cogna EDUCAÇÃO

Sustainability Report 2020

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Primary and secondary education student – Colégio ECSA – Cuiabá/MT

Message from management

GRI 102-14 and 102-15

We went through an atypical year that affected the lives of millions of people and businesses across the globe in 2020. Not much different for the education sector, Cogna went through a significant restructuring to adapt and be ready for the coming years. Amid such a pandemic, we endeavored efforts to preserve the health of our employees and students while ensuring the continuity of our reason for existence: to offer quality education to thousands of Brazilian students.

We set up a crisis committee liable for monitoring scenarios as well as making agile and assertive decisions. The committee, composed of 30 people from different sectors, involved the operations, people, shared services, marketing, infrastructure, and academic departments. In addition to adopting a work-from-home scheme for 100% of our employees, we provided health and psychological assistance to help preserve everyone's mental health.

Concerning academic activities, our renowned expertise in distanced learning allowed us to rapidly and successfully conclude the migration of our on-campus services online. We made materials available for 13,800 classes, 32,000 subjects, along with 477,000 Kroton learning tools, over 330,000 pages of online textbooks, and 130,000 web class pages. In primary and secondary education, our Plurall platform hit record numbers of access on the internet, enabling 1 out of every 4 students in Brazil's primary and secondary private schools to continue studying without leaving home.

Within this context, we advanced the company's digital transformation originally initiated in 2017. Kroton was restructured into two segments. The first was Kroton Digital: which offers online postsecondary education and has high growth expectations. The second, Kroton Campus, is an on-campus and hybrid platform that focuses on premium products and is adjusted to the size of the operation. We also implemented the B2C education platform: a strategic and relevant step for Cogna. Another initiative was the launch of Pitágoras Ampli: a new distance learning brand to bolster our presence online. We ramped up open innovation initiatives, partnered with startups, and adopted an agile methodology within our teams.

We rolled out an important project as part of our digital transformation titled digital finance. This initiative, a headway in our system's architecture, focused on promoting improved financial experience for our students by replacing Kroton's order to cash and implementing a new ERP for the Company. With Kroton's order to cash, students will have access to clear and centralized information about their financial status. For the company, a new ERP will bring greater financial management efficiency, making analytical information available in real-time.

Promoting a positive impact on society is one of our main commitments. Our actions to fight the coronavirus corresponded to R$325 million, directly impacting 2.7 million people. We also made thousands of classes, content, and e-books available for public school students and teachers alike.

Our "Anglo Online" classes had 22,216 enrollments and 60 certified courses were made freely available through the Brazilian Alliance for Education that benefited 105,000 people.

We also advertised volunteer opportunities in the health sector along with 20 governmental institutions through "Canal Conecta" which relies on 46,000 students in their final years of studies.

Our actions to fight the coronavirus directly impacting 2.7 million people

Our long-term objectives were also addressed.
In 2020, we concluded Vasta's IPO on Nasdaq (USA), raising nearly R$2 billion (US$405 million) with a market cap of R$8.4 billion. This was the largest IPO in history conducted by a Brazilian education company. Cogna's capital stock also increased within the limit of authorized capital, totaling R$2.55 billion, corresponding to the issuing of 232,358,004 new company shares.

Postsecondary student - Pitágoras Betim - Betim/MG

in our net debt, we saw impacts on indicators due to an adverse macroeconomic scenario. Even so, we highlight the 17% growth of our operating cash generation post-CapEx: one of the key indicators that attest to the operation's financial health.

Financially, we adopted emergency measures to preserve the health of our businesses. Among these measures included the reduction of variable compensation, renegotiation of various lease agreements, and other services. Despite our efforts in 2020 and a 61% reduction

These obstacles did not prevent us from advancing ESG (environmental, social, and governance) initiatives with transparency. We still adhere to relevant indexes, such as the Special Corporate Governance Stock Index (IGC) and MSCI Brasil. In 2020 we reviewed Cogna's materiality matrix by consulting 9,594 internal and external stakeholders to list the most relevant topics for the company to meet the expectations of our stakeholders regarding the transparency of these topics.

In line with our culture, in 2020, we kicked-off a diversity and inclusion project. We believe education is the best strategy for diversity and inclusion. Our plan envisaged several initiatives targeting minority groups with literacy actions and employee training aligned with the best ESG practices. In 2020, we conducted 11 in-house efforts with very positive results. For 2021, we will intensify the project with another 60 actions planned.

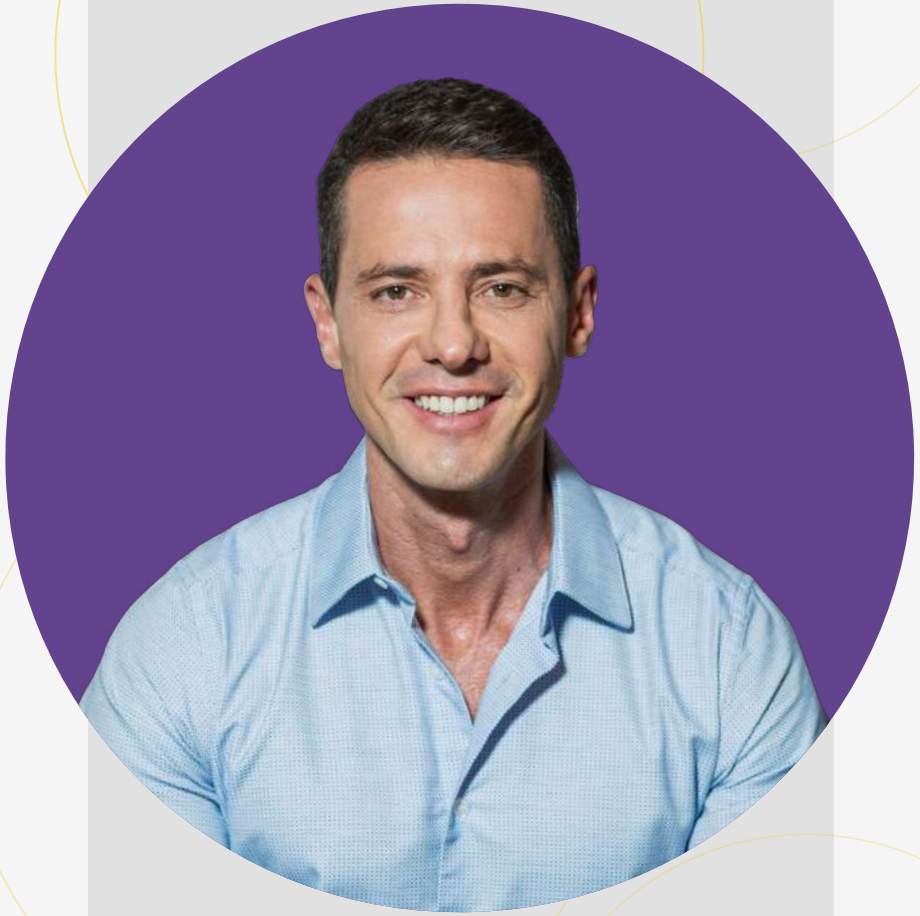
In 2020, we were recognized by the Institutional Investor for obtaining the best ESG metrics. We were also listed by Sustainalytics amongst the 2% of companies with the best ESG performance in the consumer services industry, ranked in the 6th global position, and the best of the Americas.

2020 was a challenging year, but we are proud of our teams' efforts which were essential in enacting all these measures and advances. For the coming years, we expect to accelerate the third phase of our transformation by implementing the B2C education platform which will add countless educational and ancillary services. Customers will be able to find any educational service for all levels, regulated or not regulated, as well as the support services necessary to offer a complete and integrated experience.

During the first few months of 2021, we stepped up our strategy of building an ecosystem and transforming Brazil's primary and secondary education by entering into an asset swap agreement with Eleva: Brazil's largest group of schools. This transaction, still pending approval by the Brazilian Antitrust Authority (CADE), involves the acquisition of Eleva's educational system by SOMOS and the acquisition of Saber's 51 owned and contractual schools by Eleva.

If approved, SOMOS will consolidate itself as one of Brazil's leading service platforms for primary and secondary education, reaching more than 1.5 million students in 4,600 schools throughout the country. Also, the acquired platform is fully aligned with our digital transformation strategy and cutting-edge educational trends across the globe. The platform combines innovation, a complete curriculum, cognitive + non-cognitive skills, the use of technologies, and more.

We want to thank our students, parents, investors, suppliers, society, and stakeholders for their continued confidence in our operations. We have the expertise, DNA for innovation, technology, and over 23,000 employees and teachers to continue transforming people's lives through education. We look forward to what the future holds.



Rodrigo Galindo
Cogna CEO

Covid-19

EMPLOYEES

In light of the sanitary crisis caused by Covid-19, our top priority was to ensure the health and safety of our stakeholders, also the continuity of our educational activities and businesses, so that our students could have access to quality education, amid the social distancing inflicted by the pandemic. We also sought actions to mitigate impacts on society.

We set up a crisis committee, composed of over 30 people from different areas: operations, people, shared services, marketing, and infrastructure to continuously monitor the impacts during such period and build up our actions so that decisions could be made quickly and assertively.

- The remote work was adopted for 100% of our employees.
- We enhanced communication on health prevention, we monitored daily eventual cases of suspected, contaminated, and healed employees.
- We installed health and psychological services via telemedicine, we conducted surveys to understand employees' feelings and we addressed mental health actions.
- We worked with leaders to organize healthy workloads, we fomented a campaign to block teams' lunch time, so that employees could preserve such moment. We are also oriented to not scheduling meetings after 7:00 p.m. We intensified tips on how to be productive without increasing workload or compromising daily activities, also promoting a balance between work and life.
- Educators and tutors training on online classes, teaching, use of tools, including physical education guidelines, for instance.

CONTINUED SERVICES NOT IN DETRIMENT OF STUDENTS

DIGITALIZATION

- On-campus classes were immediately migrated to the online environment.
- The DL moved forward, with tutors working from home, and regularly assisting students. This operation took place via Internet, not requiring attendance at centers.
- Within 15 days after the closure of primary and secondary schools, the number of students incorporated into SOMOS online educational platform, Plurall, jumped from 477,000 to 1.3 million students.
- Over 400 webinars were held with school administrators and teachers, preparing them for the digital transformation.
- In the academic year of 2020, via Plurall, over 9 million live classes were streamed by 107,000 teachers of partner schools, thus, ensuring non-stop school activities. At the year-end, according to SimilarWeb data, Plurall accounted for nearly 50% of web traffic of the Brazilian private primary and secondary education, equivalent to all other educational portals combined.
- SOMOS also shared its experience with public schools looking for benchmarks in Plurall's operation.

SCHOOL MATERIAL

- Material available for 13,800 classes and over 32,000 subjects.
- Over 477,000 learning tools made available by Kroton, over 330,000 pages of textbooks online, and more than 130,000 web class pages.
- As most of the students left their materials at school during the closure, SOMOS made available school materials at no additional cost in Plurall's online libraries, inclusive for 475 non-client schools, which requested assistance to fight the first 90 days of the pandemic.
- Upon municipalities' request and interest, the online version of the National Textbook Program (PNLD) books were fully made available. Hence, more than 5 million students could have access to educational content, while ensuring the continuity of studies, even with remote classes.

CONTINUITY PLAN

- Integration with synchronous classes platforms.
- Continued evaluation of students' engagement.
- Cultural adaptation of students and teaching staff on the hybrid model.
- Continued teaching staff training.
- Studies on the ideal class, in terms of teaching in the synchronous mode.
- Analysis of student profile adhering to the synchronous mode.
- Evaluation on the level of interaction via technology.
- Maintenance of the original academic calendar in postsecondary education through the Student Virtual Environments, and in primary and secondary education via Plurall.

Check all the initiatives in detail in **Knowledge that Transforms**.

SUPPORT TO SOCIETY

We addressed initiatives to fight the coronavirus and mitigate the impacts on society. Together, our actions would correspond to **R$325 million**, directly impacting over **2.7 million people**.

DONATION OF SUPPLIES

+ 200,000 liters of hand sanitizers

+ 3,700 face masks

+ 11,000 gloves

Also, our units addressed initiatives, such as the concession of equipment that belongs to the medical school at our Pitágoras University in Eunápolis to the regional hospital, enabling patients to be assisted in the health public system.

FREE CLASSES AND CONTENTS

- **Anglo Online:** 100% of Anglo video classes freely available to public school students. This tool received over 22,216 applicants.
- **Open Doors "Stoodi":** a free pre-college preparatory course available online to public school students, it relies on 6,000 video classes of all subjects and over 30,000 exercises. Stoodi also donated licenses for the public state school systems of São Paulo and Ceará.
- **LFG:** 62,000 free courses were rolled out within 4 days, went viral, and received over 1.3 million accesses.
- **"Saraiva Aprova":** classes, lives, podcasts, exclusive and free contents, free e-books received over 50,000 downloads, and others with 50% discounts.

VACANCY FOR FRONTLINE HEALTH-CARE WORKERS

We advertised volunteer vacancies in the healthcare segment along with 20 governmental institutions or third-sector organizations in the country via “Canal Conecta”, covering over 46,000 students in their final years of studies.

BRAZILIAN ALLIANCE FOR EDUCATION

- A Kroton’s systemic platform called Student Virtual Environment **(AVA)** will be available at the portal of the Brazilian Alliance for Education for public schools teachers and students; 628 classrooms were created autonomously and proactively.

- Over 66 courses with certification freely made available through the Brazilian Alliance for Education. During 2020, over 105,000 people were benefited.

- AVA launched the learning path “Entrepreneurship: Challenges and Opportunities” in partnership with renowned public figures, such as Eduardo Amuri, Jairo Bouer, Augusto Cury, Neury Botega, and Adriana Fóz. This learning path was developed to train entrepreneurs in the business plan, marketing plan, and emotion management fronts.

RETURN PLAN

We elaborated a return plan post-social distancing based on the guidelines of the World Health Organization (WHO), our team of physicians, and other companies' actions comprising joint measures for all business units. This plan aims at anticipating measures observing the continuity of our on-campus activities while respecting and preserving everyone's safety.

For a greater assertiveness in the volume of migrations to on-campus activities, we surveyed all employees, discussing the following aspects: social conduct, mental health, risk group, and contact with the virus. We received 10,072 answers that supported our decision-making process.

Henceforth, our return plan was set up in three phases: administrative employees and outsourced workers; teachers, tutors, students, and third parties at units; lastly, schools, with the return of school manager, teachers and administrative staff, students and parents.

For employees, we organized a return journey, identifying employees by workplace, safety protocols, and general guidelines, communication, and action plans. Protocols and guidelines were developed with a focus on measurement of temperature, use of cafeteria, attendance at meetings, events, and travels.

The next phases were not executed by the end of 2020, due to the worsening Covid-19 cases in the country. Among them, we highlight a routine guide for primary and secondary school students and parents, including instructions, from leaving home, parking at school, behavior on corridors, stairwells, classroom, and dining hall, among other locations, until returning home. We also disseminated plans and pillars to guide the reopening of schools, with full transparency and instructions.

We continue closely monitoring the sanitary crisis, as well as the recommendations of appropriate authorities and regulatory actions.

1

Our history

- Cogna
- 2020 highlights
- Awards & recognitions

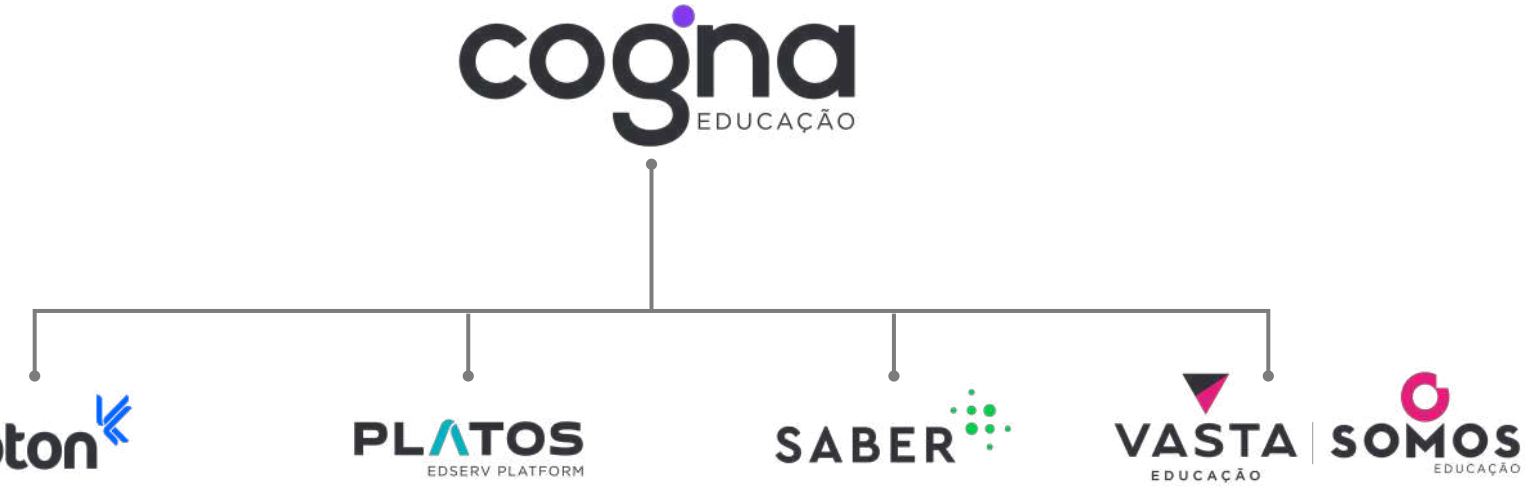
Cogna

Cogna Educação S.A. is a collection of companies (holding) operating in four verticals of Brazil's educational sector. Its umbrella includes Kroton, Platos, Saber, and Vasta, companies that have management autonomy and flexibility and are guided by our innovation strategy. Our business structure allows us to diversify our fields of expertise, making us resilient, while it bolsters our long-term growth goals.

GRI 102-1, 102-4, 102-5 and 102-10

Our companies*

GRI 102-2, 102-6, 102-7 and 102-10



Kroton: vertical business to consumer (B2C), is split into two business units: Kroton Campus and Kroton Digital. Kroton's field of expertise is postsecondary education.

Platos: vertical business to business (B2B), it observes the EdServ Platform concept (educational services platform) and offers various services and solutions for postsecondary institutions throughout the country.

Saber: vertical B2C, it combines renowned primary and secondary education institutions in the country, operating in 13 Brazilian states and the Federal District.

Vasta: vertical B2B of primary and secondary education, its umbrella includes the brand SOMOS Educação and it is positioned as an integrated services platform, aiming to become the one-stop provider of primary and secondary private schools.

*As we understand that developing venture capital makes more sense to each of our companies, Cogna Ventures now consolidates all the fronts, instead of reporting to the holding.

In the market for more than 55 years, Cogna is present across all the Brazilian states. At the end of 2020, it registered 770,000 on-campus and online undergraduate students in the Kroton vertical, and 48,000 graduate students in the Platos vertical, assisted by 176 post-secondary own units and 1,544 online education accredited centers. In 2020, besides serving Kroton's units, Platos entered into three new agreements. It also has 174 agreements with outsourced units with Saraiva Educação solution.

GRI 102-6 and 102-7

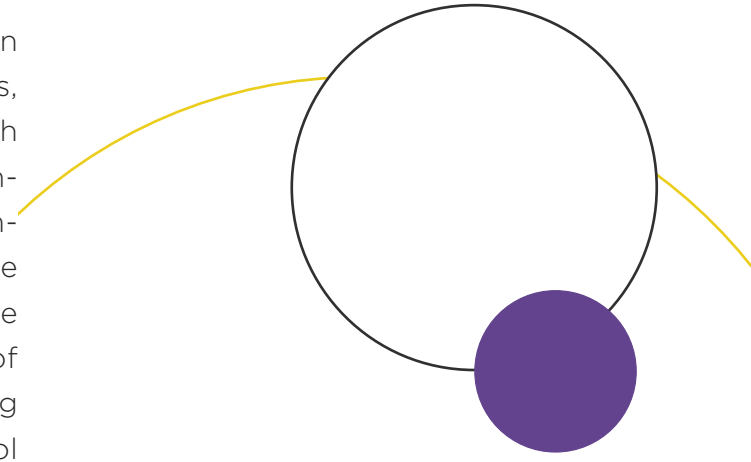
In 2020, Cogna expanded its operations, by setting up the Pitágoras Ampli, a new distance-learning brand, 100% digital. This front relies on over 50 courses and 2,000 students throughout the country.

GRI 102-10

In early 2021, Cogna entered into an asset swap agreement with Eleva, Brazil's largest private schools group. With this transaction, still pending approval by the Brazilian Antitrust Authority (CADE), SOMOS will acquire Eleva's educational system (appraised at R$580 million) and, in exchange, 52 own schools and Saber contract schools will be granted (appraised at R$964 million). Also, nearly 90% of Eleva's current schools, 100% of Saber's schools, and new schools with the same profile to be opened or acquired by Eleva, which will total 256 with this transaction, will contract SOMOS' educational systems for the next 10 years, the effectiveness term of the commercial agreement executed between the parties.

This novelty will increment even more the Company's operations, since the platform acquired, which explores cutting-edge educational trends across the globe, comprises innovations and a complete curriculum, including cognitive and non-cognitive tools, use of technology aiming at customizing learning, a contextualized school material, pedagogical assistance, and dedicated operations. If approved, it should reach over 1.5 million students in 4,600 schools throughout the country, consolidating SOMOS as the largest services platform of Brazilian primary and secondary education.

GRI 102-10



In primary and secondary education, the vertical Saber relied on 31,000 students distributed in 52 own schools/contract schools and 21,000 students distributed in 121 Red Balloon's units. The vertical Vasta/SOMOS relied on 1.5 million students at approximately 4,200 partner schools applying core and complementary content solutions.

GRI 102-6 and 102-7

In line with our best corporate governance practices, our stocks are traded on the *Novo Mercado* of the São Paulo Stock Exchange—B3, under the ticker COGN3, and on the over-the-counter market (OTCQX) in New York, under the ticker COGNY.

Vasta's IPO

GRI 102-10

In August 2020, we successfully concluded Vasta's IPO on Nasdaq (USA), the largest IPO held by a Brazilian education company, raising nearly R$2 billion (US$405 million), with a market cap of R$8.4 billion.

On that occasion, we celebrated the market's responsiveness, with orders from 280 investors, resulting in total demand exceeding 15 times the number of shares tendered, even with price per share at US$ 19, higher than the initial price range between US$15.50 and US$17.50.

The IPO not only contributed to Vasta's autonomy, but mainly to higher investments in the expansion of its services platform, and consolidate itself in the content market for primary and secondary schools.

Primary education student and teacher - Colégio ECSA - Cuiabá/MT

Timeline

Our 55-year history was initiated in 1966 when five young friends set up the pre-college preparatory course Pitágoras in the city of Belo Horizonte (MG).

Since then, we have celebrated the inaugurations of our first Colégio Pitágoras, the Pitágoras Network and University, and Kroton's IPO in the 2000's. We acquired relevant groups in their fields of expertise. Over these years, we witnessed a solid expansion of our businesses, resulting in the creation of Cogna Educação, one of the world's largest private educational organizations.

Below, our milestones of the last decade, to learn more about main events since the '60s, access: **http://ri.cogna.com.br/en/a-kroton/history/**.

Timeline

2010

- Acquisition of **IUNI Educacional**, institution, which offers undergraduate and graduate programs under the brands **UNIC, UNIME and FAMA**

2011

- Acquisition of **Faculdade Atenas Maranhense** (São Luís e Imperatriz – MA), **Faculdade União** (Ponta Grossa – PR), **Faculdade do Sorriso** (FAIS) and **UNOPAR**, making Kroton leader in Brazil's distance learning sector

2012

- Acquisition of **Centro Universitário Cândido Rondon** (Unirondon) and **Uniasselvi**

2013

- Opening of **40 new** distance learning undergraduate centers of Unopar
- Announcement of **a partnership** between **Kroton** and Anhanguera

2014

- Approval of **merger with Anhanguera**
- Development of a new academic model, **Kroton Learning System 2.0**
- Launch of our employability pilot channel, the "**Canal Conecta"**

2015

- Launch of own installment payment product, the **Private Student Installment Payment** (PEP)
- Acquisition of **Studiare**, essential for the Company's **adaptive learning** project

...continue

Timeline

2016

- **Sale of Uniasselvi to Treviso Empreendimentos e Participações S.A.** as part of the Brazilian Antitrust Authority's requirements (CADE) to authorize the merger with Anhanguera

2017

- Launch of **five new greenfield** projects;
- Inauguration of **200 new centers**, raising total to **1,110**

2018

- **Partnership** with **Cubo Itaú**;
- **Creation of Saber**, the primary and secondary education holding
- Acquisition of **Colégios Lato Sensu** (Manaus/AM) and **Leonardo da Vinci** (Vitória/ES)
- **Acquisition of SOMOS**, Brazil's largest primary and secondary education platform

2019

- The structuring of **Cogna Educação**, a holding operating in **four verticals** of Brazil's **educational sector**

2020

- Accelerated **digital transformation** across all fronts
- **Vasta's** IPO on **Nasdaq**
- Setup of **Pitágoras Ampli**

Highlights 2020

POSTSECONDARY EDUCATION

770,000
on-campus and DL undergraduate students

48,000
graduate students

1,544
distance learning accredited centers (DL)

176
own units

PRIMARY AND SECONDARY EDUCATION

31,000 students in own schools

52

21,000 Red Balloon students and franchises

NATURAL RESOURCES

40% less energy consumption

45.4% less water consumption

PEOPLE

23,324 employees

21,300 hours of health and safety training

Average of **17.1** training hours/ employee

SROI – SOCIAL RETURN ON INVESTMENT

R$ 10.40
billion of annual economic impact on society

R$ 12.60
billion in social and economic assets

R$ 7.00
return in benefit to society, at every R$1.00 invested

5 million
people benefited from Cogna's social assets

Primary school student - Colégio ECSA - Cuiabá/MT

Vasta's IPO on Nasdaq (USA), the largest IPO held by a Brazilian educational company

Awards and recognition

Innovation Value Award 2020

- Ranked first in the services sector category for the fourth consecutive year

Institutional Investor – Latin America Executive Team 2020

- Winners Index 2020 Overall – ranked 1st in the education category
- Best Investor Relations Program
- Best CEO – Rodrigo Calvo Galindo
- Best CFO – Jamil Saud Marques
- Best IR Professional – Pedro Gomes de Souza
- Best IR team
- Best Analyst Day
- Best ESG Metrics

Sustainalytics

- Ranked 6th in the consumer services industry category
- Ranked among the 2% of companies with best ESG performance
- Best placement in Latin America in the education category

100 Open Corps Award

- Ranked 1st in the educational sector
- Ranked 16th in the general ranking
- Top 20 companies doing more businesses with startups in Brazil

Estadão Empresas Mais

- Ranked 1st in education sector category
- Top 10 of most innovative companies

Forbes Award

- Cogna on the Top 10 among Brazil's most innovative companies

Regional Kroton

- TOP BRANDS Londrina Award - Unopar
- Ranked 1st in the distance learning category
- Ranked 1st private university

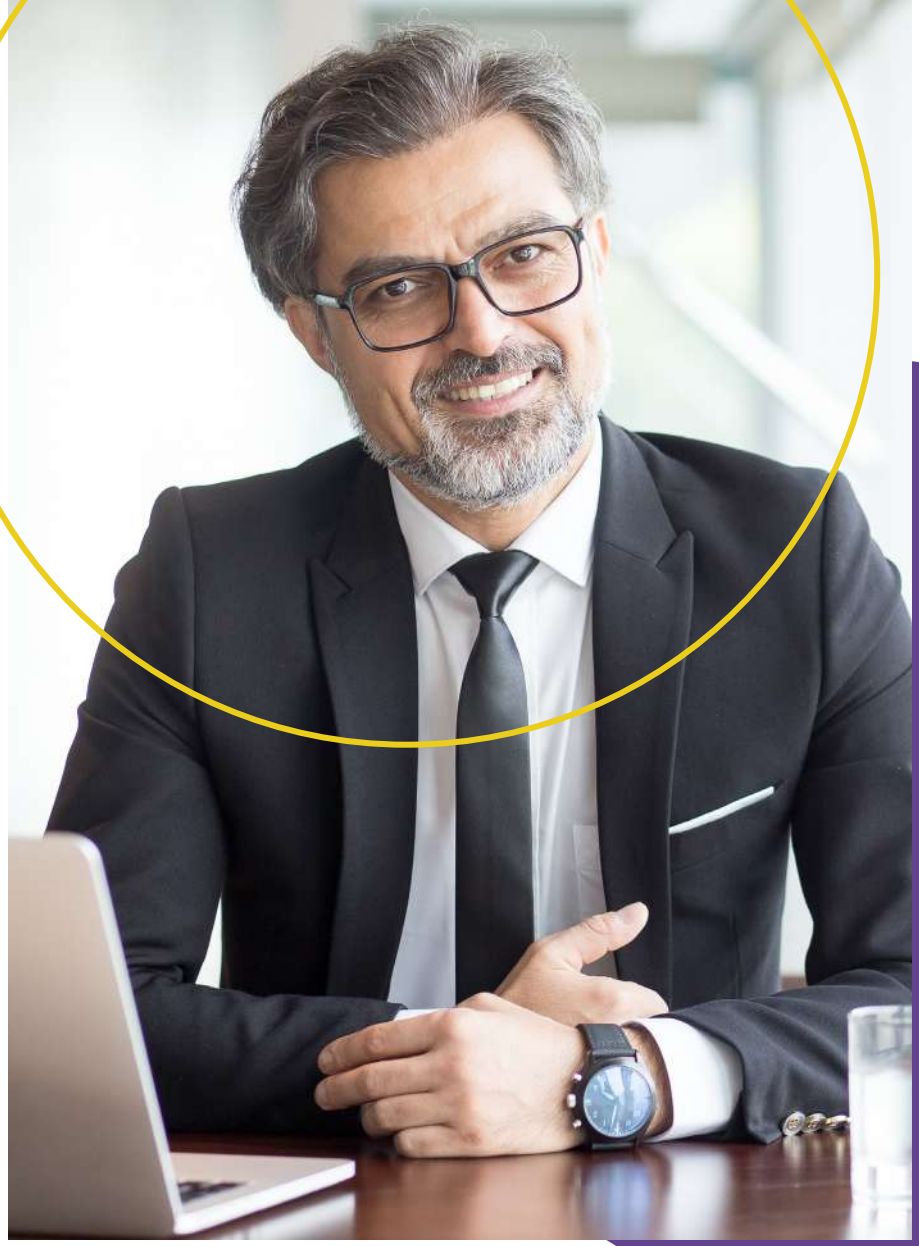
2

Corporate Governance

- Governance structure
- Ethical conduct of business
- Risk management
- Information security

Cogna adopts the best corporate governance practices, in line with its commitment to transparency, reliability, and ethics with all stakeholders.

