

# MATERIALITY REDE D'OR 2023

Under the context of Sustainability



# Introduction

Inaugurated in 1977 in Rio de Janeiro, Rede D'Or is currently a privately-held public limited company that participates through controlled and affiliated companies in the health segments (health and dental insurance, managed health and dental plans and health and wellness solutions), personal insurance, private pension, and asset management and administration.



























Since 2015, Rede D'Or has published sustainability reports using the guidelines of the [Global Reporting Initiative \(GRI\)](#) and from fiscal year 2021 it has also presented the international integrated reporting elements (IIRC) proposed by the [Value Reporting Foundation](#) and the

disclosures and metrics of the [Sustainability Accounting Standards Board \(SASB\)](#) for health service providers, also adding in fiscal year 2023 the disclosures and metrics of the Sustainability Accounting Standards Board (SASB) - managed health care, insurance, asset management and custody activities.

The materiality study, which has been carried out since 2015, supports the company's ESG strategy as well as the contents of the sustainability report. Board 1 below shows the history of the last two materiality studies that contemplated the full process following GRI 3 directives.



## Board 1 – 2020 and 2022 Material themes

2020 Material Themes	2022 Material Themes
 Economic performance	Economic performance 
 Innovation	 R&D, innovation and Dissemination of knowledge
 Research and education	
 Training and development	
 Integrity and risk	Integrity, risk and fighting corruption 
 Energy	Energy 
 Water	Water and wastewater 
 Waste	Waste 
 Climate change	Climate change 
 Health and safety at work	Health and safety 
 Impacts on local communities	 Socioeconomic impact
 Social responsibility	
 Disease prevention and health promotion	Disease prevention and health promotion 
 Patient experience	Patient experience 
 Employee attraction and retention	 Human Rights
 Diversity and equal opportunities	

In 2022, the materiality process was adapted to the new GRI Standards, published in 2021, where the review of material topics started from the mapping of real and potential impacts, positive and negative, seeking to bring a new look and perspectives in line with good market practices, as set out in GRI 3 Standard.

# 2023 review process

Rede D'Or has established two different processes for assessing its materiality in the context of sustainability, in accordance with internal regulations and in order to comply with the GRI recommendation.

On one hand, the biannual process defines the material issues that are part of the company's ESG Strategic Planning. Thus, the full materiality study is based on the stages of the GRI 3 Standard process in its entirety.

On another hand, the materiality assessment presented in this material is the annual one, which aims reviewing the full biannual process. The objectives of this partial materiality process are:

- To review the possibility of including new material themes based on benchmarking in the sector. It is important to note that this review does not envisage the removal of a material theme validated in the previous process;
- To review the interpretation of the nomenclature of themes or their description;
- To review the impacts of material themes previously determined during the comprehensive materiality study;
- To review for other reasons, such as the company's ESG strategy.

This materiality review study covers only Rede D'Or businesses (hospitals, oncology and others), since it is a review of the [2022 Materiality Study](#), which defined material themes covering only Rede D'Or business typologies before the incorporation of SulAmérica's businesses.

The specific materiality of SulAmérica (insurance and pension plans), recently integrated into the company, was carried out in full and was set out in a specific study published separately.

In order to review the 2022 materiality process, the following steps were taken, as established in internal regulations (Figure 1):

