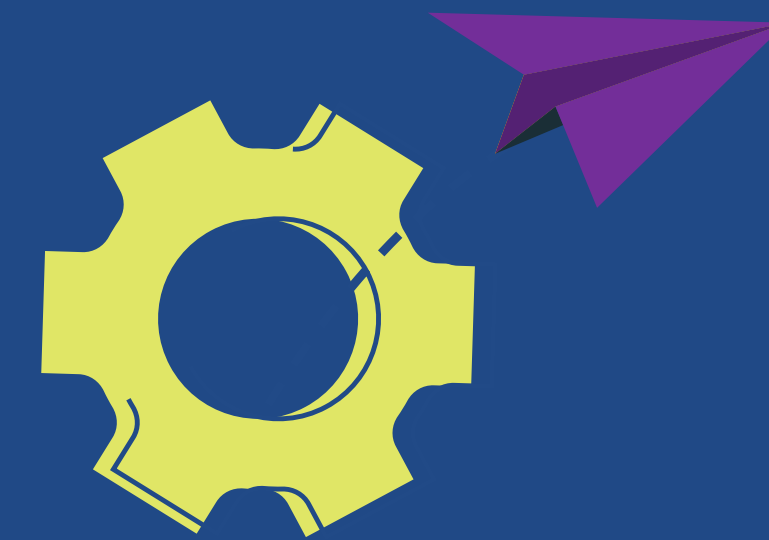
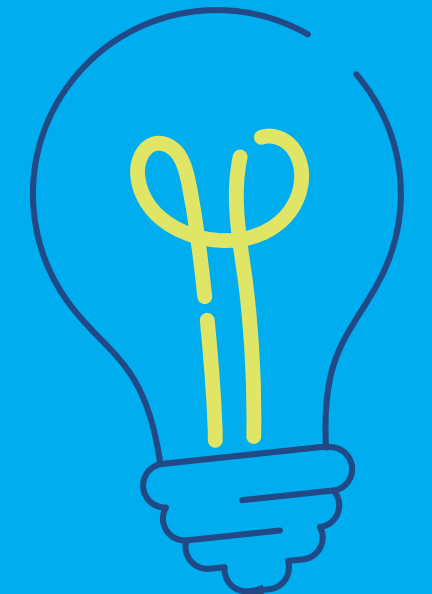
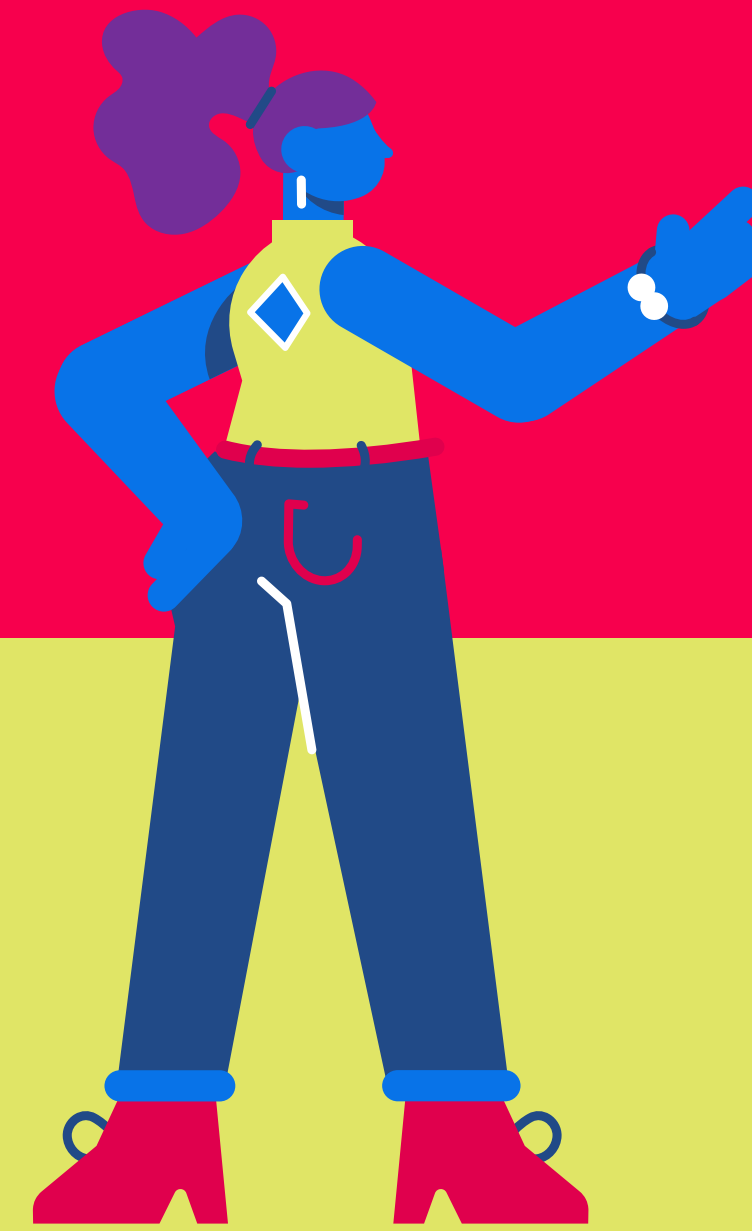


