



Estácio

SUSTAINABILITY REPORT
2017



PRESENTATION

GRI 102-53

Welcome to Estácio's Sustainability Report 2017, which summarizes in a single publication the main highlights of the year on economic, social and environmental aspects. In the next pages, you will check the projects, initiatives and results of the institution in 2017 and part of what we already achieved in 2018. In a period of many changes, Estácio improved its management processes, focused more on resource optimization and promoted a series of innovations in teaching practices. All these achievements have contributed to the strengthening of its brand and reputation, allied to the offer of an excellent education accessible to all, which shows that it is on the right track for another stage of business growth.

Based on a set of indicators of financial, social and environmental performance and the ethical principles that guide our work, we will demonstrate the advances in the academic field, the most relevant socio-environmental projects and the initiatives of relationships with students, employees, local communities, entities of the education sector and other groups of public. This Report was prepared in the Essential version, in accordance with the guidelines of the new Global Reporting Initiative (GRI) Standards Model, a nongovernmental organization that provides globally respected standards for corporate performance reporting and analysis. Any doubts, suggestions or comments regarding the publication should be sent to the e-mail sustentabilidade@estacio.br.

Good reading to all!



Cover: Luiza Muller, student of the 3rd period of the Gastronomy course, Campus Tom Jobim (RJ); Marcelo Cardoso, student of the 5th period of the Advertising and Propaganda course, Campus Tom Jobim (RJ); Isabella Lisboa, student of the 4th period of the Journalism course, Tom Jobim Campus (RJ); the president of Estácio, Pedro Thompson; and Sávila Midiã, student of the 7th period of the Law course, Presidente Vargas unit (RJ).

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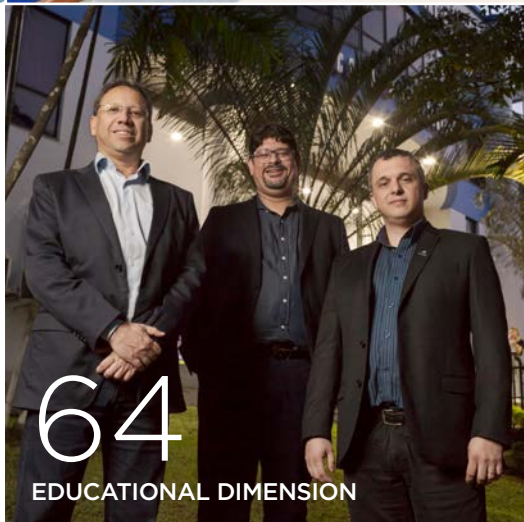
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MESSAGE FROM THE PRESIDENT

"In 2017, Estácio proved its worth"



PEDRO THOMPSON

President of Estácio since 2016, led the Company in a challenging time

In the following interview, the Chairman of Estácio, Pedro Thompson, talks about the main achievements of his second year of management - a period marked by major changes for the Company, given the possibility of a merger that did not materialize. Thompson analyzes how Estácio overcame the uncertainties of 2017 to deliver exemplary operational and financial results, without neglecting the positive impact that the Institution has on Brazilian society. "We have a very great responsibility for the education of a whole generation", ponders the President. [GRI 102-14](#)

515.4 thou.

total of Estácio students by the end of 2017

If we could summarize the year lived by Estácio in 2017 in a single sentence, what would it be?

Teaching quality. Our business is to sell social impact, and it is the quality of our education that fosters that impact. The results of the evaluations of the Ministry of Education (MEC) showed that all our educational institutions have scores higher than 3 on a scale from 1 to 5. In the last ranking of Exame magazine, Estácio was named as the eighth best teaching institution higher among all private universities in the country. We have fully achieved our goal of having a social impact, and today we are, in the segment, the Company that can best combine scale and quality.

How did Estácio's moment in 2017 - with the expectation of a merger with Kroton, which was not implemented - influence the management and decisions taken in that year? *(Read more about this topic in the Economic Dimension chapter.)*

We all looked at the prospect of the merger and made plans for a post-merger future. But in the end, due to exogenous issues, it did not happen. That's when we had to prove our worth. We must remember that we are a company that cares about people. We sell an intangible good, which is education. There is no mercantilist view of our strategy. The internal climate remained very good, very favorable among employees. This was proven by an internal survey that found overall optimism, even with all the uncertainties. We hit all the stipulated goals; we had excellent results in all areas. Estácio shares traded on BM&FBovespa had the second best performance of 2017. It ended becoming a very special year.

Has there been any specific initiative aimed at maintaining a positive atmosphere among the internal public?

As an important tool during the year, we had the work of the Climate Committee. Focal points of the main areas of Estácio participate in the Committee and have been following the changes, monitoring the preparation of the employees for what would be a new phase. The Climate Committee was very important at the time of the discussion on the merger - it met weekly, always debating what could be improved internally. And that work continued after the merger was suspended.

And how did Estácio's governance structure contribute to the Company's management during such an atypical year?

We have a very solid governance model, from the boards to the management processes. Nine members of our Board of Directors are independent and all matters discussed are accompanied by ancillary committees. Strategy, auditing, finance, academic management, whatever is relevant. Our governance was in 2017, as always, very close to the strategic themes of the Company. The Board of Executive Officers has very sophisticated management rites that address all of these key issues, including organizational climate and academic performance. And we had the creation of the Processes and Projects Board, which started to follow all the ongoing projects in the Company and their respective processes.

Evaluating the advances in the Educational Dimension, what were the highlights of the year?

It's always an ant job, done with a long-term perspective. Our academic team is very granular, very up to date and qualified. We have invested in the promotion of the qualification of teachers, in a greater engagement with research initiatives, curatorship of scientific articles, production of our own material. There has been significant progress in distance education (EAD) as well. We increased the capillarity of the system very much and arrived at deprived municipalities, far from the capitals, in many of them there was not even an institution of Higher Education. We will follow the same pace of growth in 2018.

"We have a very great responsibility for the education of an entire generation"

How does the corporate social responsibility program contribute to the Estácio brand?

We continue to invest in education, culture, citizenship and sports projects. And in 2018, we also invest in innovation and entrepreneurship. These are initiatives that generate social impact and contribute to the consolidation of a positive image towards society. This also includes providing quality education. We have a great responsibility to our 515,400 students. We take great care of our student base because we are aware of the importance of contributing to the formation of an entire generation of young Brazilians.

And within that perspective - to have a positive social impact through education - what can we expect from Estácio in 2018?

One initiative in particular has caused a lot of enthusiasm among the collaborators: the creation of a literacy project for young people and adults. (Read more about this project in the Corporate Social Responsibility chapter.) Today, 7.2% of the Brazilian population above the age of 15 does not know how to read or write. It is total illiteracy, not functional illiteracy. It is part of our mission to face this reality. We have the structure in our teaching units and the right people for the job. We have mastery in education systems. Why not embrace this cause? Let's fight illiteracy. The project is working, as a pilot, in units in Irajá, São Gonçalo and Queimados (RJ). It is a teaching system that can easily be extended to other units. It is a disruptive project that can make a big difference for society in the short term, with a very high social return. It will be our main social engagement in 2018.



PROFILE

More than 500 thousand students distributed by 93 campuses: Estácio is one of the largest private higher education institutions in the country

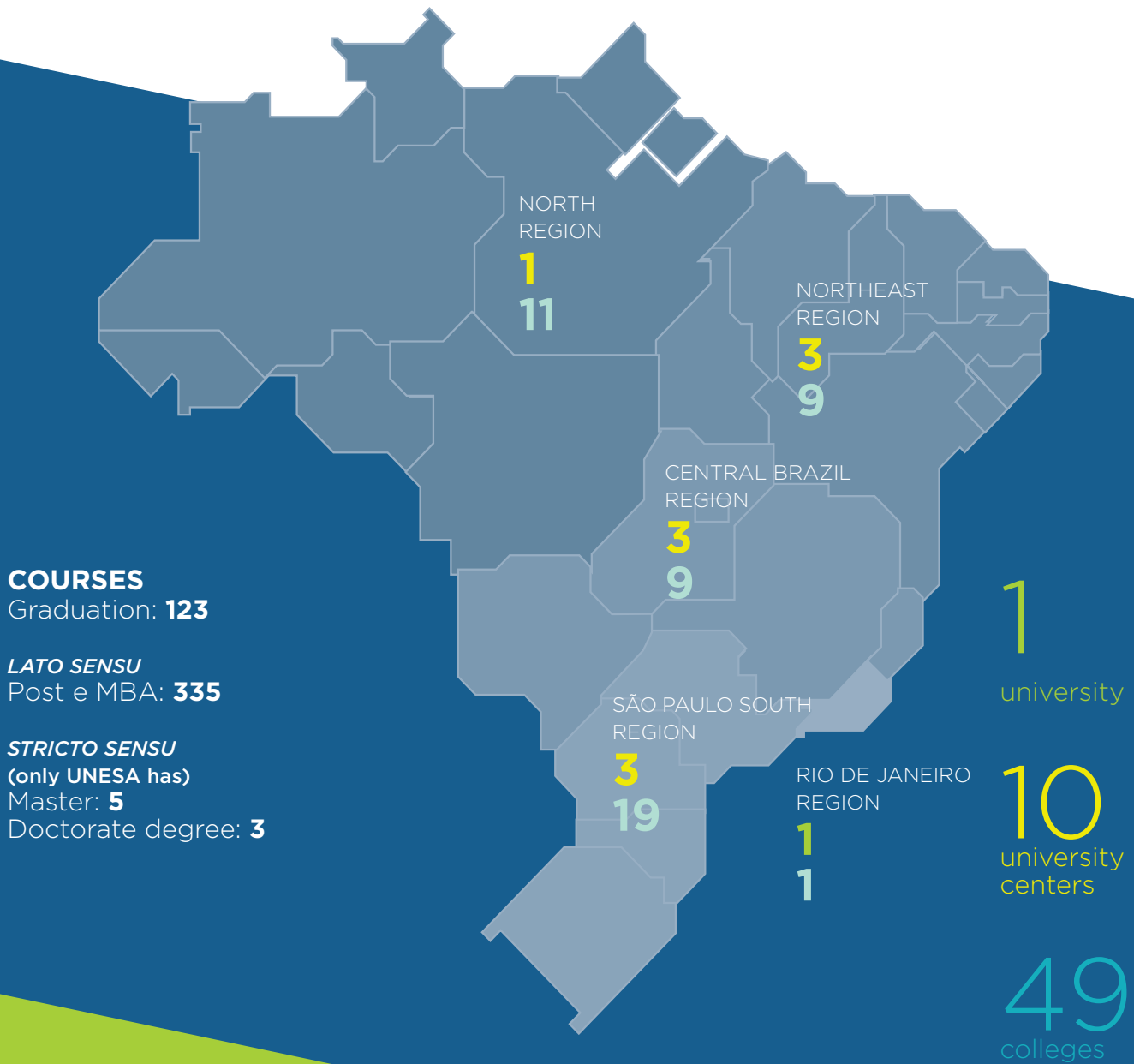
FUTURE

High School students at the João Uchôa unit (RJ): a new frontier for Estácio from 2018

One of the largest private higher education organizations in Brazil, Estácio Participações S.A. was incorporated on March 31, 2007 as a publicly-held corporation. As of December 31, 2017, its student base totaled 515.4 thousand students, present in the main urban centers of all Brazilian states and in the Federal District, in face-to-face and distance (EAD), undergraduate and postgraduate studies. At the end of 2017, its student base totaled approximately 515.4 thousand students, an increase of 1.5% over the previous year, of which 344.7 thousand students enrolled in face-to-face courses and 170.7 thousand students in distance learning - undergraduate and postgraduate. GRI 102-1, 102-5

The Estácio network is headquartered in the city of Rio de Janeiro and has a university, ten university centers, 49 accredited colleges and 394 distance education centers accredited by the Ministry of Education (MEC). Its national capillarity is represented by 93 campuses, strategically located near the homes and workplaces of our target audience - middle and lower middle class workers who seek professional development opportunities and find access to quality education in the institution. In this way, we contribute to increase the visibility of our students in the labor market and to increase their conditions of employability. GRI 102-3, 102-6, 102-7

The success of Estácio - one of the fastest growing institutions in recent years in Brazil - is a result of the quality of its courses and its teaching staff, the adoption of modern management practices and the technological and academic innovations provided to its students. Guided by the Mission to Educate to Transform, the institution offers 123 traditional and technological undergraduate courses with nationally integrated curricula in the areas of Exact Sciences, Biological Sciences and Human Sciences, as well as 335 lato sensu and stricto sensu postgraduate courses, five master's degrees (three academic - Law, Education and Dentistry - and two professional - Administration and Family Health) and three academic doctorates (Law, Education and Dentistry). GRI 102-2

FACILITIES GRI 102-4, 102-7


MISSION, VISION & VALUES

GRI 102-16

MISSION

Educate to transform.

VISION

To be recognized as the best option in Higher Education for students, employees and shareholders.

VALUES

- Focus on the Student: the student is our reason for being.
- People and Meritocracy: we value and recognize the best asset we have: our people.
- Innovation: we must always create and dare.
- Simplicity: we must be simple to be agile and austere.
- Result: we pursue extraordinary results with passion and method, always acting as "owners".
- Ethics: We do not tolerate misconduct.
- Excellence: We pursue excellence in providing services in and outside the classroom.
- Hospitality: we treat people as we like to be treated.

MATERIALITY

GRI 102-47, 103-1, 102-48, 102-44

As part of its sustainability management, Estácio periodically conducts a process of defining its material themes - the identification and prioritization of aspects that reflect significant (economic, environmental and social) impacts of the organization or influence the evaluations and decisions of its stakeholders. The process includes the preparation of a list of strategic themes for Estácio, based on sector studies and relevant internal documents of the Company; a consultation with representatives of the various stakeholder groups sought to capture their impressions on the themes listed. Then, an analysis of these impressions was carried out, together with the opinions of executives from Estácio and specialists from different segments (education, financial market, sustainability, sector entities). This analysis grounded the final list of material themes, which was validated by the Company's top leadership.

Participation in the engagement process included collective dynamics, interviews and online consultations: members of Estácio's leadership (president, vice presidents, managers, rector), external specialists, students, administrative staff and teachers, shareholders, high school students, and Providers. The list of topics approved by the leadership is organized in order of priority (from the perspectives of the leadership and other groups of the public) and is represented in the graphic below.



- 1 Quality of teaching and services offered
- 2 Employability and Entrepreneurship
- 3 Cultural and social programs and extension projects for the community
- 4 Economic and financial management
- 5 Research and scientific production
- 6 Governance, transparency and ethics
- 7 Democratization of access to education
- 8 Development of the regions in which it operates
- 9 Innovation and technology
- 10 Human development



RELATIONSHIP

Our professionals take care of the dialogue with various audiences

COMMUNICATION CHANNELS WITH THE PUBLIC GRI 102-40, 102-42, 102-43

Estácio employs several channels of dialogue and interaction with its stakeholders, reinforcing its position as a socially responsible and transparent company. Each stakeholder group is approached with a specific communication strategy and tools, in a positive and open relationship.

STUDENTS

With the purpose of providing academic information and disseminating news to all enrolled students, Estácio maintains several channels of relationship. The system includes the following spaces and tools: Student Virtual Campus, Estácio Carreiras Portal, Job Portal, Employability Blog, Estácio Application, Estácio Virtual Assistant (Tácio), email marketing, SMS, secretaries, academic management, call center and Corporate Social Responsibility Portal. In addition, we rely on our social media: Facebook, Instagram, YouTube and LinkedIn.

The Student Communication area is supported by the Virtual Channels and Relationship teams and IT support for implementation and maintenance in several projects. The work also includes the creation of publicity pieces elaborated by Estácio's Internal creation area, which produces the trade-marketing, promotion and signaling materials.

GRADUATED STUDENTS

In addition to the channels offered to students, graduates also have the following tools: Job Portal, Estácio Carreiras Portal, Alumni Program, Estácio LinkedIn and Corporate Social Responsibility Portal.

ADMINISTRATIVE EMPLOYEES

The employees are kept informed by the internal communication vehicles, which circulate both in the campuses and in the virtual network of Estácio. We can cite the following tools and initiatives: Intranet, informative e-mails (examples such as the Internal Communication Bulletin, areas bulletins, "Get Inside" newsletter), Executive



Event, Internal Communication Campaigns, President with You (in Comunicare), video recording of the president for online transmission, internal social network Comunicare and Portal of Corporate Social Responsibility.

TEACHERS

Teachers receive specific content about the Company's work and relevant facts. Among the main channels and activities, we highlight the following: Annual Teaching Forum, informational activities, e-mail (examples such as Research Bulletin and Teacher Panel), Virtual Campus, Intranet social network, intranet, president's videos for online transmission, internal communication and the Corporate Social Responsibility Portal.

SOCIETY IN GENERAL

The Estácio and Estácio Participações portals, as well as the Corporate Social Responsibility Portal, provide up-to-date information on the products offered to all its audiences, as well as information on

Each group of stakeholders of the Company is approached with a specific strategy

Governance and the projects of the corporate social responsibility program of Estácio. Via internet, you can also access our social networks - Facebook Estácio, Instagram Estácio, Twitter Estácio and YouTube and the Sustainability Reports produced annually.



PUBLICITY

The area works to disseminate the Estácio brand

INVESTORS

Driven by the principles of transparency and equanimity in the disclosure of information to investors, the data published by the Estácio Participações Portal are generally presented in Portuguese and English, which guarantees access to the data for the entire market. The Investor Relations area permanently monitors the internal flow of information, together with the Finance and Controlling areas and any others that present activities relevant to investors.

In order to serve this specific public, in addition to the Estácio Participações Portal, Estácio publishes content through the following means: Sustainability Reports, Notice to the Market, Relevant Facts, Estácio Day, Field Trips, Road Shows, Conference Calls, Corporate Social Responsibility Portal and other documents filed with the Brazilian Securities and Exchange Commission (CVM), such as the Shareholder Bulletin, Corporate Presentations and Presentations for Analysts.

PRESS

Corporate Communication Management manages the relationship with the press and seeks to ensure a good reputation of the brand in the media and the market in general, valuing and listening to society on national and regional issues. In March 2017, a media training was conducted that prepared the Presidency, the Executive Board and the directors of corporate areas for the relationship with the print press, radio, TV and web vehicles.

The work is developed with the support of 26 press services that act in line to disseminate locally the services provided to the community, courses and new projects of the company. The result has been an increase in the positivity of his image in the press, which reached the level of 82% in 2017.

The Communication, Branding and Sponsorship Committee meets monthly, with the purpose of guaranteeing the integration of the different communication fronts of Estácio.

Social responsibility actions contribute to strengthening the value of the Estácio brand

Representatives from the areas of Corporate Communication (Branding and internal communication), Communication with Students and Virtual Channels, Advertising, EAD, Education, Partnerships and Social Responsibility, as well as our partners: the Press Office (GBR Comunicação), the firm measuring the spontaneous media (.MAP) and the agency Artplan. The guiding principle is the presentation of the .MAP (results of work in the press and in social networks) and, at the end of each meeting, we have the key messages and guidelines to be addressed in the period, with the main themes being employability and social impact.

The Committee is also responsible for the elaboration and dissemination of the Corporate Communication Policy, focusing on relationship with the press and crisis management. In order to publicize the projects it promotes, the Company maintains a Communication structure that takes care of the institution's relationship with the press, its employees, teachers, students and stakeholders in general. In order to facilitate the communication of the area, we provide the e-mail imprensa@estacio.br.

SOCIAL RESPONSIBILITY, COMMUNICATION & BRAND GRI 102-43

The strengthening of the Estácio brand is the result of all the national partnerships established by the Company and the effective initiatives and results of the Social Responsibility and Institutional Relationship Policy, together with the intense work of attracting, retaining and retaining its student base. Reputation also benefits from the positive outcome and social impact of the actions it supports and sponsors.

In 2017, we started to approach the management of the Estácio brand in an even more assertive way, with the hiring of Inter-brand, a company specialized in strategy, creativity and technology to boost business growth. The project included a reflection on what our brand has already built and what it still needs to build. In this context, we measure the value of the Estácio brand and set growth targets.

The definition of the new Estácio brand platform and the creation of Estácio brand territory, to align our communication, are part of a process that will mark the tone of voice and the graphic form as the brand will present itself. The three stages of this work - evaluation of the brand, brand platform and brand territory - have already been fulfilled, and in 2018 we are implementing a renewal of our tone of voice, visual identity and Brandbook.

82%

Estácio's image positivity index in the media in 2017



Estácio Journalism Award 2017

For the seventh consecutive year, we held the Estácio Journalism Award in 2017, our main initiative in relation to the press. The award was created in 2011, with the aim of encouraging the production of journalistic materials on Higher Education in Brazil.

The 2017 edition counted with the registration of 386 reports, an increase of 17% in relation to the 2016 prize and the participation of 24 finalists who competed in nine categories with awards ranging from R\$ 10 thousand (regional medias), R\$ 15 thousand (national media) and R\$ 25 thousand (Estácio Grand Prize). The result was announced on October 5 at a ceremony held at the Hilton Copacabana Hotel in Rio de Janeiro.

Over the years, the coordination of the award has seen that, in addition to the growth in the number of reports registered, there is an expressive increase in the quality of reports and the diversity of topics proposed.

HIGHLIGHTS IN SEVEN EDITIONS

1,000+
participating journalists

1.800+
inscribed reports (newspapers, magazines, radio and TV)

100+
winners (among individual competitors and teams)

Full results in:
www.premioestaciodejornalismo.com.br

SUPPLIERS GRI 102-9, 102-10

The Supplies division divides its purchases between the demands of the Corporate sector and the demands of the Regions. The division aims to meet the Regions efficiently, maintaining the level of service for the lowest value purchases, treated locally. Purchases of great volume and value, considered strategic, have their demand centralized in the Corporate. On the other hand, the lower value purchases are handled directly by the Regional Supplies, located in Rio de Janeiro, São Paulo, Recife and Belém.

In 2017, due to the opening of four new medical units linked to the federal project More Doctors, the demand for works and acquisitions of materials of pedagogical resources, such as furniture, bibliography and laboratory items, increased greatly. In July, Estácio finalized the implementation of the physical and systemic receipt, which brought greater control and improvement in governance and compliance systems. The Supply sector, which is responsible for managing the knowledge of the R2P process, has conducted more than 20 training sessions (televised in real time and in person) with all requesters, recipients and approvers to foster the development of internal processes.

SOMAR PROJECT GRI 204-1

In November 2017, the Supplies area started an ambitious project, expected to be completed in September 2018. The SOMAR Project (Optimizing and Modernizing Supplies to Achieve Results) aims to increase Estácio's profitability through the following actions: reduction of costs through the application of strategic sourcing (acquisition method that considers the total cost of the inputs, not only the lowest price); face-to-face support with the application of new methodologies; execution of specific actions aiming to maximize results in the short term; sustainability of gains capture through control mechanisms; transfer of knowledge throughout the project and internal training; in addition to a proposal to restructure the Supply team. The total saving of costs with supplies was 13.68% in 2017.

