



Sustainability Report 2022

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About this report

We are ramping up transparency with all our stakeholders by launching our first Annual Sustainability Report, based on the Standards of the Global Reporting Initiative (GRI), 2021 version—a methodology globally acknowledged as best practice. **GRI 2-2, 2-4**

This report provides details of our activities from January 01 to December 31, 2022, but also covers our growth over the years. The indicators here presented take in consideration the companies on page 52, which may differ from the indicators disclosed in the 20-F.

Certain GRI indicators are also being reported separately for the software segment (comprised of Linx, a retail management software company we acquired in 2021), due to ongoing integration efforts between the companies. **GRI 2-3**

We also highlight our Materiality Matrix, which pinpoints issues most relevant to Stone Co.'s operations, as prepared by independent consultants through widespread stakeholder consultations. These material topics are aligned with the United Nations Sustainable Development Goals (SDGs). Financial data disclosed here has been audited by Ernst & Young. **GRI 3-1, 3-2**

Our corporate culture and our business model are outlined in this report, covering our history, governance, risks, opportunities and solutions. In the event of any queries regarding our report, please email us at: **sustentabilidade@stone.com.br**. **GRI 2-3**

Connecting our operations to the SDGs allows us to advance our sustainability agenda



Culture, Purpose and Values

We stand out because of our unique culture that guides our activities. More than just writing on the wall, we have a clear purpose and five that guide our daily actions.



Purpose

Empowering Brazilian entrepreneurs by transforming their dreams into results.

From the onset, our guiding belief has been that entrepreneurs is the engine of Brazil's economy, and that we, as their partners, by offering fairer conditions, greater access to technology, and more time through a service and customer support of the highest standard, with people genuinely interested in listening to their problems and helping to resolve them quickly, can consequently generate a positive impact on the entire economy and also on society. This belief can be expressed in the maxim: **the client is the reason we exist.**

We empower Brazilian entrepreneurs by helping them sell more, better manage their business and grow. We accomplish this by fostering more harmonious financial relationships, boosting our clients' business productivity and building more sales options. We are a positive force in transforming the retail and fintech industries through more balanced relationships.

Values

OWN IT

Own it: think like an owner, having an ownership mindset sets you free. And with freedom comes great responsibility.

N* BULLSHIT

No bullshit: get straight to the point, act simply, be quick, do it right and efficiently.

TEAM PLAY

Team play: if you want to go fast, go alone. If you want to go far, work as a team. Look for people better than you.

LIVE THE RIDE

Live the ride: wake up every day with energy and passion to face your challenges. Remember that getting things done is better than doing nothing perfectly, but things can't be poorly done.

THE REASON

The reason: the client isn't always right. But the client is the reason we exist.

Message from our leadership GRI 2-22

We are a company inspired by the strength of entrepreneurs, gearing up to tackle new challenges and enhancing engagement with our key stakeholders

Our mission is to serve the entrepreneur by helping them boost sales and manage their business more efficiently. Our unique approach allowed us to achieve stellar outcomes in 2022, empowering Brazilian entrepreneurs and turning dreams into reality.

We do this through state-of-the-art fintech solutions, hyperlocal distribution (sales and logistics agents all over Brazil), diverse channels and on-demand humanized customer service. Brazil has more than 5,500 municipalities and our operation covers a large part of them from north to south: 2.6 million clients, from small to medium-sized entrepreneurs.

In an external assessment, we managed to measure the impact of our operations by the increased revenue of clients in areas with a lower Human Development Index (HDI) due to the greater access to the services.

This result aligns with our mission of making the customer our core focus, guiding us since our company's inception. Since 2012, we have pioneered efforts that challenge the duopoly in Brazil's payments market, contributing to a more competitive landscape by driving down interest rates for businesses.



Thanks to a combination of factors and lessons learned, we experienced a 46.3% increase in payment clients in 2022.

Integrity, adaptability, agility and resilience are key values that we follow every day and deliver positive results. We have seen growth in profit, transaction volumes, client numbers and headcount.

Our revenue doubled in 2022, reaching R\$ 9.6 billion, and our adjusted net income rose by 520%, to R\$ 526 million. We closed the year with an adjusted net cash of R\$ 3.5 billion, enabling ongoing investment in our business and values. None of this would be possible without our aligned team, individuals with a strong ownership culture focused on customer satisfaction and outcomes.

Our commercial strategy for Micro, Small and Medium-sized businesses (MSMBs) was crucial to our success. We optimized our two brands, Ton and Stone, by offering suitable and customized solutions for different clients. We boosted our digital banking solutions, with a significant increase in client deposits. In 2022, we also scaled up in management software and improved operational margins. While focusing on Brazilian entrepreneurs, we also support various educational and financial development initiatives

offering professional and personal growth through our social investments.

Education is a cornerstone for transforming the country, and we believe in training and developing people as one of the pathways to a better world.

As we take on greater responsibility towards society, we decided to refine our sustainability focus, investing in the enhancement and adoption of ESG principles and practices. In 2022, we took several steps in this direction, and our sustainability report showcases these achievements. We know there is much more to do, but we are proud of our progress and believe we are on the right track.

We invest in developing our people and in building a diverse team with complementary skills. This allows us to be an even stronger company, prepared to tackle new challenges and optimize engagement with clients, investors, regulators, suppliers and society at large. We are also committed to reducing our environmental impact. In 2022, we created our first Greenhouse Gas Inventory and aim to contribute increasingly to a low-carbon economy within our ecosystem.

In corporate governance, we made significant changes to Company Management in 2021 and

2022, notably reshaping our Board of Directors to include 66.6% independent members and 22.2% women.

Above all, we understand the positive impact of our performance on the country. By helping our entrepreneurs boost sales, we are keeping the economy running, creating jobs and accelerating retail. For 2023, we will join forces with our team, partners and suppliers even more to reinforce our commitment to turning dreams into outcomes.

Pedro Zinner
CEO



Brazil has more than 5,500 municipalities and our operation covers a large part of them from north to south



Our history inspires our future

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Our history inspires our future

GRI 2-1, 2-2, 2-6

We strive to understand our clients' challenges by crafting affordable Fintech solutions that empower entrepreneurs, making them the key players in managing their businesses

About us

We began our journey in 2012, on Rua da Quitanda street in Rio de Janeiro, with a single goal: to make life easier for Brazilian retailers, especially during a crucial time: sales. Back then, the payments sector was dominated by a duopoly, consisting of major card brands and acquiring banks. These circumstances led retailers to face extortionate costs for low-quality services.

We were pioneers in challenging this status quo in Brazil, aiming to provide fairer-priced financial services to retailers. In 2017, we became the first non-banking entity to receive authorization from the Central Bank to operate as an acquirer in a payment institution model.

To bring Brazilian retailers on board, we developed our proprietary approach called the Stone Business Model, which combines three key pillars:

1. **End-to-end, cloud-based** advanced technology;
2. **Seamless and hyperlocal distribution:** sales and logistics agents spread across Brazil;
3. **Humanized customer service** with people committed to solving issues and delight our clients.



The combination of Software and Financial Services is promising. We invest and believe in this arrangement as a powerful ally in our strategy to remain the main partner for entrepreneurs in Brazil

The client has always been our **reason for being**, and that's why we've developed a strong culture centered on Brazilian retailers, aiming to enchant them rather than just provide a solution or service, helping them turn their dreams into outcomes.

We knew our journey couldn't stop at just the payments sector, as retailers face challenges in managing and scaling their businesses. Therefore, we have evolved into a comprehensive platform, developing a wide range of solutions in the financial services sector and business management software. In financial services (beyond our payment solutions), we now offer digital accounts and working capital solutions

primarily aimed at Micro, Small and Medium-sized businesses (MSMBs).

In software, we have invested in various companies, including those offering Point of Sale (POS) solutions, Enterprise Resource Planning (ERP) systems, and tools across different retail verticals such as customer engagement and Customer Support Management (CRM) solutions. Together with these investments, we acquired Linx in 2021, becoming leaders in retail management software in Brazil. The integration of the companies is ongoing, and we are excited to offer a complete and efficient experience to our customers.

Brasil with an S



We created the **Brasil com S**, series on our YouTube channel to further appreciate our clients and their entrepreneurial journeys. It features various episodes that tell the stories behind the businesses that drive us to fulfill our role: helping our clients transform dreams into results.

2022 at a glance



2.6 million

clients among micro, small and medium businesses



R\$ 367.4 billion

total payments volume in 2022



R\$ 1.4 billion

in net revenue in software in 2022 (up 106.9% on 2021)



150,000 +

active stores with Linx automation



R\$ 9.6 billion

in total net revenue in 2022 (a 98.8% increase on 2021)



R\$ 716.4 million

in adjusted income before tax



14,799

people comprise the Stone Co. team*

* This indicator takes in consideration the companies on page 52, which may differ from the indicators disclosed in the 20-F.



R\$ 3.5 billion

in adjusted net cash



Brazil has more than

5,500+

municipalities and our operation covers a large part of them from north to south

Our journey

A tale of pioneering, success and innovation

Stone was founded to develop innovative solutions for small and medium-sized businesses. That same year, we created Mundipagg, our online payment company.

2012

We obtained the payment acquiring licenses from Visa and Mastercard, a significant step in entering the market. Pagar.me, a fintech focused on small businesses and startups, was integrated into Stone's ecosystem.

2013

After two years of building the framework, Stone began its payment operations, offering fairer services to retailers and unchaining businesses from traditional banks. This was when our client Geraldo, also known as "Mineiro", made Stone's first transaction.

2014

We began organizing our team and once again innovated by creating our first hub in Cabo Frio (RJ), specifically aimed at serving small and medium-sized retailers.

We established our Customer Support department, made up entirely of our own customer service team. This ensures a higher level of service for our customer base.

2015

We structured our Logistics division and began deploying our Green Angels (our logistics agents), who are crucial for our national distribution model.

2016

2017

With a team of 3,000 people and over 130,000 clients, we unified all companies within our ecosystem to officially become Stone Co. United, our culture grew stronger and gained more identity.

We also became the first non-banking entity to receive authorization from the Central Bank to operate as an acquirer in a payment institution model.

2018

From Brazil to the world: after reaching over 200,000 clients and capturing 5% of the domestic acquiring market, we decided to go public. Our IPO took place on Nasdaq, attended by our first client, Mineiro, who helped us ring the opening bell, symbolizing the start of our stock trading. His presence in New York (US) truly embodied our commitment to entrepreneurship and the nurturing of young talent, making the moment even more memorable in our history.

2019

We launched our first national TV campaign, proudly showcasing our principles and values. With this visibility, we also introduced a new product: the Stone account.

2020

Despite the pandemic, we expanded our ecosystem. Early in the year, we launched the brand Ton, focusing on micro-entrepreneurs.

In March, we faced the Covid-19 pandemic alongside our clients. We provided R\$ 100 million in loans with special terms to help our entrepreneurs navigate through the crisis, despite many establishments being unable to open their doors.

Our team grew to over 7,000 people, with 650,000 clients in Brazil and roughly R\$ 210 billion in transactions over the year.

2021

This year we grossed R\$ 4.8 billion, with a Total Payment Volume (TPV - a metric to define the amount transacted through the company's payments) of R\$ 275.4 billion, and 1.8 million active payment customers in Brazil. Our Ton customers made up a significant portion of this figure.

We strengthened our social investments by launching Stone Impacta.

We acquired Linx, Brazil's leading retail management software company. Linx focuses on providing affordable, user-friendly and reliable software solutions that interact seamlessly with various retailer channels.

2022

Our team has grown to 14,799 members, we achieved a total revenue of R\$ 9,6 billion and we have 2.6 million active payment clients in Brazil. We started taking initial steps to offer Brazilian entrepreneurs an integrated ecosystem of financial services and management software.

We launched Tap Ton, a Ton solution that turns mobile phones into point-of-sale devices (more details on p. 25).



Stone CO. impacts GRI 203-2

From the beginning of our journey, we have striven to ensure that our company contributes to build the Brazil of the future. We believe that by helping our customers turn their dreams into outcomes, we unleash their individual potential, impacting not just businesses but also individuals, families and communities.

Small and Medium-sized Enterprises (SMEs) make up 99% of all businesses in the country, account for 54% of formal jobs, and contribute approximately 30% to national GDP. Many SMEs still face challenges such as higher interest rates for short-term financing, limited access to credit, and lack of formal business training.

In this landscape, we played a key role in the acquiring market by positively contributing to increased competition, thereby reducing fees for businesses.

For us, lowering fees and offering better services also means boosting regions across Brazil.

Therefore, throughout our growth, we have not only developed our logistics to reach even the most remote municipalities in the country—by 2022 we had reached almost all of them—but also focused on the poorest regions. The outcome has been positive; through an impact study, we found that developing these regions also correlates with financial inclusion.

