FIOS INSTITUTO DA OPORTUNIDADE SOCIAL



ARTICULATING NETWORKS TO PROMOTE SOCIAL IMPACT.



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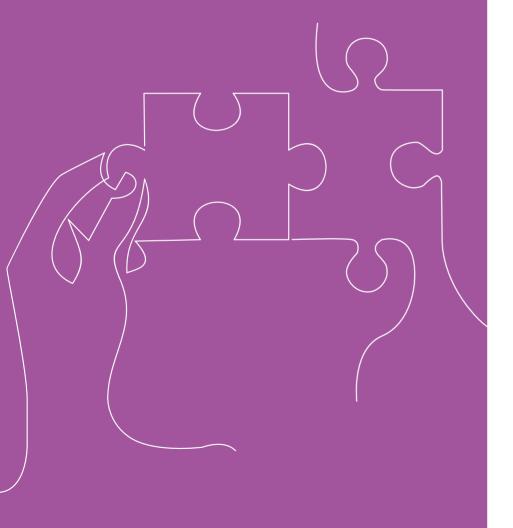
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90

Credits

IOS MESSAGE

GRI 102-1 | 102-14



If we had to sum up 2018 into a concept, we would choose to say that it was a period for IOS maturation.

In the political macro-economic scenario, we once again faced a challenging context in the country, which forced us to prove our ability to manage the organization with responsibility and efficiency, even with a scarcity of resources. Our employees´ commitment and dedication were essential for us to overcome these challenges and transform scarcity into opportunities, achieving very positive results:

Even with less financial capital, we achieved a significant result: we optimized our resources to maintain the number of services we provide and increased our **employment rate by 19%** in relation to the 2017's indicator.

In 2018 **JP Morgan Chase** renewed their sponsorship and we had financial contributions from **Arco Dorados** (McDonald's) to continue with the Future Talents in Technology Project. In addition, we acquired new partners and social investors which were essential for us to expand our generation of value. We established a partnership with **Dell Inc.** (Dell), which offered free professional courses for 160 students in two locations – Hortolandia (SP) and Porto Alegre (RS) – and in addition sponsored a portion of the training for young people in IT at the IOS Core Unit (SP). We signed partnerships with universities such as **Bandeirantes Technology College** (Bandtec), **Anhanguera Educational**, **Campos Salles Integrated Colleges** and **IT Media Institute**, which started a scholarship program for undergraduate access to IOS alumni.

One of the differences brought about by the new partnerships is in relation to the vocational courses. In addition to increasing our

breadth, these courses also represent a new model for IOS. In which, we apply the technical content already developed by the partner along with our behavioral content and school extension. While at the same time following through with our pedagogical monitoring and project management.

Parallel to the construction of these important results, we made two major changes that brought us closer to our strategic public.

Management that is completely dedicated to Institutional Relationships (IR) and to IOS Strategic Management, while the existing structure now reports to Operational Management. With this new structure, the Executive Management leadership is completely focused on thinking and planning the future vision of the Institute, creating and developing relationships with the three sectors of civil society, always aligned with a business vision that generates employability and increase family income for the students trained by the Institute. Operational Management is responsible for managing the back office and the entire educational business of the Institute, tracking the progress and delivery of projects to its investors and partners.

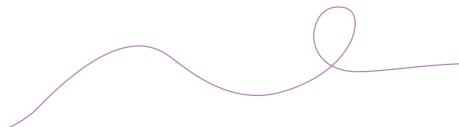
The second change was in the management of **Social Opportunities**, which was integrated into the Educational team's work. By doing this, the team began to have a vision of the entire **Student Cycle**, increasing its ability to identify and understand the expectations and needs of the beneficiaries.

This capacity for collaboration, intrinsic to our trajectory, was what enabled us to conclude the year overcoming many challenges and with

a positive perspective for the future. We thank the IOS employees, our alumni, our partners and social investors for their trust, commitment and engagement that made it possible to achieve these results.

We invite everyone to learn about the details of our management and performance in 2018 with this Annual Report. We hope you enjoy it.

Kelly Christine Lopes Superintendent



HIGHLIGHTS





PROFESSIONAL TRAINING

NEW COURSES AND NEW TALENTS

In-person professional training course in People Management and Personnel Department, using the TOTVS RM Labore and Vitae, in Belo Horizonte (MG).

Customized Training Course in Computing for Work, in partnership with Dell, in Hortolandia (SP) and Porto Alegre (RS).

Expansion of the Future Talents in Technology project for the Itaquera IOS Unit in São Paulo (SP).

We ministered the content of soft skills and carried out the selective process and the psychosocial accompaniment of the Course on Specific Competences for the Automotive **Area**, in partnership with Fiat in Belo Horizonte (MG) and São Paulo (SP).

SOCIO-EMOTIONAL SKILLS

We created the Growing-Up Project, which promotes meetings in all IOS Service Units, with the objective of developing the students' social-emotional skills.



SOCIAL **OPPORTUNITIES**

ACCESS TO EMPLOYMENT

Implementation and customization of the TOTVS CRM system to hone the management of the employability processes.

Integration of the processes managed by the Social Opportunities area into the Education team's responsibilities, allowing a unique view of the Student Cycle.

Nineteen percent increase in employability compared to 2017, with 1,215 jobs filled by alumni.

ACCESS TO HIGHER EDUCATION

Creation of the IOS Program for Access to Higher **Education**, through which we seek partnerships that enable scholarships in educational institutions to potentialize the opportunity for our students to get into technology intern programs. From this program, we established new partnerships with universities, such as the Bandtec College, which, through the Future Generation¹ program, provided scholarship to 14 former IOS alumni in the first semester and 16 former students in the second semester.



NEW FORMAT, MORE BENEFITS

Recognition with the **Certification of** Benevolent Entities of Social Assistance (Cebas), granted by the Ministry of Social Development (MDS), currently the Ministry of Citizenship, which, in addition to recognition at the federal level, allows for important tax exemption possibilities.

PARTNERSHIPS WHICH GENERATE VALUE

With the launch of the IOS Program for Access to Higher Education we established two new partnerships and provided 37 scholarships in 2018. In addition, the program brought three new partnerships for scholarships in 2019, totaling five partnerships with Colleges and Universities.

WHO WE ARE

GRI 102-16



THE IOS GRI 102-1 | 102-2 | 102-3 | 102-4 | 102-5 | 102-7 | 102-10

Since 1998, the Institute for Social Opportunity (IOS), a Social Assistance Organization - certified by CEBAS, is engaged in free vocational training and the employability of young people and people with disabilities.

MISSION

Search, support and monitor employability of young people and people with disabilities who have minimal access to opportunities in the job market.

VISION

Be a reference and have excellence in training, education and relationships that promote employment opportunities for young people and people with disabilities, transforming them into agents that bring about changes to their communities.

VALUES

We are an agent of transformation founded on integrity, ethics, respect, dedication, search of knowledge and team spirit.



MULTIPLICATION TECHNOLOGY _p. 10



_p. 53

Who sponsor projects

Employ our former students and/or welcome our professional training classes

Provide scholarships to Universities

11 SERVICE UNITS

SÃO PAULO São Paulo

Core Unit

Santana

Service Units

Braz Leme Campo Limpo Itaquera Jardim Ângela Pirituba

Metropolitan Region

Service Units¹

Barueri

IOS ON DEMAND Projects

Hortolândia

This was our first full year in our new headquarter, which allowed us to increase service of the local Unit by 40% and as a consequence, absorb the activities of the partner Unit Betel, which stopped having courses in 2018.

MINAS GERAIS

Belo Horizonte Cesam UniBH

RIO DE JANEIRO

In 2018, activities were temporarily on hold for the regularization of the necessary certifications for the operation of the Service Units.

SANTA CATARINA Joinville

Iririú Educational and Social Center – *CESAVI*² Itaum Educational and Social Center – *CESITA*

 RIO GRANDE DO SUL IOS ON DEMAND Projects Porto Alegre

1 01 to 7 ttegre

HOW WE ACT GRI 102-2 | 203-2



PROFESSIONAL TRAINING

We offer free professional training In addition to in the areas of Administration and Information Technology (IT) from a psychosocial team of professionals in psychology and psychology a

TECHNICAL CONTENT

Taught with the use of technologies that add new experiences of practical learning in software.

SCHOOL EXTENSION AND SOFT SKILLS

In addition to specific technical subjects, we offer math classes and communication content, social-emotional skills, and other topics on soft skills. These contents are taught in classes such as Behavior and Citizenship and Communication and Expression, in addition to being treated transversely and interdisciplinary throughout the courses.



PSYCHOSOCIAL SERVICES

In addition to professional training, we offer the support of a psychosocial team, made up of professionals in social work, psychology and psychopedagogy, who help the student to overcome any difficulties that may negatively impact their education.

This same team monitors the IOS Apprenticeship Program, supporting students in the challenges of their first job and supporting companies in regard to the Learning Law.

In 2018, the team started to also monitor students that entered into higher education, helping them to initiate their academic life.



SOCIAL OPPORTUNITIES

The IOS Educational team assists young people during and after their course and, from their Pillar of Social Opportunities, complimentary referring them to entry level positions.

Positions include internship opportunities, young apprenticeship or effective hire. The team also encourages entrepreneurship and continuity of studies, through partnerships with technical and higher education institutions.



SOCIAL TECHNOLOGY

The IOS Social Technology Project articulates the creation of a Social Technology Pole, with the multiplication of the IOS teaching methodology focusing on free professional training and on encouraging the employability of students.

Idealized in 2016 and structured in 2017, the Social Technology Project implemented in 2018 the goal of expanding the IOS network. During the year, we added three new poles in the city of São Paulo (SP), in the districts of *Perus*, *Pirituba* and *Jardim São Luiz*, totaling four poles along with the pole of *Sacramento* (MG).

To find out more, access: http://ios.org.br/ts/.

OVERVIEW OF THE IOS SOCIAL TECHNOLOGY PROGRAM IN 2018

OPERATIONAL POLES

Sacramento (MG)

São Paulo (SP)



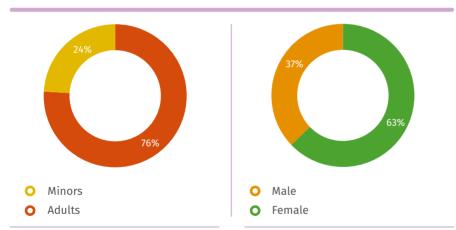


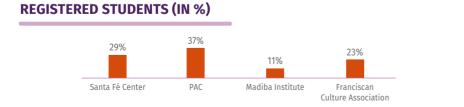




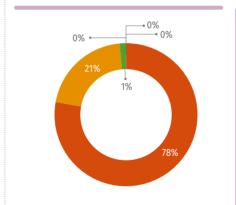
IN 2018, SECOND YEAR OF THE PROJECT, WE ADDED 3 NEW SOCIAL TECHNOLOGY POLES IN THE CITY OF SÃO PAULO.

STUDENTS PROFILE



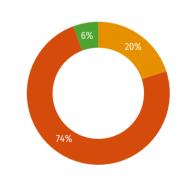






- Middle School
- High School Attending
- High School Concluded
- Higher Education
- Technical Course
- O Interrupted

RETENTION RATE



- O Dropouts
- Passed
- Failed



HOW WE GENERATE VALUE GRI 102-40 | 102-43

Key:	How the public interacts with IOS.	How IOS generates value to the public (Action).	Overview of value generated in the relationship
			with the public in 2018 (Results).

1. YOUNG PEOPLE, PEOPLE WITH DISABILITIES AND THEIR FAMILIES

PARTICIPATION IN THE EDUCATIONAL PROGRAMS AND EMPLOYABILITY IN THE INSTITUTE

Professional Education	3,030 enrolled students			
Expansion of courses offered	10 courses offered: Business Management with ERP TOTVS Software, People Management and Personnel Department with RM Software, F5 – Update your Status to the Job Market, Materials Management, Project Management, Client's Relationship (Zendesk), Computing Courses for Work (Dell), courses from the program Future Talents, Web Programming, Infrastructure and Networks, Software Implementation			
Psychosocial assistance of students	 328 hours of assistance by the psychosocial team 68 hours of collective work with the classes 960 tests applied on vocational orientation 45 benefited students with health programs 			
Employability expansion and increase in family income	 1,215 employed students 43% increase in family income Average salary of BRL 877.99 for students employed after IOS 			
Incentive to continuing education	4 partnerships – universities and teaching centers			

2. MAIN SPONSORING COMPANY - TOTVS

DONATION OF FINANCIAL RESOURCES OR INFRASTRUCTURE EQUIPMENT

Training and offering of labor force to companies – Relationship with HR and Development Area

82 employed TOTVS alumni



Association of the brand with social programs that generate impact in society	Participation in Social Responsibility Week of TOTVS in August
Proximity in the relationship, in the definition of projects and strategic decisions	 230 participants in the TOTVS Future Talent Graduation, between graduating students, IOS participants, TOTVERS, Arcos Dorados employees and others 200 students and teachers in each semiannual presentation of Final Presentation at TOTVS (in July and December). The groups with the best Course Conclusion Work will present their work to about 40 participants, between TOTVERS, IOS invitees and representatives from partnering companies
Periodical rendering of accounts in an open and transparent manner	BRL 5.6 million fundraised in the form of financial resources or equipment

