

ANNUAL REPORT 2021



THE RIGHT WAY  
TO DO WHAT WE DO

# MESSAGE FROM CEO

Our society faced great challenges during 2020 and 2021. We had to adjust to the pandemics and social isolation, and we felt in practice the leading role that companies are assuming in an increasingly interdependent and connected society.

We know that the indiscriminate pursuit of profit should not be the only purpose of companies. We are responsible for generating a positive impact for all of our stakeholders and for the capacity to built relevant value for our entire chain. Arco was already built with the mindset that our growth will only be sustainable if we keep our customers at the center of all our decisions, constantly evolve our products and services, focus on our greatest asset - our people - and always act ethically and respectfully. These are the values that guide us and allows us to assume a leading room in a market with still so much room for growth.

As an Education company, we recognize that we have an even bigger responsibility and that the only way to achieve and keep succeeding in the long term is by acting correctly.

To start our ESG journey, we included all of our stakeholders in the construction of the materiality matrix, recognizing the relevance of an alignment between executives, clients, suppliers and investors for our strategy. As a result, our matrix reinforced themes that were already known to us as essential for our company's success: we must keep promoting the impact on Education and focusing on our people throughout a strong and sustainable structure. In that way, it became clear that ESG is nothing more than the right way to do what we already do every day.

However, we know that we are just in the first day our ESG journey. For this reason, we have set priorities and goals until 2025 to guide our decision-making process on all the most relevant environment and social impact aspects of our business.

This plan reinforces our public dedication to transform lives and society through Education. We thank every stakeholder who has been building Arco's history together with us - our partner schools, which trust our solutions and brands to improve their performance, our employees, who work tirelessly to deliver our purpose, our sales team, which make it possible to deliver excellent content and relevant technology, and to our investors, who are partners in our company's constant evolution.

**We're just getting started!**

Thank you very much,

**Ari de Sá Neto**  
Founder and CEO



# ARCO IN FIGURES

## MARKET LEADER



# 8K

Partner schools

## HIGH GROWTH AND PROFITABILITY



# 66%

2019 - 2022  
Students CAGR



# 2,3 MILLION

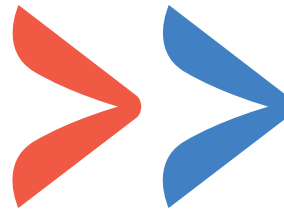
Students

# 36%

EBITDA Margin  
Adjusted ex-  
M&A 2021

# 1,560 MILLION

2022 ACV<sup>1</sup>



## SCRATCHING THE SURFACE OF A HUGE MARKET



# 24%

ACV Market Share  
for **core solutions**<sup>2</sup>



# 2%

ACV Market Share  
for **supplemental solutions**<sup>3</sup>

1. ACV is the metric used tby the market to predict revenue based on our best top line estimate for the 12 months on the year. 2. Market share for core was calculated by dividing ACV of our core solutions by the Total Addressable Market for K-12 learning systems and textbooks in Brazil of R\$ 5.6 billion. 3. Market share for supplemental was calculated by dividing ACV of our supplemental solutions by the Total Addressable Market of R\$ 15.4 billion. TAM Source: EducalInsights.



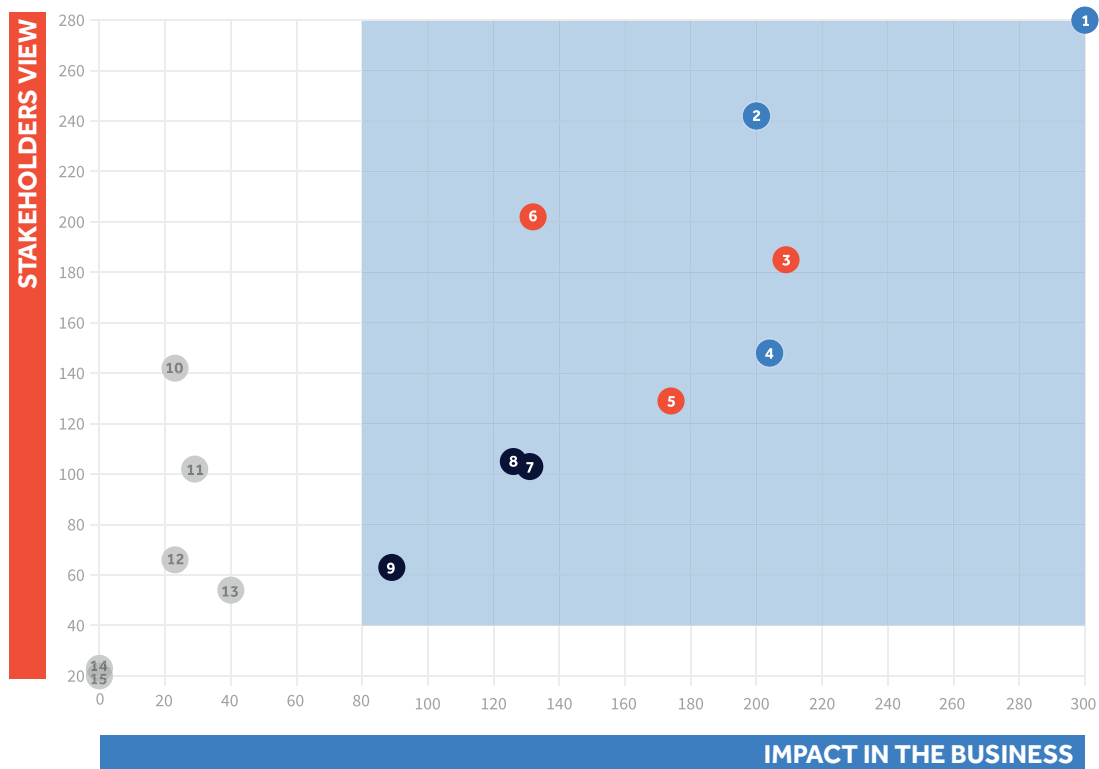
# ESG: THE RIGHT WAY TO DO WHAT WE DO

Arco was born with the mission to **transform the way students learn by delivering high quality education at scale**. We know that the only way to deliver our purpose and achieve the impact that drives us is to sustainably manage our risks and seize our opportunities on the environmental, social and governance fronts.