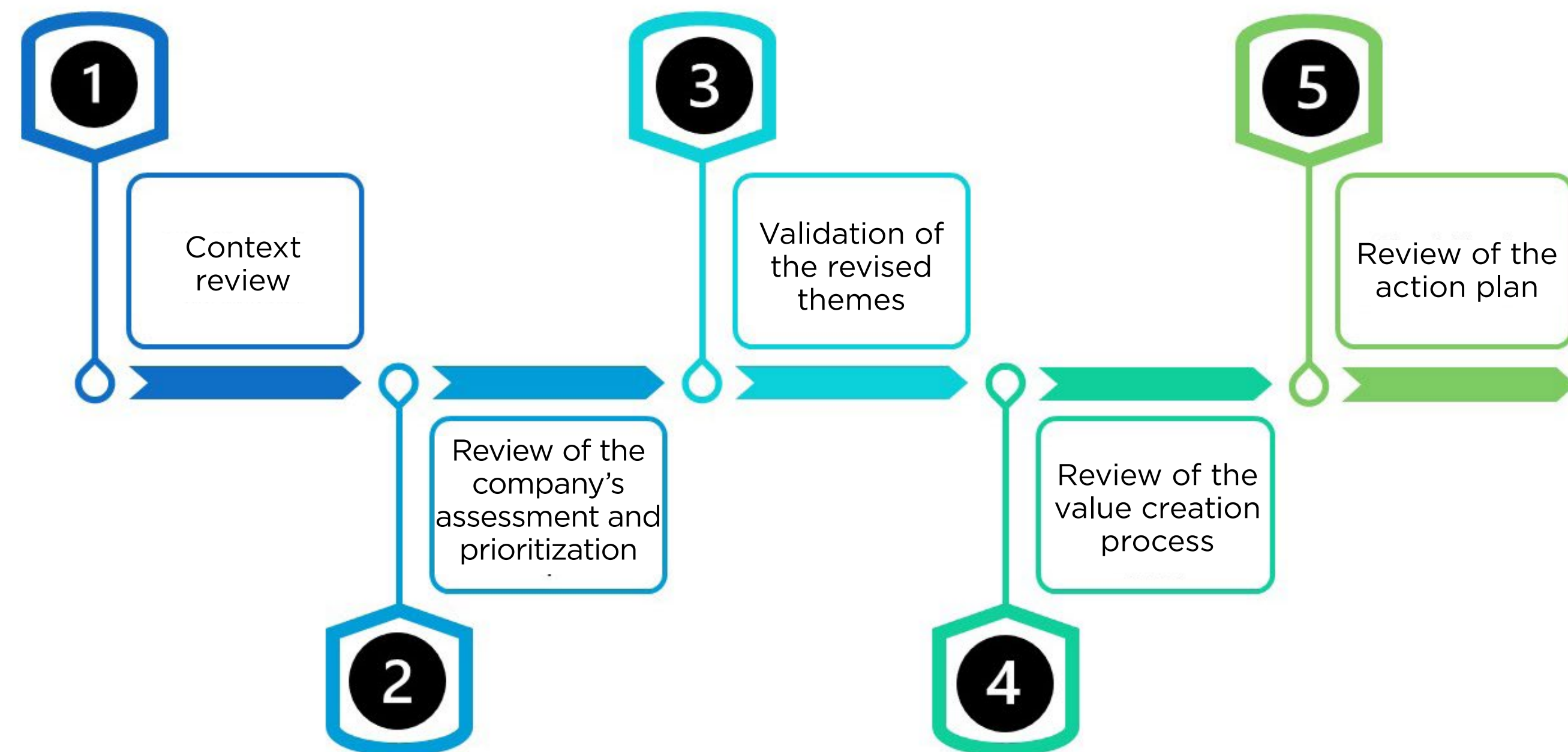


Figure 1 - Annual materiality review process

## 1. Context review

In this stage, the entire internal and external context of Rede D'Or was reviewed. The internal documents analyzed at this stage were:

1. Financial statements;
2. Management report;
3. Bylaws, codes and policies;
4. Reference form;
5. Minutes of meetings and assemblies;
6. Material facts, announcements and notices;
7. Institutional and results presentations;
8. ESG strategic planning;
9. Internal and external ESG commitments;
10. 2022 Sustainability Report;
11. 2022 Rede D'Or Materiality;
12. NORDOR Internal Regulation 135 "Materiality Matrix"

### External documents analyzed at this stage:

1. National Association of Private Hospitals (ANAHP) - ESG in ANAHP Hospitals 2023 - Results and Good Practices (2023);
2. Sustainability Yearbook S&P (2023) - Health Care Providers & Services;
3. SASB Materiality Map (2023): sectors "Health Care delivery", "Managed Care";
4. The Global Risks Report 2023 - World Economic Forum (WEF);
5. World Economic Forum (WEF)- Shaping the future of health and healthcare - 2023;
6. MSCI - ESG Industry Materiality Map;
7. AHA - American Hospital Association - Sustainability roadmap for Healthcare;
8. IFC EPIHC - Guide to ethical principles in health care (2020);
9. Global Agenda for Green and Healthy Hospitals - 10 objectives (2011).

## 2. Review of impact assessment and prioritization

The concept used and the entire process of identifying actual and potential impacts, both positive and negative, were reviewed in relation to each material issue, as well as the scores assigned in the impact analysis (severity: size, scope, nature; and probability). Based on the review, the impacts were organized from the most significant to the least significant. Based on the grouping of impacts by theme, the list to be validated was defined. As per of the GRI 3 Standard, in the case of potential negative impacts on human rights, the severity of the impact took precedence over its probability.

Impact assessment is one of the stages set out in the GRI Standard, and this stage is carried out extensively as part of the comprehensive materiality study. This impact assessment is also revised on the basis of the material issues already reviewed and prioritized.

## 3. Validation of the revised themes

To validate the themes, a sector benchmarking was carried out, based on step "1. Review of the context" and step "2. Review of the assessment and prioritization of impacts", and formal presentation to the Sustainability and Environment Management, which validated the process with the senior management.



## 4. Review of the value creation process

The structure of the process presented in the 2022 Sustainability Report was reviewed together with market benchmarking. The process has been restructured and now includes the results (Outcome) obtained in the value creation process. This stage is essential to ensure that the company identifies and aligns its most relevant material issues (economic, environmental or social) with its performance in order to anticipate the respective impacts on the company's business and value generation in the long term. The review was validated by the Sustainability and Environment Department and senior management.












## 5. Review of the action plan

Based on the results and insights from the review of the materiality definition process, new metrics were established for monitoring, a new structure for continuous mapping of impacts and the value generation process. The definition of actions will take into account the material issues, their prioritization, existing gaps and the Network's strategic objectives. One of the outcomes of the materiality study is the identification of material ESG risks and opportunities through an analysis of the impact of these issues on the business in the long term (impact on costs, impact on revenues, impact on corporate risks). In this way, it is possible to identify the key issues for long-term value creation. In addition, the resulting material issues feed into ESG Strategic Planning and thus into the company's ESG strategy.

# Result of the review of material themes

After carrying out the five stages of reviewing the materiality process, we present the result of the materiality review, making up the material themes 2023 (Board 2).

### Board 2 -2023 Material Themes

Temas Materiais 2023	
 <b>Economic performance</b>	 <b>Health and safety</b>
 <b>R&amp;D, Innovation and Education</b>	 <b>Patient-centered care</b>
 <b>Integrity, risk and anti-corruption</b>	 <b>Climate change</b>
 <b>Energy</b>	 <b>Socio-economic impact</b>
 <b>Water and wastewater</b>	 <b>Human Rights</b>
 <b>Waste</b>	

Regarding results, generally the 2022 material themes and the proposed new themes do not differ in essence, but there have been some changes to their nomenclature. Compared to the previous materiality, nine themes were maintained, and two had their terminology adjusted, which were "Patient Experience" to "Patient-Centered Care" and "R&D, Innovation and Knowledge Dissemination" to "R&D, Innovation and Education". The theme "Prevention and health promotion" was incorporated into the theme "Patient-centered care".

# 1. Results of the context review

## Sector Benchmarking

Through qualitative analysis of documents and market reports, as well as interviews with company officers, we presented below the results of the sector benchmarking.

**SASB** – The SASB Standards are recognized by global investors as essential requirements for companies seeking to make consistent and comparable sustainability disclosures. For the benchmarking, the Healthcare category was used and it was observed that Rede D'Or's material themes are aligned, as shown in Board 3.