To measure Stone's positive impact on our clients' business development and how we generate value in small towns, we commissioned an evaluation carried out by economists Sérgio Firpo, Clarice Martins and Thaline do Prado. The survey was organized in 2022 by Stone's Sustainability and Economic Research teams, along with Instituto Propague.

We want to build the country of the future

Between 2016 and 2022, Stone began offering its services in municipalities with lower Human Development Index (HDI) levels, where financial exclusion is more prominent, and fewer banking branches and credit card users are present. In such a situation, Stone Co.'s arrival serves as an expansion of financial services to an underserved population, creating opportunities for retailers to access credit through receivables factoring, for instance. Given the historical difficulty for small retailers in Brazil to access credit, especially outside major cities, Stone's expansion into these more excluded municipalities represents a new avenue for financial access. Even if credit card usage in these areas is low, those who do have cards will find it easier to use them, and the availability of payment terminals can incentivize the use of this payment method.

A deeper analysis revealed that Stone Co.'s impact was especially significant in municipalities with lower income levels. The impact evaluation showed specifically that Stone Co.'s entry led to an increase in Total Payment Volume (TPV) for entrepreneurs, more so in municipalities with low HDI. For this same group, sales growth was higher as their relationship with Stone Co. extended, indicating the company's positive impact over the course of their tenure as a client.

Another key finding regarding Stone Co.'s operations in low HDI municipalities is that the average ticket size for these retailers decreased after the first quarter of using the company's solutions. This data captures the ongoing financial inclusion, reflecting a possible increase in regular and smaller-value card payments.

In this regard, Stone Co. plays a vital role as part of the structure that allows both businesses and consumers to enjoy the benefits of electronic payment transactions.

We aim to build the country of the future through our products and services that enable our clients to progress. We know the challenges are numerous, which is why we strive to move Brazil forward by supporting small and medium-sized entrepreneurs.



Sustainability Journey

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15 STRATEGIC TOPICS

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Sustainability Journey

GRI 2-22, 2-29, 3-1

We are committed to an agenda that positively drives the growth of our business activities in environmental, social and governance terms

Strategic topics

Over 2.6 million entrepreneurs have boosted their potential through our efficient payment solutions, smart business management and customer service that has set a standard in the market.

We are a team of change-makers inspired by entrepreneurial prowess. We see ourselves as a forward-looking company, committed to drive the country's economy sustainably by creating opportunities and closing social gaps.

More and more, we are dedicated to developing a sustainability roadmap and how we can positively influence and impact society. As we expand our operations, the challenges to gain efficiency also increase. We have therefore invested in our first Greenhouse Gas (GHG) inventory to set benchmarks for carbon emissions reduction. Alongside

an independent consultancy firm, we have also established our first materiality matrix. This process identified and prioritized nine of the most relevant topics (out of an initial 18) for our key stakeholders.

These topics guide the development of Stone Co.'s ESG (Environmental, Social, and Governance) strategy, which is currently being developed. To strengthen the work related to ESG criteria, the Sustainability department has been integrated with the People & Management Board. **GRI 2-17**



Materiality was developed through the analysis of internal and external documents, consultations with customers, market players and sector-specific tools. Topic definition underwent five stages.



Definition

The purpose, scope and tools to be used were established.



Analysis

The priorities from both internal and external stakeholders were intersected and entered into a scoring matrix, resulting in an average of the nine most relevant topics overall.



Identification

Stakeholder mapping and topic list refinement. Analyses were conducted to create a list of topics, later presented to stakeholders (executives, capital providers, employees, customers and suppliers) for prioritization. For each topic, socio-environmental impacts, risks and financial impacts were evaluated, and a general description was also prepared.



Validation

These topics, falling under environmental, social and governance areas, were approved by leadership, taking into account criteria such as risk, opportunity and strategy in light of the proposed issues. In this step, each topic was mapped against the United Nations (UN) Sustainable Development Goals (SDGs), with specific targets for 2030.



Prioritization

The perspectives of executives, stakeholders, specialists and capital providers on impact and finance were gathered. Stakeholder surveys were designed to cover all aspects of materiality (social, environmental and financial impacts, and perceptions on relevance). An online consultation with **3,164 participants** was conducted in this stage.

Double materiality

The matrix follows the concept of double materiality, a new methodology that considers three axes:

Axis X – Financial Materiality

Focuses on the business's financial risks and impacts, considering both the likelihood and magnitude.

Analysis is carried out from the perspective of analysts (executives and capital providers).











Axis Y – Socio-Environmental Impact Materiality

Highlights both the positive and negative social and environmental impacts of the business. Evaluates magnitude, manageability, real/potential, responsibility and reversibility. Engagement is carried out by internal and external experts and specialized sustainability consultants.(rpt.estratégia).

Axis Z – Stakeholder Relevance

Addresses how Stone Co.'s key relationships perceive its impacts, supplementing the process to consolidate the assessment.

MATERIAL TOPICS¹ GRI 3-2, 3-3

| | DESCRIPTION | GRI | SDGS |
|---|--|---|--|
|  | 1. Financial education Promoting access to information. Training on various modes, financing options and business management, aimed at increasing the autonomy and freedom of choice for customers and society, assisting in making informed decisions and enhancing the financial security and prosperity of the business. | 404-1, 404-2 |  (4.4)  (8.3) |
|  | 2. Data privacy and security Ensures the secure collection, retention and use of sensitive and confidential data when using our website, app and our payment terminals, all in compliance with the General Data Protection Regulation (GDPR), thereby guaranteeing cybersecurity and privacy. | 418-1 | - |
|  | 3. Attracting, developing and retaining employees Strategies for attracting and retaining talents, employee development, developing career plans, recognition, compensation, benefits, and employee engagement and training, all in order to reduce staff turnover. | 401-1, 401-2, 401-3, 404-3 |  (4.3, 4.4)  (8.8) |
|  | 4. Ethics, integrity and compliance Guarantees transparent reporting compliant with anti-corruption standards, disseminating our code of conduct and the ethical principles governing our organizational processes, and combating anti-competitive practices and bribery. | 205-1, 205-2, 205-3 |  (16.5) |
|  | 5. Innovation and technology Investments in innovation to adapt to new market trends and developments, providing a competitive edge and driving customer engagement. Use of cleaner technologies. | |  (8.2)  (9.4,9.5) |
|  | 6. Product and service quality and safety and customer relations Managing investments to ensure high-quality and secure products and services, including logistics and customer service. Providing clear, open and transparent communication to our customers, aligning their expectations on the services. Managing complaints and meeting customer needs and expectations, aiming for customer loyalty and satisfaction. | | |
|  | 7. Employee health, safety and well-being Ensuring employee well-being and health through the management of the organizational environment, prioritizing the safety and health, especially mental, of employees, contractors and their families. | 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9 |  (8.8) |
|  | 8. Diversity, inclusion and equity Promoting equity and inclusion in terms of color/race, gender, age, background, disability and sexuality, including in leadership roles, creating a welcoming environment for all and respecting different worldviews. | 405-1, 405-2, 406-1 |  (5.1, 5.5)  (8.5)  |
|  | 9. Democratizing access to services and local development Providing broad access to the company's products and services, reaching a diverse economic audience including small entrepreneurs, thereby contributing to their socioeconomic development and local development. | 203-1,203-2, 413-1 |  (8.3,8.10)  (10.1, 10.2, 10.6) |

¹ The impact boundaries for topics 3 and 7 are within the company; for 2, 4 and 5 they are both within and outside the company; and for 1, 6, 8 and 9 they are primarily external to the company.

An overview of our operations

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An overview of our operations

We dream of becoming the first Brazilian technology company of proximity

Our business

GRI 3-3: management of material topics (Technological innovation + Product and service quality and safety and customer support + Greater access to service and local development)

We are driven by innovation and progress, making us realize the vital role we play in democratizing access to financial services. We simplify steps, from onboarding to distribution, offer technology that brings people closer and creates new experiences, and provide personalized customer service. Our aim is to help entrepreneurs grow their businesses with fair rates, which fills us with pride (find out more about Our agents on page 22).

Over time, we have made acquisitions, developed technologies and recruited more talent to continue fulfilling our purpose of “painting the world green.” We have built a comprehensive platform for retailers of all sizes and sectors, focusing on financial services and business management software.

Here are some products that reflect this mission:

- In 2020, we launched **Ton**, a payment solution aimed at small entrepreneurs and freelancers. With no rental or subscription fees and affordable rates, Ton offers reliable support 24/7, both from virtual assistants and specialized teams. Customers can manage all of this through an app. This product enabled the financial inclusion of thousands who were previously unbanked, bringing us closer to our mission of being the main partner for Brazilian entrepreneurs.
- In 2022, we introduced **Super Conta Ton**, an extension focused on small entrepreneurs but



with added features like Pix acceptance. The product positively impacted our growth in the last quarter of 2022, with a rapid increase in active banking accounts. Recognizing the potential reach through our retailers, we created Renda Extra, a program where entrepreneurs earn commissions by recommending Ton payment terminals and partner products.

We are obsessed with delivering excellence and delighting our clients



Our segments

For greater transparency and market clarity, we made a strategic move in 2022 to divide our business into two main areas: Financial services and Software.

Financial services and software are the core of our platform offered to retailers

Financial services

This segment covers our offerings to Micro, Small and Medium-sized businesses (MSMBs) and large accounts (platform services and sub-acquirers). Our solutions include:



Payment Solutions: we allow retailers to accept payments through various electronic and alternative methods such as credit and debit cards, vouchers, bills and Pix transactions. We enable a wide range of transactions in both brick-and-mortar and online stores in a quick and easy way. Additionally, we provide digital products to help retailers improve their customer experience, like split payments, multiple payment processing, split recurring payments for subscriptions, and one-click purchasing.



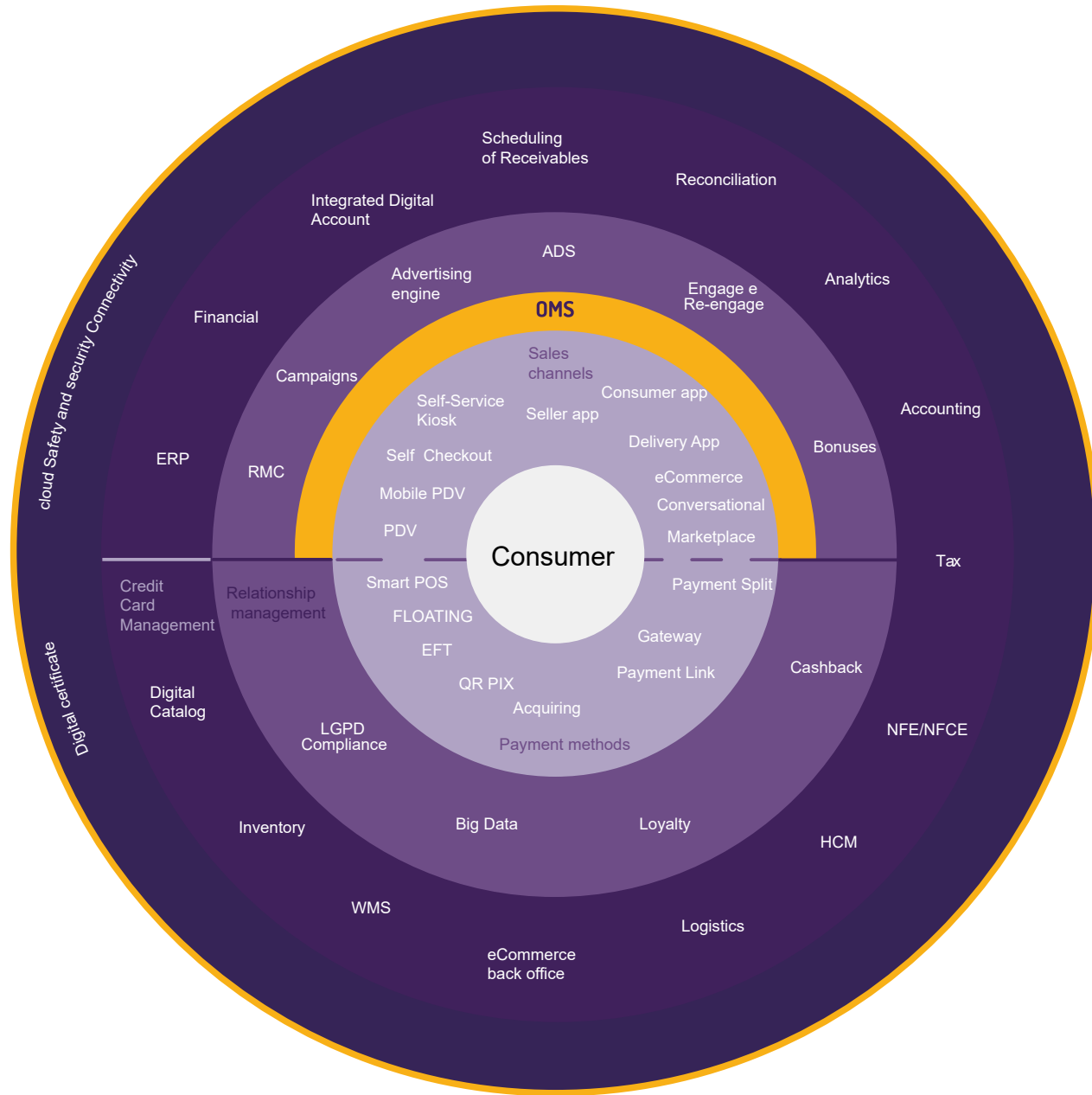
Pre-payment Solutions: we assist our customers in managing their working capital needs and future planning by offering pre-payment options. These options consist of settling a card transaction at a discounted rate before its original settlement date. This solution offers customers transparency and control over their receivables, allowing them to better manage their cash flow to help business growth.