3. PARTNER COMPANIES

DONATION OF FINANCIAL RESOURCES AND/OR HIRING OF YOUNG PROFESSIONALS EDUCATED BY IOS

Training and supply of skilled labor	123 companies hiring IOS alumni
	91.4% satisfaction with team's service and project execution
Periodic rendering of accounts, in an open and transparent manner	BRL 6.7 million

4. PARTNER ORGANIZATIONS

Expansion of IOS courses in different locations	16 partners offering physical space for our activities
Professional education for local communities	Two partner organizations in two different locations – Porto Alegre (RS) and Hortolandia (SP) 160 students graduated in partner organizations



5. GOVERNMENT OFFICES

RE	GULAT	ION OF	IOS ACTIVITI	ES AND ITS FINA	ANCING

Improvement in the education and employability of young people and people with disability	1,215 employed alumni in a context of 3.9 million unemployed young people in the country		
Increase in family income and consequently in economic indicators	43% increase in family income, in a context of 11.6% of unemployed population		
Strengthening of value partnerships to increase the positive social impact of training and employability	7 partnerships with municipal bodies, 5 with state bodies and 4 with federal bodies		
Participation in open public announcements	BRL 3.2 million fund-raised as fiscal incentive, reverted into training and employability		

6. IOS EMPLOYEES

DEVELOPMENT AND PERFORMANCE OF SERVICED PROGRAMS TO STUDENTS CARRIED BY THE SUPPORTING AND MANAGEMENT AREAS

Employment generation	• 90 employees
	• BRL 6 million in personnel expenses
Attentive management for the improvement of internal processes and employee's engagement through active listening	 9 "Coffee with the Leader" meetings Ombudsman Implementation of the FLUIG TOTVS Platform
Expansion of opportunities, preferably through the promotion of participants into new positions	31 wage actions, 12 by promotion and 19 by merit

Key: How the

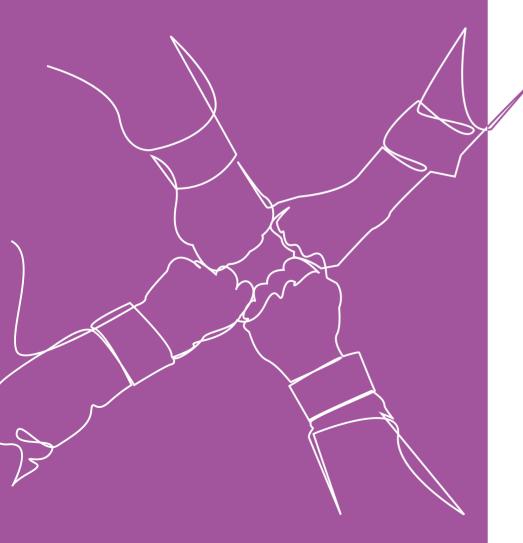
How the public Interact with IOS.

How IOS generates value to the public (Action).

Overview of value generated in the relationship with the public in 2018 (Results).

OUR MANAGEMENT

GRI 103-3



STRUCTURE AND GOVERNANCE MODEL

GRI 102-5 | 102-18 | 102-48

Our corporate governance model is based on collaboration and sharing in decision-making between the Board, Executive Management, Operational Management and IOS coordinators. This model provides us with a less centralized process and a robust organizational structure, which guarantees the strategic relevance of the different management aspects of the organization.

In 2018, we had two important changes to this structure, as follows:

- We divided the attributions under Leadership Management, formerly called Executive Management, into two areas, Operational Management and Executive Management. The objective is to give more strategic importance to the management of these two important pillars of sustainability and identify new opportunities for advancement, both in the management of the Institute's operation and in the relationship with our partners and social investors.
- The Ministry of Social Development (MDS), now the Ministry of Citizenship, granted IOS the Certification of Charitable Entity of Social Assistance (CEBAS). With this certification, we are no longer a Public Interest Civil Society Organization (OSCIP). We are now recognized as a social assistance organization certified by CEBAS at the federal level, the highest certification that a social organization can achieve in Brazil.

CHIEF EXECUTIVE

OFFICER

OPERATIONAL MANAGEMENT

GENERAL ASSEMBLY

Most important body of deliberation and decision making, responsible for electing Board Members and the Executive Director

BOARD OF DIRECTORS

VP DIRECTOR

GENERAL DIRECTORS

Two directors
responsible for managing
the implementation of
IOS strategic decisions,
members of the council
and managers

SUPERVISORY BOARD

Comprised of three members, it supervises administrative acts and ensures compliance with legal and statutory obligations

ADVISORY BOARD

Made up of nine members with experience in the activities of the Institute, it supports and bases the strategic planning of IOS

INSTITUTIONAL AND STRATEGIC MANAGEMENT

INSTITUTIONAL RELATIONS

GOVERNMENT RELATIONS

ADMINISTRATIVE & FINANCIAL

EDUCATION

COMMUNICATION

INFRASTRUCTURE & TECHNOLOGY

HUMAN RELATIONS

ETHICS AND TRANSPARENCY

GRI 102-16 | 205-2

Our reputation is directly linked to our ability to promote an ethical and sustainable use of fundraising resources. Therefore, the principles of ethics and transparency are fundamental to the IOS strategy and performance, directly involving the leadership in compliance and ethics management.

We have a **Code of Ethics and Conduct** to guide and direct participants about the values, principles and commitments to be observed in all their relationships. The Code is disseminated among participants and is available on an internal digital platform.

In 2018, we promoted the dissemination of the Code in an internal event that reached about 90 employees. Doubts, suggestions, criticisms or complaints about cases that violate the principles established in the Code are received and monitored by the Internal Ombudsman, through the e-mail: ouvidoriainterna@ios.org.br.

Due to the challenging economic scenario mentioned above, which led to the non-opening of available grants from the child and adolescent funds, and the reduction of investment by the partners, we made a salary reduction of our employees. This measure was agreed with the Union of which we are a part of and led to the reduction of working hours during the first half of the year.

This action was important for the financial sustainability of IOS and, thanks to individual and team efforts, we were able to deliver all the

results and maintain fund-raising and reallocation of resources. In addition, we did not have any detriment to our courses, since we made adaptations in the activities so that the students did not lose in content nor in the hourly load. We have also reinforced our commitment to Ethics and Transparency through accountability to the following audiences:

DONATE SEAL OF APPROVAL

of Approval, with A + grade qualification.

Created by the Donate Institute, which seeks to identify third sector organizations that adopt verifiable standards of quality in management and transparency, in order to highlight them for funders, supporters and donors.

The Seal evaluation process takes into account the best national and international practices of the International Committee on Fundraising Organizations (ICFO), the Brazilian Institute of Corporate Governance (IBGC), the Group of Institutions, Foundations and Enterprises (GIFE) and the Code of Ethics of the Brazilian Association of Fundraisers (ABCR).

TO SOCIETY

Our Financial Statements are prepared by specialized accountants and undergo external auditing to ensure the accuracy and reliability of the data. The document is made available to the society annually on our website: https://bit.ly/2U7mD6C

In addition, we have been publishing this Annual Report for five years. The report follows the guidelines established by the Global Reporting Initiative (GRI), the best global practice on reporting and transparency on sustainability in economic, social, environmental and governance aspects. Learn more on page 82.

TO OUR PARTNERS AND SOCIAL INVESTORS

We continually report to the sponsoring company and the partner companies on the resources provided and their use. We extend accountability even to partners who do not require predefined formats for tracking results.

COLLABORATION FOR DEVELOPMENT

GRI 102-12 | 102-13

We make public commitments and are part of associations with the aim of contributing to sustainable development and, furthermore, formalizing our commitments with sustainability, guaranteeing an orientation that is always coherent and in line with our values:

NATIONAL ASSOCIATIONS

- Brazilian Association of Fundraisers (ABCR).
- Brazilian Association of Information Technology and Communication Companies (*BRASSCOM*), as an Institutional Member.

REGIONAL ASSOCIATIONS

Minas Gerais

- · Committee on Social Mobilization for Education;
- Municipal Council of Social Assistance (CMAS) of Belo Horizonte;
- Municipal Council for the Rights of Children and Adolescents (*CMDCA*) of Belo Horizonte:
- Forum on Eradication and Combat of Child Labor and Protection of Working Adolescents (*FECTIPA*);
- Forum for Inclusion and Accessibility of Persons with Disabilities (FIA-PCD);
- Mineira Foundation of Foundations and Associations of Private Law (FUNDAMIG);
- · National Institute of Social Security (INSS) in Belo Horizonte;
- Department of Education (SMED);
- · Department of Assistance to Socio-educational Measures (SUASE); and
- · Society of Technology Users (SUCESU).

Rio de Janeiro

- Municipal Council for the Rights of Children and Adolescents (*CMDCA*) of Rio de Janeiro; and
- State Forum of Professional Learning of Rio de Janeiro (FEAP).

Santa Catarina

- · Municipal Council of Social Assistance (CMAS) of Joinville;
- The Municipal Council for the Rights of Children and Adolescents (CMDCA) of Joinville;
- · National Institute of Social Security (INSS) in Joinville;
- · City Hall of the Municipality of Joinville; and
- · Department of Education of Joinville.

São Paulo

- State Council for the Rights of the Child and Adolescents of the State of São Paulo (CONDECA);
- · Municipal Council of Social Assistance (COMAS) of São Paulo.
- Municipal Council for the Rights of Children and Adolescents (CMDCA) of Diadema and São Paulo (SP);
- · National Institute of Social Security (INSS) in São Paulo;
- Regional Board of Development and Social Assistance (*DRADS*), in São Paulo;
- · São Paulo Government;
- · Ministry of Citizenship, Special Department for Social Development;
- · Ministry of Citizenship, National Department of Social Assistance;
- · City Hall of the Municipality of São Paulo;
- Support Program for the Persons with Disabilities of the Government of the State of São Paulo (*PADEF*).
- Department of Education of the State of São Paulo (SEESP):
- Department of Social Development of the State of São Paulo;
- · Municipal Department of Human Rights of São Paulo: and
- Regional Superintendence of Labor, Ministry of Economy in the State of São Paulo (*SRTE / SP*).

INTERNATIONAL ASSOCIATIONS

- Silicon Valley Community Foundation with the goal of expanding our relationship with international fundraising institutions, since 2015 we have been members of the foundation, which is the largest community foundation in the United States and helps build and strengthen the network.
- **Global Compact** since 2015 we have been a signatory to the United Nations (UN) initiative that proposes aligning companies and nations to 10 principles of human rights, labor relations, environment and anticorruption.
- Agenda 2030 we are committed to the UN Agenda 2030, which defined 17 Sustainable Development Goals (SDG) to be achieved globally by 2030. In line with best practices, we prioritized these SDGs in order to identify the objectives with which IOS has the potential to contribute, and from this initial mapping, relate our strategies and goals in the next years to the prioritized SDG, presented below:









We believe that our actions can contribute to **eradicating poverty and reducing inequalities** on different fronts.

OUR MANAGEMENT



- We provide services 100% free of charge for young people and people with disabilities belonging to low income families who are attending or have finished high school, especially in the Public Education System.
- Our Service Units are located predominantly in the outskirts of town, making it easier for the young people from these communities to have access to training in order to enter into higher education and the job market.
- We generate a positive impact on the socio-economic condition of our students through professional training for their employability and insertion in the job market. Currently, the rate of increase in our students' family income is 43%.
- IOS graduates who find a job impact not only their own family, but also the neighborhood where they live through local consumption, thus moving a larger network of people.



Education is our vocation and the path by which we begin to carry out our mission. We offer vocational education and school extension classes (Portuguese and mathematics), which have already trained more than 34 thousand students in our 20 years of history. We also promote partnerships to facilitate the access of young people to higher education in the areas of administration and technology through scholarships. Learn more on page 50.



We support gender equity in accessing opportunities through a largely female work force amongst our professionals – 66% of the total (including trainees and temporary staff) and 76.9% of the leadership are women – and students, with an average of 59% being female in the last year. Learn more on page 30 and 76.



Promoting decent employment for our students is the Institute's main mission: "To seek, support and monitor the employability of young people and people with disabilities who have less access to the opportunities in the job market." With a team 100% dedicated to opportunities, we maintain a close relationship with companies and educational institutions in order to meet their demands and expectations, and also with students, aligning their profiles and desires in the search for employment.



EVENTS



We participated in the first meeting of the Narratives Network, a *GIFE* initiative, with more than 70 communicators and managers from 46 institutions. The purpose of the network is to strengthen the role of communication in civil society organizations by disseminating knowledge and promoting spaces for debate.



We promoted the 22nd IOS Forum, where we addressed the theme: Tech career and the demand of professionals, is there a break-even point? Important issues were addressed at the event, such as the companies challenge in filling IT vacancies and other challenges that the sector faces in Brazil. Representatives from Accesstage, *Bandtec* College, JP Morgan Institute and others participated in the forum.



Through IBM, we announced our partnership case at the 30th Meeting of the Corporate Social Inclusion Network (*REIS*), which theme was: Learning for People with Disabilities.



