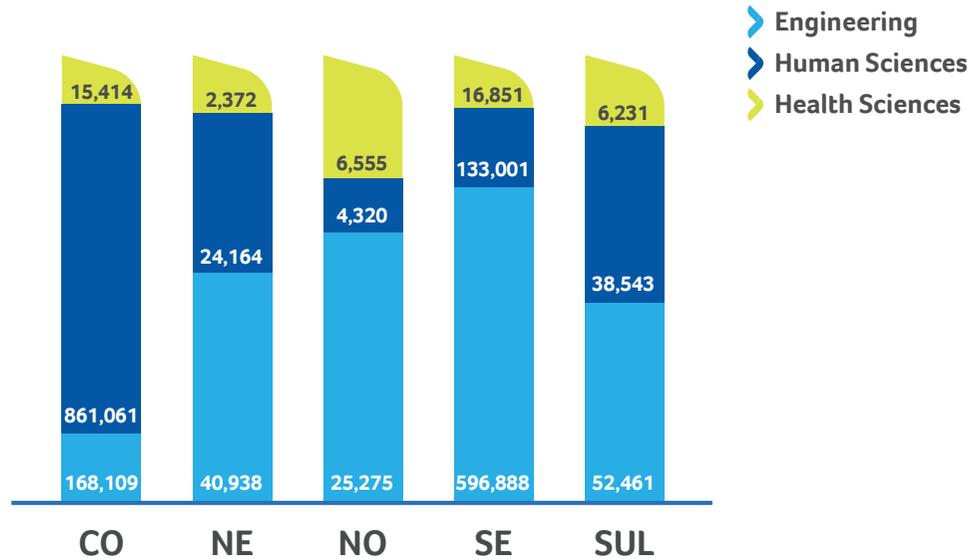
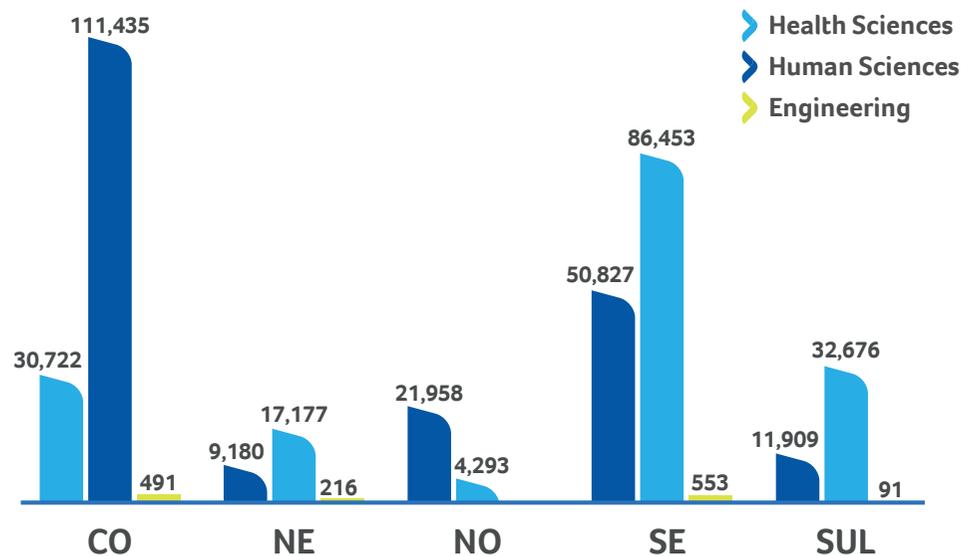


### People served by knowledge area



### Investment by area of knowledge (R\$ thousand)



### Support for State Education

In addition to the projects, social initiatives and pro bono procedures carried out by our educational institutions, we have a solid social performance through the Pitágoras Foundation, which has been working, since Kroton creation, as our social arm.

The Foundation developed an advanced management methodology, called the Integrated Management System (SGI). The SGI is implemented in the public primary and secondary education network, supporting its leadership from a technical standpoint and transferring its methodology. The most flagrant results of this implementation are significant advances in student learning and the improvement and innovation in management processes and practices.

About 29 thousand teachers and 1 million students benefited from the implementation of SGI in more than 12 states across Brazil. The worst results in the IDEB and the lowest HDI indices are the primary criteria for the implantation of the pro bono SGI, with no costs for the Municipal Schools and Departments of Education.



Replicating the extremely successful format of the Conspiração Mineira pela Educação, in August 2016, Kroton launched the Aliança Brasileira pela Educação (Brazilian Alliance for Education), which began in the city of São Paulo serving about 300 state schools and totaling approximately 350 thousand students benefited.