### Board 3 - Rede D'Or 2023 Themes vs. SASB Materiality Map 2023 - Health Care Delivery

Rede D'Or 2023 Material Themes	SASB 2023 - Health Care Delivery
Economic performance	-
R&D, Innovation and Education	-
Integrity, risk and anti-corruption	Patient privacy and electronic health records
	Fraud and unnecessary procedures
	Transparency in prices and charges
Energy	Energy management
Water and wastewater	-
Waste	Waste management
Health and safety	Worker health and safety
Patient-centered care	Quality and patient satisfaction
Climate change	Impact of climate change on human health
Socio-economic impact	Access for low-income patients
Human Rights	Attraction, development and retention

**MSCI (Morgan Stanley Capital International)** – MSCI's ESG assessment is a tool that helps institutional investors and investment funds allocate capital. For benchmarking, the assessment made for healthcare providers and services was used. All the themes are being addressed specifically in the proposed material themes, as shown in Board 4.

### Board 4 - Rede D'Or 2023 Themes vs. MSCI - Healthcare Services

Rede D'Or 2023 Material Themes	MSCI - Healthcare Services
Economic performance	-
R&D, Innovation and Education	-
Integrity, risk and anti-corruption	Data privacy and security
	Governance
Energy	-
Water and wastewater	-
Waste	Waste and toxic emissions
Climate change	Emissions
Health and safety	-
Patient-centered care	Product safety and quality
Socio-economic impact	Access to healthcare
Human Rights	Workforce management
	Human capital development

**S&P (Standard & Poor's)** - The [Sustainability Yearbook 2023](#), “**healthcare providers and services**” sector, which is an annual publication by **S&P Global** that lists the leading companies in sustainable business practices, was used for benchmarking. The selection of companies is based on the Corporate Sustainability Assessment (CSA), which is one of the world's leading corporate sustainability databases. The CSA evaluates companies based on criteria (ESG) and is used by institutional investors and investment funds. As shown in Board 5, it can be seen that only the theme of “supplier management” is not a material theme for Rede D'Or, although this theme has been covered in the Sustainability Report in recent years as part of the company's strategy.

**Board 5 - Rede D'Or 2023 Themes vs. S&P Sustainability Yearbook 2023 - Healthcare Providers & Service**

Rede D'Or 2023 Material Themes	S&P Sustainability Yearbook 2023 - HealthCare Providers & Service
Economic performance	-
R&D, Innovation and Education	-
Integrity, risk and anti-corruption	Ethical business
	Risk and crisis management
Energy	
Water and wastewater	
Waste	Eco-efficient operations
Climate change	
Health and safety	Occupational health and safety
Customer-centered care	-
Socio-economic impact	Access to health services
	Attracting and retaining talent
Human rights	Human capital development
	Labor practices
-	Supplier management

**ANAHP (National Association of Private Hospitals)** - According to the ESG in Hospitals 2023 report (ANAHP), which brings together good practices in the sector across the country, nine themes were defined for the thematic map (equivalent to materiality) through research and interviews with stakeholders. Only “sustainable infrastructure and facilities” is not a material theme for Rede D’Or, according to Board 6, although this theme has been addressed in the Sustainability Report in recent years, such as sustainable buildings.

**Board 6 - Rede D'Or 2023 Themes vs. ANAHP - ESG at Hospitals 2023**

Rede D'Or 2023 Material Themes	ANAHP - ESG at Hospitals
Economic performance	Economic performance
R&D, Innovation and Education	Innovation and technology
Integrity, risk and anti-corruption	Compliance
Energy	Energy efficiency
Water and wastewater	-
Waste	Waste management
-	Sustainable infrastructure and facilities
Health and safety	-
Customer-centered care	Patient experience
	Humanization in service provision
Climate Change	-
Socio-economic impact	-
Human Rights	Diversity and inclusion

**Reference Form (RF)** - it is a document that publicly traded companies are required to submit to the Securities and Exchange Commission (CVM) on a regular basis. The document [gathers all the information about the issuer, such as activities, risk factors, management, capital structure, financial data, ESG information and more](#). We compared Rede D’Or’s material themes with its top five risks reported in the reference form and found that the themes are aligned, as shown in Board 7. Thus, Rede D’Or demonstrates that materiality is an integral part of the company’s risk management processes, which helps to identify risks and opportunities for material issues to be assessed in order to guarantee value creation.

## Board 7 - Rede D'Or 2023 Themes vs. RF RDSL - main risks

Rede D'Or 2023 Material Themes	Reference Form Rede D'Or - Main Risks
Economic performance	The unpredictability of health costs and the difficulties in keeping them under control, together with the restrictions on adjusting individual health insurance premiums, could have a significant adverse effect on the company's business.
R&D, Innovation and Education	Lack of alignment with new scientific strategies and/or more advanced studies that make it possible to allocate resources and/or make investment decisions with greater assertiveness / robustness and precision, avoiding loss of market share.
Integrity, risk and anti-corruption	Decisions unfavorable to the company in judicial, administrative or arbitration proceedings could negatively affect it. If the Company fails to comply with the extensive federal, state and municipal legislation and current and future regulatory requirements applicable to its operations, it may be adversely affected.
Energy	Direct impact on care processes and hospital operations as a whole. Increased operating costs and/or greater vulnerability in environmental management.
Water and effluents	Direct impact on care processes and hospital operations as a whole. Increased operating costs.
Waste	Environmental impact, considering that untreated waste can affect the environment (soil, water and/or air), human health, operational and/or financial impact due to administrative sanctions.
Health and safety	Impact on the occupational health and safety of direct and indirect employees, considering the risk of accidents and incidents at work, absenteeism, etc.
Patient-centered care	Outbreaks or potential outbreaks of diseases (e.g. pandemic, epidemic - including a possible new wave of COVID-19), as well as their effects and the way in which such events may impact the Company's business are highly uncertain and unpredictable, and may result in a material adverse effect on the Company and its ability to continue operating its business.
Climate change	Economic consequences for the company due to climate scenarios that may impact the infrastructure of the units and impact on human health such as the emergence/aggravation of related diseases. More information is available in our <a href="#">Climate Risk Study</a> .
Socio-economic impact	Changes in society's behavior and lifestyle can alter the way health plan customers wish to interact with the company, the product offering and the increase in costs.
Human Rights	Violations of human rights, including the labor rights of own and third-party employees, the development, attraction and retention of talent, the promotion of a healthy, diverse, inclusive and stimulating environment, with qualified and motivated teams.