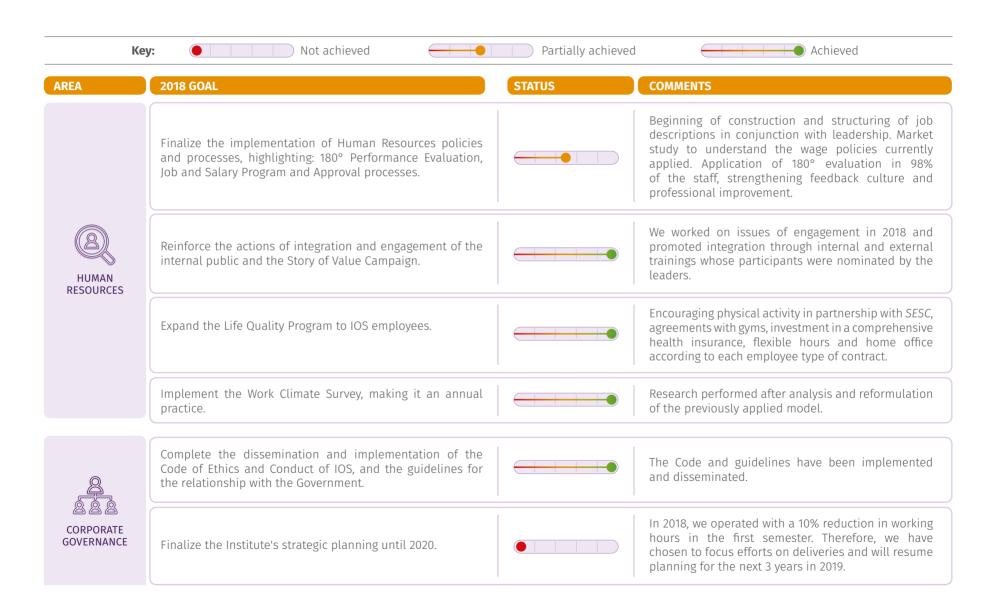
We participated in the Coffee with Diversity, an event organized by Zendesk, our partner. Carla Machado, Coordinator of our educational area, was a panelist and spoke about diversity in the classroom and how IOS works on this theme in order to strengthen students' self-esteem, contextualize historical facts with examples of intolerance and respect and show the importance of diversity in companies and how it can generate value, such as creativity and innovation.

Zendesk also hosted the event Zendesk Presents São Paulo, where our manager Alecsandra Neri and our Specialist Ageu Santos talked about our mission to more than 1,000 participants, Zendesk customers in Brazil.

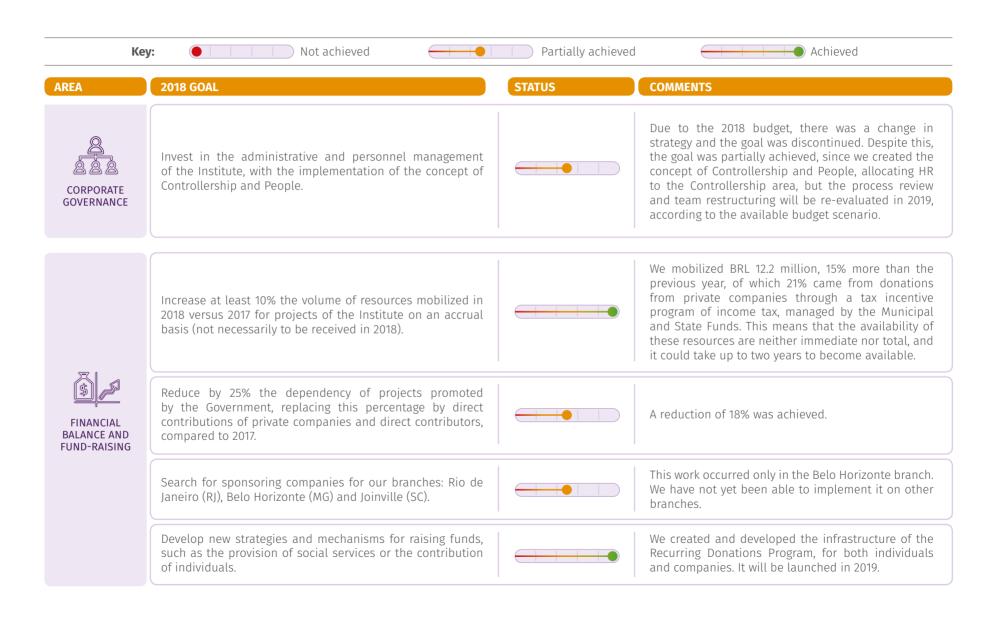
TRACKING GOALS

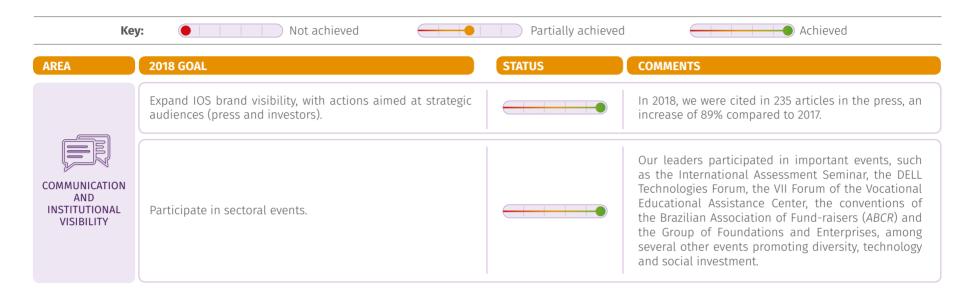
An important part of our management is the annual monitoring of our goals, defined in an annual strategic planning process that involves the different management fronts of the Institute. Below is the status of our 2018 targets and our 2019 commitments:





OUR MANAGEMENT





COMMITMENTS FOR THE 2019 CYCLE





OUR MANAGEMENT

AREA

2019 GOAL



- 10% growth in the insertion of students trained in the job market: and
- Growth of 30% of the number of undergraduate students, through IOS partners.



- · Implement the Diversity program;
- · Resume the Academic Grant Program for undergraduate;
- · Implement the Leadership Development Program to strengthen people management skills; and
- Conduct the Work Climate Survey, making it an annual practice.



- Develop the portfolio of resource mobilization solutions for the next 2 years, and train the entire IOS Leadership team; and
- Seek financial sustainability for our branches: Rio de Janeiro (RJ), Belo Horizonte (MG) and Joinville (SC).



- · Launch the Reconnect Program;
- Expand IOS brand visibility, with actions aimed at strategic audiences (press and investors); and
- · Participation in sectoral events.



OUR STUDENTS



PROFILE AND RELATIONSHIP

GRI 102-6

WHO IS THE IOS STUDENT?

YOUNG PEOPLE FROM

15 TO 29



AND **PEOPLE WITH DISABILITIES** 16
OR OLDER



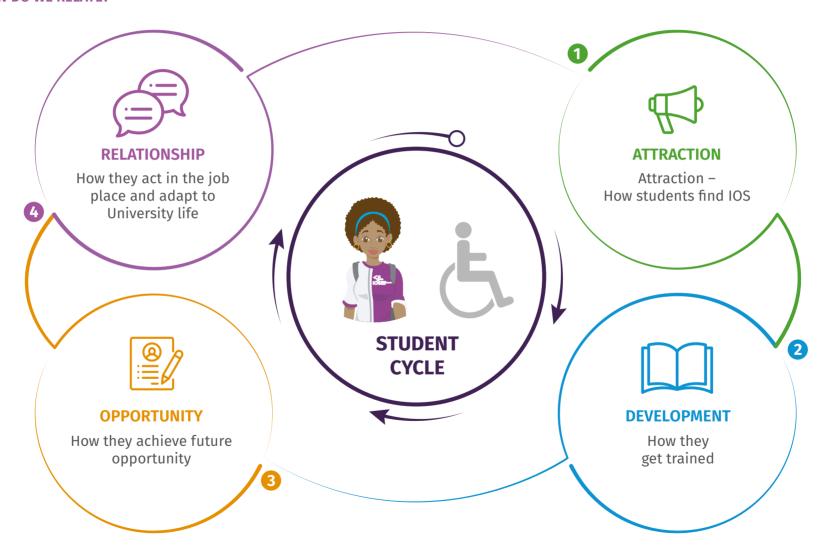
WHO HAVE **HIGH SCHOOL (ENROLLED OR CONCLUDED)**

PREFERABLY FROM THE PUBLIC SCHOOL SYSTEM.



OUR STUDENTS

HOW DO WE RELATE?





Find out detailed information on how we act on each phase of the student cycle below:

ATTRACTION

Here begins the Student Cycle. This stage is very important because it is our first contact with the public interested in our courses, in which we detail the content that they will learn, clarify all the doubts and we arouse the interest for them to enroll. This contact is done virtually and in person:

- In our own social networks, for the more than 21 thousand fans of the IOS pages on social networks (Facebook, LinkedIn, Instagram and YouTube). This public is about 11% higher than the previous year.
- **Press office**, with mention in 235 articles in the press, an increase of 89% compared to 2017.
- •#FullclassroomOperation, when IOS teams carry out the dissemination of the courses in the schools (in São Paulo: with the authorization of the São Paulo State Department of Education), shopping centers and social centers near the Service Units, if there are spaces still available in the courses offered.

Those interested in the courses must go to the nearest Service Unit in person and present personal and parents or guardians' documents, which include school and family income documents, as well as the household bills (water, electricity and telephone) and in the case of a disabled person, a doctor's report. At this stage, the candidates take a non-qualifying test of Portuguese and mathematics, to evaluate their

OUR STUDENTS

level of knowledge. Since 2017, we have also mapped the student's specific skills and logical thinking, observing their ability to interpret data, construct graphs, apply percentage, and so on. Thus, we construct a formative evaluation, by which it is possible to understand in a more detailed way the difficulties and abilities presented by the students in each discipline.

DEVELOPMENT

After approval in the enrollment phase, the students starts their classes in IOS, which can last from one to two semesters, depending on the course. They will learn the specific technical content in addition to communication, math and soft skills. Throughout the course there are individual evaluations to verify the student's assimilated learning and, in the end, the elaboration in groups of the Final Presentation. With the completion of the process, besides the training in administration and technology, the student is prepared in the behavioral aspect to begin his professional journey.

OPPORTUNITIES

The Institutional Relation area has the responsibility of seeking partner companies, which announce new job openings for apprentice, trainee and / or effective hire positions. From this, through the Pillar of Social Opportunities of the Educational area, the alumni who best fits the required profile will be referred to positions. All the nominees participate in the first phase of the selection process in the companies. In addition, IOS supports entrepreneurship initiatives and works by seeking partnerships with universities and educational centers to

identify opportunities for alumni with the aim of encouraging the continuity of studies.

RELATIONSHIP

We keep in touch with our alumni throughout the first three years of their career, referring them to open positions and courses, as well as promoting workshops with new tips for interviewing and resume updating.

DIVERSITY PRACTICE

The practice of diversity with our students happens on a daily basis. We work with a very diverse public and follow the representativeness indicators closely, with the Psychosocial team.

In 2018, we also conducted the Social Week, with one edition in the first semester and another in the second, in which the Psychosocial team worked on social and health questionnaires, based on self-declaration and following *IBGE*¹ classification criteria.

From these indicators, we are empowering and raising awareness among our teachers, IOS participants with direct contact with students, regarding religious, racial, gender, sexuality and disability issues. The goal is to understand the diversity of our students and bring solutions to deal with everyday situations.



STUDENTS







FAMILY SITUATION HAVE FAMILY INCOME UP TO BRL 1,908.00

OF MOTHERS ARE THE **PRIMARY FINANCIAL SUPPORT** OF THE FAMILY

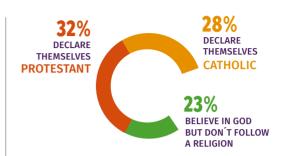
RESIDE IN POOR COMMUNITIES

HAVE SOCIAL BENEFITS



DIVERSITY









SCHOOLING

90%

OF OUR STUDENTS COME FROM PUBLIC HIGH SCHOOLS²

21%

HAVE FAILED AT LEAST ONCE **DURING SCHOOL LIFE**

WANT OR HAVE ALREADY STARTED SOME HIGHER **EDUCATION COURSE**

^{1.} Translator's note: Bolsa Familia – direct Governmental income transfer program, aimed at families living in poverty and extreme poverty throughout the country.

^{2.} Question included in the questionnaire from the 2nd semester of 2018.

PROFESSIONAL QUALIFICATION

OFFERED COURSES GRI 102-2

It is through the Professional Training pillar that we enable young people and people with disabilities to broaden their prospects of entering the job market and building a career. Free courses are offered in line with the current needs of the job market in the areas of administration and information technology.

In 2018, we offered **ten different types of courses**, nine of them are made available directly through IOS.

We offer four face-to-face courses and one semi-attendance course, in addition to working with 5 other Professional Vocational Projects which we will detail ahead.

In addition to the courses and Professional Training Projects, we also work with the IOS Apprentice Program.

PROFESSIONAL TRAINING COURSES

In these courses, students participate in classes from Monday to Friday, with a duration of three and a half hours, being 2h in the computer lab and one and a half in the school extension room. Classrooms have 20 to 30 students

One of the courses offered directly by IOS is semi-attendance, with a duration of six months and an average hourly load of 300 hours. In the semi-attendance mode, there are distance and face-to-face classes, in which we promote workshops and practical activities, in addition to helping students with their issues with Portuguese and mathematics.

This modality opens up an opportunity for a larger number of people to access IOS courses. For example, we have young mothers, who cannot be absent every day of the week, and people who have difficulty in paying for round trip transportation tickets, among others. In 2018, 234 students enrolled in our semi-attendance courses, of which 200 completed the course. Of these, 180 passed and 20 failed.