13,68%

Savings from the purchase of supplies in 2017 through the Somar Project

LOCAL PURCHASES GRI 103, 204-1

The Supplies area has always been focused on the main purchases that are strategic for the Company. However, the demand for small value-added items and services (office supplies, canopies, and kitchen supplies, cleaning supplies, etc.) has great relevance to the operation and can not be overlooked. Since Estácio has many Units spread throughout Brazil, we have completed the implementation of the Regional Supply Cells, aiming to speed up the purchasing cycle and improve the quality of the service provided for the tips, even in low value purchases. The headquarters of the Advanced Supply Cells are located in four regional areas: Belém (North), Recife (Northeast), São Paulo (Center South) and Rio de Janeiro.

Purchasing budget spent in each region¹

REGIONS	2016	2017
RIO CAPITAL E RIO 2	21.00%	10.97%
SÃO PAULO SOUTH & CENTRAL BRAZIL	9.00%	4.01%
NORTH	7.00%	9.71%
NORTHEAST	10.00%	3.55%
CORPORATIVE (WORKS AND STRATEGIC NEGOTIATIONS)	53.00%	71.79%
TOTAL	100%	100%

¹ Purchase cells, adopted in 2017, include the regional ones adopted until 2016: UNESA (now Rio Capital and Rio 2), Center South (now São Paulo South and Central Brazil), North and Northeast.

GOVERNANCE DIMENSION

The solid and transparent management structure that supports Estácio's progress and allows the Company to continue growing

Quality, management excellence, corporate integrity, ethical compliance and dissemination of access to education in the country are Estácio's commitments to its shareholders and to all the audiences we interact with. In this chapter, the initiatives and results of improving compliance management throughout 2017 and part of the 2018 actions will be presented, reinforcing Estácio's commitment to ethics and transparency with all its stakeholders (employees, students, suppliers, shareholders and advisers, among others).

EVOLUTION OF CORPORATE GOVERNANCE

November 2008

Estácio adheres to BM&FBovespa's New Market, which requires the highest level of corporate governance in Brazil. As a result, it started to observe the New Market Regulation, which requires, among other topics, social capital formed exclusively by common shares, the election of independent members to the Board of Directors and resolution of conflict through arbitration before the Market Arbitration Chamber.

June 2010

Estácio joined the Brazilian Association of Open Companies (Abrasca), a non-profit entity that seeks a constant and qualified expansion of companies in the capital market.

October 2010

With the spraying of capital in October 2010, Estácio started to adopt governance practices, such as: the provision of the Shareholders Manual for participation in the General Meetings, the association with the Brazilian Corporate Governance Institute (IBCG) and the publication of Corporate Policies, such as Securities Trading Policy (2007), Relevant Act and Fact Policy (2007), Related Parties' Transactions Policy (2015) and Code of Ethics (2008).

January 2016

In 2016, Estácio underwent new structural transformations to strengthen its vision of governance. The process began with the election of the president and members of the Board of Directors, which now has four new members.

ALBERTO SENNA

Legal and Compliance
VP coordinates good governance practices



DISSEMINATION OF GOOD GOVERNANCE PRACTICES GRI 102-11

Beginning in 2017, considering the new rules of governance and compliance granted by the Brazilian Securities Commission ("CVM") and B3 SA - Bolsa, Brasil, Balcão SA ("B3"), as well as the best practices adopted in the domestic market and internationally, the Company began to disseminate governance practices for all its stakeholders, as listed below:

- Periodic internal institutional campaigns of compliance;
- Periodic training for Employees and Administrators;
- Updating and creating corporate policies, internal regulations and codes, disclosed on the website (www.estacioparticipacoes.com), in the Company's Governance Portal and in the systems of regulatory agents;
- Transformation of Advisory Committees to the Board of Directors in statutory;
- Creation of Advisory Committees to the Board;

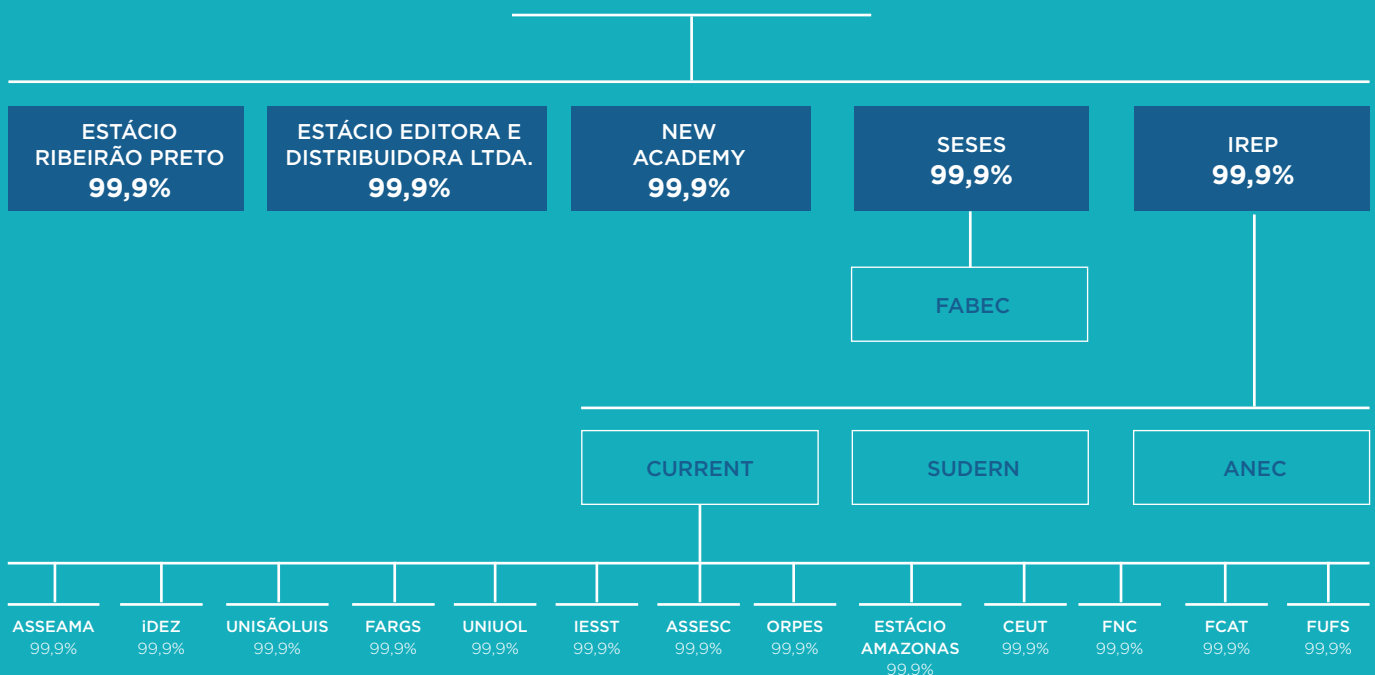
- Reformulation of the scope of internal audit performance and implementation of a risk management area;
- Creation of a Confidential Channel of Complaints;
- Use and customization of the Governance Portal, used by the Company's Directors, members of the Fiscal Council and members of the Statutory Advisory Committees to the Board of Directors - a versatile and practical channel for access and safekeeping of information, in a safe and transparent manner, to the Company's main documents.

Estácio promotes a series of initiatives that involve the fight against corruption, as main initiatives we can highlight the Uniética event in partnership with the Brazilian Institute of Ethics in Business. We believe that Business Ethics is the basis of responsible action and the passport to Sustainability. In 2017, Estácio became a signatory of the Business Pact for Integrity and Against Corruption of the Ethos Institute.

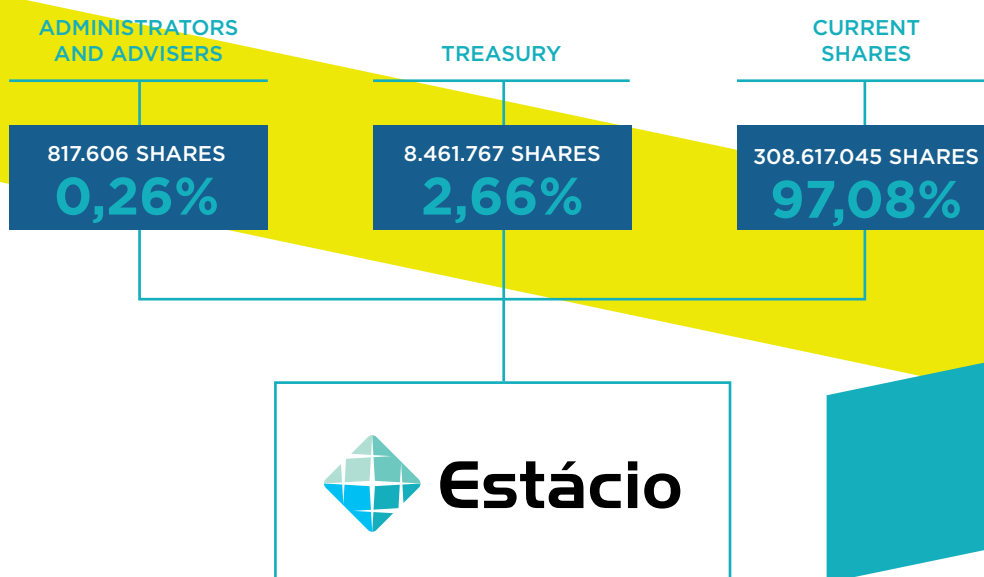
CORPORATE STRUCTURE AND ORGANIZATION CHART



Estácio



SHAREHOLDING COMPOSITION 102-10



ADMINISTRATION GRI 102-18

Composed of the members of the Board of Directors and the Board of Executive Officers, the Company's management is supported by highly qualified professionals, members of the Fiscal Council. Estácio's management is guided by the legal and regulatory requirements in force, including the New Market Regulation, published in September 2017.

BOARD OF DIRECTORS

GRI 102-18

The Board of Directors is comprised of at least five and at most nine effective members, all shareholders and elected at the Ordinary General Meeting for a term of two years, eligible for re-election.

Members of the Board of Directors

MEMBER	Office	Election Date	End of Term
JUAN PABLO ZUCCHINI	Independent President	04/18/2018	Until the OGM in 2020
MAURÍCIO LUÍS LUCHETTI	Independent Vice President	04/27/2016	Until the OGM in 2020
JACKSON MEDEIROS DE FARIAS SCHNEIDER	Independent Member	04/27/2016	Until the OGM in 2020
LIBANO MIRANDA BARROSO	Independent Member	04/27/2016	Until the OGM in 2020
LUIZ ROBERTO LIZA CURI	Independent Member	06/30/2016	Until the OGM in 2020
OSVALDO BURGOS SCHIRMER	Independent Member	04/27/2016	Until the OGM in 2020
BRENNO RAIKO DE SOUZA	Independent Member	09/20/2017	Until the OGM in 2020
IGOR XAVIER CORREIA LIMA	Independent Member	04/18/2018	Until the OGM in 2020
FLAVIO BENÍCIO JANSEN FERREIRA	Independent Member	04/18/2018	Until the OGM in 2020

OGM: Ordinary General Meeting.



LEADERSHIP

From left to right: Orlando Ferreira, Presential Operations VP; Gustavo Zeno, Financial and Investor Relations VP; Erika Magalhães, People and Management VP; Hudson Mello Junior, Education VP; Pedro Thompson, President of the Estácio Group; Cláudia Romano, Institutional Relations and Sustainability VP; Alberto Senna, Legal and Compliance VP; Aroldo Alves, Market VP.

STATUTORY BOARD OF DIRECTORS

GRI 102-18

According to Estácio's Bylaws, the Board of Executive Officers must be composed of at least three and a maximum of eight members, of which a Chief Executive Officer, who holds the position of Investor Relations Officer, a Financial Officer, a Director of Teaching and three other directors without specific designation, responsible for: Market, Operations, Legal and Compliance. The Officers are elected by the Board of Directors for a term of two years, with the possibility of re-election, and may be replaced at any time.

FISCAL COUNCIL GRI 102-18

In accordance with the bylaws of Estácio Participações, a Fiscal Council of a non-permanent nature is hereby established, elected only at the request of the Company's shareholders, at a General Meeting. With a term of office of one

year, reelection allowed, is composed of three effective members and the same number of alternates, all independent, with unimpeachable reputation, corporate accounting expertise, age group diversity, gender and academic background, whose duties and powers comply with legal and regulatory requirements, including those of the New Market, its Internal Regulations and the Company's Bylaws, as well as to the best national and international market practices.

STATUTORY COMMITTEE ON STRATEGY

In 2017, in order to improve its advisory practices to the members of the Board of Directors, the Company transformed three of its committees - the People and Governance Committee, the Audit and Finance Committee and the Academic Committee - into statutory bodies and created the Statutory Committee on Strategy. The objectives of this committee are: to subsidize the strategic decision-making process of the company in a shared way; exchange of experiences to solve specific issues; enable a dialogue that helps management at a time when, being involved in many tasks, need guidance and propose short and medium-term solutions. The Strategy Committee is composed of four members who hold a two-year term and can be re-elected.

Members of the Board

MEMBER	Office	Election Date	End of term
PEDRO THOMPSON LANDEIRA DE OLIVEIRA*	CEO	08/30/2016	until the 1st MBD that occurs after the OGM in 2020
GUSTAVO ARTUR CIOCCA ZENO*	Vice President, Finance and Investor Relations	03/19/2018	until the 1st MBD that occurs after the OGM in 2020
HUDSON RUBEM DE OLIVEIRA MELLO JUNIOR*	Vice President of Education	10/07/2016	until the 1st MBD that occurs after the OGM in 2020
ORLANDO EUSTAQUIO ALVES FERREIRA JUNIOR*	Vice President of Presential Operations	03/19/2018	until the 1st MBD that occurs after the OGM in 2020
ALBERTO DE SENNA SANTOS*	<i>Vice-President Legal and Compliance</i>	01/26/2017	until the 1st MBD that occurs after the OGM in 2020
JOSÉ AROLDO ALVES JÚNIOR*	Vice President of Market	06/12/2018	until the 1st MBD that occurs after the OGM in 2020
CLÁUDIA ROMANO	Vice President of Institutional Relations and Sustainability	04/04/2017	-
ADRIANO PISTORE	Vice President of Distance Learning	06/12/2018	-
ERIKA MAGALHÃES	Vice President of People and Management	11/24/2017	-

*Statutory Board of Directors. OGM: Ordinary General Meeting

Members of the Fiscal Council

MEMBER	Office	Election Date	End of term
PEDRO WAGNER PEREIRA COELHO	Effective Member	04/18/2018	Until the OGM in 2019
JULIO CESAR PIÑA GARCIA RODRIGUES	Alternate Member	04/18/2018	Until the OGM in 2019
EMANUEL SOTELINO SCHIFFERLE	Effective Member	04/18/2018	Until the OGM in 2019
GUSTAVO MATIOLI VIEIRA JANER	Alternate Member	04/18/2018	Until the OGM in 2019
VANESSA CLARO LOPES	Effective Member	04/18/2018	Until the OGM in 2019
SAULO DE TARSO ALVES DE LARA	Alternate Member	04/18/2018	Until the OGM in 2019

OGM: Ordinary General Meeting

Members of the Statutory Strategy Council

MEMBER	Election Date	End of term
JUAN PABLO ZUCCHINI - COORDERNADOR	18/04/2018	until the 1st MBD that occurs after the OGM in 2020
JACKSON MEDEIROS DE FARIAS SCHNEIDER	18/04/2018	until the 1st MBD that occurs after the OGM in 2020
OSVALDO BURGOS SCHIRMER	18/04/2018	until the 1st MBD that occurs after the OGM in 2020
LUIZ ROBERTO LIZA CURI	18/04/2018	until the 1st MBD that occurs after the OGM in 2020
SIMONE WILCHES BRAGA - SECRETÁRIA	18/04/2018	until the 1st MBD that occurs after the OGM in 2020

NEW EXECUTIVE COMMITTEES GRI 102-18

Nine Strategic Committees were established in 2017: Student Loyalty, Teaching Model, Organizational Climate, Communication and Branding, Pricing and Collection, Products, Risks, Poles Management and Labor, all approved in a collegial manner by the entire Board of Directors of the Company. These committees meet monthly and are composed of experienced and multidisciplinary collaborators of the Company, having their respective leaders-evaluators and periodic results report.

The members of the committees represent the areas of the vice-presidency (VP): VP Financial and Investor Relations, VP of Education, VP of Presential Operations, Legal and Compliance VP, VP of Market, VP of Institutional Relations and Sustainability, VP of Distance Learning and VP of People and Management. The duties of the Executive Committee are to: implement the Company's strategic guidelines and priorities and subsidize the company's decision-making process in a shared manner.

At the end of the year, each committee held a closing meeting and balance the results achieved by the participating groups. The main innovations about the new teaching model applied by the Company came from the work of the committees, for example, promoting greater exchange of experiences among executives from different areas.

EVALUATION OF THE EXECUTIVE BOARD OF DIRECTORS

In 2017, the Board of Executive Directors perfected its respective internal regulations, as well as the Internal Regulations of the Board of Directors, in line with the new governance rules, best practices in the domestic and international markets, and the Bylaws. The Board of Directors, its Advisory Committees and the Board of Executive Officers are now evaluated annually, seeking to adopt continuous improvement practices.

9

Executive Committees were established in 2017, strengthening



EXECUTIVE EVENT 2018

Integration, motivation and recognition: these are the three words that sum up Estácio's 2018 Executive Event, held in Rio de Janeiro in April. Strategic leaders from all over Brazil were present at the meeting, which had the theme "Seleção Estácio 2018" - in reference to the team of champions supported by the Company. On the agenda, discussions on the challenges overcome in 2017 and the alignment of strategies, targets and priority projects in 2018.

At the opening of the event, President Pedro Thompson and Érika Magalhães, VP of People and Management, underscored the importance of integrating Estácio to achieve and exceed our objectives and challenges. Still in the morning, the group received Ciro Bottini - television presenter, entrepreneur and specialist in communication applied in sales - for a talk. To close the first block of the event, the VPs presented the projects and strategies of their areas for 2018 and the achievements and achievements of 2017.

In the afternoon, the Time to Recognize award paid homage to the employees who completed their 20 year career at Estácio. A group of 19 people took the stage to receive the congratulations of Pedro Thompson and Érika Magalhães. Then, the former player and current coach of the Brazilian women's volleyball team, José Roberto Guimarães, spoke about the importance of valuing, stimulating and strengthening the potential of our team. At the closing, the winning teams of the Program of Excellence in Management (PEG 2017) were announced, with a lot of animation from the finalist teams and the presentation of the journalist Fernanda Gentil.

COMPLIANCE ACTIONS GRI 205-2

In order to promote a better understanding of the procedures and standards of compliance among its employees, Estácio promoted several activities in 2017. In partnership with Educare, face-to-face training was conducted in several business units, which directly involved 1,500 people, representing 10 % of the employee base considered to be performers of high risk compliance functions, and online training for approximately 11 thousand people, representing 81% of the administrative and teaching staff.

The objective was to strengthen the preventive culture with respect to the enforcement of laws, codes, policies and regulations in force, increasing the knowledge about the policies among the interested publics. The proposal is that everyone should review this training once a year, since the contents are complementary and updated in relation to previous years.

In order for the Compliance area to reach its goals in 2017, the engagement of the Board of Directors and the Executive Board was essential. The whole effort of the team was supported by the Vice Presidency of Institutional Relations and Sustainability, which, through efficient internal communication, collaborated so that the channels of complaint and the Code of Ethics and Anti-Corruption were widely disseminated in the Company.

During 2017, a campaign was carried out with 23 internal communication actions, demonstrating cases of noncompliance with Code of Ethics and Conduct and

with the Anti-Corruption Code and what were the corrective actions envisaged by the Ethics Committee. The idea was also to encourage all employees to report potential deviations of conduct through the complaint channel for the agile internal investigation. Based on these mechanisms, our mission to Educate to Transform and its principles of integrity and sustainability have been strengthened.

COMPLIANCE DAY

The Compliance area also held the Compliance Day event, which brought together an audience of approximately 150 Corporate employees and was transmitted live via Comunicare (internal social network) to the entire Company. The event was presented by the Compliance Officer of Estácio Bruno Salgado and had invited speakers the former Minister of Culture Marcelo Calero and the external consultant of ICTS Yaniv Chor. The proposal was to clarify doubts about the ethical dilemmas that may arise in the corporate day-to-day based on the contents of the Code of Ethics and Conduct (revised in 2016) and of the Estácio Anti-Corruption Code (formalized in 2016).

Governance processes have also been enhanced through greater cooperation between the Compliance and Legal area and other areas of business support. The experts advised colleagues on the politics of gifts, procurement policy, contracts, undue charges among other issues. A more proactive and preventive approach was adopted to avoid lawsuits in the future.

TRAINING BALANCE GRI 205-2

TOTAL MEMBERS OF THE GOVERNANCE BODY COMMUNICATED AND/OR TRAINED IN ANTICORRUPTION PROCEDURES BY REGION	Southeast	
	Communicated	Trained
COUNCIL	9	8
TOTAL EMPLOYEES COMMUNICATED AND/OR TRAINED IN ANTICORRUPTION PROCEDURES BY REGION		
BOARD OF DIRECTORS	20	10
MANAGEMENT	192	175
TOTAL BY REGION	202	185

MEMBERS OF THE GOVERNANCE BODY WHO WERE COMMUNICATED AND TRAINED IN ANTICORRUPTION POLICIES AND PROCEDURES. BY REGION

MEMBERS OF THE GOVERNANCE BODY	2016		2017	
	Communicated	Trained	Communicated	Trained
NUMBER	8	8	9	8
%	100.00%	100.00%	100.00%	88.89%

EMPLOYEES WHO WERE COMMUNICATED AND TRAINED IN ANTICORRUPTION POLICIES AND PROCEDURES, BY REGION

REGION	EMPLOYEES	2016		2017	
		Communicated	Trained	Communicated	Trained
NW	NUMBER	0	0	1,019	799
	%	0.00%	0.00%	100.00%	78.41%
NE	NUMBER	0	0	3,050	2,482
	%	0.00%	0.00%	100.00%	81.38%
CW	NUMBER	0	0	347	244
	%	0.00%	0.00%	100.00%	70.32%
SE	NUMBER	323	264	8,599	7,039
	%	8.00%	6.53%	100.00%	81.86%
SOUTH	NUMBER	0	0	209	160
	%	0.00%	0.00%	100.00%	76.56%

In 2018, with the support of external consultancy and Educare, online and face-to-face training on compliance will be reformulated to increase employees' adherence to content and facilitate their understanding. Another innovation will be Estácio's Policy Portal on the intranet, which will make it possible to carry out the management and control of policy reading, thus ensuring greater transparency and easiness in accessing Estácio's guidelines. Estácio's Political Portal will also feature a Compliance chatbot. With this, we will have more assertiveness and agility in answering questions about Compliance. The process of collecting complaints from the Confidential Channel and the sponsoring of Integra and UniÉtica events will also be reviewed.