Since 2012, we have been listed on B3's *Novo Mercado*. We also observe the recommendations of the Brazilian Institute of Corporate Governance (IBGC). Also, we are a full corporation, i.e., we do not have a set of controlling shareholders at the company's helm. We also adhere to the Arbitration Panel to solve eventual corporate conflicts and questioning.



Governance structure

GRI 102-18, 102-19, 102-22 and 102-24

Cogna's governance structure is composed of the Board of Directors, five Advisory Committees, a Statutory Board of Executive Officers, and a Fiscal Council, as described below.

Board of Directors

A joint executive committee, formulates and implements general business guidelines and policies, including long-term strategies, designates and oversees the management of Cogna's officers.

Its members are elected at the Annual Shareholders' Meeting, for a combined two-year term of office, reelection is authorized and they can be removed from office at any moment by Cogna's shareholders. In 2020, the Board of Directors was composed of 14% women and 57% independent board members.

GRI 405-1

Check the complete structure of our Board of Directors in **GRI exhibits**.

GRI 102-22

Board of Directors' compensation

GRI 102-35, 102-36 and 102-37

We rely on a Compensation Policy, which in line with the best corporate governance practices, sets out compensation guidelines for Cogna's highest governance body members.

The monthly fixed compensation of members of the Board of Directors is defined at the shareholders' general meeting and is revised yearly through market benchmarks, although it does not involve other stakeholders, and independent members are eligible to a long-term variable share-based compensation. Also, the Board members participating in Advisory Committees receive an additional monthly amount, as well as the Chairman of the Board of Directors.

Advisory Committees

It provides the Board of Directors with the subsidies required for the decision-making process and supports the Board of Executive Officers in the policies approved by the Board of Directors. Each committee is composed of three to four members elected by the Board of Directors. We rely on five Advisory Committees, namely:

- Financial and M&A (Mergers and Acquisitions)
- People & Governance
- Strategy & Innovation
- Audit & Risk
- Founders Committee

Check the complete structure of Advisory Committees in **GRI exhibits**.

GRI 102-22

Statutory Board of Executive Officers

In charge of the Company's daily management and the implementation of general policies and guidelines laid out by the Board of Directors. Our legal representatives are elected by the Board of Directors for a two-year term of office, reelection is authorized also removal from office at any time. At most one-third of members of the Board of Directors is eligible to hold a position at the Board of Executive Officers. In 2020, we had five statutory officers and four executive officers.

Fiscal Council

An independent management body and external auditors, liable for overseeing the management practices, review the Company's financial statements and report its conclusions to shareholders. The Brazilian Corporation Law requires the Fiscal Council to be composed of, at least, three members, and at most, five members and respective deputies.

At Cogna, our Bylaws provide for a non-permanent Fiscal Council, solely elected upon request of the Company's shareholders at a general meeting. In 2020, upon request of shareholders representing over 2.0% of capital stock, the Company's Fiscal Council was installed, with tenure until the 2021 Annual Shareholders' Meeting.

Competencies and succession evaluation

Our corporate policy sets forth general guidelines to govern the roles, responsibilities, and evaluation methodology of statutory officers and board members' competencies and succession. The document comprises topics related to performance evaluation, qualification, and development for the senior leadership's succession process. Access the Competencies and Succession Evaluation Policy http://ri.cogna.com.br/en/governaca/politicas-corporativas-e-estatuto-social/.

Primary and secondary school student - Colégio ECSA - Cuiabá/MT

Ethics and conformity

GRI 102-16, 102-17, 102-25, 103-2, 103-3: Anticorruption, 205-2, 205-3, 103-2 and 103-3: Unfair Competition

Ethics, integrity, and transparency are principles built into Cogna and in the way we relate with our stakeholders. The principles and guidelines orienting Cogna's businesses are registered in our Code of Conduct and include the behavior expected from all employees, suppliers, and other business partners, and those infringing our values.

The document also discusses topics, such as confidentiality of information, conflicts of interest, gift policy, diversity and inclusion, moral and sexual harassment, among others. It also provides for relationships that may create conflict, and in these cases, the topics can be addressed for our Advisory Committees' deliberation, conditional to the hierarchical level involved and conflict's seriousness. Access the Code at **https://ri.cogna.com.br/en/governaca/politicas-corporativas-e-estatuto-social/**.

In 2020, a project was initiated to transform the Company's culture as a whole, which encompassed the elaboration of a single document, integrated with all Cogna's brands, as well as a review of the mission, purpose, and values, among other several aspects. This project is estimated to be concluded in 2021.

Anticorruption Practices

GRI 103-2, 103-3: Anticorruption, 205-1, 205-2 and 205-3

Corruption is conduct that strongly violates our principles. To promote awareness of the relevance and responsibility for the acts practiced on behalf of the Company and its subsidiaries, we also maintain an Anticorruption Manual. The document includes harmful acts, in line with the Anticorruption Law No. 12.846/2013, and guidelines on relationships, especially with government authorities.

When joining the Company, all employees receive mandatory online training about the Code of Conduct and the Anticorruption Manual at Kroton University. Also, all service providers shall access and accept both documents. In 2020, we had 4,341 certifications, 2,272 of which were on the Code of Conduct and 2,069 of which were on the Anticorruption Manual. We also reached 100% of our employees through periodic newsletters via e-mail including topics related to promoting ethics and compliance and preventing corruption.

GRI 205-2

Historical analysis of strategic planning, internal audits and processes, and key executives' perceptions are conducted and validated by senior management to verify the most critical risks for the Company, as well as mitigation action plans.

In 2020, 100% of the Company was evaluated and no perceptions or indication of relevant risks were identified in terms of corruption. Also, we did not receive any whistleblowing of corruption under Law No. 12.846/2013 or related laws. Additional information can be found in **Risk Management**.

GRI 205-1 and 205-3

Employee and student - Anhanguera Uniabc - Santo André/SP

For 2021, we are planning to issue an Anticorruption and Relationship with Federal States Policy.

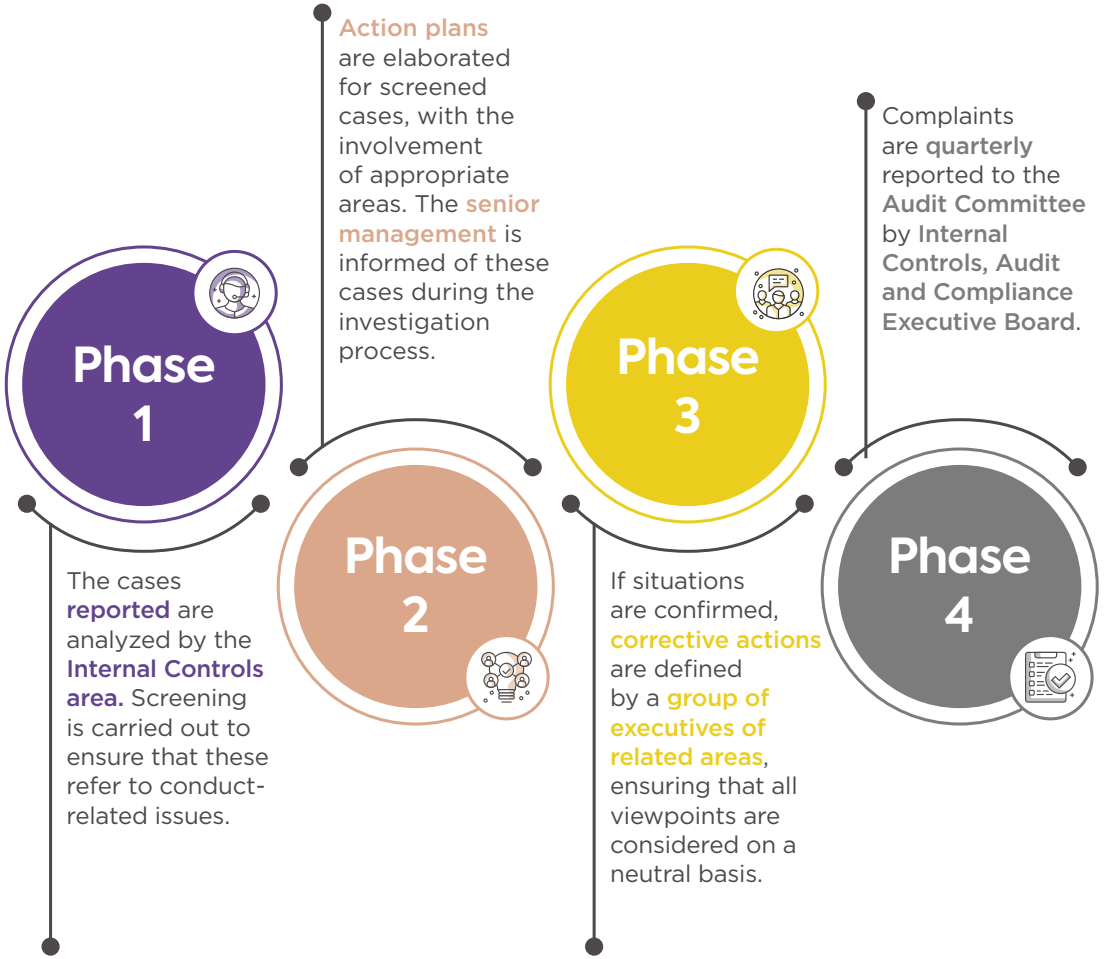
Confidential Channel

GRI 102-17

In our Confidential Channel it is possible to report situations in which the Company's ethical values and principles are infringed or put at risk, accessible to employees via "Portal Informa", and the public in general via the Company's institutional website (www.cognaedu.com.br).

This Channel's principle is the confidentiality of information, all situations reported are treated with full secrecy, impartiality, and independence. Also, as expressed in our Code of Conduct, we do not tolerate retaliations to whistleblowers, who can monitor the entire complaint process (see phases below).

Whistleblowing phases



In 2020, the Confidential Channel received 528 complaints. We verified that 79% of these complaints were within the scope of action. Also, 8 detailed investigations were conducted and submitted for senior management's approval. Out of the total complaints, 57% referred to misbehavior and harassment, 13% to conflict of interests, favoritism, and other frauds; 5% to information security and privacy, and 4.5% to labor infringements.

GRI 205-3 and 406-1

Risk management

GRI 102-11 and 102-15

We continuously monitor risks that may compromise Cogna's full business development. Our Internal Controls, Audit and Compliance Executive Board (DCAC), which reports to the senior management and the Audit Committee, is liable for identifying and mitigating risks, improving controls, and conducting independent internal audits.

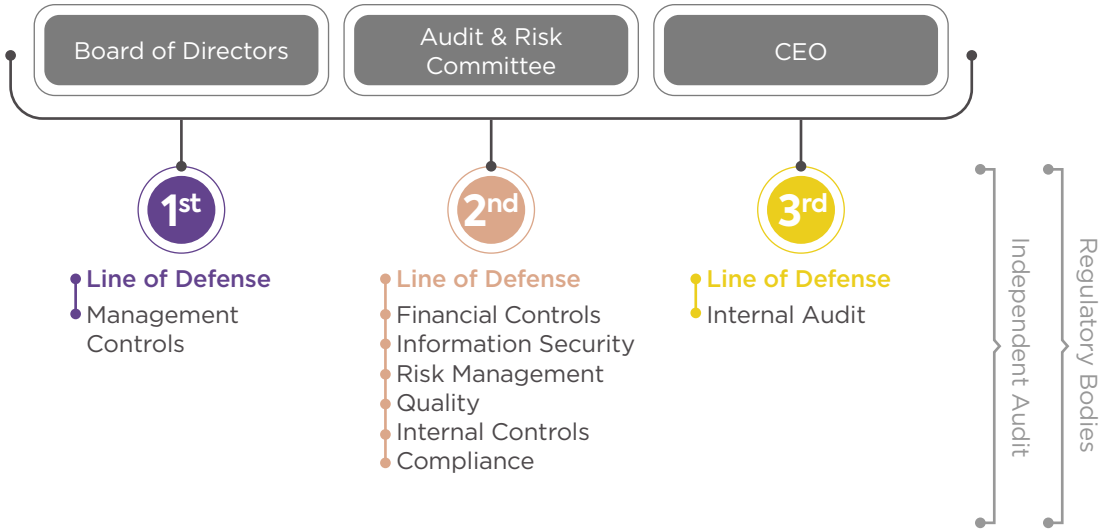
The management process is guided by a Risk Management Policy, approved by the Board of Directors, which determines the concepts, approaches, principles, guidelines, and responsibilities of Cogna and its subsidiaries. Its methodology is guided by the best market practices, such as the COSO-ERM (Committee of Sponsoring Organization of the Treadway Commission – Enterprise Risk Management Framework) and ISSO 31000/2018, as well as the guidelines of the Brazilian Institute of Corporate Governance (IBGC).

It shall be incumbent upon the Board of Directors (BD) to evaluate, at least, yearly, the adequacy of the governance structure, methodology, and other aspects relating to Cogna's risk management, approve eventual exceptions to the Risk Management Policy, by means of recommendations made by Audit Committee. Impacts, risks, and opportunities are analyzed by board members every quarter at the Board of Directors' meeting and Advisory Committees.

GRI 102-29, 102- 30 and 102-31

The Audit and Risk Committee continuously oversees the risk management process, reporting material facts to the Board, if necessary. It is also in charge of approving methodology, the risk management corporate approach, and submitting the evaluation of the risk management process to the Board of Directors, which observes the Three Lines of Defense model:

Three Lines of Defense



Greater diligence of processes

In 2020, Vasta's IPO resulted in governance standards requirements and controls consistent with the US market. Thus, we promoted advances in internal controls by reviewing all Vasta's processes to identify gaps and deploy action plans. The conclusion of the entire process should be concluded in 2021 and bolster the Company towards the best international practices.

Risk general analysis

Yearly, we conduct a Risk General Analysis (AGR) — based on strategic planning, executives' evaluations, investment funds reports, external audits, and the track record of works performed by DCAC. The analysis results in detailing all the risks identified, as well as a criticality mapping of business-intrinsic risks. To mitigate these risks, action plans are devised, including their leaders, quarterly monitoring, and report to the Audit Committee.

For the coming years, in line with Cogna's holding structure, the objective is each subsidiary has its risk management structured.

Risk management and audit towards the pandemic

Due to the Covid-19 pandemic, new risks emerged during 2020, such as emergency purchases that required different processes, and Risk Matrix reviews. We were attentive to situations that could pose a higher risk, and monitored the increased possibility of risks.

In 2020, another effect was the migration of the audit process to online assessment through digitalized processes. Our mature controls allowed us to consolidate the remote audit by extracting the database.

Information security

GRI 103-2 and 103-3: Customer privacy

At Cogna, the preservation of strategic data of the Company, customers, and business partners, in line with the Brazilian General Law of Data Protection (LGPD) sanctioned in 2020, is a continuous focus of financial and operational contributions.

We also rely on an area dedicated to Information Security, with Executive Management focused on managing and implementing the system and procedural improvements to enhance Cogna's information security maturity. There is also an integrated work with risk management, controls, and internal audit areas to identify opportunities that improve and correct eventual gaps.

We created a tactic joint committee, with the participation of legal, risks and business areas

In 2020, we continued planning and executing the Information Security Directive Plan created in 2019, covering governance, awareness, privacy and data classification, identities management, detection and reply, and business continuity. Based on these disciplines, we manage risks and devise mitigation action plans.

Among the advances, we can mention the implementation of a call center to answer requests of the external public and build a technical analysis of demands and decision-making process. Thus, we created a tactic joint committee, with the participation of legal, risks and business areas. In 2020, we did not record complaints of students and customers as to privacy violation and data loss.

GRI 418-1

Also, teams' migration to the remote work required additional information security attention. Thus, we conducted several initiatives to ensure the upgrade and security of equipment and systems. From home, employees were connected from time to time through specific procedures, so that their equipment could be upgraded. The entire process was monitored by Audit, Internal Controls, and Information Security areas.

3

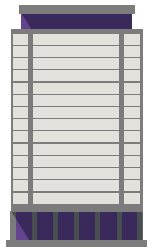
Solid grounds for the future

- Business model
- Cultural transformation
- Sustainability

Business model

Our business model comprises operating across the entire educational chain. Through our companies, we seek business continuity and value creation for students, employees, society, shareholders, investors and stakeholders.

COGNA EDUCAÇÃO
Holding



Pitágoras Ampli
Distance learning

Postsecondary Education

Kroton – Kroton on-campus (undergraduate education) and online platform (DL) – B2C
Platos – Services platform – B2B

Primary and Secondary Education

Saber - it combines renowned institutions and services in line with the National Textbook Program and Red Balloon operations – B2C/B2G
Vasta/SOMOS – platform-as-a-service with content solutions and IT services for partner schools – B2B

Manufactured Capital

Postsecondary education:
131 own units and **1,673 DL** accredited centers

Primary and secondary education:
52 own units in **13** Brazilian states and the **Federal District**

Intellectual Capital

Our segments and respective brands applied technologies, solutions, and initiatives that **promote quality education** compose our intellectual capital. See in **Knowledge that Transforms**

Financial Capital

- **R$ 5,899.2** million in net revenue
- **R$ 689.7** million in Ebitda

Human Capital

- **23,324** employees
- **60.01%** of staff composed of women
- **415.4** hours of training

Natural Capital

- **40%** reduced energy consumption
- **45.4%** reduced water consumption

Social and Relationship Capital

591,762 people benefited from social projects

Cultural transformation

Aspiring for being positioned among the world's most innovative education companies, over the past years, we have strongly invested in the Company's digital transformation, and more than that, in the cultural transformation of our companies and employees. We understand that more than devising technologies, an innovation mindset is one of the key levers for our value creation.

Our digital transformation process concluded two relevant cycles over the past years, with a cultural change in the company's management through the agile methodology—SAFe (Scaled Agile Framework), and the digitalization of primary and secondary education via Vasta's K12 Platform. Additional information in **Knowledge that Transforms**.

In 2020, we reviewed our digital transformation committee and we set up a Technology and Digital Culture Committee, composed of a multidisciplinary team, and two external advisors to support and monitor activities. Our main focus in 2020 was to digitalize postsecondary education, the third phase of our transformation process. Thus, we created the Postsecondary Online Platform, which covers all the DL courses, with or without on-campus component, using third-party centers or Kroton's own units, besides content and technology solutions for other postsecondary institutions. This process envisaged a technology roadmap connected to the business strategy to create a journey for the next three years.

We also reviewed the entire operational model of our IT area, we built a RACI matrix with 200 activities and relevant processes to be implemented in 2021. In line with Cogna's restructuring in 2019, the objective is to offer more autonomy for the business fronts and holding's coordination.

Digital Finance

After the digitalization of academic systems, we sought to evolve our systems architecture to improve the financial experience, both for our students and the Company. Thus, Digital Finance emerged, which aims at enhancing the maturity of our financial processes, replacing the systemic platform for the entire revenue cycle of postsecondary education and back-office processes of Cogna, Kroton, and Platos.

Digital Finance is a platform for O2C (order to cash), R2R (record to report) and P2P (procure to pay) processes and is built in five pillars: roadmap; technology architecture; guidelines, governance, team and budget. For Cogna, this will allow a single registry of financial information, the accounting closing within five business days, the availability in real-time of analytical information, and accordingly, the tracking of financial data, with reliable information.

For Kroton, this will bring greater agility and flexibility to set up and make available offers, services, and various billing methods (subscription, monthly tuition fees, course load, etc.), with granularity (unit, channel, brand, course, etc.) and multichannel. Thus, students will receive clear and centralized information about the products and services contracted.

Also, Digital Finance comprises a single billing among business units, accounts receivable integrated to billing with revenue recognition, various means of payment, with flexible maturity, and a uniquely flexible, reliable billing platform in line with the best market practices.

For this first phase of the project (the Explore), in 2020 we promoted several events for engagement of teams involved in the project (project and key users), which totaled over 300 people. 50 workshops were held, and over 729 functional requirements were analyzed, and over 360 best practices were mapped. We also reached 97% adhesion to SAP good practices, a satisfactory result compared to the market benchmarks for similar projects.

Open innovation

For the past five years, Cogna has been integrating Itaú's Cubo, an ecosystem with 243 startups focused on solving challenges through technologies. In 2020, to expand the edtechs portfolio in the Cubo Education community, as well as Cogna ecosystem, we increased the number of connections, while we reinforced our relationship with new hubs of innovation and entrepreneurship, inside and outside the country, among them, the Israel Trade & Investment Brazil; Enterprise Singapore; Fábrica de Startups Brasil and Future Educations.

In 2020, we rolled out the Open Innovation website that allows us to include Speed Dates which aim at easily scheduling conversations with startups in the Education and Efficiency Journeys. We also inserted therein the open innovation challenges underway. Through this platform, we get to know 233 startups in the period. Access: **https://sites.google.com/inovacao.cogna.com.br/home**.

For different business areas to participate in this journey, we created a flow, so that they have access to this innovation environment. The Open Innovation Journey comprises phases of team awareness; exploration of strategies; connection with startups; negotiation and design of application strategy; experiment and, lastly, analysis of results, which if positive, culminate in business.

Among outstanding initiatives in 2020, we developed an engagement survey that included hearing-impaired employees, and opportunities with Edupass, a platform of professional development courses, in partnership with large educational institutions; with Niduu, a corporate development online platform for operational teams; and the SOMOS' Science in Learning, an initiative that brings innovation in education, it started works with *Rede CpE* (Scientists for Education) aiming at utilizing neuroscience achievements applied to primary and secondary education.

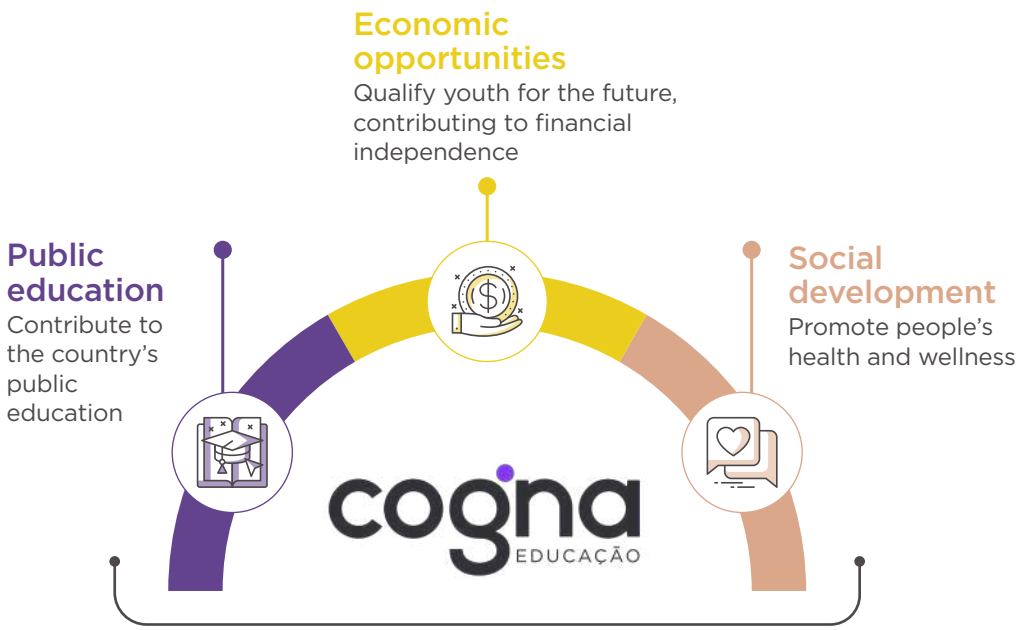
With scientists of *Rede CpE*, the free course of neurostimulation in the classroom was created, for any Brazilian public or private educator. Through this initiative, a revised and extended edition of the book was published: Education Based on Scientific Evidence, also freely distributed to foment the good practices that accelerate learning. Besides these initiatives, live streaming on Science in Learning could be watched by everyone, from parents to school administrators.

In 2020, we rolled out the Open Innovation website that allows us to include Speed Dates

Sustainability

GRI 102-12

In 2020, we carried on a study to define the causes and pillars of operation, a project initiated in 2019. We defined three priority pillars that should guide our social impact actions and two transversal topics. Therefore, we directed our efforts to enhance our impact and transform people's lives in the communities in which we operate. For 2021, we plan to set out commitments and goals for each pillar.



Transversal topics

Inclusion & diversity
Respect and value people with disabilities: support to gender equality, ethnic minorities, religion, sexual orientation, gender identity

Innovation & digitalization
Apply new technologies to minimize the negative impact and potentialize the business' positive impact

Our strategy also addresses initiatives contributing to the Sustainable Development Goals (SDG), defined by the United Nations (UN). In line with our business model and our social impact pillars, we acted more actively in three SDGs, namely: Good Health and Well-Being (SDG 3); Quality Education (SDG 4); and Reduced Inequalities (SDG 10). Get to know our initiatives in the chapter **Social impact**.

While signatories of the UN Global Compact, we adopt corporate social responsibility and sustainability policies by adopting the 10 principles relating to human rights, labor, environment, and anti-corruption.

ESG agenda advances

Long before the acronym ESG (environmental, social, and governance) began making the headlines in 2020, Cogna already relied on initiatives monitoring these aspects. Based on a perception study conducted in 2019, Cogna has been evolving the reporting of relevant ESG indicators, as per stakeholders' perspective.

In 2020, for the second consecutive year, Cogna was recognized as one of the leading companies in the Consumer Services industry, with the lowest ESG risk, according to the Sustainalytics ranking. We were ranked 6th globally in the Consumer Services industry, among the 2% of best-performing companies, and we were the only one in the Americas in this sector to be considered Top Rated.

In 2020, for the second consecutive year, Cogna was recognized as one of the leading companies in the Consumer Services industry, with the lowest ESG risk, according to the Sustainalytics ranking

Stakeholders engagement

GRI 102-42 and 102-43

We believe that our potential to create value can be enhanced through a close and transparent performance with our stakeholders. Therefore, we seek to actively interact with our stakeholders through different channels.

The Institutional Relations and Governmental Affairs division seek to interact with government authorities, observing Cogna's compliance rules, which comprise request, official scheduling, and disclosure of topics discussed. All meetings are held, and registered with, at least, with two employees of the company, aiming at contributing to the formulation of efficient public policies that meet the country's regulatory and educational needs.

Also aiming at promoting sustainability in our sector, we participate in associations recognized in Brazil and abroad, such as Abrelivros (Brazilian Association of Publishers and Educational Technology and Content Producers), Anebhi (Brazilian Association of Hybrid Primary and Secondary Education), Funadesp (National Foundation of Private Postsecondary Education Development) and Anup (National Association of Private Universities).

GRI 102-13

The outstanding initiatives for students are reported in **Knowledge that Transforms**. Interactions with employees and society are reported in **Value Relationships**.