Digital Account Solutions: We offer a digital payment account that can be integrated with the POS system. It enables receiving and making payments, issuing bills, paying taxes, and making Pix transfers—all in a cheap and user-friendly way. We also offer store insurance, life insurance and health insurance solutions.



Credit solutions: we extend credit to our clients to expand their businesses. Our service allows them to repay their loans through the automatic retention of a percentage of their credit card receivables. We temporarily ceased offering credit solutions to new clients as of July 2021. Since then, we have evolved, focusing on building a credit-granting process, refining our decision-making models through data enhancement, strengthening our team, and making various other improvements.



Software

Our goal is to provide the best management tools for Brazilian retailers and help them increase sales across multiple channels. While our primary focus is on organic growth, we have made strategic acquisitions to strengthen our competitive position, improve operations and expand our business. Since our inception, we have a history of successful investments, acquisitions and integrations of complementary solutions and businesses.

In line with our purpose of going the extra mile in our partnership with entrepreneurs, we finalized the acquisition of Linx in 2021, **the largest retail software company in Brazil**. The integration process (and for other previously acquired companies) is ongoing. The complete software segment is divided into two fronts:

We aim to be the main partner for Brazilian entrepreneurs



Core: POS (Point of Sale) and ERP (Enterprise Resource Planning) software solutions for our clients, simplifying daily operations and enabling better business management. We cater to a diverse range of retail segments, including clothing stores, gas stations, cosmetics, drugstores and footwear, among others. We also provide TEF (Electronic Funds Transfer) and QR Code gateway solutions that enable payment and Pix integration into the client's POS/ERP system, speeding up operations and increasing security. Additionally, we offer CRM solutions that help retailers better understand their customers.



Digital: omnichannel (OMS) platform to better manage entrepreneurs' businesses through the integration of online and offline channels, allowing for better inventory management in a single environment. We also offer an e-commerce platform targeted at medium and large enterprises, providing customer engagement tools that enable user involvement through search recommendations, re-engagement and advertising. Our advertising solution allows efficient customer reach, and our marketplace hub enables clients to connect to various platforms seamlessly.

Our Agents

We operate under the principle that not only is the customer always right, they are the reason we exist. We take pride in representing humanized and fast service in the market through proprietary technology - from person to person. We delight our clients. This is the Stone way of doing things: responding within five seconds, with a “smile in our voice,” and always having a solution to our clients.

Our Customer Support team, both in-house and outsourced, is highly trained, harnessing the best technological tools to solve customer needs precisely and efficiently, 24/7. Our team is specialized to ensure that the customer experience is the best possible. We also offer automated customer service through Bots. In 2022, 88% of calls were answered within ten seconds for phone calls and within forty seconds for written channels. Furthermore, 90% of them were rated as “excellent” by our customers, according to our Customer Satisfaction (CSAT) survey. This agility has yielded numerous customer service awards and acknowledgments throughout our history.

In 2022, we achieved the highest customer satisfaction rating among our competitors, according to the Reclame Aqui website. Our

rating was 8.7 for our Stone brand and 9.0 for our Ton brand, compared to the average of 7.9 from our top five competitors. Monitoring customer opinion indicators (satisfaction surveys, complaint monitoring, feedback analysis, engagement metrics) enables more accurate decision-making.

Proximity technology

To stay close to our customers at all times, we also use technological solutions. For our Ton product, we offer 24/7 virtual assistant support and a specialized customer service team. Most contacts are resolved through our chatbot, without needing human intervention.

Throughout the customer journey, we use artificial intelligence (AI) solutions to anticipate any kind of problem. Our Customer Support team also uses this real-time data collection technology to provide a panoramic perspective of the retailer to understand historical patterns, monitor activities, and proactively identify anomalies that may indicate a possible service issue or an opportunity to sell a new solution.



In 2022, our service level indicator was

88%

for calls answered within ten seconds and up to 40 seconds for written channels.

Sales and distribution from North to South: we go the extra mile to bridge gaps

Through our Customer Support, Stone Agent and Green Angel triple bottom line, we have come this far and continue to evolve to get closer to entrepreneurs

We strive to be closer to our clients to offer the best solutions and solve any issues. Brazil has more than 5,500 municipalities and our operation covers a large part of them from north to south. We serve 2.6 million clients, evolving our sales model beyond our own Stone hubs* and developing relational and transactional channels based on the proximity needed by the client.

Relationship channels, primarily focused on small and middle-market companies, leverage our physical distribution through proprietary and franchised hubs, allowing closer relationships with our retailers. Transactional channels, which include digital sales and inbound strategies, self-accreditation, and Renda Extra, are targeted at small entrepreneurs. We also have a Partners Program focused on Platform Services and Special Services, both directed at large accounts.

Through our regionalization strategy, we have reached hundreds of Stone hubs (either proprietary or franchised) operating throughout Brazil, aimed at providing hyper-local service to small and medium-sized retailers in designated geographies. Our local operational offices, especially located in small and medium-sized cities (often overlooked by competitors), house an integrated sales and logistics team. This strategy has allowed us to get closer to our entrepreneurs in all states of Brazil, contributing to local job creation with new employment opportunities in smaller territories.

As key allies in this business model, we rely on two specialized teams to offer service with a personal and close human touch:



Stone Agent*

These team members are on the streets, introducing our financial solutions to Brazilian retailers. They are the ones who engage, listen, and understand customer needs, offering the most appropriate financial solutions for each individual case. With their qualified and trained expertise, they provide tailored sales and support directly at our clients' doorstep. By being physically close to our clients, we believe we can swiftly respond to specific needs and market changes. Stone Agents rely on our integrated technology platform that employs smart routing and customer behavior mapping, enabling efficient sales and customer service.

Green Angel *

Focused on logistics, these local specialized teams offer on-demand support. They are integrated into our hubs, they liaise with Stone Agents and our centralized customer relationship team, using our cloud-based logistics platform to quickly meet customer needs. Whether it's an issue or a request, Green Angels quickly mobilize to assist, fostering trust and closeness with customers. They can deliver payment terminals, assist with installations, or help with Wi-Fi setups, among other services.



**Hubs: physical distribution model aimed at small and medium-sized retailers;
Stone Agents: team specialized in tailored customer sales and support;
Green Angels: logistics operation team responsible for payment terminal delivery to retailers.*



Suppliers relations

Stone doesn't just have suppliers; we have partners. We believe that healthy business relationships are mutually beneficial. To establish this partnership and supply goods and services, alignment with our core principles is essential.

We select suppliers based on quality and competitiveness, adhering to fair, ethical, technical, and professional procurement processes governed by our Procurement Policy and Supplier Screening Policy. Parties interested in doing business with Stone have access to the same information during negotiations, quotations and acquisitions. Once suppliers are selected, there is a screening process to ensure they comply with applicable laws and regulations. As a risk assessment criterion, we evaluate factors including criminal, labor, environmental, regulatory, tax, integrity, legal and registration issues.

Suppliers must also be familiar with our Code of Ethics and Anti-Money Laundering and Anti-Terrorism Funding Policies. The entire contracting

procedure aligns with the BCB Resolution no. 85/2021 issued by the Central Bank, covering cybersecurity and requirements for cloud data processing services. We are also focused on diversifying our partnerships to expand our product acquisition possibilities.

3,774

suppliers both within and outside Brazil partnered with us in 2022



Innovation is our vocation

We are a tech company and recognize the entrepreneurial potential in every Brazilian. That is why innovation is the cornerstone of Stone Co. and is woven into our daily operations, touching every aspect of the business. We believe that together we can generate great ideas and develop even more innovative technologies. Some of our key initiatives in 2022 include:

TapTon

A solution by Ton, allowing your phone to transform into a card terminal. This technology is a significant leap forward in the payment sector, enabling Brazilian entrepreneurs to accept credit and debit cards by downloading the Ton app, without the need for a physical card reader or subscription fees.

Stone was the first Brazilian financial company to offer this kind of solution, once again revolutionizing the payments market.

POS Connect

An integrated card reader with the Point of Sale (POS) system. For retailers using our simplified process, where there is a need to manually enter values into payment terminals not connected to the sales system, we ensure robust security measures are in place. POS Connect is available in two formats. The first is list-based payment for delivery services. The card reader leaves the establishment pre-loaded with orders, freeing up delivery personnel from having to enter amounts or keep receipts. The second is direct payment, facilitated by a card reader connected to the POS system, where sale information is instantly sent to the establishment and stored, eliminating manual input.

Stone Partner Program

A program that allows tech companies to become Stone partners, developing innovative solutions and improving retail products and services using Stone's financial services platform, resources, insights, training, tools and market expertise. In 2022, we held the first edition of the Partner Summit for over a hundred partner companies. We awarded seven of them across five categories. We also announced new developments from Stone and program updates for 2023. To bring us even closer, we created Partner Talks, a series of exclusive webinars for our partners covering key topics like tech trends, sales, marketing, customer service, Artificial Intelligence, and more.



Innovation Cup

A tradition at Lix since 2017, aimed at encouraging innovation within teams. In the 2022 edition, supported by a new application and selection platform, we saw a record number of 146 projects entered into three categories: Products/Software (focused on customer improvements); Business Processes (focused on internal process improvement); and Operational Efficiency in Cloud (focused on optimizing cloud consumption costs). Winning projects, awarded with cash prizes and trophies, can be implemented to enhance our portfolio.



Our financial and operational figures

In 2022, we focused on significantly improving our financial indicators by implementing various business enhancements. With successful execution, we achieved our targeted results, ending the year well-positioned with some highlights:

Our performance is tied to our core mission—putting the customer at the core of everything we do

Net revenue

R\$ **9.6** billion
(+99% YoY)

Active payment customers

Our base of active MSMB, customers grew by

+ 48.3% to

R\$ **2.5** million
retailers

Nearly

693,000

active banking
customers

Adjusted net income

R\$ **525.5** million
(+ 520% YoY)

MSMB TPV

TPV for MSMB has grown

52.3%

on the previous year, having reached

R\$ **289.9** billion
in transactions

Customer banking deposits

R\$ **4** billion

of which R\$ 3.6 billion is
in the MSMB segment

Adjusted net cash

R\$ **3.5** billion
(+R\$1.2 billion YoY)

MSMB Take rate

Increase of

61 bps

(basis points) to

2.15%

Software revenue grew by

106.9%

from the
previous year

Our governance

IN THIS CHAPTER

29 MANAGEMENT MODEL

32 ETHICS, INTEGRITY AND COMPLIANCE



Our governance

GRI 2-9

We seek best practices for our internal structure and relationships with people. We offer ethical, transparent and equitable financial solutions

Management model

We understand that we play an active role in building the legacy we aim to leave for current and future generations, meeting society's demands for a more sustainable world, stakeholder expectations and adding value to our business and longevity to our strategies.

We operate based on an international corporate governance model, seeking the best practices for our internal structure and relationships with people. All departments follow Stone Co.'s corporate governance practices, applying the same principles when analyzing decisions and defining strategies.

