



HIGHLIGHTS
ESG
2021

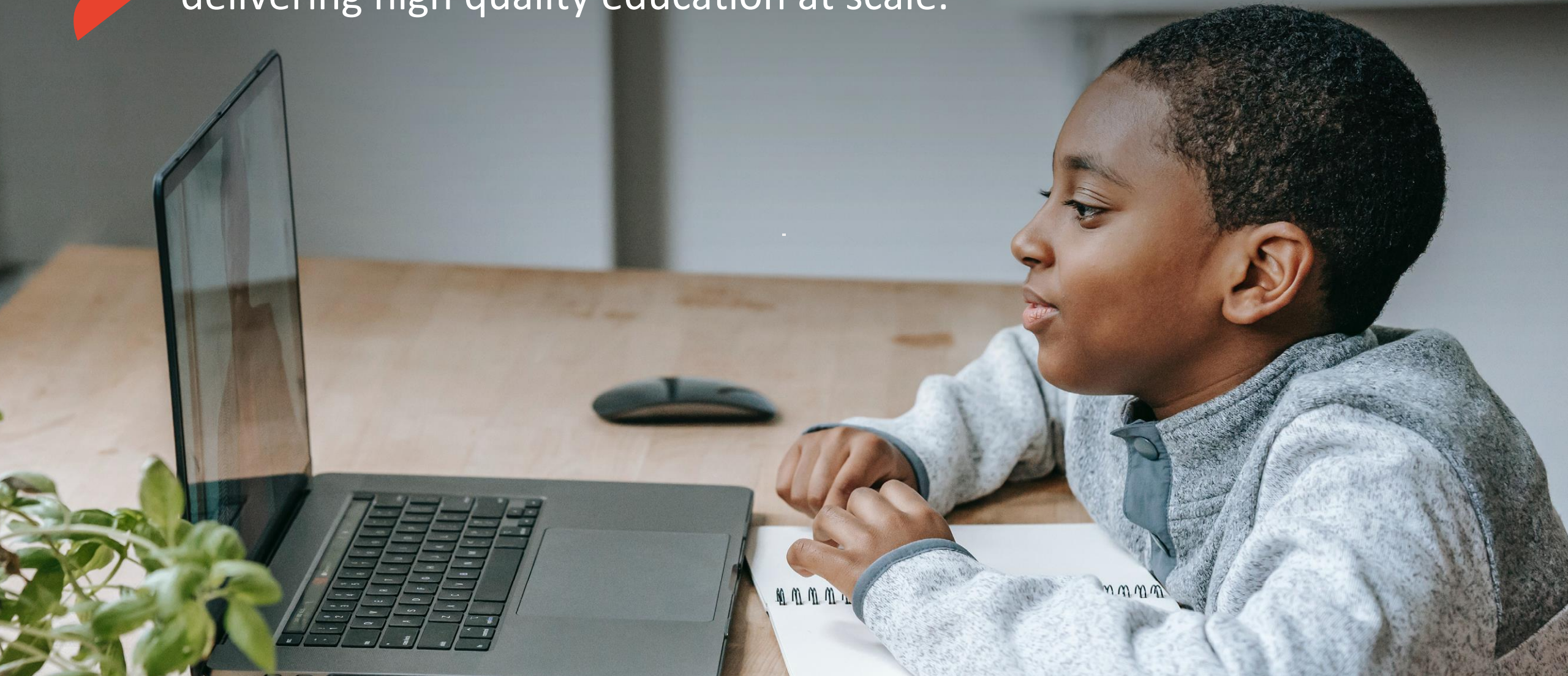


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Arco's mission is to transform the way students learn by delivering high quality education at scale.



> Our values



Ethics & respect

Being honest and acting respectfully is essential to build a sustainable and solid company. Here, we act uprightly, with no shortcuts.



Education is our purpose of life

Education is our passion, mission and dream. We believe that education transforms people and changes the world.



Commitment with our customers

We respect our customers. We continuously deliver excellence solutions. We pursue an efficient execution with discipline.



Always evolve

For long-term success, we need to dream big, always evolve, and sometimes, let go of short-term results. Thus, we seek to increasingly innovate and invest.



Humbleness & Down-to-earth

Today's victory does not guarantee tomorrow's success. To build a sustainable company, we act with humbleness, learn from our mistakes, and seek to always improve. One step at a time.



Value lies on people

Only with excellent people who think and act as owners, who work together, and are rewarded for their deliveries we built a sustainable company.

> Arco in numbers

MARKET LEADER¹

R\$ 1,163 billion

2021 ACV²

1,786 mm³

Students impacted

6.119³

Partner schools

HIGH PROFITABILITY

38%

Adjusted EBITDA
margin 2020⁴

HIGH GROWTH AND OPPORTUNITY

55%

2016-2020 ACV CAGR

4%

ACV market share⁵



1. Based on the number of students of the Brazilian learning system market. 2. ACV Bookings is the yearly (assuming a school year) revenue contractually expected to be recognized from a partner school assuming no further additions or reductions in the number of enrolled students. 3. For the 2020 school year. 4. Calculated by dividing 2019 Adjusted EBITDA of R\$ 209.4 million by 2019 Net Revenue of R\$ 572.8 million. 5. Market-share includes core and supplemental solutions. The Total Addressable Market includes supplemental solutions, which has an addressable market of R\$18.7 billion, and the potential market for private K-12 learning systems and textbooks in Brazil, which has an addressable market of R\$6.5 billion. TAM for Total Market. Source: EY-Parthenon.

We've produced and
broadcasted more than

37,000
educational
content

for schools, students, teachers and
families, generating

42 million
views¹



1. Figures referring to FY2020, our form of expanding the access to high quality educational content for all stakeholders of the school environment during the crisis period

> What we offer



High-quality content

High-quality and proprietary methodology, developed over 50 years, updated on a yearly basis.

Educational Services

Product implementation support, management tools for pedagogical coordination, constant update for schools on the latest trends of education and teachers training.

Relevant technology

Guaranteeing visibility to each student's data, and thus, facilitating customization, making possible the creating of tailor-made educational paths and reducing the time spent by teachers in non-essential activities.

School management support

Enrollment campaigns support, tools that facilitate payment collection and budgetary management.



OUR 2021 ESG AGENDA

In 2021, we significantly advanced our ESG agenda. One of the most relevant steps of this journey was to build a materiality matrix based on the key frameworks and ratings of the market. Firstly, this process involved the material topics identification, and, through the consultation with stakeholders, prioritizing it. Employees, investors, suppliers, banks and partner NGOs were amongst the consulted stakeholders.