In 2021, we gave our first step towards ESG. We built our materiality matrix together with the specialized consulting firm RPT.Estrategia, aligning the vision of our main stakeholders - employees, investors, suppliers, banks and NGOs -, and on the main topics that impact our business.

Our matrix confirmed the relevance of Impact on Education, Focus on People, and Strong and Sustainable Structure for our business and guided the company's first steps towards collection of indicators, definition of priorities and projects and communication both internal and externally.

## MATERIALITY MATRIX



- 1. Quality in Education
- 2. Inclusive Education and access
- 3. Attracting and retaining clients
- 4. Quality of service and customer relationship
- 5. Diversity and inclusion
- 6. Work environment, development and career
- 7. Corporate Governance
- 8. Sustainable resource management
- 9. Data security



To ensure our ongoing commitment to the positive impact we generate as a company, we have developed our 2025 Plan with goals and activities for all material aspects for the company.

## OUR IMPACT PILLARS

<p><b>IMPACT ON EDUCATION</b></p>	<p><b>FOCUS ON PEOPLE</b></p>	<p><b>STRONG AND SUSTAINABLE STRUCTURE</b></p>
		
<p>Our schools have <b>proven evolution in learning.</b></p> <p>We deeply impact the future of <b>millions of students.</b></p> <p>We build <b>strong and long-lasting relationships with our clients.</b></p>	<p>We believe our <b>value lies in our people and they believe in Arco</b></p> <p>We <b>believe and promote diversity</b> in our company.</p>	<p>We constantly <b>reduce our impact on the environment.</b></p>

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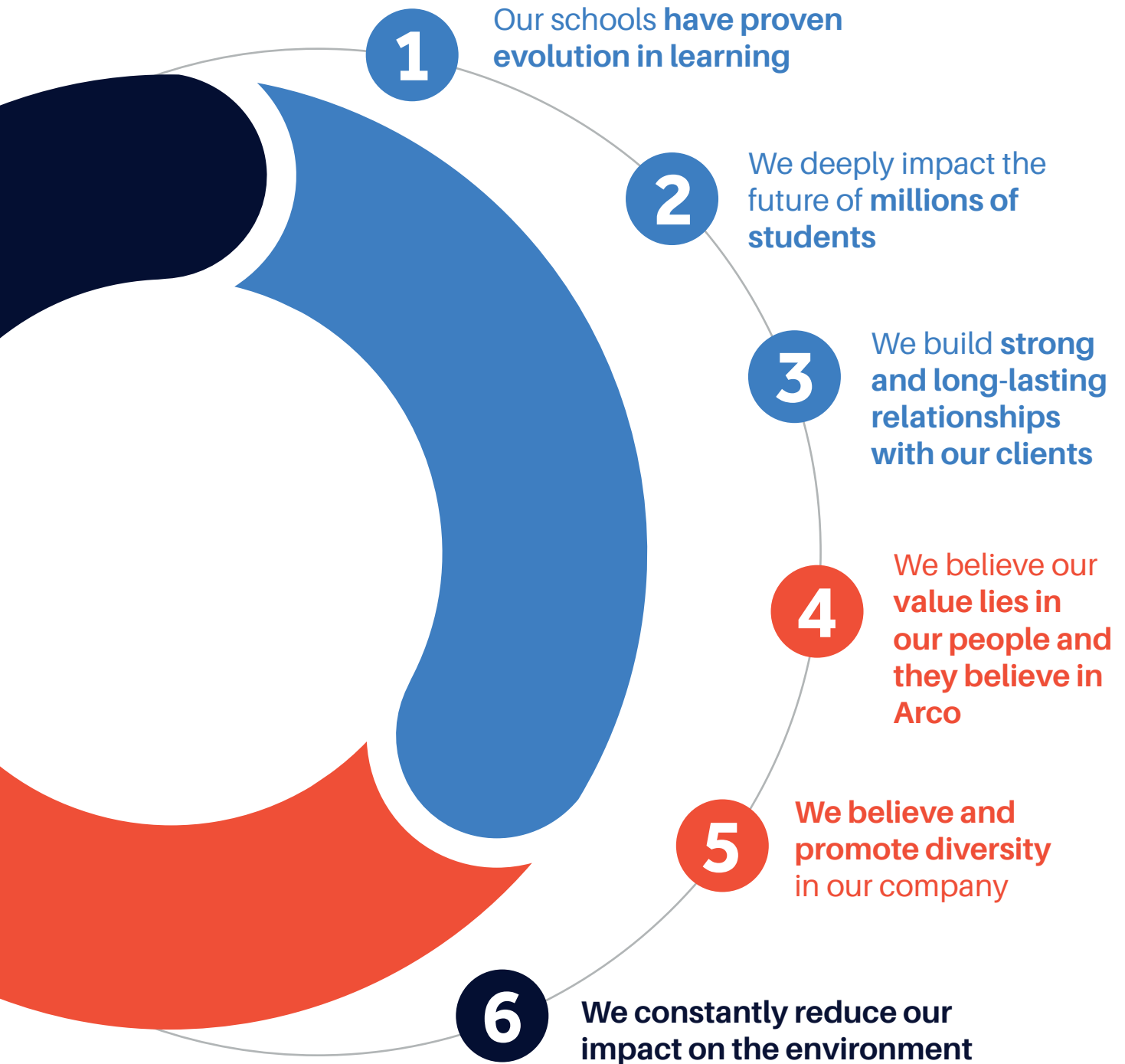