cielo

# Integrated Annual Report

2022



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# Message from the CEO

GRI 2-22

Interview with  
**Estanislau Bassols,**  
Cielo CEO

*“Our history of leadership has brought us here stronger, causing important transformations in the sector and in the lives of our customers.”*

**1. You took over as CEO of Cielo in September 2022. How do you assess the challenge of leading the Company?**

**ESTANISLAU BASSOLS (EB):** I have always believed in the importance of having purpose at work. This was intrinsic in my professional journey. Purpose leads us to find meaning in belonging to a Company, adding value to the business and learning. Purpose enchants employees, customers, partners and society.

I believe in Cielo’s purpose and in our capacity to continue being leaders, leading important discussions for our sector.

Being part of a company with sound results, but in a constantly transforming market, is certainly a challenge, as it forces us to seek constant innovation, without losing sight of everything we have already built.



I can tell that our main challenges are:

- › Take a new leap in the payments business through projects that will bring financial efficiency for steady, sustainable growth;
- › Focus on customer experience, continually seeking to review and optimize the Company's service model, redefining the customer journey processes to reach new levels of satisfaction;
- › Invest in people, technology and data, reviewing our work methodologies when necessary, with a focus on agility and technological modernization, in addition to expanding our data use and working towards evolving the Company as a whole.

We have an amazing vocation to serve. This certainly strengthens us to direct our efforts in a constantly updated environment. Thus, along with the market, we can adapt and transform Cielo's future.

*"We achieved operational consistency, financial solidity, cost efficiency and consolidated a culture focused on people and management, in addition to a structured, active and relevant ESG strategy."*

## **2. The heart of Cielo's strategy is to be a leader in payments. How does the Company act to strengthen and promote this objective?**

**EB:** We are very proud of our legacy. We are leaders in the sector, with over 1 million customers. We are present in 99% of the country's municipalities, carrying out 12,000 transactions per second, in addition to having an infrastructure that supports eight times the Brazilian e-commerce volume.

Considering all this history, I believe we have gained an almost unstoppable speed, contributing to taking the market even further forward. This is exactly what inspires us to keep the team cohesive and purposeful, to develop a portfolio of products and solutions capable of meeting all types of business in their management, sales and finance needs.

## **3. The acquiring industry has faced numerous challenges and opportunities. In this sense, how does Cielo position itself and act in relation to Innovation in Payments?**

**EB:** Every company that has a history like Cielo's faces the challenge of transforming its future while strengthening its legacy. So, in addition to keeping our heart beating towards payments leadership, we need to take into account the ever-increasing speed of digital transformation, the importance of the experience and satisfaction of all customer segments at all ends of our operation, and the creation of space for other solutions that generate value in the management of its businesses.

In this sense, we have already developed or incorporated simple solutions, which solve customers' lives by integrating new payment methods such as QR code, near field communication (NFC), payment link (Superlink), instant transactions and PIX. These are examples of applied innovation, with exponential usage growth.

At the same time, we have dedicated ourselves to using technology to customize services according to the customer's vision and needs, mainly in Large Accounts

and also for Franchises and Franchisers, for example. In addition to offering functionalities for self-service, from the website to the Cielo Gestão application and WhatsApp.

In order to support this digital transformation movement, which is getting bigger and faster, we have invested heavily in cloud processing technology to enable further innovation, agility and quality in the delivery of products and services. It is also worth mentioning the ICVA, which analyzes the performance of this segment in the country on a monthly basis and supports decision-making.