Our corporate governance structure comprises the Board of Directors and four advisory committees: Audit Committee, People and Compensation Committee, Financial Committee, and Risk Committee, and the Executive Board and other advisory committees such as: Asset and Liability

Committee (Alco), Ethics Committee, Internal Risk Committee and Product Committee. **GRI 2-12, 2-18**

The Board of Directors* currently has nine members, seven of whom are independent, elected at the general meeting for a two-year term.*The Board aims to supervise the activities undertaken and guide the company on matters related to global strategy and main business guidelines. **GRI 2-10, 2-11, 2-14, 2-16**

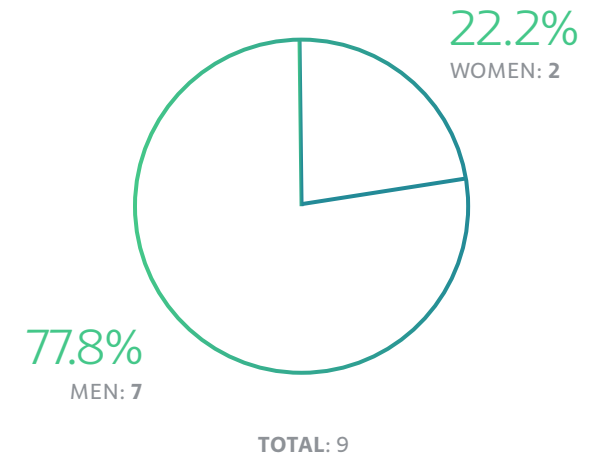
¹ The composition is a photograph from July 2023.

66.6%

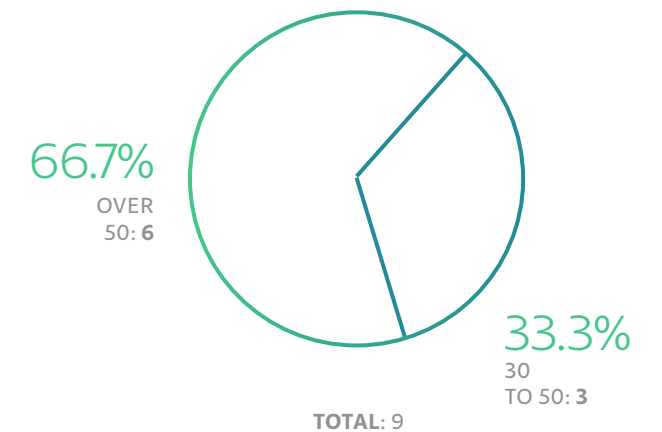
of the Board of Directors is composed of independent members

Composition of Governance Bodies

INDIVIDUALS WITHIN THE ORGANIZATION'S GOVERNANCE BODIES, BY GENDER (%)
GRI 405-1



INDIVIDUALS WITHIN THE ORGANIZATION'S GOVERNANCE BODIES, BY AGE GROUP (%)
GRI 405-1



Board of Directors*

- Chairman**
André Street
- Vice Chairman**
Conrado Engel (independent)
- Member**
Diego Fresco Gutierrez (independent)
- Member**
Luciana Ibiapina Lira Aguiar (independent)
- Member**
Maurício Luchetti (independent)
- Member**
Patrícia Verderesi Schindler (independent)
- Member**
Silvio Morais
- Member**
Thiago dos Santos Piau
- Member**
Luiz André Barroso (independent)

Executive Board*

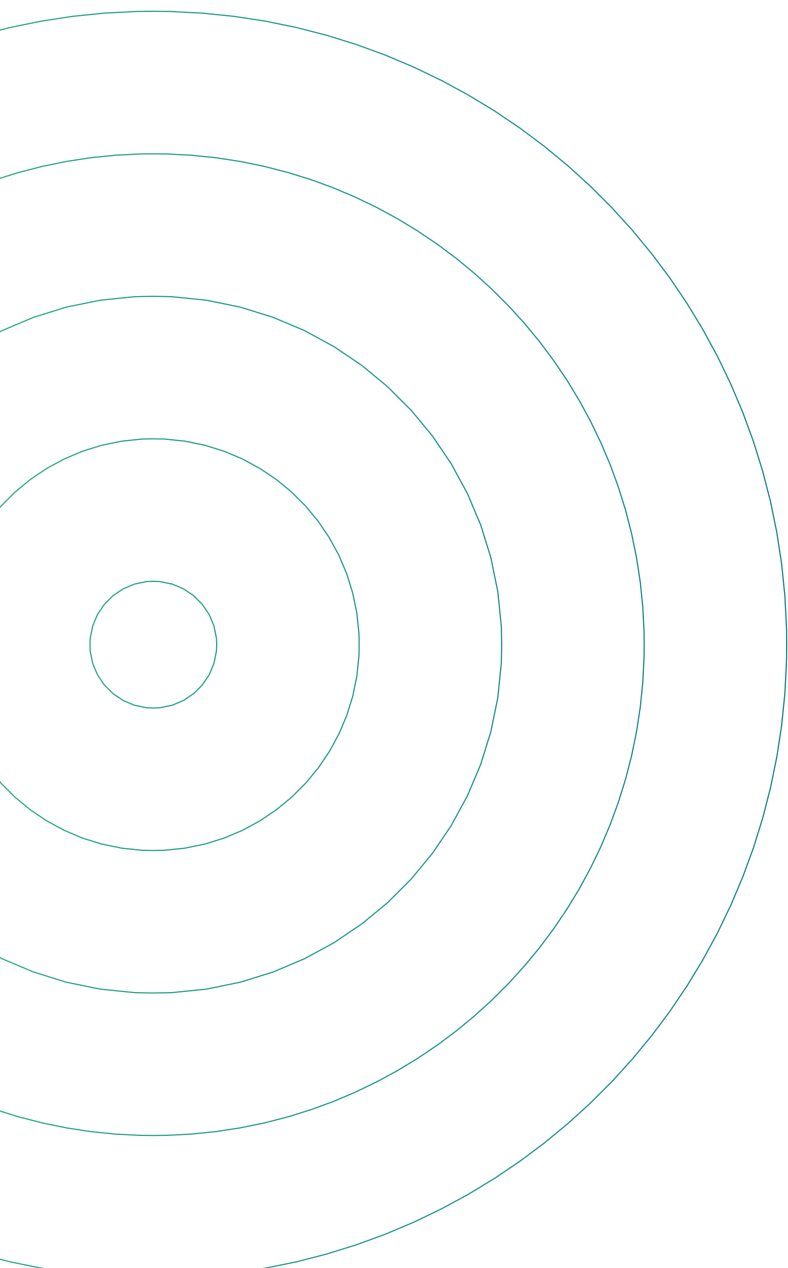
Currently, Stone Co.'s Executive Board has 12 executive officers, appointed by the Board of Directors.

All are fully committed to representing the company and ensuring excellent management

In 2022, there were no records related to critical concerns communicated to governance bodies.

| | |
|---|---|
| Chief Executive Officer Pedro Zinner | Chief People and Management Officer Sandro Bassili |
| Chief Financial Officer & Investor Relations Officer Mateus Scherer Schwening | COO of Financial Platform Division¹ Caio Fiuza <i>¹ Position held until July 2023.</i> |
| Treasury Officer Diego Salgado | COO of Software Division Gilsinei Hansen |
| Chief Strategy Officer Lia Machado de Matos | Chief Legal and Compliance Officer Tatiana Malamud |
| Chief Technology Officer Marcus Fontoura | Chief Economist & Regulatory Affairs Executive Officer Vinícius do Nascimento Carrasco |
| Chief Risk Officer André Monteiro | Chief Information Officer João Bernartt |

* The composition contains the names of the members until July 2023.



Advisory committees

GRI 2-13, 2-17



Audit Committee

Comprising three independent members, the committee holds monthly meetings or as often as needed. Its scope includes the oversight of Stone Co.'s financial statements and internal controls, ensuring quality and integrity. The committee also monitors compliance with ethical standards, policies, plans and processes, and audits reports required by the Securities and Exchange Commission (SEC).

It is responsible for reviewing and approving transactions with related parties, according to Stone Co.'s Related Parties Policy.



People and Compensation Committee

Made up of three members, the Committee focuses on the development of the company's workforce and sets rules for compensation and benefits. It is responsible for approving goals and targets for the CEO, executive officers and senior leadership. Meetings are held quarterly or as often as needed.



Financial Committee

This committee helps make decisions related to financial performance, including capital structure, and more. Consisting of three members, meetings are held quarterly or whenever necessary.



Risk Committee

This committee assists in risk management, including operational and financial risks. Comprising three members, they meet quarterly or whenever required.

Ethics, integrity and compliance

GRI 2-15, 2-23, 2-24, 2-25, 2-26, 3-3: management of material topic

Our team relies on the STNE Commitment, a set of mandatory trainings to ensure our community's dedication to business integrity and compliance with laws and regulations applicable to our sector. Through the STNE Commitment, we assemble content and train our staff on ethical practices.

As for compliance training, it offers a series of dynamic videos available on our education platforms Studa and Linx Academy too, accessible at all times.

Upon joining the company and annually thereafter, our team must complete the STNE Commitment's mandatory training, which covers topics like: Code of Ethics, Anti-corruption, Anti-Money Laundering, Anti-Terrorism Funding, Compliance, Confidentiality, Whistleblower Channel, and Brazilian General Data Protection Regulation. The Compliance department manages and monitors the execution of these trainings.

Our anti-corruption training aims to equip our staff to identify, combat or avoid criminal activities. We explain our responsibilities, the company values, and relevant national and international legislation, such as the U.S. Foreign Corrupt Practices Act (FCPA).

The STNE Commitment combine content and training on ethical practices



Core Elements of the STNE Commitment

 Code of Ethics and Whistleblower Channel

 Anti-Corruption

 Compliance

 Anti-Money Laundering and Anti-Terrorism Funding

 Confidentiality

Our Code of Ethics, applicable to suppliers and the public at large, embodies the company's fundamental values. It aims to promote and maintain a culture of transparency, honesty and ownership, including commitments that promote Human Rights. We value and respect diversity, with no tolerance for discriminatory attitudes based on race, gender, sexual orientation, age, or physical condition, among other factors. Moreover, we don't permit any form of workplace or sexual harassment.

We are equipped to handle anonymous or identified complaints of violations of our Code of Ethics or other conducts. Reports can also be made directly to a manager, business partner, Compliance team, or through our Whistleblower Channel – open to everyone. These reports are managed by an independent and specialized firm, ensuring absolute confidentiality and preliminary treatment. We promote an increasingly transparent and safe work environment for everyone.

Each case is impartially handled by our integrity team, senior management, and the Ethics Committee, ensuring an unbiased approach without conflicts of interest or any kind of retaliation. Anonymity is guaranteed, if so desired by the whistleblower. In 2022, 1,335 complaints were filed, 99.7% of which were resolved during the year. The Stone Ombudsman channel is

exclusively for customer complaints or inquiries. In 2022, we received 6,181 reports.

We expect our team and stakeholders to follow our guidelines. Leadership roles in the company should report situations of conflict of interest, when applicable, for internal conflict mitigation. To avoid such scenarios, the Audit Committee reviews and approves related-party transactions, as per SEC regulations or our Related Party Transaction Policy.

Our Anti-Money Laundering and Anti-Terrorist Funding Policy complies with the Circular no. 3.978/2020 issued by the Central Bank, which became effective in October 2020. All teams have been trained, and suspicious or unusual transactions are monitored and reported to the Financial Oversight Authority (COAF). We have never faced administrative or judicial penalties for unfair competition.



Orelhão – Whistleblowing Hotline GRI 2-26

Website: canalconfidencial.com.br

Tel: 0800.591.0579

Ombudsman (exclusive for customers)

Email: ouvidoria@stone.com.br

Tel: 0800.942.2174


Risk management

GRI 2-16, 2-25, 2-27, 205-1

We have policies and practices for corporate risk management aimed at identifying, assessing, responding to, monitoring and reporting harmful events to Stone Co. We see these situations as opportunities for improvement and, in that sense, beyond the integrated risk management department, we operate in a decentralized manner, reporting identified and addressed events.

In our 20-F Form, a standardized report presented annually by all companies listed on U.S. stock exchanges, we broadly cover the main risks that could affect our business, and the actions to be taken. The report is accessible on our investor relations website.

KEY BUSINESS AND OPERATIONAL RISKS MONITORED

| | | |
|---|---|--|
|  | Strategic | Situations that could impact the company's strategic goals, mission and vision. |
|  | Operational | Events that could generate losses due to failure, deficiency or inadequacy of internal processes. |
|  | Financial | Risks that could result in financial losses related to credit, market, liquidity and capital. |
|  | Socio-environmental | Situations that could cause losses and damages to the environment and society. |
|  | Regulatory | Events that could originate losses due to the violation of regulatory standards. |
|  | Information technology and intellectual property | Incidents that may result in losses due to data breaches, trademark rights, intellectual property rights, domain names, software, trade secrets, among others. |

Information security

GRI 3-3: management of material topic, FB_FR-230a.2

Working with data is part of our business, and we invest in technology and highly qualified people to provide the highest level of protection and confidentiality.

Our systems undergo continuous scans and periodic tests, simulating real attack behaviors to detect vulnerabilities. In this way, it is possible to quickly identify and correct any dangerous situations. Continuous monitoring ensures a secure environment in compliance with Central Bank regulations and the Sarbanes-Oxley (SOX) Act, which protects investors and stakeholders against possible financial fraud. We have teams that monitor our environment to validate control maturity.