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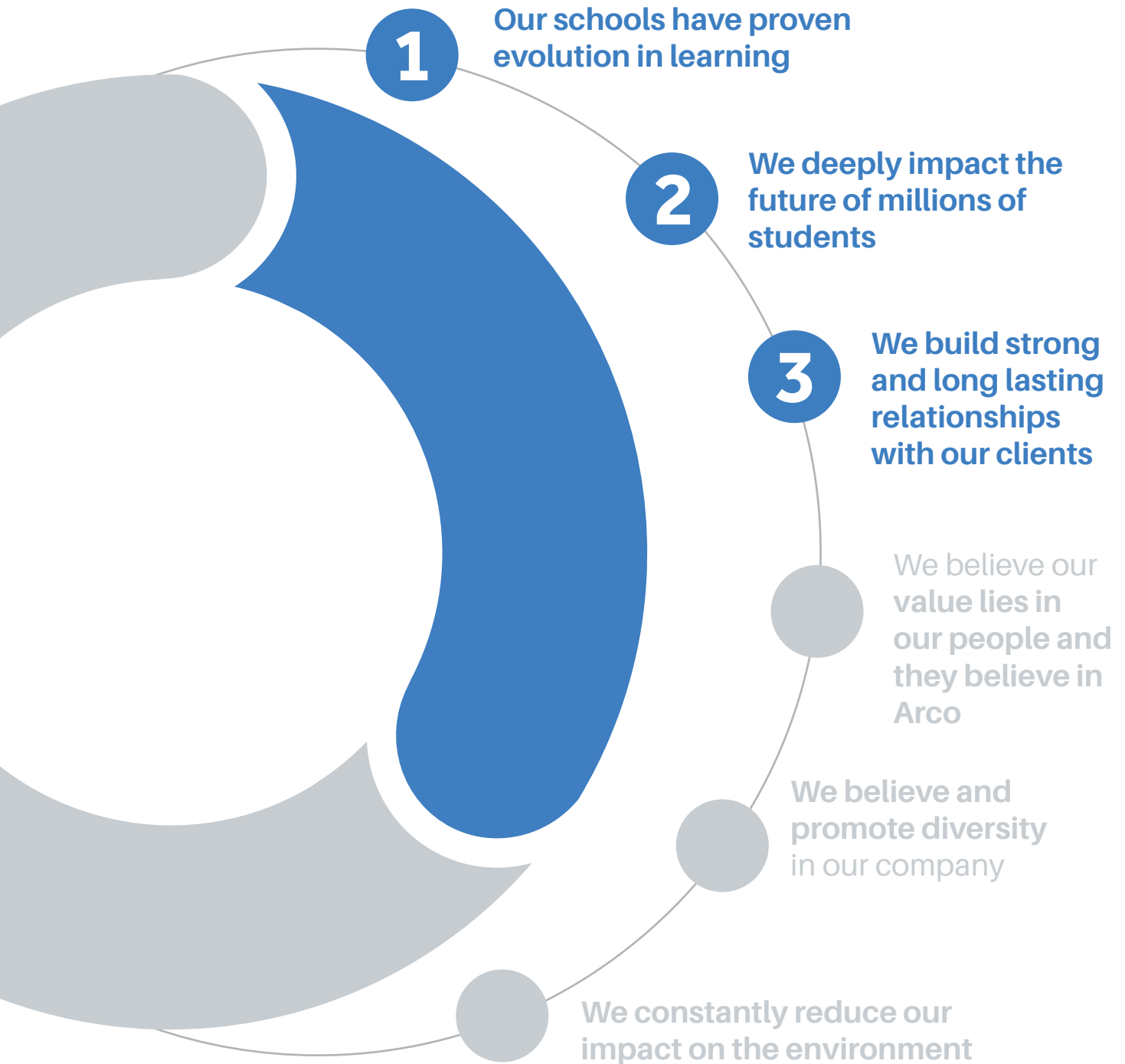


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# OUR IMPACT PILLARS



# IMPACT IN EDUCATION



# 1 OUR SCHOOLS HAVE PROVEN EVOLUTION IN LEARNING

## WHERE WE ARE

OUR COMMITMENTS	2021	2022	2023	2024	2025
80% of our schools with proven evolution in learning.	Metric being defined.				80%
100% of students learning 21st century skills	Metric being defined.				25%
25% of schools ranked in the top 10 of all states are Arco partners	21% (2019 – last data available)	Due to the unavailability of federal public data, this goal will not be updated temporarily.			100%

## OUR GOALS

Arco was born with the mission of delivering high quality education to millions of students in Brazil.

For us, that means delivering an excellent content that generates **proven evolution in learning, development of the 21st century citizens, supporting our students to get into Universities and our schools to have excellent results in Education.**

We are developing a learning evolution measurable tool that is comparable to industry benchmarks to quantify the impact of our solutions over student learning (to be completed by 2024). Our goal for 2025 is:

**80% OF OUR SCHOOLS WITH PROVEN EVOLUTION IN LEARNING**

Our brands are recognized by its approval rates in the main Brazil’s standardized national exam, the ENEM. Our pedagogical consultants work side by side with our partner schools to improve their exams’ performance by providing relevant data, alongside with our tech teams, that allows the continuous evolution of students.

In 2021, we’ve supported more than 13 thousand students to be approved through SISU (Unified Integrated Selection System), which uses the ENEM scores to enter the best universities in Brazil:

**>13 THOUSAND STUDENTS APPROVED IN SISU**

We believe that a holistic development is essential for the education of our students. Therefore, we offer supplemental solutions that complement the education and build the citizens of the future, developing

socioemotional, bilingual and maker skills, as well as include 21st century skills in our core content across all disciplines.

We are building a playbook that ensures our materials comply with the National Common Brazilian Curriculum (BNCC), which define what 21st century skills students must learn. Our goal for 2025 is:

**100% OF OUR SCHOOLS LEARNING 21ST CENTURY SKILLS BY 2025.**





# 2 WE DEEPLY IMPACT THE FUTURE OF MILLIONS OF STUDENTS

## WHERE WE ARE

### OUR COMMITMENTS

4 mm students impacted through our business

2021

1.8 mm

2022

2.3 mm

2023

2024

2025

4 mm

### OUR GOALS

We recognize the power of scale and work every-day to expand our business presence, bringing educational solutions to students all over Brazil.

We have multiplied our number of students by 4.4x since our IPO and we intend to impact