#### **4. Customer experience is strategic for the Company. What has been done to fully serve customers and position Cielo as the ideal business partner?**

**EB:** We believe customer satisfaction is the result of a series of processes, which we are constantly evolving. In this regard, we work to provide customers with solutions that meet their specific and perennial demands, enhancing their perception of value for Cielo.

We are looking at different customer journeys and performing recurring measurements to maintain end-to-end excellence in every product and touchpoint. This enables us to review and evolve with our portfolio, communication, building customer loyalty and ensuring profitability.

All of this is carried out with a focus on data and with the integration of systems to improve service and see the customer in full.

To make this happen in the Company's daily life, our challenge is to join efforts within a sense of urgency, ensuring a fluid, integrated and automated journey, while maintaining a stable and available technical environment, with confidence to grow and transform.

*“With proximity, we generate value for our customers, guaranteeing what Small Business (Retail) needs to boost their business.”*

#### **5. Cielo is strongly committed to Diversity and Inclusion. How important is this theme to generate an inclusive culture and the pride of belonging?**

**EB:** I am personally involved with struggles for diversity, particularly in relation to racism and female empowerment. I believe that the theme must go far beyond the speech, and actually be put into practice in the organizational culture. Truly acting for a more diverse and inclusive Company is a way of changing the way we see things, creating opportunities, welcoming spaces and fair relationships.

I often say that homogeneous groups can work very well, until the moment they go wrong. For this reason, I believe that inclusion really changes the Company, bringing people with different ways of thinking, different backgrounds, different social realities into the company.

These diverse backgrounds, living in the same respect, welcome and tolerance environment, help us find more comprehensive and disruptive solutions for the company and the society.

## 6. What are Cielo's perspectives for 2023?

**EB:** A constantly transforming environment is common among all companies. Faced with this dynamic scenario, we need to take actions that surprise our customers.

I see that payment means have the capacity to reach places that some other sectors do not reach. For this reason, we invest more and more in our ability to generate value and increase our impact on the lives of customers, Entrepreneurs (Long-Tail), Small Business (Retailers) and major businesspeople, boosting the country's economy.

That said, our commitment for 2023 is to take a new leap in the payments business. We are advancing in projects that will bring financial efficiency for constant and sustainable growth. Therefore, we will take the best of Cielo to each customer segment and ensure the quality of products and services in the end-to-end journey, with process excellence and completeness regarding the digital journey.

## 7. What will guide the Company's culture in 2023?

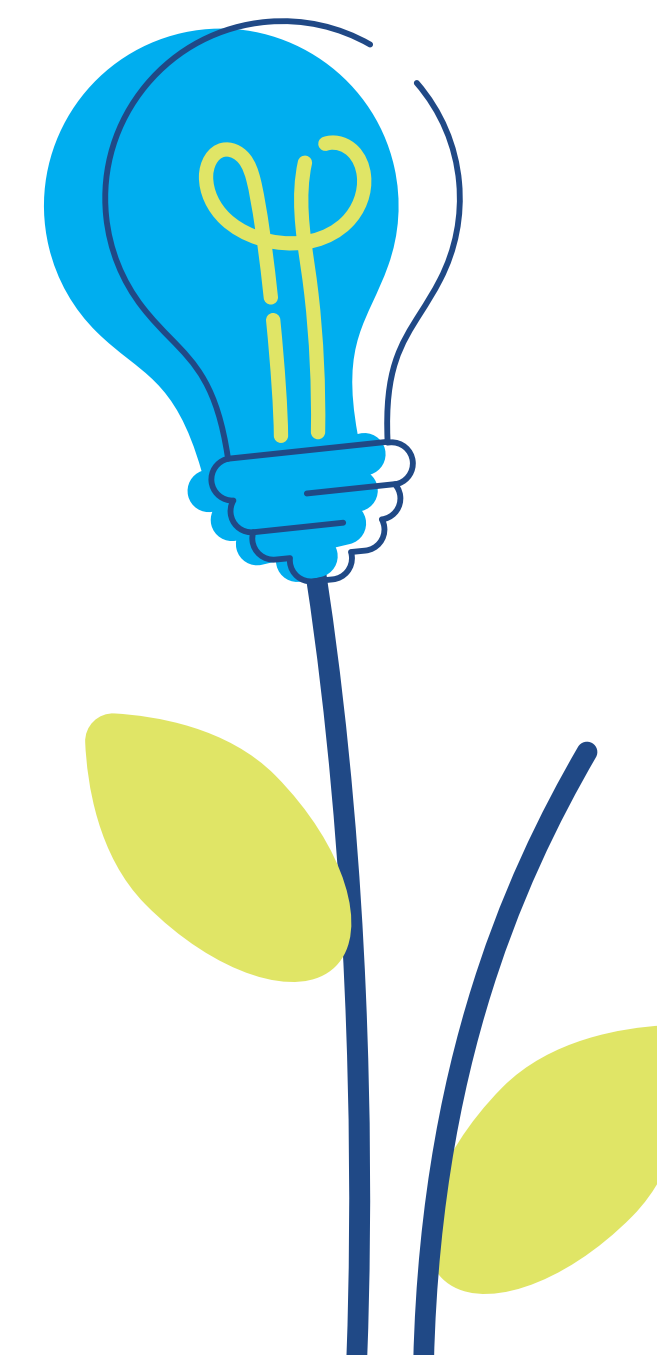
*"Strengthening our day-to-day purpose, seeking to simplify and drive business for all, is what will certainly guide Cielo's culture in 2023."*