Stone is ISO 27.001 certified and complies with the Payment Card Industry – Data Security Standard (PCI DSS), with approval from major payment institutions.

Through the Brazilian General Data Protection Regulation (BR GDPR), Law no. 13709/2018, effective since 2020, we have a Privacy and Personal Data Protection team that uses leading market frameworks to protect the entire data

lifecycle. Periodically, the standards are reviewed to identify the best practices to be implemented.

GRI 418-1

We promote an increasingly transparent and safe work environment for everyone

Our people

IN THIS CHAPTER

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- 38 DIVERSITY AND INCLUSION
- 38 UNIFIED TEAM
- 40 ATTRACTING AND SELECTING TALENT
- 42 DEVELOPING TALENTS
- 44 OCCUPATIONAL HEALTH AND SAFETY
- 45 POSITIVE SOCIAL IMPACT



Our people

Our success is the sum of the talent of our professionals who operate aligned with our values to ensure strong business performance and uphold the company’s commitments to society

Stone Co. team

GRI 3-3: material topic (Attraction, development and retention of employees + Diversity, inclusion, and equity)

We are a team of entrepreneurial people that prioritize the collective good, aware that everyone prospers if our business is successful. Our teams are made up of unique and special people, who display intelligence, energy and integrity, who decided to coalesce around a common cause: serving the customer. This commitment is the fuel to continue breaking paradigms in the market where we operate; it's our daily differentiator when interacting with our stakeholders, in the office, on the streets and in the delightful service we provide.

We believe success is the sum of everyone's efforts. We spare no effort to ensure that each team member, their first day at the company,

thoroughly understands our five core values (**Own it, No bullshit, Team play, Live the ride e The reason**) and achieves full personal development. Investments in new talents, training, ongoing qualification, and educational programs make Stone Co. a place with great prospects for professional growth.

As of 2022, our team comprises 14,799¹ individuals, with 60% being men and 40% women. We are working to advance diversity within our company. All are hired according to guidelines set forth by the Brazilian Labor Laws (CLT), except for interns, apprentices, and some officers, whose specific terms are set by law. Learn more about how we stimulate people and careers through these channels: **LinkedIn Stone, LinkedIn Linx, Jornada Stone** and **Carreira Linx**.



27%

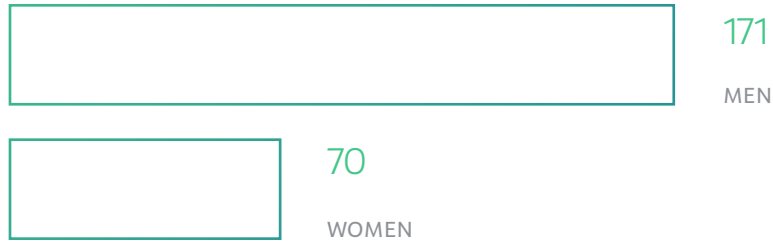
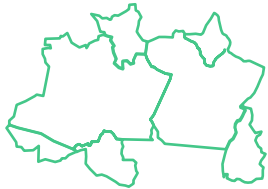
of women in our team are in leadership positions

¹ This indicator takes in consideration the companies on page 52, which may differ from the indicators disclosed in the 20-F.

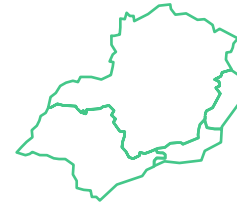


EMPLOYEES BY EMPLOYMENT CONTRACT AND REGION¹ GRI 2-7
2022

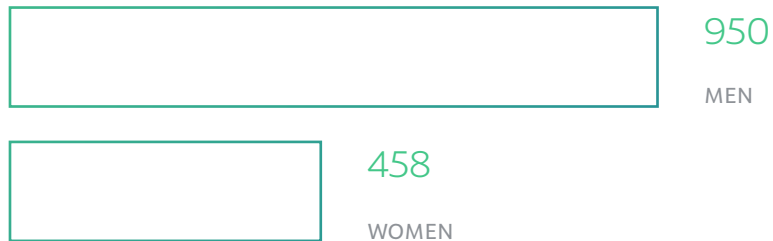
NORTH



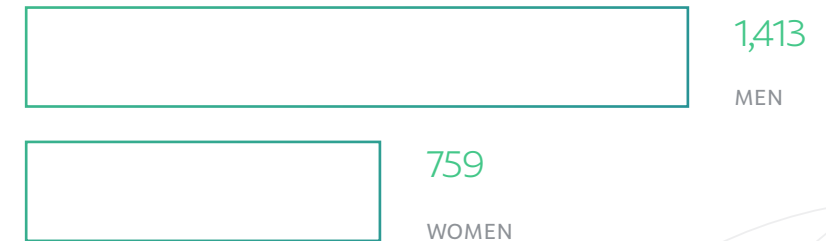
SOUTHEAST



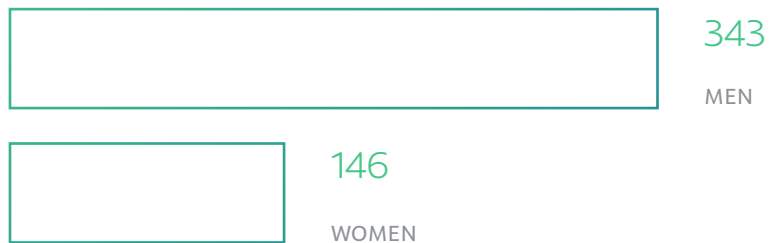
NORTHEAST



SOUTH



MIDWEST



14,799

people make up the permanent Stone Co. team

¹ This indicator takes in consideration the companies on page 52, which may differ from the indicators disclosed in the 20-F.



Diversity and inclusion

Brazil is a rich tapestry of culture, knowledge, diversity and experiences. In this diverse setting, we believe it is essential to foster an environment that values these differences, reflected in our collective pool of talent.

Among our professionals, 27% of women hold leadership positions. We have a zero-tolerance policy for any form of discrimination or harassment, as laid out in our Code of Ethics and communicated to all team members. Over the past year, we recorded 29 instances of discrimination, with ten confirmed cases and eight deemed partially valid. In response, we have implemented disciplinary measures and action plans to combat such issues. [GRI 406-1](#)

We've invested in creating materials and forums to keep the spotlight on diversity and inclusion. These include:

- **A best practices guide on LGBTQIAPN+ matters:** in partnership with TODXS, an organization committed to societal inclusion, aimed at making our space more welcoming.
- **A racial and ethnic best practices guide:** created with consultancy firm Águas de Oxum, addressing racism and offering guidelines for both inside and outside the workplace.
- **A women's group:** an open space for conversations among those who identify as women, focusing on the role of women in the company and in society.

Specifically on diversity, Linx has established four affinity groups related to black people, women, people with disabilities (there is a process for attracting and selecting these professionals), and LGBTQIAPN+. The efficacy of these measures is continually monitored through internal surveys and an annual diversity census.

Unified Team

Our teams operate nationwide, breaking financial sector paradigms and prioritizing collective work, all driven by a singular purpose since 2012: to serve Brazilian entrepreneurs and turn their dreams into results. This year, we had 5,297 new hires and 5,872 terminations. We have a compensation plan based on Performance Assessment (AVD), potentially supplemented by Profit Sharing (PLR), bonuses and awards. Linx executives, currently in the process of being integrated into Stone Co., have a specific compensation plan.

Our policy aims to boost performance and talent retention, contributing to the company's competitiveness and prosperity. Not just individual outcomes, but also how they are achieved (cultural fit), are considered in compensation decisions. This ensures our results as a group and the preservation of our culture, where intelligence, energy and integrity are key pillars. [GRI 2-19, 2-20](#)

We offer a benefits package that includes health and dental plans, telemedicine services, Gympass and Wellness plans for physical activities and well-being, and parental leave. Mothers get six months of maternity leave when we joined the Corporate Citizenship program. We

also launched a series of content related to the “power of motherhood” to disseminate related information. At Linx, specifically, the benefits include parental leave, health plans and life insurance. [GRI 401-2](#)



Employee Experience

Our internal engagement and communication activities keep our culture strong, reinforcing our values as we outline below:



Chat

Initiated in 2015, the purpose of this ritual is to gather our team members and talk about our business, culture and upcoming initiatives. We hold these monthly meetings with leaders to foster closer relationships and align the team on priority topics. Every quarter, our CEO Pedro Zinner conducts the session to discuss market-released results.

It's a forum for sharing learnings, issues and unveiling new internal product launches. It also allows for open and transparent Q&A through our “Frank Conversation” session. In 2022, we held 12 sessions, with live participation by approximately 1,770 employees each time and over 50,000 views throughout the year.



Leadership Workshops

Since 2021, we've had a monthly ritual with our primary leadership to align our business direction, discuss results and engage in open dialog.



Stonecamp

Once a year, we assemble our leadership to discuss results, talk about our strategies and reinforce the fundamentals of our culture. These are inspiring and educative moments featuring guests from across Brazil. After pausing due to the COVID-19 pandemic, we resumed the event in 2022, gathering 475 participants.



Stonews

This is our weekly news ritual, covering the main events and guidelines of the company and the market. Teams can follow the content via Workplace and Yammer, one of our primary internal communication channels. Over the year, the 52 editions garnered over 100,000 views.

Organizational Climate Survey

We provide a space for our employees to give feedback about their journey with Stone. Every Monday, we send out an email asking: “Tell us how you're feeling this week.” This is part of an internal organizational climate survey where

our people rate 12 dimensions, based on the Pulses' (a people management platform) survey on happiness, leadership, innovation and workplace perceptions. In 2022, 63% of the team participated with more than 10,000 unique respondents, scoring an average of 8.5 on a scale from 1 to 10.

Attracting and selecting talents

We are always looking for people better than us. We are always on the lookout for people who are even better than us. One of our main objectives is to identify candidates' potential, skills and values. Therefore, we have various strategies to attract the best talents to our company.

We have fostered a culture that highly values personal development and talents

Stone Recruitment

The Stone Recruitment process, started in 2014, is both a selection process and a key cultural ritual for us. We believe that individuals should be the driving force in their own lives and careers, and we encourage their growth within the company, even providing opportunities to switch to different departments. Last year, 102,511 people from all over the country applied.

Boost employer branding: we share our culture and values aiming to attract the best talents in the market.

Discover talents: We're not looking for specific technical skills. We seek people nationwide who align well with our culture and want to support Brazilian entrepreneurs.

Team Development in Culture and Recruitment & Selection: in each round, over 300 employees enhance their understanding of the company values and develop skills to recognize candidates' potential, always respecting the diverse backgrounds, journeys, and aspirations of each individual.

We also have the **Summer Stone Internacional initiative.** We hire Brazilian students who are pursuing higher education at foreign universities for a three-month internship during the summer break. Since 2019, we have welcomed students from various universities, such as Harvard, Stanford, and Columbia in the United States; the University of British Columbia in Canada and Università Bocconi in Italy, among others. In 2022, 15 students participated in the program, coming from institutions like MIT, UPenn, Babson College, UC Berkeley, UCLA and the University of Notre Dame. These students

are placed in different departments at Stone and are required to develop a significant project, which is presented to a panel of evaluators at the end of the program.

Linx maintains some specific processes like Talent Acquisition, which guides best work practices for the team, monitors our performance, and tracks key metrics such as turnover rates and NPS for managers (an indicator that shows levels of improvement in talent attraction and retention processes), and tools that measure the performance of these actions.



Internal recruiting

We believe in people, and that's what makes us grow. We value and leverage talents, creating opportunities for them to develop and lead in their own stories. However, not all challenges are a good fit right off the bat. That's why, in 2021, we launched an **Internal Recruitment Program**, opening company positions and selection processes for our existing staff to try new challenges. Since its creation, we have had nearly 4,000 applicants and moved over 300 people within the company.

Young Apprentice Program

We aim to find young people between 16 and 22 who are either currently enrolled or have completed high school and possess the ambition and energy to embark on this journey. From onboarding to the end of the apprenticeship period, we achieved an NPS of 82 in the program, 84% high and medium performance in our evaluation cycle, and an average turnover rate of 1.3% in 2022. This has resulted in nearly 60% of the apprentices becoming full-time employees.

University Partnerships

To attract top talent, we are increasingly strengthening our ties with Universities and Educational Programs. Examples include the Institute for Teaching and Research (Insper), Federal University of Rio de Janeiro (UFRJ), University of São Paulo (USP), and the State University of Rio de Janeiro (UERJ), as well as the Fundação Estudar, which provides scholarships for undergraduate and postgraduate studies abroad. In 2022, 180 new members joined the company through these partnerships.