## 2. Result of the review of the assessment and prioritization of impacts

### 2023 Revised Materiality Matrix

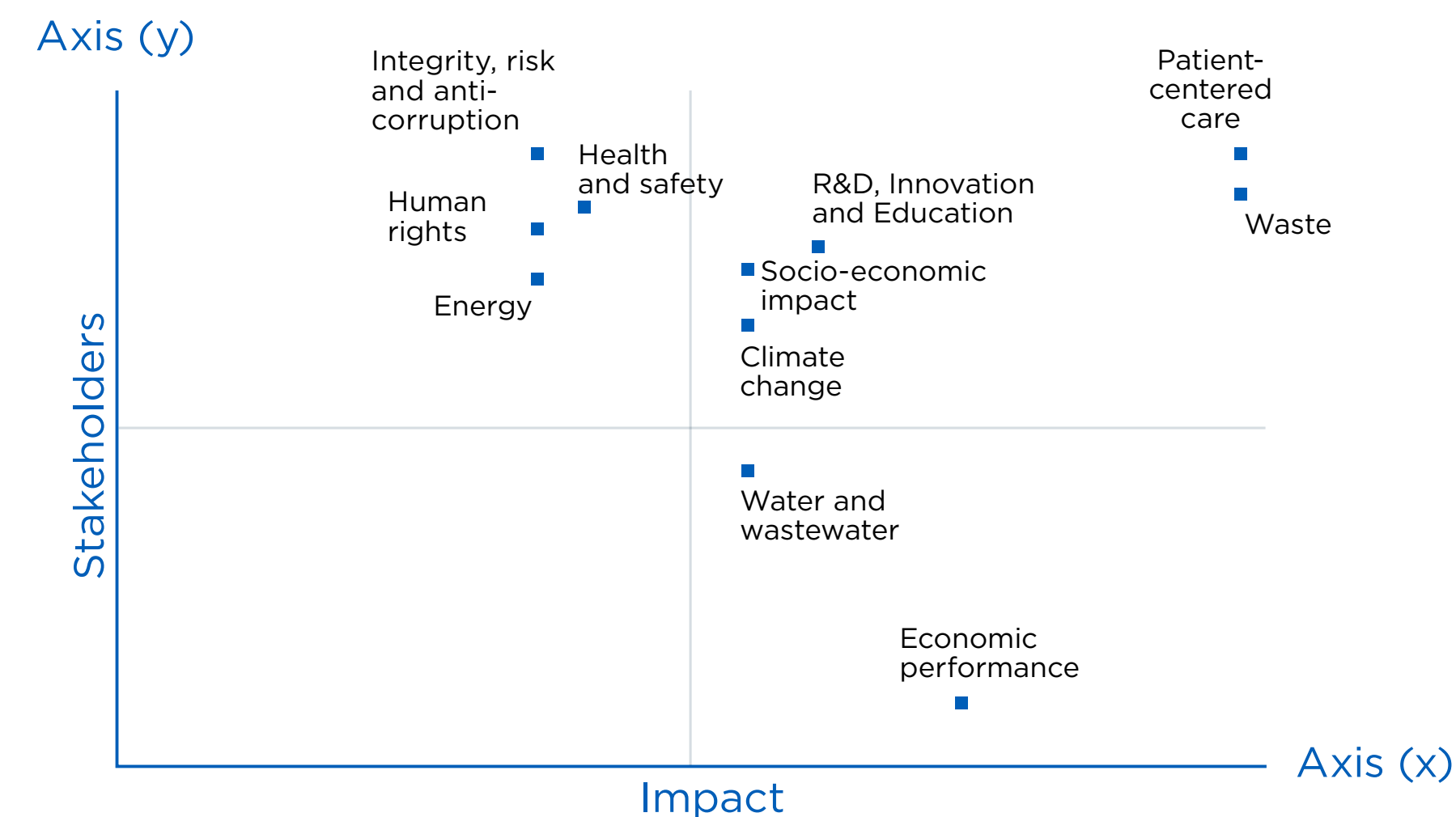
As set out in our internal regulations, material issues must be prioritized in a materiality matrix or any other form. Therefore, this prioritization was aligned with the company’s corporate risk assessment process, which is carried out using risk matrices. To construct the 2023 materiality matrix (Figure 2), we considered the concept of impact materiality, considering Table 1:

- 1) The (x) axis considered the result of the severity x probability analysis of Rede D’Or’s impacts. Each proposed theme was “scored” according to the greatest impact caused, whether positive or negative.
- 2) The (y) axis was defined based on the average of the scores given by each group of internal and external stakeholders: employees, suppliers and NGOs. These results were obtained from the comprehensive materiality study.

**Table 1 - Results of impact assessment and engagement of internal and external stakeholders for material themes**

Theme	Impact	Stakeholders
Economic performance	7.5	8.2
R&D, Innovation and Education	6.3	9.4
Integrity, risk and anti-corruption	3.8	9.7
Energy	3.8	9.4
Water and wastewater	5.6	9.4
Waste	10.0	9.6
Climate change	4.2	9.6
Health and safety	5.6	9.3
Patient-centered care	10.0	9.7
Socio-economic impact	5.6	9.4
Human rights	3.8	9.5

**Figura 2 - Matriz de Materialidade 2023**



- The themes **on the left**, although significant in terms of their seriousness, have a lower impact for the company.
- The themes concentrated **on the right** are those that represent greater relevance for stakeholders and greater impact for the company.

### 3. Result of the review of the value creation process

#### Assessment of the impact of the revised material themes on value creation

Based on the resulting materiality matrix, in which impact and relevance have been assessed simultaneously for prioritization purposes, it is possible to carry out impact analyses to identify the most important material themes (economic, environmental or social) for the company's performance, identifying those that have the greatest impact on business and the generation of value in the long term.

Through this assessment, it is possible to define assertive action plans for the proper management of material themes in line with the company's business. Graph 1 shows the score of positive and negative impacts identified for each material theme. This score is obtained from criticality, which is represented by probability x severity, and the results of the impacts identified are added together.