**EB:** In the same way, I believe that we will achieve our goals by stimulating the feeling of ownership and the sense of urgency, in addition to maintaining our obsession with the customer and reinforcing the cultural attributes of "Systemic and Innovative Action", "Simple and Agile Execution" and "Spirit of Serving".

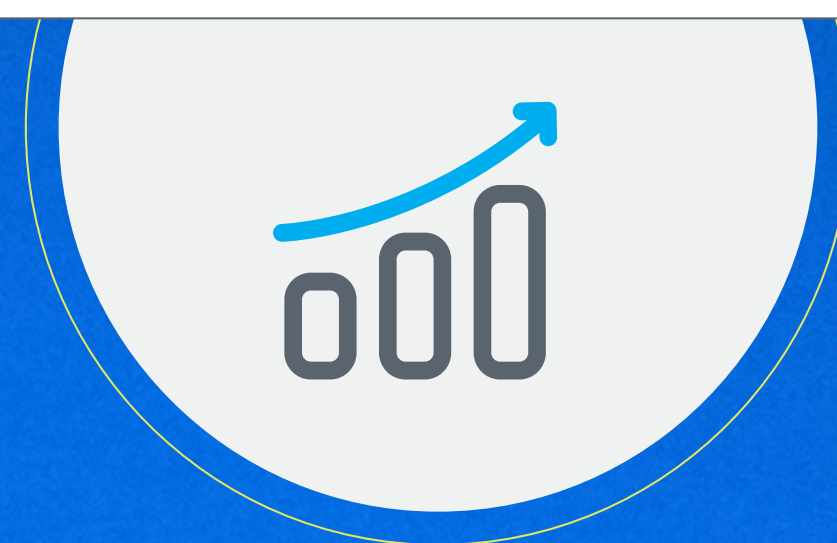
We will enter into a large movement, which will connect leaders and teams in the efforts of the outlined business plan, leveraging opportunities for maturation and strengthening of our organizational culture, making room for constant evolution and a growing mindset.

For this reason, we invest in internal rites and events to meet and connect people, in addition to exercising active listening. We believe that, just by listening and being a participant in decisions, we can connect the team and break down barriers. We also believe in glowing and working with purpose, aiming to generate real value.

Thus, with vision and tenacity, we remain firm in building Cielo's long-term goals, allowing short-term gains to celebrate progress and achievements.



# Highlights *performance*



R\$ **872 billion** traded volume in the year (22% increase compared to 2021).

**New record in prepaid volume for a quarter:**

R\$ **30 billion** in prepaid volume in **Pre-payment Products**, in 4Q22, a 25% increase compared to 4Q21 (includes "ARV" – Receivables anticipation and "RR" – receive Fast).