4

Business performance

- Macroeconomic and sector scenario
- Economic and financial performance
- Operating performance

Macroeconomic and sector scenario

In 2020, the Covid-19 pandemic caused adverse impacts not only to the lives of millions of people but also across global economies. In Brazil, the gross domestic product (GDP) shrank 3.9% and the benchmark interest rate (Selic) plunged 4.5% p.a. in 2019 to 2.29%.

On the other hand, the official inflation measured by the Extended Consumer Price Index (IPCA) saw a recovery in 4Q20 and ended the year at 4.52%, 0.21 p.p. higher than in 2019. According to the Brazilian Institute of Geography and Statistics (IBGE), this result was driven by the Food and Beverage sector, which recorded the highest variation (14.09%) and the highest impact (2.73 p. p.) in 2020.

In the Education sector, the IPCA variation came at 1.13% in 2020, with an impact of 0.07 p.p. The youth and adult education evolution was offset by drops in technical and graduate courses in 2020.

Brazil's unemployment hit its record in 2020, at 14.6% versus 11.2% recorded in 2019. However, as several sectors resumed their activities, and a favorable outlook towards the pandemic, the number of formal jobs created in November 2020 reached its all-time high, since its historical series initiated in 1992, according to the Ministry of Economy. Only in November 2020, Brazil created 414,556 formal jobs, according to the data of the National Registry of Employed and Unemployed Workers (CAGED).

Postsecondary students - Anhanguera
Ribeirão Preto - Ribeirão Preto/SP

Current scenario of the Education sector

Over the past years, the Education sector already discussed distance learning advances. In 2020, the hybrid model was strongly bolstered by the need for social distancing due to the Covid-19 pandemic.

After several discussions, Brazil's Ministry of Education (MEC) ratified in 2020, the resolution of the National Council of Education (CNE) affirming that the Brazilian public and private schools could offer distance learning while the pandemic endures.

This regulation is part of Law No. 14.040/2020, which sets forth exceptional educational rules to be adopted during the pandemic, in line with the recognition of the national state of emergency enacted by Legislative Decree No. 6 of March 20, 2020.

Referred law authorizes the development of online educational activities, while provides for educational systems that shall ensure that students and educators have access to the means necessary to perform remote activities.

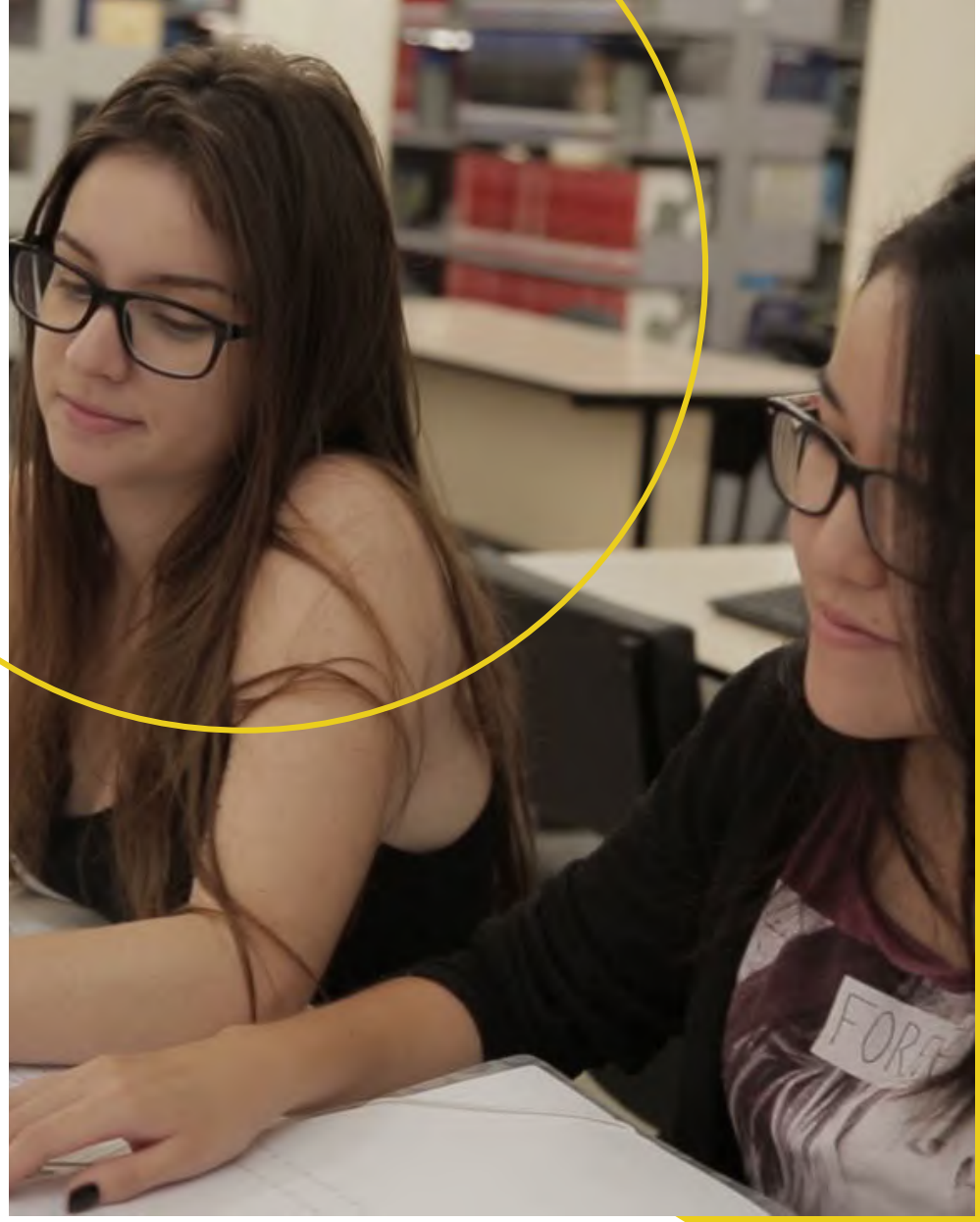
For 2021, taking into account that the pandemic has not ended in the country, hybrid education should be maintained as a focus of regulatory discussions and across the entire Education sector.

Economic and financial performance

GRI 103-2 and 103-3: Economic performance

Net revenue

In 2020, Cogna's net revenue totaled R$5,899.2 million, 16.1% lower than in 2019, mainly due to revenue pressures in postsecondary education and lower sales volume of the National Textbook Program (PNLD).



Postsecondary students- Anhanguera Sorocaba - Sorocaba/SP

R$5,899
million was Cogna's net revenue in 2020

Result for the year

Cogna posted an adjusted net loss of R$679 million in 2020, with a negative adjusted net margin of 15.4%, 26.4 p.p. lower than in 2019. This result was mainly affected by lower operating results, higher financial leverage, and Kroton's restructuring expenses. Net loss totaled R$5.8 billion, due to recognition of goodwill impairment and sale of an escrow account to SOMOS Educação's sellers, besides the factors mentioned above.

EBITDA

Recurring EBITDA totaled R$689.7 million in 2020, 57% lower than in 2019, and a recurring EBITDA margin of 11.7%, 21.8 p.p. lower than in 2019. This result reflects lower revenues in the period and a higher volume of provisions in postsecondary education, both impacted by the pandemic effects.

INVESTMENTS

Cogna's Capex totaled R$444.3 million in 2020, accounting for 7.5% of net revenue for the period, 1.9 p.p. lower than in 2019, chiefly due to the recognition of the editorial investment in costs and the conclusion of the project to open new units, besides an effort to streamline and protect the Company's financial health against the pandemic.

Most of CAPEX was earmarked for the development of content, systems, and software licenses, which accounted for 62% of the total. These investments reflect the expansion and maturation of the postsecondary education portfolio over the past years, especially in the Engineering and Healthy sectors, and new DL premium courses, also comprising the renewal of content in the primary and secondary education and digital transformation initiatives, essential to meet the demands caused by the social distancing.

Net indebtedness

At the end of 2020, the total between cash and financial investments amounted to R$4,552.3 million, 81.9% higher than in 2019, especially owing to Vasta's IPO and Cogna's follow-on. Total net indebtedness came at R$2,919 million, 61.3% lower than in 2019.

Value-added statement (VAS)

GRI 201-1

Value-added totaled R$-2,229.7 million in 2020, 150.7% lower than in 2019, distributed as follows:

Consolidated VAS (R$ million)	2018	2019	2020
Revenue	5,404,199	6,340,576	4.294.078
Sales of goods, products and services	6,060,708	7,027,194	5,899,183
Other revenues	15,982	224,175	32,406
Provision for/reversal of doubtful accounts	(672,491)	(910,793)	(1.637.511)
Inputs acquired from third parties	(1,236,759)	(1,092,120)	(5.661.509)
Costs, products, goods and services sold	(183,934)	(479,172)	(442.937)
Materials, energy, outsourced services, and other	(1,052,825)	(1.092.409)	(1.092.409)
Asset impairment	0	0	(4.126.163)
Gross value-added	4,167,440	5,248,456	(1.367.431)
Retentions	(476,778)	(1,197,739)	(1.153.001)
Net value-added produced	3,690,662	4,050,717	(2.520.432)
Value added received in transfer	428,897	346,360	290.718
Equity income	(2,027)	(157)	5,665
Financial income	430,924	346,517	285.053
Total value-added to distribute	**4,119,559**	**4,397,077**	(2.229.714)
Personnel	1,920,430	2,303,631	2.022.679
Direct compensation	1,366,892	1,598,379	1.394.579
Benefits	104,753	149,402	134,850
F.G.T.S. (workers' severance indemnity fund)	448,785	555,850	493.250
Taxes, duties and contributions	30,157	(14,975)	(105.730)
Federal	(13,091)	(26,538)	(119.679)
State	11,534	685	10,022
Municipal	31,714	10,878	3,927
Debt capital	776,116	1,865,833	1.659.135
Interest rates	296,433	1,179,670	958.691
Rentals	455,226	572,669	590.487
Other	24,457	113,494	109,957
Equity capital	1,392,856	242,588	(5.805.798)

Capital market

Cogna's capital stock is composed of 1,876,606,210 common shares, divided into treasury shares (0.41%) and free float (99,59%). Cogna's shares, traded on B3 under the ticker COGN3, adhere to several indexes, Ibovespa, the Special Corporate Governance Index (IGC), the Special Tag Along Stock Index (ITAG), the Consumption Index (ICON), and the MSCI Brazil.

In 2020, the Company's shares were traded at 100% of trading sessions, totaling a traded volume of R$98 billion in 15.8 million trades, accounting for a daily average traded volume of R$396 million. In 2020, Cogna's shares were monitored by 16 different local and international research companies. On December 31, 2020, Cogna's market cap totaled R$8.7 billion. In 2020, Cogna's shares plunged 62.0%, while Ibovespa surged 2.9%.

Vasta's capital stock is composed of 83,011,585 common shares, divided into 18,575,492 class A free float shares and 64,436,093 class B shares held by Cogna with differentiated voting power (10 votes per class B share against 1 vote class A share). Since July 31, 2020, Vasta's shares are traded on Nasdaq under the ticker VSTA. On December 31, 2020, Vasta's market cap totaled R$1.2 billion. In 2020, Vasta's shares dropped 23.7%, while Nasdaq surged 43.6%.

See in our financial statements the complete information on our **economic and financial performance**.

Primary and secondary students - Colégio Rede Pitágoras - São José dos Campos/SP

Operational performance

kroton

At the end of 2020, we recorded 770,000 postsecondary students, virtually in line with 2019. The decline in the on-campus segment (229,400 students at the year-end) was mitigated by an increased number of students in the online mode (540,600 students at the year-end), which evidences the hybrid trend of postsecondary education.

Kroton added 520,851 new students in the period, 5% higher than in 2019.

While the on-campus student-recruiting process plunged 37%, worsened by a significant reduction in the government financing of the Student Financing Fund (FIES) and the Private Special Installment Plan (PEP), distance learning grew by 28%, by adding 89,000 new students to this segment.

Due to the financial impacts of Covid-19 on students, the dropout rate increased 6.9 p.p., reflecting the challenges relating to the payment of monthly tuition fees, since the Company adopted a more conservative position towards renewal of defaulting and high-risk profile students. For 2021, with a favorable outlook of the macroeconomic scenario, we expect advances not only in terms of retention but also timely payment.

Postsecondary student- Unopar Catuaí - Londrina/PR

770,000
postsecondary students, at the end of 2020

PLATOS

EDSERV PLATFORM

33.7%

our graduate student base grew in 2020

At Platos, our graduate student base grew 16.7% in 2020, highlighting the 33.7% increase in an online graduate course, which reinforces a digitalization trend across postsecondary education.

It is worth pointing out the 34.8% in the online student-recruiting process, which more than offset the loss in the on-campus graduate student-recruiting process (due to the Company's decision of discontinuing the offer of an on-campus product). This result reflects the Company's strategy of prioritizing the online product, as well as the efforts of the commercial and marketing team that promoted more effective commercial campaigns and improved digital marketing practices to step up our e-commerce.

We highlight that the online mode recorded an NPS (Net Promoter Score) of 42.6 points higher than in 2019.

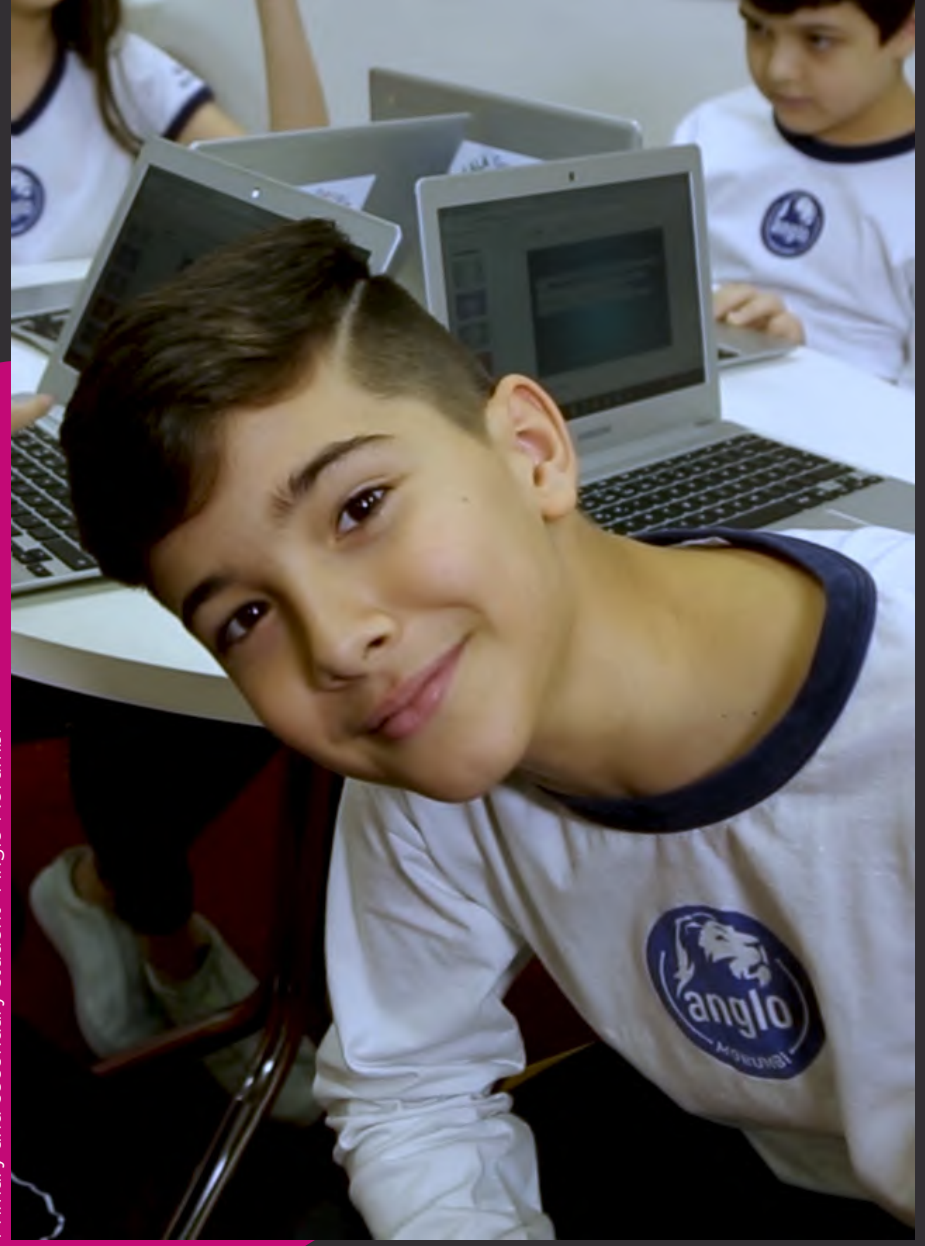
SABER

At Saber, we totaled 31,000 students in our base in 2020, combining primary education and early years of secondary education. Aside from the magnitude of the pandemic, Saber's own student base slightly dropped, influenced by the dropout of primary school and early years of secondary school students.

In 2020, we highlight the recognition of sales for the 2021 cycle of the National Textbook Program (PNLD). This Program recorded a total sales volume of 51 million books, 25.5 million books referring to the adoption of new books for the segment of early years of secondary school (*ensino fundamental I* -the final version of the BNCC-Common Curricular National Base) and 25.5 million referring to previous years' replenishment. Total sales amounted to R$365 million.

High school student celebrating university entrance exam result

31,000
students in our base in 2020



Primary and secondary student- Anglo Morumbi

VASTA
EDUCAÇÃO

In the commercial year of 2020, from October 2019 to September 2020, Vasta verified revenue from subscription 18% higher than in 2019 commercial year, deriving from the Annual Contract Value (ACV) of services and products contracted for the period, net of cancelations related to the Covid-19 pandemic.

23%
for the 2021 commercial year, recorded a growth

For the 2021 commercial year, Vasta recorded a 23% growth of ACV, this performance reinforces the business resilience and the commercial strength of the services platform amid a pandemic scenario.

5

Knowledge that transforms

- Primary & secondary education
- Postsecondary education

PRIMARY & SECONDARY EDUCATION
Quality education

Saber

GRI 102-2, 102-4, 102-6 and 102-7

We believe that education is the path for transformation. Saber offers to its 31,000 students, full education, which combines excellent academic knowledge with the development of creativity, critical mindset, collaboration, and communication. Thus, Saber seeks to bolster skills and attitudes and prepare the youth for interactions and positively influence society.

Saber operates on three business fronts: primary and secondary education, languages, and editorial front focused on the National Textbook Program (PNLD). Operating in 13 states, plus the Federal District, Saber relies on 52 educational units, with 18 widely recognized brands, including schools such as Leonardo da Vinci, Colégio pH, and Colégio Sigma, besides 122 owned and franchised language schools, such as Red Balloon.

2020 highlights

18 brands

52 units

13 states

27 cities

+ 31,000 students

+ 2,800 educators

+ 55,000 Saber's employees

+ 4,900 employees at schools

Our brands

For our students

Amid a challenging year, we ramped up the digital transformation process of our analog schools, without neglecting our DNA of educational excellence. Our focus was to work the concept of the network through an Academic Area, building synergy in our field of activity.

Within this context, it is worth noting the language school Red Balloon's migration to the online environment. Exclusive methodology and school material were developed, suited to the developmental stage of children and adolescents between 3 and 17 years of age. This resulted in a satisfactory NPS of 82.7 (79.6 in 2019), in relation to classes via an online platform.

In 2020, the "Avança Enem" Program was created, aiming at supporting schools to build structured action plans, with a focus on priority skills and improved performance at Enem (Brazilian National High School Exam). With this initiative, over 3,000 students were impacted.

Another highlight was solutions to support distance learning, for instance, the *Colégio pH*, in the city of Rio de Janeiro. The monitoring, which plays an essential role in supporting students' learning process, was one of the areas that most developed during the social distancing period. The "Caminho das Pedras" was created in the audio format, a relevant tool to solve students' doubts. Also, the Live Monitoring has emerged as a supporting tool for general and conceptual doubts on all the subjects, and the Support Monitoring Program reinvented methodologies and contents for learning disabled students.

Colégio Pitágoras stood out for its curricular and extracurricular activities. The migration to online education relied on strong support to students, including Enem extra preparation classes for the last year of high school, psychological

and educational supports. At *Colégio Motivo*, in the city of Recife, in Pernambuco, a group composed of Faculty and staff conducted several training courses aiming at ensuring students' success in online classes when utilizing the Plurall platform.

These and other various initiatives sought to approach students and allow classes to continue with quality. It is also worth noting the content production in 2020, also the creation of a core curriculum, in line with the new standards of the Common Curricular National Base (BNCC).

Implementation of online school

347,000
synchronous classes

376,000
contents produced

20.9 million
contents sent/posted, with 98% students' engagement

1,800
educators approached

30,000
students homeschooled

"Avança Enem" program

37
units in 18 brands served

+ 3,000
students impacted

14
hours of training courses and contents

100%
action plans executed

4
pre-admission tests

Primary and secondary student – Colégio ECSA – Cuiabá/MT

Students experience

We seek to offer a unique experience to our students. In 2020, we kicked off a project to deploy the Customer Relationship Management (CRM) tool to manage students' data, an input to monitor journey with Saber. We also improved schools' websites, including a virtual tour, also contributing to bolstering students' and parents' services.

Textbook

Saber also offers textbooks to over 86,000 public schools throughout the country, as part of the National Textbook Program (PNLD), reaching more than 22 million students and 2 million primary and secondary education professionals in Brazil, a relevant user community of our products and services.

During 2020, as requested by municipalities, we offered a digitalized version of PNLD books. Hence, over 5 million students could have access to educational content, allowing them to continue studying, even remotely.

In 2020, our challenge was to promote our adhesion to the Common Curricular National Base (BNCC). We support authors in the creation of a multidisciplinary book, which must have a differentiated editorial quality by integrating several subjects in an organized manner. Our efforts succeeded and we reached 100% approval of our works.

Covid-19 actions

Saber Talks

A free live streaming series, with relevant educational content. We proposed to raise discussions and thoughts, with presentations of renowned public figures, such as Leandro Karnal, Mário Sérgio Cortella, Viviane Mosé, Rossandro Klinjey, among others, on the challenges posed by the pandemic and the social distancing inflicted by Covid-19.

Resumption

We quickly reacted to the challenges imposed by the pandemic, by consistently migrating to the online mode. We built an action plan to resume on-campus classes. Among these actions, we highlight the elaboration of a guide for managers, teachers, and the school community as a whole. The maintenance of safety, physical and emotional health is a transversal topic, which permeates the entire document.

Letters and poetry for the elderly

An initiative created to bring joy and affection for the elderly people in the cities of São Paulo, Rio de Janeiro, Recife, and Brasília, during the pandemic, and at the same time, work with students' values, such as empathy and solidarity. We understand it is necessary to offer a full education that values both cognitive, social, and emotional skills.

Education in figures
Path of Knowledge

+ 100
direct actions – live videos, training, meetings, and monitoring

+ 4,000
teachers and educators impacted

+ 160
hours of training

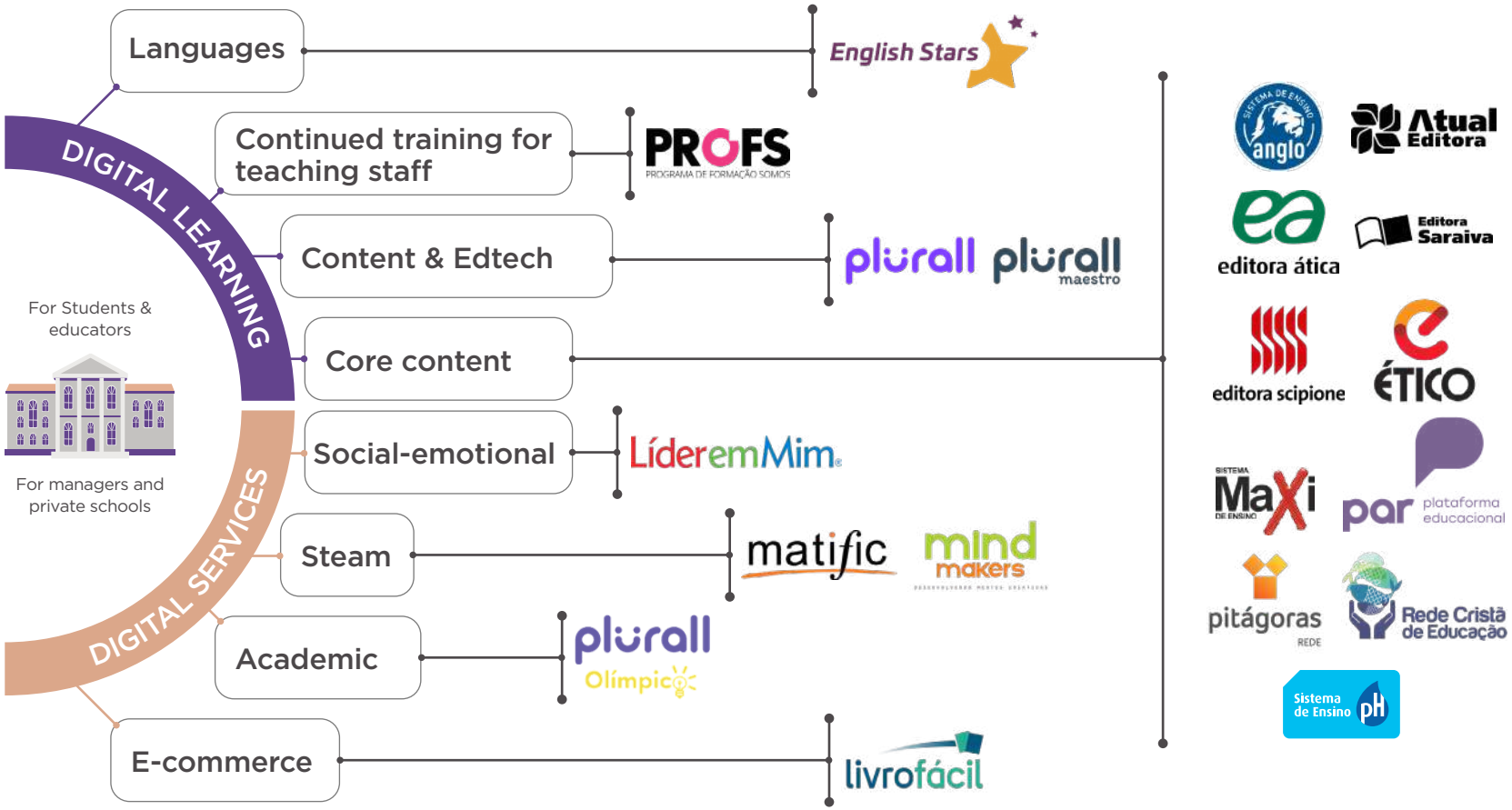
100%
of schools and segments covered

SOMOS

GRI 102-2, 102-6 and 102-7

SOMOS is an integrated services platform that combines education and quality management with content solutions and technology services for B2B partner schools. Grounded in the Science in Learning model, it blends technology and neuroscience to offer solutions positively impacting students' learning.

