### EMPLOYEE HEALTH AND SAFETY INDICATORS, BY REGION

	2017				2018					2019						
	São Paulo	Rio de Janeiro	Federal District	Pernambuco	São Paulo	Rio de Janeiro	Federal District	Pernambuco	Maranhão	São Paulo	Rio de Janeiro	Federal District	Pernambuco	Bahia	Maranhão	Sergipe
Lost-time injuries	177	236	48	31	221	285	61	28	11	156	311	63	42	66	8	1
No-lost-time injuries	127	151	48	43	183	283	65	64	30	169	312	49	53	35	24	3
Injury rate <sup>1</sup>	2.00	1.80	1.50	0.70	1.90	2.10	1.90	0.01	0.90	0.14	0.22	0.01	0.01	—	—	—
Occupational disease rate <sup>2</sup>	0.01	0.10	—	0.05	—	—	0.20	—	—	0	0	0	0	0	0	0
Days lost rate <sup>3</sup>	7.80	8.20	7.60	3.30	10.00	9.10	8.20	0.09	5.50	0.40	0.37	0.09	0.09	0.03	—	—
Absenteeism rate <sup>4</sup>	3.00	3.20	2.10	2.20	3.00	3.50	2.20	0.08	2.40	0.57	0.50	0.08	0.10	0.02	0.02	—
Lost days <sup>5</sup>	872	1,088	245	139	1,270	1,218	262	137	67	1,093	2,067	108	500	303	91	—
Frequency rate (%) <sup>6</sup>	7.9	8.9	7.5	3.7	9.4	10.6	9.5	3.3	4.5	2.9	4	3.9	2.5	7.6	0.1	—
Severity rate (%) <sup>7</sup>	39.0	41.1	38.2	16.5	54.3	45.7	40.9	16.3	27.4	39.6	36.3	38.3	20.2	57.2	27.5	—



**EMPLOYEE HEALTH AND SAFETY INDICATORS, BY GENDER**

	2019		
	MEN	WOMEN	TOTAL
Lost-time injuries	478	169	647
No-lost-time injuries	477	168	645
Injury rate <sup>1</sup>	0.30	0.10	0.40
Days lost rate <sup>3</sup>	0.74	0.26	1.00
Absenteeism rate <sup>4</sup>	0.97	0.34	1.31

1. Lost-time injury rate - (total no. of injuries / total hours worked) x 200,000.  
 2. Occupational disease rate - (number of occupational diseases / total hours worked) x 200,000.  
 3. Days lost rate - (number of days lost / total hours worked) x 200,000.  
 4. Absenteeism rate - (total days absent / total days worked) x 100.  
 5. Days lost due to injuries (counting from the day after the injury).  
 6. Lost-time injury frequency rate - (number of lost-time injuries / total hours worked) x 1,000,000 (NBR 14.280).  
 7. Injury severity rate - (no. of lost days / total hours worked) x 1,000,000 (NBR 14.280).  
 General notes: There were no fatalities in the three-year period. Data by gender is available as from the current cycle. The figures are for direct employees only. Coverage for third-party employees is being improved. We began operating in Maranhão in 2018 and in Bahia in 2019.



**HEALTH CAMPAIGNS**

We have an annual calendar of health and wellness activities for employees, including annual campaigns promoting vaccination, early diagnosis of diseases, disease prevention and healthy habits, and lectures on obesity, cancer and arterial hypertension. We also mark health awareness months such as Pink October and Blue November.

(Occupational Health & Safety in Health-care Services) in preventing exposure to biological agents and ionizing radiation. Besides health campaigns and training, we supply personal protective equipment, conduct environmental risk assessments by employee role, and issue health and safety hazard reports within our Medical & Occupational Health Management Program. **GRI 403-3**

At year-end 2019, our Health Consulting team began implementation of a new employee care strategy. The strategy aims to prevent chronic diseases associated with aging, poor habits and hereditary pathologies. We expect the new program will benefit more than 20,000 employees.

Although there is not a high incidence or high risk for occupational diseases in our operations, we conform to NR 32





# OUR BUSINESS PERFORMANCE

Our key economic and financial indicators, investments and acquisitions in 2019



# Our business performance

GRI 103 | 201

In 2019 we posted positive financial results compared to the previous year. Net revenue, gross income and net income all improved in the year, despite higher general and administrative expenses.

Our key financial indicators, including net revenue and gross income, were positive in 2019

## Direct economic value generated and distributed GRI 201-1

### DIRECT ECONOMIC VALUE GENERATED (R\$ THOUSAND)

GENERATED	2017	2018	2019
Revenue	9,963,025.00	11,657,210.00	14,159,127.00

### DISTRIBUTION OF ADDED VALUE (R\$ THOUSAND)

	2017		2018		2019	
	R\$	%	R\$	%	R\$	%
Payroll and related charges	3,021,177.00	47.76	3,422,972.00	41.99	4,443,108.00	44.83
Interest, rent and operating expenses	1,274,818.00	20.15	2,345,610.00	28.77	2,933,061.00	29.60
Federal and municipal taxes and contributions	1,025,335.00	16.21	1,204,164.00	14.77	1,342,810.00	13.55
Dividends and interest on equity	305,151.00	4.82	1,029,158.00	12.62	319,605.00	3.22
Earnings retained for reinvestment	698,992.00	11.05	150,460.00	1.85	871,912.00	8.80
<b>Total</b>	<b>6,325,473.00</b>	<b>100</b>	<b>7,123,206.00</b>	<b>100</b>	<b>9,910,496.00</b>	<b>100</b>

### DIRECT ECONOMIC VALUE GENERATED LESS ECONOMIC VALUE DISTRIBUTED

	2017	2018	2019
Income (R\$ thousand)	3,637,552	4,534,004	4,248,631



# Financial management highlights

## DEBENTURE ISSUE

In June our 17<sup>th</sup> issue of debentures, in up to three series, with final maturities in 2024, 2026 and 2029, received an AAA rating from Fitch Ratings. The rating, which is the highest on Fitch's scale, reflects our solid position in the Brazilian market, the strength of the D'Or São Luiz brand, and investor confidence in our business plan.