Student Recognition

We were highlighted in the Junior Company Movement's Career Survey in 2022, ranking in over ten categories. The study is organized by Brasil Júnior, the Brazilian Confederation of Junior Companies, and the evaluation was conducted with 2,500 respondents from various Brazilian universities. The results reflect Stone's culture, committed to transforming the lives of entrepreneurs and focused on developing our business owners.

Tech Journey

Our free training program, **/code [S]**, is offered to those interested in starting their journey in technology. In 2022, there were 8,503 registrants, with no prior development experience, from almost every Brazilian state and countries in Europe and North America.

Throughout the course, hard and soft skills content was provided in partnership with edtech How Bootcamps and experts from Stone itself. After reviewing logical reasoning scores, course ratings, and semifinal grades, 16 selected individuals participated in an in-person hackathon to solve a real-world challenge through coding and immerse themselves in the company culture, mentored by professionals from various fronts of our technology team.

To bring the proceedings to a close, there were awards for the best students and a recruitment program was conducted for all interested candidates, and eight people were hired.

In 2022, we hosted the **regional stage of the Programming Marathon** at our Rio de Janeiro office. We welcomed 60 Computer



Science students from the best universities in Rio de Janeiro (UFRJ, UERJ, UFF, UFRRJ, among others) to compete in the country's largest competition in the field, and 2 of our teams qualified for the 2023 world championship, earning gold and silver in the 2022 national competition.



Talent development

Preparing our team and building a high-performance culture consistently is an essential mission of our talent management team. We believe that people should study every day, and to that end, we share content and encourage reading. We have standardized a set of in-person and online training sessions, such as:

Onboarding

The Welcome ritual is the company's first step in sharing knowledge with new hires and franchisees. It consists of three days to get to know our customers, our strategy, future ambitions and translating and instilling our values in those who have come to contribute. The aim is to speed up the initial learning curve and help new hires adapt. In 2022, 5,695 people (including employees and some business partners) participated in this integration process. For the technical areas, there's an immersion process with more specific learnings so that the new hires can effectively perform their new roles.

Studa

This is a free-access digital education platform that offers mandatory and technical training on business, management, leadership, interpersonal skills, strategy and more. Courses can be customized according to individual interests. The platform has a collaborative space for knowledge exchange, sharing articles, videos, podcasts and book recommendations.

Library

We created the Stone Co. Library, a space featuring recommended books that aid in the daily entrepreneurial journey, and short video lessons. In 2022, we had 177,000 active users and 267,000 views.

We offer a range of both in-person and remote training programs.

Leadership Program

Our leaders are culture keepers and knowledge multipliers, so we have specialized training programs focusing on foundational leadership elements.

- **Leadership Principles:** this trains leaders from our Technology and Backoffice teams, focusing on essential people management skills.
- **Lab Leader:** this aims to develop operational leaders through core principles and fundamentals of people management. In 2022, we trained 150 new leaders.
- **CPU:** this program aims to select and prepare future leaders of the company's hub channels through a three-and-a-half-day cultural immersion. Around 180 hub leaders were trained.

Educational Support

We offer our employees incentives for continuing education, including scholarships and attendance at seminars, conferences and workshops.

Performance review

We prioritize transparent development and recognition of our people. We have a twice-yearly internal **Performance Evaluation (AVD)** to track our team's progress. In this analysis, we consider the pillars of cultural fit (identification, adherence and commitment to the company's values), aptitude (evaluation of the necessary competencies for effective task performance), and results (achievement of the set goals for the semester). The evaluation is 360°, conducted among leaders, team members, peers, internal clients, and other stakeholders, and 96.25% of our team received performance reviews.

I grew with it! A story that drives our business

Grazi Castro, originally from Taubaté (SP), saw her career path widen when she joined Stone. The daughter of a metalworker and a nurse, Grazi has always wanted to honor her parents' love and support.

She started at Stone as a Green Angel, riding her own motorcycle for six months. Grazi stood out, contributing to the logistics process and initiating a "green operations revolution," which led to her first promotion as a district leader in Rio Grande do Sul. This recognition allowed Grazi to achieve three major dreams: support her brother's education, build a new home and improve her family's standard of living.

After six months in the South, Grazi returned to São Paulo to lead a district, overseeing a team of over 160 people.

Through her work at Stone, Grazi believes she can change Brazil by impacting many lives, providing



"My dream is to give people opportunities for growth and to change Brazil. Working towards this purpose is what I want to do for the rest of my life."

not just opportunities like those she received but empowering others to achieve their dreams.



Occupational health and safety

GRI 3-3: material topic, 403-3

Helping millions of businesspeople in Brazil is our **reason for being**, but just as important is helping every person that decides to embark on this journey with us. We direct our efforts so our team is always in a good place, both professionally and personally.

Prioritizing people also means recognizing the critical role that health and safety play in the company. Stone Co. actively promotes team well-being by fostering a positive and welcoming office atmosphere (aligned with our culture). Additionally, we provide resources to improve the work environment and preserve the quality of life outside the office, taking care of physical and mental health.

Through the digital platform **Studa**, we offer videos featuring experts on healthy daily routines and conduct weekly discussions at operational units about the importance of safety during activities. In case of accidents or incidents, we take measures to reduce such events and offer mandatory training based on regulatory standards (NRs), which guide us (NR-16) in

identifying hazardous situations and assessing risks. **GRI 403-2**

We are particularly concerned about our **Green Angels** (logistics operation), who are on the roads delivering point-of-sale devices to retailers. We provide Personal Protective Equipment (PPE) and training for activities such as driving and best practices for road safety.

Our Occupational Health Control Programs (**PCMSO**), risk management (**PGR**), ergonomic work analysis, exams and occupational evaluations are all in line with formal agreements with unions. Occupational safety training and the need for specific exams are evaluated based on the occupational risks involved. In general, roles at both Stone and Linx do not require specialized training, and both locations have medical clinics for employee care. **GRI 403-1, 403-4, 403-5**

To **promote health**, Stone employees have access to Vitta, a digital hospital system offering various medical specialties, and through it, several mental and nutritional health initiatives are carried out. Linx employees also have access to

various medical and health services, focusing on **health and well-being**. In both cases, employee information is kept confidential, as required by the Brazilian General Data Protection Regulation (BR GDPR). **GRI 403-6**

The Studa platform offers videos from experts on the importance of maintaining a healthy routine

Positive social impact

GRI 3-3: material topic (Financial education)

Since the beginning of our journey, we have always believed that the best way to change and shape the future is through education. In this regard, we have fostered a series of initiatives over the years to make a broader impact beyond our business

Social investment

GRI 413-1

We believe that investments in **education** and initiatives focused on **employability and income generation** are closely aligned with our business and culture and contribute significantly to the development of the Brazilian economy. Through these two pillars, we have created a specialized social investment area.

Our core objective is to develop individuals throughout their journey, considering both socio-emotional and technical elements that make a difference in their learning process, particularly in shaping their future aspirations. This motivates our work with all the young people and micro-entrepreneurs involved in our social programs.

Instituto Alpha Lumen - Projeto Escola

Projeto Escola works with young people and children to cultivate transformative leaders who can positively impact their communities. Through this initiative, we impact 530 students annually, including 92 scholarship recipients (Dream Club), 44 of which are funded by Stone. These young talents stand out in various robotics tournaments and knowledge Olympiads.

Alpha EdTech

Alpha EdTech is a free, fast-track, and excellent code academy that hires and pays talents aspiring to be developers, connecting them directly with the job market. The program's duration ranges from six to 12 months, tailored to each organization's needs.

Instituto Apontar

We partner with Rio de Janeiro's Municipal Department of Education for Program A+, which focuses on the holistic development of children and adolescents with high skills in areas such as math, literature, English and socio-emotional skills.

222 families were selected and supported among over 11,000 students tested in public schools.

Resilia Educação - Future Generation Program

This initiative aims at training and hiring young talents aged 18 to 24, focusing on diversity through transformative learning experiences in technology. It has supported and aided 45 low-income young individuals.



Brazilian Mathematics Olympiad Association (AOBM)

The AOBM aims to improve math education in Brazil. Therefore, we support more than 30 Regional Mathematics Olympiads in over ten states, such as the Alagoas Mathematics Olympiad (OAM) and the Rio de Janeiro Mathematics Olympiad (OCM). We also sponsor the Olympiad Week, benefiting over 200,000 students.

Our Figures

 **13** supported organizations

 **276 +** grants awarded

 **670 +** entrepreneurs trained

 **200,000 +** people directly and indirectly impacted

 **30 +** cities reached

Fundação Estudar

We are one of the corporate sponsors of the Fundação Estudar and support the institution through scholarship funding and providing content and job opportunities in the tech sector. Since the project's inception it has supported 49 students with scholarships to the best technology universities and encouraged over 220,000 students to pursue careers in this field in 2022, aiming to develop the country's future tech leaders.

New School

New School is a Social Edtech with the mission of providing free and high-quality education to the youth in marginalized areas throughout Brazil. Currently, the project engages 40,000 students across more than 600 municipalities in Brazil.

Tax incentive laws

In 2022 we invested in projects supported throughout Brazil by tax incentive laws: Hospital do Amor, Instituto Compartilhar, Instituto Alpha Lumen and New School.

(Re)conquista

Developed in partnership with Banco da Providência and Instituto Phi, (Re)conquista is a nationwide program aimed at empowering third-sector organizations, focusing on productive inclusion through entrepreneurship. In 2022, the program supported 22 NGOs, impacted 725 individuals and trained 535 micro-entrepreneurs.

Despertando o Empreendedor

In collaboration with Empreende Aí, this course provides 30 hours of training for entrepreneurs from communities and marginalized areas. In 2022, 209 micro-entrepreneurs benefited, with 135 of them getting certified and seeing up to a 40% increase in revenue. We recognized the 16 best-evaluated pitches providing them with a six-month mentorship cycle from Group Stone Co leaders.



Financial Citizenship

Instituto Propague

Instituto Propague, a Stone Co. initiative is a content platform focused on the financial system. Founded in 2019 as a non-profit, it aims to broaden the conversation about the financial system in Brazil by producing accessible and inclusive content. We believe that understanding this system is crucial for creating a healthy business environment, stimulating competition, enhancing the demand for services and driving innovation. We operate in three ways:

1. Advancing the **dialog** through research and expert and stakeholder consultations.
2. **Educating our stakeholders** with top-notch financial system content.
3. Providing **updated and simple** financial system information.

Every month, Instituto Propague releases a variety of content such as videos, articles, research, and internal reports from its research team. The **Propague no YouTube** channel serves as our primary mass communication medium. In this way, both our teams and our clients can access educational materials about the market.



Propague Channel



2022 Stats

6,422,435

↑ +332% on 2021

Total Views

8,065,792



Subscribers

68,410

↑ +647% on 2021



Hours watched in 2022

98,858

↑ +922% on 2021

Total hours watched

109,509



Total videos in 2022

276

↑ +283% on 2021

Sustainable Operations

IN THIS CHAPTER

49 ENVIRONMENTAL MANAGEMENT



Sustainable Operations

On our journey towards sustainability, we strive to improve how we offer products and enhance the efficiency of our operations

Environmental management

Our vision is focused on the future, and we're committed to building a more efficient world. We know that simply having green-colored machines isn't enough; we're also keen on advancing environmental indicators in our logistics and office operations. We have implemented measures to reduce water and electricity consumption across our units and ensure proper waste disposal.

Both our main São Paulo office and our Rio de Janeiro headquarters are LEED Gold certified, focusing on sustainable construction. As a result, we prioritize LEED-certified office spaces.

To save energy, we use LED lights in our offices and manually program or switch off lights and air-conditioning after hours and on weekends. Our restrooms and some of our kitchens are equipped with automatic lighting sensors.

To reduce water consumption, our faucets and toilets have flow-limiting devices. The external areas of the buildings where our offices are located feature rainwater harvesting.

We encourage the use of reusable cups or bottles, and as a part of our onboarding process, plan to provide these items to every new employee. Waste collected from our offices is sorted and disposed of according to classification. Digital signatures are our go-to for documents and

contracts, and we've developed a digital receipt system, saving paper as clients receive their sales reports via email at the end of each day.

In our logistics operations, we fully manage our machines. Defective but salvageable equipment undergoes technical and aesthetic repairs before re-entering the market. We optimize these devices to consume less battery power and conduct reverse logistics for inactive machines: 100% of them and their unusable batteries are disposed of by a third-party company ISO 14001-certified, ensuring environmentally sound disposal or recycling.

Climate change
We've compiled our first **Greenhouse Gas Emissions (GHG) inventory** according to the GHG Protocol, the main global guideline for identifying and calculating GHG emissions. Our main source of emissions comes from distributing our machines.

To mitigate this, our entire vehicle fleet uses flexible fuel models. We encourage the use of renewable energy sources and plan more efficient routes.