# 4mm

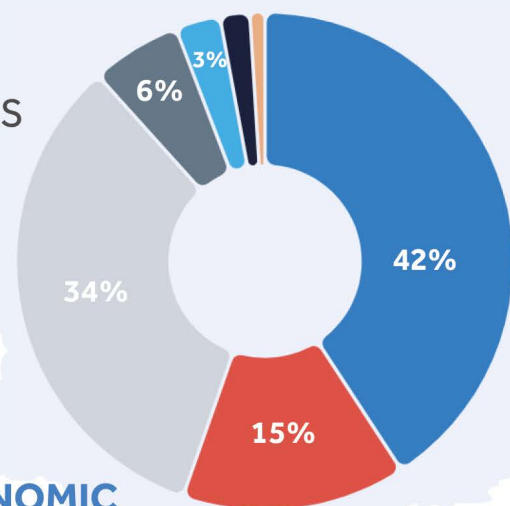
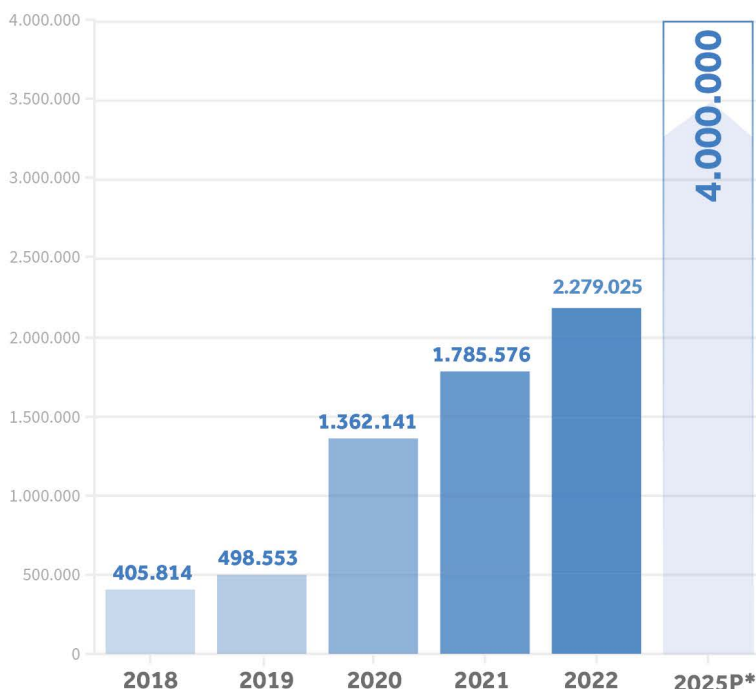
STUDENTS UNTIL 2025 THROUGH ALL OF OUR BUSINESS, ORGANICALLY AND INORGANICALLY.

## ARCO IN BRAZIL TODAY

**100%**  
PRESENCE IN BRAZILIAN STATES

**20%**  
OF MARKET SHARE IN NUMBER OF STUDENTS<sup>1</sup>

**+1,8K**  
BRAZILIAN MUNICIPALITIES



### SOCIOECONOMIC DISTRIBUTION<sup>2</sup>

- A++
- A+
- B1
- B2
- C1
- D/E
- C2

1. Considering the number of students in private schools in Brazil and only core students from Arco. 2. Data represents 80% of the Arco partner schools base. A++, family income above BRL 33,027.01; A+, from BRL 19,024.01 to BRL 33,027.00; B1, from BRL 8,740.01 to BRL 19,024.00; B2, from BRL 4,508.01 to BRL 8,740.00; C1, from BRL 2,497.01 to BRL 4,508.00; C2, from BRL 1,275.01 to BRL 2,497.00; D/E, from BRL 0.00 to BRL 1,275.00. Source: IBGE

# 2 WE DEEPLY IMPACT THE FUTURE OF MILLIONS OF STUDENTS

## WHERE WE ARE

### OUR COMMITMENTS

1 mm students impacted through our social impact initiatives since 2021

2021

2022

2023

2024

2025

101k

1 mm

### OUR GOALS

# arco instituto

Empower young people to go beyond what they imagined possible through education

Arco Instituto was born with the mission of expanding our purpose and impacting students from different realities beyond private education. To accomplish this mission, we find organizations that dream the same dream with us.

We connect and boost social organizations that impact the youth, making them more mature and deepening its impact, offering:

 Educational solutions	 Exchanges of experiences	 Institutional support
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As a result, these organizations offer:

## +Opportunities

for young people to be their own story's protagonists

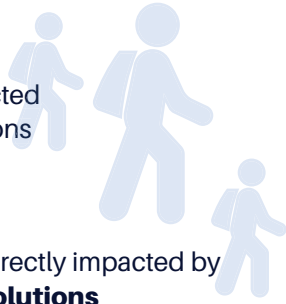
## +Support

to achieve their personal goals.

By working together and providing opportunities and support, we believe these organizations can have a more systemic and holistic impact on youth development.

**101 K**

young people impacted by partner organizations



**2.8 K**

young people directly impacted by our education solutions

**23** partner social organizations that empower young people so they can go beyond

**100%**

OF ORGANIZATIONS BELIEVE THAT BEING PART OF OUR NETWORK ENHANCES THEIR IMPACT

THROUGH OUR PARTNERS, WE AIM TO IMPACT

**1mm** YOUNG PEOPLE BY 2025.



Logos included: Laboratoria, gauss, LALA Latin American Leadership Academy, exiscol, INSTITUTO BRAUDEL, ASSOCIAÇÃO CACTUS, Equalizar, CEAP, Mapa Educação, Brasil Cursinhos, ITEVA Instituto Tecnológico e Vocacional Avançado, ser+, Casa de Vovó Dedé, ensina BRASIL, INSTITUTO ELOS, PRIMEIRA CHANCE, GAS Insper, Vai na Web, PREVEC, INSTITUTO semear, inec, Generation, IFA Instituto FazerAcontecer.

# 3 WE BUILD STRONG AND LONG-LASTING RELATIONSHIPS WITH OUR CLIENTS

## WHERE WE ARE

OUR COMMITMENTS	2021	2022	2023	2024	2025
95% of student retention	93%	93%			95%
86: Clients NPS	83 NPS Arco				85

## OUR GOALS

Our goal is to become a one-stop-shop for our partner schools, offering a complete solution that supports them both in its pedagogical and managerial decisions and in the relationship with their main stakeholders.

Today, we offer:

**High-quality, proprietary content,** developed over 50 years and updated annually by our content team (**590** people in our content team)



### Educational Services:

we support our schools in the implementation and use of our platforms, provide management tools and develop strategies for enrollments campaigns. We are expanding our scope even further by delivering different services to schools.



### Relevant technology:

our learning systems come with a technology platform that provides data to all stakeholders, improving the performance of our partners. In 2021, we've created ArcoTech, a unified technology unit to support our business units in its offering.



To achieve our big dream, we must maintain a trusting and long lasting relationship with our clients - after all, our goal is to be the greatest partner of all school stakeholders.