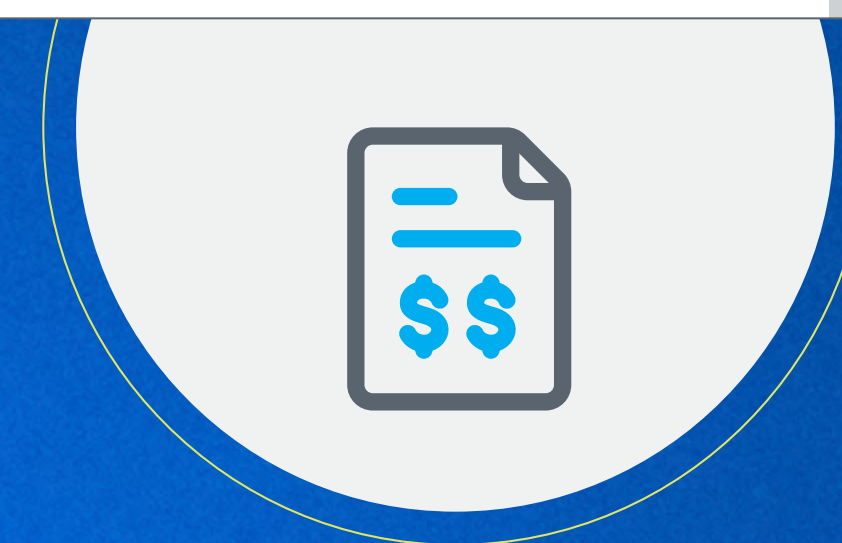
**8.3 billion** transactions captured in the year (22.3% more than in 2021).

R\$ **1.5 billion** **Recurring Net Income in the year** (79% increase compared to 2021).

**6.8 p.p.** growth in the recurring **EBITDA margin\*** in the year, compared to 2021.

R\$ **3.7 billion** **billion recurring EBITDA\*** in 2022 (52% increase compared to the previous year).

# Highlights *operations (Cielo)*



**More than 1 million** costumers (December 2022).

**Ratio of normalized expenses\*\*\*** fell from 0.37% in 2021 to 0.33% in 2022.

**Most efficient acquirer in the market**, when compared to the total spending ratios of the other listed players.

**Installations in up to two business days:** average of over 90% in the year.

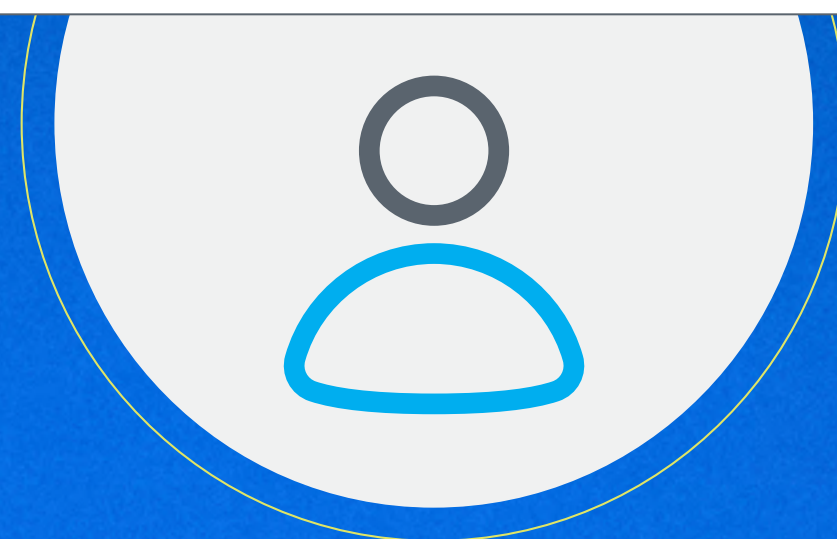
**First acquirer to achieve ISO 22301 certification**, guaranteeing a business continuity management system.

*\* considering only the Cielo Brasil and Cateno business units.*

*\*\* 100% of Cateno Net Income excluding the amortization of intangible assets related to the right to explore the Ourocard Arrangement.*

*\*\*\* Normalized expenses account to Cielo Brasil's total expenses minus brand fee, subsidies, services provided by banks, PIS and COFINS credits, D&A and non-recurring items for the period).*

## Highlights *people*



**5,045** of own employees.

**+111 thousand** hours studied at our Corporate University.

Conducting a mentoring program for women, with **50% of the openings** exclusively for **black women**.

R\$ **8.4 million** invested in training. An average of **R\$ 1,289.00 per person**.

We were granted **Guia de Rodas Certification**, ensuring that our organization and structures follow good practices for inclusion and building accessibility.

## Highlights *impact*



R\$ **1.8 million** in private social investment.

**Startup Mentoring Program** – partnership between Garagem and the Sustainability team, focusing on the development of **10 impact startups**.