BIOGENIC CO₂ EMISSIONS (T CO₂ EQUIVALENT) – SCOPE 3 GRI 305-3

| | 2022 |
|------------------------------------|------|
| Biogenic CO ₂ emissions | 46.4 |

BIOGENIC CO₂ EMISSIONS (TCO₂ EQUIVALENT) - SCOPE 1 GRI 305-1

| | 2022 |
|--|----------|
| Biogenic CO ₂ emissions - Scope 1 | 2,595.07 |

INDIRECT GREENHOUSE GAS EMISSIONS¹ (TCO₂ EQUIVALENT) – SCOPE 2 GRI 305-2

| | 2022 |
|--|--------|
| Energy indirect GHG emissions (tCO ₂ equivalent) | 231.92 |
| Total Energy indirect GHG emissions in metric tons of CO ₂ equivalent calculated based on the market ² | 146.50 |

¹ Scope 2 calculations use emission factors from the National Grid (SIN), indicating emissions per MWh of consumed energy. Although CH₄ and N₂O emissions exist within this scope, they cannot be measured. The GWP factors used are based on the IPCC's 2013 report (AR5).

² The difference in Scope 2 emissions between the market-based and location-based approaches arises because one of Stone's offices, situated in a condominium, purchases I-Recs for its consumed energy.

OTHER GREENHOUSE GAS EMISSIONS¹ (TCO₂ EQUIVALENT)- SCOPE 3 GRI 305-3

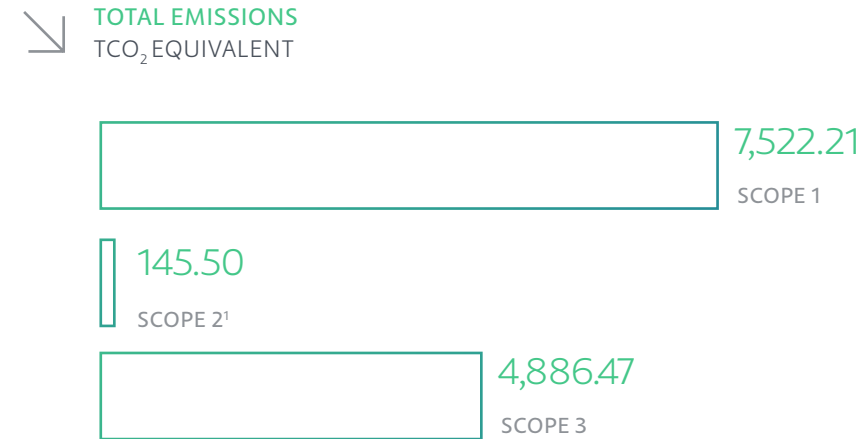
| | 2022 |
|---|-----------------|
| Goods and services purchased | 0 |
| Capital goods | 0 |
| Fuel- and energy-related activities | 0 |
| Upstream transportation and distribution (upstream) | 724.29 |
| Waste generated in operations | 51.28 |
| Business travel | 4,093.22 |
| Employee transportation | 0 |
| Leased assets | 17.68 |
| Other activities | 0 |
| TOTAL | 4,886.47 |

¹ The gases included in the calculations were CO₂ (carbon dioxide), CH₄ (methane), and N₂O (nitrous oxide). GWP factors are derived from the IPCC 2013 report (AR5). The GHG Protocol and ISO 14,064 methodologies were used for inventory calculation, applying an operational control approach.

DIRECT GREENHOUSE GAS EMISSIONS (TCO₂ EQUIVALENT) - SCOPE 1 GRI 305-1

| CATEGORY | 2022 |
|---|-----------------|
| Stationary Combustion | 10.09 |
| Mobile Combustion | 7,459.53 |
| Fugitive Emissions | 52.6 |
| Liquid Effluents | 51.28 |
| TOTAL GROSS CO₂ EMISSIONS | 7,522.21 |

¹ 2022 is the first year of the inventory calculation that used the GHG Protocol and ISO 14.064 methodologies, with an operational control approach. The gases included in the calculations were CO₂ (carbon dioxide), CH₄ (methane), N₂O (nitrous oxide), and HFCs (hydrofluorocarbons). The GWP (Global Warming Potential) factors used are based on the IPCC's 2013 report (AR5).



¹ Emissions presented using the market-based approach. As appear in the IPCC Report, 2013 (AR5).

Appendix

IN THIS CHAPTER

52 INDICATORS

60 GRI CONTENT INDEX



Disclosures

Appendix

Entities included in the organization's sustainability reporting GRI 2-2

The financial indicators include the companies reported in the **20F** form. The social and environmental indicators, in turn, embrace the companies listed below:

- Stone Instituição de Pagamento S.A.
- MNLT S.A.
- Pagar.me Instituição de Pagamento S.A.
- PDCA S.A.
- Stone Cartões Instituição de Pagamento S.A.
- Linx Pay Meios de Pagamento Ltda.
- Stone Sociedade de Crédito Direto S.A.
- TAG Tecnologia para o Sistema Financeiro S.A.
- Equals S.A.
- Linx S.A.
- Linx Sistemas e Consultoria Ltda.
- Linx Telecomunicações Ltda.
- Buy4 Processamento de Pagamentos S.A.
- Vitta Corretora de Seguros Ltda.
- Vitta Tecnologia em Saúde S.A.
- Vitta Serviços em Saúde Ltda.
- Vitta Saúde Administradora de Benefícios Ltda.
- Stone Co. Pagamentos UK Ltda.
- Stone Logística Ltda.
- Cappta S.A.
- Stone Co. CI Ltd.
- Stone Co. Ltd.

Membership of trade associations GRI 2-28

Stone Co. is a member of the following trade associations:

- Brazilian Association of Credit Card and Services Companies (ABECS)
- Brazilian Association of Digital Credit (ABCD)
- Brazilian Chamber of Digital Economy (camara-e.net)
- Brazilian Association of Listed Companies (ABRASCA)
- Brazilian Commercial and Services Technology Association (AFRAC)
- Brazilian Association of Software Companies (ABES)
- Brazilian Association of Payment Institutions (ABIPAG)
- Association of Information and Communication Technology Companies and Digital Technologies (BRASSCOM)
- Brazilian Institute of Competition Studies (IBRAC)
- Brazilian Banking Association (ABBC)

Ownership structure*

We are a publicly traded company, listed on the U.S. stock exchange Nasdaq. Additionally, we have Brazilian Depositary Receipts (BDRs) traded on São Paulo's stock exchange, B3. Stone Co. does not have a controlling shareholder, and the primary shareholder is HR Holdings, with 31.05% of the company's voting power. Other shareholders include: Madrone Partners LP (5.26% voting rights), BlackRock, Inc. (4.63% voting rights), The Pontes Family Trust and VCK Investment Fund Limited (SAC A) each with 3.80% and 3.45% voting rights, respectively. The company discloses its financial data and significant events via the Security and Exchange Commission (SEC) and on its [Investor Relations website](#), where stakeholders can subscribe to a mailing list to receive Stone Co.'s main announcements via email and access press releases, events calendar, share price history, analyst coverage, among others. **FN-EX-410 a.3**

** Ownership structure disclosed in the 20-F Report, as of 03/31/2023.*

STAKEHOLDER ENGAGEMENT GRI 2-29

We strive to build a strong, trustworthy community around our brand by spreading our company's mission and values. We offer a variety of customer service channels that cater to our main stakeholders. This ensures we are open and attentive to demands, identifying real and potential impacts.

We also have a dedicated sustainability contact: sustentabilidade@stone.com.br.

This information helps us collect data for action plans, improve our processes and identify impacts.

| STAKEHOLDERS [TIRA ITALICA] | FORMS OF ENGAGEMENT |
|---|--|
| STAFF | Climate surveys; internal surveys, management meetings, team meetings; HR business; chats; Stone Camp; leader workshops; Stone news; Good morning Polo/CD; Strada; internal social networks (Workplace and Yammer); associations and unions; Whistleblowing channels. |
| CLIENTS | Customer Support, satisfaction surveys (CSAT); chats; social media channels (Instagram, LinkedIn, Facebook, etc.); Stone blog; dedicated channels to address challenges and needs and feedback. |
| FRANCHISEES | Corporate email; chats; NPS Surveys; Green Mail (weekly newspaper published for the network); Yungas (franchisee service platform); questionnaires and internal social network environment; website; monthly live chats with the entire franchise network; Stone Day (annual engagement and culture event). |
| ANALYSTS, SHAREHOLDERS AND INVESTORS | Activities with these stakeholders are centered in the Investor Relations department, which is responsible for disclosing results and significant company updates, offering data on the Investor Relations website, and conducting both physical and virtual meetings, and conferences and non-deal roadshows (NDR), and email support. |
| PROVIDERS OF CAPITAL | The Treasury Department, responsible for managing, raising, and controlling financial resources, interacts with local and international financial institutions, cooperatives, investment funds, credit agencies, and other market players. The channels used in this relationship are: corporate email; calls; face-to-face and virtual meetings; conferences and roadshows. |
| SOCIETY/COMMUNITY | Social investment projects; Instituto Propague; meetings, and website. |

NEW HIRES BY AGE GROUP*1 GRI 401-1

| | 2022 | | |
|-------------------|---------------|--------------|-------------|
| | TOTAL | HIRES | RATE |
| Under 30 | 7,366 | 3,015 | 0.41 |
| Between 30 and 50 | 7,112 | 2,211 | 0.31 |
| Over 50 | 321 | 71 | 0.22 |
| TOTAL | 14,799 | 5,297 | 0.36 |

¹ The figures in the GRI 401-1 indicator represent the sum of employees from the financial services and software platform.

* This indicator takes in consideration the companies on page 52, which may differ from the indicators disclosed in the 20-F.

NEW HIRES BY GENDER GRI 401-1

| | 2022 | | |
|--------------|---------------|--------------|-------------|
| | TOTAL | HIRES | RATE |
| Men | 8,862 | 3,209 | 0.36 |
| Women | 5,937 | 2,088 | 0.35 |
| TOTAL | 14,799 | 5,297 | 0.36 |

* This indicator takes in consideration the companies on page 52, which may differ from the indicators disclosed in the 20-F.

NEW HIRES BY REGION* GRI 401-1

| | 2022 | | |
|--------------|---------------|--------------|-------------|
| | TOTAL | HIRES | RATE |
| North | 241 | 114 | 0.47 |
| Northeast | 1,408 | 666 | 0.47 |
| Midwest | 489 | 232 | 0.47 |
| Southeast | 10,489 | 3,532 | 0.33 |
| South | 2,172 | 753 | 0.35 |
| TOTAL | 14,799 | 5,297 | 0.35 |

* This indicator takes in consideration the companies on page 52, which may differ from the indicators disclosed in the 20-F.

TURNOVER BY AGE GROUP* GRI 401-1

| | 2022 | | |
|-------------------|---------------|--------------|-------------|
| | TOTAL | TERMINATIONS | RATE |
| Under 30 | 7,366 | 2,917 | 0.40 |
| Between 30 and 50 | 7,112 | 2,819 | 0.40 |
| Over 50 | 321 | 136 | 0.42 |
| TOTAL | 14,799 | 5,872 | 0.40 |

* This indicator takes in consideration the companies on page 52, which may differ from the indicators disclosed in the 20-F.

TURNOVER BY GENDER* GRI 401-1

| | 2022 | | |
|--------------|---------------|--------------|-------------|
| | TOTAL | TERMINATIONS | RATE |
| Men | 8,862 | 3,495 | 0.39 |
| Women | 5,937 | 2,377 | 0.40 |
| TOTAL | 14,799 | 5,872 | 0.40 |

* This indicator takes in consideration the companies on page 52, which may differ from the indicators disclosed in the 20-F.

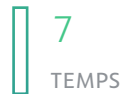
TURNOVER BY REGION* GRI 401-1

| | 2022 | | |
|--------------|---------------|--------------|-------------|
| | TOTAL NO. | TERMINATIONS | RATE |
| North | 241 | 138 | 0.57 |
| Northeast | 1,408 | 520 | 0.37 |
| Midwest | 489 | 245 | 0.50 |
| Southeast | 10,489 | 4,128 | 0.39 |
| South | 2,172 | 841 | 0.39 |
| TOTAL | 14,799 | 5,872 | 0.40 |

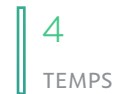
* This indicator takes in consideration the companies on page 52, which may differ from the indicators disclosed in the 20-F.

EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER GRI 2-7
2022

MEN



WOMEN



PARENTAL LEAVE* GRI 401-3

| | 2022 | |
|--|-------|-------|
| Employees entitled to parental leave | men | 8,862 |
| | women | 5,937 |
| Total employees who took parental leave during the current year | men | 14 |
| | women | 67 |
| Employees who returned to work during the reporting period after parental leave ended | men | 182 |
| | women | 203 |
| Employees that returned to work after parental leave ended that were still employed 12 months after their return to work | men | 137 |
| | women | 160 |
| Rate of return | men | 0.27 |
| | women | 0.43 |
| Retention rate | men | 1.07 |
| | women | 1.43 |

¹ The indicator includes data from both Stone and Linx.