## ISSUER REGISTRATION

In October we secured issuer registration with the Brazilian Securities Commission (CVM) in category B. This means we are eligible to place securities (other than shares and share deposit certificates) in regulated markets in accordance with CVM Directive 480/09.

## R\$ 14.2

billion in total revenue in 2019

## ACQUISITION OF INTEREST IN QUALICORP

In 2019 we also negotiated the acquisition of a 10% interest in Qualicorp Consultoria e Corretora de Seguros, the largest group health plan manager in Brazil. In November, the acquisition was announced to the market after all conditions precedent were satisfied.

## R\$ 9.9

billion in economic value distributed in the year





# Investments in 2019

GRI 102-10

D'Or São Luiz continued to expand in 2019, with the following highlights:

## NEW HOSPITALS

- A new Niterói D'Or (RJ)**  
 We completed the expansion of Niterói D'Or (in Niterói). The hospital is now housed in a new building with 17 floors in the main tower and 12 in the secondary tower, with bed capacity increasing from 60 to 268 beds.
- DF Star (Brasília)**  
 The new hospital has 29,000 square meters in built area in the city's East Wing. It is Brazil's only hospital equipped with two Versa HD Elekta particle accelerators with a coupled CT scanner arm that improves treatment precision, as well as state-of-the-art equipment such as a Gamma Knife for intracranial procedures.
- Vila Nova Star (SP)**  
 A world-class hospital in the district of Vila Nova Conceição, on the South Side of São Paulo. The hospital has five state-of-the-art operating theaters and the most modern radiation therapy equipment available in Brazil.

DF Star and Vila Nova Star are both part of our Star family of hospitals, which provide exclusive hospitality services alongside the most modern technologies and care available. As well as differentiated services, Star hospitals are recognized as best-in-class for high complexity care that intensively leverages cutting-edge equipment. Within this family, work continued in Recife (PE) on the Memorial Star, in an investment of more than R\$ 340 million.

## D'Or São Luiz opened three new hospitals, and acquired another five in 2019



## ACQUISITIONS

In 2019 D'Or São Luiz acquired five hospitals and a clinic, adding approximately 515 beds and 4,034 employees to the Group. In 2020 we acquired both Perinatal maternity hospitals (Laranjeiras and Barra) in Rio de Janeiro.

- Pro Criança Jutta Batista Pediatric Hospital (RJ)**  
 Located in the district of Botafogo, the hospital was founded in 2014 as a general pediatric facility. It is part of Pró Criança Cardíaca, a charity founded by cardiologist Rosa Célia Pimentel Barbosa.
- Aviccena (SP)**  
 Located on the East Side of São Paulo, Aviccena offers advanced medical and hospital facilities, including a high complexity surgical ward and an adult ICU with 18 beds for treating critically ill patients.
- São Lucas (SE)**  
 Founded in 1969 in the state capital of Sergipe, Aracaju, São Lucas has 207 beds (including 56 ICU beds) and a surgical ward with 10 operating theaters, and is the only hospital in the state with a robot-assisted surgery service.
- Rio Mar (RJ)**  
 Located in Barra da Tijuca, Rio Mar is a general, medium/high complexity hospital acquired into the Group in early 2019.
- Bahia Heart and Lung Hospital**  
 A prestigious hospital in Salvador, the Bahia Heart and Lung Hospital specializes in cardiovascular medicine, neurology, urology, pneumology and bariatric surgery.
- Policlínica Taboão**  
 Situated in Taboão da Serra (SP), this clinic has a built up area of 3,000 m<sup>2</sup> and regionally unique outpatient infrastructure.

515

new beds from acquisitions in 2019

4,034

new employees from acquisitions

2

new Star hospitals (DF Star and Vila Nova Star)

**ACQUISITIONS AND RENOVATIONS**

- Glória D'Or (RJ)**  
 We invested R\$ 323.6 million in building this hospital on land that was previously home to the Beneficência Portuguesa Hospital, in Rio de Janeiro. Glória D'Or, newly opened in March 2020, offers approximately 280 beds and a 24 hour emergency department with a capacity for 20,000 episodes of care per month. The new hospital will also host the new head offices of the D'Or Research & Education Institute (IDOR).
- Oeste D'Or (RJ)**  
 Located in Campo Grande, Rio de Janeiro, the hospital expanded its medical center and now has an exclusive area for consultations and diagnostic testing and imaging services. The expansion will amplify our offering of clinical and surgical specialties.
- Sino-Brazilian Hospital and Maternity Center (SP)**  
 At this hospital, located in Osasco, work continued on the second tower, which will expand hospital capacity from 200 to 335 beds. The works are scheduled to be completed in 2021.
- São Vicente Clinic (RJ)**  
 A leading clinical center in Rio de Janeiro city, São Vicente underwent an extensive modernization including a capacity expansion (90 to 150 beds) and newly purchased equipment.

**Development and impact of infrastructure investments** GRI 103-2 | 203, 203-1

We engage independent consultants to conduct Neighborhood Impact Assessments that measure the potential impacts from our hospital facilities on communities. Our new hospital projects have positively impacted communities

by providing social and economic development opportunities (job opportunities, new businesses and service providers).

In 2019, three new hospitals were completed: Niterói D'Or and DF Star in Brasília and Vila Nova Star in São Paulo. Progress was also made on three other projects in the period: Glória D'Or, Macaé and São Conrado Maternity Hospital. The new hospital in Macaé will support approximately 1,600 direct jobs and provide 232 beds and 8 operating theaters. This will be the first D'Or São Luiz Hospital to be built outside the metropolitan area of Rio de Janeiro. The works, on a 26,321 square-meter property near the Macaé Plaza Shopping Center, are scheduled to be initiated in the first half of 2020.