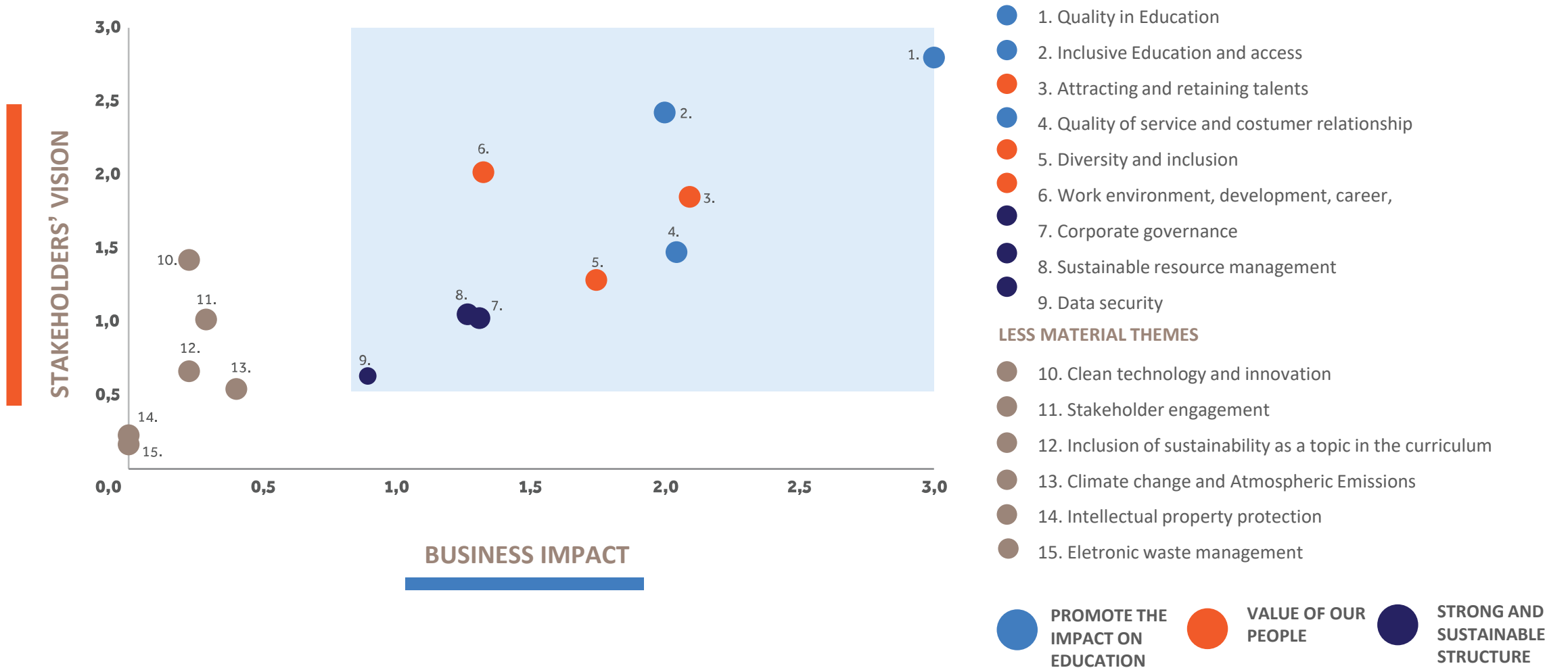
> ESG Agenda



Main frameworks and rating that inspired us: MSCI, Sustainalytics, GRI and SASB



> ESG Agenda | Materiality



1. Materiality analysis built based on Arco's business priorities and the related parties' vision on main social, environmental and governance issues in consultation with RPT Estrategia

> ESG Agenda | Our pillars

We exist to impact Education positively. To bring quality education to millions of students, there is only one way: to attract and develop the right people and build a strong and sustainable structure



PROMOTE THE IMPACT ON EDUCATION

Quality, scalable and increasingly accessible education

- > Provide solutions for all stakeholders of the educational ecosystem
- > Bring quality and up-to-date content
- > Invest in the holistic development of students, preparing them for the future
- > Delight and strengthen our customers
- > Reach schools and students all over Brazil and with different socioeconomic backgrounds

FOCUS ON PEOPLE

High performance people, aligned with our values, diverse and engaged in delivering our purpose

- > Always seek high performance people, aligned with our purpose and values
- > Keep the team with sparkle in the eye and sense of owner to strengthen our business now and in the long run
- > Invest in the development and continuous evolution of people
- > Create and strengthen a diverse environment in which all people can belong and prosper

STRONG AND SUSTAINABLE STRUCTURE

Governance based on ethical principles, transparency, data security and greater environmental sustainability in our operations

- > Maintain a plural and independent Board
- > Act with transparency and ethics
- > Ensure the data protection of our stakeholders
- > Investing in rational and efficient use of our resources in the present to ensure the prosperity of our business, people and the environment

MANIFEST

"If treated only as a business, Education may lose its essence. If treated only as a mission to educate, there is a risk it will not be sustainable nor scalable over time.

We believe that when we take care of our schools, we care for the future. Therefore, we chose to transform lives through education, through the development of quality, scalable and increasingly accessible solutions.

We have a strong commitment to our customers, delivering content, technology and services to fully develop our students. For us, to educate is to create values. Contributing to the personal development and training of each of our students means helping to build a better world. A world made of people who care about others, care about the environment where they live and seek a leading role in a more efficient, inclusive and sustainable world. Our concern is about the future, we are not here only to solve today's issues.

We believe our value lies on people, and it is through excellent, honest and engaged people that we build, every day, a quality, efficient, transparent and sustainable company for the long run. We work to have an increasingly diverse team and an inclusive environment in a company where we can be the best version of ourselves.

Because to educate well is to always evolve. And we're just getting started."





Impact on Education

Quality, scalable and increasingly accessible education



> Solutions to all stakeholders

Our solutions target all educational segments, from primary, secondary to high school, benefiting different stakeholders with quality, accessible and customized technology



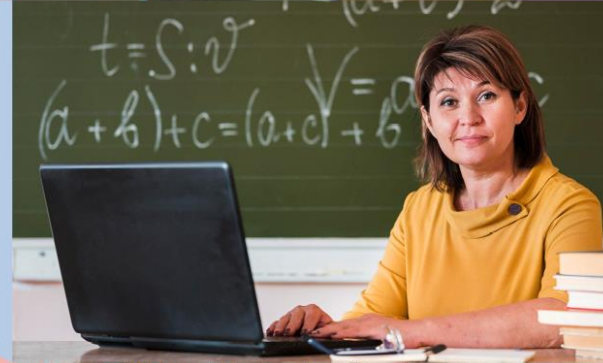
STUDENTS

Integrated, customized and immersive experience



FAMILY

Greater involvement in children's academic development



TEACHERS

Training and tools that facilitate the educational process and improve results



SCHOOLS

Management support, additional advisory services and new sources of revenue

> Updated content

Our content is constantly updated to keep our students connected to the complexity of the contemporary world

FREQUENT UPDATE

We ensure that our students have the most up-to-date and engaging content to facilitate learning

CUSTOMIZED CONTENT BY BRAND

We ensure an independent methodology and agility to meet our customers' needs

EDITORIAL TEAM

We have about 500¹ people dedicated to the development and improvement of our content operation

EFFECTIVE AND PUNCTUAL

We deliver our content at least one month before classes begin



Example of student's book, demonstrating the challenges of public health in the context of coronavirus and the beginning of vaccination in the country, reinforcing the role of Education in public

1. Em 31 de dezembro de 2020.

> Holistic development

It is our concern to ensure that our students have the **necessary skills** to build a society guided by the **sustainable development goals (SDG 4)**

SDG 4 | Goal 7

By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development



> Study mindset culture

We develop educational tools that use gamified methods and increase students' engagement

STUDY MINDSET

1. It builds the perception of study as something positive and life-changing for students', both on a student and personal perspective, making classes more attractive and encouraging new searches for knowledge.
2. It stimulates students to create a study routine, turning them into the main characters of it's learning.
3. It builds the student's understanding that the teacher is a mentor, stimulating him to go beyond what is learnt in classroom.



EUREKA

A gamified educational tool available for secondary education students. In 2020, this platform was upgraded with + 5,000 new questions, new items, such as mission rewards, besides the inclusion of History and Geography subjects.



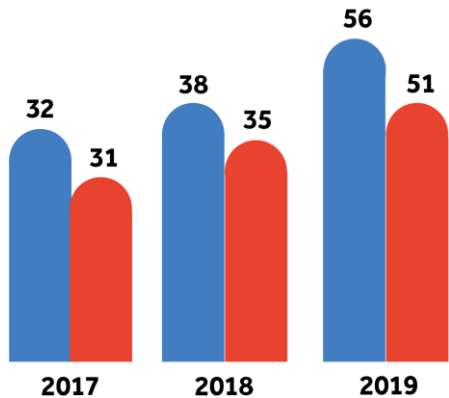
Students that complete all 32 chapters of Eureka over the year get 21% higher scores¹ on its tests compared to students who haven't complete any chapter

1. A study conducted with a sample of 84,800 students from 6th to 9th year of secondary education*, of whom 57,600 students registered regular access to SAS online educational and gamified platform, the Eureka! SAS, in 2019.

