

CLIMATE CHANGE POLICY

1 PURPOSE

Establish the strategic guidelines and guide the decisions related to climate change that underline the construction of mechanisms focusing on business continuity in a low-carbon economy and the management of risks and impacts of the company's **greenhouse gas emissions (GHG)**.

These guidelines should be observed and complied with in all Oi companies and serve as source of permanent consultation to implement initiatives and/or define strategies that may promote **mitigation** and/or **adaptation** in face of the effects of climate change or may impact the company's GHG emissions.

This policy applies to all employees and units of Oi and subsidiaries in the development of their activities, processes, business and operations.

2 DEFINITIONS

- Carbon Disclosure Project (CDP): A non-profit organization whose purpose is to create a relationship between shareholders and companies focused on business opportunities arising from global warming.

- Greenhouse Gases: Gaseous substances that absorb part of the infrared radiation, emitted mainly by the Earth's surface, and make it difficult for it to escape into space, preventing substantial heat losses and keeping the planet heated.

- GHG Protocol: Greenhouse Gas Protocol, launched in 1998 with the mission of developing a standard for the measurement and reporting of greenhouse gas (GHG) emissions that is internationally accepted and promotes its wide adoption. It was produced by the World Resource Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

- Executive Sustainability Group: Executive group in charge of assisting the company's Management Committee in the definition and execution of the sustainability and climate change strategy.

- Carbon Efficient Index (ICO2): Considering the world's concern about global warming, the BM&FBOVESPA and the Brazilian Development Bank (BNDES), in a joint initiative, have decided to create a new market index – the Carbon Efficient Index (ICO2). This indicator, composed of the shares of the companies listed in the IBrX-50 index that agreed to participate in this initiative, by adopting transparent measures in relation to their greenhouse gas emissions, takes into consideration, when weighing the shares of the listed companies, their efficiency levels in GHG emissions, in addition to each company's free float (total number of outstanding shares).

- GHG Emission Inventory: It is a type of x-ray of the emissions resulting from the operations, products and services of an organization, which substantially helps in the design of strategies to reduce GHG emissions and manage emissions: It is divided into three reporting scopes:

- Scope 1: Direct GHG emissions, i.e. emissions from sources that belong to or are controlled by the company;
- Scope 2: Indirect energy GHG emissions, i.e. emissions from the acquisition of electrical and thermal energy that is consumed by the company;
- Scope 3: Other indirect GHG emissions, i.e. emissions caused by the company's activities, but which occur in sources that do not belong to or are not controlled by it.

- Climate Change: Statistically significant variation in an average climate parameter or its variability, persisting for a long period of time (decades or longer). Climate change may be due to natural processes, external forces or persistent change caused by human action in the composition of the atmosphere or the use of land.

- Stakeholders: Relevant publics with interests pertaining to the company, or individuals or entities that assume some type of direct or indirect risk in face of society. They include shareholders, employees, interns, apprentices, contractors, the community, clients, suppliers, financial institutions, creditors, regulatory agencies, government, non-governmental organizations and society as a whole. Also known as Strategic Targets.

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- Companies for Climate Platform – It is a permanent platform whose objective is mobilize, sensitize and create liaisons between business leaders for the management and reduction of GHG emissions and the management of climate risk and the proposition of public policies and positive incentives in the context of climate change.
- Sustainability: A new approach to doing business, which simultaneously promotes social inclusion and reduces – or optimizes – the use of natural resources and the impact on the environment, preserving the integrity of the planet for future generations, without disregarding economic and financial profitability.
- Level L2 Representatives (L2): company executives that report to level 1 (L1) executive officers, who, in turn, report to the Company's main executive (CEO – N0).

3 CONTENT

3.1 GENERAL GUIDELINES

3.1.1 The company is committed to global initiatives to stabilize the concentration of greenhouse gases in the atmosphere through the development of projects focusing on environmental balance, stakeholder awareness, the implementation of risk mitigation practices and the adaptation to a low-carbon economy;

3.1.2 The company should, whenever possible, effectively contribute to reducing the negative effects caused by climate change, identifying, measuring, reducing and offsetting greenhouse gas emissions.

3.1.3 The company should align all the guidelines presented by this policy with its stakeholders, promoting the development of activities in partnership with suppliers and contractors and inspiring clients;

3.1.4 The company should seek to incorporate the analysis of GHG emissions in the selection, contracting and development of suppliers so as to encourage them to adopt initiatives, machinery, processes and products that contribute to the effectiveness of the production cycle and the reduction of GHG emissions.