# Corporate services

GRI 102-9, 103 | 204

Our Corporate Services department has gone through two major cycles: the first between 2013 and 2018, in which the department handled high-complexity management processes Group-wide, including Shared Services, Information Technology and Supply Chain.

After these functions achieved maturity, a second cycle began with a focus on specializing in areas with the potential to deliver higher impact and added value to the business. The Corporate Services department currently handles two major processes: Integrated Supply Chain—which includes Demand Planning, Procurement and Logistics—and Revenue Cycle Management—comprising Commercial Rules & Master Data, Revenue Cycle Performance and Accounts Receivable.

## INTEGRATED SUPPLY CHAIN

Given our company's scale and footprint, our Integrated Supply Chain has provided an important competitive advantage in the supply chain by enabling us to build scale in procurement and thus attract the largest players in each segment.





## A continual search for new products, practices and processes is an integral part of our supplier development practices

### SUPPLIER MANAGEMENT

As part of our approach to developing suppliers, we continually seek out new products, processes, methodologies and practices to consistently improve our services to the public. DSL's procurement process has been designed based not only on financial criteria, but also the contribution that each contract can make to our business sustainability.

We require all new suppliers to provide documentation attesting their compliance with labor and other obligations. Onboarded suppliers receive copies of our Code of Conduct so they are aware of the Group's guiding principles. We have an Ombudsman Channel to mediate our relations and dialog with communities.

Social and environmental issues are included in the criteria for selecting new suppliers; however, the company does not monitor the percentage of suppliers that have been screened against these requirements or criteria relating specifically to labor practices, as the selection process also involves a range of other aspects. **GRI 204-1**

Our supplier assessment and selection processes vary depending on the criticality of the product or service being procured.

### PROCUREMENT MANAGEMENT AND SUPPLIER ASSESSMENT

In Direct Procurement (hospital supplies, laboratory supplies, medicines, equipment and services to cater to our technical, operational and care delivery requirements), we use a product category-based management approach in which we monitor strategic indicators and information, such as pricing trends and supplier rankings.

A Supplier Qualification Program establishes segment-specific criteria for selecting suppliers, monitoring performance and conducting site visits where agreed by department heads.

Indirect Procurement (suppliers of indirect materials and services such as medical gases, laundry, waste collection, food, transportation, IT and Telecom services, waste disposal, etc.) is managed based on KPIs that track compliance with procurement standards, purchaser performance, cost savings and other strategic aspects.



The Procurement department interfaces with the Demand Planning department, which makes procurement requests at a set frequency based on consumption data and inventory policies.

The Logistics department is responsible for replenishing hospital supplies—ensuring high levels of availability—and managing 34 warehouses and seven Distribution Centers in São Paulo, Rio de Janeiro, the Federal District and Pernambuco.

### REVENUE CYCLE

Broadly speaking, the Revenue Cycle provides an integrated view of hospital revenue streams from patient access to invoice processing and receipt. At D'Or São Luiz, Revenue Cycle execution and management is performed by operational and care delivery functions and by our corporate Rules & Master Data, Revenue Cycle Performance, Procurement and Accounts Receivable functions.

The Rules & Master Data function supports our hospital operations with commercial rules and master data activities, materials and medicines, physician and provider compensation, and master data for departments, beds and cost centers.

The revenue cycle performance function monitors the revenue cycle, integrates data and generates information for our hospital units to inform process improvements and increase operating efficiency. The Accounts Receivable function handles collection, external denials and reconciliation of credits.



# OUR APPROACH TO SOCIAL AND ENVIRONMENTAL MANAGEMENT

Resource consumption and stewardship, energy efficiency and social responsibility initiatives





# Environmental and resource management policy

Continually improving our energy efficiency performance, addressing challenges from climate change and implementing a social investment agenda are among the topics in our materiality matrix. These and other social and environmental aspects are addressed in our sustainability management process, which is governed by two corporate Policies—Sustainability and Environment. D’Or São Luiz supports social development and the health and safety of all people we interact with; we embrace social responsibility; and our investment decisions take into consideration the economic growth of the communities where we operate.

The D’Or São Luiz Environmental Policy sets out our commitment to complying with laws and licensing requirements applicable to our operations; continually improving our management approach through periodic performance assessments; and implementing eco-efficiency, resource stewardship and energy saving

practices. In addition, we work to identify the most significant environmental risks in our operations and implement projects to mitigate those risks.

Through Environmental Aspect and Impact Assessments, we identify the most significant environmental aspects in our projects, including risks and potential impacts. As outlined in our Environmental Policy, we conduct regular audits to assess compliance and adherence to our environmental management plans and targets. Our Licensing function manages and monitors all hospital licenses and permits across the Group—operating and works licenses are also addressed by internal company policies. **GRI 103 | 307**

Audits are performed periodically with a focus on nursing and care delivery, hospitality, pharmacy, maintenance, nutrition and laboratories. In 2019, we conducted 174 audits at 107 sites, including hospitals, oncology clinics, testing laboratories, medical centers and waste management facilities. Identified nonconformities are classified by level of risk (high/low) and

cause, and audit reports are submitted to unit managers, who are responsible for developing action plans to address non-conformities.

## Sustainability in construction projects

Construction and renovation projects—especially large ones—are managed in accordance with sustainability requirements on energy, water and natural resource efficiency. The improvements we have implemented in these projects include:

- Installation of building automation systems;
- More effective thermal and lighting comfort solutions;
- Improved energy efficiency by specifying more efficient equipment;
- Natural ventilation and lighting as an energy-saving strategy;
- Water efficiency strategies in new building projects.