> Higher performance of our partners schools

We support our schools to deliver excellent results

OUR SCHOOLS HAVE THE BEST RESULTS OF THE COUNTRY¹



● STATE ● CAPITAL

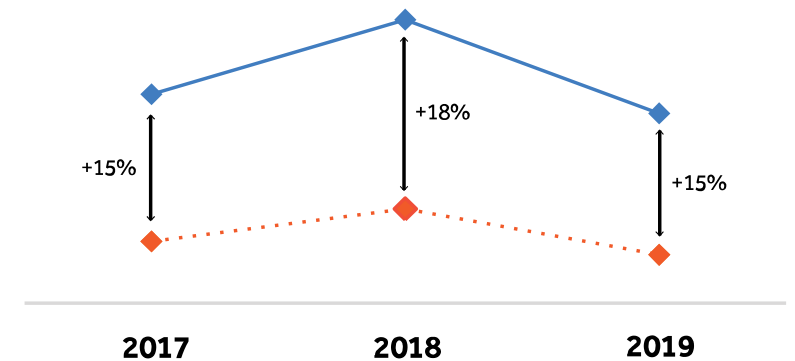
of schools on the TOP 10 of its capital or state

HIGH PERFORMANCE

9 YEARS
AMONG THE
TOP 10
SCHOOLS
IN BRAZIL

Data of ENEM's National Ranking

ARCO'S STUDENTS HAVE THE HIGHEST GRADES²



● ARCO ● GENERAL

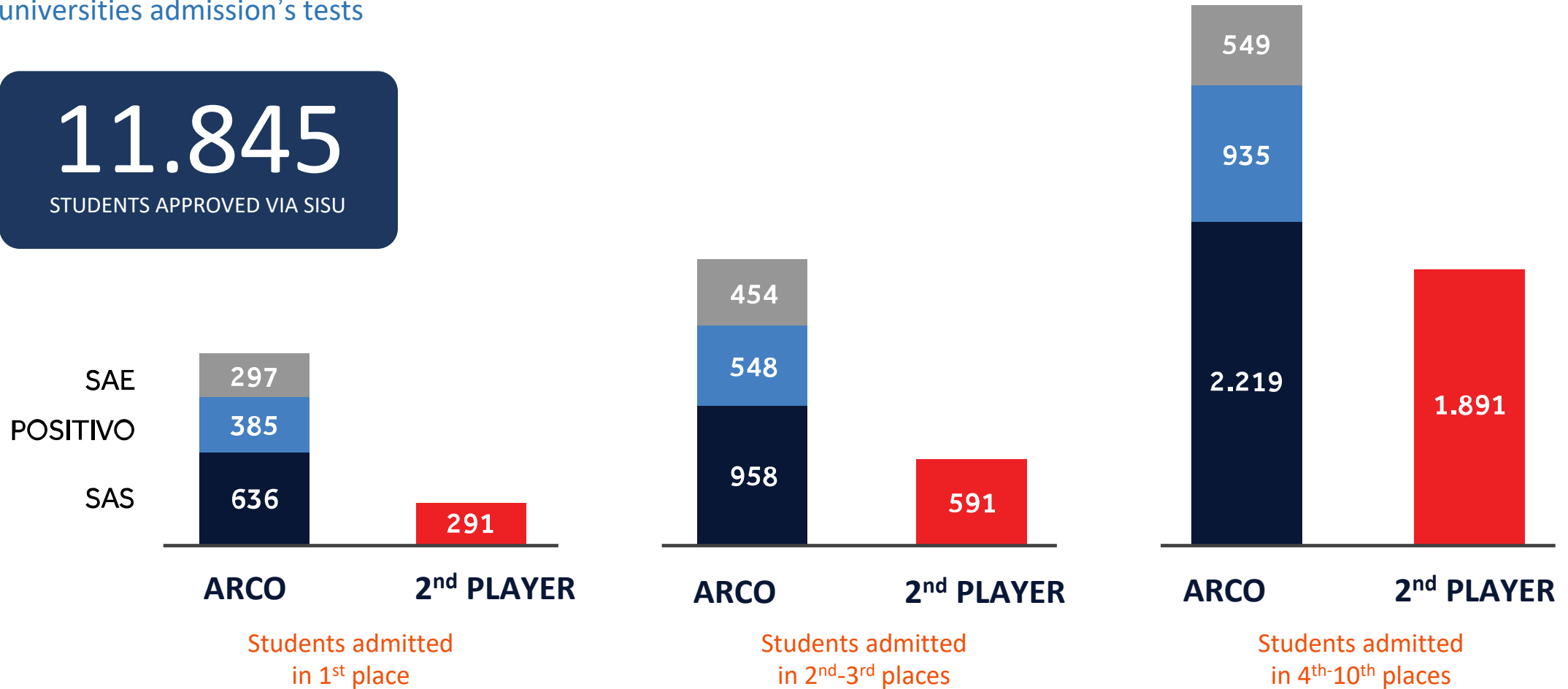
Weighted average score

1. Considering ENEM: Brazilian National High School Exam. Source: Company's data, Ministry of Education. The 2017 and 2018 figures exclude Positivo schools. The results reported are based on scores of objective questions and consider the following assumptions: (i) schools with +10 students and INEP ID; (ii) students with score different from zero who completed regular high school; (iii) students applying Arco solution in high school or preparatory courses. 2. ENEM rating considering the weighted average score/student.

> High approval rate in ENEM¹

We support our students in their education journey, developing learning products that prepare them for Brazil's best public universities admission's tests

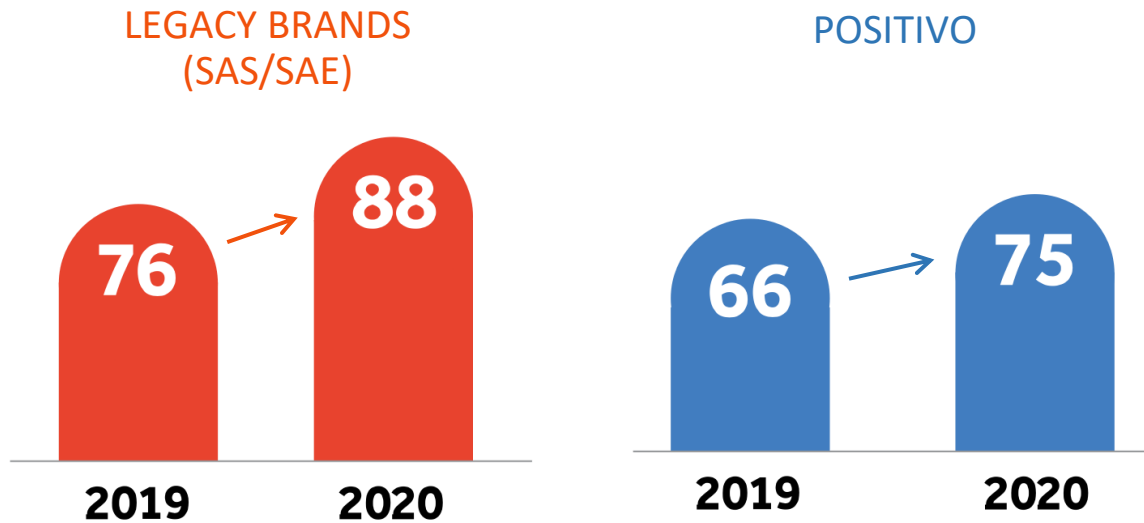
11.845
STUDENTS APPROVED VIA SISU



1) ENEM is the National High School Exam (*Exame Nacional do Ensino Médio*), main national standardized test for university entrance in Brazil. Source: SiSU 2021.