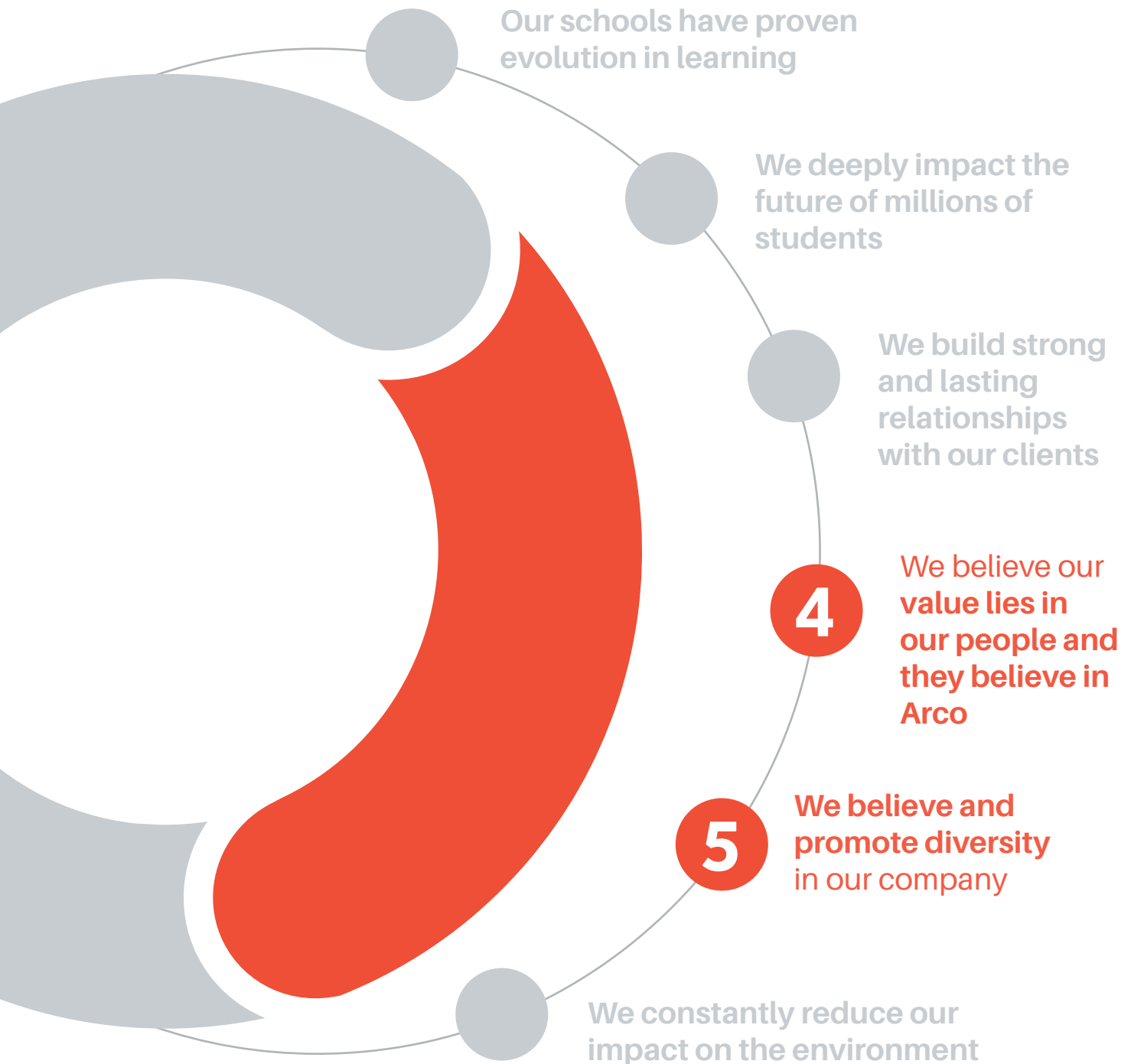
**93%** IS OUR 2021 RETENTION  **95%** GOAL FOR 2025

Today, we measure our partner schools NPS through surveys with school owners, achieving an industry record NPS.

We are expanding the measurement of our customers' satisfaction to different school stakeholders beyond its owners, as a way to constantly evolve our offer for all of those who benefit from our products and services.

**83** ARCO 2021 CONSOLIDATED NPS  **85** GOAL FOR 2025

# FOCUS ON PEOPLE



# 4 WE BELIEVE OUR VALUE LIES IN OUR PEOPLE AND THAT THEY BELIEVE IN ARCO

## WHERE WE ARE

OUR COMMITMENTS	2021	2022	2023	2024	2025
75: Employees' NPS	62				75
9% Employees' voluntary turnover	20%				9%

**OUR GOALS**

To take care of our people, we focus on three main pillars: **opportunities, development and recognition.**

We understand the essential role that our culture and leadership play in recognizing our team and maintaining a high density of talents. Therefore, we invest in building a culturally strong environment, with rituals that allow the exchange of experiences and knowledge between our people, such as our joint reading moments, mentoring and follow-up routines between leaders and its teams.

For our leaders, we hold quarterly to align the main strategic guidelines of the areas and ensure that everyone is clear about our vision of the future. In parallel, there is also an improvement in the development path through exchanges and collaboration, with a focus on the personal and professional evolution of our leaders.

Our culture guardians program reinforces the importance of people who are reference in behavior and values. We believe that our culture is the best strategy to win the game, so we value every day-by-day action that is connected to what we believe. Periodically, we provide moments with teams and leaders to discuss our essence and purpose, where we share stories and experiences that make our culture tangible on a daily basis.

For us, to build opportunities is to ensure that promotions and career evolutions are carried out fairly, based on an individual performance assessment, and considering cultural aspects and performance criteria, being carried out through 360° committees involving different areas and our senior leaders. Every six months, the individual performance assessment guides the construction of an individual development plan.

In 2021, 100% of eligible people were evaluated in our performance management cycle and we promoted 33% of our people as a way of recognition and meritocracy.

**62** INTERNAL EMPLOYEES NPS



**75** GOAL FOR 2025



Voluntary turnover was a critical point in 2021. Although the increase in turnover in the market has been a trend in the last year, we recognize that part of the responsibility lies in our hands. Therefore, we positioned our leaders as relevant agents of this transformation by creating a special talent development program to our teams.