In 2019, these strategies were implemented at newly opened hospitals such as the DF Star, Vila Nova Star and Niterói D’Or.

## Audits on our facilities identify risks and areas for improvement in environmental management



# Energy efficiency

GRI 103 | 301, 103 | 302

Efficient energy management is a priority in all our operations and is an integral part of our approach to sustainability. We continually invest in technology and infrastructure to achieve energy savings and increased energy efficiency: between 2017 and 2019, more than R\$ 15 million was allocated to energy efficiency projects.

Our São Lucas (SE) and UDI (MA) hospitals source electricity from the free market, which allows them to choose alternative, clean energy sources and supports CO<sub>2</sub> emissions reductions. At São Rafael (BA), solar energy is used to heat water with a system of 288 solar panels generating an average of 156 kWh per month.

## ENERGY CONSUMPTION WITHIN THE ORGANIZATION GRI 302-1

Total energy consumption in 2019 was 903,598.30 GJ, 13.72% higher than in 2018 (794,524.63 GJ). The increase is explained by acquisitions and expansions in 2019.

With investments of R\$ 15 million from 2017 to 2019, D’Or São Luiz has worked to maximize efficiency in electricity sourcing and consumption

FUEL CONSUMPTION - NONRENEWABLE (IN GJ*)	2017	2018	2019
Diesel	47,936.00	62,682.00	61,980.00
Natural gas	67,039.00	82,098.00	93,492.29 <sup>1</sup>
Total	114,975.00	144,780.00	155,472.29

<sup>1</sup> Natural gas m<sup>3</sup> to GJ conversion factor (multiplied by 0,03684).  
Source: National Energy Balance 2019: Year 2018 / Empresa de Pesquisa Energética. - Rio de Janeiro: EPE, 2019.

ELECTRICITY CONSUMED (GJ)	2017	2018	2019
Electricity	572,797.00	649,744.63	748,126.01
Total	572,797.00	649,744.63	748,126.01

TOTAL ENERGY CONSUMPTION (GJ)	2017	2018	2019
Nonrenewable fuels	114,975.00	144,780.00	155,472.29
Renewable fuels	-	-	-
Electricity consumed	572,797.00	649,744.63	748,126.01
Electricity sold <sup>1</sup>	N.A.	N.A.	N.A.
Total	687,772.00	794,524.63	903,598.30

<sup>1</sup> No electricity was sold in the year.

ENERGY INTENSITY GRI 302-2	2017	2018	2019
Energy consumption (kWh/patient - day)	108.14	109.11	113.23

## In 2019 D'Or São Luiz was recognized for climate change leadership in Latin America by NGO Health Care Without Harm

### HYBRID AIR CONDITIONING SYSTEMS

We have invested in hybrid air conditioning systems at some hospitals, which will provide both cost-saving and environmental benefits. Hybrid systems run on both electricity and other sources (such as natural gas), generating energy savings at our hospitals. These systems produce lower levels of noise and have lower running and maintenance costs.

### PROGRESS ON AUTOMATION

We have made significant progress in automating a number of hospital systems, which has helped to improve electricity management. Maintenance indicators, for example, are monitored in real time at several hospitals, allowing them to analyze consumption and collect data on equipment use and power supply quality. Automating air conditioning, ventilation and exhaust systems has also progressed, increasing system efficiency, patient comfort and overall reliability.

### HEAT RECOVERY SYSTEM

Chilled Water Systems, which provide cooling for air conditioning systems, account for the bulk of electricity consumption in our hospitals. By implementing heat recovery steam generator (HRSG) technology, the heat generated (and previously dissipated) by systems used to heat water for use in other areas (shower heads, sinks, cleaning, etc.) is now utilized. The process can reduce natural gas consumption in conventional heating systems by as much as 60%.

### CLIMATE CHANGE AND EMISSIONS INVENTORIES GRI 103 | 305

Energy efficiency initiatives are also helping to adapt our operations to climate change. Process automation and air conditioning system retrofits help to reduce total (direct and indirect) emissions from our operations.

In 2019 we progressed further on the emissions inventory program we initiated in 2016. Seven hospitals (São Luiz Anália Franco, Brasil, Assunção, São Luiz São Caetano, São Luiz Jabaquara, the Children's Hospital-SP and São Rafael) participated in a program to map out sources of fossil fuel combustion and greenhouse gas (GHG) emissions and calculate the relevant volumes in metric tons of carbon dioxide equivalent (tCO<sub>2</sub>e). These hospitals participated in the Health Care

Climate Challenge, an initiative organized by the Global Green and Healthy Hospitals network which globally mobilizes the health care industry in support of climate change mitigation measures. **GRI 102-13**

In 2019 we received a Gold award for Climate Leadership in Latin America in the Health Care Climate Challenge organized by NGO Health Care Without Harm. The initiative recognizes institutions around the world that are leading in tackling climate change in the health care industry.