Our brands



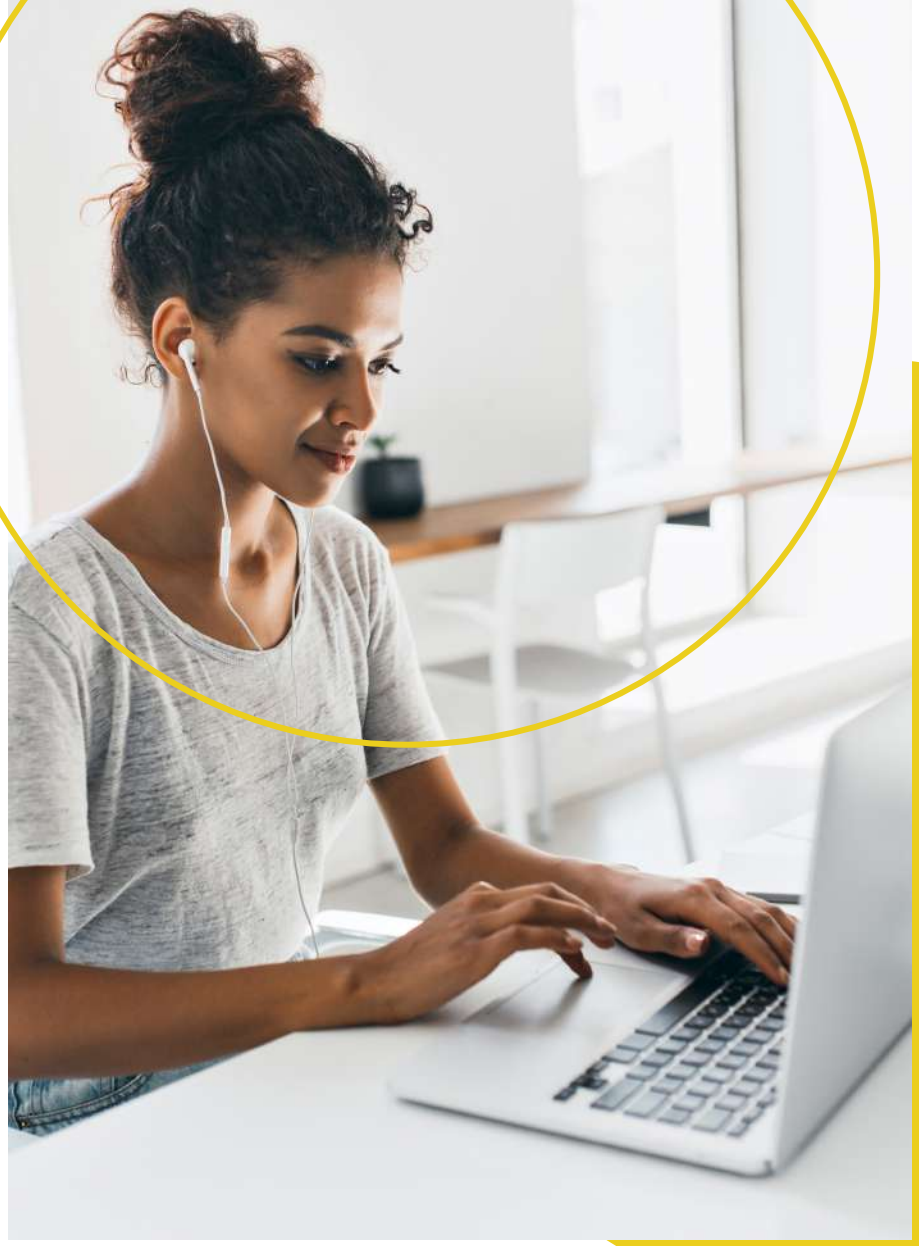
Primary and secondary education digitalization

While partnering to offer educational and management solutions for schools, in 2020, SOMOS digitalized over 4,000 partner schools during the social distancing period. Within 12 days, migration to the online environment became a reality through our Plurall platform.

More than migrating to the online mode, we stipulated that classes would have live streaming, not recorded as it occurs in most of the cases, thus, contributing to better learning and attention of students.

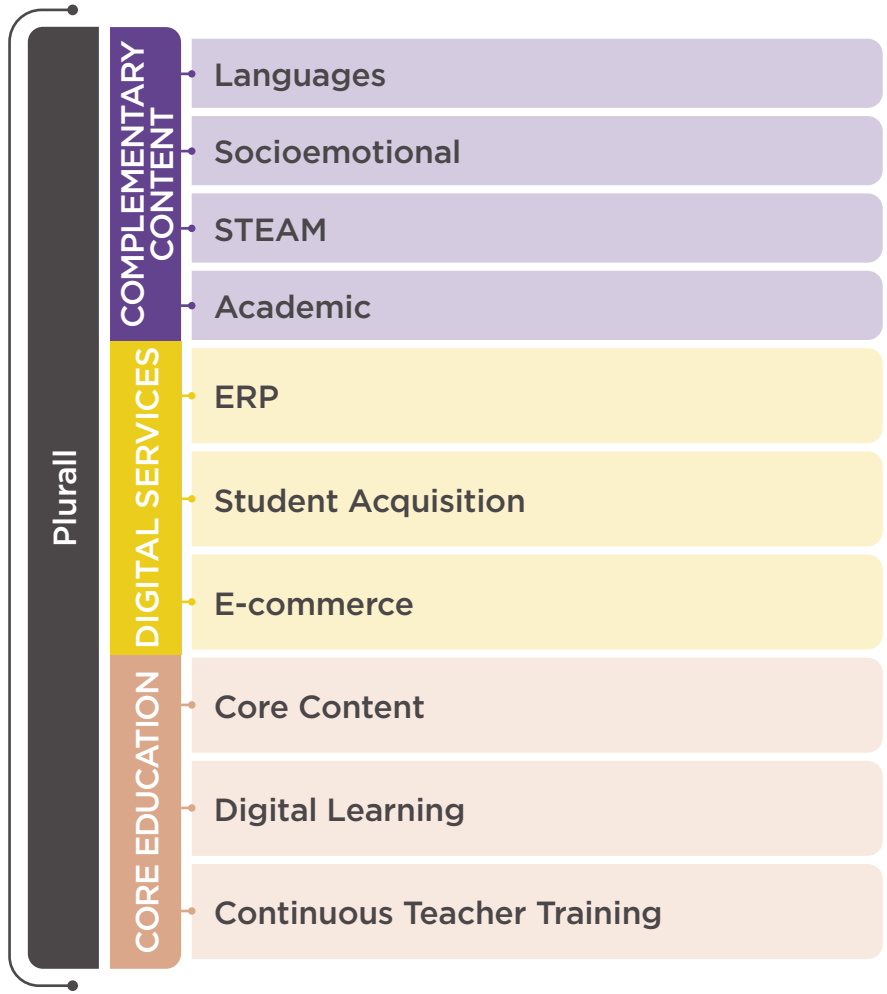
Therefore, we conducted more than 300 webinars for teachers to learn using the tools and resources for online classrooms. We also made appropriate adjustments when applying exams. All in all, 107,000 teachers and 1.4 million students were covered by online classrooms.

For 2021, we will roll out the “Plurall Meu Maestro”, a virtual space for private classes, wherein teachers and students can meet safely, conveniently, and with educational resources.



Plurall

K-12 SCHOOLS



25%
of Brazilian students in private schools adopt Plurall as their learning platform, totaling **1.3 million** students

+ 9 million
live virtual classes since the onset of the lockdown or **72,000** daily live virtual classes

100,000
teachers connected

50%
of educational web traffic

K12 Platform

The K12 platform has a wide portfolio that relies on learning systems, complementary education solutions, and a digital learning technology platform and e-commerce. Education, high-quality management and digital transformation and the elements guiding us to define the four pillars of educational solutions:

- **Content solutions:** we provide content for K12 partner schools through innovative methodologies, prioritizing science in education. We offer different educational solutions that assist schools to prepare students for contemporaneous challenges. Our portfolio includes traditional brands, such as Anglo, Ético, pH, Maxi, Pitágoras among others. We also rely on PAR, educational platform targeting schools using textbooks of Ática, Scipione, Saraiva and Atual publishers. We are present in more than 700 schools, distributed in 24 Brazilian states, impacting over 370,000 students. Combining the use of textbooks and technology, we developed a methodology based on continuous improvement processes, the Education Management Cycle (CGE).

High school students – Colégio Motivo – Recife/PE

- **Online Platform and Training:** we made available various services that include a learning and studies online platform Plurall, the most complete technology solution for Brazil's primary and secondary schools, it assists 25% of primary and secondary schools totaling 1.3 million students. Leader in the ranking of educational apps and tools most used in the country, this is an innovative solution that also can be accessed by teachers and coordinators. This easy-friendly tool accounts for 50% of educational web traffic. We also highlight our Learning Online Platform (PDA), an innovative tool that enables access to various digital resources integrated to Google for Education, destined to distance learning.

- **Complementary educational solutions:** we provide additional content, improving the offer of education at schools and enhancing student's experience. We provide tools, such as the online Mathematics Platform, the Matific, which assists in the development of strategic mindset, and the Mind Makers, our Educational Publisher, which stimulates the computational mindset, present in more than 100 partner schools, in 19 Brazilian states.

- **Digital Services:** we offer all school material lists in a single environment, the *Livro Fácil* e-commerce. With this partner school platform, we facilitate the sale of school material handily and safely.

Digital assessment

In December 2020, Vasta Platform Limited announced the acquisition of Meritt, the most complete and cutting-edge digital assessment platform in the country, serving more than 500 schools. Meritt possesses the largest K-12 database in Brazil and will help our partner schools with the digitalization process, besides adding a digital solution to our platform, bringing in new clients, and contributing with its experience in data analysis. Meritt will also provide relevant cost synergies of tests and mock exams for the Vasta brands.

Meritt's online solution will be available for all Plurall's partner schools from the first bimester of 2021, while the adaptive solution will be gradually incorporated into the platform teaching models.

SOMOS Science in Learning

In 2020, we advanced the Science in Learning, which seeks to bring in classrooms scientific evidence that improves educational practices, while promoting students' full development. This conduct is grounded in a continuous interaction of the Company with scientists and neuroscience and neuropedagogy institutions.

Its objective is to promote the evolution of education through scientific approaches, acting on four fronts: learning psychophysiology; cognitive assessments; learning neuroscience advanced researches; and teachers' training. Thus, we can rapidly improve and solve great current learning problems. An example is the innovative cognitive training program to improve our students' concentration, within the scope of learning psychophysiology.

To strengthen this project, which started to mature in 2019, we sought partners that could contribute to such a challenge. Hence, we became the sponsors of the National Network of Science for Education, a non-profit organization that aims at combining efforts of various research groups throughout the country. We also joined Google For Education, Google's educational platform, the BrainCo, a startup founded at Harvard Innovation Lab, in the United States, and Forebrain, an advisory firm specialized in neuromarketing studies, created by neuroscientists.

Its objective is to promote the evolution of education through scientific approaches

First course

In 2020, we launched the first neurostimulation course, in a partnership with the National Network of Science for Education *(Rede CpE)*, within the scope of Science in Learning, divided into four fronts:

- Handholding neuropsychology and education: it covers executive and learning functions for school neuro-cognitive intervention.
- Development of cognitive and executive functions within school context: it discusses the relevance of educator.
- Executive functions and co-related skills: it shows how to stimulate them in the school environment.
- Executive functions and school learning: with a focus on textual understanding.

During the course, the difference between assessment, preventive, and remediation neurocognitive intervention will be discussed, grounded on the neuropsychology of development, clinical, cognitive, and school and their intersections with education.

Participants will also learn about the neuropsychology of executive, learning functions, and how these are related to attention, memories, oral language, reading, writing, and mathematics, as well as risk factors and protection to absorb these capacities within the context of neuropsychology. Also, participants are stimulated to reflect upon the teaching-learning and assessment process through neurocognitive intervention and unschooling actions.

For students

We make available educational tools and content that contribute to the academic development of our students, offering new experiences and competencies. Only in 2020, we made available:

- **Learning Book:** our most recent launch, this tool builds technology into the educational process and school routine. A simple, complete, and innovative solution that connects students and teachers through 100% digital educational content, through the efficient Plurall platform, in an appropriate and safe device, bolstering schools' digital transformation. It is available for Anglo and pH and PAR educational platforms. It relies on an education certification along with Google. In a partnership with Lenovo, school or parents, students and teachers do not have costs when acquiring a computer, using equipment with their Plurall ID. Hardware and software are 100% integrated, enabling a fully transparent experience.
- **Plurall Store:** our virtual store of digital courses inside Plurall for teachers and students, this is a marketplace of educational solutions inserted in an environment that engages students, supporting the hybrid education oriented at schools. With a broad portfolio of exclusive educational resources, it combines the best local and international complementary education, contributing to diverse and flexible learning, practicing various pieces of knowledge while developing the skills required by the National Common Core Curriculum (BNCC).
- **Anglo Box:** in primary and secondary education, the Anglo brand made available this platform, with free classes given by teachers for pre-college students. We recorded 22,216 new registrations and over 4 million content viewers.
- **Free e-books:** In April, we released free access to 22 online books. We also made available 12 classic books for children and young people through the "Coletivo Leitor", a project that foments reading headed by SOMOS.

Online School – SOMOS

SOMOS SCHOOLS

Schools adhering to the Learning Book solution may obtain the certification and SOMOS Online School seal, recognized by Google For Education, as long as they meet the requirements necessary of categories below:

- Adoption of Chromebook
- Use of Plurall
- Teaching staff's engagement with Plurall
- Use of G-Suite

This seal will recognize schools for their commitment and engagement with an innovative online learning experience.

For educators

To overcome challenges seen in 2020, SOMOS Educação, honoring its commitment to provide innovative solutions to primary and secondary schools, developed several free and online paths and webinars, assisting teachers to enhance their capacities, such as online classes, competencies, and skills, among others.

Professionals also rely on the Educators Training Program (PROFS), set in an interactive platform that promotes relevant topics concerning challenges of professional development. With practical material that enhances teaching repertoire, these are DL courses covering four dimensions of knowledge: new methodologies, technological skills, teaching practices, and self-development. In 2020, this program offered the PodPROFS, a costless podcast with content that foments discussions about education, raising relevant topics with educators, and opening room for new discussions and viewpoints.

Brazilian Alliance for Education

628
classrooms

66
free certified courses

105,000
people benefited

For public school educators throughout the country, SOMOS released limitless access to the PROFS platform courses portfolio, making available more than 30 free online courses and certificates, each with a 30-hour duration. This action is the result of PROFS partnership with Instructure global companies, specialized in educational technology, and Amazon.

We also **made available the Student Virtual Environment (AVA)**, Kroton's systemic platform, in the portal of the Brazilian Alliance for Education. This tool was offered for use of public school teachers and students. In 2020, it totaled 628 classrooms, 66 free certified courses, and over 105,000 people benefited.

For schools

In 2020, we promoted various webinars that provided tools for us to reflect on this new scenario, discussing topics, such as school management strategies during crisis, paradigms, and practices in the new school management.

By accessing the resources of the PAR educational platform, managers also rely on a solution that combines school material, technology, and support solutions. We devised a methodology based on continuous improvement processes, the Educational Management Cycle (CGE), customized for each school.

Performance indicators

In primary and secondary education, we apply as one of the quality indicators monitoring the performance of our own schools, the scores of the Brazilian National High School Exam (Enem) and the Unified Selection System (Sisu) of the Ministry of Education (MEC). Check below Saber's performance compared to the national average:

Enem

Comparing private schools in Brazil with our Saber's schools, our average in all indicators surveyed in 2019 (year of last assessment) came above the national average, as shown below. It is worth noting that Saber students scored an average of 815 in writing, which is 11% above the national average of private schools.

	Natural Sciences 2019	Human Sciences 2019	Mathematics 2019	Languages and Codes 2019	Writing 2019	Obj. Avg.
Saber average	585	615	697	596	815	623
BR average	542	570	623	567	734	576
% Chg. Saber x BR	7.90%	7.90%	11.90%	5.10%	11.10%	

Students celebrating university entrance exam results - Curso Anglo - São Paulo/SP

Sisu

The objective of Sisu is to select candidates qualified to fill the vacancies in public universities that use Enem's scores as a measure for admissions. In 2020, due to Enem's postponement in light of the pandemic, Sisu's data were not verified until the publication of this report.

Satisfaction survey

To consult our students on the quality of our courses, we use the NPS (Net Promoter Score) monthly to measure students' and parents' opinions on all brands and modes. Through this tool, it is possible to analyze whether students recommend the brand where they study and to identify the most positive points and those with the greatest opportunity for improvement.

Scores may vary from -100 to 100. In the first half of 2020, overall NPS of Saber's schools dropped to 27 versus 43 in 2019, especially owing to families' great discontent with educational and economic context caused by the pandemic. Our schools hardly endeavored to implement the online school, with various solutions, offering emergency online education during the pandemic, as well as welcoming and tailor-made services to the families. Thus, in a new measurement of NPS in the second half of 2020, we recorded 36 points.

Concerning SOMOS, the NPS stood at 71.6, surpassing the target of 58.7. In 2019, SOMOS's NPS was not calculated, only the educational systems.

71.6

the NPS surpassing the target of 58.7

Access to Education

The SOMOS Institute is a non-profit organization that promotes, coordinates, monitors, and consolidates the social impact actions of the primary and secondary education maintained by Cogna. Intending to use the power of education to change the world, this Institute seeks to democratize its access, as well as reading and the competencies for the future for the socially vulnerable youth across the country.

In line with this purpose, since 2017, SOMOS Futuro has been maintaining a scholarship program for the advancement of public school students with high academic performance, but with low social and economic conditions. In partnership with Saber's own schools and SOMOS network partnerships, this program has reached 143 schools in 98 cities of 19 Brazilian states. All in all, we recorded over 500 young people benefited from this program, and the social and economic impact exceeds R$21 million.

Scholars have free-monthly tuition fees during three years of high school, they receive school and supplementary supplies, tutoring (in partnership with Stoodi), mentoring in the first year, and a support network, which includes psychological services and scholars meetings.

During its first year, this mentoring program relied on 195 volunteers, employees of all Cogna's companies, who offered support in new students' adaptation at a private school, besides assisting them in studies planning, and giving them emotional welcoming.

In 2020, 113 new scholars of 13 Brazilian states, 43 cities, and 58 schools were selected. They will start the first year of high school in 2021 in the program's partner schools. Through this program, we intend to sustainably contribute to reducing inequalities in the country.

Adding the interviewer programs and voluntary mentors, 5,150 hours of corporate volunteering were recorded in 2020

Larissa A. scholarship holder of SOMOS Futuro Program

Perception of those involved in SOMOS futuro

Mentors

Mentoring sessions provide pleasant moments. I believe these young students will learn to be empathic to the extent they know each other, then they will be able to understand the same strengths and weakness in other students, and they will know how better relate from the moment they recognize their weaknesses and strengths".

Ursula Natacha Andrade
Regulatory Process Coordinator - Cogna

I believe I learned a lot from this mentorship program, more than I thought [...] This experience as a mentor helped me to become a better leader to my mentees."

Francisco Odivaldo Teixeira Júnior
Educational Solutions Manager - SOMOS

Students

My mentoring experiences have been excellent. In the beginning, I thought I was wasting my time, but then, after finishing my first mentorship, I've changed my mind, it was simply amazing! I'm very happy and proud of taking part in this project. Undoubtedly, what I've learned today, I'll carry this experience with me throughout my studies!"

Matheus Miguel Morais de Souza
Mentee

The mentorship program was a unique experience in my life, it helped me socially speaking, it improved my personal development. Discussing life experiences that can be common to everyone, is undoubtedly motivating. I congratulate all those involved in this program!"

Camilli Fernanda De Oliveira Viegas
Mentee

Interviewers

It was stimulating working as a volunteer in this project that will transform the lives of these young students! So may thoughts were exchanged!"

Bruno Gomes
Relationship Coordinator - Platos

I thank this 'divine' opportunity of taking part in this interview. Congratulations to the organizing group, God bless you, now there's hope that one day we will have a better world."

Lúcia Cristina Teixeira
Unopar's Physical Education Tutor- Kroton

Donations

We also donated school and supplementary supplies to pre-college preparatory courses and social organizations throughout the country. The social and economic impact of these activities totaled R$3.7 million. See below the benefited institutions:

- Resgate Project (Joinville/SC)
- Roberto Marinho Foundation – Redes da Maré (Rio de Janeiro/RJ)
- Gota Social (Rio de Janeiro/RJ)
- Cursinho FEA-USP (São Paulo/SP)
- Cursinho EACH-USP (São Paulo/SP)
- Cursinho Mafalda (São Paulo/SP)
- EducaAfro (São Paulo/SP)
- Fera (São Paulo/SP)
- Dorina Nowill Foundation (São Paulo/SP)
- Sports and Education Institute (São Paulo/SP)
- Verdescola Institute (São Sebastião/SP)

R$ 3.7 million
donated school and supplementary supplies

Anhanguera students - Betim/MG

POSTSECONDARY EDUCATION
Quality education

Kroton

GRI 102-2, 102-4, 102-6 and 102-7

We are one of the world's leading educational organizations, our mission is to transform people's lives through education. Thus, we seek to democratize access to postsecondary education at an accessible cost, while qualifying students for the labor market.

Our brands

Anhanguera · fama · LFG · pitágoras · unic · uniderp · unime · unopar

Postsecondary education digitalization

In 2020, the challenges inflicted by the Covid-19 pandemic, with primary, secondary schools and universities closed, were enormous. Attributes, such as adjustability, resilience, and agility were essential in these processes. Amid such a scenario, Kroton devised various actions to mitigate this impact on students and employees.

Quickly and efficiently, we managed to virtualize the academic model, without losing our educational excellence. Our DL expertise enabled the transition to the online format. Thus, we split the company into Kroton Campus and Kroton Digital, supported by the Postsecondary Online Platform (see details in **Cultural Transformation**).

The immediate migration of on-campus classes to the online environment impacted over 317,000 postsecondary students, with 100% adhesion. The maintenance of the college timetable and teaching staff assured the best regular level, reflected in the content evaluation, which scored 9.39, on a scale from 0 to 10.

More than 25,000 classes of 176 units and 1,410 centers migrated to the Student Virtual Environment (AVA). We hit the record of 75,000 hours of content available and 32,810 subjects transitioned to the online format. Approximately 14,000 classes are utilizing the online channels.

We also made available school supplies to 13,800 classes, including 32 offers of subjects. We totaled 477,000 learning tools, and we recorded school supplies NPS (indicator measuring students' satisfaction) of 81%.

To ensure the quality of practical classes, we implemented laboratory simulators in the Health area. Also, in the first semester, we freely released our adaptative learning platform, the "Desafio Nota Máxima" for health disciplines students across the country. This tool combines over 70,000 learning tools, among contents and questions, available as supplementary material.

Class recorded in studio

75,000
hours of content available

We monitor students' involvement through our continued assessment system. With indicators that recorded 25% growth compared to the previous semester, we overcome any lack of motivation from students during the quarantine.

Our strategy of keeping classes online at the same time as on-campus classes through Microsoft Teams preserved the direct contact between teacher and student.

44.26% of municipalities where we are present have **Human Development Index (HDI) below** the Brazilian average

96.76% of municipalities have **low or average HDI**

In 57 municipalities, we are the single **postsecondary education institution (IES)**

Number of municipalities in which we are the single Higher Learning Institution to offer courses (2020 figures):

35 Mechanic engineering

52 Civil engineering

44 Electric engineering

117 Nursing

83 Nutrition

35 Physiotherapy

64 Agronomy

76.56% of municipalities in which we operate have less than 100,000 inhabitants

For students

We offer a complete course portfolio and products in line with the labor market needs, inserted in a quality academic model. We have one of Brazil's largest employability portals, the "Canal Conecta", besides an infrastructure with renovated units, unified systems, and virtual environments providing a continually improving experience to our students, increasing their satisfaction with our institutions. We have ambitious projects, such as the AVA 3.0, products increasingly hybrid, we also developed micro-certifications in 2020, as part of the "Trilhas de Carreira" (Career Path) project.

We also created the "Aula Destaque" (Outstanding Class) project, through which our students can access content via Student Virtual Environment (AVA), which includes exclusive video-classes headed by 27 executives of large local and multinational companies, such as Amazon, Carrefour, Ericsson, among others. These executives share their experiences and discuss relevant topics. The entire content is recorded and made available at AVA and can be accessed at any time.

With "Aula Destaque", we attracted and engaged our students in the courses, approaching them to the labor market, assisting and potentializing career options. All in all, over 750,000 on-campus and DL students were impacted.

It is also noting the launch of six new courses in 2020 and three data-related courses: market intelligence, data analysis; data science; and data architecture. We also made available technology infrastructure courses: computer networks, cloud computing, and cybersecurity, in line with the labor market trends and demands.

750,000
on-campus and DL students were impacted

With a focus on high school students, we rely on the "Open Doors" Stoodi, which aims at contributing to students learning process. At the online platform, students have free access to over 5,000 video-classes of all subjects, divided by modules, also a question bank including more than 30,000 exercises to practice the content learned. In 2020, over 2.5 million people were benefited.

Stoodi

2020 was a very difficult year for everyone, the fact you have offered Stoodi free classes for the Brazilian students was an admirable action!

I worked very hard, I got a thrill when I received an email about my metrics. I've taken so many classes, so many exercises with you!

At first hand, I would like to say that I passed the entrance exam for medical school at the Mato Grosso do Sul Federal University (UFMS).

I was ranked in the 17th position among the university applicants!

I'm very grateful for what you've offered with the platform!

Bryan de Faria
student admitted at the medical school of the UFMS through Stoodi's "Portas Abertas"

Our student profile

In 2020, we split the company into Kroton Campus and Kroton Digital, supported by the Postsecondary Online Platform.

Profile of semi on-campus DL student
Kroton Campus

- **91%** of semi on-campus DL students came from **public high schools.**
- Only **21% of students do not work** and **75% of them pay their** monthly tuition fees.
- The individual income of **62%** of students is up to **two minimum wages** and the household income of **87%** of students is up to **four minimum wages.**
- Avaliar 2020: **70%** of students **had their income decreased** during the Covid-19 pandemic.

Profile of 100% online DL student
Kroton Campus

- **91%** of 100% online DL students came from **public high schools.**
- Only **20% of students do not work** and **79% of them pay their** monthly tuition fees.
- The individual income of **60%** of students is up to **two minimum wages** and the household income of **84%** of students is up to **four minimum wages**.
- Avaliar 2020: **63%** of students **had their income decreased** during the Covid-19 pandemic.

Our student profile

Profile of on-campus student
Kroton Campus

- **85%** of on-campus students came from **public high schools.**
- Only **31% of students do not work** and **56% of them pay their** monthly tuition fees.
- The individual income of **58%** of students is up to **two minimum wages** and the household income of **85%** of students is up to **four minimum wages**.
- Avaliar 2020: **73%** of students **had their income decreased** during the Covid-19 pandemic.

Profile of semi on-campus DL student
Kroton Digital

- **92%** of semi on-campus DL students came from **public high schools.**
- Only **24% of student do not work** and **70% of them pay their** monthly tuition fees.
- The individual income of **67%** of students is up to **two minimum wages** and the household income of **93%** of students is up to **four minimum wages**.
- Avaliar 2020: **68%** of students **had their income decreased** during the Covid-19 pandemic.

Our student profile

Profile of 100% online DL student
Kroton Digital

- **91%** of 100% online DL students came from **public high schools.**
- Only **21% of students do not work** and **79% of them pay their** monthly tuition fees.
- The individual income of **64%** of students is up to **two minimum wages** and the household income of **88%** of students is up to **four minimum wages**.
- Avaliar 2020: **61%** of students **had their income decreased** during the Covid-19 pandemic.

Profile of on-campus student
Kroton Digital

- Only **14% of students do not work** and **77% of them pay their** monthly tuition fees.
- The individual income of **47%** of students is up to **two minimum wages** and the household income of **74%** of students is up to **four minimum wages**.
- Avaliar 2020: **71%** of students **had their income decreased** during the Covid-19 pandemic.

Academic journey

To improve the academic journey of our students and successfully prepare them to enter the labor market, in 2019, we set out five strategic, transversal pillars implemented during 2020.

1. **Attractiveness** – we created, in 2019, an academic product area to consistently and systematically identify labor market needs and trends. Through the "Trilhas de Carreira", we created tuition-free courses with eventual micro-certifications, mostly at distance, enabling students to customize their courses. To promote digital immersion, we developed agile methods applied in four-semester modules in which students have access to culture and digital marketing.

2. **Engagement** – we implemented several initiatives to keep our students engaged and motivated throughout their courses, such as content that increases engagement and improves the online experience (Student Virtual Environment – AVA). Through indicators verified in each unit, we can identify signs of student disengagement. Such monitoring is connected with the student's continued evaluation process that incorporates elements of recognition for the student's efforts and enables us to measure the student's score in his/her activities.

3. **Employability** – we are delivering a larger selection of tools for our students to use during their daily professional activities. In this regard, we rely on Career Paths with certifications during the academic journey and provide greater adhesion to the labor market, as well as employability competencies in core academic curricula. At "Canal Conecta," we created a job vacancy crowdsourcing model wherein any person can add a job vacancy in the platform, whether an educator, a former student or a current student). (Additional information in **Employability**).

4. **Quality** – our database includes a variety of information on the Company, including student academic performance. Based on this large database, we created a set of elements and indicators, besides continued evaluation data, allowing us to increase our management efficiency. Therefore, we integrated efficient content production with our teachers' qualifications.

5. **Efficiency** – we set up a team of teachers with master's degrees and Ph.D. in several areas, and through technology and changes in internal processes, we enhanced efficiency in the production of academic content and audiovisual resources, which are relevant tools in our educational model.

Postsecondary student - Anhanguera - Ribeirão Preto/SP

Access to Education

In 2015, the Private Student Installment Plan (PEP) was created, a private student financing alternative created by Brazil's leading educational institutions. When we verified a greater migration to the DL system, which will reduce the need for funds to pay for the courses, we decided to discontinue this program in 2020. However, students still can rely on alternatives, such as Prouni (University for All Program), student credit, or secured student loan.

For educators

In 2020, we launched the course Special Education degree, aiming at training educators to assist disabled students with intellectual, sensorial, and physical impairments. Educators can work in faculties or offer specialized and advisory services. This course will develop competencies with an inclusive approach and will offer the development of people with disabilities, in line with actual school routine situations.