INSTRUMENTS OF COMPLIANCE
CODES OF ETHICS AND CONDUCT AND ANTI-CORRUPTION

The Code of Ethics and Conduct guides the relations between the institution and its public relations. It clarifies the type of behavior required from the administrators, members of the Fiscal Council and all employees of Estácio, in the presence of the other strategic publics with whom we relate (students, suppliers, service providers, public agents, shareholders, communities and others). In order for all employees to be aware of the guidelines of the Code of Ethics and to practice them in their routines, actions are developed annually, including setting up new professionals, awareness campaigns and training.



Good practices are reinforced by various compliance tools

ANTI-CORRUPTION

100% of the internal public was communicated on the subject in 2017

The Anti-Corruption Code, developed in 2016, is disclosed to all employees through internal communication channels. This initiative aims at aligning the Company with the Anti-Corruption Law 12,846/13 and signals the commitment and strengthening of best corporate governance practices.

CONFIDENTIAL CHANNEL

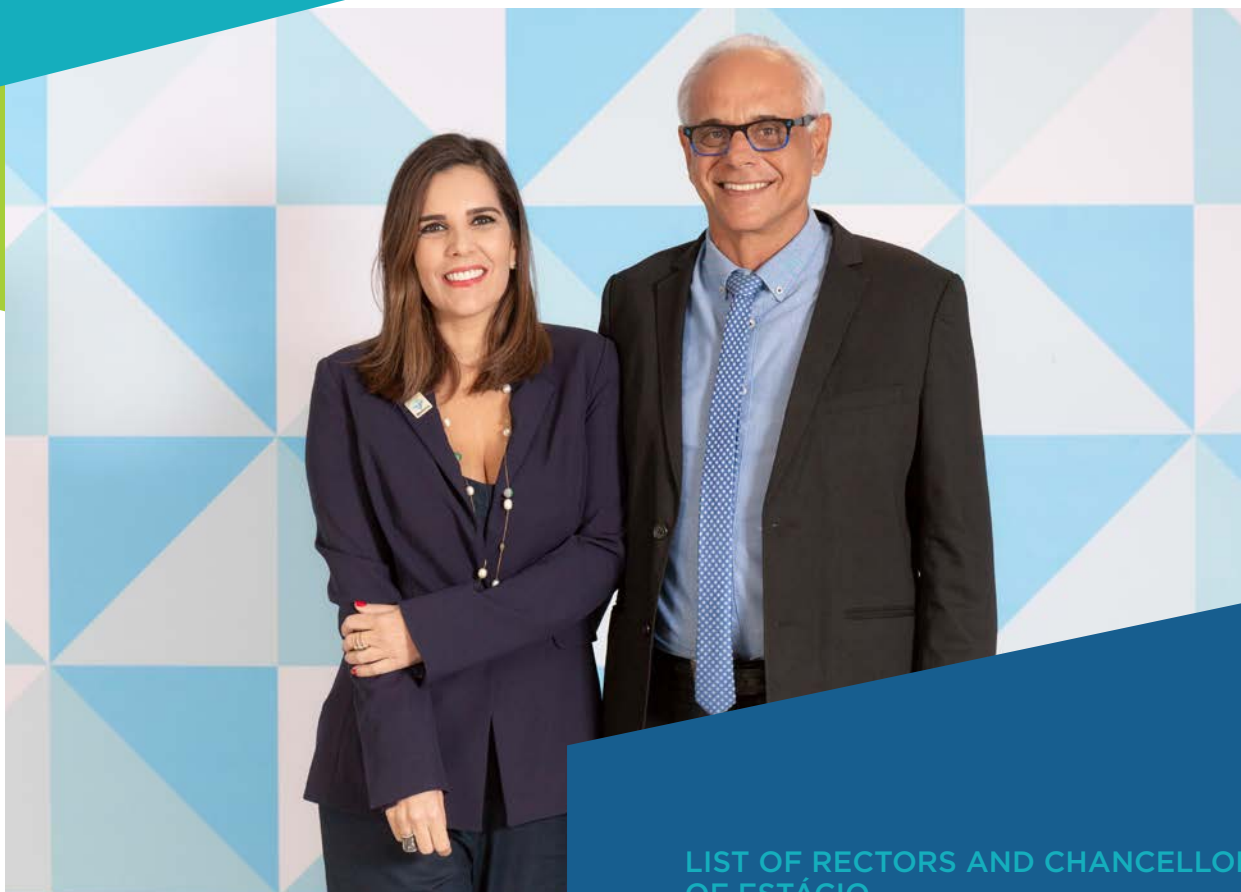
Through this channel of communication can be reported cases of noncompliance with the Code of Ethics and Conduct and the Anti-Corruption Code and other rules or laws. Complaints can be submitted by employees or other stakeholders through the telephone 0800 770 0782 or by the link (www.canalconfidencial.com.br/estacio). The channel is operated by an independent specialized company that guarantees the whistleblower protection and secrecy.

@CLICKCOMPLIANCE

As a way to strengthen ethical and transparent conduct in the Company, Estácio made available on the corporate intranet the ClickCompliance tool so that all administrative employees can ask questions or send suggestions using the Compliance chatbot. Through this tool, the employee also registers that he knows and accepts the main policies of the company.

ETHICS COMMITTEE

The Ethics Committee has as one of its main duties to delegate corrective actions regarding complaints received through the Confidential Channel. It is formed by senior management, but may trigger a higher case if the complaint is related to any member of that Committee. Among other functions of the committee we can highlight: analyze situations not provided for in the Codes and define how to proceed; clarify doubts about the interpretation of the directives of the Codes; request investigation of the complaints of the Confidential Channel; analyze the investigations demanded; revise the codes and update them whenever necessary; request the referral of the complaint to the competent authorities.



INSTITUTIONAL RELATIONSHIP

The strengthening of Estácio's brand is also the result of an agenda of institutional articulation with the public, private sector, class associations and NGOs. The Vice Presidency of Institutional Relations and Sustainability follows the discussions on regulatory frameworks and public policies in the area of Education Middle and Higher, the actions of the Ministry of Education, the technological innovations of the market and the guidelines of various class associations.

With active representation at the Department of Education at both the federal and state levels, Estácio's chancellor works permanently at relevant events throughout the year. His work also embraces an agenda of lectures for teachers and collaborators, always highlighting our Values and our Mission. Estácio also annually promotes the National Meeting of the Rectors of Estácio (there are 10 leaders in Brazil) to update on public policies, legislation on Higher Education and standards and compliance procedures.

LIST OF RECTORS AND CHANCELLOR OF ESTÁCIO

HUDSON RUBEM DE OLIVEIRA MELLO JUNIOR
Universidade Estácio de Sá

RONALDO MOTA (CHANCELLOR)
Universidade Estácio de Sá

ANA FLÁVIA ALCÂNTARA CHAVES
Centro Universitário Estácio do Ceará

ALEXANDRE ANTUNES PARREIRAS BASTOS
Centro Universitário Estácio São Paulo

FERNANDA BITTENCOURT
Centro Universitário Estácio de Recife

MARCIA MEDEIROS MOTA
Centro Universitário Estácio de Juiz de Fora

BRENA LAGE VASQUES LINHARES
Centro Universitário Estácio da Amazônia

JUAREZ MORAES RAMOS JUNIOR
Centro Universitário Estácio da Bahia

JUCIE ABREU DA SILVA
Centro Universitário Estácio de Belo Horizonte

ÉRICO TEIXEIRA DE SANTA BÁRBARA
Centro Universitário Estácio de Ribeirão Preto

RAFAEL ANDRES VILLARI
Centro Universitário Estácio de Santa Catarina

ADRIANO FONSECA
Centro Universitário Estácio de Brasília

CIPRIANA NICOLITT
Vice rector of Universidade Estácio de Sá and Academic Director of Graduation, Estácio Group

Ronaldo Mota,
Chancellor of Estácio
and Cláudia Romano,
VP of Institutional
Relations and
Sustainability

REPRESENTATIVITY OF ESTÁCIO

GRI 102-12, 102-13

Estácio participates in the Brazilian Association of Higher Education Holders (Abmes) and the National Association of Private Universities (Anup), with which it contributes the basic rate. It is a strategic institutional representation, which gives Estácio the opportunity to follow the changes of the public policies directed to the educational sector.

- Anup: Estácio is represented by Ane Oliveira, Institutional Relations manager, as a member of the Board.
- Abmes: Estácio is represented by Chancellor Ronaldo Mota, as a member of the collegiate presidency.
- Council of Rectors of Brazilian Universities (Crub): Estácio is represented by Chancellor Ronaldo Mota.
- National Institute of Studies and Educational Research Anísio Teixeira (Inep): Chancellor Ronaldo Mota also represents Estácio in the Quality Indicators Committee of Higher Education.
- National Foundation for the Development of Private Higher Education (Funadesp): Ronaldo Mota is a member of the Board of Directors.
- University Ranking of Folha: Professor Ronaldo Mota is an Advisory Board Member.

Estácio is a signatory of the Pact for Sport, a commitment that seeks to contribute to a change in the form of sponsorship of Brazilian sport. It also aims to promote good governance, professional management and transparency of sports entities.

The work of risk identification and mitigation continued in 2017

RELATIONSHIP WITH INVESTORS

The Relationship with Investors (RI) area is focused on improving Estácio's market valuation, increasing the liquidity of its shares and strengthening the relationship with its investors. Since 2010, it has

communication channels to keep its shareholders permanently informed and to increase the transparency of the company, in particular the updates of IR information in the main social media, as well as having the concern to keep the site permanently updated, functional and modern.

MANAGEMENT IMPROVEMENT

GRI 103| 205

RISK MANAGEMENT AND INTERNAL CONTROLS GRI 205-1

With the creation of the Risk Management and Internal Controls area, at the end of 2016, the Company strengthened the dissemination of a risk mitigation culture in the management of its business. Subordinated to the Finance Department, the new area was structured in 2017 with the responsibility of identifying, categorizing and prioritizing the significant risks for later analysis by a Risk Committee. Depending on the degree of risk, a specific decision is taken to mitigate the impact on the business.

Actions to prevent risks (main activities in the area)

- Mapping of the most relevant risks to the Company and its stakeholders, through the perspective of probability and impacts, with a focus on preventive and corrective action plans.
- Analysis and evaluation of risks that may impact the achievement of business objectives.
- Suggestion of metrics and indicators, as well as advice to managers on the identification, mitigation, monitoring and continuous supervision of risks with reporting of results.
- Advising and monitoring the process of implementing improvements and internal controls, with an evaluation of the impacts caused by the changes.
- Alignment of the assignments of the area with the Code of Ethics and Conduct, as well as with the values, competencies, levels of authority and responsibility existing in Estácio.
- Implementation and updating of policies and procedures related to internal controls.

Operations subject to risk assessment related to corruption GRI 205-1

In 2017, no Estácio operation was evaluated for risks related to corruption, as the company chose to carry out the risk assessment of Compliance in 2018, in partnership with an external consultancy and with the support of the Risk Management and Control areas Internal and Compliance.

Fines for non-compliance GRI 419-1

In order to follow the treatment of the demands, involving the application of fines for non-compliance with laws and regulations related to the supply and use of products and services, the legal area created a management indicator in 2017. In addition to the 29 standard management procedures, which govern both the legal relationship with the other areas of the Company, as well as internal processes, the Legal Department has improved the flow of information with its internal customers and implemented a system for data exchange among the top management. No fines were paid in the year for any non-compliance with laws and regulations.

15

units were awarded in the 2017 edition of the Program of Excellence in Management (PEG)



MANAGEMENT EXCELLENCE PROGRAM (PEG)

Estácio's Management Excellence Program was created in 2012 with the aim of promoting the standardization of the processes in the units through a methodology of self-assessment and recognition, which stimulates the business units to invest in its development and growth. Each year, the Program's results are growing and demonstrating process consistency and excellence.

After the evaluation cycle of 2017, the units that achieved the best performance in relation to the quality standards established in the Academic, Financial Administrative, Commercial, People, and Management and Relationship pillars were recognized and awarded in the Executive Event, with teletransmission throughout Brazil. With the new classification of units according to their size, more units had the chance to participate in the award, generating even more competitiveness and a quest for excellence.

The Company also has an internal online standardization management system (SMS), which gathers information on all normative documents of Estácio. Transparency in institutional processes, policies and guidelines, as well as ease of access, assist in the execution of tasks, stimulate learning and contribute to quality assurance.

TROPHY

Award given to PEG 2017 winners



WINNERS

Best Region

UNESA (RJ)

Gold – Units P

Via Brasil (RJ)

Gold – Units M

Teresina (PI)

Gold – Units G

Niterói I – Arariboia (RJ)

Silver – Units P

Ilha do Governador (RJ)

Silver – Units M

Ourinhos (SP)

Silver – Units G

Petrópolis (RJ)

Bronze – Units P

Venda Nova (MG)

Bronze – Units M

Sulacap (RJ)

Bronze – Units G

São José (SC)

Highlight of Pilar – Academic

Vila Velha (ES) – Marisa Rocha Lopes

Highlight of Pilar – Administrative Financial

Boa Vista (AC) – Raimundo Nonato Silva dos Santos

Highlight of Pilar – Commercial

Ourinhos (SP) – Marcos Roberto Rodrigues Vellani

Highlight of Pilar – People & Management

Via Brasil (RJ) – Alessandra de Araujo Jesus Monteiro

Highlight of Pilar – Relationships

Teresina (PI) – Moema Antonina Bona de Carvalho

NEW BOARD OF PROCESSES AND PROJECTS

The Company's governance gained another ally in 2018, with the creation of the Processes and Projects Board. Divided into three distinct areas (Project Management, Process Management and Integration - this latter area will still be structured in a later stage), the main focus of the new Executive Board is to support Estácio's annual planning through corporate governance and management of the Company's projects, processes and Strategic Committees. Among the objectives to be achieved are the definition and dissemination of the process and project management methodology; the measurement of the gains obtained with the planned projects for the year; and the promotion of greater alignment among the different areas of the company, as well as the identification of synergy points between initiatives in each area.

The Project Management is responsible for the Project Management Office (PMO) of Estácio. The area is responsible for reporting the progress of 30 priority projects to the Company's leadership, monitoring the benefits obtained and validating the goals to be achieved. The Management will support the other PMOs of the company, promoting collaboration among its professionals, and will implement mentoring and coaching actions, as well as support the management of knowledge and change. The work of Project Management will be in line with Estácio's corporate strategy.

The Process Management is responsible for the design and implementation of the processes prioritized by the Company (in 2018, this pipeline includes ten "critical" processes). Management will work in all areas through facilitators: focal points in the business areas. These will be responsible for the mapping and redesign of the processes, according to the Estácio Process Methodology, with support and monitoring of the Process Management. The work will continue with the monitoring of process performance based on the defined indicators and the process of continuous improvement disseminated by the Company. All redefined processes will be standardized and will be part of the management model of governance.



SOCIAL DIMENSION

How Estácio takes care of its workforce and promotes the personal and professional development of its employees

OUR PEOPLE

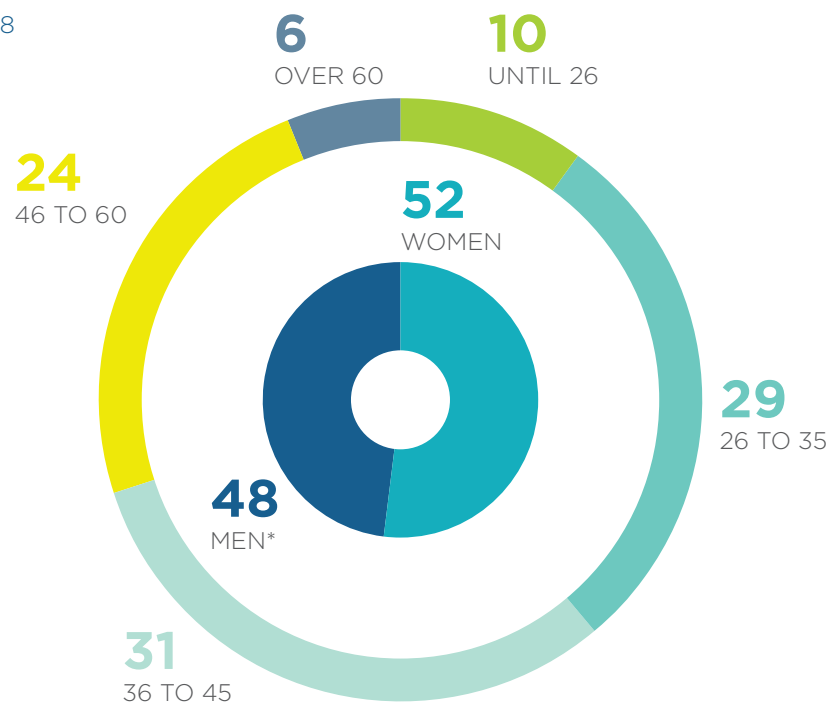
On the left, Mônica Mansur, coordinator of the course of Fashion of the campus Tom Jobim (RJ); Gisele Barreto, coordinator of the Cinema and Journalism courses of the same unit; and Erika Magalhães, VP of People and Management.

To develop the skills and competencies of its employees and prepare them to meet the demands of its public, Estácio counts on the support of its Corporate University: Educare. The area of people development works on three fronts: School of Management and Leadership, School of Teaching and Functional School, all focusing on continuous training actions, valuing talents and improving skills to achieve strategic business goals. In total, Estácio paid in 2017 the equivalent of R\$ 1.39 billion in salaries and social charges.

1.3 billion

of reais: amount disbursed in salaries and social charges in 2017

PROFILE OF EMPLOYEES GRI 102-8 GENDER AND AGE GROUP (%)



*We do not have the percentage of gender (female and male) for outsourced employees, considering that these are companies that provide cleaning and security services.

Employees by type of employment

TYPE OF CONTRACT	2015			2016			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
DETERMINED TIME	144	236	380	136	213	349	125	175	300
UNDETERMINED TIME	7,619	7,512	15,131	7,379	7,503	14,882	6,184	6,583	12,767
TOTAL	7,763	7,748	15,511	7,515	7,716	15,231	6,309	6,758	13,067

Employees by type of employment contract and region

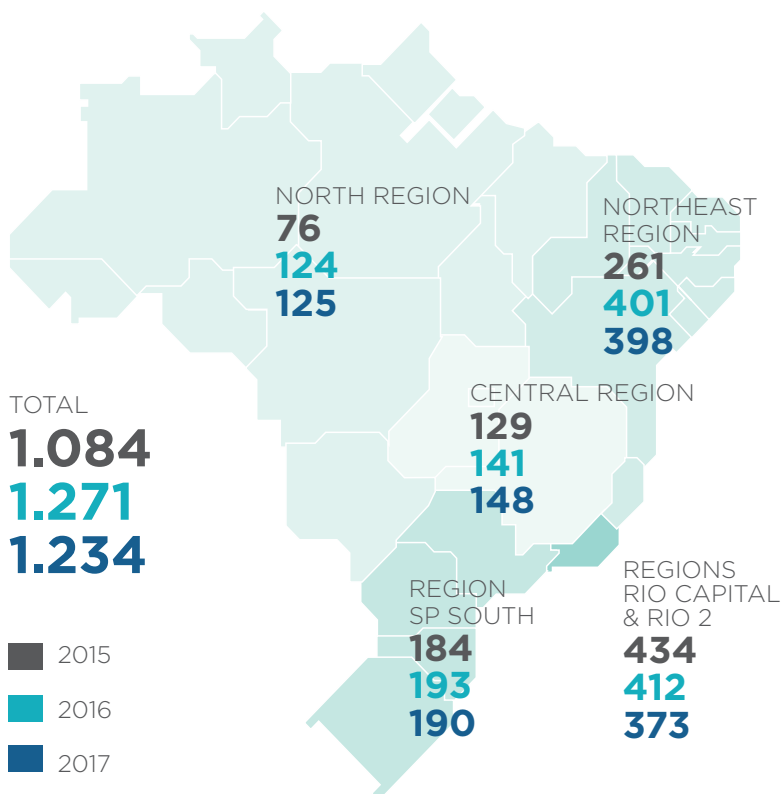
REGION	2015			2016			2017		
	Deter-mined time	Undeter-mined time	Total	Deter-mined time	Undeter-mined time	Total	Deter-mined time	Undeter-mined time	Total
CORPORATE	61	1,154	1,215	25	1,022	1,047	17	995	1,012
CENTRAL BRAZIL REGION	93	1,156	1,249	85	1,280	1,365	61	1,152	1,213
NORTHEAST REGION	39	3,070	3,109	42	3,169	3,211	45	2,622	2,667
NORTH REGION	35	1,837	1,872	41	1,870	1,911	40	1,612	1,652
RIO CAPITAL REGION	70	3,900	3,970	64	3,680	3,744	50	3,140	3,190
RIO 2 REGION	26	1,801	1,827	39	1,855	1,894	31	1,742	1,773
SP SOUTH REGION	56	2,213	2,269	53	2,006	2,059	56	1,504	1,560
TOTAL	380	15,131	15,511	349	14,882	15,231	300	12,767	13,067

Employees by type of employment

JOB TYPE	2015			2016			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
FULL TIME	7,712	7,607	15,319	7,463	7,578	15,041	6,241	6,646	12,887
PARTIAL TIME	51	141	192	52	138	190	68	112	180
TOTAL	7,763	7,748	15,511	7,515	7,716	15,231	6,309	6,758	13,067



OUTSOURCED EMPLOYEES BY REGION



SELECTION OF TALENTS GRI 401

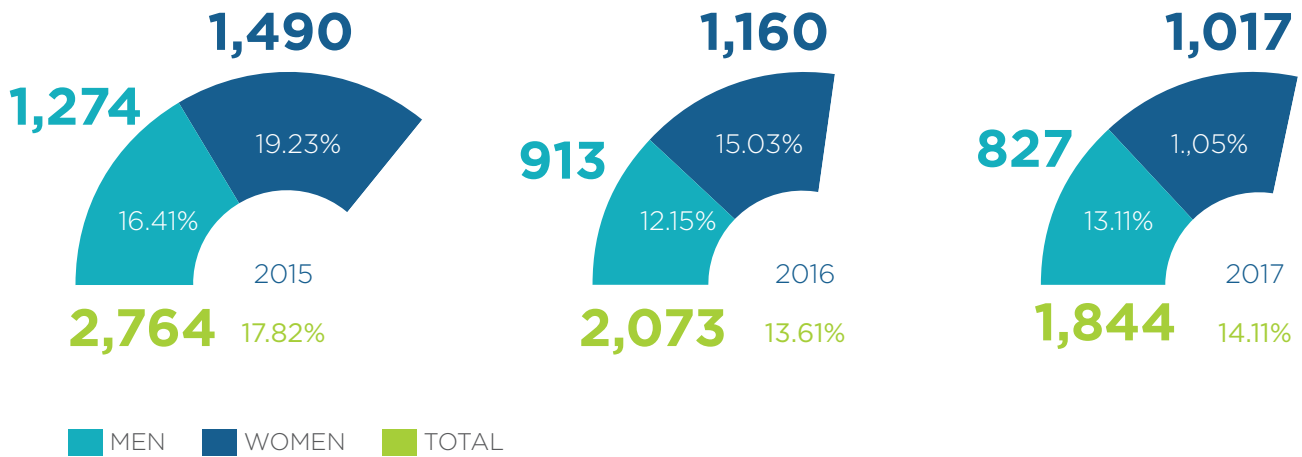
Estácio has instituted a policy of attraction and selection of new employees that values ethics and respect to all stages of the hiring process, without any favors to a candidate, regardless of the professional level of the employee who made the appointment. Meritocracy and professional qualification are valued. It is not allowed to hire candidates who have a family, affective or love relationship for positions in which the manager has a leadership relationship or subordination (direct or indirect).