* This indicator takes in consideration the companies on page 52, which may differ from the indicators disclosed in the 20-F.

WORKERS COVERED BY A HEALTH AND SAFETY MANAGEMENT SYSTEM¹ GRI 403-8

| | 2022 | |
|---|-----------|--------|
| | EMPLOYEES | |
| Total number of individuals | No. | 14,799 |
| Individuals covered by an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines | No. | 14,799 |
| | % | 100 |
| Individuals covered by such a system that has been internally audited. | No. | 14,799 |
| | % | 100 |
| Individuals covered by such a system that has been audited or certified by an external party. | No. | 14,799 |
| | % | 100 |

¹ The indicator includes data from both Stone and Linx. The number of workers who are not employees, but whose work and/or workplace is controlled by the organization, is equivalent to zero.

WORK-RELATED INJURIES¹ GRI 403-9

| | 2022 |
|---|-----------|
| | EMPLOYEES |
| Number of hours worked | 1,000,000 |
| Number of fatalities as a result of work-related injuries | 0 |
| Rate of fatalities as a result of work-related injuries | 0 |
| Number of high consequence work-related injuries (excluding fatalities) | 13 |
| Rate of high consequence work-related injuries (excluding fatalities) | 6.5 |
| Number of recordable work-related injuries | 144 |
| Rate of work-related injuries | 72 |

¹ The indicator includes data from both Stone and Linx. The number of workers who are not employees, but whose work and/or workplace is controlled by the organization, is equivalent to zero.

EMPLOYEES RECEIVING PERFORMANCE ANALYSES BY JOB CATEGORY* (%)¹ GRI 404-3

| | 2022 | | |
|-------------------|--------------|--------------|--------------|
| | MEN | WOMEN | TOTAL |
| Senior Leadership | 87.3% | 100% | 88.6% |
| Management | 94.0% | 96.0% | 94.0% |
| Coordinators | 93.2% | 94.4% | 93.5% |
| Specialists | 96.5% | 97.4% | 96.7% |
| Analysts | 94.5% | 92.3% | 91.4% |
| Operational | 98.5% | 98.9% | 98.7% |
| TOTAL | 96.0% | 95.6% | 96.3% |

¹ The indicator data includes the sum of employees from both Stone and Linx.

* This indicator takes in consideration the companies on page 52, which may differ from the indicators disclosed in the 20-F.

EMPLOYEES BY EMPLOYEE CATEGORY AND GENDER* (%) GRI 405-1

| | 2022 | | | | |
|-------------------|--------------|--------------|--------------|--------------|---------------|
| | MEN | PERCENTAGE | WOMEN | PERCENTAGE | TOTAL |
| Senior Leadership | 63 | 90.0% | 7 | 10.0% | 70 |
| Management | 282 | 73.6% | 101 | 26.4% | 383 |
| Coordinators | 1,113 | 72.0% | 432 | 27.9% | 1,545 |
| Experts | 289 | 78.9% | 77 | 21.0% | 366 |
| Analysts | 3,358 | 64.9% | 1,809 | 35.0% | 5,167 |
| Operational | 3,757 | 51.7% | 3,511 | 48.3% | 7,268 |
| TOTAL | 8,862 | 59.8% | 5,937 | 40.1% | 14,799 |

* This indicator takes in consideration the companies on page 52, which may differ from the indicators disclosed in the 20-F.

EMPLOYEES BY EMPLOYEE CATEGORY AND AGE GROUP* (%) GRI 405-1

| | 2022 | | | | | |
|----------------------|--------------|--------------|-------------------|--------------|------------|-------------|
| | UNDER 30 | PERCENTAGE | BETWEEN 30 AND 50 | PERCENTAGE | OVER 50 | PERCENTAGE |
| Senior Leadership | 3 | 4.3% | 48 | 68.6% | 19 | 27.1% |
| Management | 46 | 12.0% | 293 | 76.5% | 44 | 11.5% |
| Coordinators | 450 | 29.1% | 1,058 | 68.5% | 37 | 2.4% |
| Experts ¹ | 39 | 10.6% | 271 | 74.0% | 56 | 15.3% |
| Analysts | 2,679 | 51.8% | 2,378 | 46.0% | 111 | 2.1% |
| Operational | 4,077 | 56.1% | 3,121 | 42.9% | 69 | 0.9% |
| TOTAL | 7,294 | 49.3% | 7,169 | 48.4% | 336 | 2.3% |

¹ The numbers include this category on the software platform.

* This indicator takes in consideration the companies on page 52, which may differ from the indicators disclosed in the 20-F.

GRI content index

Statement of use

Stone Co. has reported the information cited in this GRI content index with reference to the GRI Standards. [reporting period: Jan/2022 - Dez/2022]

| | |
|--|--|
| GRI 1 used | GRI 1: Foundation 2021 |
| Applicable GRI Sector Standard(s) | There was no applicable sector standard. |

GRI 2: General Disclosures 2021

| DISCLOSURE | LOCATION | OMISSION | | |
|--|----------------------------------|------------------------|-------------------------------|-------------------------------|
| | | REQUIREMENT(S) OMITTED | REASON | EXPLANATION |
| 2-1 Organizational details | 8 | - | | |
| 2-2 Entities included in the organization's sustainability reporting | 8, 52 | | | |
| 2-3 Reporting period, frequency and contact point | 3 | | | |
| 2-4 Restatements of information | 2-4 | | | |
| 2-5 External assurance | There was no external assurance. | | | |
| 2-6 Activities, value chain and other business relationships | 8 | | | |
| 2-7 Employees | 37, 55 | | | |
| 2-8 Workers who are not employees | | 2-8 | Not applicable. | Considered confidential data. |
| 2-9 Governance structure and composition | 29 | | Considered confidential data. | |
| 2-10 Nomination and selection of the highest governance body | 29 | | | |
| 2-11 Chair of the highest governance body | 29 | | | |

| DISCLOSURE | LOCATION | OMISSION | | |
|--|---|------------------------|-----------------|--|
| | | REQUIREMENT(S) OMITTED | REASON | EXPLANATION |
| 2-12 Role performed by highest governance body in overseeing impact management | 29 | | | |
| 2-13 Delegation of responsibility for managing impacts | 31 | | | |
| 2-14 Highest governance body's role in sustainability reporting | 29 | | | |
| 2-15 Conflicts of interest | 32 | | | |
| 2-16 Communicating critical concerns | 29, 34 | | | |
| 2-17 Collective knowledge of the highest governance body | 15, 31 | | | |
| 2-18 Evaluation of the performance of the highest governance body | 29 | | | |
| 2-19 Compensation policies | 38 | | | |
| 2-20 Process for determining remuneration | 38 | | | |
| 2-21 Annual total compensation ratio | 2-21 | | Not applicable. | The information is considered confidential by the company. |
| 2-22 Statement on sustainable development strategy | 5, 15 | | | |
| 2-23 Policy commitments | 32 | | | |
| 2-24 Embedding policy commitments | 32 | | | |
| 2-25 Processes to remediate negative impacts | 32, 34 | | | |
| 2-26 Mechanisms for seeking advice and raising concerns | 32, 33 | | | |
| 2-27 Compliance with laws and regulations | | 2-27 | Not applicable. | The information is considered confidential by the company. |
| 2-28 Membership of associations | 52 | | | |
| 2-29 Approach to stakeholder engagement | 15, 53 | | | |
| 2-30 Collective bargaining agreements | 83.1% of employees are covered by collective bargaining agreements. | | | |

Material Topics

| GRI STANDARD / OTHER SOURCE | DISCLOSURE | LOCATION | OMISSION | | |
|---|--|------------|------------------------|---------------------|---|
| | | | REQUIREMENT(S) OMITTED | REASON | EXPLANATION |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | 3, 15 | - | | |
| | 3-2 List of material topics | 3, 17 | | | |
| Financial education | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 45 | | | |
| Training and education 2016 | GRI 404-1 Average hours of training per year per employee | | 404-1 | Data not available. | |
| Data Privacy & Security | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 34 | | | |
| Customer privacy 2016 | GRI 418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data | | | | In 2022, there was an external incident stemming from another financial institution related to the Pix key. The Central Bank notified the general market so that financial institutions could inform their affected customers. Nevertheless, we had no internal impact or any relation to the mentioned incident. |
| Data security | SASB-FB-FR-230a.2 Describe the approach to identifying and addressing data security risks | 34 | | | |
| Attracting, Developing and Retaining Employees | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 36 | | | |
| Employment 2016 | GRI 401-1 New employee hires and employee turnover | 53, 54, 55 | | | |
| | GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 38 | | | |
| | GRI 401-3 Parental leave | 55 | | | |

| GRI STANDARD / OTHER SOURCE DISCLOSURE | | LOCATION | REQUIREMENT(S) OMITTED | REASON | EXPLANATION |
|--|---|---|------------------------|--|-------------|
| Training and education 2016 | GRI 404-3 - Percentage of employees receiving regular performance and career development reviews | 57 | | | |
| Ethics, integrity and compliance | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 32 | | | |
| Anti-corruption 2016 | GRI 205-1 Operations assessed for risks related to corruption | Stone conducts a comprehensive risk analysis, considering the classifications outlined on page 34 of the report, not limiting itself solely to exposure to corruption risks. The integrated risk management process follows a methodology adopted across the company, allowing these risks to be assessed, monitored and managed. | | | |
| | GRI 205-2 Communication and training on anti-corruption policies and procedures | | 205-2 | The information is considered confidential by the company. | |
| | GRI 205-3 Confirmed incidents of corruption and actions taken | There were no confirmed incidents of corruption during the period covered by the report. | | | |
| Innovation and technology | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 19 | | | |
| Product and service quality and safety and customer relations | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 19 | | | |
| Customer privacy 2016 | GRI 418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data | In 2022, there was an external incident stemming from another financial institution related to the Pix key. The Central Bank notified the general market so that financial institutions could inform their affected customers. Nevertheless, we had no internal impact or any relation to the mentioned incident. | | | |

| GRI STANDARD / OTHER SOURCE DISCLOSURE | | LOCATION | REQUIREMENT(S) OMITTED | REASON | OMISSION EXPLANATION |
|---|---|----------|--|--------|----------------------|
| Employee Health, Safety and Well-Being | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 44 | | | |
| | GRI 403-1 - Occupational health and safety management system | 44 | | | |
| | GRI 403-2 - Hazard identification, risk assessment, and incident investigation | 44 | | | |
| | GRI 403-3 - Occupational health services | 44 | | | |
| | GRI 403-4 Worker participation, consultation, and communication on occupational health and safety | 44 | | | |
| | GRI 403-5 Worker training on occupational health and safety | 44 | | | |
| Occupational health and safety 2018 | GRI 403-6 Promotion of worker health | 44 | | | |
| | GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | | At Stone, 100% of employees, interns, apprentices, and officers are covered when it comes to health services, and only those with formal employment contracts are considered. At Linx, there are no direct impacts on individuals not affiliated with the company. | | |
| | GRI 403-8 - Workers covered by an occupational health and safety management system | 56 | | | |
| | GRI 403-9 Work-related injuries | 56 | | | |
| Diversity, Inclusion & Equity | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 36 | | | |

| GRI STANDARD / OTHER SOURCE | | DISCLOSURE | LOCATION | REQUIREMENT(S) OMITTED | REASON | OMISSION | EXPLANATION |
|---|-----------|--|----------|------------------------|-----------------|----------|---|
| Diversity and equal opportunity 2016 | GRI 405-1 | Diversity of governance bodies and employees | | 405-1 | Not applicable. | | The company does not monitor data on employees and workers from underrepresented groups by job category. We also do not report data related to workers by functional category and gender, and age range, because the data is considered confidential. |
| | GRI 405-2 | Ratio of the basic salary and remuneration of women to men | | 405-2 | Not applicable. | | The information is considered confidential by the company. |
| Non-discrimination 2016 | GRI 406-1 | Incidents of discrimination and corrective actions taken | 38 | | | | |
| Democratizing access to services and local development | | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 19 | | | | |
| | GRI 203-2 | Significant indirect economic impacts | 12 | | | | |
| Local communities 2016 | GRI 413-1 | Operations with local community engagement, impact assessments, and development programs | 45 | | | | |

Credits

Report Coordination

STONE CO. SUSTAINABILITY

Project management, GRI
consultancy, materiality matrix,
content and design

GRUPO REPORT – RPT SUSTENTABILIDADE AND RPT ESTRATÉGIA

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Translation

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