We also advanced initiatives for our educators, and in partnership with the Brazilian Alliance for Education, Kroton's academic area developed the BNCC learning path, free and online courses that assisted public school teachers to articulate 10 overall competencies foreseen in BNCC, besides helping them to devise active teaching and learning methods.

Scientific production

In the Stricto Sensu Graduate Programs, we offer 18 Master's degree courses and nine Ph.D. courses, distributed in several regions of the country, which already qualified 2,000 masters and PhDs. In 2020, the teaching staff developed nearly 380 research projects, which involved 614 on-campus and DL undergraduate students through the Scientific Initiation Program (**https://www.pgsskroton.com.br/iniciacao-cientifica** e **https://www.pgsskroton.com.br/pic-ead**).

Over the past five years, more than 2,5oo local and international scientific articles were produced, over 150 books and chapters, and 34 patents. These productions have significantly contributed to Brazil's science, technology, and innovation.

Kroton also published seven scientific journals, and one technical journal through the open and free access Kroton Journal Portal. More than 5,000 scientific articles were published by various Higher Learning Institution researchers in the country. All journals are scored by Qualis/Capes and are indexed to local and international databases. Check the content made available, with open access at: **https://revista.pgsskroton.com/**

Another relevant contribution is the Scientific Activity Meeting (EAC), an open and free event for all Brazil's educational and research institutions. This meeting is held 100% online, it enables students and educators to release the results of their works, they can also participate in lectures in mini-courses. Attendance is certified and all works approved are published. In 2020, the 23rd edition of the event was held, all in all, nearly 24,000 works were published. These works can be accessed at: **https://pgsskroton.com/eac/**

In 2020, the teaching staff developed nearly 380 research projects

We have an Institutional Repository, a space for digital publication and consultation of educators' and students' intellectual production, such as undergraduate thesis, specialized graduate papers, and dissertations of postsecondary education Stricto Sensu graduate programs. Access to all publications of the National Repository is costless and is available for the entire community at: **https://repositorio.pgsskroton.com/**

Platos

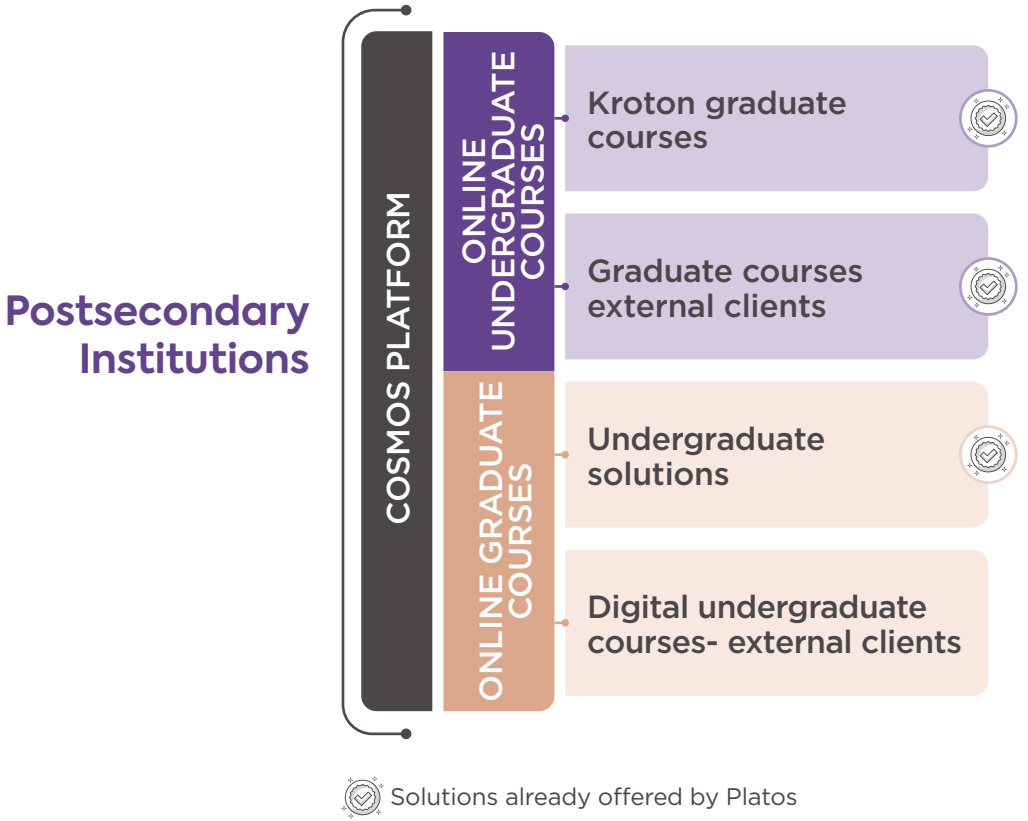
GRI 102-2, 102-4, 102-6 and 102-7

Platos is a technology and services company that follows the EdServ Platform (educational services platform) concept, offering a range of digital solutions and services, with cutting-edge technology for postsecondary institutions throughout the country for undergraduate and graduate courses.

Our solutions cover from a virtual learning environment, school supplies, and an extensive course portfolio to payment back-office and students' journey monitoring. We also have academic solutions and digital content, student support, management of marketing campaigns, commercial actions, our own e-commerce tailored for each partner postsecondary institution, in addition to a proprietary platform/AVA. As a result, Platos offers a complete solution for its Higher Learning Institution customers, from the student-recruiting process and enrollment to the delivery of the content through the teaching platform.

The experience acquired through academic, technological, and administrative services distinguishes us in the search for student success, innovation, and efficiency. Since 2013, we have accrued more than 300,000 enrollments, we have graduated more than 240,000 students and registered 170 digital programs.

Cosmos Platform



Solutions already offered by Platos

Growing market

With great growth potential, the digital graduate education market has been growing rapidly. In the current market, 75% of Higher Learning Institutions do not have DL accreditation. Our solutions for Kroton indicate revenue, EBITDA, and OCG growth. The 34.8% upturn in the digital graduate student-recruiting offset the loss in on-campus graduate student-recruiting.

In 2020, we took an important step to expand our operations: we signed 10-year partnership agreements with three external universities, with strong brands and great potential in the regions in which they operate, in addition to DL accreditation and more than 50 years of history each, totaling more than 40,000 students. They are located in 11 cities, from three Brazilian states, a market with over 4 million inhabitants.

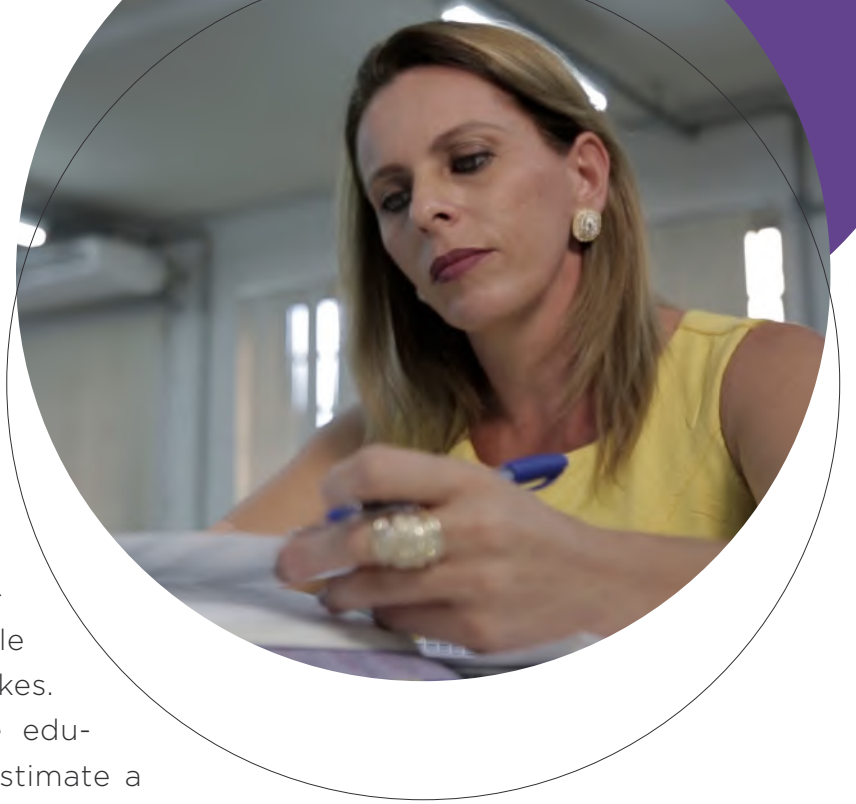
In our projections, we expect for 2025:

Kroton

In the graduate education segment, the potential post-digital market totals R$6.7 billion, focused on classes working and lower middle classes and the Unopar and Anhanguera brands, offering a portfolio of 170 digital graduate programs. In the undergraduate education segment, we estimate a potential market of R$10.5 billion, focused on upper and upper middle classes, and potential cross-selling to the annual customer base.

External customers

In the graduate education segment, we estimate a potential post-digital market of R$6.7 billion, focused on upper and upper middle classes and new intakes. In the undergraduate education segment, we estimate a potential solutions market of approximately R$1 billion, 160 Saraiva Digital Library (BDS) contracts – around 1 million students - and 40% digital content. The solutions for postsecondary institutions (B2B), notably BDS, totaled 190 contracts, serving from large university groups to premium colleges, public institutions, and offices. The books under the Saraiva Educação/Platos editorial brands were acquired by around 2 million students and professionals.



Postsecondary student - Anhanguera - Ribeirão Preto/SP

For students

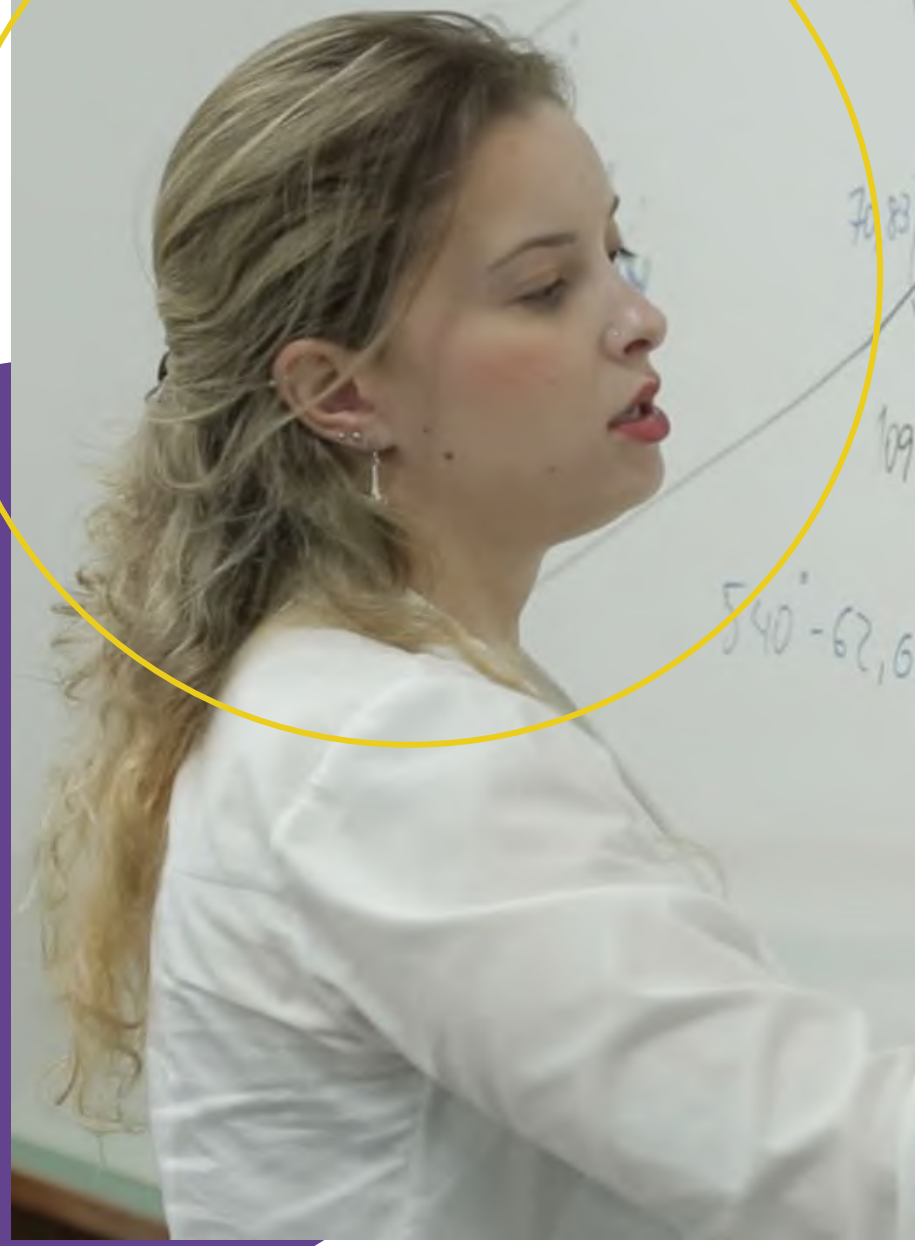
In 2020, we launched the LFG platform to offer preparatory courses for civil servant exams and examinations of the Brazilian Bar Association (OAB). It offers free open courses and several e-books published by Benvirá, SaraivaUni, SaraivaJur, and Erica. Aiming to offer support during the social distancing period, Saraiva Educação offered various webinars, podcasts, and free content to postsecondary students and educators. We invited professionals with a focus on active methodologies, trends in Education and Law, and DL/hybrid teaching, to discuss new learning solutions and approaches, promoting discussion and reflection on innovation and the pillars of education.

The "LFG na Quarentena" campaign encouraged students by offering 23 free courses with more than 5,000 hours of video-classes, in addition to providing a variety of other courses with 50-80% discounts. This initiative also offered complementary classes on different subjects published on their social channels. Teachers and employees were also offered materials. The campaign also provided 57,000 courses, distributed to 20,000 customers. More than 100,000 users accessed the institution's website, which had 1.3 million views.

We have also partnered with Amazon to offer free access to more than 20 e-books - mainly from Editora Benvirá, our publisher for fiction and nonfiction books, which covers essential skills for the current moment. Self-knowledge, leadership, finance, and entrepreneurship were some of the chosen themes.

In the year, we launched 35 new courses, totaling 170 products in the DL portfolio, in many fields of knowledge, which could be concluded within 10 months or 6 months, at students' discretion. It is worth highlighting the course in Mental Health, Psychopathology, and Psychosocial Care, a theme that has become more relevant within the context of the pandemic and totaled more than 500 enrollments in the period.

20 books
with free access
available on Amazon



Postsecondary teacher - Unopar Catuaí - Londrina/PR

For teachers

Through Saraiva Educação, we provided 1,000 free vouchers for teaching staff and coordinators of public and private universities to access the publisher's documents on law, technology, management, and administration. These digital libraries provided more than 1,000 titles to help professionals prepare classes and teaching activities.

Also, postsecondary education educators and students had access to complementary content to support them in their studies, such as extra activities, in-depth complementary texts, and review exercises to prepare for exams, as well as a class script for educators. Also, we offered complementary content of physical books and e-books for postsecondary educators and students. As a result, we contributed through the Erica publisher, aimed at vocational program materials, and Saraiva Uni focused on social science, economics, accounting, and management.

Performance indicators

Providing high-quality education to our students is our priority. To ensure the satisfaction of students we continuously monitor a series of own and governmental indicators, which evaluate our postsecondary educational model, courses, institutions, infrastructure, management, and services.

Ministry of Education (MEC) indicators

MEC conducts several evaluations, combined in the National System of Postsecondary Education Evaluation (Sinaes), about institutions, courses, and student's performance. The analyses consider aspects, such as teaching, research, extension, social responsibility, institution management, and teaching staff.

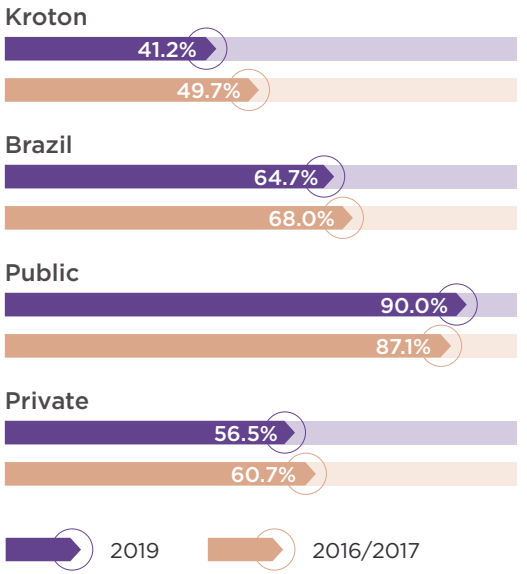
In order to assure not only the regulatory requirements but also the quality of our indicators, we monitor MEC's evaluation processes, as presented below.

Brazilian National Student Performance Exam (Enade)

Enade composes the National System of Postsecondary Education Evaluation (Sinaes) and it has been applied by the Instituto Nacional de Estudos e Pesquisas Educacionais Anísio Teixeira [National Institute of Studies and Educational Researches] (Inep) since 2004. Its assessment comprises undergraduate courses and institutional evaluation so that to allow information on the quality of Brazilian courses and postsecondary education institutions. On a scale from 1 to 5, our courses recorded an average of 41.2%, scoring 3 or above in 2019, the last evaluation cycle.

The comparative graph below shows the performance of the courses evaluated in 2019 in the Health and Engineering areas, of which the last evaluation cycle was 2016/2017, 2017 for engineering, and 2016 for health.

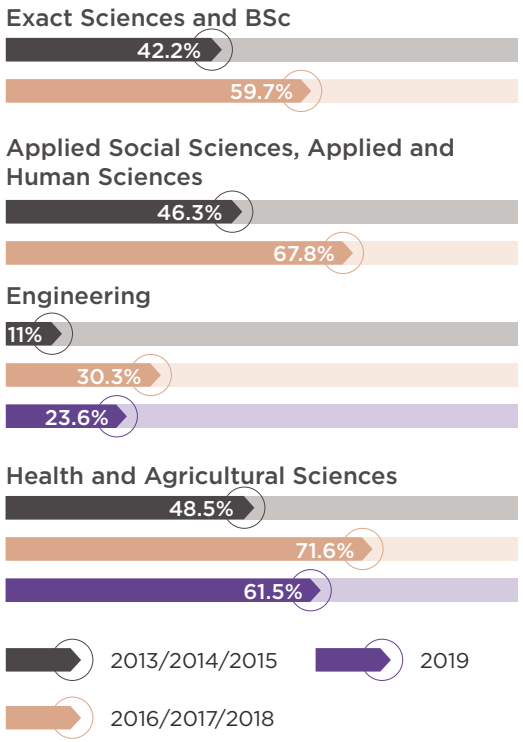
Enade in the Brazilian scenario in 2019 and 2016/2017
% of satisfactory courses



Source: Inep. Quality indicators available at: <https://www.gov.br/inep/pt-br/areas-de-atuacao/pesquisas-estatisticas-e-indicadores/indicadores-de-qualidade-da-educacao-superior/resultados>. Access on October 20, 2020.

Overall, we can see that the Enade performance of Kroton courses improved from the 2013/2014/2015 three-year period to the following, 2016/2017/2018, with a decline seen in 2019, but still above the 2013/2014/2015 period.

Kroton Enade Evolution 2013 to 2019 by cycle
% of satisfactory courses



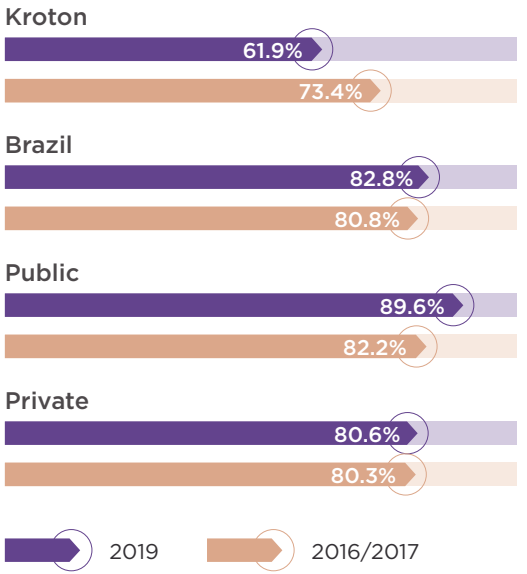
Source: Inep. Quality indicators available at: <https://www.gov.br/inep/pt-br/areas-de-atuacao/pesquisas-estatisticas-e-indicadores/indicadores-de-qualidade-da-educacao-superior/resultados>. Accessed on October 20.

Difference Indicator between Observed and Expected Performances (IDD)

This exam measures students' overall knowledge, excluding individual improvements on their academic journey. For this reason, the Ministry of Education has created the Difference Indicator between Observed and Expected Performances (IDD), an indicator that presents the difference between the ENEM and ENADE scores. As a result, it is possible to measure how much postsecondary education contributed to students' knowledge. In 2019, when MEC last disclosed the results, 62% of our courses recorded satisfactory performance.

The graph below shows the performance of the courses assessed in 2019 in the health and engineering areas, of which the last evaluation cycle was 2016/2017, 2017 for engineering, and 2016 for health.

IDD in the Brazilian scenario in 2019 and 2016/2017
% of satisfactory courses

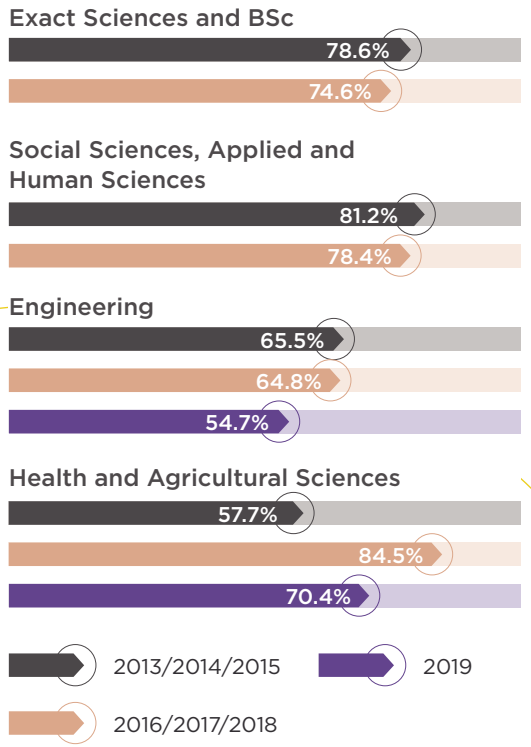


Quality indicators available at : <https://www.gov.br/inep/pt-br/areas-de-atuacao/pesquisas-estatisticas-e-indicadores/indicadores-de-qualidade-da-educacao-superior/resultados>. Access on October 20, 2020.

Postsecondary students - Anhanguera Joinville/SC

Regarding the IDD result, Kroton's indicator came in line by evaluation cycle from 2013 to 2018, with a slight decline in 2019.

Kroton IDD Evolution 2013 to 2019 by cycle
% of satisfactory courses

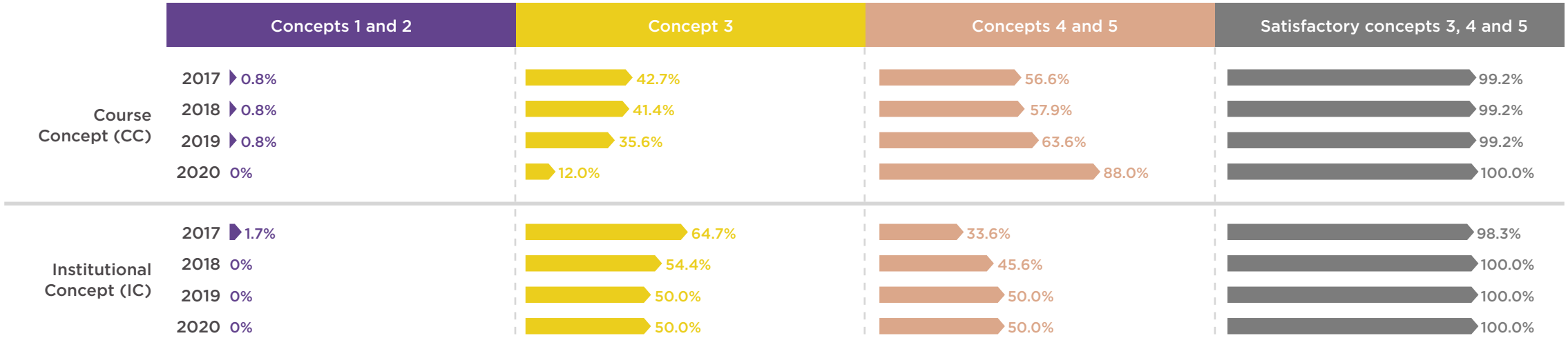


Source: Inep. Quality indicators available at: <https://www.gov.br/inep/pt-br/areas-de-atuacao/pesquisas-estatisticas-e-indicadores/indicadores-de-qualidade-da-educacao-superior/resultados>. Accessed on October 20, 2020.

Course Concept (CC) and Institutional Concept (IC)

Based on a scale from 1 to 5, the CC evaluates the courses regarding their educational plan, the teaching staff, and infrastructure. In 2020, Kroton had 100% of courses evaluated as satisfactory, scoring from 3 to 5. The Institutional Concept, in turn, evaluates the educational institutions from its institutional planning and development, academic and managerial policies. In 2020, 100% of Kroton's institutions were evaluated as satisfactory.

Course Concept (CC) and Institutional Concept (IC)



Due to the Covid-19 pandemic, 2 institutional concepts (IC) and 25 course concepts (CC) were reported in 2020.

Source: e-MEC. Available at: <http://emec.mec.gov.br> Jan 15, 2021. Filter: IES and Kroton active courses.

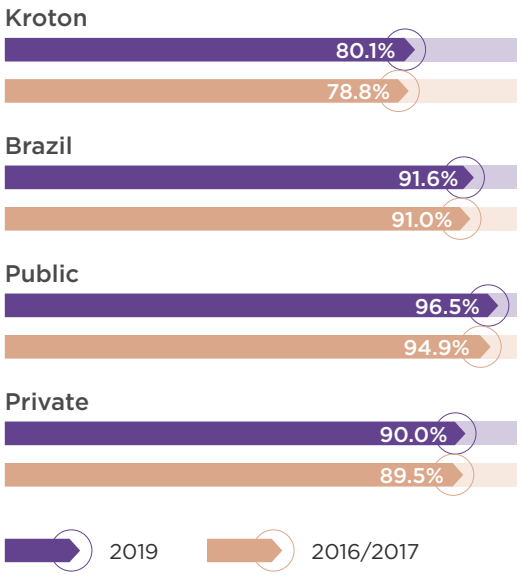
Physiotherapy student receiving a patient - Anhanguera Taubaté/SP

Source: Inep. Quality indicators available at: <https://www.gov.br/inep/pt-br/areas-de-atuacao/pesquisas-estatisticas-e-indicadores/indicadores-de-qualidade-da-educacao-superior/resultados>. Accessed on October 20, 2020.

Course Preliminary Concept (CPC)

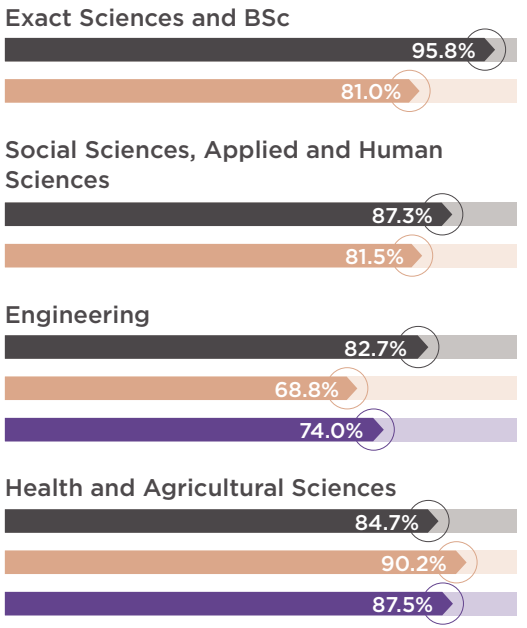
The Course Preliminary Concept is the key indicator applied by MEC to monitor undergraduate courses. This is because it is calculated based on Enade, IDD, and inputs, such as teaching staff, infrastructure, and student's perceptions. In 2019, when the last result was published, 80.1% of our courses had Satisfactory CPC.

CPC in the Brazilian scenario in 2019 and 2016/2017
% of satisfactory courses



Despite the decline in Enade and IDD, Kroton's CPC indicator in 2019 was slightly higher than the previous cycle evaluated.

Kroton CPC Evolution 2013 to 2019 by cycle
% of satisfactory courses



Source: Inep. Quality indicators available at: <https://www.gov.br/inep/pt-br/areas-de-atuacao/pesquisas-estatisticas-e-indicadores/indicadores-de-qualidade-da-educacao-superior/resultados>. Accessed on October 20, 2020.