In 2017, the process of restructuring the area of Attraction & Selection began. The goal is for 2018 to implement improvement actions in the process of Attraction and Selection as a review of the policy, roles and responsibilities, types of process, dissemination channels in communication vehicles, definition of basic tests and public interview scripts.

Employees hired by age group

	2015		2016		2017	
	Nº	Rate	Nº	Rate	Nº	Rate
< 30 YEARS	813	37.80%	762	33.51%	822	34.14%
FROM 30 TO 50 YEARS	1,648	17.64%	1,184	12.73%	930	11.80%
> 50 YEARS	303	7.54%	127	3.47%	92	3.31%
TOTAL	2,764	17.82%	2,073	13.61%	1,844	14.11%

Employees hired by gender



Employees hired, by region

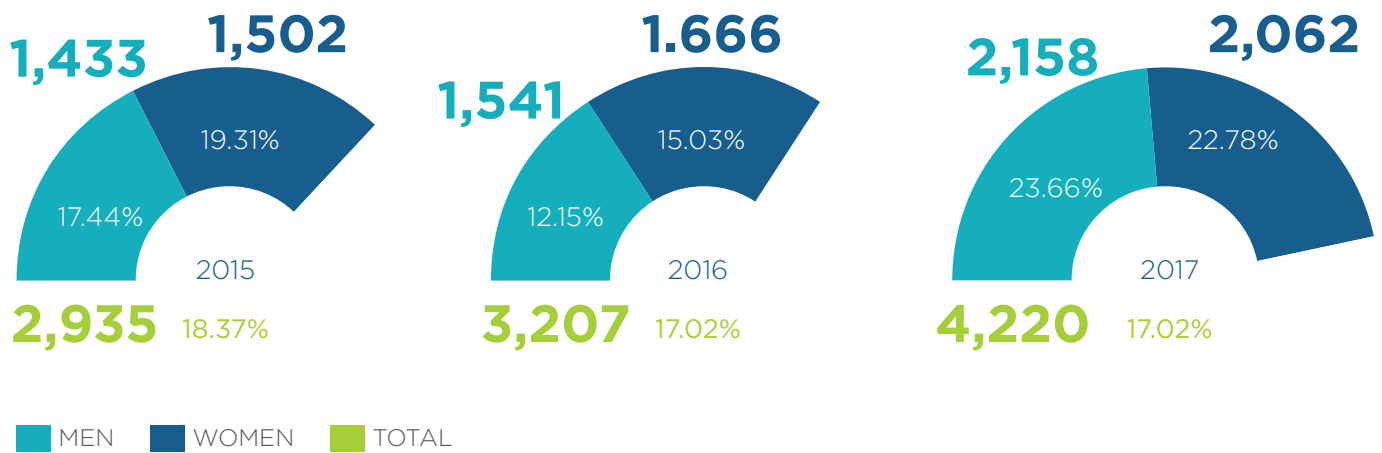
	2015		2016		2017	
	Nº	Rate	Nº	Rate	Nº	Rate
CORPORATE	243	20.00%	152	14.52%	197	19.47%
CENTRAL BRAZIL REGION	324	25.94%	277	20.29%	259	21.35%
NORTHEAST REGION	620	19.94%	457	14.23%	323	12.11%
NORTH REGION	450	24.04%	303	15.86%	265	16.04%
RIO CAPITAL REGION	405	10.20%	329	8.79%	213	6.68%
RIO 2 REGION	301	16.48%	220	11.62%	245	13.82%
SP SOUTH REGION	421	18.55%	335	16.27%	342	21.92%
TOTAL	2,764	17.82%	2,073	13.61%	1,844	14.11%

TURNOVER CONTROL GRI 401-1

Employees who left the company and turnover rate by age group

	2015		2016		2017	
	Nº	Rate	Nº	Nº	Rate	Nº
< 30 YEARS	615	33.19%	704	32.23%	697	31.54%
FROM 30 TO 50 YEARS	1.771	18.30%	1.900	16.58%	2.496	21.74%
> 50 YEARS	549	10.61%	603	9.99%	1.027	20.14%
TOTAL	2,935	18.37%	3,207	17.33%	4,220	23.20%

Employees who left the company and turnover rate by gender



Employees who left the company and turnover rate by region

	2015		2016		2017	
	Nº	Rate	Nº	Rate	Nº	Rate
CORPORATE	243	20.00%	320	22.54%	237	21.44%
CENTRAL BRAZIL REGION	288	24.50%	212	17.91%	421	28.03%
NORTHEAST REGION	481	17.71%	582	16.18%	883	22.61%
NORTH REGION	442	23.82%	442	19.49%	612	26.54%
RIO CAPITAL REGION	759	14.66%	699	13.73%	675	13.92%
RIO 2 REGION	308	16.67%	356	15.21%	509	21.26%
SP SOUTH REGION	414	18.40%	596	22.61%	883	39.26%
TOTAL	2,935	18.37%	3,207	17.33%	4,220	23.20%



Educare

GRI 404-2

Responsible for the development of all the Company's professionals, Estácio - Educare Corporate University is guided by three different lines of action:

- **School of Management and Leadership:** focused on training for directors, corporate managers, coordinators, corporate specialists and managers in general. It includes executive education programs, training for employees who have just taken management positions and trainee training.
- **School of Teaching:** focused on training and improvement of our teachers. It brings together the initiatives of the Coordinating Manager Program (PCG) (focused on the management training of course coordinators) and the Teaching Qualification Incentive Program (PQI) (read about the Program in the section later in this chapter).
- **Functional School:** offers specific qualification for administrative employees in general, through courses with various topics in the online portfolio, as well as functional trails with specific skills directed to attendance (secretariat, registration hall, trading room) and sales force.

All the consolidated training and development programs were maintained in 2017. In addition, in 2017, a new web portal was also launched, including a blog with biweekly posts and new courses in the portfolio of free courses, on the following axes: management, systems and processes, organizational knowledge, technical knowledge and general knowledge.

EDUCARE INDICATORS 2017

72,805

participations in courses
and training

342,167

hours of training provided

21h43

time per capita used in courses

HORAS EM TREINAMENTO GRI 404-1

In 2017, Estácio invested more than R\$ 1.7 million in the training of administrative and teaching staff. A monthly average of 7 thousand people (administrative and teaching staff) attended courses in the training programs at Educare. There were more than 342 thousand training hours held throughout the year.

The administrative and teaching staff is always up to date with the main innovations in the labor market. For this, Educare offers technical qualifications in several areas such as Information Technology (IT) and for the teams that work in the course labs.

These modalities include the CLIC Program (Knowing the Integrated Laboratories of the Courses) and the Digital Inclusion Program.

Educare established for 2017 goals of expanding the training opportunities for employees. Of particular note were the implementation of the new Educare Portal in August, with the launch of the Blog and new portfolio courses, in which the contributor finds updated content and courses for self-development and improvement of his professional performance.

In addition, Estácio's corporate university continues to make it possible to hold courses or participate in external congresses, in case there is no possibility to address specific issues in internal training. It is also worth mentioning the continuity of the Capacity Building Matrix for the Sales Force Program, which reached the 85% adhesion goal and achieved 80% satisfaction. For the leadership, the new Management Development Program (PDG) innovated in the hybrid model, with face-to-face and online disciplines, achieving 82% adherence and 98.7% satisfaction of its participants in corporate areas and operations.

Undergraduate Course Coordinators had a specific Matrix, achieving 75% adherence and 90% audience satisfaction. For the teachers, the maturity of the curriculum of courses of the School of Teaching was highlighted, with the continuous offering of courses focused on the pedagogical practice in the classroom.

Average hours of employee training by gender

	2015	2016	2017
MEN	ND	ND	ND
WOMEN	ND	ND	ND
TOTAL	25.41	23.48	38.33

Average hours of employee training by functional category

	2015	2016	2017
COUNCIL	ND	ND	ND
BOARD	ND	ND	ND
MANAGEMENT	ND	ND	ND
HEAD/COORDINATION	ND	ND	ND
TECHNIC/SUPERVISION	ND	ND	ND
ADMINISTRATIVE	ND	ND	ND
OPERATIONAL	ND	ND	ND
TRAINEES	ND	ND	ND
APPRENTICES	ND	ND	ND
INTERNS	ND	ND	ND
THIRD PARTIES	25,41	23,48	38,33
TOTAL	25,41	23,48	38,33

SALES FORCE DEVELOPMENT PROGRAM

Estácio's sales training program aimed at expanding knowledge about education segment, regulatory aspects and culture of the organization, improving sales consulting techniques, negotiation techniques and conflict management. With face-to-face classes and online track, we reached the adhesion of 93% with more than 300 consultants from all over Brazil trained throughout the year.

MANAGEMENT AND LEADERSHIP

GRI 404-2

In 2017, Estácio has perfected its people management processes. This evolution analyzed the construction of strategic goals based on the definition of the Company's culture and purpose. The Presidency and the Vice Presidencies received training on the concept of team building, that is, they deepened the teamwork, adding value to the collaborative culture within the company.

PROGRAMS

Executive Education Program

Executive Directors and President

Leadership Development

Management Development Program (PDG)

Corporate directors and managers, regional directors and core directors, regional managers and unit managers. Functional operations managers, commercial manager, administrative-financial manager and core academic manager; relationship coordinators, corporate coordinators and pedagogical coordinators

Manager Coordinator Program

Course Coordinators

First Management Program

Collaborators who took over team management for the first time

PIQ*-Continuing Education

PIQ -Merit

PIQ -Forum

Teachers

Qualification in attendance at IES Attendance of the units (Secretariat, Registration Room and Trading Room)

Analyst update program

All analysts

Sales Force

Agents and business consultants

*Teacher Qualification Incentive Program



Training programs guarantee the continuous development of our professionals

Launched in 2017, the new Management Development Program for Leadership aims to enhance skills and abilities to positively impact the execution of the strategy, providing fluidity in the relationship between the manager and his strategic levels, and of this with its leaders. During the year, we trained 435 managers from all over Brazil, in more than 20 classes, with face-to-face and online content, reaching 97% favorability by the participants.

Estácio maintained all its training and professional development programs in 2017. These are: Trainee Program, Portfolio, Teaching Qualification Incentive Program (PIQ), Coordinating Manager Program (PCG), First Management, Attendance Matrix and training corporate of analysts.

PROGRAM OF INCENTIVE TO TEACHER QUALIFICATION (PIQ)

We continuously invest in training and other actions to improve our teachers with the Teaching Qualification Incentive Program (PIQ), which operates in four modalities:

- **PIQ Continuing Education:** in 2017, continuing education courses attracted 3,660 teachers from all regions of the country to participate in online training processes aimed at improving academic and updating all teachers in teaching practice.
- **PIQ Merit:** seeks the valuation of teaching production, besides stimulating the production of knowledge with scientific and social relevance. It covers the following actions: National Scientific Production Contest, Extension Projects and Essay, in addition to the Highlight Teacher. In 2017, 224 teachers were awarded.
- **PIQ Remuneration:** identifies and recognizes the teachers who stand out most in their activities. Variable Teacher Remuneration covers 25% of the group of teachers best evaluated for their performance, with criteria established by the Boards of People and Management and Operations.
- **Annual Teacher Forum:** considered the largest forum for teachers in Brazil. The event took place on June 2 and 3, 2017 to discuss the theme "The Role of the Educator in the Quality of Student Education", with 5,200 enrollees. Divided for the first time between national and regional, the event had the collective programming transmitted live. Produced in 36 locations, the format allowed the largest number of teachers and working groups in the eight years of the meeting.

MASTER'S AND DOCTORAL SCHOLARSHIPS

In 2017, in the Master's and Doctoral Scholarship Program, we had 102 active external scholarships and 17 active internal scholarships. And 141 external scholarships and 53 internal scholarships have been completed. In addition, 224 teachers received subsidies for participation in scientific events, with 114 international events and 114 national events. Participation in international events is part of the internationalization actions proposed by the institution and represents a breakthrough in the areas of research and innovation.

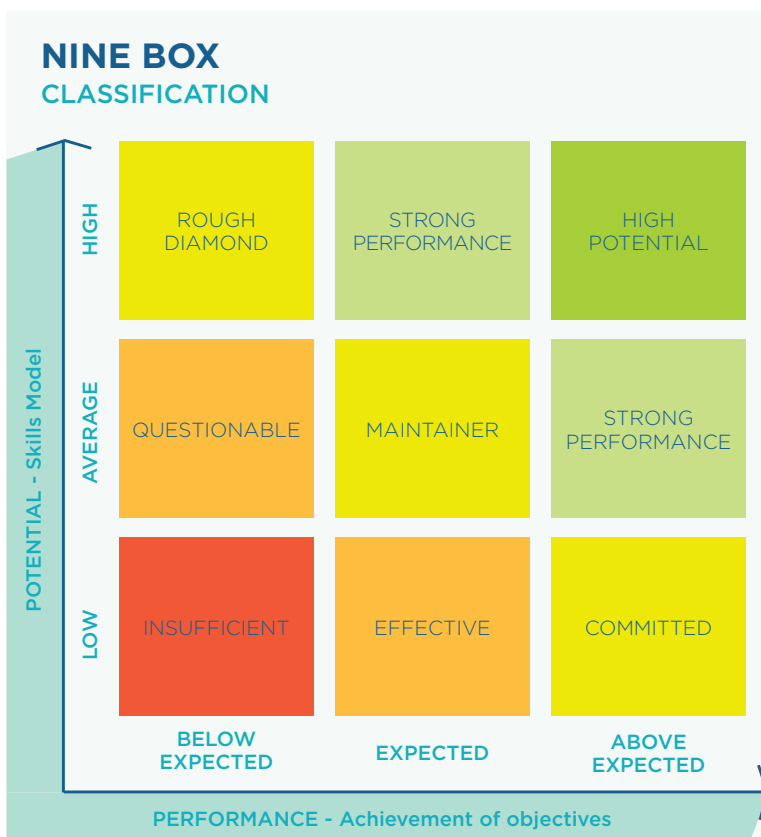
PERFORMANCE AND CAREER

PERFORMANCE EVALUATION GRI 404-3

For the performance evaluation of its leaderships, Estácio maintained the use of the Nine Box Matrix, a tool that began to be applied in 2016, with specific criteria and metrics to reflect the executives' performance. Management skills are considered according to Estácio's culture. The Skills Model, shown below, cites some criteria used in this type of analysis.

In 2017, a 360° assessment was made of the directors and officers who report to the president, with the support of an external consultancy.

More than 100 master's and doctoral scholarships were awarded



Employees receiving performance reviews by functional category (%)

	2015			2016			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
COUNCIL	ND	ND	ND	ND	ND	ND	ND	ND	ND
PRESIDENCY AND VICE-PRESIDENCY	7	0	7	9	0	9	7	1	8
BOARD	59	19	78	47	15	62	41	14	55
MANAGEMENT	132	115	247	118	100	218	136	95	231
COORDINATION	99	240	339	89	219	308	42	117	159
SPECIALIST	21	12	33	18	12	30	2	8	10
SUPERVISION	ND	ND	ND	ND	ND	ND	ND	ND	ND
ADMINISTRATIVE	ND	ND	ND	ND	ND	ND	ND	ND	ND
SUPPORT	ND	ND	ND	ND	ND	ND	ND	ND	ND
TEACHERS	ND	ND	ND	ND	ND	ND	ND	ND	ND
TRAINEES	ND	ND	ND	ND	ND	ND	ND	ND	ND
APPRENTICES	ND	ND	ND	ND	ND	ND	ND	ND	ND
TOTAL	318	386	704	281	346	627	228	235	463

MANAGEMENT AND VARIABLE REMUNERATION SYSTEM GRI 103-2

More than 580 managers have specific goals based on financial and non-financial indicators. Currently, 100% of the administrative staff (with the exception of trainees and third parties) are eligible for Variable Remuneration programs, according to the performance of the area and the results of the entire Company. Specific pay programs for course coordinators are also available. In 2018, Estácio has 65 executives included in the Stock Option Plan.

To motivate the employees, a major revision was made of the percentage of variable remuneration, of the current programs. The market area has also changed to better link teams to financial goals, bringing the business team closer to the business model.

PLAN FOR JOBS AND WAGES

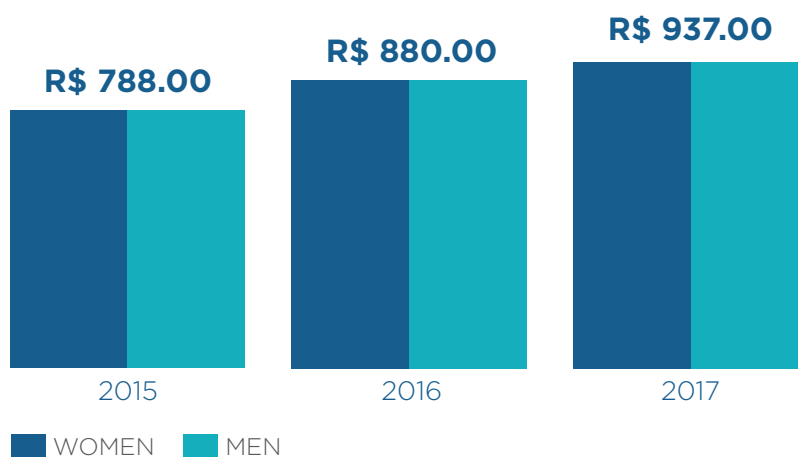
Estácio is reviewing its Remuneration Platform in 2018, which includes the Salaries and Jobs Plan. In addition, the Company has already implemented a Teaching Career Plan (specific to teachers) in several Units. The Company offers competitive wages with the market and benefits for its employees (Medical and Dental Assistance, Food, Life Insurance, Funeral Assistance, Consigned Credit and Study Scholarship at the Estácio University itself).

All employees (except trainees and apprentices) are covered by collective bargaining agreements. Apprentices are not governed by an agreement or collective agreement; their remuneration only respects the value of the national minimum wage. GRI 102-41

VARIATION OF PROPORTION OF LOWER INITIAL WAGE COMPARED TO THE LOCAL MINIMUM WAGE GRI 202-1

The lowest salary paid, at the national level, is equivalent to the current legal minimum wage. However, in some units, we follow the floor of the category defined in ACT/CCT.

VARIATION BETWEEN THE LOWER SALARY AND THE MINIMUM WAGE, BY GENDER*



* The values correspond to the lowest salary paid by the organization and the minimum wage determined by legislation or union.

WORKING ENVIRONMENT

Held by the Hay Group, the Estácio Climate Survey is an annual one and aims to understand the employees' perception (Administrative and Teaching) about the organizational environment. In the Survey, an indicator of intention to remain in the Company is determined. The breakdown of length of stay is: 3% of employees intend to stay less than 1 year; 6% intend to stay for 1 to 2 years; 11% intend to stay 3 to 5 years; 80% intend to stay for more than 5 years. Check out the results below.

ADHESION

14,775
Guest collaborator base

11,717
Respondent collaborator base

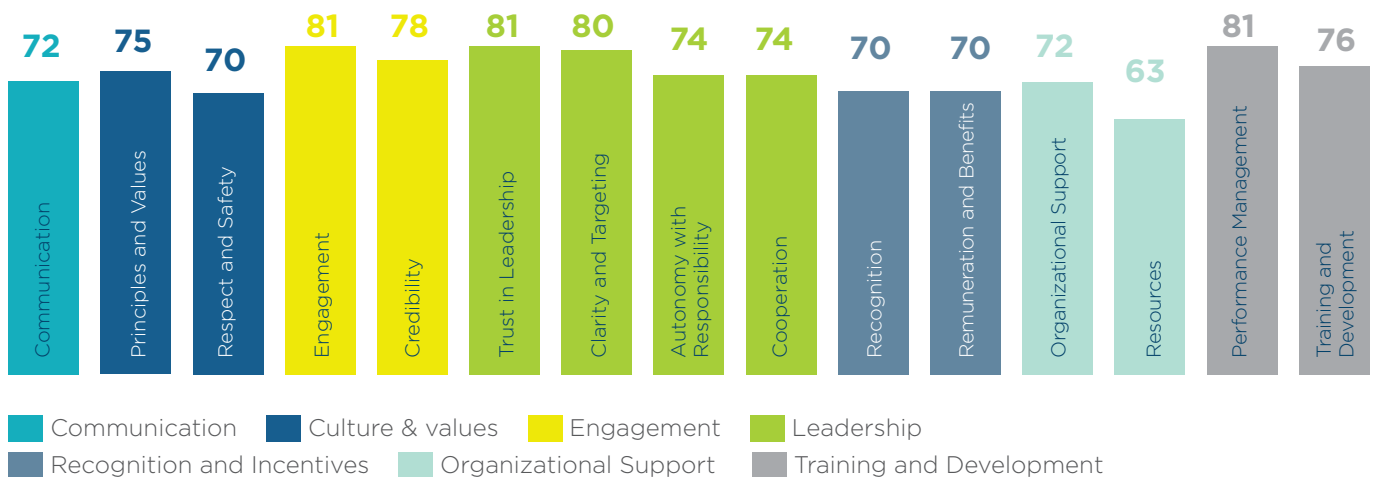
RESULTS

The results were encouraging and demonstrate that the company was successful in choosing strategies for managing people. They follow the consolidated data by theme and the criteria of favorability.