2018 COURSE (DVERVIEW			
		Training hours	Number of classes	Number of registered students
FULL-TIME AT	TTENDANCE COURSES			
	BUSINESS MANAGEMENT WITH ERP SOFTWARE – TOTVS			
18191	It addresses the management structure of a company through practice in TOTVS ERP management software.	300 hours	73	1,597
	MANAGEMENT OF PEOPLE AND PERSONAL DEPARTMENT WITH RM SOFTWAR			
	New course, created in 2018 and taught in Belo Horizonte (MG), promotes	300 hours	2	52
	training in personnel management and personal department through the tool TOTVS RM Labore and Vitae.			
	PROJECT MANAGEMENT			
	It presents concepts of Project Management in a simple way according to	80 hours	2	42
	the good practices of the Project Management Institute (PMI).			
	CLIENT RELATIONSHIP			
	It presents the structure of the customer relationship area through the online Support Zendesk platform, contextualizing the main processes	80 hours	2	53
	of the tool with practical situations of daily work from the perspective of agents, administrators and final consumers.			
SEMI - ATTEN	IDANCE COURSES			
	ADMINISTRATION OF MATERIALS			
	Theory and practice of administrative processes, operating TOTVS ERP software in the modules: Purchasing and Inventory.	180 hours	9	234
	section of the model of the mod			

OUR STUDENTS

VOCATIONAL TRAINING PROJECT

Future Talents

The technology market is one of the most promising and with a high representation in the Brazilian economy. Therefore, in partnership with JP Morgan Chase Foundation, we developed the **Future Talent in Technology** course, with three training options: Programming, Infrastructure Software Deployment and Networks.

With the success of the **first class**, in which 207 students were enrolled and 173 completed the course (158 approved and 15 failed), the Future Talent project was renewed in 2018 with partner companies JP Morgan Chase Foundation, *Arcos Dorados* Holdings and Dell Inc. The classes were extended and, in addition to classes at Headquarters, the course was also taught at the *Itaquera* Unit.

The **second class** began in September 2018 and enrolled 294 students, of which 216 were at our Headquarters and 78 at the *Itaquera* Unit. With a duration of 10 months and daily classes in three periods, the course counts on a pedagogical curriculum that includes: programming, software implementation and infrastructure and networks, besides Portuguese, mathematics and soft skills, treated in a transversal and interdisciplinary way.

Custom Training Courses

These are courses developed in a personalized way to:

• Meet the demands for compliance with the Quota Law Originally designed to meet the demands of the Quotas Law, the Customized Training Courses, now work with Rehabilitation Course – conducted at the *INSS* (National Institute of Social Security) and aim at people away from work due to health problems such as syndromes, psychological diseases or spinal problems.

• Meet specific training needs of partner companies (on demand)
In 2018, two courses were customized on demand according to the needs of our partner.

DELL - IOS PROGRAM TRAINING

Held in Hortolandia (SP) and Porto Alegre (RS) in partnership with Dell, formed 160 students with classes in practical information, entrepreneurship and customer service. The training sessions were delivered on a platform developed by LE@D (Distance Learning Laboratory for People with Disabilities), a project of the Research and Development team from Dell.

The course was taught in a hybrid way, with a partnership between the presential teacher and the online tutor, merging the Face-to-Face and Distance-Learning (EAD) modalities.

The course will continue to be taught during the first semester of 2019 and we are preparing the proposal for the continuity of the project in the second semester to continue servicing the same number of people in the same locations.

PROJECT F5 - UPDATE YOUR STATUS FOR THE JOB MARKET

Course on Project Management, Digital Education and Software Sales held in partnership with Accenture.

The goal of the project was to train young people with a vision for the company's relationships with its various audiences: employees, customers, partners and suppliers. It also offered concepts of how to manage a project, from the point of view of time, cost and human resources. In addition, the social-emotional skills of young people were worked on, preparing them for entry into the job market and providing them with tools for their performance. In 2018, 170 students enrolled in the course, which was taught at IOS Headquarters, at the IOS *Campo Limpo* Service Unit.

SPECIFIC COMPETENCES OF THE AUTOMOTIVE AREA

Held in Belo Horizonte (MG) and São Paulo (SP), the project aims to qualify young people between the ages of 18 and 24 in skills relevant to the automotive sector and to support them in entering the job market. Besides age, another prerequisite is to have completed a technical course at *SENAI*, which is a partner of the project. In all, 40 students were trained.

The technical content of this course was given by *SENAI*, in partnership with the social organization Tree of Life, through the *Sair do Casulo* company, which works with Fiat. IOS provided the software content and carried out the selective process and the psychosocial follow up of the students.

Rehabilitating

Within the range of projects and free training courses provided, the Institute serves people who need professional rehabilitation in order to return to the job market after an accident or illness which made them unfit to work.

Of the students served by IOS in 2018, 55 were rehabilitated or had some kind of disability.

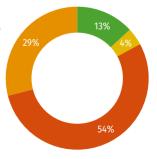
TYPE OF DISABILITY OF SERVICED STUDENTS



Intellectual

Visual

Physical / Motor Skills



IOS APPRENTICESHIP PROGRAM

In partnership with the Ministry of Economy (former Ministry of Labor and Employment), IOS operates in the city of São Paulo as the Social Organization that teaches Professional Learning, supporting companies to comply with the Learning Law.

The IOS Apprentice Program course is 16 months long, with 36 hours of class monthly, divided into six days. The course is aimed at young graduates or high school graduates. Its curriculum is composed of basic and specific theoretical disciplines, such as: administration, digital education, communication and expression, mathematics and logical thinking and transversal themes. The goal is to bring students closer to the management routines of a company by presenting everyday tools and leveraging knowledge and skills that can help them evolve professionally and personally.

Through this project, the Educational Opportunities Pillar offers companies the possibility of having their young professionals trained in the IOS methodology, with current issues and a technological bias.

IN 2018, THE COURSE WAS OFFERED TO 101 STUDENTS, TOTALING 552 HOURS IN IOS AND 1,288 HOURS OF PRACTICE IN THE CONTRACTING COMPANY.



QUALITY OF EDUCATION GRI 102-43 | 203-2

TEAM

We have a team 100% dedicated to the courses offered. The Educational area works on aspects related to the training of students and, in 2018, it also managed a Pillar of Social Opportunities. With this, the team took over the entire Student Cycle, from professional training to its insertion in the job market, enabling the continuity and recognition of the needs of the student relationship, institution, company.

Each group has a multidisciplinary team, consisting of:

- Instructor, the professional responsible for classes in administration and information technology;
- **Monitor**, which assists the instructor during the lessons, taking individual doubts of the students in the learning station itself, as well as assisting in the other administrative activities that involve taking care of the student; and
- **Pedagogues**, responsible for Portuguese classes, mathematics and development of soft skills.

In addition to this team, students also have also had the support of the Psychosocial team since 2016. Made up of professionals from social services, psychology and psychopedagogy, providing the student with a targeted and complete social monitoring.

The Psychosocial team works so that the student faces and overcome difficulties that may negatively impact the development of their professional career, whether it is a family, work or emotional issue. This

same team follows up with the IOS Apprentice Program, supporting the student in the challenges of their first job and supporting the partner companies with regard to the Learning Law, with guidelines on good practices in the work with these new professionals. In 2018, this team also began to accompany the students who entered higher education, giving all support to early academic life.

During the year, the team applied more than **900 vocational guidance tests**, carried out about **300 hours of social service** to students, developed health projects in partnership with *Dentistas do Bem*, won a partnership for the donation of glasses and enabled the distribution of transportation tickets to students in cases that transportation represented an impediment to the continuity of studies.

CONTENT

The courses offered by IOS are designed and produced internally, the Content team is always in search of new educational practices, close to the student and attentive to their needs. In this way, the technical contents are transformed into light classes and materials in accessible language, with quality recognized by our partners, social investors and the students themselves (learn more in the Student Satisfaction area below).

ADDITIONAL ACTIVITIES

Parallel to the courses, we promote educational events for students, with the aim of enriching their cultural and social baggage:

VISITS



IOS students from the Units of São Paulo visited the headquarters of TOTVS, a reference in an innovative environment. At the site, they met the professionals of the sponsor and participated in various activities.



Students from the Computing for Work course visited the Dell units in Hortolandia (SP) and Porto Alegre (RS), where they toured the company, participated in a workshop on technology and activities on careers and the environment. In Hortolandia (SP) the visit happened in the factory and in Porto Alegre (RS), in the business unit of the company.



Students from the Belo Horizonte Unit paid a visit to the Raja Valley, an operating space for startups. The visit was made possible by the companies Mobilus and Henko and, during the activity, the students had contact with a corporate space and participated in discussions on the job market and career.

LECTURES

ida.

IBM volunteers, technology experts, share their expertise by offering thematic lectures on careers, games, and technology with students at the São Paulo and Belo Horizonte Units.

In 2018, the topics covered were: Artificial Intelligence, Design Thinking and Careers.



Hyundai Motor Brazil promoted a cycle of lectures about the automotive sector for 35 students from the IOS of the São Paulo Units.

IOS SOLIDARITY PROJECT

The young people who participate in IOS courses also work for the benefit of society, through the IOS Solidarity Project, in which students are volunteers in social institutions. The objective is for the young person to understand that he is a protagonist in society and is part of the movements of change necessary for the advances of the environment. In 2018, students from all Units collected approximately 680 kilograms of non-perishable food, 460 liters of milk, 1,982 items of clothing and 1,014 items collected through events held by IOS partners and social investors. A total of 50 social institutions were benefited.

CORPORATE VOLUNTEERING

IOS has emerged from a voluntary initiative and, as such, volunteering continues to be part of our activities. We offer the partner companies the Corporate Volunteer Program, in which their employees can get involved in initiatives such as youth mentoring and the application of mini-courses, workshops and lectures. In 2018, the Institute counted 70 volunteers, who donated 125 hours of knowledge to the students.

ENGAGEMENT

Our experience shows that the more families are involved in the training process, the better the student's performance in the course and their insertion in the job market. Therefore, we organize meetings with the students' families in the Service Units where they study, in order to insert them in the training process and encourage them to support the beneficiaries.

In 2018, we promoted three meetings with the families of students, one before the beginning of the course, one in the middle of the training and the last one at the end of the course. In parallel to this movement, our Psychosocial team also provided care to some families, with referrals to social assistance or health network. In all, 1,170 parents of students were seen, with an average of 60% of family members, which demonstrates a great interest of the family to follow the development of their children.

SATISFACTION GRI 102-43 | 102-44 | 102-42

Listening to students is a key aspect of the quality of education and engaging the audience. Therefore, in addition to the closeness of the instructors, monitors and other representatives of the educational



team to the students, we also offer channels for dialogue and listening.

In 2016 we created *Edu*, a character that humanizes the dialogue with the students and answers through e-mail falecomedu@ios.org.br. Since its inception, only two complaints have been received concerning employability, and have been resolved.

Every year we conduct online satisfaction surveys with the students, in which they evaluate the teachers, the classes and the infrastructure of the Institute. The last survey, conducted in 2018, had the following results:

OUR STUDENTS

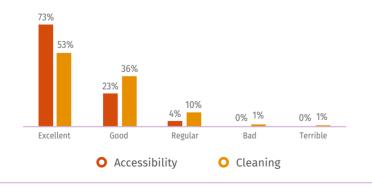
Material

In general, the handouts and exercise books were widely approved by the students, and most considered them to be good and great.



Infrastructure

Valuing its own ideal of inclusion, IOS ensures optimal accessibility to receive students with physical disabilities.



IT Instructor

The research indicates the recognition of the students regarding the performance of the instructors, most of whom received maximum evaluation in the concepts of knowledge, posture and classes.



Monitors

The monitors also received excellent evaluations of the students in the concepts of knowledge, posture and class.

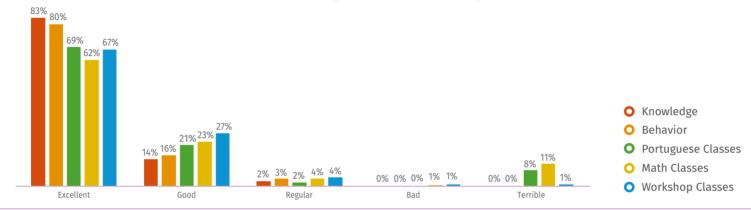
In order to solve the issues that led to the "Bad" and "Poor" evaluations, training and follow-up work is being carried out with our teachers.



Pedagogue

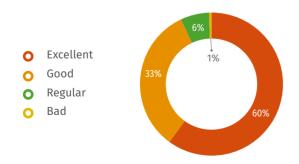
Finally, the evaluation of pedagogues confirms the quality of our teaching.

The issues that led to the "Bad" and "Poor" evaluations are being worked out in training and follow-up actions with our teachers.



Lectures and events

Regarding the students' satisfaction with the lectures and events in which they participated, 60% consider them to be optimal.



IMPROVEMENTS WITH THE NEW HEADQUARTERS

In the first full year at our new Headquarters, we noticed a number of benefits:

- **Teachers' room**, which provided greater integration between the team and more group actions between groups of different projects;
- **Auditorium** with greater capacity, which made possible activities with a larger number of students;
- **Greater accessibility** for students with disabilities (increasing by 143% the number of "Great" grades in the assessment on infrastructure); and
- Communal Space for students to share and cafeteria, bringing students more comfort and interaction in the periods between classes.