Avaliar

GRI 102-43, 102-44 and 413-1

In addition to Sianes' requirements by MEC, which determine the need for self-evaluation, we rely on Avaliar, which is a system of indicators for institutional evaluation. It is a tool that comprises evaluation on several fronts, according to the perception of our students, educators, course coordinators, and technical and administrative employees.

The indicators are calculated annually through online questionnaires to the academic community, and the statistical analyses of the data collected. Avaliar methodology is solid, with substantiated measurement instruments, prepared by assessment specialists. As this is a census and voluntary research, the target percentage of student participation is 70%, to ensure the reliability of the results. Besides, 100% of the course coordinators take part and at least 90% of other groups of respondents.

As a result, Avaliar is a managerial tool that supports managers' decision-making processes, as it offers an evaluation of postsecondary education institutions, their infrastructure, and the courses offered, also an understanding of student and employees' opinions.

In line with our commitment to quality and accessible education, we also seek to evaluate our students' perceptions about the resources available in our institutions, including local infrastructure, services, common areas, and resources available, supported by the Inclusive Special Education Center.

One of the indicators of Avaliar is the Students' Future Transformation index, based on our Manifesto and its values. It is aimed at measuring student and employees' perceptions of their practices within educational institutions.

The aspects evaluated are based on actions and innovations that broaden the worldview of students, by encouraging them to prepare projects and participate in activities to transform life and local reality, in addition to valuing people, their differences, and the achievement of their professional goals.

Scores for this indicator are calculated on a scale from 0 to 5. In 2020, this indicator showed levels of quality and excellence in relation to our positive impact on people's lives.

Postsecondary students

Own Evaluation Commission

GRI 102-43

Kroton has its Own Evaluation Commission (CPA) in each Postsecondary Education Institution (IES), liable for managing the self-evaluation process. The Commission aims at engaging the academic community as to participation in Avaliar while monitoring the achievement of objectives and targets of the Institutional Development Plan (PDI). It also sends information requested by the National Institute of Studies and Educational Researches Anísio Teixeira (INEP), under prevailing laws.

The CPAs are composed of students, technical and administrative staff, and course coordination staff, also a member of the organized civil society in the vicinity of the Postsecondary Education Institution (IES).

Employability

GRI 103-2, 103-3: Indirect economic impacts, 203-2 and SV0101-03

More than providing cutting-edge education, we are committed to the employability of our students and graduates through the Employability and Graduate Student Monitoring Policy, which encompasses the inclusion of students in the labor market and monitors their development.

Our academic model includes skills in line with labor market demands, which we continuously map through research and engagement with employers. Through the labor market intelligence area, we analyze the future of labor market trends and market dynamics in Brazil to ensure our educational model meets these demands. Adherence to these demands is also evaluated by monitoring students and graduates in the labor market.

Overview of our students' employability

GRI 203-2 and SV0101-03

In order to understand the effects of postsecondary education on the work conditions and income of students, we carry out an annual survey. Among 2020's highlights, the results showed that students and graduates continue to benefit from the advantages of being a professional with postsecondary education in the Brazilian labor market. This means that after graduating, the majority of students (71%) start working in their area of studies within 180 days after graduation, they are promoted and increase their income, contributing to the productivity of the Brazilian economy and higher qualified employment in their locations.

SV0101-03

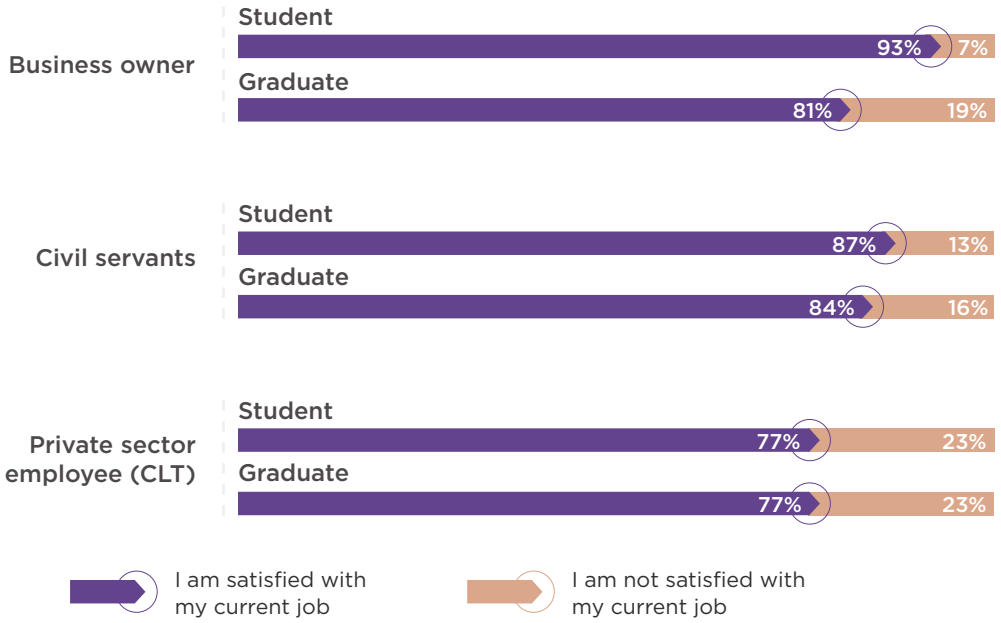
Also, the survey allowed us to conclude that, unprecedently, this improved work conditions and income after graduation can be seen not only for those who have regular jobs but also for those who work as self-employed workers or entrepreneurs. See below the main findings of the 2020 survey:

2020 Annual Employability Report

Entrepreneurship

In our survey, we identified that 14% of our students work as self-employed workers or entrepreneurs and 77% of graduates own their business in the same area of expertise or similar. Among the entrepreneurial activities, the "own business" category is the one that brings more satisfaction to our students and graduates, exceeding the satisfaction of those who have regular jobs in the private or public sectors.

Job satisfaction



	Entrepreneurs business owners		Entrepreneurs self-employed workers	
	STUDENTS	GRADUATES	STUDENTS	GRADUATES
Working in a different field	47%	23%	6%	34%
Similar + same field	53%	**77%**	40%	66%

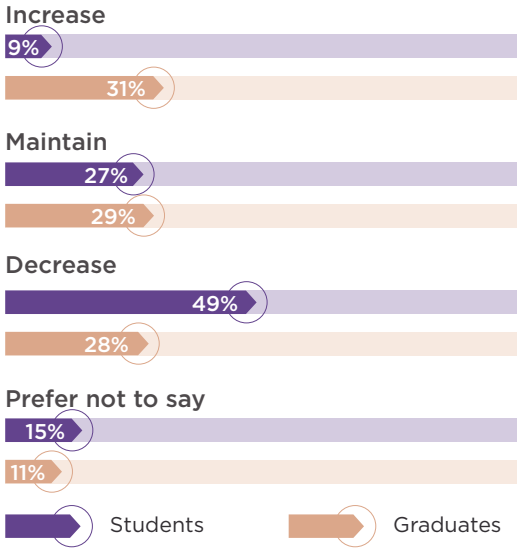
31%
of graduate entrepreneurs increased their revenue

Success factors in entrepreneurship

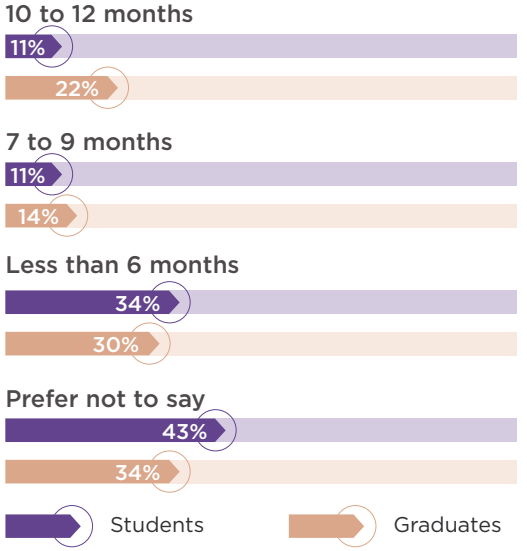
We mapped 4 variables to assess the success of an entrepreneur: profit, sales, headcount, and business continuity. As a result, graduates reported better performances across all 4 variables of success when compared to other students' performance. One of the factors contributing to this result is the experience and knowledge acquired during undergraduate studies.

- 31% of graduate entrepreneurs increased their revenue, compared to 9% of student entrepreneurs.
- In the last 12 months, 22% of graduates recorded profit within 10 - 12 months, 10 p.p. higher than students.

Revenue trend in the last 12 months



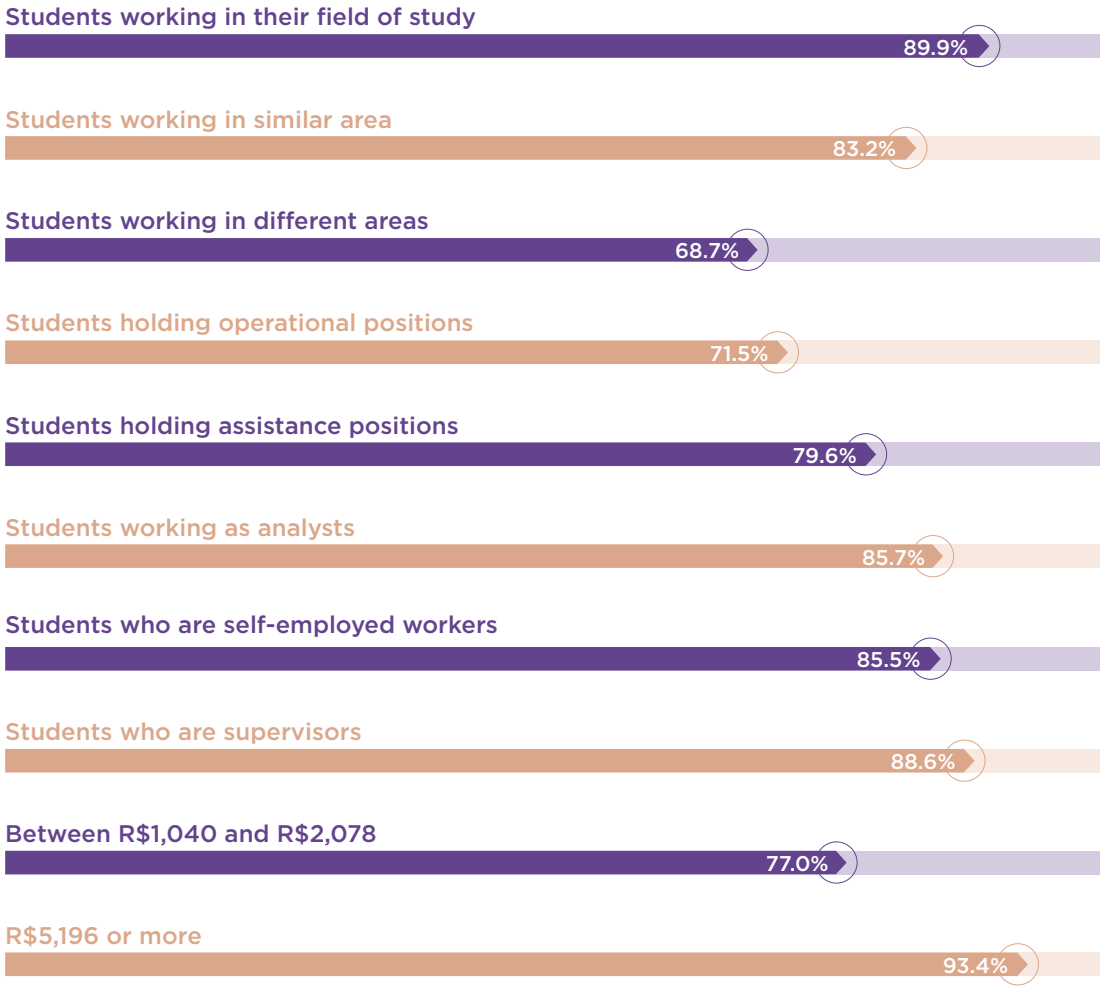
In the last year, how many months did you record profit?



Student inclusion in the market

We assess the inclusion of our students in the labor market based on four factors: student's job satisfaction, area of expertise, hierarchical level, and income. The figures below indicate that working in the area of expertise, holding great autonomy job positions, and earning higher salaries are directly associated with greater job satisfaction.

Job satisfaction rate, by criteria:



Inclusion of students X graduates

Surveys with students reveal that after graduation, they evolve three criteria composing the standard of the desired insertion in the labor market:

1. The percentage of professionals working in their area of expertise or similar area surges from 57.7% among students to 70.9% among graduates.

2. The percentage of professionals working as analysts, self-employed worker, or in managerial position increases from 30.9% among students to 56.6% among graduates.

3. The percentage of professionals earning income higher than R$2,000 surges from 25.6% among students to 52.8% among graduates.

Compensation

Concerning compensation, survey figures reveal that education is associated with improved work and income conditions, making students more satisfied with their jobs in the long term.

	Employee		Entrepreneur	
	STUDENTS	GRADUATES	STUDENTS	GRADUATES
I do not receive monthly compensation	1%	0%	19%	9%
Up to R$1,039	25%	8%	35%	19%
Between R$1,040 and R$2,078	48%	39%	28%	25%
Between R$2,079 and R$3,117	14%	25%	9%	16%
Between R$3,118 and R$4,156	5%	12%	4%	10%
Between R$4,157 and R$ 5,195	3%	7%	2%	7%
R$5,196 or more	3%	9%	3%	15%

Canal conecta

GRI 103-2, 103-3: Indirect economic impacts, 203-2 and 413-1

Our operations offer more than an academic model that meets labor market needs and monitors the employability of our students. One of our main activities is "Canal Conecta", a portal that uses proprietary algorithms to connect the best job opportunities to our students and graduates.

"Canal Conecta" ensures a fast and intuitive experience, wherein students fulfill their competencies by stages. This tool allows to monitor the curriculum evolution and smartly identify areas for improvement.

Once passed a subject, the student's competency is fulfilled and automatically inserted into his/her curriculum. At the same time, his/her competencies are submitted to companies that will define those most relevant for their job vacancies.

“Canal Conecta” innovations

What does the channel offer?

- **Automatic appointment** of candidates according to the **vacancy profile**
- **100% free and online** process, assisted by a support team
- Thousands of candidates **throughout the country**
- Matching that uses algorithms between **student profile and vacancy profile**

“Canal Conecta” figures in 2020

- **706,567** active students (645,995 in 2019)
- **3,769** companies registered only in 2020
- **33,658** participating companies
- **89,274** job vacancies published

Available innovations

- **Engagement:** more efficient communication between students and companies via e-mails, SMS, and TTS (recorded call that confirms the selection process), automatically notifying about the selection processes and scheduled interviews.
- **Online interview:** the company may interview via Canal Conecta’s video conference call.
- **Exclusive videos:** YouTube channel with video tips, interviews, and success stories.
- **Opportunity sharing:** students can share with friends job opportunities more suitable for them.
- **Competencies qualification:** improved matching between students and job opportunities based on the competencies acquired in the academic subjects.

Innovation in 2020

- **Interaction:** live streaming, tutorials, tips, approach on students, company and prospects, respecting the social distancing, but ensuring communication and disclosure of selection processes and career development.
- **“Novo Conecta”:** a new open website is rolled out for the public, with the relevant profession and career contents.
- **New partnerships:** integration with the country’s main employment portals.
- **Job opportunities in the Health sector to support the fight against the pandemic:** a task force to help our partners fill vacancies in the Health sector during the pandemic.

Our partner companies

canal conecta

We also seek partnerships with associations and business organizations or organizations of public interest, such as labor unions, trade, industrial and professional associations, human resources professionals, development forums, local governments, and other government levels.

In 2020, two virtual fairs open to the public, in general, were held. Fifteen partner companies participated and more than 30,000 job opportunities were offered in each event.

6

Employees - São Paulo/SP

Value relationships

- Employees
- Health and safety
- Social development

Employees

GRI 102-8, 103-2, 103-3: Employment and 401-1

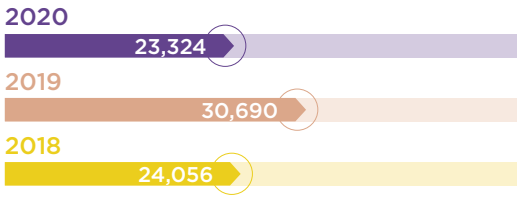
The achievement of our goals was mainly due to the efforts of our employees. In 2020, especially, our dedicated team helped us to continue delivering quality education and solutions to thousands of students and customers.

We ended 2020 with a total of 23,324 employees, 24% lower than in 2019, due to the pandemic scenario, the market upturn, and higher demand for IT professionals. It is worth mentioning that the Company created metrics to monitor efficiency and workforce in terms of revenue, and included in its 2021 planning all the assumptions necessary to retain employees at the core of the business, while ensuring the best balance between indicators, also considering the Variable Compensation Programs.

Concerning our teams, besides ensuring occupational health and safety, we devised ongoing training initiatives, performance analysis, and diversity appreciation. Check the chart of employees and turnover in the **GRI exhibits**.

GRI 102-8 and 401-1

Total employees



Claudio Falcão – Employee

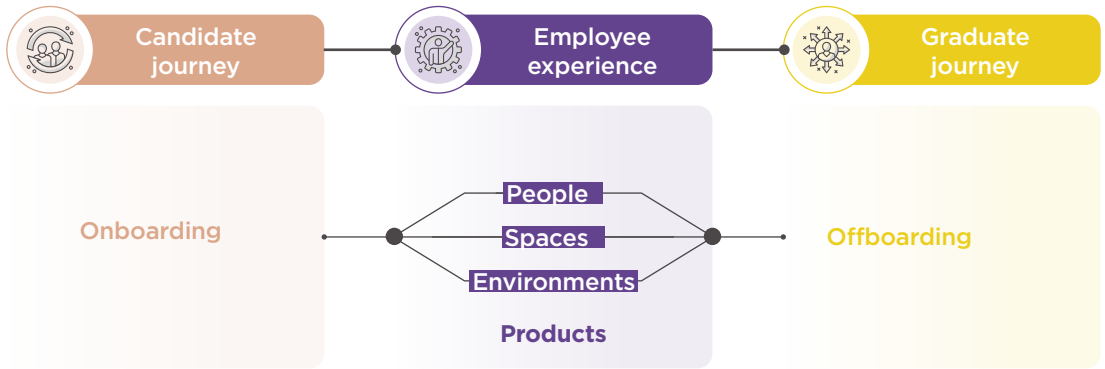
Employee experience

In 2020, we concluded our People and Culture area restructuring, by including the Innovation area that will promote projects to accelerate our cultural transformation and offer an amazing experience to our employees. Within this context, our strategy for the coming years is based on three pillars:

- **New Culture** – we raise discussions on our purpose, values, and vision of the future, with more autonomy and a startup mindset. We aspire a more agile communication and listening more.

- **Employee experience** – we built a process along with employees at the core of our decisions, we created initiatives to meet their needs. In this pillar, we map employees from the moment they are potential candidates, we identify all points of contact. This journey endures until employees leave the Company. To that end, we train managers on dismissals and we extend benefits, offering outplacement support and mentorship.

- **Experience digitalization** – we mapped 183 former manual processes. Units started digitalizing these processes which were centralized into one unit.



Employees' experience within first 90 days working in the company

Office of the Future

In 2020, we launched a strategy led by the People, Culture & Innovation area, with a multifunctional team comprised of several areas and companies, intending to create the Office of the Future, which includes two fronts: more flexible working models and digital experience.

One of these developments is the MySeat app, which allows employees to reserve their desktop, thus promoting employee's greater autonomy and flexibility, better social distancing, and hygiene management practices.

Performance evaluation

Our goal of providing the best experience to our employees also involves a culture of feedback. In 2020, we also redesigned our performance analysis model, grounded on three fronts:

- **Combined** – we created a script to guide our managers' discussions, which occur twice a year.
- **Focus** – this is what employee needs to deliver every semester, after his/her evaluation, thus allowing the manager to monitor and provide online feedback.
- **Open Doors** – this allows feedback at any given time, from any person, by recording information on a platform.

We also created the "Liga de Gente", a channel in which leaders discuss careers and people. It includes an avatar – Sofia – that uses artificial intelligence to collect information that will help and guide our employees about their careers.

In our educational units, evaluations are carried out once a year. They are based on organizational competencies and adopt the 180º model, in which leaders and employees conduct the analysis. In the administrative area, employees are evaluated based on their deliveries, work plans, attitudes, and daily behavior. Leadership committees discuss employee performance and address development initiatives. In 2020, 95% of our employees received a performance evaluation. See this profile in the **GRI exhibits**.

GRI 404-3

Employee development

GRI 404-1, 404-2, 404-3, 103-1, 103-2 and 103-3: Training and education

We constantly invest in several training programs that promote the development of our teams. Through the Corporate University, we offer online training courses on several subjects. Based on results of individual performance evaluations and as part of our career development plan, we indicate the best courses in line with the competencies to be developed for employees to contribute to business continuity.

Employees attending course – Corporate University

In 2020, an atypical year due to the Covid-19 pandemic, we created new courses for teaching staff, including Pedagogy and Teaching degrees, adapted to the National Common Core Curriculum (BNCC) for all internal and external schools. We launched a refresher course for teachers, with topics of interest, in line with MEC's training guidelines.

Based on these guidelines, we set up an in-house course with four modules, conducted by our teachers and renowned guests. We also incorporated specific content, such as the use of technology, home office (how to work online), competencies, being an educator, and teaching practice. We also offered training courses that go beyond synchronous classes, revealing the relevance and the meaning of education and raise teacher's awareness.

In 2020, we recorded 415,400 hours of training, an average of 17.1 hours per employee (see the **GRI exhibits** for the average by gender and employee category). In addition, we created a support guide for our graduates' career transition. Overall, 522 courses were given during the period. We also provided career counseling and coaching to the senior management. The average score of satisfaction with the courses offered by the Corporate University stood at 4.87 (from 1 to 5).

GRI 401-1 and 404-2

Outstanding courses in 2020	Certifications
Learning Evaluation for Teachers	15,126
Customer Service Excellence	13,575
Standards and Application of Work Order – SESMT	5,715
Information Security	5,569
"Desafio Nota Máxima" for Partner Centers	4,346
Negotiation Techniques	3,823
Learning Evaluation for Course Coordinators	3,529
Nonviolent Communication for Improved Dialogues and Relationships	3,359
Academic Learning Evaluation	3,301
Time Management	3,094

Paths of knowledge

In 2020, we strengthened our Digital Transformation (how to communicate at distance and give online classes), thus promoting continued employees' qualification to new technologies and the changes envisaged by Cogna's digitalization.

We also opened our paths of knowledge to public school teachers, aiming at offering a refresher course on the new BNCC guidelines. We recorded a total of 6,541 enrollments.

Diversity and inclusion

GRI 102-8, 103-1, 103-2, 103-3: Diversity and equal opportunities, 405-1, 103-2 and 103-3: Non-discrimination

We value diversity because we believe that inclusive environments enhance relations and contribute to innovation. In 2020, we leaped forward by setting up the Diversity and Inclusion Project. Communication campaigns were developed including data, history, guidelines, biography tips and posts on social media, also meetups on Female Leadership, LGBTQI+ Pride, and Racial Diversity.

We also offer eight courses on diversity through the Corporate University, with over 40,000 certifications. These courses include Unconscious Biases, Basic Brazilian Sign Language, Audio Description, Inclusion of People with Disabilities (PwD), and Inclusive Education training.

Our infrastructure also aims to ensure inclusion. Our building at Avenida Paulista has bathrooms for everyone, including PwD and transgender people. We have lactation rooms at our offices in São Paulo and Valinhos. Also, all our postsecondary education units are PwD accessible.

Engagement survey

In 2020, we included six questions about diversity in our employees' engagement survey. Before submission, the survey was validated by our team in Londrina, which includes hearing-impaired employees who are fluent in the Brazilian Sign Language (LIBRAS). See the results of employees' perception regarding:

- respect for age – 92%;
- respect for the position – 83%;
- respect for color/ethnicity – 94%;
- respect for gender – 93%;
- respect for sexual orientation – 93%; and
- respect for PwD – 89%.

People inclusion

In 2020, we partnered with companies and institutions concerned with our employees' inclusion. The "Transconvida" is an example, a project that includes transgender people in the labor market and sports, and the "Transcendemos", which relies on a talent pool of transgender, afro-descendants, and LGBTQI+ people. The "Oportunidades Especiais" includes a talent pool of PwD and services that include sign language interpreters, training courses, forums, among others.