79%
Adhesion

74
percentage points favorability

ENVIRONMENT CHALLENGES FOR 2018



	Dimension	Factor	% favorability
The systems (technologies) that support my activities are adequate	Organizational Support	Resources	63
I feel safe in my employment	Culture & Values	Respect and Safety	60
I have enough resources that I need to do my job	Organizational Support	Resources	65
Estácio's processes are well organized		Organizational Support	65
The general conditions of the working environment are adequate		Resources	62
I feel valued		Recognition	64
The communication between employees of different areas/units in Estácio is adequate	Communication	Communication	64

Due to Cade's judgment on the possible merger with Kroton, the Company faced the challenge of keeping the entire team motivated and prepared for possible changes. Two executive forums were held, one in April (before Cade's decision) and another in the second half, with the theme "What to do now?".

The search for a good organizational climate was fundamental throughout the process. The maintenance of the friendly climate was one of the goals for the President in 2017 and will be again in 2018. With the realization of the Coffee with the President - visits of Pedro Thompson to several business units, which promoted meetings with employees - it was possible to the high leadership of Estácio to listen to people and turn opinions heard into actions.

LIVE WELL

The program operates in the pillars of health, sports and food

Other people management initiatives have also contributed to maintaining a favorable internal climate. With the launch of Comunicare - a virtual social networking platform, similar to Facebook - it created another possibility of rapprochement and communication between leaders and their teams. The Recognition Program has awarded prizes to employees and teachers who complete 10, 15 and 20 years of permanence at Estácio. The teachers were awarded in the Teaching Forum 2017.

ORGANIZATIONAL CLIMATE COMMITTEE

In 2017, the Organizational Climate Committee was created. The group, made up of members from various areas of the Company, acts as a specific forum to take care of actions to improve the climate and advise the decisions of the Presidency.

One of the initiatives of the Committee was the proposal of the Viver Bem Estácio program, which promoted actions in the pillars of health, sports and food. With the support of top management and support from Educare, the project promoted nutrition campaigns, lectures and tips to improve the quality of life. Planning involved the corporate and operational areas. In 2018, special events have already been held (such as a lecture with triathlete Fernanda Keller) and a vaccination campaign against yellow fever.



SCHEDULED ACTIONS TO VIVER BEM ESTÁCIO IN 2018

- Estácio's Athletes Presentations
- World Hypertension Day - Pressure Gauge Campaign
- World Blood Donor Day
- Anti-Drug Day
- National Day to Fight Cholesterol
- Yellow September
- Pink October
- Blue November
- World Diabetes Day
- Donate Day
- Orange December



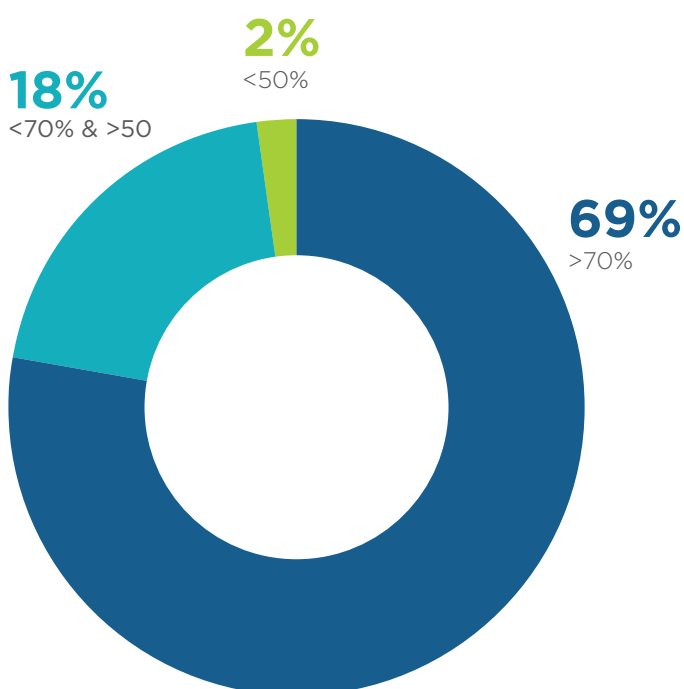
COMMUNICATION

Safety in the work environment was a campaign theme

SAFETY MANAGEMENT

Employee safety is also a priority for business sustainability. The Company conducted a series of trainings in 34 safety coaching visits, evaluating the knowledge of the procedures in 93% of the units, which presented a score above 70%.

SAFETY COACHING RESULT 2017



93%

of Estácio's units have passed evaluations of its security procedures

89

units carried out the work of safety coaching in 2017

HIGHLIGHTS IN SECURITY MANAGEMENT

80%

of the legal requirements included in safety coaching were met.

54

Fire Department Inspection Reports (AVCB) issued in 2017, with five more units under investigation (Gilberto Gil-BA, Fratelli-BA, FUFs-BA, CEUT-PI and Ponta Negra-RN).

87%

of the contracted AVCB works were delivered in 2017.

60

Visits to the works of AVCB.

15

audits performed for safety coaching.

69

units with a score above 70%.

Safety Indicators 2017

REGIONS	Number of Accidents	Total of Lost Days
TYPICAL ACCIDENTS		
NORTH	3	5
NORTHEAST	10	73
CENTER-SOUTH	6	426
RIO 1	13	505
RIO 2	8	575
TOTAL TYPICAL ACCIDENTS	40	1.584
ROUTE ACCIDENTS		
NORTH	6	548
NORTHEAST	4	448
CENTER-SOUTH	7	459
RIO 1	9	408
RIO 2	6	553
TOTAL ROUTE ACCIDENTS	32	2.416
TOTAL NUMBER OF ACCIDENTS	72	4.000

CORPORATE SOCIAL RESPONSIBILITY

Sports, education, citizenship, culture and innovation: this is how Estácio transforms society

Estácio's Corporate Social Responsibility actions, guided by the Educar para Transformar Program, are based on five pillars: Estácio in Sport, Estácio in School, Estácio Citizenship, Estácio Culture & Innovation & Entrepreneurship. This last pillar was created in early 2018; during this year, we will begin a series of actions and pilot projects, pioneering new paths, using new technologies, processes and business models.

Estácio, since its inauguration 48 years ago, seeks to be close to the work places or housing of the students, directing its expansion. The Vice Presidency of Institutional Relations and Sustainability is responsible for the management of the Educate for Change program, whose actions seek to mobilize students, teachers, administrative staff and other actors from civil society. We believe that the promotion of sustainability in the organization is only possible if all employees are engaged in this mission and become interlocutors of this cause in society.

Initiatives are also fostered through investment in tax-exempt projects with the aim of contributing to the development of students, based on experiences and academic connections.

CLAUDIA ROMANO

On the next page, the VP of Institutional Relations and Sustainability.

The projects carried out stimulate the participation of students and teachers, generating experiences that contribute to their curriculum and employability. In addition, Estácio promotes a series of institutional actions that value citizenship through projects and events in its business units: the Company gives space for social institutions to hold events and establish partnerships with more than 30 social institutes.

5TH WEEK OF SUSTAINABILITY & SOCIAL RESPONSIBILITY GRI 203-2

Between September 25 and 30, 2017, Estácio held the 5th Sustainability and Social Responsibility Week, with more than 800 free activities for the population in 22 states and in the Federal District. Each year, the event reinforces the position of a citizen and socially responsible company in the communities where it operates, demonstrating to society that sustainability is an attribute that is present in our brand and a permanent practice of our business. In 2017, the communication campaign focused on sustainable food, stimulating awareness of the issue. Posters and banners were posted at Estácio's units and posts on social networks reached more than 1 million followers.

In more than 80 of the Company's campuses, the public participated in cultural attractions, lectures and round tables with sustainability specialists and partner institutions and workshops, as well as social actions by students and teachers, and various services for the local population. All participating units received the seal of Socially Responsible Institution of ABMES.



LOCAL ENGAGEMENT AND DEVELOPMENT GRI 413-1

In 100% of the Estácio regional projects, community engagement, impact assessment and local development programs were implemented. Regional Managers and Units throughout Brazil have the responsibility of identifying opportunities, as well as developing and managing Corporate Social Responsibility actions aligned with the Educar para Transformar Program and the brand positioning. Each unit also has autonomy to develop and carry out activities appropriate to the profile of nearby communities. In addition, numerous social actions and extension projects are developed and supervised by faculty as part of the curricula of the units.

Estácio's campuses are also directly sought by various institutions, with the purpose of providing services through courses such as Nutrition, Nursing, Physical Education, Physiotherapy, Medicine, among others.

In order to disseminate the best practices of Educar para Transformar, we have selected some examples of successful experiences that demonstrate the positive impacts generated in the places where we operate and signal the importance of strengthening the actions carried out in partnership and cooperation networks.



TENNIS

Estácio supports Instituto Futuro Bom, which stimulates the practice of sport among children and young people

INNOVATION & ENTREPRENEURSHIP

The Vice Presidency of Institutional Relations and Sustainability, which leads the management of Estácio's Corporate Social Responsibility Program, expands its scope and starts acting also in the Innovation and Entrepreneurship pillar from 2018 onwards. The new pillar seeks to foster and encourage entrepreneurial and innovative practices at Estácio, from the creation of a program that will interact with employees, teachers, students and with future developments for the market.

Estácio's innovation program will operate alongside the national and international innovation and entrepreneurial ecosystem, acting with startups in the search for differentiated solutions and establishing itself as a great player in new technologies for education, in a market of many opportunities and exponential growth. For the development of this project, a consultancy was contracted in 2018 that began its work with a diagnosis about the current initiatives and that already happened at Estácio.

ESTÁCIO IN SPORTS

For Estácio, educating is more than transmitting knowledge. It involves the construction of values and the stimulus to overcome and autonomy with ethics, collective spirit and social commitment. Sport includes these components, which makes it a fundamental complement to the educational process and the formation of citizenship. That is why we invest in social actions and projects that integrate sports and education, promoting lasting individual and collective transformations.

We maintain partnerships with sports institutions such as the Brazilian Olympic Committee (COB), the Brazilian Paralympic Committee (CPB), the Brazilian Olympic Institute (IOB) and the Brazilian Confederations of Basketball, Aquatic Sports and Rugby, recognized for their transparency and governance. We also support NGOs with consistent social projects such as the Fernanda Keller Institute, the Guga Kuerten Institute and the Gabriel Medina Institute. The Reação Institute, created by former judoka Flavio Canto, has a high performance training center in one of our units in Rio de Janeiro. In addition, in 2017, we sponsored the Flamengo basketball team, four times Brazilian New Basketball Championship (NBB), the Zico Soccer School 10, the Bernardinho Volleyball School and the Basketball School Neto, and events such as the Rio Open Tennis and Brazil Open Tennis.

The Sports pillar includes the sponsorship of projects through the Federal Sports Incentive Law. In addition to the NGOs highlighted above, in 2017, the social project Fight for Peace and the pilot of Stock Light Pedro Boesel were benefited, among others. Projects, such as the Rio Marathon, for example, also seek the involvement of students and teachers of Estácio in the activities, generating practical experiences that will be added to their curricula.

ESTÁCIO TEAM

In order for champions of tracks, pools and gymnasiums to succeed in other areas of their lives, their sporting career must be complemented by a good academic background. The Estácio Team is a selection of more than 500 athletes of diverse modalities that are supported by the Company with scholarships in the face and distance modalities.

Among the supported athletes, there are highlights of the basic categories and high-performance athletes from various regions of the country. Some stars of Team Estácio are Rafaela Silva, judoka Olympic medalist in 2016; the Olympic gymnast Daniele Hypólito; the 2nd best longboard athlete in the world in 2016 and 2017, Chloé Calmon; Marcelinho Machado, three-time Panamerican champion with the Brazilian basketball team; and former athlete Laís Souza.

A new pillar of social responsibility, Innovation and Entrepreneurship, will be developed in 2018

ESTÁCIO IN THE SCHOOL

Education is a continuous process that has a strong multiplying effect and a power of social transformation. We invest in actions that stimulate and qualify the educational reality of the country, impacting students and teachers of Middle and Elementary, especially public education. We negotiate with the Secretaries of Education, support schools, promote the exchange of experience between our teachers and students with students from the public network and stimulate transformative educational actions, with initiatives such as the Educational Territories Award.

In April 2018, we launched a bold proposal: the Alphabetization and Literacy Project for Young People and Adults. It is an initiative adhering to the UN Sustainable Development Goals, which aims to contribute to the reduction of illiteracy in Brazil.

AWARDS

Below, picture of event delivering the Educational Territories Award



The projects of the pillar Estácio in the School stimulate and qualify students and teachers

II EDUCATIONAL TERRITORIES AWARD

The Educational Territories Award, an initiative of the Tomie Ohtake Institute in partnership with the Municipal Department of Education of São Paulo and with the idealization of Estácio, is an award focused on the field of municipal public education in São Paulo. It was created to recognize pedagogical experiences marked by the exploration of the educational opportunities of the territories where the schools are inserted, under the assumption that education also occurs beyond the walls of the school.

In its second edition, the Award was addressed to teachers of the basic network of the city of São Paulo involved in ongoing pedagogical experiences, with actions planned for 2017, preferably inserted in school planning, and collaborative, counting on the participation of members of the school or community. The Company is preparing for the third edition of the Award in 2018.

SOLAR MENINOS DE LUZ

Since 2014, Estácio has supported Solar Meninos de Luz and grants scholarships for students and staff. In 2017, we also supported the Teatro do Solar through the Rouanet Law. The entity serves about 400 children and youths in situations of social vulnerability of the communities Pavão-Pavãozinho and Cantagalo, in Rio de Janeiro. Estácio has a seat in the Solar Council, contributing to the development of strategies for the sustainability of this institution.



Adult Alphabetization and Literacy Project

Estácio launched on April 5, 2018, the Alphabetization and Literacy Project for Youth and Adults, a pioneering initiative among universities in the country. To prepare the project guidelines, a working group was formed, led by the Vice Presidency of Institutional Relations and Sustainability. The pilot project started in three units of Estácio: Queimados, Via Brasil and Alcântara, all in the state of São Paulo, with the participation of the Board of Pedagogical Services, Board of Research and Extension, National Management of Education and National Management of Licentiate Degrees, all in the State of Rio de Janeiro.

Each class has 25 students, and classes take place in rooms specially prepared for the teaching-learning script to be applied. The content will be taught by the students of the courses of Pedagogy and Licentiate of each unit. To participate in the project, Estácio students will receive 50% scholarships during the school months.

Inspired by the experience of a literacy project in São João do Meriti (Rio de Janeiro), between 2015 and 2017, the idea is for the initiative to be extended to other states. In a country where 7% of the population is still illiterate, a project like this has a daring goal: to eradicate illiteracy in the communities around Estácio units in the coming years.

CITIZENSHIP ESTÁCIO

Estácio believes that strengthening the exercise of citizenship is essential for the development of a fairer society and the fulfillment of the mission of Educate to Transform. In this area, we work with partners in the area of Social Responsibility, with our students, teachers and other collaborators. From a careful evaluation of opportunities, we also support institutions and NGOs, providing access to higher education for more than 200 young people assisted by these entities.

VOLUNTARY ESTÁCIO PORTAL GRI 413-1

Launched in 2015, the Voluntary Estácio Portal (www.estacio.br/voluntario) encourages the engagement of our teaching and administrative employees, involving them consistently in our mission. With the portal, we unite two fundamental points of our chain of relationships: the partners in the area of social responsibility and the internal public. In 2017, there was an increase of 23% of employees registered in 2017 and 40% of volunteering opportunities in the Voluntary Estácio Program.

TROTE SOLIDÁRIO

Trote Solidário (Solidary Prank) is part of the Welcome Freshmen Project and has a dual function: to integrate veteran students and newcomers and bring Estácio closer to the communities through social responsibility actions. The units have the autonomy to create their own actions, which involve volunteering activities, education, health, food collection and clothing for donation, cleaning work, blood donation campaigns, material recycling, workshops and several other initiatives.

23%

was the increase in the number of registered in the Estácio Voluntário Portal

40%

growth in opportunities offered by the Portal in 2017





400

children and young people are benefited by Solar Meninos de Luz, supported by Estácio

NATIONAL E DAY

The National E Day, an initiative to disseminate the culture of volunteering and promote the exchange between corporate and unit employees, has already become a landmark date at Estácio. In its 6th edition, held on September 27, 2017, in parallel to the 5th Week of Sustainability and Social Responsibility, the activity mobilized eight thousand employees in a healthy exercise of citizenship, benefiting more than fifty thousand people throughout Brazil.

On National E Day, the VP of Institutional Relations and Sustainability organized the visit of students from Solar Meninos de Luz to the Estácio de Sá Monument. During the month of September, a photography project was held, bringing the students together to register their gaze in relation to Solar. In the event of E Day, the students were able to see the result of the work by showing the photos.

CITIZENSHIP

Taça das Favelas (page 52, above), Pimpolhos da Grande Rio (below) & Solar Meninos de Luz (page 53): supported by Estácio

A group of employees also participated in a remarkable social experience. The employees who signed up for the Estácio Volunteer Portal went to Refettorio Gastromotiva, in the center of Rio de Janeiro, to work on the local dinner service, offered to 90 homeless people. Refettorio Gastromotiva is a school restaurant and also a community dining hall. It was released in

August 2016 with the aim of contributing against food waste, malnutrition and social exclusion. On that same day, the Voluntary Estácio Portal led the company's employees to paint the dance hall of Associação Ressurgir, an institution located near the João Uchôa unit, in Rio Comprido (RJ), which acts to include families at social risk.

SCHOLARSHIPS

Through more than 200 partial or full scholarships, we support young people in situations of social vulnerability assisted by NGOs and other institutions. The Instituto Criar of TV, Cinema & New Media, Instituto da Criança, Recode NGO, Alfa NGO, Instituto GPA and Gol de Letra Foundation are part of this network identified by our Social Responsibility team. From this initiative, the students will have access to the undergraduate courses of Estácio. Based on the evaluation of academic performance and compliance (in relation to partial exchanges), the scholarship renewal process is carried out semiannually. This monitoring with the supported institutions is essential for young people to complete their studies. In 2018, Estácio entered into new partnerships with the Instituto Passos Mágicos and with the Miratus Association, and also supported the Ma-won Association, which receives and welcomes refugees, granting scholarships at the institution.



PERFORMING ARTS

In the photo above, presentation of the Music on the Road Festival, at the Teatro Amazonas (AM)

ESTÁCIO CULTURAL

Culture plays a fundamental role in shaping the critical and aesthetic sense of citizens and in broadening their worldview. Therefore, for Estácio, promoting and supporting theatrical projects, musical shows, exhibitions, films and the publication of books with a relevant socio-cultural theme is also to believe in the transforming role of culture in society.

Beginning in 2015, we improved our project selection process (cultural, educational or sports) supported through incentive laws through the Tax Incentives Committee, seeking to generate more practical experiences for our students and teachers throughout Brazil. We have reached new squares, outside the big centers, and we replicate successful projects in new localities and regions of the country, democratizing access to cultural assets to leave a consistent legacy for the communities.

ARTRIO

Estácio supports ArtRio, recognized as one of the main art events in Latin America. The seventh edition of the fair took place between September 14 and 17, 2017. There were 50 participating art galleries, divided into the PANORAMA and VISTA programs. The public of ArtRio 2017 surpassed 50 thousand people.

It is a space where the great public has the opportunity to see together works of great masters and the work of new artists. The event, held annually in the city of Rio de Janeiro, actively contributes throughout the year to the success of the art production chain and also functions as a stimulus pole - supporting exhibitions, highlighting new galleries and the training of young artists.

50 thou.

people: ArtRio public in 2017,
event supported by Estácio

PORTAL EDUCATE TO TRANSFORM

In the Educar para Transformar Portal (<http://www.estacio.br/educarparatransformar/>), the Company's corporate social responsibility actions are presented in detail to the public. In addition to the activities developed in each of the five pillars (Innovation and Entrepreneurship, Estácio in Sport, Estácio in the School, Estácio Citizenship and Estácio in Culture), the Portal brings news and videos about the latest projects and contents about Estácio's activities in sustainability issues.

URBAN CULTURE

Rolé Brasil: guided tours with history and architecture classes



MUSIC ON THE ROAD

Since 2011, the Music on the Road Festival is considered one of the most expressive cultural projects in the North of the country. Completely free, the 7th edition of the festival lasted from October 2017 until March 2018, in the cities of Belém, Brasília, Santarém, Manaus, Boa Vista, Porto Velho and Macapá. The artistic program provides a clear view of classical music, offering also performing arts and instrumental music, in parallel to traditional music and dance workshops. Its activities promote the accessibility and the formation of musical audience and improvement through the exchange and valorization of artistic contents of several states.

ESTÁCIO DE SÁ MONUMENT

We are curators of the Estácio de Sá Monument in Rio de Janeiro. The space promotes exhibitions of artists and holds cultural events open to the public in partnership with the City Hall of Rio de Janeiro. The monument - a pyramid of 17 meters high - was designed by the architect Lúcio Costa and inaugurated in 1973, in honor of the founder of the city.

ROLÉ BRASIL & ROLÉ CARIOCA

For the second consecutive year on a national scale, Rolé Brasil invites the public to explore the metropolitan urban space in a relaxed open air classroom. In two hours of walking, teachers-guides highlight elements of history, geography, culture, architecture, urbanism and the environment, forming pictures in the landscape for understanding and potential transformation of these spaces. In 2017, it was the turn of Aracaju, Manaus, Recife, Vila Velha and, again, Salvador and Sao Paulo to receive Rolé, with the same structure and profile: itineraries designed to be done on foot, guided by professors specializing in the subjects addressed, with a careful look at local identity and free access to the public.

In Rio de Janeiro, Estácio's headquarters, Rolé Carioca, held since 2013, rescues the history, culture and curiosities of neighborhoods in Rio that are distant from tourist attractions. Teachers of History of the Institution conduct the guided tours through the streets of the city.



ECONOMIC DIMENSION

In a challenging year, Estácio recorded improvement in its main financial indicators

GRI 103 | 201

TECHNOLOGY

Student uses totem service at Via Brasil Unit, in Irájá (RJ): Company has been investing in IT

The year 2017 represented a challenging period for Estácio. Until the Administrative Council of Economic Defense (Cade) judgment on the merger with Kroton, efforts were focused on improving internal controls and implementing improvements in financial management, including risk monitoring.

After Cade's negative decision, at the end of June 2017, Estácio used the advances made in the first half to develop a plan with initiatives to increase its operational efficiency and improve its competitiveness within an already stabilized internal framework. Processes in various areas (sales, support, billing, customer service, collection) began to be revised in preparation for a stricter capital discipline and greater cost control without sacrificing quality in products and services.

The financial results of the year reflected all this effort. On December 31, 2017, Estácio recorded a 6.1% increase in net operating revenue, a total of R\$ 3.4 billion in 2017, and a 15.3% increase in net income, accompanied by a reduction in costs compared to 2016. The shares traded on the Stock Exchange appreciated 107.7% compared to the closing of 2016, priced at R\$ 32.82.