It was possible to observe that the themes "Patient-centered care", "health and safety" and "climate change" had the highest criticality considering the sum of positive and negative impact scores, in descending order. Below, in Table 2, we have the evaluation of these three (3) material themes identified as most relevant for illustrative purposes. The evaluation scores of the material themes, with the appropriate assessment of impacts and relevance, are kept internally due to their confidential nature, as they contain important strategic information for the company and may not be disclosed externally. In this report, only illustrative examples have been presented for the purposes of transparency towards stakeholders, in order to explain to them how the action plans on the most relevant material issues have been implemented.

- c) Relevance of the theme to business:** description of relevance to the company's performance
- d) Business case:** relation of relevance to cost/revenue/risk (e.g. cost reduction, revenue generation, operational risks with a direct impact on financial performance).
- e) Business strategies:** explanation of the strategies, initiatives or products or services through which the material theme is addressed.
- f) Target(s) and target year:** description and how they are used, and the deadline for achieving them;
- g) Progress:** monitoring and evaluation of progress on targets;
- h) Executive compensation:** linking officers' fees to the material theme, and to the respective targets.

**Graph 1 - Impact assessment - Material themes**

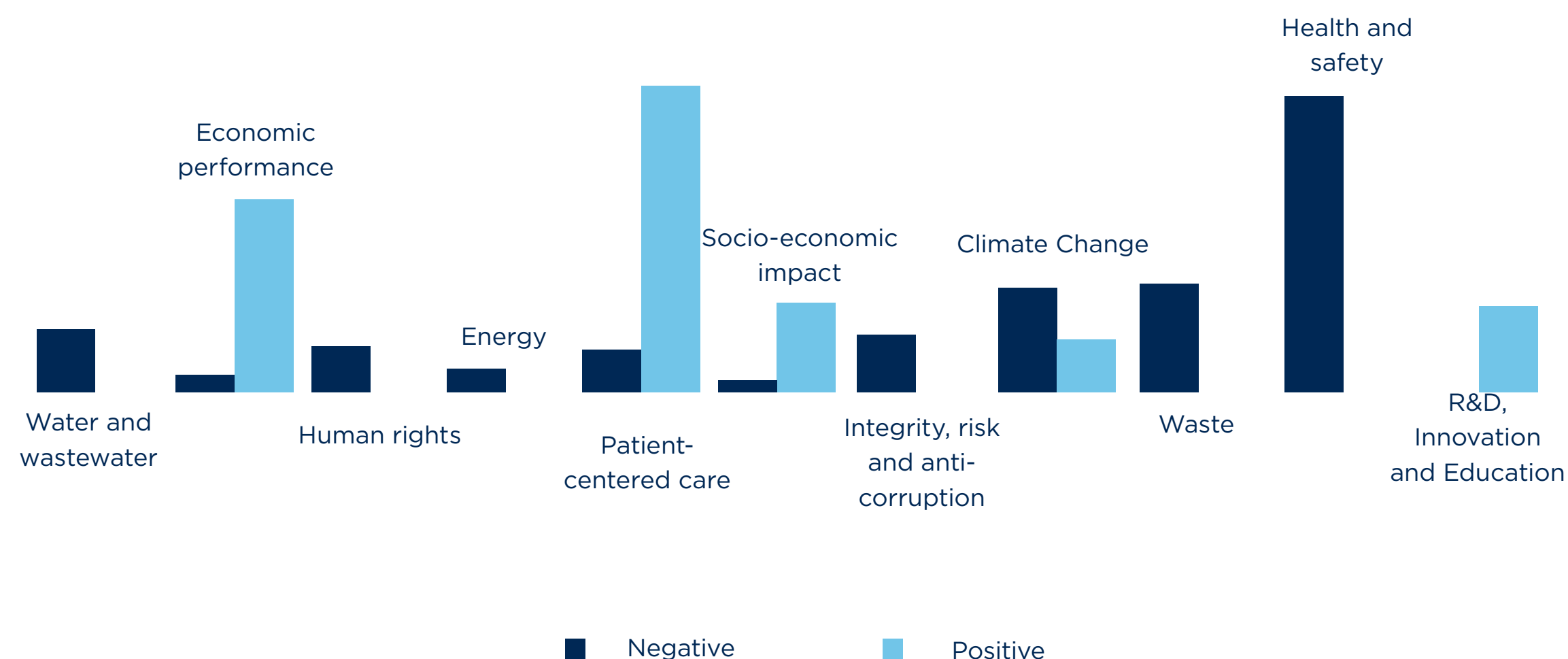


Table 2 has been structured as follows:

- a) Material issue:** identification of the most relevant themes based on the materiality analysis
- b) Material risk or opportunity:** three most relevant economic, environmental or social issues that drive long-term value creation, which may have opportunity(s) and/or risk(s)