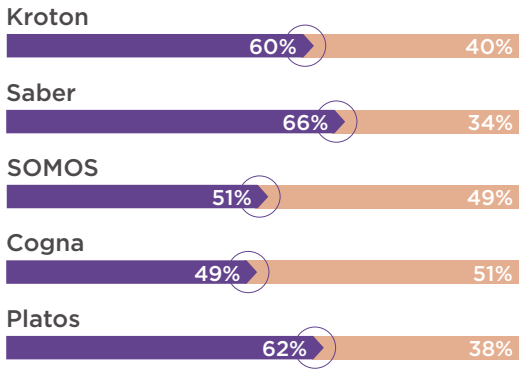
Diversity in governance bodies and employees

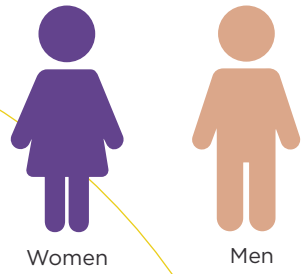
GRI 405-1

Position	2018			2019			2020		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Vice-President	1	7	**8**	1	8	**9**	0	9	**9**
Board of Executive Officers	49	62	**111**	44	58	**102**	34	57	**91**
Senior Management	27	52	**79**	28	53	**81**	35	51	**86**
Management	155	183	**338**	152	185	**337**	155	181	**336**
Coordination	617	416	**1,033**	971	623	**1,594**	664	427	**1,091**
Administrative	6,449	4,360	**10,809**	9,025	5,436	**14,461**	6,911	3,855	**1,0766**
UNITS									
Regional Officer	8	16	**24**	8	16	**24**	6	15	**21**
Unit Officer	72	79	**151**	70	81	**151**	60	66	**126**
Academic Coordinator	60	32	**92**	78	29	**107**	40	21	**61**
Course Coordinator	222	160	**382**	276	199	**475**	277	162	**439**
Teacher	4,708	4,172	**8,880**	6,106	5,287	**11,393**	4,630	3,852	**8,482**
Tutor	1,432	717	**2,149**	1,289	667	**1,956**	1,198	618	**1,816**
Total	**13,800**	**10,256**	**24,056**	**18,048**	**12,642**	**30,690**	**14,010**	**9,314**	**23,324**

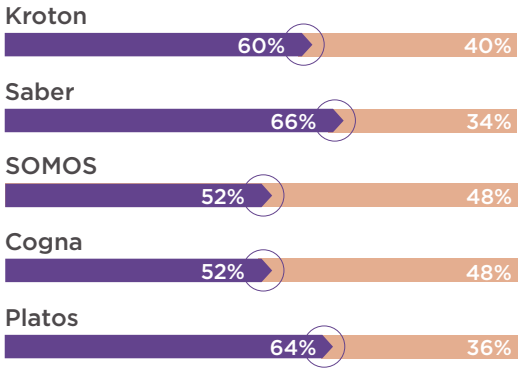
Learn more about our employees' profile in 2020

% Gender by company

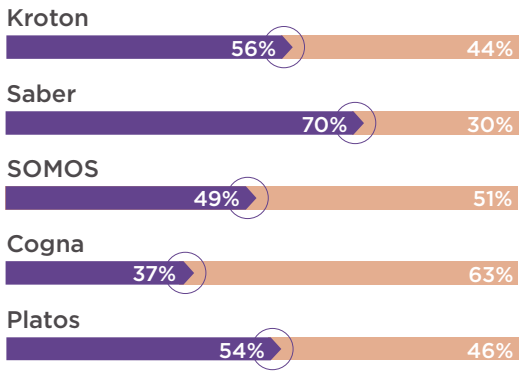




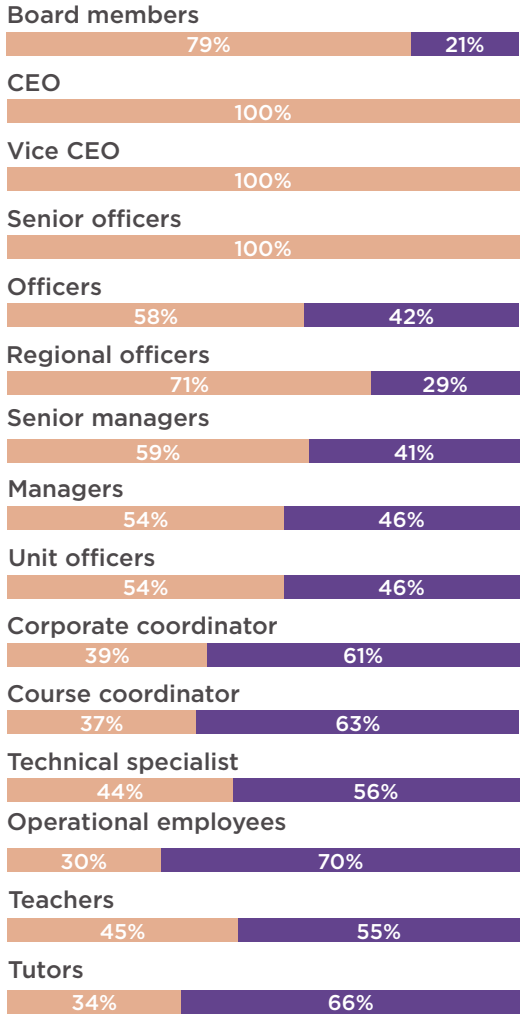
% Gender of operational employees by company



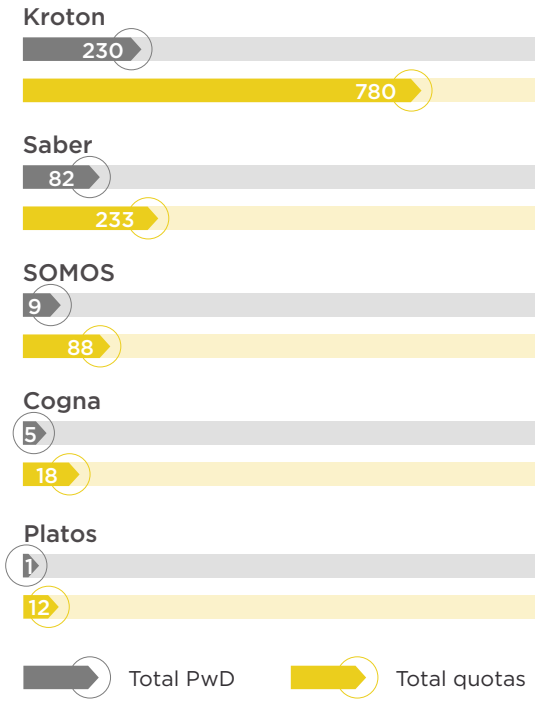
% Gender in leadership by company



Employees by position/gender



Total PwD



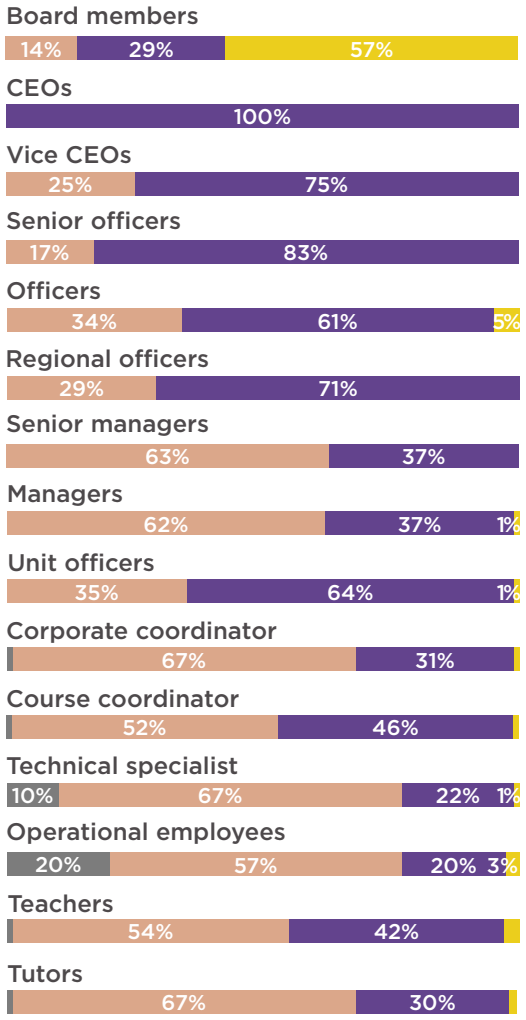
BABY BOOMERS

X GENERATION

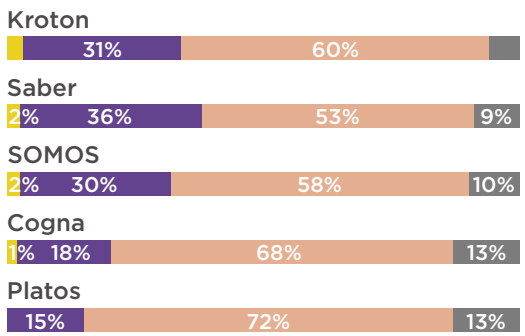
Y GENERATION

Z GENERATION

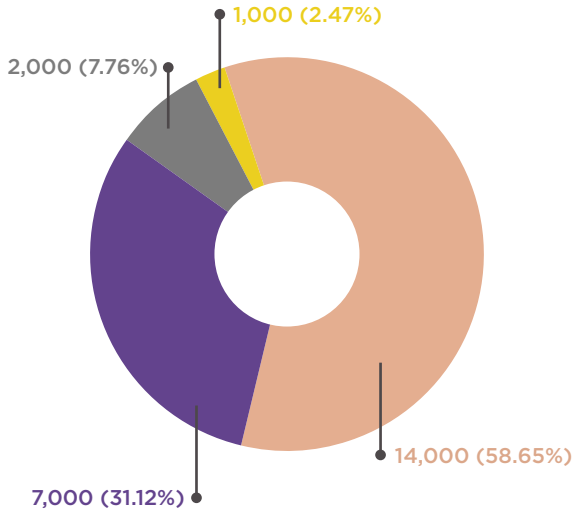
Employees by position/generation



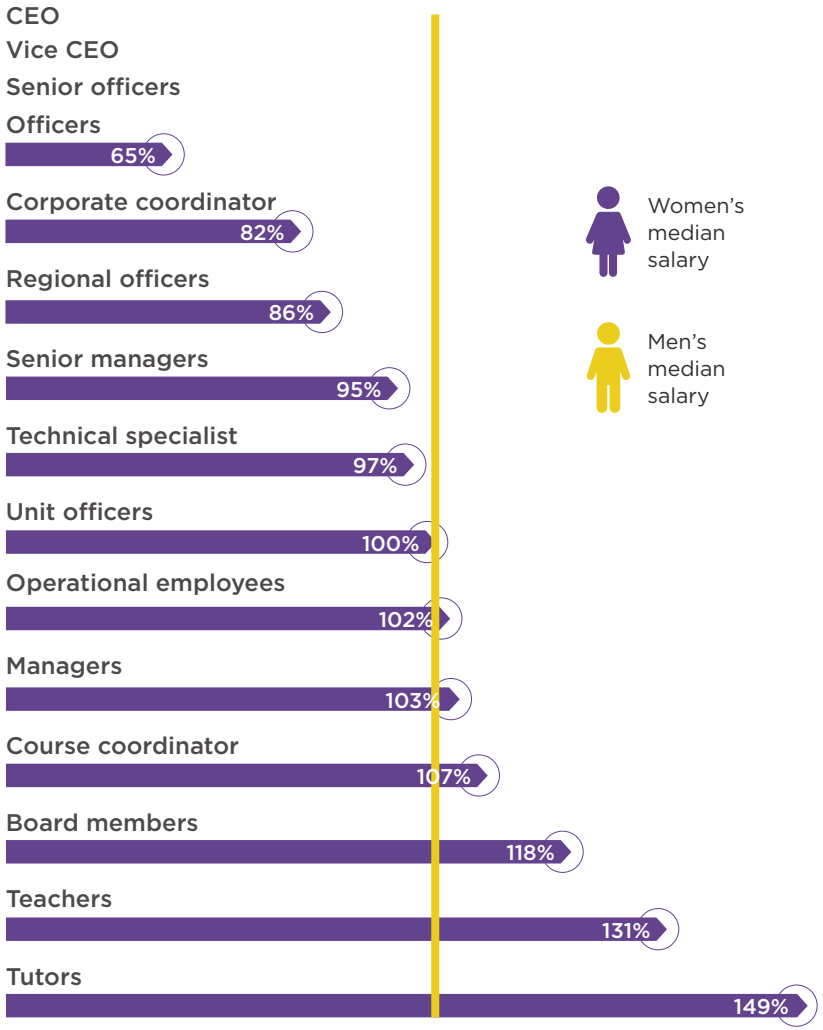
% Generation by company



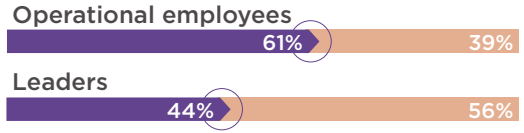
% Generation by company



Women's median salary in relation to men by position

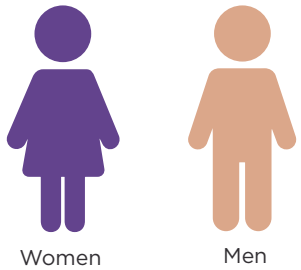


% Gender by position

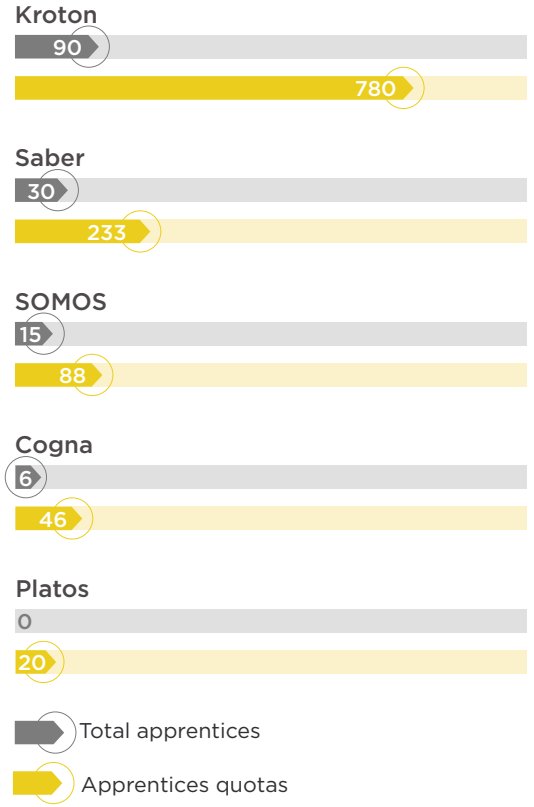


% Young apprentice by gender

% Gender



Total young apprentices



Average age			
Type of employee	Overall	Men	Women
Administrative	35 years	35 years	34 years
Teaching staff	40 years	41 years	40 years
Tutor	37 years	36 years	37 years
Total	**37 years**	**38 years**	**36 years**

Average age – Corporate			
Type of employee	Overall	Men	Women
Administrative	34 years	35 years	33 years
Total	**34 years**	**35 years**	**33 years**

Average age – Units			
Type of employee	Overall	Men	Women
Administrative	35 years	36 years	35 years
Total	**35 years**	**36 years**	**35 years**

We know we have plenty of opportunities to grow. For 2021, we will carry on these initiatives, we intend to conduct a Diversity Survey to obtain a census that will allow us to create action plans and working groups with the agile methodology; equal maternity policies across Cogna companies; and create governance dedicated to the topic, to define targets and monitor actions and results.

Health and safety

GRI 103-1, 103-2 and 103-3: Occupational health and safety

We have in place a set of practices and procedures in Specialized Services in Occupational Health and Safety (SESMT). Upon joining the Company, all employees undergo a health and safety induction process in the Corporate University, where all information, rules, and precautions related to the SESMT are conveyed, and they provide their electronic signature, accepting the rules described. This process included 92.6% of our headcount in the year.

GRI 403-1, 403-8

To mitigate the hazards related to our activities, we apply the Environmental Risk Prevention Program (PPRA), a document that addresses workplace risks and is renewed annually, covering 100% of our campuses. In the safety induction training, employees are instructed to report hazardous situations to the local SESMT or to the Accident Prevention Internal Commission (CIPA), which relies on the representation of employees and holds monthly meetings to discuss health and safety improvements in their units. Also, all incidents are recorded and investigated through the CIPA's Occupational Accident and Disease Procedure, with the support of the SESMT.

GRI 403-2, 403-4, 403-7 and 416-1

In 2020, we regret to have recorded 47 mild injuries in our own employees 23 in outsourced employees, referring to fractures, contusions, cuts, and penetrating injuries. It is worth noting that we offered 21,300 hours of training, an average of 3.35 hours per employee, for qualification of CIPA members; the use of Personal Protective Equipment (PPE); the Health and Life Quality Program; good practices of SESMT in Laboratories; high-risk work; good practices in clinics and hospitals; and SESMT training for leaders and managers. We also offered 5,278 hours of on-campus fire brigade training, an average of 13.5 hours/participant; and 515 hours of training in work at height, an average of 8 hours per participant.

We offered 21,300 hours of training, an average of 3.35 hours per employee

GRI 403-5 and 403-9

To preserve the health and safety of our employees during the Covid-19 pandemic, we adopted remote work. We also kicked off our telemedicine service, with online medical, nursing, and psychology appointments to preserve the physical and mental health of our people (additional information in **Covid-19**). We also have in place an outpatient routine procedure at the corporate offices and the Occupational Health and Medical Control Program.

GRI 403-3 and 403-6

Life Quality Program

GRI 403-6

Our Life Quality Program was built into four pillars and aims at raising employee awareness about the relevance of having healthy habits, preventing diseases, and maintaining emotional balance:

- **Health** – disclosure of information and initiatives on disease prevention and essential health care through practical campaigns; a program for pregnant women and chronically ill patients; partnerships with the academic area, among other initiatives. In this pillar, it is worth noting "Juntos pela Saúde – Gestantes", which includes prenatal, childbirth, and postpartum care, and "Juntos pela Saúde – Gerenciamento de Doenças Crônicas", which assists patients with chronical diseases.

  We also have partnerships, among them, the "Programa Cuidar", a program dedicated to the care for oncologic patients.

- **Social Life** – promotion of initiatives that emphasize the relevance of a balanced life, by encouraging social and family relationships, emotional balance, stress prevention, leisure time, and culture. Thus, we rely on partnerships, on-site actions, activities during commemorative dates, and joint actions with Sesc (Commerce Social Service).

- **Well-being** – promotion of good practices to maintain a healthy body (such as physical exercise and healthy food), by disclosing information and wellness tips and maintaining a partnership with Gympass.

- **Partnerships** – offering of own partnerships and with third parties to provide products and services with cost benefits to employees, including scholarships, travel agencies, and drug stores.

Social impact

GRI 103-2, 103-3: Indirect economic impacts, 203-1, 103-2: Local communities, 413-1

Our operations throughout the country allow us to generate a positive impact on millions of Brazilians. Through our expertise in education, our units, and the volunteer work of students and employees, we carry out actions that contribute to the development of the communities in which we operate, taking advantage of our wide distribution to expand our footprint in Brazil.

The Corporate Social Responsibility department is liable for developing, monitoring the Company's social initiatives. Since 2020, now it is referred to as Social Impact, below Cogna's Government and Institutional Relations Department, reporting directly to the chief executive officer and founders council. This area grounds its activities in the Company's four Social Impact pillars. (for more information, see **Solid grounds for the future**).

The change in the Social Responsibility name to Social Impact area reinforces our commitment not only to comply with the corporate responsibility to reduce negative impacts but also to increasingly enhance our generation of positive social impact, through our institutional actions and our brands' projects.

In 2020, we expanded our Corporate Volunteering Program by launching the Mentorship Program for SOMOS Futuro scholars, we encouraged and mapped actions to fight Covid-19 (learn more on **Covid-19**), and we continued training our educational units in social impact and disseminating good practices in our network.

The Corporate Volunteering Program relies on two formats: Interviewer Volunteering (around four hours during a month); and Mentor Volunteering (1h30 per month, during six months).

We also offer volunteering opportunities for Kroton's psychology students, with complementary hours concession. In 2020 only, we had 195 mentor employees, 195 mentored scholars, and more than 400 employees on the waiting list. Learn more on **Access to Education**.

Primary and Secondary Education

In Primary and Secondary Education, we seek to engage, promote and consolidate social impact initiatives with our own (Saber) and partner (SOMOS Network) schools. These were reduced in 2020 due to students' social distancing, and accordingly, the impediment to carrying out few continued projects. Below, some model initiatives executed by our network to support public education and the social development of their communities.

Fera – Anglo Course – in São Paulo (SP): it offers free pre-college preparatory courses for public school students, under socially and vulnerable economic conditions.

Anjos do Sigma – in Brasília (DF): it includes weekly meetings to raise awareness and collection campaigns involving the students.

Ciencantando em Libras (CIE) – in Rondonópolis (MT): a choir is maintained for hearing-impaired people to promote their inclusion.

The World and the Words

To contribute to the literacy process and expand the cultural repertoire of Brazilian children, SOMOS, in partnership with the TV station Rede Vida Educação, launched the program "O Mundo e as Palavras". With the educational system Maxi seal, this program offers literacy, storytelling, phonetics, science, and arts activities.

In 2020, 350 episodes of the program were recorded and one of SOMOS's publications via Facebook reached more than 50,000 people.

Social Impact on the postsecondary education

In postsecondary education, the Social Impact area is liable for engaging, promoting, training, and consolidating initiatives that create value for society, with students playing a leading role to change outskirts reality, promote the social transformations, always aligning the positive social impact to vocational training.

Postsecondary education also relies on the University Extension Policy, based on four Programs: for Community Service; for Innovation and Entrepreneurship; for Cultural Diffusion and Action; and for Sustainability.

In contribution to the 17 SDGs, we adopt the Social Impact calendar, which aims at supporting the annual planning of social actions of own units and partner centers. The pillars of our social impact prioritize the following SDGs: 03 – Good health and well-being, 04 – Quality education, and 10 – Reduced inequalities.

In 2020, five training courses in social projects were given to our partner centers, which relied on more than 2,000 participants. For own units, training courses now take place every three months, since monthly training courses were given in 2019.

Anhanguera students in Taubaté/SP – Project that supports a group of cancer patients (GAPC)

Since 2017 we have been yearly preparing social balance sheets for the postsecondary education units, promoting transparency for students and the civil society. In these reports, we report information on social projects, community services centers, besides measuring the individual social impact of each unit.

In 2020, the partner centers that executed and registered social projects also relied on social balance sheets.

Throughout the year, our postsecondary education units carried out a total of 544 social projects, benefiting 174,000 people, with 53,000 students and teaching staff involved in approximately 32,000 hours of volunteer work, equivalent to almost 44 months of work. Due to the worsening of the pandemic, most of the projects were executed remotely, with a focus on disseminating quality information for the population on different fronts and donating medical supplies to hospitals and social organizations.

Good practices

Get to know some of the Good Practices of our units:

SDGs: 03 and 04

Production of hand sanitizer - Pitágoras Teixeira De Freitas (Teixeira de Freitas/BA)

As requested by the local government, the Pitágoras de Teixeira de Freitas started producing hand sanitizer during the onset of the social distancing, due to the product stockout. This initiative was firstly executed by Pharmacy students and teachers, subsequently by the teaching and administrative staff of the entire University. Other partners in the city also made available nearly half-ton of hand sanitizer to the UPA (Emergency Care Unit), the maternity hospital, the municipal hospital, cities of the metropolitan region of Bahia, and districts with greater social vulnerability. Also, the University produced face shields with its 3D printer, which were donated to healthcare professionals.

SDGs: 03 and 04

AMAR: animal-assisted interventions – Uniderp (Campo Grande/MS)

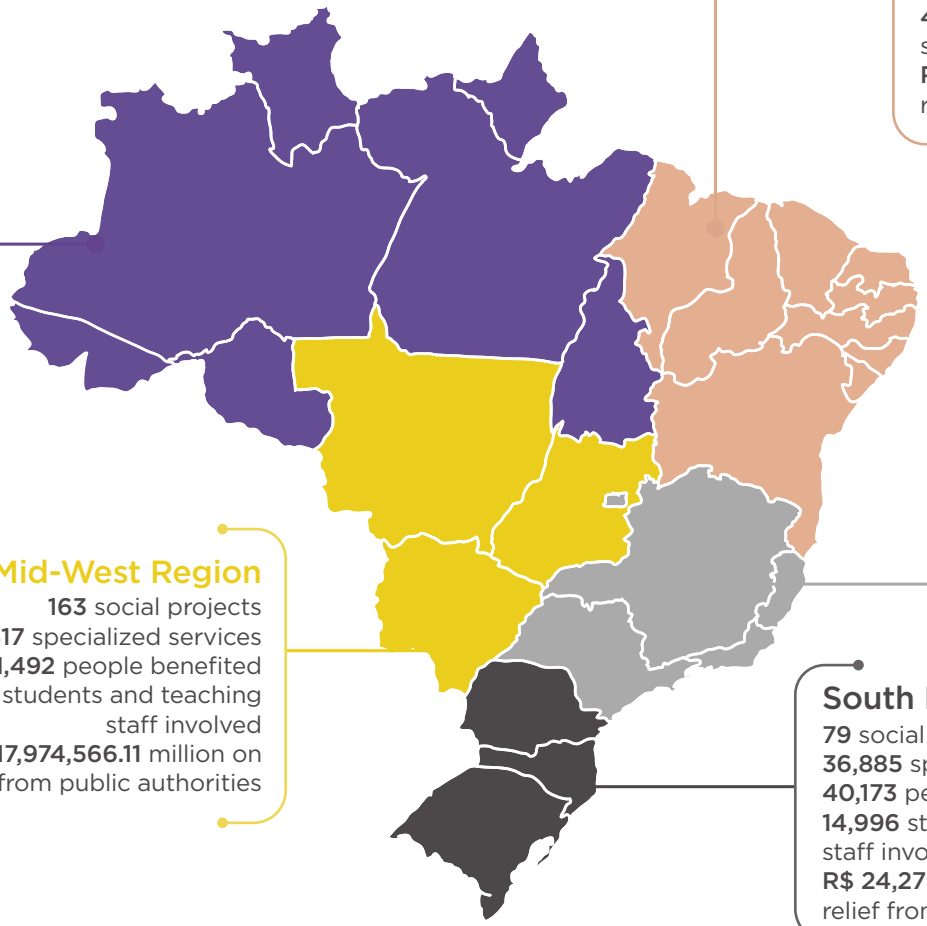
Uniderp has been leading this project since 2019 which encompasses all University courses in partnership with several institutions, such as the University Hospital (Hospital UFMS), Santa Casa, AMA-CG, Escola Juliano Varela, and Instituto Cabral, assisting children, teenagers, and adults. AMAR proposes to offer animal-assisted interventions, with a recreational, educational, and therapeutic purpose, integrated with Uniderp's Research and Intervention Behavioral Cognitive Laboratory (LACCOMPI). Approximately 6,000 people in the community are assisted on a half-yearly basis.

SDGs: 10 and 11

Land Property Regularization – Anhanguera Vila Mariana (São Paulo/SP)

The land property regularization project along with Souza Ramos Community is a partnership between the Community Association and Anhanguera University Center in São Paulo. It comprises the phasing necessary for the community's regularization and is supported by different courses (Engineering, Architecture and Urbanism, Law). This project also involves discussions with public authorities, household registration, sealing of units, water, lighting, sewage, and a drainage project. This initiative benefits both students through practical knowledge and the 85 community households which can live in a place regularized with the local government.

Impact by region



North Region
33 social projects
38,294 specialized services
7,697 people benefited
25,825 students and teaching staff involved
R$ 11,363,390.81 million on relief from public authorities

Northeast Region
72 social projects
46,994 specialized services
111,346 people benefited
41,640 students and teaching staff involved
R$ 21,537,661.22 million on relief from public authorities

Southeast Region
197 social projects
421,970 specialized services
251,054 people benefited
107,369 students and teaching staff involved
R$ 184,034,065.71 million on relief from public authorities

Mid-West Region
163 social projects
97,317 specialized services
181,492 people benefited
46,201 students and teaching staff involved
R$ 17,974,566.11 million on relief from public authorities

South Region
79 social projects
36,885 specialized services
40,173 people benefited
14,996 students and teaching staff involved
R$ 24,279,424.52 million on relief from public authorities

Total
544 social projects
641,460 specialized services
591,762 people benefited
236,031 students and teaching staff involved
R$ 259,189,108.38 million on relief from public authorities

Private Social Investment

GRI 203-1

We also operate in favor of social development through Private Social Investment. We sponsor, via the Sports Incentive Law, the Sports, and Education Institute's "Caravana do Esporte". This project aims at ensuring the right of children and young people to practice sports with inclusion in violence-free environments, using technology based on sports practice with low-cost materials, besides public school teachers training courses.

Via the Rouanet Law, we support the Mpumalanga Institute's "Caravana das Artes", a traveling project running municipalities with low Human Development Index (HDI), which promotes artistic activities among children and adolescents, besides public school teachers training courses.

Also via the Rouanet Law, we support the Fazendo História Institute's "Fazendo História" project in the city of Presidente Prudente (SP) and region, which supports the full development of children and adolescents through reading and recording their life histories in individual albums.

Through the Elderly Law, we support the Rede CEMAIS3i: building up the management network of ILPIs (long-stay institutions) and community groups of CEMAIS (Intersectoral Alliances Center of Minas Gerais), in the city of Belo Horizonte (MG).

Via the Municipal Fund for Children and Adolescents (Fumcad), we support the Verde Escola Institution's project called "Núcleo Socioeducativo e Gerando Amanhã". This institution promotes social, educational, environmental, and cultural initiatives for children, adolescents, and young people in socially vulnerable regions, contributing to their qualification and independence.

Beneficiary of the Sports Caravan Project (IEE)

Our effective contribution - 2020

+5 million
people benefited

Each
R$ 1
invested by Cogna corresponds to a return of
R$ 7
in terms of benefit for society

Measurement of social impact

Since 2019, we have been assessing the impacts of social and economic activities developed by Cogna Educação. We adopt the Social Return on Investment (SROI) approach for this study, a methodology that helps to measure the social impacts through a broad value concept, besides the financial aspect. Below, the assessment's key highlights.

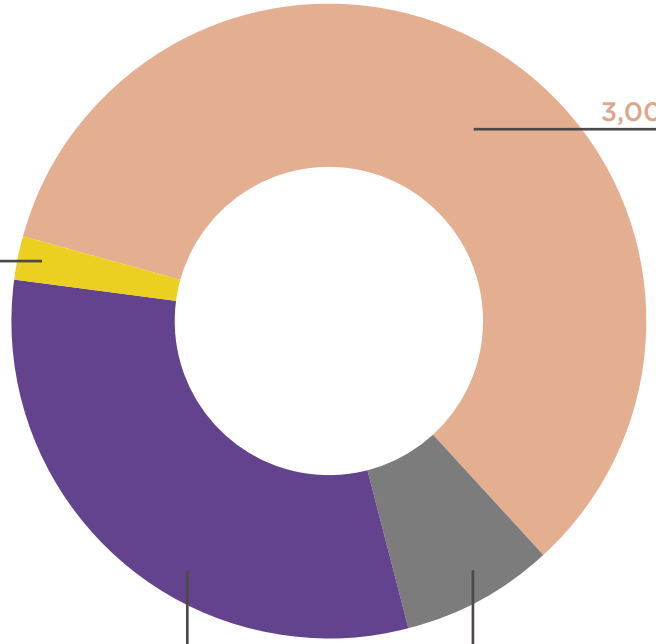
Quantification of Cogna's intangible social assets

The key fronts of Cogna's social contribution were classified into five groups:

- **Access to Education** – social activities aimed at promoting/facilitating community access to education.
- **Public education management** – social activities aimed at improving Brazilian public education.
- **Community** – social activities aimed at promoting the social transformation of units' surroundings.
- **Professional inclusion** – activities aimed at benefiting society by promoting access to the labor market.
- **Curriculum** – activities, and projects aimed at promoting social transformation by disseminating information.

Number of people benefited

Around 5 million people benefited by Cogna's intangible social assets



3,000,172

Access to Education	
School supplies donated	2,054
Pre-college preparatory courses	175
Costless ABE courses	105,041
Social scholarships	268,605
Covid-19 actions	2,624,297

44,710

Professional inclusion	
Canal Conecta	14,710
Employability Fair	30,000

488,650

Community	
Health care services	295,781
Human services	118,320
Engineering services	4,236
Outstanding projects	70,313

1,500,470

Public education management	
SGI	1,500,000
E-teaching staff	470

SOMOS Institute is Cogna's social arm, which operates the Company's K12 brands (see **Access to Education** for more information), the Pitágoras Foundation – in the postsecondary education brands, and the Brazilian Alliance for Education – an initiative supported by Kroton and Platos in partnership with the Pitágoras Foundation.