With a more rigorous financial management, the Company increased its average ticket in the face-to-face segment and 5.9% in EAD in relation to 2016 by 10.6%, improved student retention, adopted a more selective policy for new students, presented a significant reduction of debts and delivered solid results, with the fulfillment of its goals and presentation of a good planning for the continuity of growth in 2018.

Estácio also achieved an improvement of 1.6 percentage points in the retention rate of students attending the second semester of 2017 in relation to the first semester of 2017 (calculated with the total numbers of evasion and non-renewal, which reduced 17.3 % in the period). With the objective of improving the efficiency of its operations, without affecting the quality of the service provided to the students, Estácio implemented, during 2017, several measures to improve the productivity of its teaching staff. These initiatives allowed for an increase of 4.5% in the average number of students per class in the classroom segment and 124% in the EAD segment.

THE ECONOMY CONTEXT IN BRAZIL AND THE WORLD

The scenario of the world economy at the end of 2017, although still with instabilities, presented a reduction of the weaknesses associated with the global financial crisis. The advance of more developed economies has strengthened, the US has grown and the Eurozone has been a positive surprise in 2017. China has managed to maintain a thriving economy at a steady pace, albeit not at the same level as five years ago.

Brazil is experiencing a slow recovery after a long period of recession. Gross Domestic Product (GDP) grew by 1% after falls in 2015 and 2016. The contraction of GDP in those two years still impacts on employment and consumption indicators in the country. The inflation measured by the IPC-A ended 2017 at 2.95%, the lowest rate in the last

three years and below the inflation target set by the Central Bank. The Selic interest rate, which at the end of 2016 closed at 13.75%, reached 6.90% in December 2017, while the US dollar returned to growth after devaluation in 2016, presenting a 1.2% increase in relation to the real.

Despite a challenging scenario, Estácio believes that Brazil continues to be a country with many business opportunities, with a significant consumer market and strong and independent institutions. The reduction of interest rates and inflation underpins the expectation of exit from the recession and recovery of Brazilian economic growth for the coming years.

Direct economic value generated and distributed GRI 201-1

	2015	2016	2017
INCOME (R\$)	R\$ 2,888,613.00	R\$ 3,156,299.00	R\$ 3,294,742.00
DISTRIBUTED ECONOMIC VALUE (R\$)			
OPERATIONAL COSTS	R\$ 529,635.00	R\$ 698,423.00	R\$ 769,785.00
WAGES AND BENEFITS OF EMPLOYEES	R\$ 1,102,641.00	R\$ 1,203,420.00	R\$ 1,242,449.00
PAYMENTS TO CAPITAL PROVIDERS	R\$ 452,901.00	R\$ 486,384.00	R\$ 451,445.00
PAYMENTS TO GOVERNMENT	R\$ 363,157.00	R\$ 399,970.00	R\$ 406,473.00
COMMUNITY INVESTMENTS	R\$ 0.00	R\$ 0.00	R\$ 0.00
TOTAL	R\$ 2,448,334.00	R\$ 2,788,197.00	R\$ 2,870,152.00
DISTRIBUTED ECONOMIC VALUE (R\$)			
OPERATIONAL COSTS	18%	22%	23%
WAGES AND BENEFITS OF EMPLOYEES	38%	38%	38%
PAYMENTS TO CAPITAL PROVIDERS	16%	15%	14%
PAYMENTS TO GOVERNMENT	13%	13%	12%
COMMUNITY INVESTMENTS	0%	0%	0%
TOTAL	85%	88%	87%
WITHHELD ECONOMIC VALUE (R\$)			
"DIRECT ECONOMIC VALUE GENERATED" LESS "DISTRIBUTED ECONOMIC VALUE"	R\$ 440,279.00	R\$ 368,102.00	R\$ 424,590.00

2017 FINANCIAL HIGHLIGHTS

Net operating revenue:
R\$ 3,379 million, growth
of 6.1% compared to 2016

GROSS PROFIT:

R\$ 1,601.9 M

and its margin on net operating revenue was 47.4%, following the growth in relation to 2016

Operating cash flow: a
positive result of R\$ 524.4
million in 2017, against
R\$ 339.7 million in the
previous year

INVESTMENTS

R\$ 153.8 M

4.6% of net revenue in 2017

**Dividends: payment of R\$ 87.4 million
in dividends to its shareholders**

At the end of 2017, the
Company's cash totaled
R\$ 524.4 million

ADVANCES FOR 2018

Estácio's preparation for the possible merger with Kroton included the creation of the Integra Project, which implemented more than 200 improvements in the Company's financial processes, such as the improvement of supply systems and IT, accounting, billing, accounts payable and others. All internal controls have been mapped and underwent a major restructuring to ensure the reliability of the information and increase the quality and efficiency of management.

In the second half, Estácio revised its cost base to better measure the resources needed for an even more efficient administration. The new budget planning considered concepts of several methodologies, such as the so-called zero-based budget, aiming at achieving efficiency gains. The review identified the most appropriate allocation of resources for the Company's various projects.

Both the Integra Project and the new budget approach will contribute to the compliance with the strategy established for financial management in 2018, which provides for good cash management and the provision of own resources for financing the Company's expansion; the maintenance of the provision of excellent teaching at an affordable cost; and the optimization of the processes of management of teaching costs. IT investments and internal improvements in the units, aimed at better attendance to students, are ongoing, in addition to the expansion of the number of Distance Learning (EAD) centers.



FINANCIAL PERFORMANCE GRI 203-2

The financial data used to prepare the following analysis considered Estácio's consolidated results for 2017.

NET OPERATING REVENUE

In 2017, net operating revenue totaled R \$ 3,379.0 million, an increase of 6.1% compared to 2016, due to the increase of 1.5% in the total student base and the new actions to recover the average ticket. The reduction of discounts and scholarships applied in the last year resulted in a 10.6% increase in the average annual ticket in face-to-face teaching and a 5.9% increase in EAD.

COST OF SERVICES PROVIDED

The costs of services rendered totaled R \$ 1,777.1 million in 2017, compared to R \$ 1,809.0 million in 2016, a reduction of 1.8%. In relation to net revenue, there was a margin gain of 2.2 percentage points in the costs of services rendered, which in 2016 represented 51.9% of net revenue,

compared to 49.7% in 2017. This gain was mainly due to the better management of Estácio's teaching costs, as a result of a more efficient class formation process and a healthier student base. Also contributing to this margin gain was the reduction in the costs of teaching materials, due to the increase in the use of own books, the migration to the digital format and the better inventory management.

GROSS PROFIT

Gross profit increased by 16.5% to R\$ 1,601.9 million in 2017, compared to R\$ 1,375.5 million recorded in 2016, following the growth in net operating revenue and the result of processes implemented to better manage the costs of services provided.

BUSINESS EXPENSES

Commercial expenses totaled R\$ 443.6 million in 2017, against R\$ 376.3 million in 2016, an increase of 17.9%, due to the increase in the allowance for doubtful accounts, basically due to the beginning of the offer of the installment plan in the first quarter of 2017. Additionally, the sale of the receivables portfolio (realized in 2016), a net amount of R\$ 47.1 million, benefited the allowance for doubtful accounts in that year.

GENERAL AND ADMINISTRATIVE EXPENSES

In 2017, general and administrative expenses totaled R\$ 598.3 million. These expenses represented 17.7% of net operating revenue, an improvement of 1.1% compared to 2016. This year, expenses with third-party services decreased by approximately R\$ 10 million, mainly due to the reduction in expenses with consulting and data communication. In addition, expenses with institutional events decreased by R\$ 14 million due to the closure of the Rio 2016 project. It is also worth noting that an expense of R\$ 14 million was recorded with the premium impairment in the acquisition of Nova Academia de Concursos.

NET PROFIT

Net income was R\$ 424.6 million, 15.3% higher than in 2016, due to improved operating results and lower financial expenses.

DIVIDENDS

In 2017, the Company paid R\$ 87.4 million in dividends to its shareholders, corresponding to 25% of adjusted annual net income for the year 2016, pursuant to article 202 of the joint-stock companies' law.

INVESTMENTS

In 2017, Estácio invested R\$ 153.8 million, of which R\$ 96.9 million in maintenance activities, and R\$ 56.9 million in expansion projects, teaching model and information technology. In total, in 2017, investments represented 4.6% of net revenue.

CASH

At December 31, 2017, the Company's cash totaled R\$ 524.4 million, conservatively invested in fixed income instruments, referenced to the CDI, in federal government securities and certificates of deposit of first-tier national banks.

15,3%

increase in net income in 2017 compared to 2016

6,1%

increase in net operating revenue compared to 2016

INDEBTEDNESS

Estácio's bank indebtedness reached R\$ 567.3 million in 2017, a reduction of R\$ 455.2 million compared to 2016, mainly due to the third issuance of debentures, in the amount of R\$ 197 million (in September 2017) and the payment of the first tranche of the issuance of the promissory note, in the amount of R\$ 187 million, in November 2017. The bank indebtedness added to the commitments to be paid related to the acquisitions made (in the amount of R\$ 14.6 million), net of the Company's cash position (in the amount of R\$ 524.4 million), had a net debt of R\$ 144.6 million at the end of 2017.

CAPITAL MARKET

In 2017, the average daily trading volume of Estácio's shares was R\$ 68.8 million, an increase of 92.8% over the previous year, being one of the most liquid shares of B3 SA. The increase in market value of the Company's shares demonstrates the confidence of the entire market in Estácio's potential for execution and in the capacity of the leaders in the generation of value.

Estácio's shares proved to be one of the most liquid assets in the market in 2017

TAX EXEMPTIONS GRI 201-4

Through the University for All Program (Prouni), institutions of higher education, such as Estácio, are favored by certain federal tax exemptions such as Corporate Income Tax (IRPJ), Social Integration Program (PIS), Contribution to Financing of Social Security (COFINS) and Social Contribution on Net Income (CSLL) referring to the revenues of graduation courses and technological graduation. This program was responsible for an exemption from payment of PIS/COFINS on our revenues of R\$ 106.60 million, R\$ 106.95 million and R\$ 101.95 million in the years ended December 31, 2017, 2016 and 2015, respectively.

In relation to IRPJ and CSLL, the adherence to the program by our subsidiaries caused

the effective tax rate on the current value of such taxes to be around 9.53%, 5.58%, and 8.26% in the years ended December 31, 2017, 2016 and 2015, respectively. In this sense, tax benefits totaled R\$ 175.1 million on December 31, 2017.

In addition, Estácio also has tax incentives on the Tax on Services (ISS) for installing in some cities in Brazil. The amount of this incentive in 2017 was R\$ 10,445 million. Other fiscal incentives such as the Rouanet Law, the Federal Sports Incentive Law, the Childhood and Adolescence Fund, and the Elderly Fund are illustrated in the following table, along with other exemptions provided by the Federal Sports Incentive Law and by the Children's and Adolescence Fund (FIA).

Total monetary value of the financial assistance received by the organization from any government (R\$)*

TYPE OF ASSISTANCE	2015	2016	2017
TAX INCENTIVES / CREDITS	R\$ 284,050,326.62	R\$ 280,401,685.48	R\$ 292,170,818.46
PIS & COFINS	R\$ 101,950,000.00	R\$ 106,950,000.00	R\$ 106,602,433.22
IRPJ & CSLL	R\$ 174,400,000.00	R\$ 164,500,000.00	R\$ 175,123,310.30
ISS	R\$ 7,700,326.62	R\$ 8,951,685.48	R\$ 10,445,074.94
ROUANET LAW	R\$ 1,601,200.00	R\$ 2,947,672.37	R\$ 2,843,803.14
CHILDREN'S AND ADOLESCENCE FUND (FIA)	R\$ 200,000.00	R\$ 511,865.34	R\$ 551,408.13
AUDIO-VISUAL	R\$ 100,000.00	R\$ 120,000.00	R\$ 200,000.00
FEDERAL LAW OF SPORTS INCENTIVE	R\$ 337,000.00	R\$ 737,168.09	R\$ 615,833.27

12 thou.

students benefited by the Estácio Installment Program (PAR)

92,2 thou.

students enrolled in the Student Financing Fund (Fies)



ESTÁCIO INSTALLMENT PROGRAM (PAR)

In order to face the more challenging scenario of the Brazilian economy, as well as the reduction of the student base with access to federal public financing programs (Fies and ProUni), Estácio offers mechanisms to promote and access the courses' funding. The Estácio Installment Program (PAR) was made available for the first time to students who joined Estácio in 2017 and allows the extension of payments to monthly students, who pay only 50% of the total amount of the course during the studies and, after graduation, the remaining 50%. The installment payment takes place progressively, starting with the payment of 30% of the monthly fees in the first two semesters; in addition to 40% in the third period, 50% in the fourth and 60% in the fifth. The PAR was responsible for 8.2% of funding in 2017. The initiative benefited 12,000 students in the year, and the Company evaluates in 2018 the project's effectiveness.

Estácio proved, in 2017, its independence from Fies

At the end of 2017, the number of students enrolled in the Student Financing Fund (Fies) was 92.2 thousand, approximately 29.3% of the institution's attendance base. There was a 20.4% reduction in this contingent of students compared to 2016. Excluding the effect of the reduction of the base, the total of students ex-Fies increased by 3.9%, which shows Estácio's differentials to attract new students and the Institution's independence from Fies.

EDUCATION DIMENSION

Estácio's integrated teaching model was updated in 2017

Integrated throughout the country and with unique characteristics - such as the nationalization of curricula and the standardization of its own teaching resources - Estácio's Education Model was updated in 2017 to increase its productivity. The curricula of teaching were revised and began to be implemented in the first half of 2018, with actions to increase the degree of sharing of disciplines between the courses, as well as the adoption of hybrid disciplines. The result of this review is still an even more efficient process of class formation. Through reports and indicators, a new management model presented in May 2017 identifies means to prevent evasion and increase student satisfaction. Through the analysis of students' behavior in virtual platforms, it is possible to evaluate performance and interaction among students.

The year 2017 also represented a moment of strong revision of the processes of capturing students for extension courses (free), face-to-face and EAD. The Market Vice-Presidency worked intensively in the commercialization of courses for corporate

solutions, in the development of the Young Apprentice Project and in the launching of Estácio High School (detailed below).

The EAD courses achieved the best results in the recommendation indicators of the students in 2017. In order to be strongly inclusive, distance learning has grown by combining low investment and high quality of teaching. The great differential of the year was the focus on the improvement of the methodology. The courses have offered shorter classes (10 minutes of recording) with comments of the contents that the student has already studied in "pills". More than 280,000 workshops were attended during 2017; and remote classes were offered at the EAD poles, motivating the students to also go to the units.

INTEGRATION

In the left, Luís Claudio Dallier, Director of Pedagogical Services; Rafael Iório, Director of Research and Extension; and VP of Education, Hudson Mello Junior

280 thou.

EAD workshops were
attended in 2017



HIGHLIGHTS

We are the best private (non-confessional) university in the State of Rio de Janeiro

Among the **10**
best private universities
in Brazil

6 courses
in the top of the ranking
of the municipality of Rio

All the EAD courses
com concept **4**

From **144** courses,
91 appear in the
ranking of the **10**
better from its states

**Continued development in the
improvement of the best teaching
practices**

Innovative teaching
policy focused on
the learning of each
individual

EVOLUTION IN NUMBER OF GRADUATES

The number of students graduated in the last two years demonstrates the success of Estácio in its business strategy and the contribution to the democratization of Higher Education in Brazil and, as of 2018, also for High School. In 2017, nearly 55,000 students of Estácio have graduated, an institutional act of exclusive responsibility of the Institution of Higher Education, which takes care of the organization and the seal of the official ceremony. Students perform the graduation act in the units themselves, at no cost, and may choose to attend a festive ceremony, held with all the infrastructure of a large event. By choosing this celebration, the student will pay a participation fee to Estácio's partner company.

AREAS OF PRACTICE

FACE-TO-FACE TEACHING

At the end of 2017, the number of undergraduate students totaled 314.1 thousand students, 4.7% less than in 2016. This result is directly related to the 20.4% reduction in the number of students enrolled in the Fies program, which accounted for 29.3% of Estácio's attendance base.

Contest Academy

We work with preparatory courses for contests for middle and higher level positions of the Legislative and Executive Branches, public companies, mixed capital companies, as well as courses for administrative positions of the Judiciary. In 2017, classes were attended by 4,113 students in 101 online courses and another 1,909 students in face-to-face classes. While the base of attendance remained stable compared to 2016, the total number of online participants practically doubled.



IN PRACTICE

Students of the Veterinary course in the unit Vargem Grande (RJ)

DISTANCE LEARNING (EAD) GRI 103-2 | 203

In 2017, the EAD undergraduate student base grew by 19.4% over the year 2016, totaling 127,600 undergraduate students and 43,000 postgraduate students. Unlike the previous years, when funding was made in all quarters, EAD changed the strategy and began to attract new students in two periods of the year, as it happens in the face-to-face courses. Thus, it was possible to reduce the operating costs of offered courses.

Another advancement was the accreditation by the MEC of 35 more poles of face-to-face support from the Estácio de Sá University (Unesa), to offer distance courses and the cluster of partner poles by performance. In total, Estácio has 394 distance learning poles for 100% EAD courses (courses with more than 20% of online courses) in 23 states and the Federal District.

In the first half of 2017, undergraduate courses in Philosophy, Geography, Sociology and Theology were launched. Estácio also created a pilot project to offer the graduation course in Production Engineering with virtual laboratories of chemistry, physics and simulation. The pioneering model was tested in 32 poles and the idea is to expand to other courses.

POST-GRADUATION

At the end of 2017, Estácio had 73.6 thousand students enrolled in postgraduate courses, an increase of 2.8% over the year 2016. The highlight of the Graduate course was in the EAD modality, which presented a base increase of 10.2%, with great performance of the partnerships in the process of attracting students. In 2017, the company filed two applications for the offer of doctoral courses in Administration and Family Health.

EXECUTIVE MBA

In the postgraduate area, we had the launch of the Executive MBA, a premium product from Estácio, in December 2017. The first classes - all face-to-face - of an MBA in New Business were offered in the city of Rio de Janeiro and in São Paulo and interior). The contents balance technical and instrumental knowledge with other knowledge aimed at the development of leadership and management. At the beginning of each module, masterclasses are taught with outstanding professionals of the market and at the end of the period, students participate in workshops that reinforce the knowledge acquired.

Other courses offered are: Leadership & High-Performance Management,

Compliance & Risk Management, Strategic Business Management and Innovation, Financial Management and Corporate Strategy, Accreditation and Quality Management in Health, LLM in Business Law and Management of Creative Economy. Estácio believes in the growth potential of this segment, by offering a lato sensu specialization with a more competitive average ticket.

MASTER'S AND DOCTORATE COURSES

Estácio offers five stricto sensu post graduation programs, of which three make up the masters and doctorate courses (Law, Education and Dentistry) evaluated with grades 4 and 5 by the MEC. There are three academic master's degrees (Law, Education and Dentistry) and two professionals (Business Administration and Development and Family Health).

FREE COURSES

More than 900 free courses are available in an online environment as part of the business diversification strategy. Through a partnership with U.S. group Udemy, one of the largest in the world in the segment, the company offers short-term training in several areas. There are 3 thousand courses in Portuguese and more than 40 thousand courses in several languages. Another partnership, closed with the UOL group, expanded Estácio's offer of free courses, which totaled more than 1,500 courses.

In 2018, the Company also reactivated the Vacation Courses project, which offers opportunities for those who are still defining which graduation to enter. It's the chance to learn new skills and get to know

Estácio's facilities. During the year, more than 250 courses will be opened, adding up to 2,500 classes across the country.

CORPORATE SOLUTIONS

Estácio also offers courses developed in a totally customized way for companies and their employees. The contents are created in partnership with the corporate universities of the companies and the platform of Educare, attending to specific demands.

LIDERES CARIOCAS

The Líderes Cariocas project was created for the City of Rio de Janeiro in 2017. A total of 3,200 municipal public employees applied for 400 vacancies offered in a management training course, part of the development of the new managers of the City. At the end of the course, in addition to the qualified



servers, we also gave a ranking of the candidates most likely to become managers, according to a potential assessment carried out during the course.

TRANSFORMA PROJECT

In 2017, we concluded with the Brazilian Olympic Committee the execution of the Transforma project, aimed at teachers of Elementary and Middle School, mainly public schools. The goal is to enable teachers to use Olympic values and sport as a transformative agent. In its execution phase, in 2018, Transforma will be able to serve up to 3 thousand users, number that will rise to 12 thousand in 2019 and 25 thousand in 2020.

FACE-TO-FACE

Students in unit Via Brasil (RJ): means of access to classes multiplied in 2017

1,500
approximate number
of free courses offered
by Estácio



HIGH SCHOOL

Students from the Estácio School: first course has 13 classes in eight units

Estácio School is the Company's first incursion into High School and has eight units

Each year, a trail of approximately 36 hours with diverse contents will be offered, adding, at the end of the three years, more than 100 hours of training available to teachers from all over Brazil.

MBA IN BREWERY MANAGEMENT

As for the beverage company Ambev, Estácio formatted the MBA in Brewery Management, started in 2017 with a pilot group that will complete the course in 2019. The hybrid program (with face-to-face meetings and distance learning), the MBA has customized content and prepared in conjunction with Ambev, tailored to the company's specific needs (including production schedule and execution details). There are plans to start up another four classes in 2018.

ESTÁCIO SCHOOL: INCURSION IN MIDDLE SCHOOL

Estácio, one of the largest private higher education groups in the country, entered the high school segment in 2018. In this first phase, eight units of the Estácio School were opened in the state of Rio de Janeiro: Rio Comprido, Taquara, Madureira and Ilha do Governador, Duque de Caxias, Niterói, São Gonçalo and Cabo Frio. We started classes of the first grade of High School in all units, totaling 13 classes. The monthly fees vary from R \$ 490 to R \$ 695, with the launch discount of 50%. All students enrolled in 2018 had school insurance, a one-year online English course and teaching materials, all at no additional cost.

Among the differentials of the Estácio School are the experience of the teaching staff (teachers who already integrate vocational training programs in the Institution) and the existing infrastructure in Higher Education units such as libraries and laboratories. The project includes a partnership with Pearson, one of the largest education companies in the world, to use the Don Bosco education system, which seeks to work on the student's intellectual training and citizenship. The Company has been studying the basic education market in a judicious way, with the support of specialized consultancy surveys, since the year 2015. We believe it is a highly promising market, with opportunities also for distance education, which will depend on specific regulation from government. In addition to preparing for university entrance, Estácio School will offer technical vocational training for high school students with a focus on employability.

COURSE EVALUATIONS

According to the results of the Enade 2016, released by the Ministry of Education (MEC), among the 144 courses of Estácio evaluated, 19 received Preliminary Course Concept (CPC) equal to 4, in the scale that goes from 1 to 5. Of these, 16 had an improvement in the concept compared to the evaluation carried out in 2013. All courses at Estácio evaluated by MEC have the teaching model of the group fully implemented, which resulted in a quality jump in the results of the evaluations. Thus, according to the general index of courses evaluated by the National System of Evaluation of Higher Education (Sinaes), Estácio maintained the position of 2nd best private university in Rio de Janeiro.