> Trust & Customer Satisfaction

We work to maintain a long-term customer relationship. Thus, it is essential to measure the level of our customers' reliability and satisfaction. We're proud to have reached the highest NPS level of the sector.



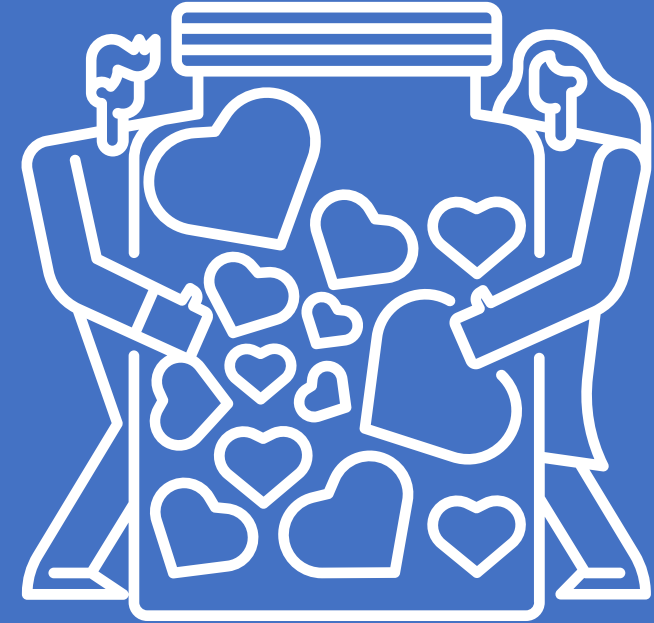
> What our costumers think

“Every day that goes by our confidence that the SAS adoption was our most accertive decision grows. SAS is perceived by our team as much more that just printed content or an educational platform. Its values, care and passion for making a difference in every school and students’ life enchant us every day. Without SAS, it would be much harder to prepare for today’s world. I emphasize the dedication, attention and willingness of our consultants to serve us whenever we need.”

SAS partner school educational coordinator

“SAE helped us to transform concepts. Within 36 years of history, we learnt that the right tools are carefully elaborated and by people who know the process. Arco creates a perfect alignment between knowledge, theory and practice in only one click, let us admit that the world has changed.”

SAE partner school educational coordinator

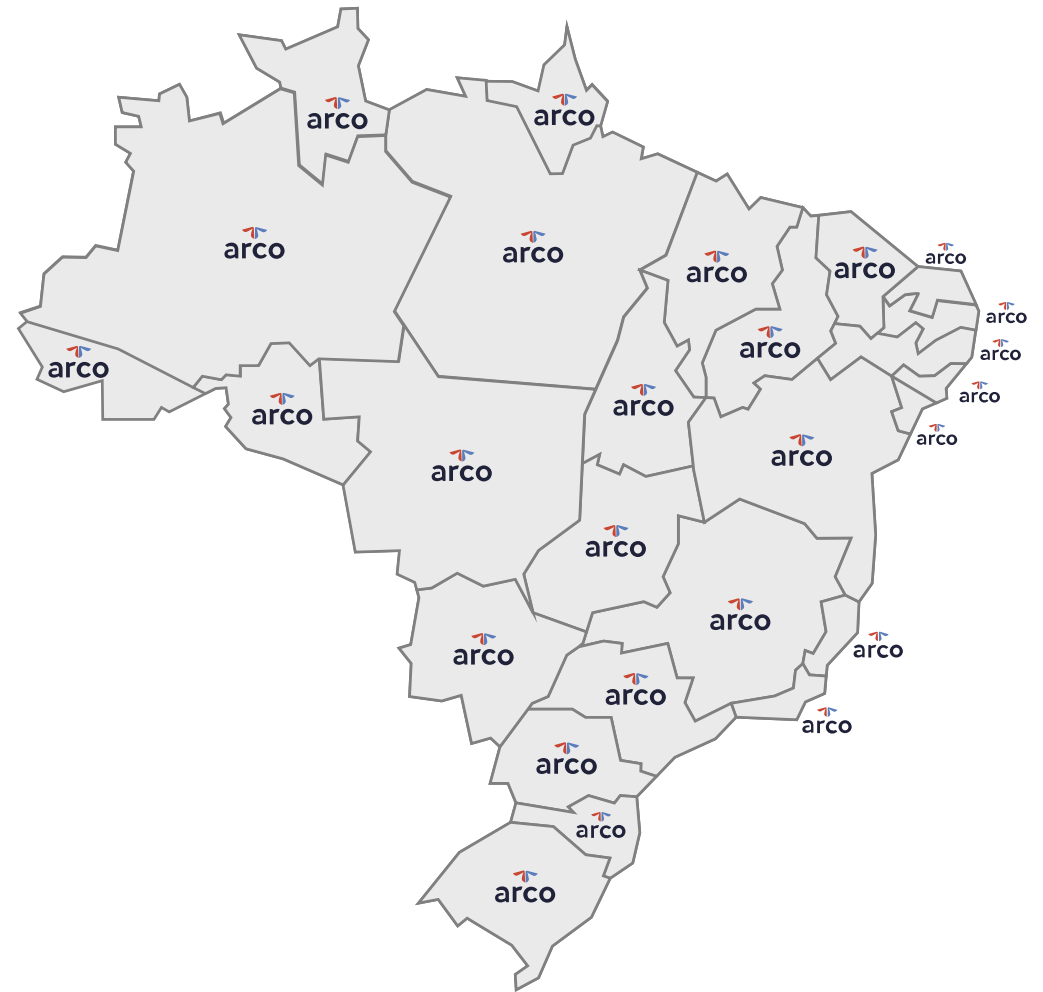
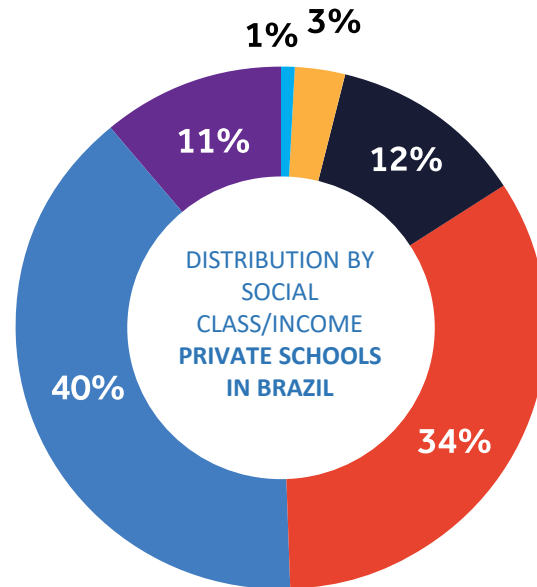
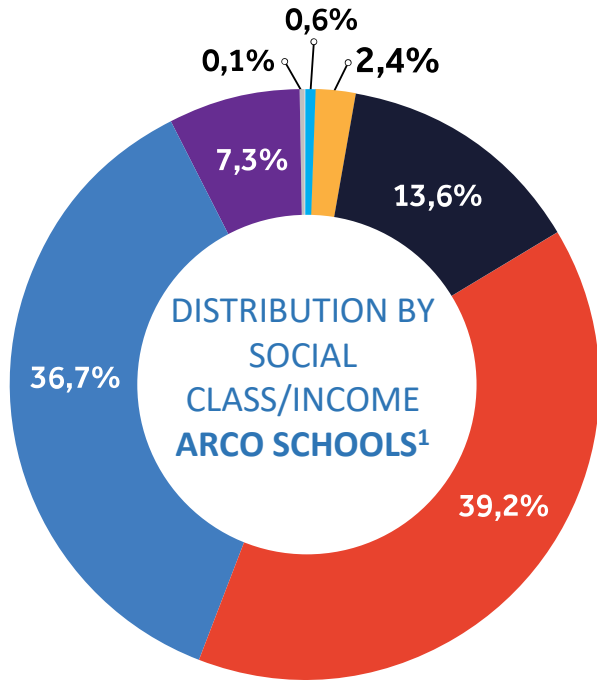