# Water consumption and reuse

GRI 103 | 303

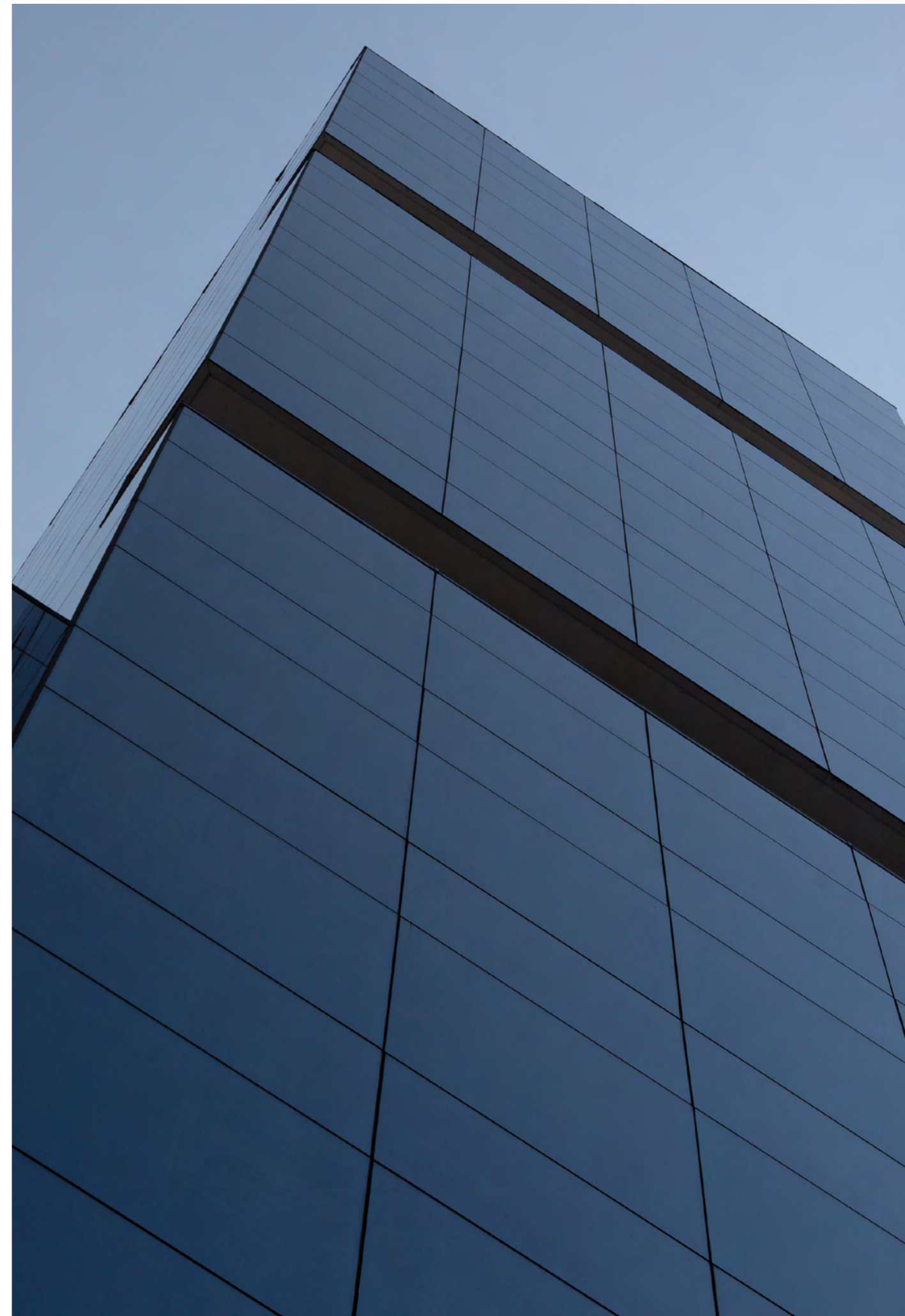
Our water management practices include initiatives to reduce consumption—such as installing flow reducers on taps and shower heads and dual-flush toilets—and to increase water reuse—such as by using harvested rainwater for outdoor washing.

Specific water savings measures include reusing condensate from air conditioning systems (Rios D’Or and Niterói D’Or) for plant watering and container washing; using flow reducing aerators on bathroom taps (hospitals in the Federal District, IFOR, Rios D’Or); reusing water from filter backflushing for irrigation (Norte D’Or); and harvesting rainwater from roof gutters (São Luiz São Caetano).

## WATER WITHDRAWAL BY SOURCE GRI 303-1

In 2019 our total water withdrawal was 1,707,049 m<sup>3</sup>, rising 9.5% compared to the previous year. The increase reflects hospital acquisitions in the year.

WATER WITHDRAWAL BY SOURCE (m <sup>3</sup> )	2017	2018	2019
Utility	940,251	1,135,540	1,307,937
Tank trucks	123,273	101,578	116,679
Deep cased wells	241,861	321,266	282,342
Total	1,305,385	1,558,384	1,707,049



# Managing waste and effluents

GRI 103 | 306

Each hospital has its own Healthcare Waste Management Plan conforming to ANVISA/RDC Resolution 222/2018 and CONAMA Resolution 358/2005; other related policies include our corporate Waste Management Standard and related standard operating procedures. We have formal, documented procedures on waste segregation, storage, identification, collection and transportation in our operations.

The catering departments at each hospital monitor waste disposal volumes by type of material on a daily basis, and report waste indicators to the corporate Sustainability department on a monthly basis for review. Initiatives are periodically implemented to minimize waste generation and improve treatment practices.

Our Environmental Indicators Program receives data on waste volumes across groups A, B, D and E from all hospitals throughout Brazil. In 2019 the Sustainability team toured several hospitals to deliver workshops about managing medical waste and implementing improvements identified in environmental audits. During the first half of the year, our regular environmental audits were followed by workshops with managers and their teams. After identifying the need for training on the new ANVISA RDS Resolution 222/2018 on health care waste management, a total of 1,462 employees attended training.

## WATER DISCHARGE BY QUALITY AND DESTINATION GRI 306-1

### WATER DISCHARGE BY QUALITY AND DESTINATION<sup>1</sup> (m<sup>3</sup>)

	2017	2018	2019
Total	1,044,308	1,245,107	1,365,639

<sup>1</sup> Assuming a rate of return of 0.8 out of total water consumption. Waste treated by physical-chemical methods.