In relation to the on-site visits, in 2017 the MEC made 127 visits to verify courses and 41 visits of poles and Institutions. 100% received grades 3, 4 or 5 on a scale of 1 to 5.

The good evaluation in stricto sensu postgraduate courses (masters and doctoral courses) has been maintained, according to the scale of the Coordination of Improvement of Higher Education Personnel (Capes). The Master and Doctorate in Law with note 5 are highlights in the state of Rio de Janeiro. The quality attested by note 4 of the Master's and Doctoral Degrees in Education and Dentistry, the same evaluation of the Professional Master's in Business Administration and Development and in Family Health, indicates the excellence of these courses.

BEST RESULTS

Master's and Doctorate
in Law with the 5th
grade in Capes

2nd best private
university in Rio de
Janeiro



ACCREDITATION OF NEW INSTITUTIONS GRI 203-2

During the year 2017, the MEC published the ordinances of accreditation of seven other Estácio Institutions:

- Faculdade Estácio de Ananindeua (approved with grade 3 in the on-site evaluation visit - scale from 1 to 5), located in the municipality of Ananindeua, state of Pará, with the authorization to offer the following courses: Superior Course of Technology in Management of Human Resources, with 150 vacancies per year; Administration (Bachelor's degree), with 150 vacancies per year; Accounting Sciences (Bachelor's degree), with 150 vacancies per year; Information Systems (Bachelor's degree), with 150 vacancies per year; and Pedagogy (Licentiate Degree), with 150 vacancies per year.
- Faculdade Estácio de Barbacena (approved with grade 4 in the on-site evaluation visit - scale from 1 to 5), located in the municipality of Barbacena, state of Minas Gerais, with the authorization to offer the following courses: Pedagogy (Licentiate degree), with 200 annual vacancies; Superior Course of Technology in Human Resources Management, with 200 vacancies per year; Accounting Sciences

(Bachelor's degree), with 200 vacancies per year; and Administration (Bachelor's degree), with 200 vacancies per year.

- Faculdade Estácio de Bauru (approved with grade 3 in the on-site evaluation visit - scale from 1 to 5), located in the city of Bauru, state of São Paulo, with the authorization to offer the following courses: Accounting Sciences (Bachelor's Degree), with 100 vacancies per year; Superior Course of Technology in Logistics, with 100 annual vacancies; Administration (Bachelor's degree), with 100 vacancies per year; Superior Course of Technology in Human Resources Management, with 100 annual vacancies; and Superior Course of Technology in Marketing, with 100 annual vacancies.
- Faculdade Estácio de Cascavel (approved with grade 3 in the on-site evaluation visit - scale from 1 to 5), located in the municipality of Cascavel, state of Paraná, with the authorization to offer the following courses: Accounting Sciences (Bachelor's degree), with 100 vacancies per year; Administration (Bachelor's degree), with 100 vacancies per year; Superior Course of Technology in Financial Management, with 100 annual vacancies; Superior Course of Technology in Human Resources Management, with 100 annual vacancies; and Superior Course of Technology in Marketing, with 100 annual vacancies.
- Faculdade Estácio de Imperatriz (approved with grade 3 in the on-site evaluation visit - scale from 1 to 5), located in the municipality of Imperatriz, state of Maranhão, with the authorization to offer the following courses: Accounting Sciences (Bachelor's degree), with 130 vacancies per year; Administration (Bachelor's degree), with 200 vacancies per year; Superior Course of Technology in Human Resources Management, with 130 vacancies per year; Superior Course in Technology in Marketing, with 130 vacancies per year; and Superior Course of Technology in Logistics, with 130 annual vacancies.
- Faculdade Estácio de São José do Rio Preto (approved with note 3 at the on-site evaluation visit - scale from 1 to 5), located in the city of São José do Rio Preto, state of São Paulo, with

7

new educational institutions were accredited in 2017

1.584

number of new vacancies made available in 2017

the authorization to offer the following courses: Superior Course of Technology in Human Resources Management, with 100 vacancies per year; Accounting Sciences (Bachelor's degree), with 100 vacancies per year; Administration (Bachelor's degree), with 100 vacancies per year; Superior Course of Technology in Financial Management, with 100 annual vacancies; and Superior Course of Technology in Logistics, with 100 annual vacancies.

- Faculdade Estácio de São José dos Pinhais (approved with grade 4 in the on-site evaluation visit - scale from 1 to 5), located in the municipality of São José dos Pinhais, state of Paraná, with the authorization to offer the following courses: Superior Course of Technology in Financial Management, with 100 annual vacancies; Accounting Sciences (Bachelor's degree), with 100 vacancies per year; Superior Course of Technology in Marketing, with 100 annual vacancies; Superior Course of Technology in Human Resources Management, with 100 annual vacancies; and Administration (Bachelor's degree), with 100 vacancies per year.

INCREASE OF VACANCIES IN THE COURSES OF HIGHER EDUCATION INSTITUTIONS

During the year 2017, the MEC granted 15 applications for vacancies for courses of the Estácio Institutions that do not have autonomy prerogatives, including some Law and Psychology courses, totaling 1,584 new vacancies for Estácio IESs.

OPPORTUNITIES

In 2017, Estácio accredited new institutions in five states



Mais Médicos Program

GRI 103-2 |203

The Mais Médicos Program (PMM) is part of a broad effort by the Federal Government, with the support of states and municipalities, to improve service to users of the Unified Health System (SUS). On August 2, 2017, the Authorization Ordinance of the Medicine Course of the Angra dos Reis Campus of the Estácio de Sá University was published, with 55 total vacancies per year, after a monitoring visit of the MEC held in July 2017. The Mais Médicos Project was responsible for the opening of the new units (construction, agreements, hiring of teachers) and the offer of 880 vacancies scheduled for 2018. Since 2017, Estácio offers the Medicine course in Angra dos Reis (RJ); in 2018, new courses were opened in Jaraguá do Sul (SC), Alagoinhas and Juazeiro (both in the state of Bahia).

The main difference brought by the institution is the Laboratory of Skills and Simulation (LSH), where students have the opportunity to systematically practice the skills and competences necessary for future contact with the patient. The course also has a complete library, computer lab and living areas for students.

In Alagoinhas and Juazeiro, it is also worth mentioning the inclusion of the students, from the first period, in the public health network, giving the possibility of helping teachers in assisting the local population. For this, an agreement was signed with the municipal governments of the two cities.

MAIS MÉDICOS

Medical students from the Angra dos Reis unit (RJ), in an event at the opening of the course

ACADEMIC MODEL

The Estácio Teaching Model began to be implemented in 2010, built by thousands of teachers of the institution throughout the country. The curricula of the courses are integrated throughout Brazil, which allows the preparation of evidence from a robust database of questions and the generation of data that allow constant evaluation and improvement in teaching. With investments in the Teaching Model, Estácio achieved positive concepts in 96% of the courses evaluated in 2016, all over Brazil.

With the contribution of approximately 4.5 thousand teachers, during the year 2017 were produced about 133 thousand new questions, feeding a database with more than 400,000 questions of tests. This feature enables integrated national tests and detailed results analysis - which can identify deviations, ranking, averages and performance percentages at all levels (per student, class, unit, course, region) to be performed.

In 2017, the Institution began to make a new transition, towards a hybrid pedagogical model. The didactic material gained a broader concept, starting with the proposal of books suitable for learning material. The idea was to add all the content of the EAD platform to the students of the face-to-face courses. The different learning objects produced or cured by Estácio are available in digital format in a single space, SAVA (Learning Virtual Classroom) (read more on page 74).

With the recent generation of 86 curricular matrices (with hybrid disciplines), implemented from January 2018, the classroom becomes a place for content fixation, and the teacher will act as a great facilitator of the whole process of learning. The concept of online tutoring was also revised in 2017, to give the study an increasingly collaborative format among students.

The proposal of the new policy - innovative in Higher Education in Brazil - is to identify the best learning channel for each student and to promote increasingly the integration between the classroom and the virtual environment. The traditional methodologies should give more and more space to other, more active, that give protagonism to the student and offer the teacher resources for a more collaborative pedagogical mediation, attuned to the new media.

The teaching policy also foresees the implementation, from 2018, of the Inverted Classroom methodology (read more in the section Our methodology and pedagogical resources) and the learning communities by discipline (virtual means for interaction of students through forums where the students themselves will respond to the doubts of colleagues, and the teacher will function as a great "moderator").

Four Estácio units participate in the Mais Médicos Program of the Federal Government

EAD NEW COURSE PROGRAMS

The new curriculum is part of a modernization of the courses, whose main objective is to provide a better use of the studies and to follow the demands of the labor market. By reducing the number of subjects per semester, students can manage their time more efficiently. We migrated 17 of our 32 courses, chosen due to the greater need to update the contents, the large number of students and their importance to the market. Are they:

- Administration;
- Systems analysis and development
- Accounting Sciences;
- Foreign trade;
- Environmental management;
- Commercial management;
- Information Technology Management;
- Human resource Management;
- Information systems;
- Logistics;
- Marketing;
- Pedagogy;
- Management processes;
- Financial management;
- Hospital management;
- Public management;
- Social service.

In different learning paths, students are invited to interact more with the various learning channels. Since the first half of 2018, the criteria for renewal of enrollment and choice of courses in EAD courses have been modified. Estácio defined the inclusion of a maximum of five subjects per period. Several subjects that were previously compulsory became optional, which allows the student to choose subjects of his or her greatest interest. All this without changing the total course load. Our students gain a more modern curriculum, more competitive and more appropriate to the current moment without any kind of academic or administrative loss.

17

EAD courses passed through modernization of curricula



OUR METHODOLOGY AND PEDAGOGICAL RESOURCES

For the development of innovative pedagogical tools, Estácio counts on the support of the Educational Technologies Board (strategic area of the VP of Education), formed by a multidisciplinary team divided into four fronts (Development and Production, New Technologies, Curatorship and Studies). In this context, they include applications, textbooks, online interactive content, games, software, virtual environments and other products.

• Virtual Learning Room (SAVA):

One of Estácio's main differentials is the Virtual Learning Room (SAVA), a digital platform created by the institution that guarantees interactivity between students and teachers. The media convergence model represented by the SAVA concept is able to bring together in a single virtual environment all the available didactic resources, such as books of the Virtual Library, video lessons, study routes, presentations of classes in PPT and many others.

- **Classroom of the Future:** focusing on the best use of mobile devices in the process of everyday learning, the concept of Classroom of the Future has made advances such as the replacement of computers and data show by Telion, an interactive screen.
- **Game Center:** this digital platform uses educational games as tools for learning and simulating situations in the professional context of students in the future.
- **Digital books:** we reached the mark of 108 textbooks produced by Estácio and made available in virtual environment for teachers and students in 2017. In 2017, we reached the offer of more than 72 new online subjects and 51 smartbooks, an interactive book model that represents an evolution of e-book.
- **Inverted classroom technology:** A new concept that will be implemented in all undergraduate courses starting in 2018. The Inverted Classroom changes the place where the content presentation happens and thus transforms the meeting with the class when using active learning strategies. The students will be invited to know a previous itinerary of studies with hybrid activities.

Another digital novelty to be presented in 2018 is the HUBE project, an integrated ecosystem of teaching to provide new experiences to students in the virtual environment that include new content formats, better usability and navigability.

ACADEMIC REINFORCEMENT PROGRAM

The monitoring of the Academic Reinforcement Program continued in 2017, in order to strengthen learning management strategies and increase the retention of our student base,

- **Assessing Learning:** more than 75% of the student base attended preparatory simulations to the evaluations.
- **New Chance:** More than 62 thousand students participated in a parallel recovery program, with chances of reversing negative performance results.

- **Prepare:** We recorded more than 203,000 accesses to the live review classes before the main events.
- **Recovery:** Alternative for the students who fail, attending the discipline in the same semester, in less time and without impact in the academic progression, when approved. Offer more than 600 subjects in Recovery.

AGENDA STUDIO

All the classes that the students attend in the virtual environment are recorded in the Estácio studios, and all the production is carried out by professionals of the Institution. A management tool enables the planning of recordings, ensures the allocation of spaces and provides products with better quality. In 2017, 1,200 schedules were registered in this portal.

HIGH SCHOOL

The Estácio Schools take advantage of the infrastructure of the existing units



VETERINARY

Course students
at the Vargem
Pequena unit (RJ)



COMPLEMENTARY ACADEMIC ACTIVITIES

Guided by the transversal axes Citizenship; Scientific-Academic, Employability, Entrepreneurship and Innovation; and Sustainability, Estácio promotes the development of skills and values that go beyond the specific training of its courses. Through the offer of Complementary Academic Activities (AAC), its entire student base receives a multidisciplinary training, which makes up approximately 7% of the total hours of undergraduate courses, representing, on average, 180 hours per course. This represents a more diversified training for its students and a differential in the teaching methodology of the company.

ZERO DOUBTS PROGRAM

In 2017, Estácio opened a new relationship channel with its students: it launched the Zero Doubts Program to clarify students' academic or non-academic questions.

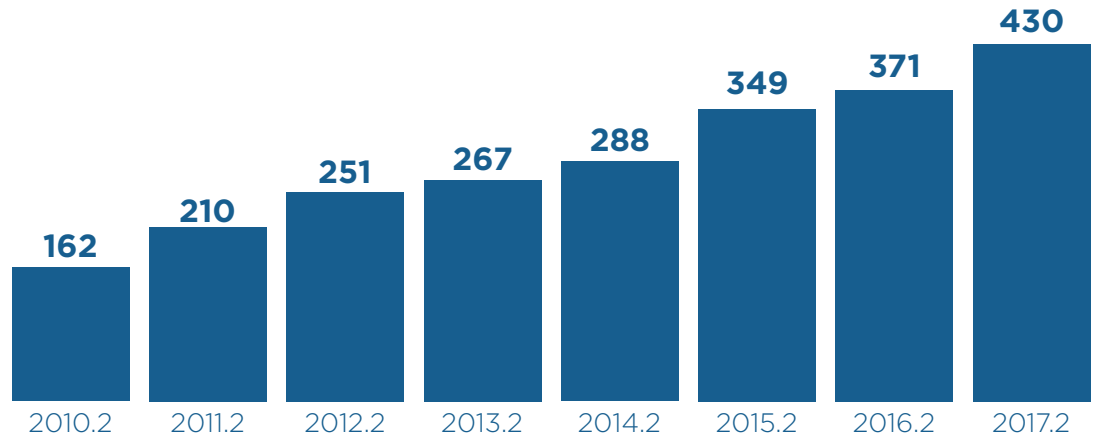
AULA PÓS SYSTEM

Launched in 2016, the Aula Pós program was consolidated in 2017. It is a tool for classroom students, in which the necessary material for their subject is made available, such as teaching plans, lesson plans and contents prepared by their teacher. In addition, it is possible to carry out the activities and make an evaluation of the quality indicators of the course.

RESEARCH AND INNOVATION

Estácio continuously develops initiatives to stimulate research and, since 2010, measures the scientific production of its teachers. The results of this strategy have been positive. In 2017, we achieved the highest Index of Productivity in Undergraduate Research in the three-year period (IPPGR3), considered a relevant indicator for the analysis and monitoring of advances and the expectation for 2018 is a 3.2% increase.

Evolution of National IPPGR3



The result of the Research Productivity Index was the best in three years

SCIENTIFIC INITIATION AND PRODUCTIVITY RESEARCH

In order to stimulate the deepening of the knowledge of its students and teachers, Estácio continued the programs of Scientific Initiation and Productivity Research. These are institutional initiatives that motivate academic research and promote the work of the participants. In the Scientific Initiation Program, 795 scientific initiation projects were selected with the participation of 1,956 students, distributed in 41 Estácio Institutions.

The Productivity Research Program, in the form of help for Productivity in Research from CNPq, aims to stimulate the development of research projects and encourage scientific production. In 2017, 116 productivity research projects were selected from two Estácio Institutions, and were launched Program Notices for

implementation in all Estácio's University Centers, whose projects will begin in 2018, totaling 13 Institutions.

ESTÁCIO RESEARCH SEMINAR

Another project that contributes to the promotion of research is the Estácio Research Seminar. In its ninth edition, 2,563 abstracts of scientific works from 158 educational institutions were registered, with more than four thousand participants. This total includes undergraduate courses works (TCC); the monographs of specialization courses or MBA; master's dissertations and doctoral theses; in addition to scientific initiation projects and others. In addition to the presentation of projects linked to institutional research programs and the effective participation of Estácio's stricto sensu Post-Graduation Programs, the event offers integration and communication between researchers from our and other institutions, where the knowledge produced is shared.

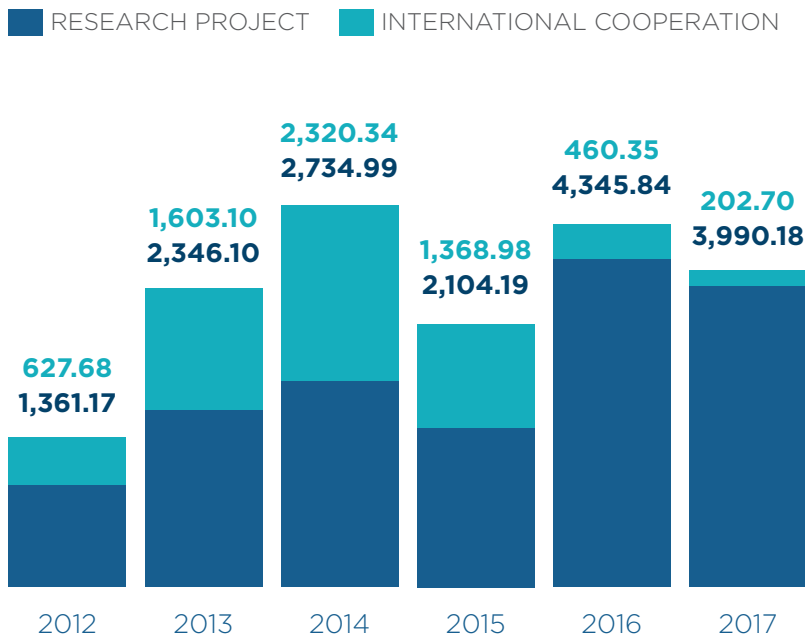
MASTER'S AND DOCTORATE SCHOLARSHIPS

Created in 2016, Unesa's Masters and Doctoral Scholarship Policy has collaborated to raise the qualification of teachers, active collaborators and ex-students of Estácio in the Stricto Sensu Graduate Program. In 2017, 110 people were benefited.

RAISING OF EXTERNAL RESOURCES

Estácio invested R\$ 3,990,166.54 in research projects and R\$ 202,697.36 in International Cooperation through international development and cooperation agencies (exchanges and sciences without borders).

AVAILABLE RESOURCES (MM)



INTERNATIONAL PARTNERSHIPS

Through the Applied Research Department (DPA), Estácio encourages and disseminates the technical-scientific production of its faculty, student and administrative bodies. In this scenario and in view of the relevance gained by the internationalization of higher education, this Department has the International Cooperation Consulting (ICA). The area acts in the celebration of agreements with foreign institutions, exchange of students and teachers, besides the development of researches with international collaborations.

In order to advise students who wish to have an international experience, Estácio has launched the 1st International Cooperation Seminar, identifying opportunities in companies abroad for students interested in exchange processes.

Based on these objectives, in 2017, Estácio maintained joint activities with the following institutions: Mercer University (United States), Northumbria University (United Kingdom), Universidad de los Andes (Chile), Universidad de Burgos

(Spain), Universidade do Porto, Lusiada and Instituto Superior Técnico de Lisboa (Portugal), and University of Reims Champagne-Ardenne (France). The complete list of partnerships established by Estácio can be accessed in <http://portal.estacio.br/quem-so-mos/assessoria-de-cooperacao-internacio-nal/parcerias-internacionais-em-vigor/>

EXTENSION

Estácio's mission is to integrate academia and management to offer a transformative education to the greatest number of people, creating a positive impact on society. To this end, it promotes community participation in the academic environment through various initiatives. In 2017, Estácio invested in the mapping of projects and extension activities up to then developed to expand and analyze new possibilities for implementation in 2018. Two projects deserved mention: the Social Extension Project: Núcleo Educação e Trabalho - Unesa and the Project "Dialogue on Popular Education in Health" (DIEPS) in Alagoas - Estácio FAL.

SABERES QUILOMBOLAS

Since 2015, Estácio Belém and Filhos do Quilombo Project have maintained a partnership that develops several actions to improve the quality of life of the members of the quilombolas communities Africa and Laranjituba. The creation of water filters with natural residues should be highlighted; home garden; georeferencing for the expansion of internet and voice resources; the identification of the socioeconomic profile of the community; the creation of a pole with computers to access the Internet for the purpose of communication, learning and training of young quilombolas in the laboratories of Estácio to learn about maintenance of computers and electrical systems.

In 2017, more than 80 families living in the communities were benefited, in actions that had the protagonism of the students of several undergraduate courses of the IES, such as Administration, Production Engineering, Control and Automation and Telecommunications and the teaching staff.

TRAINING OF YOUNG APPRENTICES

Estácio expanded the negotiation of partnerships with institutions representing the business segment to increase the

provision of training, primarily for young people in the process of assisted freedom. Eleven hundred courses have already been created in 62 Estácio units for the training of Young Apprentices (from 14 to 24 years old). According to the rules of the Ministry of Labor, these young people who are going through the first experience of employment are hired by companies, as long as they can reconcile the workload of learning from professional practice with the educational activities.

MARKET PROSPECTION

In 2017, the sales team was expanded and strengthened. The strategy of attracting students required the use of several channels, among which a sales team with consultants specialized in education. Among the fundraising actions, the presence of Estácio in high schools was highlighted, promoting our products and services; the visitation to companies to sign partnerships, presentation and sale of our courses; the holding of events in shopping malls and educational fairs; the field performance during the Enem period; and the realization of trade actions in the commerce and in places with great flow of our target audience. The use of a specialized sales force allows Estácio to bring more detailed information about our institution, as well as to capture a greater number of leads and future students.

The priorities for 2018 start by planning all activities and actions throughout the year, stabilizing the sales force and developing commercial talent, and strengthening the marketing area by researching and creating new products and services. New tools will allow greater control in the granting of scholarships, reinforce student loyalty and consequently reduce evasion.

An annual tradition, the Aula Nacional invited in 2017 the president of Google Brazil, Fábio Coelho



RELATIONSHIP WITH STUDENTS

Every year we promote welcome activities for new undergraduate and graduate students (face-to-face and distance learning). In 2017, the traditional Aula Nacional, broadcast all over Brazil, had as invited lecturer the president of Google Brazil, Fábio Coelho. As early as 2018, the guest was Paula Bellizia, president of Microsoft Brazil. In order to welcome the EAD freshmen, the pole coordinators play a key role in the presentation of the learning environment, in the access to digital didactic material and in the relationship channels, as well as programs such as Estácio Carreiras and the Virtual Campus, among others.