“Within this scenario, Positivo provided us great support, making available the “Positivo On” platform. It also offered us relevant lectures and information, helping our school management to pursue better educational and financial strategies, and to better support our students in emotional issues”

Positivo partner school since 2018

> Access to high quality education

Arco serves students from almost every socioeconomic classes, distributing high quality education for all brazilian states



1. The data represent 70% of the total schools of Arco that are rated by the Geofusion system. Classification by monthly family income: A++, above R\$ 33,027.01; A+, from R\$ 19,024.01 to R\$ 33,027.00; B1, from R\$ 8,740.01 to R\$ 19,024.00; B2, from R\$ 4,508.01 to R\$ 8,740.00; C1, from R\$ 2,497.01 to R\$ 4,508.00; C2, from R\$ 1,275.01 to R\$ 2,497.00; D/E, from R\$ 0.00 to R\$ 1,275.00. Source: IBGE.

> Access | Me Salva!

With Me Salva!, a study support platform with low-cost access, we expand our B2C offer and reach even more students



900,000
USERS

(in 2020)¹



What do you get when signing up for Me Salva!



Why use Me Salva!?



The Me Salva! way of teaching

We started to serve a
addressable market of

34 MILLION
STUDENTS

(81% of all students in the K-12
segment in Brazil)²

> Access | Me Salva!



RECORDED CLASSES
+10,000 videoclases
Proprietary content and methodology for all subject



LIVE CLASSES
Every day live classes with 1-to-1 tutoring and 1-to-many between students and teachers



ACTIVITIES AND TESTS
+20,000 interactive activities and tests that simulate ENEM1, with performance reports



ESSAY WRITING
Easy to use and mobile-first proprietary platform for essay correction



CHECK HERE TO FIND ARCO INSTITUTE WEBSITE (PORTUGUESE ONLY)

OUR PURPOSE

EMPOWER YOUNG STUDENTS to go beyond possibilities through education

OUR PILLARS

QUALITY EDUCATION

young students capable of achieving their dreams

BUILD A REPERTORY

young students aware of the directions they should take to achieve their dreams

BELIEVE IN YOURSELF

young students believing that it is possible to achieve their dreams

OUR EXPERTISE

CONNECT

create connections among social organizations, legal entities and individuals to exchange knowledge and experience with young students

DRIVE

deepen and escalate the impact of partners through products (educational solutions) and resources

24 SOCIAL ORGANIZATIONS
50,000 YOUNG STUDENTS IMPACTED





Focus on people

High performance people, aligned with our values, diverse and engaged in delivering our purpose



> Our culture | The way we do things

Our culture is our rule of the game - it's how we experience our values.

We live our way when:

- ... we dream big and with passion for our mission;
- ... work persistently in offering excellent solutions to our costumers;
- ... we act with ethics and respect;
- ... we encourage openness and constant feedback among peers, leaders, and partners;
- ... we correct our mistakes and talk openly about them with everyone;
- ... we speak the truth, even if it is difficult and regardless of who we are talking to;
- ... we make the right decisions in our daily life, regardless of whether we have someone watching;
- ... we focus on always improving, not content with the success, result or current delivery.

Culture for us is a fundamental part of our success and we need to work every day to keep it active!



> Our culture | How do we work daily to strengthen it?

Meetings and Events

We invest our teams and leaders time to debate cultural aspects and ensure that we all have clarity of our way of working. We do this through various annual events, such as D-Day, Systemic Vision, the Leaders Forum, and the Serving Culture.



Training and Conversations

Monthly, we share stories and examples of actions to make our values more familiar to our teams. Monthly Birthdays and Culture Coffees are some of the moments where our leaders answer questions and share knowledge with all employees, all with frankness and great humility.



Everyone's responsibility

We work collectively and believe that spreading our culture is everyone's mission. We encourage and recognize employees who contribute to this mission, whether supporting the realization of our events, training and interviews or acting as guardian of culture and ambassador of Arco Institute.

Rituals

Our rituals build the feeling that we are part of something special and remind us that we are one team, with one mission! Two very important rituals for us are our commercial team bell, that celebrates the partnership with a new school and the editorial production horn, celebrating the completion of a cycle of content production.

> First who, then what

In addition to strong culture, it is only possible to achieve our mission if we have the right people working on our side!

For this reason, our company and leaders dedicate their energy and time to attract and retain the best talents. For us, it's not just about having the best technical skills, it's about making sure we have the right people that fits on our way of working - people who, in addition to high performance, share our dream and the way we are!

Our team is formed by people with high technical knowledge in different themes, such as pedagogy, management, technology, logistics – and also with non-negotiable characteristics, which we call "our sauce": purpose and brightness in the eye for what it does with a lot of sense of owner and responsibility, great desire to learn, insatiable search for always evolving and an understanding that it is only through diverse people, with humility and a sense of team that we have built an environment in which people are their best version.

Our attraction and onboarding processes are designed to ensure that we are gathering the right people on our boat. Whether through the assiduous participation of leadership and guardians of culture in our selection processes, or by our onboarding, where all new employees are encouraged to dedicate its first month of their Arco journey to make an immersion on our culture, values, customers, products and people.

An Arco person is made out of:



Eyes' sparkle



Willingness to learn



Resilience



Humbleness and down-to-earth



Team spirit

> Diversity & Inclusion

We believe the value is in ALL people!

We are concerned to have diversity both in the content delivered to our customers and in our work environment. Looking at our numbers, we realize that we are already on the right track, with **51%** of women in leadership positions, **46%** of women in senior leadership positions and **38%** of women in our Board of Directors.

With a more diverse and inclusive environment, we know that our people will be happier, engaged and more likely to reach their maximum potential to develop the best solutions and enhance our value of delivering high quality education at scale.

We're just getting started!



Card for the podcast made available to our employees in celebration of the International Woman's Day, recorded with some of our Woman Leaders



Arco's campaign in celebration of the LGBTQIA+ Pride Day



Card for the podcast made available to our employees in celebration of the LGBTQIA+ Pride Day, recorded with team members who identify with the cause

> Diversity & Inclusion | 2021 Priorities

1.

DIAGNOSIS

Understanding our current scenario and where we should direct efforts to be a more diverse and inclusive company.



2.

EDUCATION

Connecting and raising awareness on our people about the theme.



3.

ENGAGEMENT

Promoting actions to make Arco and our society a more diverse and inclusive environment.



> The value is in the people | Opportunity and recognition

To keep our people fullfeed and engaged, we work on three main pillars: opportunity, recognition and development



We offer **learning opportunities** and **constant evolution** for our people. By doing that, we also invest in growing our business, whether by improving our product, our technology or expanding our portfolio.

In addition to seek growth for our company, we encourage the talent migration between our business units and brands, offering **new opportunities** to our team and strengthening our business.



We understand that **recognizing our talents is crucial** not only to make them feel motivated and fullfeed, but also to help other employees understand the behaviors and actions we value in our culture.

We exercise this recognition in different ways, such as merits, promotions, scholarships, share granting and through non-financial recognitions, such as the celebration of these accomplishments in our internal events with all employees.