**20%** VOLUNTARY TURNOVER IN 2021



**9%** GOAL FOR 2025



# 5 WE BELIEVE AND PROMOTE DIVERSITY IN OUR COMPANY

## WHERE WHE ARE

OUR COMMITMENTS	2021	2022	2023	2024	2025
50% of women directors and executive management positions	41%				50%
40% ethnical diversity	33%				40%
<5% of discrimination reported	7%				<5%

## OUR GOALS

We believe **value is in all people**. That's why we cultivate the value of diversity and inclusion every day in the company.

We understand that by promoting a more diverse and inclusive environment, we create more engagement opportunities for our people, richer exchanges, higher levels of satisfaction and growth possibilities that pave the way to build better solutions to deliver our mission.

In 2021, we've conducted an **Arco Census** to get to know our internal scenario and understand our strengths and points of development. Based on the results, we defined our priorities and goals for 2025:

**41%** > **50%**  
 WOMEN IN SENIOR LEADERSHIP (DIRECTORS AND EXECUTIVE MANAGERS) **GOAL FOR 2025**

**33%** > **40%**  
 ETHNICAL DIVERSITY **GOAL FOR 2025**

In this census, 7% of the respondents reported that they have already suffered and 9% have witnessed discrimination at Arco, a relatively low rate when compared to other organizations, where this rate varies from 10 to 15%. However, we believe that a healthy and sustainable culture can only be built with ethics and respect. Therefore, discrimination is unacceptable in our company. One of our main goals until 2025 is:

**<7%** > **<5%**  
 PEOPLE WHO HAVE SUFFERED DISCRIMINATION **GOAL FOR 2025**

We have an ethics channel that guides the actions and posture of employees and third parties in the daily situations in their work environment, and we refrain any unethical or fraudulent attitude.

We recognize the transforming role of Education in diversity. Therefore, we invest in diversity discussions with teams, fomenting joint reading moments over the theme and providing training materials and content to promote a welcoming and inclusive environment for all.



### Gender diversity:

We have established monthly roundtables between our women leaders, partners and Board members, to increase exchange and representation in the company.

We are creating a mentoring program among senior leaders and other women

in the path to assume those positions in the medium and long term.

### Racial diversity:

In 2022, we've launched a Racial Diversity Learning Group, with the purpose of expanding our people's knowledge on structural racism and contributing to a decreased rate in discrimination.

In addition, we are structuring listening moments with our black people, so we can build together strategies to leverage the topic internally, developing solid and impactful actions.

# 5 WE BELIEVE AND PROMOTE DIVERSITY IN OUR COMPANY

Our diversity contents (portuguese only):



**ARCOCAST**  
Value is in all people -  
**LGBTQIA+ Pride.**

Check it out



**ARCOCAST**  
#|#Madebyamazingwomen:  
**Women's Leadership!**

Check it out



**ARCOCAST** | National Day of  
**Struggle for People with Disabilities.**

Check it out



**ARCOCAST** | Nacional day of  
**black consciousness.**

Check it out

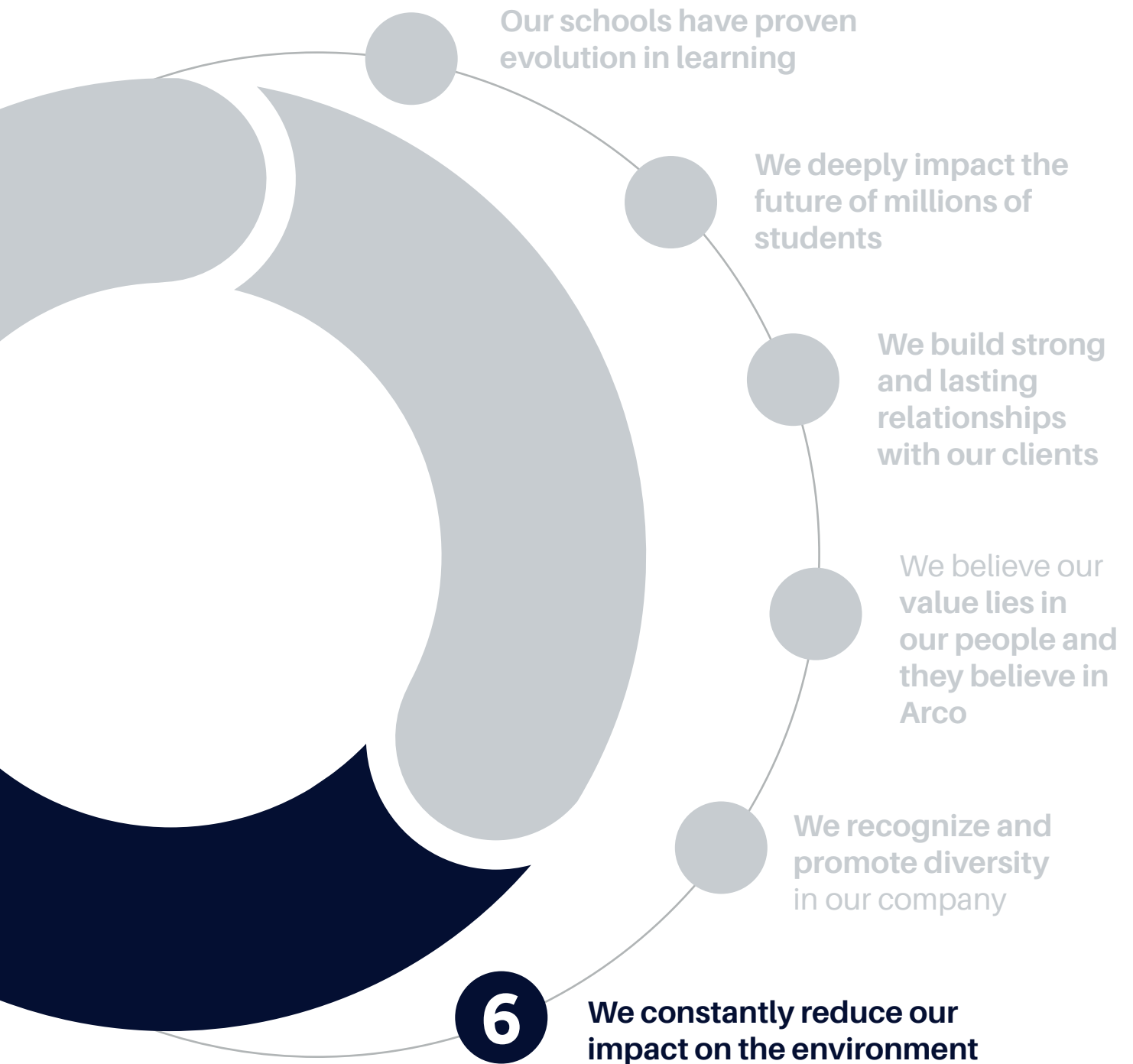


**EDUCATIONAL GUIDE:**  
**DIV. RACIAL**



**EDUCATIONAL GUIDE:**  
**GENDER DIV.**

# STRONG AND SUSTAINABLE STRUCTURE





# 6 WE ARE CONSTANTLY WORKING TO REDUCE OUR IMPACT ON THE ENVIRONMENT

## WHERE WE ARE

OUR COMMITMENTS	2021	2022	2023	2024	2025
Neutral carbon in scopes 1 and 2					Neutral carbon in scopes 1 and 2
100% FSC certified paper and recycled or properly disposed of	100% FSC certified paper				100%