PERFORMANCE IN 2018 | GENERAL OVERVIEW

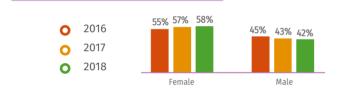
	Full-Time Attendance Courses	Semi-Attendance Courses	On Demand Courses	Future Talents – 2nd Edition	IOS Apprenticeship Program
GENDER					
Female	1,015	128	307	117	61
Male	729	106	350	177	40
AGE GROUP					
Minors	1,254	197	273	55	30
Adults	490	37	384	239	71
EDUCATIONAL LEVEL					
Elementary School	121	44	16	0	0
High School – enrolled	1,101	156	283	55	25
High School – concluded	476	31	326	227	67
Higher Education	43	3	14	12	9
Technical Education	0	0	16	0	0
Interrupted / Not Informed	3	0	2	0	0
RETENTION					
Enrolled	1,744	234	657	294	101
Approvals	1,322	180	450	Ongoing	0
Failures	114	20	69	Ongoing	0
Dropouts	308	34	138	Ongoing	0

PROFESSIONAL TRAINING COURSES

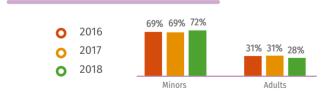
FULL-TIME ATTENDANCE COURSES

In 2018, we taught courses in Corporate Management with TOTVS ERP software; People Management and Personnel Department with RM software; Customer Relationship with Zendesk Support; and Project Management. In all, we had 1,744 students enrolled, of whom 1,322 were approved and 308 dropped out.

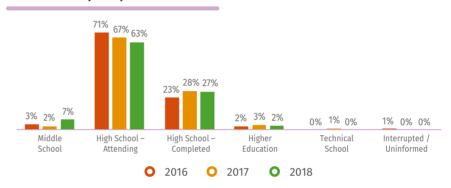
GENDER (IN %)



AGE GROUP (IN %)



SCHOOLING (IN %)



RETENTION RATE (IN %)¹

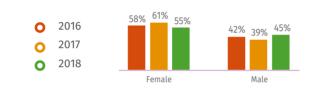


OUR STUDENTS

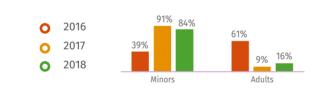
SEMI-ATTENDANCE COURSES

The Materials Management course was offered in the semi-attendance mode, with 234 enrolled, of which 180 were approved and 34 dropped out.

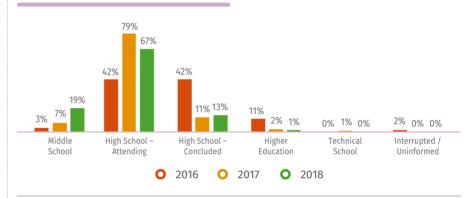
GENDER (IN %)



AGE GROUP (IN %)



EDUCATIONAL LEVEL (IN %)



RETENTION (IN %)¹



PROFESSIONAL TRAINING PROJECTS

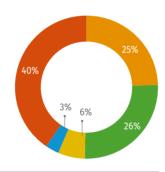
Professional Training projects include Rehabilitation, Talents of the Future and Customized Training Courses.

In 2018, two **customized training** projects took place: IT for Work with Dell and F5 with Accenture. In addition, we participated in the course Specific Competences of the Automotive Area with Fiat, teaching content on soft skills and conducting the selection process and the psychosocial monitoring of the students.

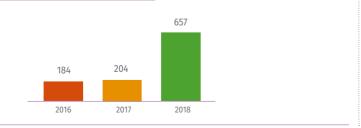
In all, 657 students were enrolled.

CONTEMPLATED COURSES

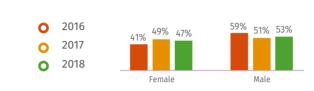
- Future Talents in Technology
- O Dell IOS Program Training
- F5 Update status for job market
- Fiat
- Rehabilitating



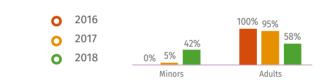
NUMBER OF PEOPLE



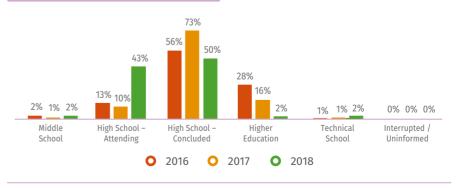
GENDER (IN %)



AGE GROUP (IN %)



EDUCATIONAL LEVEL (IN %)

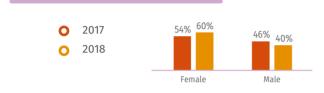


OUR STUDENTS

IOS APPRENTICESHIP PROGRAM¹

In 2018, 101 apprentices participated in the project, from which 69.3% of them were IOS alumni.

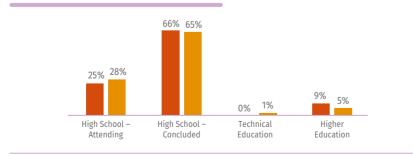
GENDER (IN %)



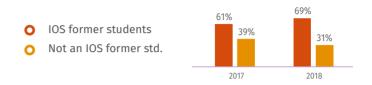
AGE GROUP (IN %)



EDUCATIONAL LEVEL (IN %)



% OF IOS FORMER STUDENTS IN THE PROJECT



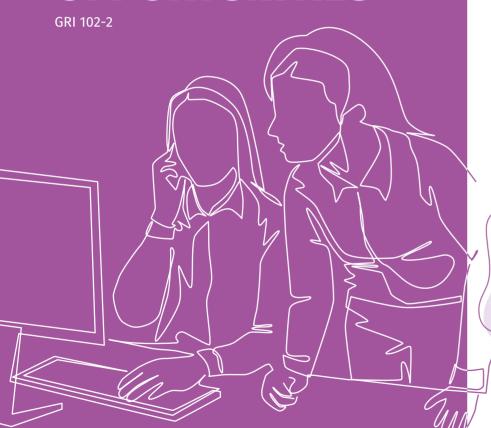
SOCIAL TECHNOLOGY

In 2018 we expanded our operations to the Poles in the *Santa Fé* Center (SP), *Casa do PAC* (SP), Association for Franciscan Culture (SP) and Madiba Institute (MG).

The data on the students from the program were shown on page 10 under the topic overview of the IOS Social Technology Program in 2018.

^{1.} The IOS Apprenticeship program indicators started being monitored in 2017.

SOCIAL OPPORTUNITIES



WHEN THE MISSION OCCURS GRI 203-2

SCENARIO

In recent years, from 2015 to 2017, we have experienced a scenario of continuous unemployment in Brazil. According to *IBGE*² data, the year of 2018 brought about the beginning of the reversal of this trend, with a slight improvement of 3% compared to 2017, with an average of 12.8 million unemployed, or 11.6%.

Young people are the most affected, with an unemployment rate that is more than twice the general rate, 25.2%, with 3.9 million young people without jobs. With regard to people with disabilities, according to the 2010 *IBGE* Census, less than 1% of this sample is employed.

WE HAVE A CRUCIAL ROLE WITH SOCIETY AND WE ACT ON IT THROUGH THE SOCIAL OPPORTUNITY PILLAR.

SOCIAL OPPORTUNITY CENTER

Against this scenario, our role as a promoter of the insertion of young people and people with disabilities in the job market becomes even more relevant, considering that our mission is completed when a former student is hired.

SOCIAL OPPORTUNITIES

In this context, in 2018 we made a significant change in the Social Opportunities Center, dividing the activities of the area with the intention of maintaining all the students and alumni relationship with professionals in the Educational area, which specialize in our target audience. This was the basis for the Social Opportunities Pillar in the Educational team, responsible for monitoring and accompanying alumni in the process of entering the formal job market and encouraging them to continue their studies through university scholarship opportunities or our partners in the technical education center.

The Social Opportunities Pillar team works together with the Institutional Relations area, which is responsible for searching for **partner companies** that report on new work positions for apprentice, trainee and / or effective, and for Teaching Centers that provide advantages for IOS alumni. From each partnership, the team indicates the alumni that fit the profiles of the respective opportunities.

After that, our team **guides students and alumni** through training offered during the course period, and afterwards to prepare students for all stages of the search for a job opportunity, from resume development to job interviewing. For this activity, the contact with the alumni is essential, since it is a continuity of the work done in the classroom. In addition to job vacancies, the Social Opportunities Pillar also supports entrepreneurship initiatives and entry in to higher education.

CRESCER PROJECT

In 2018, we implemented the Crescer Project in all IOS Units.

Idealized and applied by psychologists and psycho pedagogues, the Project aims to develop the social-emotional skills of the students in the classroom. It provides young people with self-reflection and gives them skills on how to handle the different emotions of this phase of life.

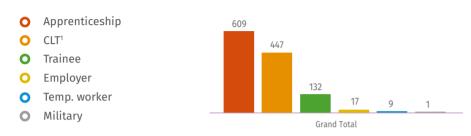
In these meetings with the students, the cases that need greater monitoring or even referral to the social assistance network are mapped.

In 2018 we held 68 meetings in the Project, with the presence of all students at the Service Units of São Paulo and also by conference call in the branches and projects with partners.

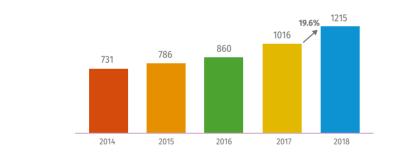
EMPLOYABILITY IN 2018 GRI 203-2

In 2018, we continued to exceed our results and achieved a 19.6% higher rate of employability than in 2017. In all, 1,215 former students were included in the job market, both in São Paulo and in the Belo Horizonte, Joinville and Rio de Janeiro³.

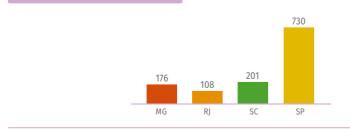
TYPE OF EMPLOYMENT RELATIONSHIP (IN ABSOLUTE NUMBERS)



EMPLOYED STUDENTS



EMPLOYABILITY BY UNIT





SOCIAL IMPACT GRI 203-2

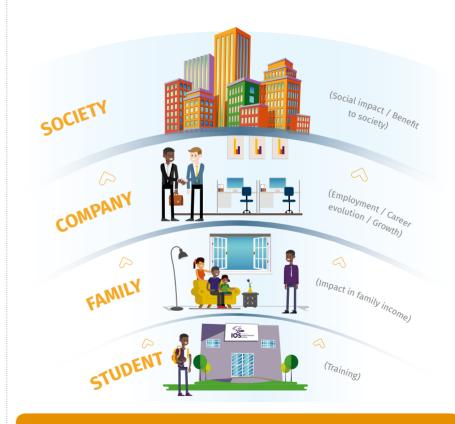
At IOS we believe that we have the opportunity to work on social impact in a structured way, demonstrating not only qualitative results, but also measuring these results quantitatively. We understand the problems related to obtaining opportunities for young people and people with disabilities and we participate in the solution, resulting not only in employability and academic opportunities, but also in enhancing the ability of our alumni to lead their own stories and conquer a new life from education. The impact on students' life histories is clear in the testimonies of alumni and their relatives, they are sincere and true statements that serve as fuel to continue to believe every day in our transformative potential.

Our role is to provide support for each one to create their own knowledge roots and be prepared for new opportunities, whether as a placement in the formal job market, establishment as an entrepreneur or even entry into higher education to access internships in more specific areas, such as technology.

After the training period, the student is qualified to work in the administrative or technological area of a company and everyone who is a part of this cycle wins: the student starts to have a monthly income, which impacts directly on the family income and contributes to a better quality of life at home, and, from there, envisions the possibility of drawing a career plan. The market, in turn, receives skilled labor, interested in learning and developing. Society in turn will have a citizen aware of its role as agent of transformation.

Currently, one of the quantitative ways we measure our Social

Impact is by increasing the income of our former students. This indicator complements our results measurement, complementing the employability and results indicators of our professional training courses (presented on pages 42 and 47).



A WELL PREPARED, EMPLOYED YOUNG PERSON IS ABLE TO TRANSFORM THE ENVIRONMENT WHERE HE/SHE LIVES: THE FAMILY, THE COMPANY AND THE SOCIETY.

IMPACT IN FAMILY INCOME

In 2018, the salaries of former students who entered the job market through IOS generated **an average 43% increase in family income**. Compared to 2017, the impact on household income was similar, demonstrating consistency in this one of our main indicators.

Taking into account that our results comprise approximately 2 thousand graduates per year and of these approximately 1,000 are employed annually, approximately 4 thousand³ people are impacted every year with the employability of the alumni of the Institute.

FAMILY INCOME - EMPLOYABILITY'S IMPACT



- Family Income enrolled students
- Average salary of employed students (after course at IOS)
- % of increase in Family income

IOS PROGRAM FOR ACCESS TO HIGHER EDUCATION

GRI 203-2

In 2018, the Educational and Institutional Relations teams created the **IOS Program of Access to Higher Education**, a new model that connects different partners, increasing the benefits of our actions in the lives of students and the training of new professionals.

The Program begins with the search, formalization and negotiation, by the Institutional Relations team, of partnerships with higher education institutions that grant scholarships (whether full-time, partial or exemption in the first semester) for our alumni to enter university undergraduate programs.

From there, the Educational team announces vacancies for the IOS graduates and sets forth all the necessary support for student to be able to take university entry tests. Then we monitor the results, the entrance into college and the adaptation to this new phase, visiting students in their new school environment, with the objective of supporting social and learning demands.

With the student enrolled in under grade programs, the Institutional Relations team is back in action, seeking companies that offer internship opportunities and thus completing our cycle of opportunities.