**Environmental Management System (EMS)**, certified by ISO 14001.

**Neutralization** of scope 1 and 2 **GHG emissions**.



# Awards and recognitions



ESG

- ✔ Presence in the **Sustainability Yearbook 2023** of S&P Global, the only Brazilian company in the IT Services sector.
- ✔ **ISE B3:** for the tenth consecutive year, we are included in the B3 Corporate Sustainability Index. Among the 70 selected companies, Cielo is the only representative of the acquiring sector.

- ✔ **ICO2:** We maintained our presence in B3's Carbon Efficient Index portfolio.
- ✔ **IGPTW B3:** We were once again selected to compose the B3 index portfolio in partnership with GPTW, made up of companies certified as the best to work for.



## Brand and Customer Experience

- ✔ **Top of Mind:** Cielo ranked 1st in the "POS Machine" category in the most important brand recall award in the country.
- ✔ **Reclame Aqui Award:** we ranked 1st in the "Electronic payment means" category.
- ✔ **"Respect" (Respeito) Award:** Cielo was considered the Company that most promoted respect for Brazilian consumer in 2022, within the "Payment Means" segment.
- ✔ **"Consumidor Moderno" (Modern Consumer) Award:** For the 3rd consecutive year, the Company ranked 1st in the "Excelência em Serviços ao Cliente" (Customer Service Excellence) Award.
- ✔ **CONAREC:** The company ranked 1st in the "Acquirer" category, in the award that considers the service capacity of digital channels.
- ✔ **"Ouvidorias Brasil" (Brazil Ombudsman) Award:** Cielo was the first acquirer to be recognized with the award granted by the *Associação Brasileira das Relações Empresa Cliente* (Brazilian Association of Company-Customer Relations).

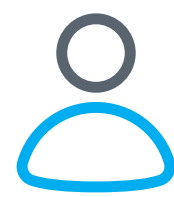
# Awards and recognitions




## Innovation

 **Open Corps Startups:** we ranked 7<sup>th</sup> in the Financial Services category in the 100 Open Startups Ranking, which recognizes the corporations that most practice open innovation with startups in the country.

 **“Valor Inovação” (Innovation Value) 2022 Award:** we ranked 2<sup>nd</sup> among the most innovative companies. We remain in the 4<sup>th</sup> consecutive ranking.





## People & Management


 **Great Place to Work – GPTW:** in 2022, the company stood out in 4 different categories in the Great Place To Work:


- › 31<sup>st</sup> place in the National Ranking (companies with between 1,000 and 9,999 employees);
- › 5<sup>th</sup> place in the Large Companies | Regional (Barueri and Region) category;
- › 2<sup>nd</sup> place in the industry category (Financial Institutions – Large Financial Services);

- › 27<sup>th</sup> place in the technology category (Large Companies);
- › We were recognized in the “Women” ranking for the first time, ranking 29<sup>th</sup>.

 **Think Work Flash Inovations:** the “edUCa” platform won the title of champion in the “Training and Development” category, in the award that assesses the most innovative practices in the market regarding people management.

 **25<sup>th</sup> “Prêmio Nacional de Qualidade de Vida” (National Quality of Life Award) - ABQV:** the “De Bem com a Vida” initiative won silver certification as one of the best actions aimed at corporate well-being.

 **“Diversidade em Prática” (Diversity in Practice) Award:** in the “Inclusive Leadership” category: Cielo was awarded for its Inclusive Leadership Assessment initiative.

 **Continuous Improvement:** our Lean Six Sigma program was recognized by SETA Desenvolvimento Organizacional for its evolution.



# Cielo

## Profile

GRI 2-1 / 2-4 / 2-6

Cielo S.A. – Instituição de Pagamento<sup>1</sup> (“Cielo” or “Company”) has been operating for 27 years, providing technology and service solutions for the trade of goods and services. With the purpose of simplifying and drive business for all, the Company has a solid network and a consolidated track record, establishing itself as the player with the largest share in the electronic payments market in Latin America.

<sup>1</sup> As of April 2022, Cielo's corporate name was changed. As of that date, the Company had a supplement to its corporate name, approved by the Central Bank of Brazil, and started being recognized as: Cielo S.A. - Instituição de Pagamento. This change complies with the Resolution of the Central Bank (BCB), No. 80, of 25/Mar/2021.