Pitágoras Foundation

For the past 20 years, the Pitágoras Foundation has been supporting public education through the Integrated Management System, a management model that coordinates the efforts of those working or studying in the public education system, focused on primary and secondary education, and targeting students' high performance. We also conduct national forums for public school educators and students promoted by the Brazilian Alliance for Education. Events aim at encouraging the exchange of experiences and best practices.

The Foundation is also concerned with offering education to the prison system, by promoting legitimate rehabilitation initiatives, also to early childhood, by supporting, since 2017, the federal government program "Criança Feliz". Throughout its history, the Foundation's initiatives benefited more than 2 million people, most of which involving public school educators and students.

Primary and secondary education student

SGI achievements

12
states

1,135
schools

114
municipalities

+1.02 million
students benefited

+3,000
educators certified in the School Management graduate course in partnership with Kroton

Brazilian Alliance for Education

A movement to improve education led by Cogna's postsecondary education brands together with the Pitágoras Foundation. This Alliance supports the Public and Entrepreneurial Education by offering free training courses with certification to the whole society via its Student Virtual Environment (AVA), which benefited more than 105,000 people through +66 portfolio courses; and virtual classrooms for public schools. It also endeavors social development efforts by disseminating social projects and good practices.

The Alliance's operations were expanded in 2020 to support Education in Brazil.

+14,000
educators trained in the SGI methodology

+32,000
educators benefited

Brazilian Alliance for Education

628
classrooms

66
portfolio courses

105,000
people benefited

SOMOS Futuro - Instituto SOMOS

+500
young people benefited

143
partner schools

98
municipalities

19
states

About the report

Cogna is committed to transparency about its performance and management approach to social, environmental, economic, financial, and governance aspects. As a result, we are proud to present our 2020 Sustainability Report, for the period between January 1 and December 31, 2020.

This report is released annually and complies with the Core option of the Global Reporting Initiative (GRI) Standards, in addition to the guidelines of the International Integrated Reporting Council's (IIRC) and the Sustainability Accounting Standards Board (SASB). It reflects the topics of greatest impact and relevance to Cogna from the perspective of its stakeholders—investors, financial market, employees, students, suppliers, entities, NGOs, and the press.

GRI 102-40, 102-50, 102-52 and 102-54

Materiality matrix

GRI 102-48 and 102-49

To prepare this content, in 2020 Cogna revised its materiality to prioritize and increase transparency in the topics that are most relevant to its business and stakeholders. The process comprised three stages:

Materiality process

Stage 1

Analysis of internal and external materials (Dow Jones Sustainability Index (DJSI), Sustainability Accounting Standards Board (SASB), World Business Council for Sustainable Development (WBCSD), World Economic Forum, among others); benchmark study, global and sector trends, which resulted in a list of 18 topics.

Stage 2

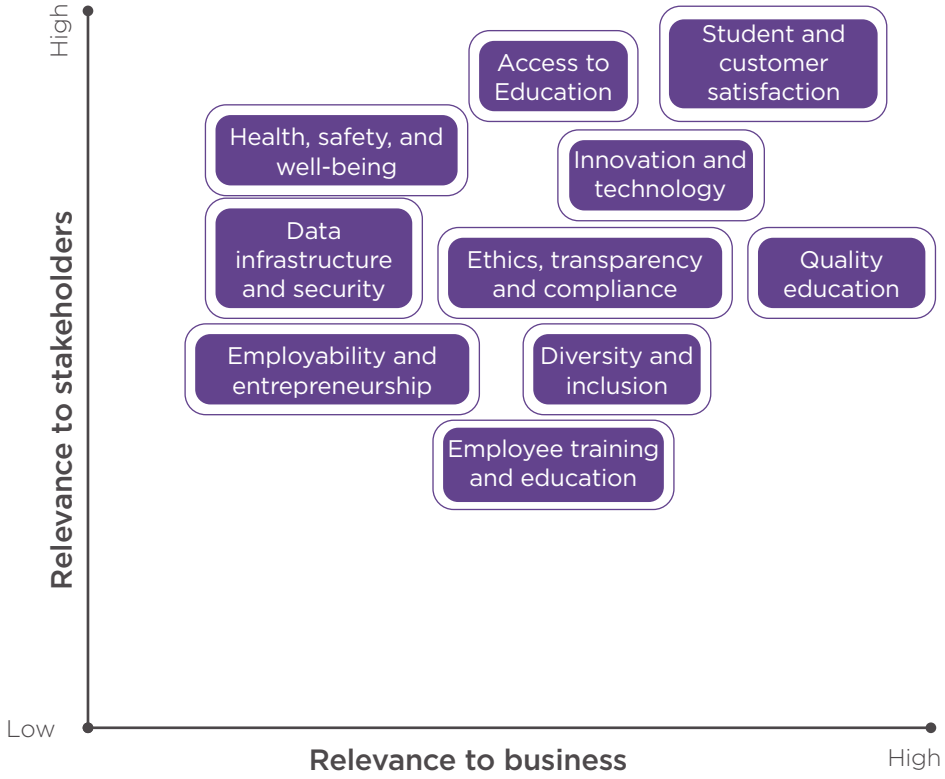
Prioritization of topics through consultation with external and internal stakeholders and interviews with senior management. We collected a total of 9,594 feedbacks, 2,796 of which from internal stakeholders and 6,798 from external stakeholders. Of those, 6,180 were students and clients. In addition, we interviewed 10 executive officers of Cogna's senior management to collect their perceptions.

Stage 3

Consolidation of results obtained through consultation to classify the topics based on their relevance to Cogna and its stakeholders.

Materiality matrix

GRI 102-44



Unic postsecondary students – Sorriso/MT

List of material topics and boundary of impacts

GRI 102-46, 102-47, 102-48 and 103-1

Material topic	GRI Aspect	Related indicators	Impact inside Cogna	Impact outside Cogna
Student and client satisfaction	Management approach	GRI 103-1, 103-2, 103-3	All companies	Students and customers
Innovation and technology	Management approach	GRI 103-1, 103-2, 103-3	All companies	All stakeholders
Access to Education	Management approach	GRI 103-1, 103-2, 103-3	All companies	Students and society
Quality of education and services offered	Management approach	GRI 103-1, 103-2, 103-3	All companies	All stakeholders
Ethics, transparency, and compliance	Anticorruption	GRI 205-1, 205-2, 205-3, 206-1, 307-1, 415-1, 419-1	All companies	All stakeholders
Diversity and inclusion	Diversity and equal opportunities	GRI 405-1, 405-2, 406-1	All companies	Society
Health, safety, and well-being (internal and external)	Occupational health and safety; Safety practices; Customer health and safety	GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10, 416-1, 416-2	All companies	Students and customers
Data infrastructure and security	Customer privacy	GRI 418-1	All companies	All stakeholders
Employee and teacher training	Training and education	GRI 404-1, 404-2, 404-3	All companies	Students and society
Employability and entrepreneurship	Management approach	GRI 103-1, 103-2, 103-3	Kroton and Platos	Students and society

Doubts, suggestions, or additional information may be forwarded to responsabilidadesocial@kroton.com.br

GRI 102-53

Additional information

Efficient management of natural resources

Although our business does not have such a significant impact on the environment as other economic sectors, we constantly seek to efficiently manage natural resources, even though the topic was not considered a priority in our Materiality Matrix (see more on **About the Report**). In addition, our operations outreach our internal borders and are reflected in the dissemination of good practices, through environmental education to our students and society. Below are our initiatives.

Energy consumption

GRI 103-2, 103-3: Energy, 302-1 and 302-4

One of the main fronts of our natural resource management is to ensure efficient electricity consumption, with consequent reduction of Greenhouse Gas (GHG) emissions in the atmosphere.

In this regard, we prioritize purchasing energy from renewable sources and we promote energy efficiency initiatives in our units and corporate offices. These initiatives include replacing lamps with LED units, which are cleaner and more efficient, monitoring consumption and waste, and conducting educational campaigns to raise awareness about rational energy consumption.

In addition, in 1Q20, Kroton organized a campaign to raise awareness about the rational use of resources among students and employees, with water and electricity consumption reduction targets for each unit. From April 2020, despite the interruption of on-campus classes due to the pandemic, we continued monitoring these indicators.

In 2020, our electricity consumption came to 96,853 GJ (26.904 million KWh), 40% lower than in 2019, due to the closing of units in light of social distancing measures. Out of this total, 76% derives from renewable sources.

GRI 302-1 and 302-2

Unopar frontage – Londrina/PR

It is worth noting that the Company advanced its control of consumption indicators. The units migrated to the energy Free Market now rely on a database tool that allows daily and hourly monitoring consumption, which can contribute to reduction actions.

The ratio between consumption in KWh and the unit's corresponding work shift is calculated for each unit. This calculation also includes classification by size (area and number of students) and average temperature throughout the year in the region where the unit is located. The main objective is to identify and highlight the best practices of efficient use of electricity.

Water use

GRI 103-2, 103-3: Water and 303-5

Cogna uses two types of water sources — groundwater and supply by public and private services. Consumption totaled 413,883 m^3 in 2020, 45.4% lower than in 2019, due to the closing of units and the intensification of water consumption awareness campaigns.

Water withdrawn by source(m^3)	2019	2020
Groundwater	217,370	198,157
Municipal supply	540,471	215,726
Total	**757,841**	**413,883**

Environmental education

Aware of our potential to have an impact through education, which is our DNA, we seek to disseminate information and raise students' and society's awareness of topics related to the mitigation of environmental impacts. In 2020, the highlights were:

"Santi Sustentável" (Santi) – in the city of São Paulo (SP): Santi promotes a series of initiatives and projects under the "Santi Sustentável" program that aims at raising social and environmental awareness and responsible consumption among students. Recycling and plastic-free projects are executed, partnership with cooperatives, educational scrap projects, exchange fairs, reuse workshops, community gardens, and composters, among others.

SDG Workshops (Santi) – in the city of São Paulo (SP): it raises SDGs awareness, including thoughts on actions executed and action plans which can be implemented.

"Eu sou a mudança que quero para o mundo!" [I want to change the world!] (Unopar Center - Euclides da Cunha) – in the city of Euclides da Cunha (BA): an environmental education action that involves the community on several fronts, raising awareness of this topic. Initiatives included the correct disposal of vegetable oil, solid waste, electronic material, besides the collection of recyclable materials destined to cooperatives, presentations of sustainability studies, and upcycling workshops.

Community Garden Project – Convent of nuns

GRI content exhibits

Information on employees and other workers

GRI 102-8

Employees per employment contract, by gender	2018			2019			2020		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Monthly-paid employee	8,190	5,195	**13,385**	11,315	6,838	**18,153**	7,822	4,981	**12,803**
Hourly-paid employee	5,302	5,369	**10,671**	6,518	6,019	**12,537**	6,185	4,336	**10,521**

Employees per employment contract, by region	2018		2019		2020	
	Monthly-paid	Hourly-paid	Monthly-paid	Hourly-paid	Monthly-paid	Hourly-paid
South Region	2,467	1,612	2,321	1,544	1,563	1,291
Southeast Region	6,936	4,810	9,875	5,506	7,590	4,468
Mid-West Region	2,206	2,310	2,469	2,642	1,452	2,236
Northeast Region	1,344	1,678	2,422	2,186	1,542	2,058
North Region	432	261	1,079	646	655	469
Total	**13,385**	**10,671**	**18,166**	**12,524**	**12,802**	**10,522**

Employees per employee category, by gender	2018			2019			2020		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Administrative	6,449	4,360	**10,809**	9,025	5,436	**14,461**	8,158	4,834	**12,992**
Teacher	4,708	4,172	**8,880**	6,106	5,287	**11,393**	4,648	3,863	**8,511**
Tutor	1,432	717	**2,149**	1,289	667	**1,956**	1,202	619	**1,821**

Diversity of governance bodies and employees

GRI 405-1

Position	2018			2019			2020		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Vice-President	1	7	**8**	1	8	**9**	0	9	**9**
Board of Executive Officers	49	62	**111**	44	58	**102**	34	57	**91**
Senior Management	27	52	**79**	28	53	**81**	35	51	**86**
Management	155	183	**338**	152	185	**337**	155	181	**336**
Coordination	617	416	**1,033**	971	623	**1,594**	664	427	**1,091**
Administrative	6,449	4,360	**10,809**	9,025	5,436	**14,461**	6,911	3,855	**10,766**
UNITS									
Regional Officer	8	16	**24**	8	16	**24**	6	15	**21**
Unit Officer	72	79	**151**	70	81	**151**	60	66	**126**
Academic Coordinator	60	32	**92**	78	29	**107**	40	21	**61**
Course Coordinator	222	160	**382**	276	199	**475**	277	162	**439**
Teacher	4,708	4,172	**8,880**	6,106	5,287	**11,393**	4,630	3,852	**8,482**
Tutor	1,432	717	**2,149**	1,289	667	**1,956**	1,198	618	**1,816**
Total	**13,800**	**10,256**	**24,056**	**18,048**	**12,642**	**30,690**	**14,010**	**9,314**	**23,324**

Composition of the highest governance body and committees

GRI 102-22

Board of Directors

Name	Position	Date of election	End of term of office	No. of tenures
Juliana Rozenbaum Munemori	Independent Board Member	12/09/2019	AGM of 2022	0
Luiz Antonio de Moraes Carvalho	Independent Board Member	12/09/2019	AGM of 2022	6
Nicolau Ferreira Chacur	Chairman	12/09/2019	AGM of 2022	4
Rodrigo Calvo Galindo	Vice-Chairman	12/09/2019	AGM of 2022	0
Thiago dos Santos Piau	Independent Board Member	12/09/2019	AGM of 2022	0
Walfrido Silvino dos Mares Guia Neto	Board Member	12/09/2019	AGM of 2022	6

Advisory Committees

Committee	Members
Financial & M&A	Walfrido Silvino dos Mares Guia Neto – Coordinator
	Nicolau Ferreira Chacur
	Rodrigo Calvo Galindo
People & Governance	Luiz Antonio de Moraes Carvalho – Coordinator
	Juliana Rozenbaum Munemori
	Rodrigo Calvo Galindo
Strategy & Innovation	Juliana Rozenbaum Munemori – Coordinator
	Thiago dos Santos Piau
	Rodrigo Calvo Galindo
	Walfrido Silvino dos Mares Guia Neto
Audit & Risks	Nicolau Ferreira Chacur – Coordinator
	Luiz Antonio de Moraes Carvalho
	Francisco Henrique Passos Fernandes
Founders	Gabriel Mário Rodrigues – Coordinator*
	Altamiro Belo Galindo
	Evando José Neiva
	Júlio Fernando Cabizuca
	Walfrido Silvino dos Mares Guia Neto

*In early 2021, we deeply regretted the loss of our professor Gabriel Mário Rodrigues, who served as the Chairman of the Company's Board of Directors. In 2020, Mr. Rodrigues was a member of the Founders Committee. We are extremely grateful for his work, dedication and partnership. When this report was released, his deputy coordinator had not been elected yet.

New hires of employees and employee turnover GRI 401-1

	2019				2020			
	Hires	Hire Rate	Dismissals	Turnover Rate	Hires	Hire Rate	Dismissals	Turnover Rate
BY GENDER								
Female	5,546	32.48%	8,166	36.61%	4,570	29.50%	6,631	36.20%
Male	3,985	31.02%	6,137	35.75%	2,616	23.30%	5,164	36.20%
BY REGION								
North	322	48.18%	267	44.59%	415	30.40%	737	44.00%
Northeast	1,185	39.97%	1,244	41.10%	1,348	34.60%	1,764	39.20%
Mid-West	1,434	29.36%	1,818	33.60%	1,078	25.20%	1,949	36.20%
Southeast	4,150	32.80%	4,276	33.84%	3,547	25.70%	5,807	34.50%
South	1,329	30.22%	1,567	33.06%	798	24.00%	1,538	36.40%
BY AGE GROUP								
Under 30 years	3,678	53.80%	5,126	53.80%	3,169	40.30%	3,770	44.00%
Between 30 and 50 years	4,927	49.04%	12,361	49.04%	3,655	23.20%	6,742	33.50%
Over 50 years	468	53.93%	2,708	53.93%	362	11.50%	1,283	27.40%

Average hours of training per year, per employee, broken down by gender and employee category

GRI 401-1

	2018	2019	2020
BY GENDER			
Female	35.61	19.31	13.52
Male	33.9	18.38	12.86
BY EMPLOYEE CATEGORY			
Teacher	31.67	31.67	11.79
Tutor	39.46	39.46	42.12
Other	36.98	36.98	11.7
Management	22.34	22.34	7.5
Coordination	36.04	36.04	23.83
Course Coordination	43.91	43.91	29.07
Board of Executive Officers	43.83	43.83	5.63
Academic Coordination	38.44	38.44	39.58
Senior Management	6.51	6.51	1.57
Vice-President	3.6	3.6	0
Total	**34.84**	**34.84**	**17.81**

Percentage of employees regularly receiving career development performance evaluations

GRI 404-3

Until 2019, only primary and secondary education employees were evaluated. In 2020, we launched the Performance Management program for corporate stakeholders, now all employees undergo evaluation, delivery and development cycles.

	2018	2019	2020
BY GENDER			
Female	79%	62%	80%
Male	81%	66%	80%
BY EMPLOYEE CATEGORY			
Teacher	94%	80%	100%
Tutor	90%	96%	80%
Other	66%	47%	80%
Management	22%	15%	80%
Coordination	60%	54%	80%
Course Coordination	91%	98%	80%
Board of Executive Officers	65%	53%	80%
Academic Coordination	78%	63%	80%
Senior Management	2%	3%	80%
Vice President	0%	0%	80%
Total	**80%**	**64%**	**95%**

Ratio of basic salary and remuneration of women to men

GRI 405-2

	2020	
	BASE SALARY	TOTAL COMPENSATION
Teacher[1]	1.31	1.31
Tutor[1]	1.49	1.5
Other	0.94	1.05
Management	1.03	1.03
Coordination	0.82	0.82
Course Coordination	1.07	1.04
Board of Executive Officers	0.7	0.65
Academic Coordination	1.04	1
Senior Management	0.95	1.02
Vice President	-	-

[1]For the positions of Tutor and Teacher, we only considered monthly-paid employees. These positions also have two important characteristics: i. the workload varies depending on the contract and ii. employee can also hold the position of the course coordinator, being paid for the two roles.

Summary of GRI standards

GRI 102-55

General disclosure				
GRI Standard	**Disclosure**	**Page/URL**	**Omission**	**Sustainable Development Goals**
ORGANIZATION PROFILE				
GRI 102: General Disclosure 2016	102-1 Name of the organization	15		
	102-2 Activities, brands, products and services	15, 55, 60, 75, 86		
	102-3 Location of headquarters	Our headquarters is located in the city of Belo Horizonte (MG) and the administrative center is located in the city of São Paulo (SP).		
	102-4 Location of operations	15, 55, 60, 75, 86		
	102-5 Ownership and legal form	15		
	102-6 Markets served	15, 16, 17, 55, 60, 75, 86		
	102-7 Scale of the organization	15, 55, 60, 75, 86		
	102-8 Information on employees and workers	15, 16, 17, 55, 60, 75, 86		8, 10
	102-9 Supply chain	At the end of 2020, we had a total of 44,214 active suppliers. Main expenditures relating to suppliers included rental (25%); media and advertising (13%); graphic and paper printing (9%) and IT services (6%).		

General disclosure				
GRI Standard	**Disclosure**	**Page/URL**	**Omission**	**Sustainable Development Goals**
GRI 102: General Disclosure 2016	102-10 Significant changes to the organization and its supply chain	15, 16, 17		
	102-11 Precautionary principles or approach	33		
	102-12 External initiatives	41		
	102-13 Membership of associations	42		
STRATEGY				
GRI 102: General Disclosure 2016	102-14 Statement from senior decision-maker	3		
	102-15 Key impacts, risks, and opportunities	3, 33		
ETHICS AND INTEGRITY				
GRI 102: General Disclosure 2016	102-16 Values, principles, standards and norms of behavior	30		16
	102-17 Mechanisms for advice and concerns about ethics	30, 32		16
GOVERNANCE				
GRI 102: General Disclosure 2016	102-18 Governance structure	26		
	102-19 Delegating authority under economic, social and environmental topics from highest governance body to executives and employees	26		
	102-20 Executive-level responsibility for economic, environmental and social topics	The executive responsible for the economic topic is our Chief Financial Officer (CFO), who directly reports to the Company's Chief Executive Officer and to the Financial and M&A Committee, which reports critical issues to the Board of Directors. The executive responsible for social topics is the Government and Institutional Relations Officer, which reports to Cogna's CEO.		
	102-21 Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics. If consultation is delegated to other structures, bodies, or persons, indicate the current feedback process to the highest governance body	All issues reported by stakeholders to the Company and considered relevant are reported to the Board of Directors directly by the Chief Executive Officer. Issues may also be reported by the CEO or another Officer to one of the Statutory Committees whose members compose the Board of Directors.		

General disclosure				
GRI Standard	**Disclosure**	**Page/URL**	**Omission**	**Sustainable Development Goals**
GRI 102: General Disclosure 2016	102-22 Composition of the highest governance body and its committees	27, 28, 136		5, 16
	102-23 Chair of the highest governance body	The Chairman of the Board of Directors, Mr. Nicolau Chacur, does not have an executive duty at the Company		16
	102-24 Nominating and selecting the highest governance body and its committees	OK		5, 16
	102-25 Conflicts of interest	30		16
	102-26: Role of highest governance body in the development of purpose, values, and strategies	Board members actively participated in the process which created the concepts of Mission, Vision and Values through dynamics applied by external advisors, who advised the Company in this process. As to strategies and policies, it is incumbent upon the Board of Directors to approve them, as laid out in the Company's bylaws.		
	102-27 Collective knowledge of highest governance body	The areas in charge of economic, social and environmental topics give quarterly presentations to the corresponding Committee. All committees rely on the attendance of members of the Board of Directors, one of whom is appointed as the Committee's coordinator, having the duty to update other members in the Board's quarterly meetings. In addition, board members are continuously invited to participate in the planning and monitoring of Company's projects.		
	102-35 Remuneration policies	27		
	102-36 Process for determining remuneration	27		
	102-37 Stakeholders' involvement in remuneration, including results of votes on remuneration policies and proposals, where applicable.	27		
STAKEHOLDER ENGAGEMENT				
GRI 102: General Disclosure 2016	102-40 List of stakeholder groups	128		
	102-41 Collective bargaining agreements	In 2020, 100% of employees were covered by collective bargaining agreements.		8
	102-42 Identifying and selecting stakeholders	42		
	102-43 Approach to stakeholder engagement	42, 95, 96		
	102-44 Key topics and concerns raised	95, 129		

General disclosure				
GRI Standard	**Disclosure**	**Page/URL**	**Omission**	**Sustainable Development Goals**
REPORTING PRACTICE				
GRI 102: General Disclosure 2016	102-45 Entities included in the consolidated financial statements	A complete list is available in the financial statements at http://ri.cogna.com.br/		
	102-46 Defining report content and topic boundaries	130		
	102-47 List of material topics	130		
	102-48 Restatements of information	128, 130		
	102-49 Changes in reporting	128		
	102-50 Reporting period	128		
	102-51 Date of the most recent report	2019		
	102-52 Reporting cycle	128		
	102-53 Contact point for questions regarding the report	130		
	102-54 Claims of reporting in accordance with GRI standards	128		
	102-55 GRI content index	139		
	102-56 External assurance	The financial statements were audited by Deloitte.		

Material topics				
GRI Standard	**Disclosure**	**Page/URL**	**Omission**	**Sustainable Development Goals**
ECONOMIC PERFORMANCE				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	130		
	103-2 The management approach and its components	46		
	103-3 Evaluation of the management approach	46		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	48		8, 9
INDIRECT ECONOMIC IMPACTS				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	130		
	103-2 The management approach and its components	97, 101, 117		
	103-3 Evaluation of the management approach	97, 101, 117		
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	117, 123		
	203-2 Significant indirect economic impacts	97, 101		
ANTICORRUPTION				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	130		
	103-2 The management approach and its components	31		
	103-3 Evaluation of the management approach	31		
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption	31		16
	205-2 Communication and training about anti-corruption policies and procedures	31		16
	205-3 Confirmed incidents of corruption and actions taken	31		

Material topics				
GRI Standard	**Disclosure**	**Page/URL**	**Omission**	**Sustainable Development Goals**
ANTI-COMPETITIVE BEHAVIOR				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	130		
	103-2 The management approach and its components	30		
	103-3 Evaluation of the management approach	30		
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, antitrust and monopoly practices	In 2020, Cogna did not receive any legal proceeding related to this matter.		1, 5, 8, 16
ENERGY				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	130		
	103-2 The management approach and its components	131		
	103-3 Evaluation of the management approach	131		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	131		7, 8, 12, 13
	302-4: Reduction of energy consumption	131		7, 8, 12, 13
WATER				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	130		
	103-2 The management approach and its components	132		
	103-3 Evaluation of the management approach	132		
	303-5 Water consumption	132		6
EMISSIONS				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	At the end of 2020, we contracted a methodology to monitor our emissions and the results should be available in 2021.		
	103-2 The management approach and its components	At the end of 2020, we contracted a methodology to monitor our emissions and the results should be available in 2021.		
	103-3 Evaluation of the management approach	At the end of 2020, we contracted a methodology to monitor our emissions and the results should be available in 2021.		

Material topics				
GRI Standard	**Disclosure**	**Page/URL**	**Omission**	**Sustainable Development Goals**
GRI 305: Emissions 2016	305-1 Direct (Scope 1) Greenhouse Gas emissions	At the end of 2020, we contracted a methodology to monitor our emissions and the results should be available in 2021.		3, 12, 13, 14, 15
EMPLOYMENT				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	130		
	103-2 The management approach and its components	105		
	103-3 Evaluation of the management approach	105		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	105, 108,137, 138		5, 8, 10
OCCUPATIONAL HEALTH AND SAFETY				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	130		
	103-2 The management approach and its components	115		
	103-3 Evaluation of the management approach	115		
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	115		8
	403-2 Hazard identification, risk assessment, and incident investigation	115		8
	403-3 Occupational health services	116		8
	403-4 Worker participation, consultation, and communication on occupational health and safety	115		8, 16
	403-5 Worker training on occupational health and safety	115		8

Material topics				
GRI Standard	**Disclosure**	**Page/URL**	**Omission**	**Sustainable Development Goals**
GRI 403: Occupational health and safety 2018	403-6 Promotion of worker health	116		3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships with the company	115		8
	403-8 Workers covered by an occupational health and safety management system	115		8
	403-9 Work-related injuries	115		3, 8, 16
TRAINING AND EDUCATION				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	130		
	103-2 The management approach and its components	107		
	103-3 Evaluation of the management approach	107		
GRI 404: Training and education 2016	404-1 Average hours of training per year/ employee	107, 108		4, 5, 8, 10
	404-2 Programs for upgrading employee skills and transition assistance programs	107, 108		
	404-3 Percentage of employees receiving regular performance and career development reviews	107, 138		
DIVERSITY AND EQUAL OPPORTUNITIES				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	130		
	103-2 The management approach and its components	109		
	103-3 Evaluation of the management approach	109		

Material topics				
GRI Standard	**Disclosure**	**Page/URL**	**Omission**	**Sustainable Development Goals**
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees	27, 109, 111, 135		5, 8
	405-2 Ratio of basic salary and remuneration of women to men	138		
NON-DISCRIMINATION				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	130		
	103-2 The management approach and its components	109		
	103-3 Evaluation of the management approach	109		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	32		5, 8
LOCAL COMMUNITIES				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	130		
	103-2 The management approach and its components	117		
	103-3 Evaluation of the management approach	117		
GRI 413: Local communities 2016	413-1 Operations with local communities engagement, impact assessments and local development	95, 101, 117		
PUBLIC POLICY				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	130		
	103-2 The management approach and its components	148		
	103-3 Evaluation of the management approach	148		

Material topics				
GRI Standard	**Disclosure**	**Page/URL**	**Omission**	**Sustainable Development Goals**
GRI 415: Public policy	415-1 Political contributions	Cogna Educação does not make financial contributions to political parties, politicians or candidates, in compliance with express prohibition by Law no. 13165, of September 29, 2015 regarding donations from legal entities to election campaigns. In 2020, we sent a notice to all employees addressing electoral donations. We also oriented employees to notify the Company if they make donations as individuals, pursuant to internal policies.		
CUSTOMER PRIVACY				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	130		
	103-2 The management approach and its components	35		
	103-3 Evaluation of the management approach	35		
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	35		16
SOCIOECONOMIC COMPLIANCE				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	130		
	103-2 The management approach and its components	148		
	103-3 Evaluation of the management approach	148		
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic areas	In 2020, we did not record any fine or non-monetary penalty considered relevant in the social and economic areas. The company considers relevant amounts exceeding R$1 million.		16

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