## WASTE BY TYPE AND DISPOSAL METHOD GRI 306-2

In 2019 we generated 23,742.25 metric tons of waste, of which 21.29% were hazardous waste materials and therefore sent for special disposal by methods such as incineration by mass burn or electro-thermal deactivation. Of the 18,687.49 metric tons

of nonhazardous waste generated in the year, 12% were sent for recycling and 16,491.74 metric tons were sent to sanitary landfills. There were no significant spills of any nature in 2019. GRI 306-3

### WASTE BY TYPE AND METHOD OF DISPOSAL<sup>1</sup> (t)

METHOD	TYPE OF WASTE	2017	2018	2019
Incineration (mass burn)	Chemicals (group b)	203.66	256.98*	298.38
Autoclaving/ electro-thermal deactivation/ incineration	Infectious (a) and sharps (b)	4,354.45	4,740.92*	4,756.38
Total		4,558.11	4,997.90*	5,054.76

### TOTAL HAZARDOUS WASTE PRODUCED, BY METHOD OF DISPOSAL (t)

METHOD OF DISPOSAL	TYPE OF WASTE	2017	2018	2019
Recycling	Plastic, paper, cardboard, glass, metal	1,757.67	1,980.69	2,195.75
Landfilling	Regular waste	13,465.67	15,906.08 <sup>1</sup>	16,491.74
Total		15,223.34	17,886.771	18,687.49

<sup>1</sup> The total reported in the previous report for 2018 has been restated. GRI 102-49

## TRANSPORTATION OF HAZARDOUS WASTE GRI 306-4

### HAZARDOUS WASTE TRANSPORTED AND TREATED (t)

	2019
Transported	5,054.76
Total	5,054.76



# Community investments

Our Sustainability Policy (which can be viewed on our internet portal) includes clear guidance on interacting and positively engaging with local communities. All new hospital projects are preceded by Neighborhood Impact Assessments (NIA) that identify the positive and negative impacts on surrounding communities throughout the project lifecycle. These assessments, which are available on the D’Or São Luiz website, are also used to inform the selection of the cultural, educational and environmental projects that we support.

Building transparent communications with the public is also a priority. For any community concerns, complaints or suggestions, our Ombudsman Channel is available to the general public either by phone (3003-4330, Monday to Friday, 8 a.m. to 6 p.m.) or via the internet (<https://www.rededorsaoluiz.com.br/fale-conosco>).

Impact assessments and community communications initiatives are an integral part of our social outreach at D’Or São Luiz

## FINANCIAL SUPPORT TO SOCIAL, CULTURAL AND SPORTING PROJECTS

In 2019 we contributed R\$ 19.530 million to culture, sports and other social initiatives, an increase of 19% compared to 2018. Since 2016, we have contributed a total of R\$ 53.7 million to social programs.

TAX-INCENTIVE DONATIONS (R\$ MILLION) GRI 201-4	2016	2017	2018	2019
Cultural Incentive Law (Rouanet)	3.556	2.503	3.329	3.135
Cultural Incentive Law (ISS)	1.600	2.182	2.037	2.723
Audiovisual Incentive Law	1.295	3.774	4.838	6.279
Sports Incentive Law	1.000	1.662	2.150	2.357
Municipal Fund for the Rights of Children and Adolescents (FUMCAD)	0.502	0.913	N.A.	1.014
State Council for the Rights of Children and Adolescents (CONDECA)	0.100	0.352	N.A.	
Municipal Council for the Rights of Children and Adolescents (FUNCRIA) and Municipal Children and Adolescent Fund (FMIA)	N.A.	1.094	2.115	-
National Elderly Fund	N.A.	N.A.	1.191	2.011
National Cancer Care Program (PRONON)	N.A.	N.A.	0.721	2.011
<b>Total</b>	<b>8.053</b>	<b>12.480</b>	<b>16.381</b>	<b>19.530</b>

# Support and sponsorship in 2019

We sponsor organizations running social, sporting and educational programs; projects to improve our delivery of compassionate hospital care and elderly care; and research institutions, with a focus on oncology.

## Instituto da Criança

The Institute is a non-government organization with a presence in Rio de Janeiro, Paraná, Bahia and São Paulo that develops social projects and solutions primarily benefiting at-risk children. In 2019, a campaign organized by the Institute benefited seven organizations in Rio de Janeiro (Associação Espaço Educativo São Charbel, Comac Petrópolis, Lar Santa Catarina, Projeto C3, Associação Renovar Saúde Criança, Fundação Educandário Princesa Isabel and Instituto Mundo Novo). Donations from partner organizations (including D’Or São Luiz) were used in 2019 toward renovations, educational initiatives, school supplies, social aid, food and other initiatives that benefited around 1,000 children and adolescents.

## National Cancer Care Program (PRONON)

PRONON, a Ministry of Health initiative, supports cancer-related initiatives and services created by private not-for-profit organizations. We are a member of a network of PRONON supporters funding important research institutions in the field of oncology, including Associação Casa Fonte da Vida, linked to Hospital São Francisco de Assis (SP); the Prof. Fernando Figueira Institute of Integrative Medicine (IMIP, in Pernambuco) and the Pernambuco Society against Cancer.

## Orquestra em Sala (OSB)

In 2019, with tax-incentive funding under the Rouanet Law, we were among the sponsors of the **Orquestra em Sala** (“Orchestra in the Classroom”) project run by the Brazilian Symphonic Orchestra Foundation. This initiative promotes literacy in classical music among young audiences by organizing concerts and music appreciation activities for primary education students. OSB education activities in 2019 reached more than 100,000 people directly.



Students and teachers at Instituto Reação

## Ijuí Charity Hospital

The Ijuí Charity Hospital serves a population of more than 1.5 million people in 120 municipalities in the northeast of Rio Grande do Sul. With funding raised under the Municipal Elderly Incentive Law, we paid for a renovation and expansion of the hospital’s High Complexity Oncology Center (CACON), which is recognized as a leading Cancer care provider by the National Cancer Institute (INCA).