ALUMNI PROGRAM

Created in 2013, the Alumni Program aims to cultivate relationships with students and alumni through actions that strengthen ties of friendship with classmates and provide opportunities for networking and professional development. There are a number of benefits offered as an exclusive career guidance service, job portal with more than 30 thousand companies registered in Brazil, discounts in the second graduation and in graduate courses and contest academy.

Among those students who are completing their undergraduate courses and who, in turn, will join the gallery of graduates, are selected those who obtained the highest Coefficient of Performance (CR), who receive a scholarship for a course of Postgraduate / MBA lato sensu.

STUDENT JOURNEY

Based on the concepts of the Alumni Program, the Student Journey is a new proposal of the relationship program for student loyalty from 2018 onwards. The idea is to know very closely the profile of the students from entrance to graduation and post- identifying the demands and career moments of the student and former student.

ESTÁCIO CARREIRAS PORTAL

Employability is one of the indicators that Estácio is fulfilling its mission of Educating to Transform. For this, the company offers support for the achievement of employment or internship, signing agreements and partnerships in the market. The Estácio Carreiras Portal (www.estaciocarreiras.com.br) is a professional orientation service for students and graduates of the Institution. The Portal de Vagas (www.vagasestacio.com.br) serves as a channel for the dissemination of internship opportunities and job vacancies, as well as guidance for students on labor market trends.

MAIN PROJECTS DEVELOPED IN 2017

- Conduct of the 1st Journey of EAD students, aiming to identify the main "pain points" that prevent student satisfaction.
- Implantation of the chat within the virtual environment, aiming to offer students support regarding academic subjects and guidance on how to study online.
- Constant review of communication with students through didactic videos and made available in the practical guide (www.guiapraticoead.estacio.br) and pieces of e-mail marketing.
- Curriculum Month EAD: Live lectures with specialists on employability and career with the participation of more than 22 thousand students.
- Constant updating of the knowledge base to give subsidy to Call Center Attendance and constant monitoring of the attendance, aiming for feedback of the operation and improvement of processes and communication with the student.

18,979

Internship vacancies offered

40,843

Job vacancies offered

78,955

Students registered for compulsory internship vacancies

51,384

Students enrolled for non-compulsory internships

9,284

Customer Service Estácio Carreiras

1,878,804

Accesses in Vacancies portal

In 2017, we reached about 1.9 million accesses in the Vacancies Portal

STUDENT SATISFACTION SURVEY

GRI 102-43, 102-44

Student satisfaction is monitored daily through the requirement efficiency indicator and complaints. Based on the results of Estácio's Institutional Evaluation, the Student Satisfaction Index (ISA) is generated. The ISA is composed of the teachers' evaluation average (students evaluating teachers) and the evaluations of the units (students evaluating the units). That is, it is the combination of our efficiency in academic and operational levels.

The Institutional Evaluation (or self-evaluation) is one of the complementary instruments of the National System of Evaluation of Higher Education (Sinaes) that seek to ensure the national process of evaluation of Higher Education Institutions, undergraduate courses and the academic performance of its students.

ISA RESULTS 2017

STUDENT SATISFACTION INDEX (ISA)

SUB MODALITY	2014.2	2015.1	2015.2	2016.1	2016.2	2017.1	2017.2
EAD 100%	3.79	3.71	3.79	3.93	4.03	4.16	4.20
FLEX	3.62	3.53	3.63	3.81	3.82	3.94	4.00
FACE-TO-FACE	3.67	3.67	3.72	3.84	3.87	4.00	4.01

STUDENTS' CLUB

The Students' Club is an initiative of Estácio that establishes covenants and partnerships with companies to offer benefits to its students and employees. In an online environment and accessed by the Virtual Campus, the Students' Club concentrates all Estácio partnerships that generate direct benefits to students. In 2017, the company established new partnerships with entities such as Magazine Luiza. Others associated with the program: Mobile, Etna, O Globo and Red Bull.

This segment is also responsible for services such as control of the information base of students enrolled in Fies, issuing of slips, proofreading, as well as coordination of purchases and suppliers.

2017 RESULTS

233,792
corrected essays

50,276
registered contests

726,896
student requests met

527,746
calls from internal customers served

105,775
payments made

SHARED SERVICES CENTER (CSC)

The Shared Services Center (CSC) is a Board of Directors oriented to provide administrative support services and to meet the needs and demands of the company's internal customers (units and corporate areas) within a timely manner, seeking standardization of processes, improvement in the quality of deliveries, increased productivity, maximizing the use of its resources with control of the executed processes.

The area is focused on the integration and management of assets acquired by Estácio.



ENVIRONMENTAL DIMENSION

The main advances in the management of the impacts of our activities on the environment in 2017

JOÃO UCHÔA (RJ)

Unit participates in the Environmental Management Plan

With the continuous adoption of good practices in the management of natural resources, Estácio has maintained its efforts to achieve excellent results in the environmental area. In 2017, processes for saving inputs and maintaining corporate strategies strengthened the environmental management system in the Company's units, with advances in topics such as reduction of water consumption, electric power and paper use and in the treatment of solid waste.

The new units of Estácio have been planned with sustainability criteria that will contribute to the economy of resources and to the eco-efficiency in the long term. In this sense, we can highlight initiatives such as the water reuse system in Vargem Pequena (RJ) and the lighting structure (with LED lamps in enclosed spaces and use of natural light in living areas). In addition, the buildings of the units are also adapted to ensure the accessibility conditions of the public. Practical examples of the adoption of these guidelines were given in 2018 with the inauguration of three medical units (Alagoinhas and Juazeiro, Bahia, and Jaraguá do Sul, in Santa Catarina), whose construction included the implementation of Solid Waste Management Plans (PGRS) and the appropriate structure for performing the selective collection.

In addition to the PGRS, the Company has an Environmental Management Plan and a Maintenance Plan for Effluent Treatment Stations (ETE) for the units that have these facilities. The evaluation of environmental requirements is a mandatory item of our Management Excellence Program (PEG) and every year performance points are distributed, depending on the results achieved by the units.

HIGHLIGHTS OF RESULTS

30

Environmental licenses or exemptions issued in 2017

12

Regulated grants for the use of wells

75%

of units with implanted PGRS meeting the 70% target for 2017

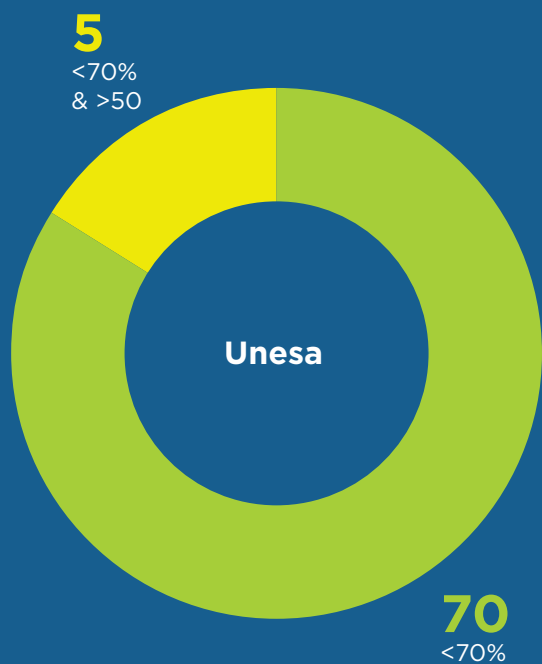
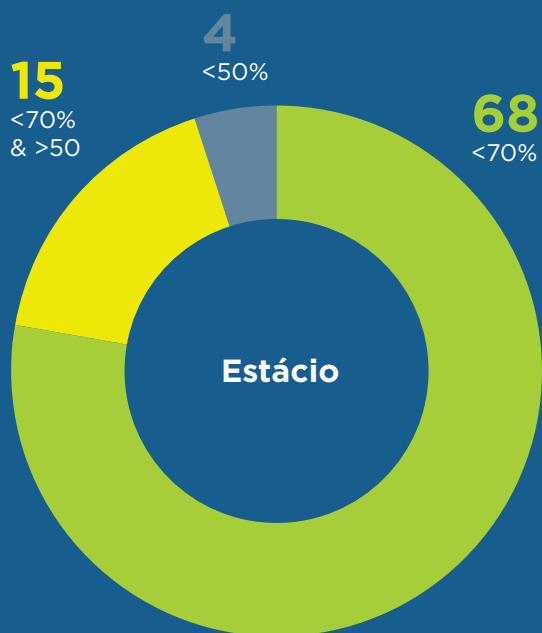
78%

of units with a score above 70% in Environmental Requirements Assessments

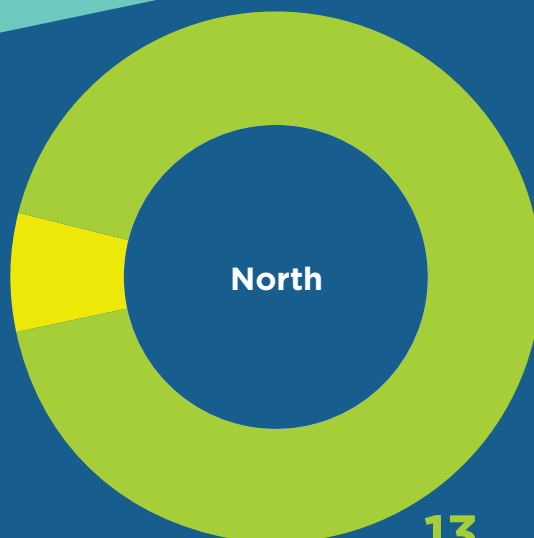
The search for the reduction of consumption of water, electricity and other inputs was one of the highlights

PERFORMANCE IN ENVIRONMENTAL MANAGEMENT OF UNITS BY REGION

The charts below show how many Estácio units met their environmental requirements assessment goals in 2017.*

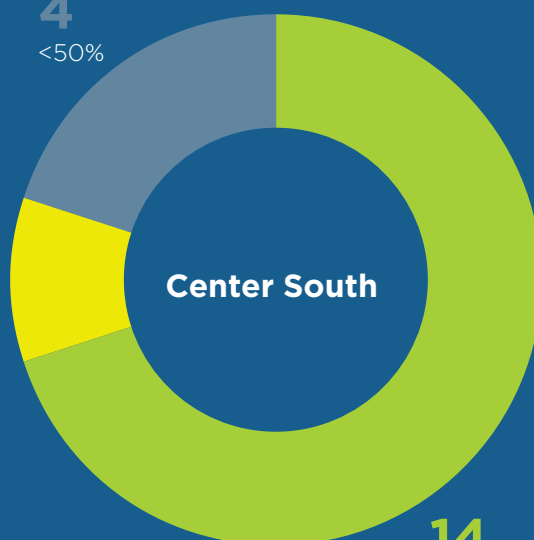


1
<70%
& >50

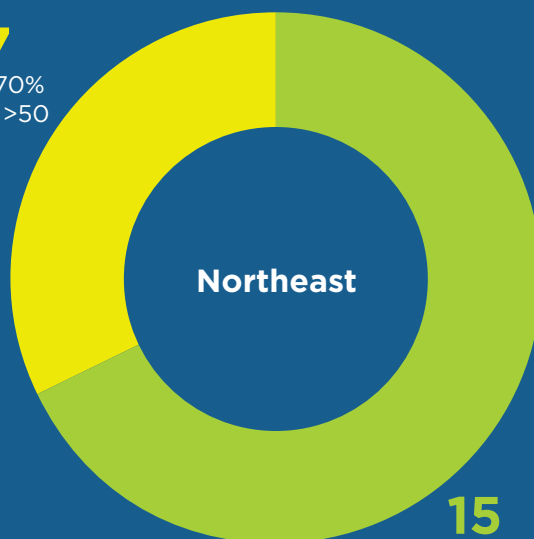


4
<50%

2
<70%
& >50



7
<70%
& >50



* The responsible area mediated the performance in 87 units in the year 2017.

ADVANCES ASSOCIATED
WITH ENVIRONMENTAL
REQUIREMENTS

- Implementation of the Estácio Energy Master Plan
- Reduction of absolute power consumption: 1,569 MWh
- Average consumption per student: 11.0 KWh, same levels as in 2016
- Continuity of the awareness campaign on energy and water consumption for Estácio units

2017 MANAGEMENT INITIATIVES

ENERGY

Power Consumption

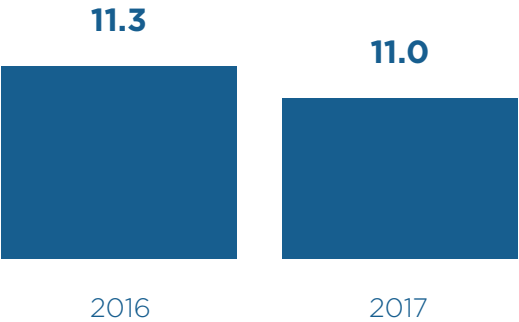
There was a small increase in total energy consumption in 2017, corresponding to 2.47% above the total registered in 2016. The per capita energy consumption per student (average consumption of each student per year) was maintained at practically the same levels of 2016 (11.0 KWh per student).

LED Deployment

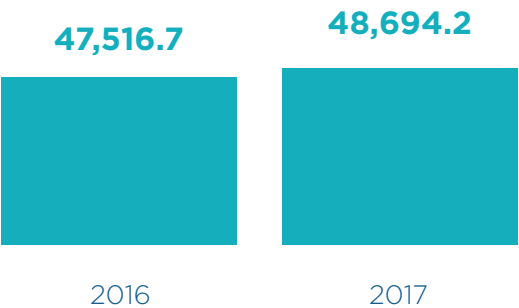
In the year 2017, 25 units benefited from the implementation of the LED light system. At all, 59 of the 93 units have already changed the system to reduce electricity consumption.

PER CAPITA ENERGY CONSUMPTION
Kwh/Student

The project of implantation of LED lamps has been extended to 59 units



EVOLUTION OF ELECTRICITY CONSUMPTION
2016 X 2017 Mwh



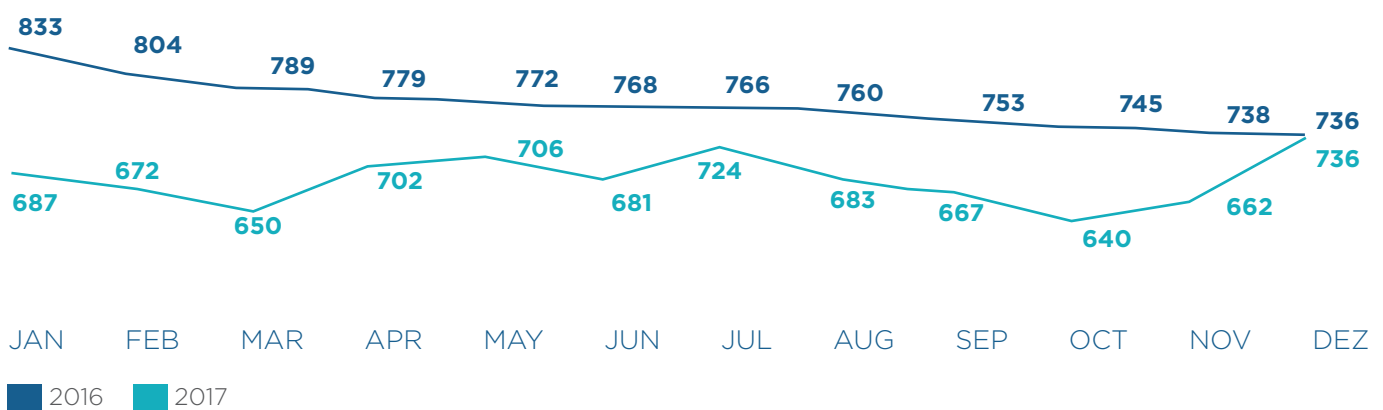
Estácio Project in the Free Market

In 2017, Estácio achieved a 50% rate of energy consumption from the Free Market in more 13 of its units. As a result, the total number of units integrated into the project has reached 40. The Free Market is a competitive environment for the negotiation of electricity, in which participants can freely

negotiate all commercial conditions, such as supplier, price, contracted quantity, procurement period and conditions of payment, among other conditions.

The evolution of tariffs (total expenses year/total consumption year in R\$) showed a decrease of 9% in 2017 compared to the year 2016.

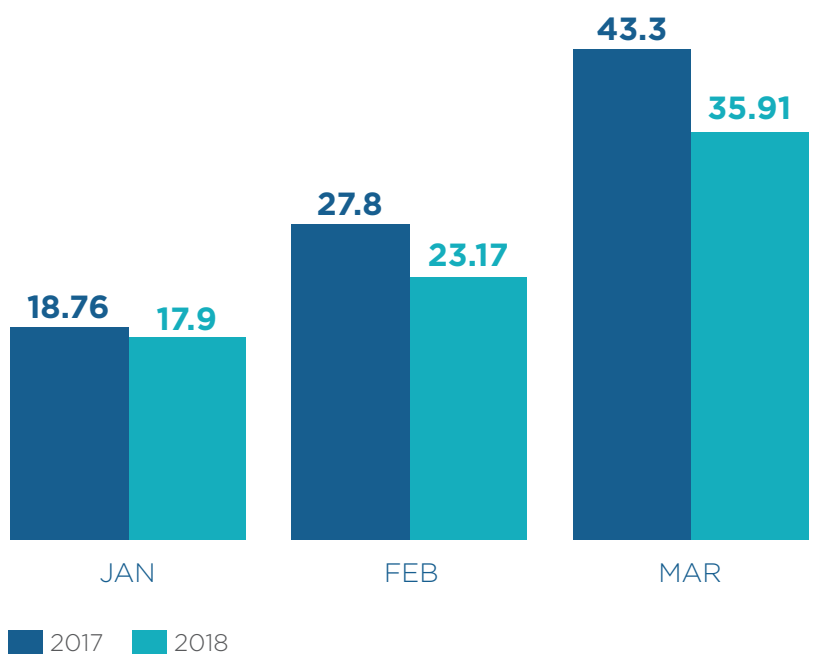
TARIFF EVOLUTION R\$/Mwh



PILOT PROJECT FOR MANAGEMENT OF AIR-CONDITIONING CONSUMPTION

Estácio bet in 2017 on a pilot project called Air Conditioning Consumption Management, which proposes the use of presence sensors in order to control the on / off function of the appliances - which avoids unnecessary energy expenditure. The device operates immediately when motion is detected and is turned off after five minutes if there is no interaction with the device in the environment. The pilot was installed in the Forest Unit (Belo Horizonte, MG) - an initiative of the Central Brazil Regional - in December 2017. In the first quarter of 2018, it already had a 14% average reduction in consumption. The data remain monitored to prove the effectiveness of the action.

CONSUMPTION MONITORING IN MWH IN THE FLORESTA UNIT





REUSE

Detail of the water reuse system of the Vargem Pequena (RJ) unit: focus on reducing consumption

WATER

There was a slight increase in the average per capita consumption of water compared to 2016. In 2017, the monitoring of the consumption of units with artesian well began; previously, only the consumption of water from the concessionaire was accounted for. Consumption in these wells was 8,149 m³, reason for the increase in the total volume consumed in 2017.

REUSE SYSTEM OF VARGEM PEQUENA UNIT

One of the highlights of the year was the implementation and start of the operation of the reuse system at the Vargem Pequena (RJ) unit, which enables 100% sewage disposal to be obtained and an excellent quality effluent used for the washing of floors in the external areas, cages, irrigation of the gardens and feeding of the lake of ornamental fish. It is a reverse osmosis system, which receives water that has passed through an effluent treatment plant (ETE).

CONSUMPTION AND DISPOSAL OF MATERIALS

With 75% of the Waste Management Plans (PGRS) prepared, Estácio seeks to establish routes for the implementation of these Plans and to evolve waste management in the units. An investigation work to identify and quantify these wastes began to be developed in the last quarter of 2017. Some units are in the process of building and adapting waste shelters and control through spreadsheets and mainly the monitoring of the regularization of the final receivers.

ESTÁCIO RECICLANDO

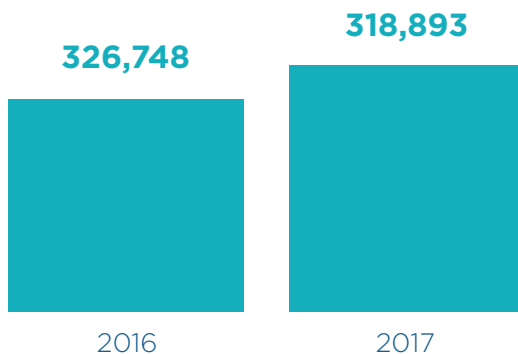
In the Boa Vista (RR) unit, the Estácio Reciclando Project has been working on the theme of environmental management in an interdisciplinary way, combining theoretical reflections and practical activities. The debates unite areas such as Administration, Human Resources, Advertising and Design, and the practical projects seek to highlight the importance of the socio-environmental pillar in the construction of manager profile.

In 2017, project objectives included awareness-building for the sustainable development of tourism as entrepreneurship; the analysis of public policies aimed at promoting sustainable territorial development; the awareness of the community and the tourists for the conservation of the areas; and the installation of an eco-point of selective collection in the mountain range of Tepequem, area around the unit.

ECO-EFFICIENCY IN THE USE OF PAPER

Conscious of the importance of reducing the use of paper, Estácio maintained the awareness campaign to reduce the use of printers in all its units in 2017.

TOTAL WATER CONSUMPTION IN 2017 IN M³



100%

of the sanitary sewage of the Vargem Pequena unit is treated and reused

APPENDIX GRI



Estácio's Sustainability Report 2017 presents the main information on the Company's financial and economic results, management and corporate governance and socio-environmental performance. Considering information from the period between January 1, 2017 and December 31, 2017, it is directed to the main publics with which Estácio relates: students and graduates, teachers, employees, investors, society in general and public authorities. Its content has been prepared in accordance with GRI guidelines of the Global Reporting Initiative (GRI), without external verification, and is presented in digital (PDF) and printed version. There were no significant changes in scope or information in relation to previous editions. GRI 102-46, 102-48, 102-49, 102-50, 102-54, 102-56



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	102-52 Report cycle	Annual	
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(Board of Partnerships and Social Responsibility)

CONSULTING GRI, REDACTION & DESIGN

Report Sustentabilidade

www.reportsustentabilidade.com.br

PHOTOGRAPHY

Leonardo Wen, Gabriela Vivacqua (pics of Instituto Futuro Bom, page 48, Pimpolhos da Grande Rio project, page 52, Taça das Favelas, page 52 & Solar Meninos de Luz, page 53) & Estácio collection

REVIEW

Alícia Toffani