**OUR GOALS**

We deliver printed content from all our business units to more than 2 million students throughout Brazil.

We recognize our responsibility towards the paper of our books and we know that our reputation in the sector is capable of driving a relevant sustainability transformation.

To this end, we want to ensure that all our paper is certified by the Forest Stewardship Council (FSC) and disposed of correctly and/or recycled. Today 100% of the paper we use is certified by FSC and we are mapping the recycling process.

Our goal until 2025 is:

**100%**  
OF PAPER FSC CERTIFIED AND CORRECTLY DISPOSED AND/OR RECYCLED

We have acquired several companies with different structures over the years. As of now, we are unifying our Supply Chain area and idealizing a Sales & Operations structure with the goal of reducing significantly our waste. In that way, we will be able to ensure that our processes are simpler, more flexible and efficient, seeking excellency and sustainability.

In order to strengthen our ecosystem, we have evolved in our excellency program. Through sustainability, operational results and future vision, we choose suppliers that have the greatest adherence to what we believe as a company and reduced the number of suppliers that become partners in our Supply Chain ecosystem by 72%.

We started including sustainability criteria for our printing suppliers and we intend to expand it to other suppliers. Today, we have:

**100%** MANAGEMENT SYSTEM AND PROPERLY DISCARD ITS CHEMICAL WASTE  
OF OUR PRINTING SUPPLIERS HAVE AN ENVIRONMENTAL

**67%** Of our printing suppliers consider Environmental criteria when hiring their own suppliers

**83%** Of our printing suppliers conduct training and education on environmental issues for employees

All these efforts aim to reduce our carbon emissions in our chain. Beyond our suppliers, our commitment for 2025 is to be

**CARBON NEUTRAL IN SCOPES 1 AND 2.**

# INSIDE OUR GOVERNANCE STRUCTURE

We know that to build an ethical company that protects its stakeholders and positively impacts its clients, we must maintain a solid governance structure. Therefore, we ground ourselves over the principles of Ethics, transparency and data security for internal decision-making, policy and process definition.

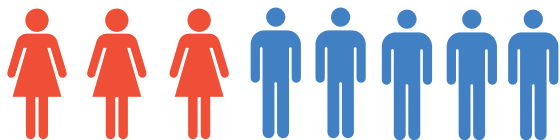
## BOARD OF DIRECTORS

To ensure the strength and sustainability of our governance, we must maintain a Plural and Independent Board of Directors. We are in the process of becoming certified by the Woman on Board, an initiative for companies that have more than 2 women on their Board of Directors.

**63%**

INDEPENDENT

- Independent directors and family
- Family members



**38%**  
WOMAN

To access more details over our Board of Directors:

[Click here](#)

## ETHICS CODE AND CHANNEL

We disseminate our way of working through our Code of Ethics and Conduct, which guides the daily lives of our employees and partners in accordance with the principles of Ethics and Respect, Responsibility and Professionalism.

We provide periodic training to reinforce our values and our internal policies based on a ethical and transparent culture, and we have an independent Ethics Channel, that follows the principles of non-retaliation and confidentiality.

Access by clicking:

[Code of Ethics](#)

[Ethics Channel](#)

## MANAGEMENT COMPENSATION

We align our Management compensation with the company's long-term goals and impact. Today, our management compensation is made up of:

**32%**  
SALARY

**68%**  
VARIABLE

Of the variable compensation, 50% of the bonuses are linked to the company's corporate and impact goals, as follows:

- CLIENTS NPS;
- TEAM TURNOVER;
- CLIENTS RETENTION;
- REVENUE GROWTH;
- AND PROFITABILITY

# GENERAL DATA PROTECTION LAW (LGPD)

We have adapted all our units<sup>1</sup> to the General Data Protection Law during 2020 and 2021, ensuring a safer treatment to the personal data that we have access, including the update of our Privacy Policy and vulnerability detection processes. Our Data Security and Protection Committee develop an important role by following the evolution of our processes in treating the data we have access.

We conduct trainings to our teams and partner schools about the relevance of the Data Protection Law, identifying potential risks in the treatment of personal data, and establishing an adequate data sharing flow.

## CYBERSECURITY

We have a dedicated information security team which has been working since 2020 on the implementation of our Arco's Data Security Program, which is composed by structural projects and services to increase the protection of our environment and mitigating the risks of possible attacks.

This team is also responsible for monitoring the routine of our tools and our Information Technology Security services. Ever since then, we have implemented the best practices in the market for the Information Technology Security in all our business units, using the security NIST framework and the ISO/IEC 27001, which guides practices, controls and technologies to recover, identify, protect, detect and respond to cyber risks.

As of now, we have a 2.5 NIST Security Level and our goal for the year is to reach level 3, following the best Brazilian market benchmarks. In addition to following our NIST level, we've hired a consultancy specialist firm, Morphus, which supports us on two main fronts:



## 1) VULNERABILITY MANAGEMENT

Through specialized tools and market information, we conduct biweekly tests with the objective of evaluating the exposure of our environment to risks, making adjustments and corrections to mitigate the identified vulnerabilities of Arco's environment. To measure this aspect, we've created an indicator called VRI (Vulnerability Risk Index<sup>2</sup>), which measures the risk of these vulnerabilities. Today, we are around of 400-699 (medium risk) and we aim for the years to be below 300 (low risk).



## 2) THREAT INTELLIGENCE:

We continuously monitor multiple external sources, honeypots and threats, identifying and providing relevant information for the responsible teams about emerging hazards or potential data breach events that may affect the business unit or vertical.