34%

Of promoted employees in 2020

64

Employees NPS

12%

Voluntary turnover

> Our value lies in people | Development

To always evolve is one of our most important value. We evaluate the development of our team every six months in deep-dive discussions, conducted through 360º committees, which involves different areas (ensuring the same rule) and senior leaders.

We maintain a high expectation bar to maintain our talent density. We also promote continuous learning through moments of joint reading and mentoring.

For us, great people attract great people – and it's only with excellent and culturally aligned teams that we keep our talents engaged. We believe that this process of performance evaluation and the realization of continuous and structured conversations between leaders and its teams about career evolution are crucial to the continued development of our people. For this reason, we prioritize the implementation of these two instruments in the integration process for our acquired companies in the first 6 months.

100%

Of eligible employees
got their performance
evaluated¹ in 2020



Cards for our Intern, Trainee and Front-Line attraction process

1. Only those with less than 4 months of company are not eligible due to the integrating and adaptation process to Arco's way of working.

> Our value lies in people | Development

The development tools within our talent attraction programs is also one of the mechanisms used for building great teams. Every year, we hire new people for our front line – those who have direct contact with our partner schools – through a corporate program that involves all our business units. We offer specific training about our solutions and products, since those will be our greatest reference to our partners schools, reflecting our culture to our customers.

We also run annually our Internship and Trainee programs, which are our two main gateways for the company's **young and future leaders**. To ensure that these are successful, we offer throughout the program an intense training schedule, with more than **230 hours** (adding up the two programs of the last year), which combines theoretical and practical knowledge, in addition to requiring its leaders' dedication and focus on their monitoring and mentoring.

62%

Of promotion on our 2020 trainee program

85%

Of promotion on our 2020 internship program

80

Trainees NPS

73

Interns NPS

> Our value lies on people

"My journey at Arco began in 2011, when I joined SAS as an Editorial Production Assistant. A while later, I assumed an Administrative Analyst position, when I began to prepare for my first leadership position, becoming an Administrative Coordinator after a few months. I went through few different areas as a coordinator until I became Innovations & Educational Technology Manager. After a few cycles in this position, an opportunity arose in another business unit: to be Product & Services Director at International School. It was a great challenge, as it involved a position, area, city and company change, but it was fantastic for my professional maturity. Then, I had the opportunity to migrate to Human Resources and Sales & Marketing.

With almost 4 years of International School, another business migration opportunity arose: the challenge was to be the Project & Integration Director of Arco's Value Creation unit, which has the mission to support all of Arco's business units.

These 10 years of Arco has provided me with an extremely dynamic career, with great challenges and a lot of learning, besides having the privilege of growing together with the company. The best thing is that, despite the much that has already been lived, I believe we are only getting started."

Bruno Veras, Project and Integration Director



> People Caring | Empathy and commitment

Caring for our employees has always been a priority at Arco. We practice this care in three main ways:

- 1 Through our way of working and dealing with each other. We encourage and seek frank and honest conversations that allow us to evolve, always with empathy and the respect required by each situation.
- 2 Through an integral vision of our people, delivering benefits that go beyond health insurance and food vouchers. We're proud to provide emotional and physical health support to our teams through different platforms, such as Zenklub, Gympass and Vitta's PrimeCare medical services. Other than that, we encourage access to quality education for our employees through partnerships with more than 15 educational institutions, with discounts on tuition that reach 50%.
- 3 Impacting our people's families by facilitating access to quality education for its children and expanding benefits. Throughout 2020, we began to expand partnerships with Arco-based schools to offer discounts on school fees and access to our educational solutions for free. Besides that, we offer sessions with Zenklub psychologists for family members of people who have experienced a grieving situation during the pandemic.



Our campaign for the Yellow September, a mental health and suicide prevention month in Brazil



> People caring | COVID-19

2020 and 2021 brought previously unimaginable challenges for everyone. Supporting our people and its family circle has been especially important in this pandemic period. Due to this, we increased our attention, building various initiatives that made our teams feel connected, supported and cared, physically and emotionally, even in distance.

NEW BENEFITS

- > Mindfulness workshop
- > Yoga classes
- > Zenklub therapy sessions (for employees and families)
- > NGO's donation campaign
- > Grief support groups for employees who have experienced loss
- > Team training on psychological safety and mental health

Stenyo Lago • 3rd+
CPO (Digital Products) & CTO | SAS Plataforma de Educação
3mo • 🌐

Eu posso dizer que não costumo postar coisas internas das empresas que trabalho. Mas depois da última semana, nosso grupo de líderes aqui na **Arco Educação** deu um exemplo de humanidade que quero dividir com vocês. Deem uma espiada no que estão fazendo por nós <3

- 1- Ficamos em casa.
- 2- Dias de Saúde Mental: 5 dias consecutivos, também sem descontar de feriado ou férias, para 100% do nosso time.
- 3- Almoço SEM REUNIÕES: Nosso CEO **Ari de Sa Neto** travou a agenda de todos os colaboradores das 12h às 14h para garantir um horário de almoço com mais calma e tranquilidade
- 4- Tempo de reuniões: fazer reuniões de 50min para termos um tempinho de esticar as pernas e respirar entre uma reunião e outra.
- 5- Suporte para pessoas que perderam um ente querido. Sessões de terapia individual pra pessoa e pra família, sessões de acolhimento em grupo e workshops.
- 6- campanha de arrecadação de fundos para ajudar entidades indicadas pelos colaboradores.

Isso, além de inúmeros outros benefícios que já estavam sendo praticados desde o início da pandemia.

Obrigado por serem pessoas tão especiais e por cuidarem de nós, **Ari de Sa Neto**, **João Marcos Cunha Silva**, **Renata Machado** e todos os demais líderes maravilhosos que nos acompanham!

[See translation](#)

👍❤️🌱 330 · 13 comments

LinkedIn post of the SAS CPO, thanking the Arco #StayHome campaign, 5 mental health days given for all employees, agenda block on lunch, support to those grieving, and NGO's donation campaign.

> COVID-19 | NGO's donation campaigning

In 2020, Arco
tripled the amount
donated by employees

~1.500
Families impacted

~6.300
People impacted



Cactus aims to democratize opportunities through education. They work with elementary school students in partnership with municipal education departments. The project consists of preparatory classes for scientific Olympiads, participation in Olympics and intermediation of scholarships for high school. <https://associacaocactus.com.br/>



CUFA (Squatter Community Center) is a Brazilian organization renowned nationwide and internationally within the political, social, sports and cultural scopes, operating for the past 20 years.

www.cufa.org.br



Ser+ Institute has been operating since 2007, which aims at developing the potential of socially vulnerable young students, helping them to discover their talents and assisting them to find their first job.

www.sermais.org.br



Elos Institute is a social organization that has been operating since 1999 with community and local leaders' development, creating tools and methodologies that bolster people and communities' projects. www.doe.institutoelos.org



Social organization, which has been promoting the development of socially vulnerable children and adolescents through inter-dimensional education focused on Arts since 1991.

www.edisca.org.br



Strong and sustainable structure

Structure based on ethical principles and in line with the pursuit for transparency, data security and higher sustainability within our operations

> Aligned leadership with ESG principles

The "Executive of Value" 2021 Award considered several ESG criteria in the selection. Arco was chosen in the Education sector.