INSTITUTIONAL RELATIONS

GRI 102-10



RELATIONSHIP AS A PREMISE

The closeness and attention with our public is essential at all levels of the relationship of the Institute. Given the strategic importance and potential of generating value from these relationships, we have a team dedicated to taking care of our Institutional Relations, developing partnerships and actions to maintain open, direct, transparent and value-creating relationships that are fundamental to the sustainability of IOS.

Our Institutional Relations team has continuously evolved, providing our partners and social investors with a relationship cycle that increasingly captures the synergies between our capabilities and their needs. We have sought dialogue and frequent communication, besides a greater presence with partners and investors, which allows us to understand the scenario of each company and to establish the best solution in a more personalized way.

Attentive to the market and corporate movements in the area of private social investment, the Institutional Relations area of IOS is the starting point for stakeholder relationships for our cause: better social opportunities for young people and people with disabilities. From the first contact, the Institutional Relations area presents to its possible social investors, the possibilities of acting together, always considering responsibility and social impact. Our solutions are focused on:

SPONSORSHIP AND PROJECT SUPPORT - most often related to the IOS Professional Training Program. This support can range from uniforms and teaching materials, faculty staff, psychosocial care, single student

sponsorship, a whole class or sponsorship of our entire Service Units for a defined period, according to the investor's strategy. This modality can be implemented through direct sponsorship or through municipal or state funds, with income tax incentives. Our sponsors are truly committed to our cause and, during the sponsored projects, we maintain the practice of carrying out Corporate Volunteering actions together.

ON DEMAND SOLUTIONS FOR PROFESSIONAL TRAINING - development of professional training projects for young people or people with disabilities in administrative areas, management, business or technology, focusing on employability, entrepreneurship and education. Always looking for better future opportunities for our public, the Institute and the Investor. IOS has expertise in content creation and educational team building with a focus on youth and people with disabilities. We provide support to students with a network of multidisciplinary team of professionals – psychologists, psycho pedagogues, social workers, human resource professionals. Investors, on the other hand, have available job openings, training demand for their own employees as well as and demand for the communities where they operate.

HIRING OR OPPORTUNITY OFFERS TO IOS STUDENTS - IOS graduates are ready to enter the job market and we refer young and disabled people from 16 and up to job opportunities (usually first job) for free. These are entry-level positions. Openings such as young apprentice, trainees or assistants and technicians, in the administrative and technological areas. Our staff supports recruitment, referring alumni according to the profile that companies need and scheduling interviews. All these services are carried out free of charge for companies. In addition to choosing students from IOS, companies can hire the IOS Apprentice

Program, which meets the requirements of the Law of Professional Learning for Young People and with that, have personalized attention and close follow up of the students. In this initiative we also work with higher education entities, seeking scholarships and special conditions for IOS students to continue their studies after the conclusion of high school.



On the IOS website (http://bit.ly/parceirosIOS) \ you can find out more about our social investors and partners. The following is a breakdown of our partners and social investors:

WHO ARE OUR INVESTORS AND SOCIAL PARTNERS?

MAIN SPONSORING COMPANY



TOTVS has invested in the cause of the employability for young people and people with disabilities since 1998. IOS is the Social Organization that operates this initiative, with about 2,500 graduates and more than 1,000 students entering the formal job market annually.

IOS has a team of social entrepreneurs who search for various ways to raise funds to implement innovative projects that generate more positive social impact. Nevertheless, we are only able to have a professional operation with a structured back office and management that focuses on results, utilizing processes and measuring KPIs monthly due to investments received from TOTVS. In addition, some TOTVS executives voluntarily serve on our Board of Directors and Council.

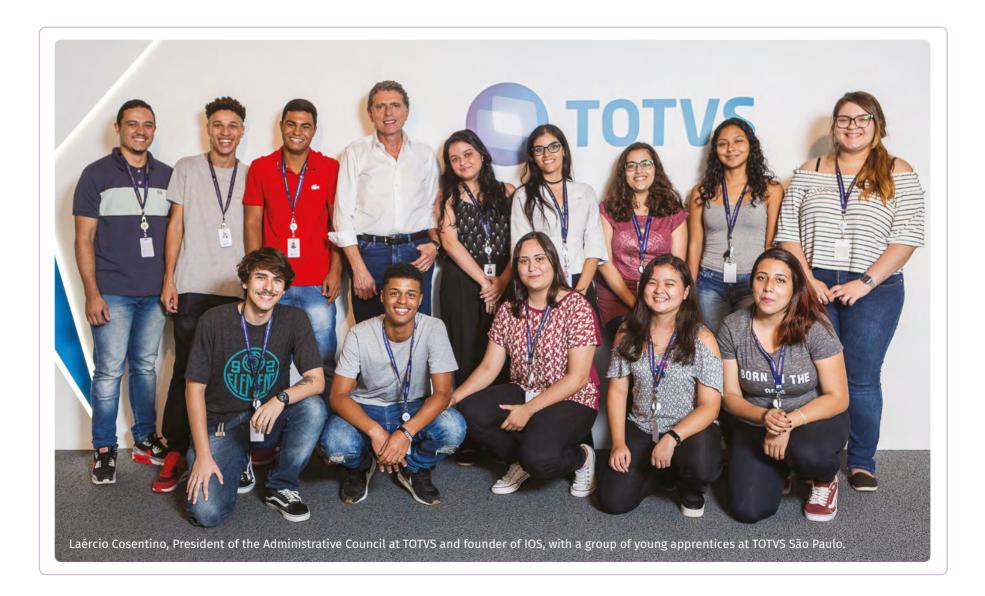
It is through this relationship that TOTVS:

- Contributes with its intelligence in technology and business bringing a market vision to the Institute:
- · Share its business and technology tools with IOS;
- Expands our relationship network by introducing new companies from its own networks; and
- It is the main employer of IOS graduates, generating a virtuous cycle of education and professional inclusion.



Employing students trained by IOS at TOTVS solidifies the concept of strategic social investment. Besides generating social impact, it provides lower training costs for professionals, as well as a shorter period of adaptation and integration in the company.

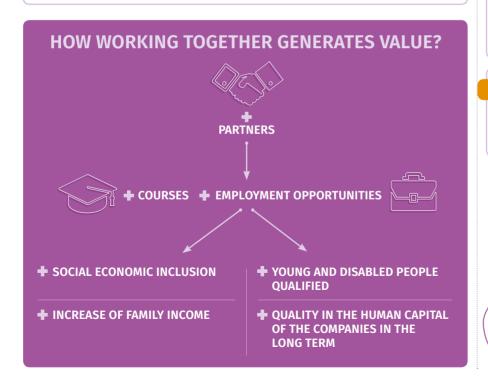
TOTVS is our founder and main sponsoring company and we are the company's strategic social investment branch, an investment that demonstrates TOTVS belief, in our purpose, in the impact we generate in society and in our value chain.



SPONSORS

VIA OWN RESOURCES OR FISCAL INCENTIVE.

The sponsors are usually private sector companies that believe in our cause and invest through their own resources in projects designed together or allocate part of their Income Tax (Fiscal Incentive) to the Funds of Childhood and Adolescence, with request to target projects pre-approved by IOS in the notices of these Funds.



EDUCATIONAL PARTNERS

These are the companies and institutions that allow us to use their classrooms so that IOS extends its reach to their communities.

OPPORTUNITY PARTNERS

Our opportunity partners are companies that advertise job openings for our alumni; and also institutions offering scholarships or differentiated programs for our students to continue their education.

SOCIAL TECHNOLOGY POLES

They are usually Third Sector institutions that use our educational methodology to train students from their communities.



ALL OUR SOCIAL INVESTORS AND PARTNERS ARE ESSENTIAL. ONLY FROM THE ARTICULATION OF THESE DIFFERENT ROLES IS IT POSSIBLE TO MAINTAIN THE ACTION AND RESULTS OF THE IOS.

MAIN SPONSORING COMPANY



SPONSORS













PARTNERS













































INSTITUTIONAL RELATIONS























INSTITUTIONAL PARTNERS





















GOVERNMENT PARTNERS









































SATISFACTION GRI 102-43 | 102-44 | 102-42

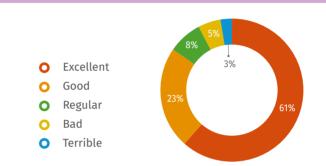
We monitor a number of indicators on the quality of services offered in order to fuel our processes. Formally, there is the satisfaction survey with the investor and sponsoring companies and the documentation of feedback from the relationship public in order to understand how the Institute is meeting the expectations of the different groups of dialogue.

In 2018, we conducted our satisfaction survey at a national level and interviewed 42 partners and social investors. Of these, the majority intend on renewing the partnership and are satisfied with the service of IOS and with hired alumni.

IOS GENERAL SATISFACTION (IN ABSOLUTE NUMBERS)

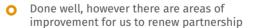


EVALUATION OF IOS STUDENTS REFERRED TO SELECTION PROCESSES (AS ANSWERED BY EMPLOYABILITY PARTNERS)

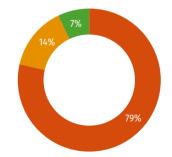


EVALUATION ABOUT THE EXECUTION OF PARTNERSHIP PROJECTS

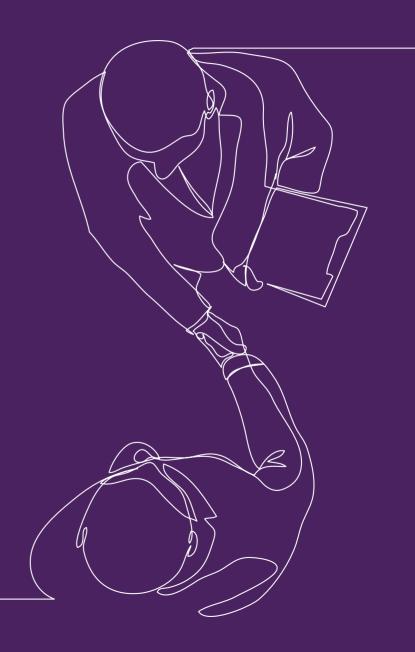








IOS PARTNERS





For more than 7 years, **Certisign**, represented by Bruna Candido from HR, has been our employability partner, working in the recruitment of IOS students through the **IOS Apprenticeship Program** and confirming the quality of our training by hiring several alumni for effective hire positions.



In order to promote access to **higher education**, **Bandtec** launched the Future Generation Program, which provides integral scholarships for the first semester of the information technology course. Some IOS students are part of this Program, and starting from the second semester on, they enter into internship vacancies. In the picture, Vera Goulart, Director of the college, with IOS former student.



As a sponsor, hiring young apprentices and **Corporate Volunteer** initiatives, **IBM Brazil** encourages IOS free training projects and stays close to the students by giving lectures on themes: games, technology, career, amongst others, that take place in the São Paulo and Belo Horizonte Units. IBM is represented in the picture by the apprentice Jennifer Leticia Castro de Jesus and Rafaela Bonogli Bruno, from Social Responsibility and Fabiana Cardoso from Human Resources.



At the beginning of 2018, IOS presented the **Social Technology** program to the **Menino Jesus Nucleus** board of directors, which considered the project adequate to the local demands and the strengthening of its mission. The Nucleus designed a project and started the search for partners and supporters, which resulted in the approval of the Municipal Fund for the Rights of the Child and Adolescent of São Caetano do Sul / SP (FMDCA). This financial resource will enable the implementation of a new Pole as soon as 2019. In the picture, the instructor Geraldo Baggio Junior teaching a class to the youth of the region.



Betting on the demand of IT professionals and in order to support the monitoring of the inclusion of women and black people in this sector, the **JP Morgan Chase Foundation** sponsored the partnership for the **Talents of the Future** project, which promotes the training of young people for the technology job market. The volunteers Deisy Ferreira, Adriana Taira and Bruno Rezende supported their education giving speeches and workshops to the students.



Believing in vocational training as an opportunity generator, **TOTVS**, represented by Laércio Cosentino, Chairman of the Board of Directors of the Company and founder of IOS has been the main supporter of the Institute for 21 years, strategically investing in technology, administration and bringing a market view to the Institute, besides strategically supporting the training of young people and people with disabilities in its technologies and hiring alumni to work with the company and its supplier ecosystem and customers.



After identifying the interest of its employees in the technology career, **Arcos Dorados** also sponsored their participation in the **Talents of the Future in Technology**. It's goal is to refer and finance its employees' extra transportation and meal costs during participation in the project. The company also donates funds to support the transportation costs of other students at the project. In the picture, Félix Silva Sales, a former McDonalds' employee who looked for vocational training in the Project and works in the technology area today.



In 2018 the partnership with **Dell** enabled us to serve 160 young people in two new regions: Hortolandia, in the interior of São Paulo and Porto Alegre (RS). In addition, the company sponsored the transportation of the Talents of the Future in Technology students, which was a key benefit in enabling the completion of the course for many young people. In the picture, Leonardo Tiarajú, from the Social Responsibility area of Dell, followed the graduation of the youth in Porto Alegre in partnership with *O Pão dos Pobres*.



For more than 6 years, **Accestage**, represented in the photo by the Company's CEO, Celso Sato, and the Human Development Executive, Maria José Lopes, has trusted our training and hires IOS students through the **IOS Apprenticeship Program**, and expanded its partnership with the Talents of Future Program, in which it has hired former students for positions in technology areas.



Zendesk believes in vocational training as a strategic path to social investment. Since 2016, young people and people with disabilities serviced by IOS receive training in Zendesk technologies and solutions, which provides licenses and content for classes. The photo, taken at the Zendesk Presents event in São Paulo, features the Zendesk Neighbor Foundation global team, featuring professionals Kelly Salance, Khalida Ali and Tiffany Apczynski, from IOS São Paulo staff and some young students from the Institute.