1. Our recently acquired business are being adequate to Arco's Data security patterns. 2) The Vulnerability Risk Index was build through a specialized tool that uses a machine-learning based system to score the exposure of the cyber environment from 1 to 1000. The score is based on 7 indicators, weighted according to the risk of each: Common Vulnerability Score System, threat publication date, exploit publication date, asset criticality, asset location, impact on the company's environment, vulnerability dissemination.



# MAIN INDICATORS: IMPACT IN EDUCATION

THEME	INDICATOR	2020	2021	FRAMEWORK RATING
QUALITY IN EDUCATION	Retention	93%	93%	GRI 102-43
	NPS	88 - Legacy brands (SAS/SAE); 75 - Positivo	83- NPS Arco consolidated; 84 NPS Core	GRI 102-43
	Total number of approvals via SISU	11.845	13.540	GRI102-6/ IRIS PI2250
	Number of universities with students approved	109 (100%)	115 (100%)	GRI 102-6/ IRIS PI2250/ IRIS PI 4924
	Number of first ranked students in SISU	1.318	1.673	GRI 102-6; IRIS - PI9024
	Number of students in the top 10	1st place: 1,318 students; 2nd and 3rd place: 1,960; from 4th to 10th place: 3,703	1st place: 1,673 students; 2nd and 3rd place: 2,237; from 4th to 10th place: 4,248	GRI 102-15; IRIS PI9024
	Number of schools in the top 10 (2019 - last data available)	By state: 56 schools; By capital: 51 schools		GRI 102-6; IRIS PI9024
	Improvement in students' performance	Students that complete all chapters of Eureka have 21% higher grades than students who don't (SAS solution)	Indicator being defined	GRI 102-15; IRIS PI9024
ACCESS TO EDUCATION	Number of students impacted	1,8 million	2,3 million	GRI 102-6
	Number of partner schools	6.119	8.056	GRI 102-6
	Number of NGOs supported by Arco Instituto	3	23	GRI 413-1
	Number of students impacted by Arco Instituto	17.512	101.295	GRI 413-1
	Number of schools by socioeconomic level	Class A++: 0.6%; Class A+: 2.4%; B1: 13.6%; Class B2: 39.2%; Class C1: 36.7%; Class C2: 7.3%. Data referring to 70% of the base.	Class A++: 1%; Class A+: 3%; B1: 15%; Class B2: 42%; Class C1: 34%; Class C2: 6%. Data referring to 80% of the base.	GRI 102-6

# MAIN INDICATORS: FOCUS ON PEOPLE

THEME	INDICATOR	2020	2021	FRAMEWORK RATING
ENGAGEMENT	Voluntary turnover in the year	12%	20%	GRI 401-1
	Employees' NPS	64	62	SASB TC-SI-330a.2
DEVELOPMENT	Eligible employees who participated in our performance assessment process	100%	100%	GRI 403-3
	Promotions after the 2020 Trainee Program	62%	80%	GRI 401-1
	NPS 2020 Trainee Program	80	N/A	SASB TC-SI-330a.2
	Promotions after the 2020 Internship Program	85%	30%	GRI 401-1
	NPS 2020 Internship Program	73	80	SASB TC-SI-330a.2
DIVERSITY	Women in the company	57%	58%	GRI 405-1/ SASB TC-SI-330.a3
	Women in leadership positions	46% - Senior leadership 51% - General leadership	41% - Senior leadership <sup>1</sup> 52% - General leadership	GRI 102-22/ SASB TC-SI-330 <sup>a.3</sup>

1. We have changed the concept to include only executive managers and directors



# MAIN INDICATORS: STRONG AND SUSTAINABLE STRUCTURE

TEMA	INDICADOR	2020	2021	FRAMEWORK RATING
<b>CORPORATE GOVERNANCE</b>	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 on the Board of Directors	63%		GRI 102-17
	Existence of an independent Report Channel	YES		GRI 102-18/ GRI 102-16
	Audit Committee Practices	<b>Audit Committee Charter</b>		GRI 418-1
	Code of Ethics and Conduct	<b>Code of Ethics and Conduct</b>		GRI 414-1
<b>INFORMATION SECURITY</b>	Data security guarantee	We guarantee 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 solidity to our data management		GRI 308-1
	NIST security level	N/D	2,5	
	VRI (Vulnerability Risk Index)		400-699	
<b>VENDORS MANAGEMENT</b>	Suppliers that have a training program against slavery and child labor and discrimination	100%		GRI 308-1
	Suppliers that have an environmental management system (such as Solid Waste Management Plan - PGRS)	100%		GRI 308-1
	Suppliers that conduct training and education on environmental awareness for employees	83%		GRI 308-1
	Suppliers that have forest certification (such as FSC®)	100%		GRI 308-1
	Suppliers that perform the correct disposal of chemical waste	100%		GRI 308-1
	Suppliers that consider environmental assessment criteria when hiring their vendors	67%		GRI 308-1

# OUR STAKEHOLDERS VISION



## IMPACT ON EDUCATION

“ I used SAS learning system over the last four years. SAS not only prepared me for the ENEM, but also helped me to get a seat in the college of my dreams, as it provided specific questions of the entrance exam in the same style of the test. The content in the books is the best and most complete I’ve ever seen. Without a doubt, SAS was essential for me to be able to be ranked in the third place in the course of my dreams! ”  
- SAS Student

“ The partnership between our school and Conquista learning system have been enriching our educational process, given its concern to the quality, constant update and modern teaching content, giving the teachers the opportunity to interact with their students in a light and pleasant way. Through the quality of the pedagogical consultancy that Conquista offers us, we are confident to we have the necessary support and proper training moments with our teachers. Therefore, we are confident that the content is being used properly, providing quality education to all our students. ”  
- Partner school director



## FOCUS ON PEOPLE

“ I have always dreamed of being part of this team. I’m proud and excited to continuously evolve here! ”  
“ We’re on the right path as a team. We have a lot of autonomy in my business unit. ”



## STRONG AND SUSTAINABLE STRUCTURE

“ Arco has made great progress regarding its communication with investors over the last year. We’re pleased to see the ESG commitments that it have stablished. ”  
“ Arco has come a long way since the IPO. I’m excited to keep following its journey towards increased transparency. Thanks! ”

arco  
ESG