"We live today in a world in which companies have a new role. The search for profit can no longer be the only goal. This role goes from the concern and care to all stakeholders in its chain, to the transformation and positive impact catalyzation in the context where they are inserted. As entrepreneurs, it is important to keep our customer-centric and solution-focused mindset with our employees, the sustainability of the company and our reinvestment capacity, and also the concern for our society." Ari de Sá Neto, Founder and CEO

EXECUTIVO DE Valor

Alexandre Birman Indústria da moda Arezzo&Co	André Clark Máquinas e equip. Siemens Energy	Antonio Filosa Veículos e peças Stellantis	Ari de Sá C. Neto Educação Arco Educação	Dimas T. Covas Saúde* Inst. Butantan	Ernesto Pousada Logística e transp. VLI	Eugênio P. Mattar Serviços Localiza	Fabricio Bloisi Serviços digitais iFood	Guilherme Benchimol Serviços financeiros XP	Gustavo Werneck Mineração e metalurgia** Gerdau	João Paulo Ferreira Bens de consumo Natura	Luis H. Guimarães Ind. química e petroq. Cosan
Ricardo Botelho Energia Energisa	Ricardo Mussa Agronegócio Raizen	Rodrigo Osmo Indústria da construção Tenda	Stello Tolda Comércio Mercado Livre	Tânia Cosentino TI & Telecom Microsoft	Teresa Vernaglia Infraestrutura BRK Ambiental	Walter Schalka Papel, papelão e celulose Suzano	Eduardo Lyra Ativismo social Gerando Falcões	Paula Paschoal Jovem liderança PayPal	Frederico Trajano Transformação digital Magazine Luiza	Luiza H. Trajano Presidente de conselho Magazine Luiza	Gabriel Braga Startup de sucesso Quinto Andar

*Inclui indústria farmacêutica. **Inclui siderurgia.

> Governance

We work to ensure Arco's transparency and ethics

To positively impact education is our greatest purpose— and, in a continental and diverse country like Brazil, this mission is especially challenging. This motivates us even more.

To transform the world in what we believe is best, we care for our people and create an inspiring company. To remediate our mistakes and continuously evolve is a commitment we assume to all of our stakeholders.

Therefore, we invest in a strong, safe and innovating structure, based on ethical principles and in line with the commitment to transparency, data security and environmental sustainability to our operations.



- Our conduct is directed by a Code of Ethics that guides all employees and partners.
- We work continuously to ensure the protection of information and data we receive.
- Our Board of Directors is composed by 63% of independent members, with professionals from the most diverse experiences.

> Governance

Plural, independent and experience-diverse Board of Directors

CLICK [HERE](#) TO ACCESS THE FULL BIOGRAPHY OF OUR BOARD OF DIRECTORS



Oto de Sá Cavalcante
Chairman of the Board/Founder
of Colégio Ari de Sá
50 years' experience in Education



Ari de Sá Cavalcante Neto
CEO/Founder
*20 years' experience in Education
and Consultancy*



Paula Soares de Sá Cavalcante
*4 years' experience in Auditing at
Deloitte*



Beatriz Amary Faccio
*12 years's experience in Financial
Markets. Partner at Amadeus
Capital*



Carla Schmitzberger
*14 years' experience in Retail.
Was vice president at
Alpargatas, responsible for the
Internationalization of the
business*



Edward Ruiz
Chairman of the Audit
Committee
*48 years' experience in
Accounting and Auditing. Was
review partner at Deloitte*



Martin Scobari
*25 years' experience in Financial
Markets, Retail and Consultancy.
Chairman of the Investment
Committee at General Atlantic*



Stelleo Tolda
*20 years' experience in Retail.
COO at Mercado Livre,
responsible for the e-commerce
expansion*



Independent Board Members.

> Governance | Code of Ethics & Conduct

Ethical principles guide that our conduct



Our Code of Ethics & Conduct was created with the aim to disseminate ethical principles, practices and transparency, as well as the values that guide our way of working. It guides our employees and partners performance in different situations that they may face in their daily life and work environment, addressing issues of great relevance, such as:

- Confidential and Privileged Information Treatment
- Interaction with Public Agents
- Prohibition and Fight against Corruption and Money Laundering
- Donations and Sponsorships
- Conflict of Interest
- Ethics Channel

We realize periodic training to reinforce the topics of our Code of Ethics and Conduct and our internal policies.

Consult: [Code of Ethics and Conduct](#)
[Third Party Code of Ethics and Conduct](#) *(Portuguese only)*

> Governance | Ethics Channel

We listen to protect

Our Ethics Channel allows the report, online or by telephone, of any violation or suspected violation of Arco's Code of Ethics & Conduct, policies and rules, or the legislation in force by employees or partners.

Independence

Our Ethics Channel is managed by a third-party company, which conducts a preliminary analysis of the reports before addressing it to Arco, following a criticality flow and ensuring the process independency within an appropriate time frame.

No retaliation

The reports are analyzed and addressed by the Compliance Team, the Ethics Committee, the Audit Committee and/or the Board of Directors, ensuring the fair treatment of those involved and the appropriate addressing of the reports.

Confidentiality

All complaints are treated confidentially, ensuring the anonymity of the whistleblower (if you wish).

Access: <https://canalconfidencial.com.br/Arco/> (Portuguese only)

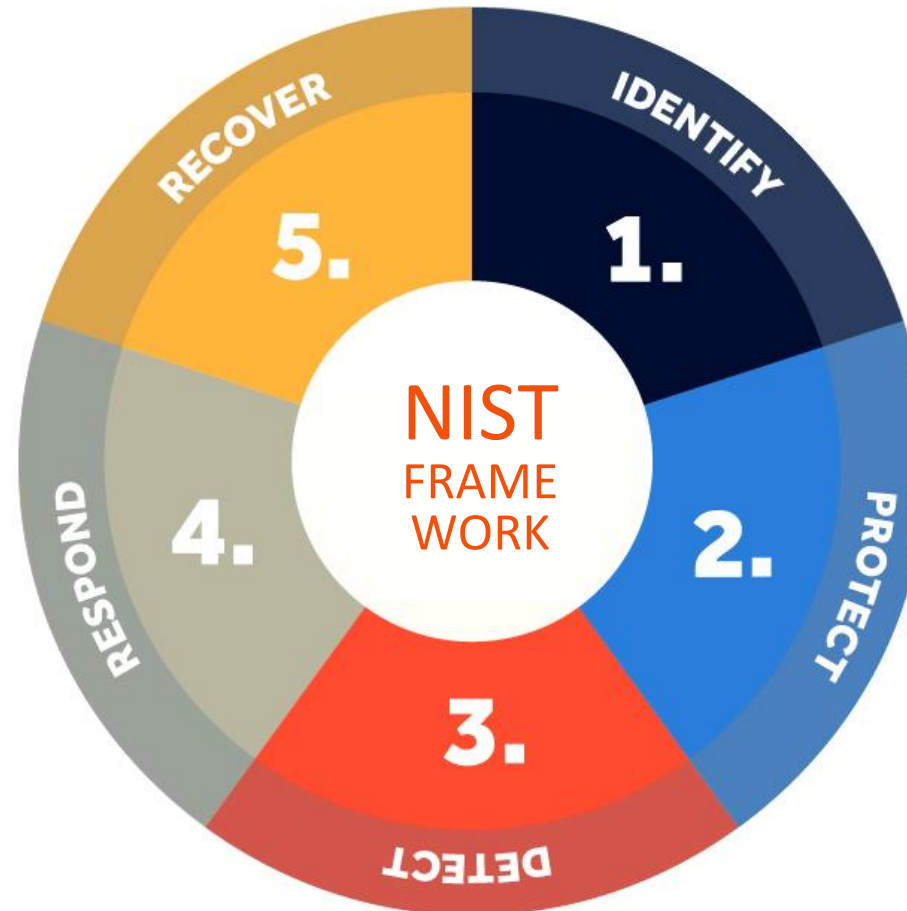


> Data security | NIST

We adopt NIST (National Institute of Standards and Technology), which provides robustness to our data management

More than ever, organizations must balance a fast-evolving cyber threat landscape to meet the business requirements.

Arco's data is protected by one of the most robust security frameworks of the market. NIST evaluates and enhances the ability to prevent, detect, and respond to cyber attacks. It is designed to also improve cybersecurity communications and risk management between internal and external stakeholders.