Table 2 - Results of the impact assessment of the most relevant material themes

Material issue (a)	Patient-centered care	Health and safety	Climate change
<b>Material Risk or Opportunity (b)</b>	<p>This theme affects businesses in: adapting services to meet new customer demands; Development of new services; new customer loyalty  <b>Category: Service/product quality and safety</b></p>	<p>This theme affects businesses in: Labor costs related to absenteeism, illnesses and accidents at work; Changes in productivity and the workforce  <b>Category: occupational health and safety</b></p>	<p>This theme affects business in: climate change  <b>Category: physical and transition risks</b></p>
<b>Business case (c)</b>	<p>A relevância pôde ser verificada por meio da avaliação dos impactos identificados para os negócios.  <b>Real positive impacts identified (effect on revenue generation):</b> Prevention and health promotion; Continuous disease management, with the facilities and expertise needed to identify and treat new pathology profiles, Early intervention in new pathologies; Customer/patient satisfaction; More accurate diagnoses, in less time, resulting in more appropriate treatment; Reduction in future need for treatment; Reduction in patient readmission rates; Promotion of healthy and sustainable eating  <b>Real negative impacts identified (effect on operational risk):</b> Non-service due to interruptions or failures in the Company's information systems; Deficit in patient care due to strikes; Failures in service provision due to non-compliance with regulatory requirements.</p>	<p>Relevance could be verified by assessing the impacts identified for the business.  <b>Real negative impacts identified (effect on operational risk and increase in operational costs):</b> Risk of explosion of gases (medicinal and non-medicinal), Risk to the health of patients, consumers and employees due to the leakage of biological material; Damage to the building structure and risk to people (short circuit, fire); Failures in the provision of services that put the health or safety of patients at immediate risk, Risk of contamination from the leakage/spillage of reagents and chemical products, oils and/or additives, biological material and slurry; Exposure of employees to diseases and infections; Risk to the health of patients, consumers and employees due to the quality of the water; Damage to people and damage to property due to handling oil, fuel and chemical products; incidents involving the workforce; deficits in patient care due to absence, transfers or restrictions on employees' work due to sick leave; damage to the building structure and risk to people (cracks, seepage, etc.); risk of explosion due to handling of combustible products (tanks of fuel and chemical products); risk of fire due to handling of explosive and/or toxic gases; risk of fire due to handling of combustible products (tanks of fuel and chemical products). ); Risk of explosion due to oil, fuel and chemical product spills; Damage to people and property due to explosive and/or toxic gas leaks; Risk of fire due to the handling of combustible products (diesel oil tanks); Alteration in the health conditions of the neighborhood due to the generation of solid (radioactive) waste; Risk of contamination due to explosive and/or toxic gas leaks; Compromise of the health of patients, consumers and employees due to the quality of the ambient air; Alteration of air quality due to atmospheric emissions (smell).</p>	<p>Relevance could be verified by evaluating the impacts identified for the business.  <b>Real positive impacts identified (effect on operating costs):</b> Reduction in emissions and contamination through the use of telemedicine; Savings in natural/energy resources through the adoption of green and healthy construction.  <b>Real negative impacts identified (effect on operational risks):</b> Greenhouse effect due to atmospheric emissions; Change in air quality due to atmospheric emissions (steam, refrigerant gases); Lack of climate resilience; Generation of atmospheric pollutants due to atmospheric emissions (car smoke, particulates); Change in ambient temperature due to atmospheric emissions (heat).</p>
<b>Business impact (d)</b>	<p><b>Positive impacts:</b> revenue generation  <b>Negative impacts:</b> operational risk with a direct impact on financial performance</p>	<p><b>Impactos negativos:</b> Operational risk with a direct impact on financial performance                  Increase in operating costs</p>	<p><b>Positive impacts:</b> reduction of operating costs  <b>Negative impacts:</b> operational risk with a direct impact on financial performance</p>
<b>Business strategies (e)</b>	<p>Rede D'Or has a structured quality and patient safety program, based on the pillars of clinical governance, so that we can offer society a safer environment for patient treatment and the best possible outcomes, according to the profile of the patients we treat. This program has four pillars:                  1. Performance improvement                  2. Quality management;                  3. External drivers; and                  4. Patient Safety                  In order to improve the customer experience, in 2021 we created management reports (Pearson correlation, HCAHPS indicators and segmented IS), with more detailed data, to make it easier to identify faults and, consequently, improve the level of our performance. We also began the process of improving the satisfaction survey tool and the Ombudsman's complaints management tool - advances that were effectively applied from the first half of 2023.</p>	<p>The latest revision of our Health, Safety and Environment Policy (available here) incorporated the dimensions of occupational health and safety (OHS), in order to make clear Rede D'Or's commitment to preventing or mitigating significant adverse impacts on the dimensions of health, occupational safety and the environment that are directly linked to its operations, products and services, as well as to its various social and business relationships.                  Our S&amp;SO management system is based on the regulatory standards (NR) complementary to Chapter V of the Consolidation of Labor Laws (CLT), of the then Ministry of Labor and Social Security (MTP), as well as all the legislation and specific technical standards on the subject of occupational health and safety. Our priority goal is the prevention and mitigation of occupational accidents and incidents, the promotion of health and the occupational health and safety of our direct and indirect employees is a constant objective for us.</p>	<p>In 2023, we carried out our assessment of risks and opportunities based on physical and transition climate scenarios.                  As well as inventories of greenhouse gas (GHG) emissions, where we can map the main sources of emissions and define climate strategies in line with the business model, the study of climate risks and opportunities helps prioritize them in order to establish action plans to control and mitigate risks and take advantage of opportunities.                  Scenarios are important tools for informing policies, assessing impacts, guiding research and setting climate targets and commitments. The climate risk matrix based on climate scenarios plays a crucial role in understanding and assessing the risks associated with climate change, providing a systematic framework for identifying and analyzing the potential impacts of climate change on the sector, considering geographical regions and natural systems, and enabling the implementation of measures to address the challenges caused by climate change.</p>