## Aventura Teatros

With tax incentive funding provided within the National Culture Support Program (PRONAC/Rouanet Law), the theater company **Aventura Teatros** presented 218 performances in 2019 with sponsorship from D’Or São Luiz. The play calendar included sessions with accessibility features (audio description and sign language). The plays attracted a total audience of 170,000 people.

## Manaká nos Hospitais

With funding raised through the Service Tax Incentive Law (ISS), the Manaká performer duo (Xico Abhreu and Liv Izar) presented drama performances at six municipal and state hospitals in Rio de Janeiro from June to November 2019. In exchange for sponsorship, the duo also presented performances at five of our hospitals (Rios D’Or, Quinta D’Or, Caxias D’Or, Oeste D’Or and Real D’Or). Around 2,900 people (500 in the D’Or São Luiz network) were positively impacted by the initiative.

## Instituto Reação

This Rio de Janeiro NGO supports human development and social inclusion through sports and education. In 2019, a program created by the organization provided judo and jujitsu classes to children and adolescents aged 4 and up, helping to instill the values of sportsmanship and sociability.





# GRI APPENDIX

GRI Content Index





## General disclosures

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
<b>ORGANIZATIONAL PROFILE</b>				
GRI 102: General disclosures 2016	102-1 Name of the organization	7		
	102-2 Activities, brands, products, and services	7		
	102-3 Location of headquarters	Rio de Janeiro (RJ) and São Paulo (SP)		
	102-4 Location of operations	7		
	102-5 Ownership and legal form	19		
	102-6 Markets served	7		
	102-7 Scale of the organization	7		
	102-8 Information on employees and other workers	34		8
	102-9 Supply chain	49		
	102-10 Significant changes to the organization and its supply chain	47		
	102-11 Precautionary principle or approach	20		
	102-12 External initiatives	29, 30		
	102-13 Membership of associations	29, 30, 54		

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
<b>STRATEGY</b>				
GRI 102: General disclosures 2016	102-14 Statement from senior decision-maker	4		
<b>ETHICS AND INTEGRITY</b>				
GRI 102: General disclosures 2016	102-16 Values, principles, standards, and norms of behavior	7		
<b>GOVERNANCE</b>				
GRI 102: General disclosures 2016	102-18 Governance structure	19		
<b>STAKEHOLDER ENGAGEMENT</b>				
GRI 102: General disclosures 2016	102-40 List of stakeholder groups	18		
	102-41 Collective bargaining agreements	More than 95% of employees are covered by collective bargaining agreements. For categories without collective bargaining agreements, we observe applicable legislation		8
	102-42 Identifying and selecting stakeholders	18		
	102-43 Approach to stakeholder engagement	18		
	102-44 Key topics and concerns raised	17, 25, 30		



## Material topics

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS	MATERIAL TOPIC	GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
<b>REPORTING PRACTICES</b>					<b>ECONOMIC PERFORMANCE</b>					
GRI 102: General disclosures 2016	102-45 Entities included in the consolidated financial statements	<a href="https://www.rededorsaoluz.com.br/o-grupo/demonstracoes-financeiras">https://www.rededorsaoluz.com.br/o-grupo/demonstracoes-financeiras</a>			Value creation and economic performance	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45-50		
	102-46 Defining Report content and topic Boundaries	3					103-2 The management approach and its components	45-50		1, 5, 8, 16
	102-47 List of material topics	17					103-3 Evaluation of the management approach	45		
	102-48 Restatements of information	None			GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	45		2, 5, 7, 8, 9	
	102-49 Changes in reporting	None					201-2 Financial implications and other risks and opportunities due to climate change	21		13
	102-50 Reporting period	3						201-4 Financial assistance received from government	57	
	102-51 Date of most recent report	July 2019								
	102-52 Reporting cycle	Annual			<b>INDIRECT ECONOMIC IMPACTS</b>					
	102-53 Contact point for questions regarding the report	<a href="mailto:sustentabilidade@rededor.com.br">sustentabilidade@rededor.com.br</a>			Value creation and economic performance	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	48		
	102-54 Claims of reporting in accordance with the GRI Standards	Core option					103-2 The management approach and its components	48		
102-55 GRI Content Index	59			103-3 Evaluation of the management approach			48			
					GRI 203: Indirect economic impacts 2016	203-1 Development and impact of infrastructure investments and services supported	48		2, 5, 7, 9, 11	

MATERIAL TOPIC	GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
<b>PROCUREMENT PRACTICES</b>					
Value creation and economic performance	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	49-50		
		103-2 The management approach and its components	49-50		
		103-3 Evaluation of the management approach	49-50		
	GRI 204: Procurement practices 2016	204-1 Proportion of spending on locally-based suppliers at significant locations of operation	50		12
<b>ANTI-CORRUPTION</b>					
Ethics, integrity and transparency	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22-25		
		103-2 The management approach and its components	22-25		
		103-3 Evaluation of the management approach	22-25		
	GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	24		16
		205-2 Communication and training on anti-corruption policies and procedures	22		16
		205-3 Confirmed incidents of corruption and actions taken	There were no incidents in the period		
<b>MATERIALS</b>					
Energy efficiency and compliant medical waste management	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	53-54		
		103-2 The management approach and its components	53-54		
		103-3 Evaluation of the management approach	53-54		

MATERIAL TOPIC	GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
		301-2 Materials used that are recycled input materials		The company does not purchase recycled input materials	8, 12
<b>ENERGY</b>					
Energy efficiency and compliant medical waste management	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	53-54		
		103-2 The management approach and its components	53-54		
		103-3 Evaluation of the management approach	53-54		
	GRI 302: Energy 2016	302-1 Energy consumption within the organization	53		7, 8, 12, 13
		302-3 Energy intensity	53		7, 8, 12, 13
<b>WATER</b>					
Impacts from climate change on human health and infrastructure	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	55		
		103-2 The management approach and its components	55		
		103-3 Evaluation of the management approach	55		
	GRI 303: Water 2016	303-1 Water withdrawal by source	55		6, 7
<b>EMISSIONS</b>					
Impacts from climate change on human health and infrastructure	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	54		
		103-2 The management approach and its components	54		
		103-3 Evaluation of the management approach	54		