1. IDENTIFY

External audits
(SOX, Cyber Risks, LGPD Adequacy Assessment)

2. PROTECT

Layered technology architecture
Employee awareness program
Access management

3. DETECT

Threat monitoring
Vulnerability management

4. RESPOND

Incident Management
Pre-defined response plans

5. RECOVER

Continuity Plan
Architecture aimed at High Availability

> Data security | Standards, policies and governance

We have a follow-up routine to ensure our clients', employees' and suppliers' safety



STANDARDS AND POLICIES

- Arco Privacy Policy
- Privacy notices for each business unit
- Data Retention and Disposal Policy
- Governance Policy
- Security and Privacy Risk Management Standard in Service Providers
- Information Classification Standard
- Data Inventory Standard
- Data Security Transfer Standard
- Personal Data Breach Incident Management Standard

ADJUSTMENTS TO COMPLY WITH THE BRAZILIAN GENERAL DATA PROTECTION LAW (LGPD)

- Risk mapping of all business units
- Contract with partner schools
- Contract with suppliers
- Work contract with our employees

GOVERNANCE AND MONITORING

- Security and Data Privacy Committee
- Privacy Responsibility Matrix - RACI (Responsible, Approver, Consulted and Informed)
- Personal Data Incident Management Flow
- Treatment Operation Registration Form
- Consent Process
- Data Protection Impact Assessment (RIPD) or Data Protection Impact Assessment (DPIA)
- Benchmark with large companies

> Data security | Brazilian General Data Protection Law (LGPD)

We're up-to-date to LGPD adjustments and in its development for all business units

HOW DO WE TAKE CARE OF OUR DATA

- > We have a vulnerability detection service on our technology devices and maintain a frequent update with our leading suppliers
- > We monitor threats from different sources, using the best technologies in the market, in order to prevent possible leaks or cyber attacks
- > We prioritize the responsiveness to security incidents that involves personal data, counting with the leader of the responsible areas to monitor it
- > We share the rules and safety guidelines with all company employees, ensuring knowledge and awareness on the theme

HOW ARE WE GOING TO FURTHER IMPROVE OUR DATA SECURITY

Establishing periodic meetings for the Privacy and Data Security Committee

Recurring training with all the Business Units responsables

All business units adjusted to the LGPD in 2021

> Supply Chain Management | Sustainability Criteria

Quality is one of the crucial aspects to our suppliers' selection



Arco leads a unique effort in Brazilian print production industry together with all its main suppliers, helping to develop and improve new quality control standards, processes and techniques throughout the chain.

How do we do that?

We created PEX (short for Supplier Excellence Program), a set of KPIs, surveys and risk analysis tools that runs periodically in our Supply Chain and collects all the information we take as crucial to understand and ensure all their operational, financial, HR and sustainability practices comply to Arco's beliefs.

WE ADOPT SUSTAINABILITY CRITERIA FOR OUR SUPPLIERS' SELECTION PROCESS

100%

Of our suppliers have internal training against slavery work, child labor and discrimination

100%

Of our suppliers have an environmental management plan

83%

Of our suppliers conducts internal training regarding environmental management

100%

Of our suppliers have some environment & forest certification (such as FSC®)

100%

Of our suppliers have a proper chemical waste disposal plan

67%

Of our suppliers conducts environmental evaluation once hiring their own suppliers

> Impact on Education

Quality education for over a million students all over Brazil

Theme	Arco Indicators	Report Data	Framework/rating reference
Quality Education	2020 Retention	93%	GRI 102-43
	2020 NPS	88 – legacy brands (SAS/SAE); 75 – Positivo	GRI 102-43
	Number of students approved in the 2020 National Exam	11.845	GRI102-6/ IRIS PI2250
	Number of universities where the students were approved via SISU	109 (100%)	GRI 102-6/ IRIS PI2250/ IRIS PI 4924
	Number of students ranked as first in their majors in the National Exam	1.318	GRI 102-6; IRIS – PI9024
	Number of students ranked among the top 10 in their majors in the National Exam	1st place: 1.318 students; 2nd and 3rd place: 1.960; between the 4th and 10th place: 3.703	GRI 102-15; IRIS PI9024
	Number of schools ranked in the top 10 in the National Exam (2019)	In its state: 56 schools; in its capital: 51 schools	GRI 102-6; IRIS PI9024
	Performance improvement	Students who complete the Eureka solution (SAS) has 21% higher grades	GRI 102-15; IRIS PI9024
Educational access	Number of students impacted	1,786mm	GRI 102-6
	Number of partners schools	6.119	GRI 102-6
	Number of NGOs supported by Arco Instituto	24	GRI 413-1
	Number of students impacted by Arco Instituto	50.000	GRI 413-1
	Access to freemium solutions in 2020	37.000 educational content videos; 42 mm of views; 400 freemium schools	GRI 102-6
	Number of schools in each socioeconomic classes	Class A++: 0,6%; Class A+: 2,4%; B1: 13,6%; Class B2: 39,2%; Class C1: 36,7%; Class C2: 7,3%	GRI 102-6

> Focus on people

High performance people, aligned with our values, diverse and engaged in delivering our purpose

Theme	Arco Indicators	Report Data	Framework/rating reference
Engagement	Voluntary turnover	12%	GRI 401-1
	Employees' NPS	64	SASB TC-SI-330a.2
Development	Eligible employees participating on our performance evaluation process	100%	GRI 403-3
	Trainees promoted in the 2020 program	62%	GRI 401-1
	Trainees' 2020 NPS	80	SASB TC-SI-330a.2
	Interns promoted in the 2020 program	85%	GRI 401-1
	Interns' 2020 NPS	73	SASB TC-SI-330a.2
Diversity	Woman in the company	57%	GRI 405-1/ SASB TC-SI-330.a3
	Woman in leadership position	46% - Senior leadership 51% - All leadership	GRI 102-22/ SASB TC-SI-330 ^a .3

> Strong and sustainable structure

Structure based on ethical principles and in line with the pursuit for transparency, data security and higher sustainability within our operations

Theme	Arco Indicators	Report Data	Framework/rating reference
Corporate Governance	Board Average Tenure	Our Directors are elected with an indefinite tenure. The Board of Directors elects its members, who remain in the position until the following Annual Shareholders Meeting. With the Annual Shareholders Meeting, the new member choice is ratified for an indefinite period.	GRI 102-2
	Women on the Board of Directors	38%	GRI 102-22/ GRI 405-1
	Independent members of the Board of Directors	63%	GRI 102-17
	Existence of an Independent Report Channel	Sim	GRI 102-18/GRI 102-16
	Audit Committee Practices	Audit Committee Charter	GRI 418-1
	Code of Ethics and Conduct	Code of Ethics and Conduct	GRI 414-1
Data Security	Data security guarantee	We ensure data security by periodically detecting vulnerabilities, monitoring threats, handling security incidents involving personal data with priority, and sharing security rules and guidelines with all our employees. We use NIST as a security framework, which gives strength to our data management	GRI 308-1
Suppliers Management	Suppliers that have internal training against slavery work, child labor and discrimination	100%	GRI 308-1
	Suppliers that have an environmental management plan	100%	GRI 308-1
	Suppliers that conduct internal training regarding environmental management	83%	GRI 308-1
	Suppliers who have some environment & forest certification (such as FSC®)	100%	GRI 308-1
	Suppliers who have a proper chemical waste disposal plan	100%	GRI 308-1
	Suppliers that conducts environmental evaluation once hiring their own suppliers	67%	GRI 308-1

We're only getting started.

We work constantly to keep evolving and want to invite you to contribute.



Thank you and welcome to Arco's ESG agenda.

ESG Portal

For further doubts or suggestions, contact us:

ir@arcoeducacao.com.br