Understanding vocational training and education as ways to improve the young workforce, **Hyundai**, represented by Ana Claudia Recchia, a Social Responsibility professional and other Company volunteers, invested in 2017 and 2018 in vocational training projects, supporting specialized qualifications to operate in dealerships.



Trusting the IOS partnership, **Edenred Brazil** invested in professional training in 2017 and 2018, besides exclusively promoting the **IDEALDAY** event in 2018, for our students. In this event, invited by Gabriela Reis, representative of the Company's Sustainability area, 41 young people participated in chats with professional volunteers from diverse areas of the company, who share their experience in the job market.

OUR RESOURCES

GRI 201-1 | 102-7 | 102-9



RESOURCE MOBILIZATION NGO-8

Ethics is the essential principle for promoting sustainable and valuable resource mobilization for all involved: IOS, social partners and investors, students and society.

Other fundamental attributes to the Institute's perpetuity, which we seek to observe in our work, are the diversification of types of resources and the maintenance of good relationships with partners and longstanding social investors. These two complementary strategies give us security against scenarios that can impact the economy.

The mobilization of resources involves the search for funds to finance projects during the current year and for the following years. The mobilization of resources for later years requires a management strategy aligned to the execution of the projects, to guarantee control of the revenues and expenses of each sponsored project.

RESOURCE MOBILIZATION FOR EXECUTION IN 2018

Refers to all revenues received during the year 2018. These revenues are directly related to projects and expenses that were also executed during the same period.

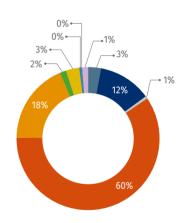
In this view, there was a decrease of 12% compared to the previous year. This is due to a scenario of scarce resources and consequently the optimization of expenses and projects, totaling an amount of BRL 9,385,611.25.

OUR RESOURCES

REVENUES ²		
Learning Management	BRL 272,995.17	2.9%
Agreements - FUMCAD and CONDECA (companies such as IBM, Cielo, Brasilprev, Vedacit, Apsen)	BRL 1,132,020.75	12.1%
Miscellaneous Cooperators	BRL 51,398.16	0.5%
Corporate Donations – Main Sponsor (TOTVS)	BRL 5,604,718.00	59.7%
Corporate Donations -Miscellaneous (Dell, JP Morgan Foundation, Zendesk, Fundação Gliks-manis Foundation and <i>Arcos Dourados</i>)	BRL 1,719,721.62	18.3%
Merchandise Sales	BRL 137,594.00	1.5%
Donations in kind	BRL 284,158.86	3.0%
Financial Revenue	BRL 35,445.67	0.4%
General Revenues	BRL 23,526.90	0.3%
Volunteering Services	BRL 124,032.12	1.3%
TOTAL	BRL 9,385,611.25	100%

REVENUE 2018²

- Learning Management
- Agreements (FUMCAD and CONDECA) companies like IBM, Cielo, Brasilprev, Vedacit, Apsen
- Diverse Sponsors
- O Corporate Donations Main Sponsor (TOTVS)
- Corporate Donations Miscellaneous (Dell, JP Morgan Foundation, Zendesk, Gliks-manis Foundation and Arcos Dourados)
- Merchandise Sales
- Donations in kind
- Financial Revenue
- General Revenues
- Volunteering Services



CONDECA TRIBUTE

In 2018, we were one of the institutions honored by the **State Council for the Rights of Children and Adolescents (CONDECA)**, connected to the Department of Social Development of São Paulo, in recognition of the important work that IOS carries out in the care of adolescents and young people through social assistance, professional training and the generation of employment and income.

RESOURCE MOBILIZATION FOR IMPLEMENTATION FROM 2018

This mainly refers to the results of the Institutional Relations team in the mobilization of resources with private companies (via direct donation, sponsorship of projects on demand or via fiscal incentive through childhood and adolescence funds²), and the Government Relations team directly through the funds and other public mechanisms during the year 2018. The results of these areas consider all the revenues that occurred during the year 2018 and revenues foreseen for the subsequent years, defined by contracts or terms of commitment with the sponsors or organs in question.

In this view, there was an increase of 15% compared to the previous year, exceeding the established target of 10%, totaling the amount of BRL 12,283,738.81, which strengthens the Institute's work in the search for financial sustainability for the subsequent years. This is a constant challenge in periods of economic crisis in our country.

This result is based on the focus of the Institutional Relations and Government Relations areas in the relationship with investors and partners and in the constant search for diversification in the mobilization of resources. Citing another example of tactics adopted in 2018, we can mention the actions of the branches in the prospecting of partnerships and fundraising. As a result, in Belo Horizonte (MG) we closed a project with Fiat, and for the first time we collected donations from private

companies for the Municipal Fund for Children and Adolescents of Belo Horizonte (*FMDCA-BH*).

INVESTORS OF VALUE

In 2018 we renewed important partnerships and established new partnerships with renowned institutions that collaborated to continue and strengthen our activities. Among them, we cite international investments with the JP Morgan Chase Foundation, Dell Inc. and Zendesk Inc.

The partnership with major institutions also works to our benefit as it provides a stamp of quality for the services provided by IOS, showing to new partners and social investors that the Institute shows transparency and compliance in the execution of the projects.

Additionally, it is worth mentioning that 2018 was an election year in Brazil with companies being more careful in how they invested their resources. Therefore, the Institute took a conservative route, avoiding taking on expenses that could compromise its financial health.

^{2.} The Childhood and Adolescence Funds are public funds that receive resources directed by private companies from the percentage of income tax that they must pay to the Internal Revenue Service. As a result, private companies do not invest their own resources in the Funds, but rather, they direct the percentage of 1% of the amount they would already pay from their income taxes to the Funds that are entitled to receive donations at the time they have to pay their Income Tax returns (IRPI). IRPJ statements are mostly (more than 70% of the cases) held annually in the month of December, however, the on lending of Funds to Projects and Social Organizations do not have a definite term. It is important to clarify that, in the donations made by the companies directly to the funds, these financial resources are in custody of the respective Funds, and lare 80% of these amounts will be released in installments to IOS, under what is called an "agreement" between the Institute and the respective Municipal or State Department of Social Assistance. It is also important to make it clear that each Fund follows its own process and chronogram, and IOS access to these resources can often take up to two years.

RESPONSIBLE AND EFFICIENT APPLICATION OF RESOURCES NGO-7 | GRI 201-1

Applying received resources effectively and responsibly is essential to maintain our reputation and credibility for investors, seeking to ensure continuity of support, as well as to reach more students and broaden our social impact.

In 2018, the resources invested in our operation amounted to BRL 9,190,277.36, aimed at contracting suppliers, payroll and social charges and investments in infrastructure improvements and materials (fixed asset).

We want to enable our public to monitor our performance and continuous search for results. Therefore, we have a team dedicated to the management of projects in partnership, which periodically sends results reports to partners and social investors (as explained on page 51).

RESOURCE APPLICATION	2018
Payroll	R\$ 6,012,851.21
Educational, Administrative and General Expenses	R\$ 2,709,327.39
Fixed Asset	R\$ 468,098.76
TOTAL	R\$ 9,190,277.36

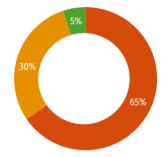
ACCOUNTING STATEMENTS

This Annual Report is published annually in our website and, in 2018, we also disclosed our Financial Statements on the same website https://bit.ly/2U7mD6C.

IOS Financial Statements are **audited by independent third-party auditors** and are available to interested parties upon request by e-mail.

RESOURCE APPLICATION

- Payroll expenses
- Educational, administrative and general expenses
- Fixed assets



OUR EMPLOYEES



IOS EMPLOYEES PROFILE GRI 102-8 | 405-1

Our employees are multipliers of our values inside and outside of IOS. Get to know the profile of our 90 employees, responsible for many achievements in this trajectory and with whom we want to share opportunities for personal and professional development.

PROFILE IN 2018

GRI 102-8

TYPE OF EMPLOYMENT	Female	Male	SP	ВН	SC
Effective hire	56	27	71	8	4
Temporary	0	1	1	0	0
Intern	3	3	6	0	0

TYPE OF EMPLOYMENT

Full time 8 hours	56	28
Full time 6 hours	3	3

GRI 405-1

	Female	Male	Up to 30 yr.old	30 50 yr.old	+50 yr.old
Board of Directors (TOTVS volunteers)	0%	100%	0%	75%	25%
Advisory Board (TOTVS volunteers)	25%	75%	0%	37%	63%
Supervisory Board	33%	67%	0%	100%	0%
Management	100%	0%	0%	100%	0%
Collaborators	66%	34%	3%	57%	40%

We have reduced 14 employees in the year due to the conclusion of some projects.

PROMOTING DIVERSITY

As an organization committed to social impact, we seek the respect and promotion of diversity among our employees as well. In 2019, we will expand the debate and raise awareness about this issue among all our employees through the IOS Program of Professional Inclusion. Thus, we intend to provide a foundation and attitude aligned with IOS positioning in order to find solutions on how to increase the insertion of diversity in the job market, as well as to provide the proximity of our internal public with themes related to diversity.

Throughout 2019 we will have seven meetings, in which we will bring external speakers who work in the cause of diversity, as well as participants from the Institute itself who wish to share their experiences and what they learned. The themes of these meetings were pre-determined from the research applied to all IOS employees in 2018. The research was done to map out the profile and knowledge on diversity-related issues in order to understand which topics need to be presented.

With this program, we aim to expand our discussions on the subject and make the subject more and more common within the Institute. In addition, we understand that, once oriented, teachers can multiply knowledge in the classrooms, involving students in discussions and providing space for greater learning and a diverse coexistence.

DEVELOPMENT

TRAINING GRI 404-2 | 404-1 | 412-2

Another common practice in IOS is to help our employees from all hierarchical levels to develop to reach their full potential by addressing the demands and interests of all through internal training, external courses, events, and development programs. In 2018, the Institute counted on the support of external partners in this development day.

The Brazilian Association of Training and Development (*ABTD*) offered us several courses at no charge, which benefited employees referred by the Human Resources area of the Institute, with the approval of their immediate leadership, based on the program content and the profile of the candidates.

In-company courses were also offered with partners, such as *Bem Gasto*, which encourages financial education as a premise of life, and training on Structural Racism, which addressed human rights from the perspective of racial discrimination, the importance of equity and how each one can contribute in their everyday living for transformation.

In the last quarter of the year, we conducted behavioral training for our classroom teams with a focus on teamwork, empathy and leadership. In addition to training in order to improve our performance with IOS students, the content was also important for the integration and exchange among the professionals of the Units that work in different locations.

POSITION	AVERAGE TRAINING PER EMPLOYEE (HOURS/EMPLOYEE)
BY GENDER	
Female	10.8
Male	11.6
BY CATEGORY	
Analysts	13
Assistants	9
Social Workers	30
Auxiliaries	4
Content Designers	4
Educational Designers	16
Specialist	28
Instructors	13.2
Leaders	4
Monitors	7.2
Pedagogues	12.2
Psychologists	28
Psycho pedagogue	4

PERFORMANCE EVALUATION

Concerned about giving employees the opportunity to develop, learn and grow in their careers, we have maintained the practice of performance appraisals by leaders. The 180° Performance Evaluation generates one of our most important tools: the Individual Development Plan (*IDP*), which allows the employee to know what is expected of their role and to align with their immediate leader on how they perform. In 2018, 98% of our employees received the evaluation and continue developing as agreed with their leadership. Next year, the goal is to re-apply the assessment and check for aspects where there have been changes or where leaders might need to step in and provide support for such change to take place.

The Human Resources team is responsible for managing these plans in a way that directs the potential of our employees in a strategic way. In practice, the *PDI* is a road map for the career plan, setting the goals and objectives of each employee for the year. The plan is closely monitored by the direct manager.

In 2018, we had the feedback stage of the managers and the validation of the *PDI* by the management for employees and interns. In August we began a new evaluation cycle. We are studying to make the process simpler and more regular allowing us for a continuous and routine follow-up.

COMPENSATION AND BENEFITS

In 2018, the coordination of Human Resources worked on the definition and description of positions and a salary survey of the market. We maintain a fair compensation program that is aligned with current best

OUR EMPLOYEES

practices, even compared to larger institutions and organizations and other sectors. Our employees are hired mainly under the Consolidation of Labor Laws (*CLT*) regime, and have the following benefits package:

- Transportation tickets;
- Meal tickets;
- · Health plan;
- · Dental plan;
- · Academic Subsidy:
- Under graduate program;
- 1st Post Graduation;
- · Life insurance;

- Childcare assistance (for employees who have children up to 5 yr. old);
- Agreement with Sesc (Commerce Social Service); and;
- Agreement with SENAC (National Service of Commercial Apprenticeship).

ENGAGEMENT

We consider internal communication as an essential tool to disseminate information and maintain the engagement of all employees, as well as maintain an alignment with the strategy and activities developed in the Institute.

Quality of Life Program: in 2018 we made 15 new partnerships with companies in order to offer differentiated activities to our employees, such as gyms, English schools, *SESC* (Commerce Social Service), racing group, discounts in colleges and courses, among others.