3.2 PUBLIC COMMITMENTS

3.2.1 To support national and global initiatives related to climate change, seeking the alignment of opinions, mutual contributions and the applications of efficient mechanisms to fight climate change. Examples of initiatives include the Brazilian **GHG Protocol** Program, the **Companies for Climate Platform – EPC**, the **Carbon Disclosure Project** and the **Carbon Index – ICO2**;

3.2.2 To participate in voluntary initiatives in order to train the specific team that will seek the implementation of measures for the company's self-regulation in face of possible regulatory systems that may arise in the future related to climate change;

3.3 CARBO MANAGEMENT

3.3.1 STRATEGY

3.3.1.1 Oi has an **Executive Sustainability Group**, with **Level L2 representatives** of several areas of the company, and is responsible for guaranteeing the execution of action

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plans focusing on improving corporate sustainability, defining scopes of operations and persons in charge of conducting them, in addition to assessing and resolving on issues related to climate change.

3.3.1.2 Value practices that result in the reduction of the impacts of climate change as a strategic guideline in the company's investment decisions, always taking climate change into consideration in the decisions that have relevance and impact on this topic;

3.3.2 GHG EMISSION INVENTORY

3.3.2.1 Carry out a survey of the company's operations that emit greenhouse gases in their activities, measuring their emissions and publishing them annually in the company's greenhouse gas emission inventory, duly verified by an independent and accredited third party, in accordance with the Brazilian GHG Protocol Program, in order to obtain the Gold Seal;

3.3.3 GREENHOUSE GAS EMISSION REDUCTION GOALS

3.3.3.1 To establish, implement and monitor projects to reduce the company's GHG emissions reported in the GHG Emission Inventory, guaranteeing that Oi's GHG emission management process is fully executed in order to intensify the results.

3.3.3.2 Oi is committed to reducing its scope 1 GHG emissions (moving and stationary sources) by 14% by 2020, establishing 2014 as the base year and with the following assumption: *Serede, the company that maintains the Oi Group's fiber optic and external network maintenance, will remain with the same scope of operations and coverage. If, by a strategic decision of the company, Serede is expanded to other geographic areas or operating segments, the goal of reducing moving sources should be reviewed.*

3.3.3.3 Oi is also committed to limiting the increase in electricity consumption to 2% per year by 2020, establishing 2014 as the reference year. This goal is designed to reduce the company's scope 2 emissions, but does not ensure this reduction, as the amount of emissions depends, in addition to the purchase of electricity, on the Emission Factor of the National Interconnected System (NIS), which may vary greatly depending on the more frequent use of thermal power plants in the period.

3.3.3.4 Oi is also committed to a relative goal of reducing by 5% the ratio of CO₂ tonne emitted per tonne transported by the logistics operations in 2015, establishing 2014 as the reference year. This goal impacts the reduction of emissions reported in scope 3 of Oi's GHG Emission Inventory.

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3.4 RISKS AND VULNERABILITIES IN FACE OF CLIMATE CHANGE

3.4.1 ADAPTATION, MITIGATION AND INNOVATION

3.4.1.1 To carry out studies of risks and vulnerabilities in face of climate change, identifying:

- intrinsic risks of the telecom sector, including those pertaining to its value chain;
- opportunities in the telecom sector, such as new markets, products and services;
- vulnerabilities, such as sources of exposure related to the company's business;
- possible climate phenomena and their impacts on the company's operations.

3.4.1.2 To develop specific strategies for the data center operations, improving their efficiency in relation to performance and energy consumption, identifying risks and opportunities.

3.4.1.3 To develop the corporate agenda of adaptation to climate change considering possible climate scenarios, promoting adaptation initiatives to be taken into account in investment decisions and decision-making processes;

3.4.1.4 To promote and encourage the creation of new projects, services, products and/or business models that enable the reduction of GHG emissions, mitigating their effects on climate;

3.4.1.5 To consider investments in the consumption of electricity from renewable sources;

3.4.1.6 To review the existing procedures and invest in fleet renewal and monitoring technologies, in order to improve fuel consumption efficiency in the company's fleet and third-party fleets, as well as in logistic activities;

3.4.1.7 To use energy, air-conditioning and water in a conscientious manner with control and management, replacing obsolete equipment in order to make better use of the resources, always ensuring energy efficiency in the company's activities.

3.4.1.8 To promote and encourage technological innovation in order to reduce the company's GHG emissions.

3.4.1.9 To design procedures and train and raise awareness of employees, partners and suppliers in regard to energy and fuel consumption efficiency initiatives that can be implemented immediately at no cost.