In 2017, it expanded to all state schools through the use of distance technology, transmitting the Forums of Principals in real-time to all school boards in the state countryside. At the end of the year, the Special Forums of Principals was held in Belo Horizonte, which was broadcast live for the entire country. Kroton's HEIs were invited to participate, as hosts of regional public schools, creating a bridge between our institutions and the public primary and secondary education network.



### Conspiração Mineira pela Educação

**For more than 11 years, the Pitágoras Foundation has been in the state of Minas Gerais, leading the Conspiração Mineira pela Educação Movement, whose main strategy is to strengthen the leadership of public schools through systematic meetings - Forums of Principals - to exchange experiences and best practices within the five themes chosen by the principals themselves as the key issues for a quality school: Pacification, Student and Teacher Motivation, Family / School Integration, and Improvement of Official Learning Indicators. 1,741 municipal and state public school schools and 1.3 million students were benefited.**



Two other major projects were implemented by the Pitágoras Foundation in partnership with HEIs/Kroton. The first one refers to the "Prison Projects", which are based on initiatives in the prison area as a way to contribute to reverse the perverse cycle of violence and social exclusion that the current prison system of our country faces. The objective is to bring quality education to the prison system, promoting legitimate re-socialization initiatives, such as: a) Pro bono legal assistance provided by students, teachers and the coordination of Pitágoras Cidade Acadêmica/BH, providing support to inmates' families with no access to justice (learn more on page 49). b) Distribution of informational booklets for families on social rules of visitation and security in prisons. c) Implementation of the systematic reading program in prisons units to achieve at the same time the improvement in inmate training and sentence reduction.

These actions were implemented in a pilot stage in the State of Minas Gerais and, given the results achieved, will be gradually expanding in 2018 for the other regions of the country.

The second major project refers to "Early Childhood", which was also implemented as a pilot in the State of Minas Gerais and should be expanded in 2018 to other regions of Brazil. The project ensures the continuity of the Programa Criança Feliz (Happy Child Program) of the Ministry of Social Development, which has been tested and validated for more than a decade in Rio Grande do Sul.

Scientific studies around the world prove that investing in early childhood is the most intelligent and effective a country can do. In the first thousand days of life, from conception to three years of age, there is a window of cognitive and emotional development that, if used, that is, if children receive the appropriate stimulus and affection, it fosters the development of adults who are prepared to deal with the adversities and challenges of life.

In 2017, in partnership with the Ministry of Social Development and Kroton Learning Institutions, we provided several trainings for professionals who will be working with children and their families in loco in the most vulnerable areas.

In addition to the purpose of providing quality teaching to its students, Kroton contributes to the evolution of society as a whole, assisting in the continuity of projects that have the capacity to also transform lives in different areas, because we believe that education is the public policy with the greatest social impact, which most promotes economic development and the most effective platform for all other public policies.

### Sponsorship and promotion of culture

In 2017, projects of different Brazilian institutions, approved in Fiscal Incentive Laws, received the support of the Company

in carrying out its activities. These projects underwent a careful internal selection process and were chosen considering their potential for social transformation through education, responsibility and alignment with the Company's mission, vision and values, valuing our brands.

Through fiscal incentives aimed at the Elderly Fund, we helped maintain the Cancer Hospital in Barretos (SP) (national reference in this sector) and the CeMais 3i Network project, which trains professionals and strengthens the management network of 28 institutions in Minas Gerais state, assisting more than 1.1 thousand elderly people.

With the Sports Incentive Law, the Orcampi Competitive Team project continued to work with young citizens with promising futures in the athletics field, offering technical knowledge and cutting edge structure in the city of Campinas; and the Instituto Superar in Rio de Janeiro had the support to continue

to encourage human development through paralympic sport, aimed at people with disabilities and reduced mobility.

Through the Rouanet Law, the MuBe - Brazilian Museum of Sculpture, in São Paulo received our sponsorship. In São Sebastião (SP), the Gerando Futuro project of the Verdescola Institute received incentive from Kroton through the Municipal Fund for the Rights of Children and Teens (Fumcad), in order to reinforce the quality of knowledge acquired by young people from public schools. And the Audiovisual Law favored our support to film productions by producer Gullane.

*“Kroton goes beyond its borders. It supports, invests, donates, sponsors organizations that, in their own way, also transform the future, stimulate diversity, bring communities closer and are aligned with the Company's purpose.”*  
Denise Miyabara, Kroton's Social Responsibility Senior Manager.