MATERIAL TOPIC	GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
<b>EFFLUENTS AND WASTE</b>					
Energy efficiency and compliant medical waste management	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	56		
		103-2 The management approach and its components	56		
		103-3 Evaluation of the management approach	56		
	GRI 306: Effluents and waste 2016	306-1 Water discharge by quality and destination	56		3, 6, 12, 14
		306-2 Waste by type and disposal method	56		3, 6, 12
		306-3 Significant spills	56		3, 6, 12, 14, 15
		306-4 Transportation of hazardous waste	56		3, 12
<b>ENVIRONMENTAL COMPLIANCE</b>					
Ethics, integrity and transparency	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	52		
		103-2 The management approach and its components	52		
		103-3 Evaluation of the management approach	52		
	GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations		There were no significant sanctions or fines (equal to or greater than R\$ 500,000) in the year	12, 13, 14, 15, 16

MATERIAL TOPIC	GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
<b>EMPLOYMENT</b>					
Attracting and retaining talents, equity and diversity	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	36-38		
		103-2 The management approach and its components	36-38		
		103-3 Evaluation of the management approach	36-38		
	GRI 401: Employment 2016	401-1 New employee hires and employee turnover	36		5, 8
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	36		8
		<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
Employee health, safety and well-being	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	41-43		
		103-2 The management approach and its components	41-43		
		103-3 Evaluation of the management approach	41-43		
	GRI 403: Occupational health and safety 2016	403-1 (2018) Occupational health and safety management system	42		
		403-1 Workers representation in formal joint management-worker health and safety committees	43		8
		403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	41		3, 8
		403-3 Workers with high incidence or high risk of diseases related to their occupation	43		3, 8
		403-4 Health and safety topics covered in formal agreements with trade unions	41		8
		403-5 (2018) Worker training on occupational health and safety	41		

MATERIAL TOPIC	GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
<b>TRAINING AND EDUCATION</b>					
Qualification, training and development of health professionals	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	40		
		103-2 The management approach and its components	40		
		103-3 Evaluation of the management approach	40		
	GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	40		4, 5, 8
		404-2 Programs for upgrading employee skills and transition assistance programs	40		8
		404-3 Percentage of employees receiving regular performance and career development reviews	38		5, 8
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>					
Attracting and retaining talents, equity and diversity	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	39		
		103-2 The management approach and its components	39		
		103-3 Evaluation of the management approach	39		
	GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	39		5, 8
		405-2 Ratio of basic salary and remuneration of women to men	39		5, 8, 10

MATERIAL TOPIC	GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS	
<b>NON-DISCRIMINATION</b>						
Ethics, integrity and transparency	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	23			
		103-2 The management approach and its components	23			
		103-3 Evaluation of the management approach	23			
	GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken			Eight cases of discrimination were reported in 2019. Where cases were deemed substantiated, appropriate action was taken	5, 8, 16
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>						
Ethics, integrity and transparency	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22-23			
		103-2 The management approach and its components	22-23			
		103-3 Evaluation of the management approach	22-23			
	GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk			There were no incidents in the period	8



MATERIAL TOPIC	GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
<b>PUBLIC POLICY</b>					
Ethics, integrity and transparency	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22-23		
		103-2 The management approach and its components	22-23		
		103-3 Evaluation of the management approach	22-23		
	GRI 415: Public policy 2016			Under the Brazilian Elections Act (Act 9504/1997), legal entities are not permitted to make contributions to election campaigns	16
		415-1 Political contributions			
<b>CONSUMER HEALTH AND SAFETY</b>					
Quality, efficiency and safety in patient/customer service and relations	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	29		
		103-2 The management approach and its components	29		
		103-3 Evaluation of the management approach	29		
	GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	29		
		416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		There were no incidents of non-compliance related to this disclosure	16

MATERIAL TOPIC	GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
<b>MARKETING AND LABELING</b>					
Access to health care services	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	30		
		103-2 The management approach and its components	30		
		103-3 Evaluation of the management approach	30		
	GRI 417: Marketing and labeling 2016	417-1 Requirements for product and service information and labeling	30		12, 16
<b>CUSTOMER PRIVACY</b>					
Data privacy and confidentiality	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	30		
		103-2 The management approach and its components	30		
		103-3 Evaluation of the management approach	30		
	GRI 418: Customer privacy 2016	418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data	30		16
<b>SOCIAL AND ECONOMIC COMPLIANCE</b>					
Ethics, integrity and transparency	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22		
		103-2 The management approach and its components	22		
		103-3 Evaluation of the management approach	22		
	GRI 419: Social and economic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area		There were no incidents in 2019	16



MATERIAL TOPIC	DISCLOSURE	PAGE/URL
<b>SASB DISCLOSURES</b>		
Quality, efficiency and safety in patient/customer service and relations	Average length of stay (Adult ICU) 24-hour adult ICU readmission rate; Standardized hospital lethality rate (observed/expected); CRBSI, CAUTI and VAP incidence density and pressure ulcer incidence density.	30
Attracting and retaining talents, equity and diversity	Description of health care professional recruiting and retention practices	39

<b>SUSTAINABLE DEVELOPMENT GOALS</b>
1. No poverty
2. Zero hunger
3. Good health and well-being
4. Quality education
5. Gender equality
6. Clean water and sanitation
7. Affordable and clean energy
8. Decent work and economic growth
9. Industry, innovation and infrastructure
10. Reduced inequalities
11. Sustainable cities and communities
12. Responsible consumption and production
13. Climate action
14. Life below water
15. Life on land
16. Peace, justice and strong institutions
17. Partnerships for the goals





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