Teams Interaction: we concluded the Coffee with the Leader events, an initiative launched in August 2017 by the Human Resources team, in partnership with the leadership. The event promoted nine meetings in 2018 with the objective of creating a moment of interaction between the teams and the IOS employees, as well as sharing important contents for the practice of all those involved. Each meeting dealt with a relevant daily theme.

CHANNELS FOR COMMUNICATION AND ENGAGEMENT

#bIOS: In March 2018 the IOS Bulletin stopped being sent by e-mail, and started to be available in a platform (fluig). This new way of bringing the latest events and innovations of the Institute has been closely monitored to bring improvements and make the information reach all participants even more.

Internal Ombudsman: by e-mail ouvidoriainterna@ios.org.br, the employee has a direct channel with the Institute's management to provide suggestions, criticisms and ask questions.



The history of IOS began in 1998, with the purpose of teaching the principles of computers to young people, facilitating their digital inclusion. Over time, our mission has naturally evolved into the vocational training of young people with a focus on them acquiring their first job and later on seeking other opportunities for our students, such as, for example, entering higher education, which would have never been imagined by our students from 1998.

In recent years, even in the context of a continuous crises in Brazil, we have consolidated this initial model of vocational training, offering new courses in the areas of administration and technology, and have acquired new investors who believe in our cause as a strategy for the evolution of their own businesses.

WHAT IS OUR NEXT STEP? HOW DOES IOS CONTINUE TO GROW ITS RELEVANCE AND MODEL, BROADENING ITS SOCIAL IMPACT?

In order to face this new moment, we have a series of accumulated knowledge throughout our trajectory as valuable asset, which is increasingly relevant to organizations. We have our own content, processes and results indicators, we know our ecosystem and we have employees who are committed to our mission!

At the same time, we have seen companies increasingly interested and concerned with building diversity plans, welcoming people with disabilities, young apprentices, projects that foster gender equality and racial equity, and for the purpose of including not only due to their legal quotas obligations, but with the aim of generating social value, stimulating diversity and, consequently, creativity.

This scenario opens doors to IOS, which besides being an Institute of professional training and opportunities for students, walks side by side with these companies, understanding their real needs, taking their knowledge to design solutions of structured social impact.

PERSPECTIVES

We are maturing our ways of being an increasingly strategic partner, without losing our original essence as an organization of civil society: act to generate value for our students and sponsoring companies.

It is a journey that begins in the face of two main challenges:

The first is to integrally bring the principles of innovation to our business, organically implementing this concept in all stages of our operation. All participants should propose creative solutions that consider the impact of technology on their performance. The "digital" cannot be an extra strategy, it must be transversal to all the proposals and projects of the Institute.

The second is the vision of IOS as a provider of solutions for partner organizations, understanding in a deeper way their real and current needs. When we propose to structure and be with the partners in the implementation of new projects, our performance will involve the provision of services with market intelligence. The strategy of the IOS team for this front is the continuous search for knowledge and the promotion of our relationship with the market. Our starting point will be technology companies, a segment directly related to the future of work and that has an immediate need for the education of human capital.

From these two challenges, we will create suitable and attractive paths for the profile of our target audience, aligned with our essence by considering the hard skills (technical) and soft skills (behavioral) important to the new economy, which envisions ways to generate profit and act in a socially and environmentally responsible manner.

While young people and people with disabilities have the goal of constant learning and partner organizations have the mission to generate social impact in the places where they operate, IOS will be the ideal actor to generate exponential results.

We have these challenges in front of us and we are confident. We have acquired in our trajectory all the conditions and abilities to conquer them.

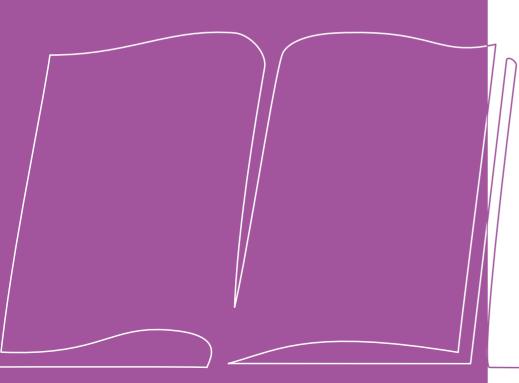
Sergio Pauperio Serio Filho

President



ABOUT THE REPORT

GRI 102-46 | 102-47 | 102-49 | 102-40 | 102-42 | 102-43 | 102-44 | 102-50 | 102-52 | 102-53 | 102-54 | 103-1



The IOS 2018 Annual Report has been written for the fifth consecutive year based on the Global Reporting Initiative (GRI) guidelines, a global best practice in guiding economic, social, environmental, and governance reporting.

The period covered by the report is from January 1st to December 31st, 2018 and the process of research and construction of the content involved interviews with managers of the main IOS teams, as well as the collection of information from the GRI Standards indicators in the essential adhesion option. For more information on the guidelines, go to the GRI website https://www.globalreporting.org/standards.

MATERIALITY

Following the GRI recommendations, the content definition process for this publication follows an analysis of the material themes for the sustainability of the Institute, structured in 2014 and revalidated in 2016 and 2018. For the last revalidation, done in 2018, IOS promoted a qualitative, face-to-face research about the relevant topics for third sector organizations, from the GRI perspective. The result suggested a face to face and an online meeting with its relationship public, to learn about their opinions and expectations regarding IOS' action for sustainable development.

As a result, IOS revisited its material themes, which were grouped into new pillars that guide the construction of this report and the Institute's strategic action for sustainable development.

In order to determine the content to be reported on IOS and on each of the material themes, interviews were conducted with the managers and the collection of indicators following the GRI standard.

ABOUT THE REPORT

Additional information and clarifications on this report can be obtained through the site www.ios.org.br, or via e-mail: relacionamento@ios.org.br.

IOS MATERIAL THEMES

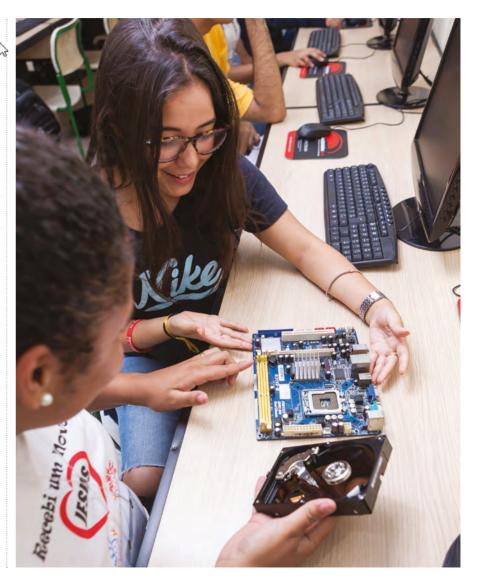
Ethical fundraising

Efficient and ethical application of resources

Course planning and evaluation

Promoting the employability of alumni

Diversity and non-discrimination (Disabled, immigrants, gender and racial equity, etc.)



GRI INDEX – GRI STANDARDS CONTENT SUMMARY GRI 102-55

GENERAL CONTENT REFERENCE (P.) / DIRECT ANSWER

GENERAL DISCLOSURES				
	ORGANIZATIONAL PROFILE			
102-1	Organization's name	p.p. 4 and 7		
102-2	Primary brands, products and services	p.p. 7, 9, 31 and 46		
102-3	Location of Headquarter	p. 7		
102-4	Number of countries where the organization operates	p. 7		
102-5	Nature of ownership and legal form	p.p. 7 and 14		
102-6	Markets served	p. 26		
102-7	Scale of the organization	p.p. 7 and 71		
102-8	Information on employees and other workers	p. 76 With regard to outsourced employees, the institute has three security providers, one IT service provider and five service providers in the Educational Team of São Paulo (SP) and one in Joinville (SC). Data accounted for through the internal controls of admissions and dismissals and contracts of service providers		
102-9	Supply chain	p. 72		
102-10	Significant changes to the organization and its supply chain during the report period	p.p. 7, 51		
102-11	Precautionary principle or approach	The precautionary principle does not apply to IOS activities		

102-12	Letters, principles or other externally developed initiatives of an economic, environmental and social nature, which the organization subscribes to or endorses	p. 17
102-13	Main participations in national / international defense associations and / or organizations	p. 17
	STRATEGY	
102-14	Statement from senior decision-maker	p. 4
	ETHIC AND INTEGRITY	
102-16	Values, principles, standards, and norms of behavior	p.p. 7 and 16
102-17	Internal and external mechanisms adopted by the organization to request guidance on ethical behavior and in compliance with legislation, such as relationship channels (e.g., ombudsman's office)	For participants: Ombudsman For students: Talk to <i>Edu</i> (Ombudsman) Other publics: social networks
	GOVERNANCE	
102-18	Governance structure, including committees	p. 14
102-21	Consultation processes used between stakeholders and the highest governance body in relation to economic, environmental and social topics. If the consultation is delegated to other structures, bodies or individuals, referral of the existing feedback processes for the highest governance body	There is none
102-23	Chair of the highest governance body	There is none

102-24	Nominating and selecting the highest governance body selection and appointment processes for the highest governance body and its committees, including whether factors such as diversity, independence, knowledge and experience, and involvement of stakeholders (including shareholders) are considered	The directors are elected by the founders, by the sponsoring companies and by the IOS Management team, with the criteria being: knowledge and engagement with the third sector that prevails in the selection. The term of the office is three years and may be renewed. In 2018 the election took place, where new members were selected, according to the chart presented in the organizational structure
102-29	Role played by the highest governance body in identifying and managing topics and their impacts, risks and opportunities arising from economic, environmental and social issues	The management of risks, impacts and opportunities is guided by the Strategic Planning and by a map of aid to the management and decision making is made based on research done with the stakeholders
	STAKEHOLDER ENGAGEMEN	NT
102-40	List of stakeholder groups	p.p. 11 and 41
102-41	Collective bargaining agreements	93.30%
102-42	Identifying and selecting stakeholder	p.p. 38, 58 and 82
102-43	Approach to stakeholder engagement	p.p. 11, 38, 58 and 82
102-44	Key topics and concerns raised Main topics raised during the engagement of stakeholders and measures adopted by the Company to address them	p.p. 38, 58 and 82
	REPORTING PRACTICES	
102-45	Entities included in the consolidated financial statement	Headquarter and all Branches are considered in the financial statements.
102-46	Defining report content and topic boundaries	p. 82 - Online research with students, alumni, and IOS employees, suppliers, partners and social investors Face-to-face panel for defining new material topics with students, alumni, IOS employees, suppliers, partners and social investors.
102-47	List of material topics	p. 82

GRI INDEX

102-48	Restatements of information	p. 14
102-49	Changes in reporting	p. 82
102-50	Reporting period	p. 82
102-51	Date of most recent report	01/01/2017 to 12/31/2017
102-52	Reporting cycle	p. 82
102-53	Contact point for questions regarding the report	p. 82
102-54	Claims of reporting in accordance with the GRI Standards	p. 82
102-55	GRI content index	p. 84
102-56	External Verification	There was no external audit of the report, but the report is used as accountability and is sent to the board of directors, the board, partners and social investors.
	MANAGEMENT APPROACH	
103-1	Explanation of material themes and their limits	p. 82 All topics listed as relevant are materials inside and outside the IOS. The explanation of the relevance of each topic occurs throughout the content of the report, in the chapters referring to each theme.
103-3	External assurance	p. 14 The explanation of the evolution of management in each material theme is given throughout the content of the report in the chapters referring to each theme.

SPECIFIC CONTENT

ECONOMIC DISCLOSURES					
	ECONOMIC PERFORMANCE				
201-1	Direct economic value generated and distributed	p.p. 72 and 75			
	INDIRECT ECONOMIC IMPAC	TS			
203-2	Significant indirect economic impacts, including the extent of impacts	p.p. 9, 36, 46, 47, 49 and 50			
	FIGHT AGAINST CORRUPTIO	N .			
205-2	Communication and training in anti-corruption policies and procedures	p. 16			
205-3	Confirmed cases of corruption and measures taken	No cases were identified.			
SOCIAL DISCLOSURES					
	TRAINING AND EDUCATION	l .			
404-1	Average hours of training per year per employee	p. 77			
404-2	Skills management and lifelong learning programs that support the continuity of employee employability in preparation for retirement	p. 77 With regard to the transition support program offered to support the employability and end–of–career management of retirees, they do not exist.			
404-3	Percentage of employees receiving regular performance and career development reviews	This indicator was not disclosed since in 2018, only the revision of the Individual Development Plans (IDPs) generated in the performance evaluation of 2017 was carried out. In all, 59 reviews were made, equivalent to 76.6% of total IDPs generated in 2017.			

DIVERSITY AND EQUAL OPPORTUNITIES				
405-1	Diversity of governance bodies and employees	p. 76		
405-2	Mathematical ratio of wages and remuneration between women and men broken down by functional category and relevant operational units	The IOS chooses to not divulge this data, since for some positions the data would not be representative since they are occupied 100% by women.		
	NON-DISCRIMINATION			
406-1	Total number of cases of discrimination and the measures taken	No cases were recorded.		
	HUMAN RIGHTS ASSESSMEN	IT		
412-2	Total hours of employee training in policies and procedures pertaining to human rights aspects relevant to operations, including the percentage of employees receiving training	p. 77		

SUPPLEMENT: NGOS

NGO-7	Resource allocation	p. 75
NGO-8	Funding sources by category and five largest donors and monetary value of their contribution	p. 72
NGO-10	Adherence to standards for fundraising practice and marketing communication	There are no records of violation of ethical practices of fundraising and marketing actions.

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