Material issue (a)	Patient-centered care	Health and safety	Climate change
<b>Target(s) and target year (f)</b>	<p>The related goals that support the management of the material theme evaluated were published in the 2023 Sustainability Report, and are listed below:</p> <p>1) Disseminate health-related themes through the 7 Rede D'Or Care Program campaigns, adapted with offices and the SADT (Diagnostic Therapeutic Support Service) to carry out preventive digital media and Out of Home (OOH) campaigns seeking brand visibility by the end of 2023.</p> <p>2) Use educational and health prevention videos in at least 50% of our 64 Medical Centers (Cemedes) for the local population, as well as promoting them on social media*, by the end of 2023. These videos can be made available to companies in the area surrounding the hospitals and Cemedes, depending on their interest and availability for promotion. *Rede D'Or's social networks are Instagram, Facebook, Twitter and LinkedIn</p> <p>3) Achieve NPS zone of excellence* in the performance of all Star hospitals by 2030</p> <p>4) Achieve NPS quality zone* performance in all other hospitals by 2030 *Excellence: NPS between 76 and 100; Quality: NPS between 51 and 75; Improvement: NPS between and 50; Critical: NPS between -100 and 0</p>	<p>The related targets that support the management of the material theme evaluated were published in the 2023 Sustainability Report, and are listed below:</p> <p>1. Reduce the rate of lost-time work accidents by 20% by 2025* *Considering the base of 47 CNPJs (units) in 2021 **Lost-time Frequency Rate: <math>TF = \text{No. of accidents with leave} \times 1,000,000 / \text{HHT}</math>. (Source: NBR 14280) E.</p>	<p>The related targets that support the management of the material theme evaluated were published in the 2023 Sustainability Report, and are listed below:</p> <p>1) Establish Climate Risk Matrix and its scenarios by 2023</p> <p>2) Formal adherence to the Task Force on Climate-Related Financial Disclosures (TCFD) by 2025</p> <p>3) Reduce GHG emissions intensity by 36%* by 2030 *In relation to base year 2020 **Includes scopes 1, 2 and 3</p> <p>4) Zero net carbon emissions by 2050 *In relation to base year 2020</p>
<b>Progress (g)</b>	<p>We carry out a quantitative or qualitative assessment of progress. This full assessment is published for each target in the 2023 Sustainability Report.</p>	<p>We carry out a quantitative or qualitative assessment of progress. This full assessment is published for each target in the 2023 Sustainability Report.</p>	<p>We carry out a quantitative or qualitative assessment of progress. This full assessment is published for each target in the 2023 Sustainability Report.</p>
<b>Remuneração de Executivos (h)</b>	<p>The material theme is linked to variable remuneration. However, the targets of this material theme are not linked to officers fees. The <a href="#">Key People Remuneration Policy</a> is published on the Investor Relations (IR) website.</p>	<p>The targets of this material theme are not linked to officers fees. The <a href="#">Key People Remuneration Policy</a> is published on the Investor Relations (IR) website.</p>	<p>The targets of this material theme are not linked to officers fees. The targets in this material theme are not linked to officers' fees. The <a href="#">Key People Remuneration Policy</a> is published on the Investor Relations (IR) website.</p>

ESG Goals can be checked in the ["Sustainability Report"](#)

## Assessment of material themes for external stakeholders

One of the outcomes of the assessment of material themes using the matrix is the identification of material themes considered relevant to external stakeholders. The external stakeholders engaged in the [2022 Materiality Review Process](#), were considered, namely “suppliers” and “social organizations”. In other words, the materiality analysis can be carried out to identify and assess the positive/negative impact associated with Rede D’Or’s operations, products/services and/or supply chain. The two most relevant material themes for suppliers were “integrity, risk and the fight against corruption” and “patient-centered care”, while the social organization judged all themes, with the exception of “economic performance” and “water and effluents”. Thus, we determined the “patient-centered care” theme, which is highly critical in our materiality matrix, and the “integrity, risk and anti-corruption” theme, which is considered to be more relevant than both, as examples of results

Table 3 shows the assessment of two (2) material issues identified as most relevant for illustrative purposes. The spreadsheet evaluating the material themes with the appropriate assessment of impacts and relevance is kept internally due to its confidential nature, as it contains important strategic information for the company and cannot be disclosed externally. In this report, only illustrative examples have been presented for the purposes of transparency towards stakeholders in order to clarify how the action plans on the most relevant material issues have been implemented.

Table 3 has been structured as follows:

**a) Material Issue for External Stakeholders:**

specification of the material theme that generates a positive/negative impact on external stakeholders, and the category to which the impact belongs;

**b) Cause of impact:** specification of the part of the business that is responsible for the external impact and the scope of the business activity that was considered in the assessment;

**c) External stakeholder(s)/ impact area(s) evaluated:** group of external stakeholders who experience the impact caused by the company through its business activities. External groups or areas include the environment, society, end consumers and the supply chain;

**d) Topic relevance on external stakeholders:** explanation of why the external impact assessed is relevant to the external stakeholder(s) assessed. The description can also refer to the direct or indirect consequences of the impact generated on society’s stakeholders or the environment in terms of the size, severity and/or extent of the damage or benefits caused to society’s stakeholders and the environment. The type of impact assessed can be positive, negative or both. Both reported impacts can be positive and/or negative.

**Table 3 - Results of the evaluation of the most relevant material themes for external stakeholders**

	Impact(s) 1	Impact(s) 2
<b>Material Issue for External Stakeholders (a)</b>	Patient-centered care <b>Category:</b> service/product quality and safety Integrity, risk and the fight against corruption	Integrity, risk and the fight against corruption <b>Category:</b> ethics and compliance
<b>Cause of Impact (b)</b>	Operations, and products and services <b>Impact coverage:</b> over 50% of business activities (hospital services activities)	Operations and supply chain Impact coverage: over 50% of business activities (Rede D’Or group)
<b>External stakeholder(s)/ impact area(s) evaluated (c)</b>	Costumers	Environment, society, end costumers, supply chain
<b>Topic relevance on external stakeholders</b>	We identified and assessed negative and positive impacts, as shown in Graph 1. A full description of the impacts is given in Table 2. As established in GRI 3, the impacts were assessed in the context of the company, considering their severity (size, scope and irremediable nature) and probability. When crossing severity and probability, the most critical negative impact was “failures in service provision that put the health or safety of patients at immediate risk”, and the positive ones were “prevention and health promotion”, continuous disease management, with the facilities and knowledge needed to identify and treat new pathology profiles” and “early intervention in new pathologies”.	The material theme has consequences for the company’s entire value chain, which includes the environment, society, end consumers and the supply chain. We identified and assessed negative impacts for this theme. As established in GRI 3, the impacts were assessed in the context of the company, considering their severity (size, scope and irremediable nature) and likelihood. Among the negative impacts, when crossing severity and probability, the most critical was “occurrence of fraud in the health system”.

# Conclusion

After the review process, the list of material themes was validated with two changes:












- The 2022 material theme “*R&D, Innovation and Knowledge Dissemination*” was rewritten as “*R&D, Innovation and Education*”.
- The 2022 material themes “*Prevention and health promotion*” and “*Patient experience*” have been consolidated into the theme “*Patient-centered care*”.

The engagement process with internal and external stakeholders was not carried out in this review, which will be carried out in 2024, considering that this process was carried out in the 2022 reporting cycle during the full materiality study (“[Rede D’Or Materiality 2022](#)”). The scores relating to the consultation held in 2022 with internal and external stakeholders were maintained.

Through the benchmarking process with the material themes of the main ratings and publications in the sector in which Rede D’Or operates, it was observed that the material themes for 2023 are mostly in line with best market practices and the impacts were reviewed. The description of the 2023 material themes has been revised and is shown in Board 8 The spreadsheet evaluating the material themes with the appropriate assessment of impacts and relevance is kept internally due to its confidential nature, as it contains relevant strategic information for the company, and is not allowed to be disclosed externally. In this report, only illustrative examples have been presented for the purposes of transparency towards stakeholders in order to clarify how the action plans on the most relevant material themes have been implemented.

The connection between the material themes and the GRI, SDG, Global Compact and SASB indicators was also reviewed and is shown in Board 9.

## Board 8 - Description of material themes 2023

Material Theme	Description
 <b>Economic Performance</b>	Rede D’Or’s economic performance contributes to the generation of shared value, through the return to shareholders and by stimulating the economy through the acquisition of materials, inputs, the generation of direct and indirect jobs, the payment of taxes and the development of suppliers.
 <b>R&amp;D, Innovation and Education</b>	Scientific research supports healthcare organizations in developing new treatments that improve the condition of human life. The Research and Education Institute (IDOR) plays a fundamental role not only in research and innovation, but also in training healthcare professionals and disseminating knowledge. Rede D’Or’s operations are based on an increasing use of digital care technologies.
 <b>Integrity, Risk and Anti-Corruption</b>	The adoption of measures to combat breaches of ethical conduct or non-compliance with laws and regulations must permeate relationships and data management, generating trust, transparency and preventing fraud in the health system. At the same time, the Integrity Program establishes mechanisms used to prevent, detect and combat corruption, bribery and bid-rigging. Risk management reinforces the organization’s lines of defense by mitigating the various risks and enhancing opportunities.
 <b>Energy</b>	Energy consumption in hospitals is linked to the operation of lighting systems, air conditioning, heating, water pumping, elevators and medical equipment. The efficient use of energy and the search for energy autonomy are Rede D’Or’s practices for minimizing the impact of energy use in its processes. This refers to the conscious consumption of this resource.
 <b>Water and wastewater</b>	Water consumption is essential for the provision of hospital services. The management of water use, including the control, reuse and use of rainwater, is relevant not only for reducing costs, but also for reducing the impact of its use and the generation of effluents. In relation to water, it refers to the conscious consumption of this resource.
 <b>Waste</b>	Waste management involves aspects relating to generation, segregation, packaging, collection, storage, recycling, treatment and final disposal, as well as protection of public health and the environment.
 <b>Health and safety</b>	Health and safety performance encompasses health promotion, the occupational health and safety of direct and indirect employees, and the prevention of accidents and incidents at work. Taking care of people, mitigating safety risks and absenteeism are key initiatives for maintaining levels of excellence and the purpose of the business.
 <b>Patient-centered care</b>	Patient-centered care brings together all the interactions that influence patient perception and encompasses patient health and safety, the quality (technical and perceived) of the services provided, clinical outcome and patient satisfaction.
 <b>Climate Change</b>	Greenhouse gas emissions are the main cause of climate change and the health sector is one of the main emitters of greenhouse gases in the world. Rede D’Or promotes the saving of natural/energy resources through the adoption of green and healthy construction and the use of telemedicine.
 <b>Socio-economic Impact</b>	Rede D’Or generates value by developing the local community around its hospitals, by making private social investments and by keeping the community informed about health and sanitary issues in general.
 <b>Human Rights</b>	Considers respect for human rights, including the labor rights of own and third-party employees, the development, attraction and retention of talent, the promotion of a healthy, diverse, inclusive and stimulating environment, with qualified and motivated teams, respecting ethics and the individual in their social and environmental context.

## Connection with indicators

Board 9 - Connection between material themes and GRI, SDG, Global Compact and SASB indicators

Material Theme	GRI/Others	ODS	Global Pact	SASB
Economic Performance	201 and 207	-	1, 7, 8, 9	-
R&D, Innovation and Education	404 and own indicators	4, 9	1, 2	-
Integrity, Risk and Anti-Corruption	205 and 418	16	10	-
Energy	302	12	7, 8, 9	HC-DY-130a.1
Water and wastewater	303	12	8	-
Waste	306	12	8	HC-DY-150a.1
Health and Safety	403	3	1,3	HC-DY-320a.1
Patient-centered care	416 and own indicators	3	1	HC-DY-230a.2, HC-DY-230a.3, HC-DY-230a.4
Climate Change	305	13	7, 8, 9	HC-DY-450a.1
Socio-economic Impact	203, 413	9	-	-
Human Rights	401, 405, 406 e 410	3, 8, 4, 5	1, 2, 3, 6	HC-DY-330a.1

## Assurance of the Materiality Process

Rede D'Or's materiality study and review process carried out in 2023 is assured by a third party, which is a company accredited by the CVM (Brazilian Securities and Exchange Commission) for this type of assurance.

The assurance of the company's materiality process is part of the assurance of the Annual Sustainability Report, whether it is the biannual comprehensive study or the annual review. The materiality process described in this material is summarized in the specific chapter "Materiality" (or similar title) of the Sustainability Report, in which this document is fully verified by a third party so that the provisions of this chapter are aligned with the process carried out. In other words, the assurance of the Annual Sustainability Report includes the assurance of the materiality process.

It is important to emphasize that, in this document, a specific assurance letter is not attached, but this letter is attached to the Annual Sustainability Report, which guarantees that materiality has also been assured by a third party.

The assurance letter can be viewed attached to the Annual Sustainability Report at:

- Rede D'Or [official website](#)
- Rede D'Or [Investor Relations Website](#)



# Credits

## **Rede D'Or São Luiz**

Rede D'Or's Sustainability and Environment  
Corporate Department

## **Materiality Consulting**

Rede D'Or Sustainability Coordination  
Lanakaná Sustentabilidade

## **Graphic Project**

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