Present in 99% of the national territory, in 2021 alone, Cielo was responsible for transacting around 8% of the Brazilian Gross Domestic Product (GDP). Cielo's infrastructure has the capacity to transact 12,000 transactions per second, which is eight times greater than the Brazilian e-commerce volume.

In order to serve more than one million customers in our active base, we have a platform of technological solutions for the accreditation, capture, transmission, data processing and settlement of

transactions of the main national and international credit and debit card brands.

We also offer our customers options for renting, lending and providing solutions and electronic or physical means for capturing, in addition to providing installation and maintenance services. Additionally, we have a logistical model and an operational infrastructure that guarantees compliance with the strictest standards of security and business availability.

Today, we have achieved operational consistency, financial solidity and cost efficiency, in addition to a robust and active ESG strategy, which guides our management towards the best standards in environmental, social and governance issues.

In this way, we have established a legacy that allows us to be in the lead of the main transformations the market has gone through and puts us at the forefront to build the future of the sector.

### Cielo is the Top of Mind brand in the segment

As a result of our business model and a trajectory focused on the customer, the Company is recognized as the most recalled and valuable brand in the segment in Brazil (learn more on page 09).




# Cielo: a complete ecosystem

We are committed to meeting, assertively and efficiently, the demands of our various customer segments, offering products and services at appropriate conditions and prices. For this purpose, we work intensively with the use of data, making relationships ever closer, charming and customized to each customer's needs.

We operate with a focus on three customer segments: large accounts, Small Business (Retailers) and Entrepreneurs (Long-Tail).

Considering the uniqueness of each segment, we have developed a broad portfolio of products and solutions to meet the complex needs of our customers, seeking to make Cielo their best partner based on three pillars:



 **Learn more about how our products and services generate value and impact our customers in the chapter "Serving Model" [clicking here](#)**

# Corporate governance

We are a publicly traded corporation, headquartered in the city of Barueri (SP) and shares traded on B3 S.A. - Brasil, Bolsa, Balcão. Since June 2009, we have joined the Novo Mercado, one of B3's listing segments, which implies the adoption of a set of governance rules in addition to those required by Brazilian legislation, expanding the rights of minority shareholders, in addition to a policy for disclosing more transparent and comprehensive information.

Through our corporate governance model, we seek ongoing management improvement, in a continuous and long-term process, as well as the harmonization of interests, business sustainability and value creation for the Company's perpetuity.

All the Company's governance guidelines and practices are consolidated in our Corporate Governance Policy, as well as our commitment to the adoption of best practices, based on the Code of Best Corporate Governance Practices of the Brazilian Institute of Corporate Governance ("IBGC") and the Brazilian Code of Corporate Governance – Listed Companies.

*The Company's corporate governance is recognized by the market. In 2021, we were granted the Champion of the Decade in Corporate Governance by Época 360 Award, ranking first among all sectors.*



## Good governance practices



The Chairman of the Board of Directors does not hold an executive position.



As provided for in the Policy for Appointment and Compensation of Members of the Corporate Governance Bodies and in the Company's Bylaws, the accumulation of Chairman of the Board of Directors and Chief Executive Officer positions is prohibited, in accordance with the provisions of the Novo Mercado regulations.



Cielo has a Policy for Transactions with Related Parties and Other Situations involving Conflicts of Interest ("Policy for Transactions with Related Parties"), which aims to consolidate the procedures to be observed in the Company's business involving related parties, as well as in situations that involve a potential conflict of interest. The Policy provides transparency on the referred procedures to its shareholders and to the market overall, guaranteeing its strict alignment with the Company's interests, always in line with the best corporate governance practices.



Regarding the approval of transactions with related parties, the Corporate Governance Committee is responsible for evaluating the transaction (the trade and its justification), the documentation demonstrating that the respective transaction will be carried out under fair market conditions (including, but not limited to, commercial proposals that have actually been obtained from independent third parties and market research on prices and other conditions in similar operations) and adherence to the other criteria/mechanisms provided for in the policy to subsequently recommend its approval by the Board of Directors.



Members appointed by the controlling shareholders who are in a position of conflict of interest, and members appointed by the controlling shareholders who are not in a position of conflict of interest, when the matter subject of discussion refers to the strategic issue of the conflicting shareholder, will not participate in meetings of the Board or the Governance Committee.

In such hypotheses, the members who do not participate in the meetings will be replaced by the independent members of the Board of Directors.



# Management structure

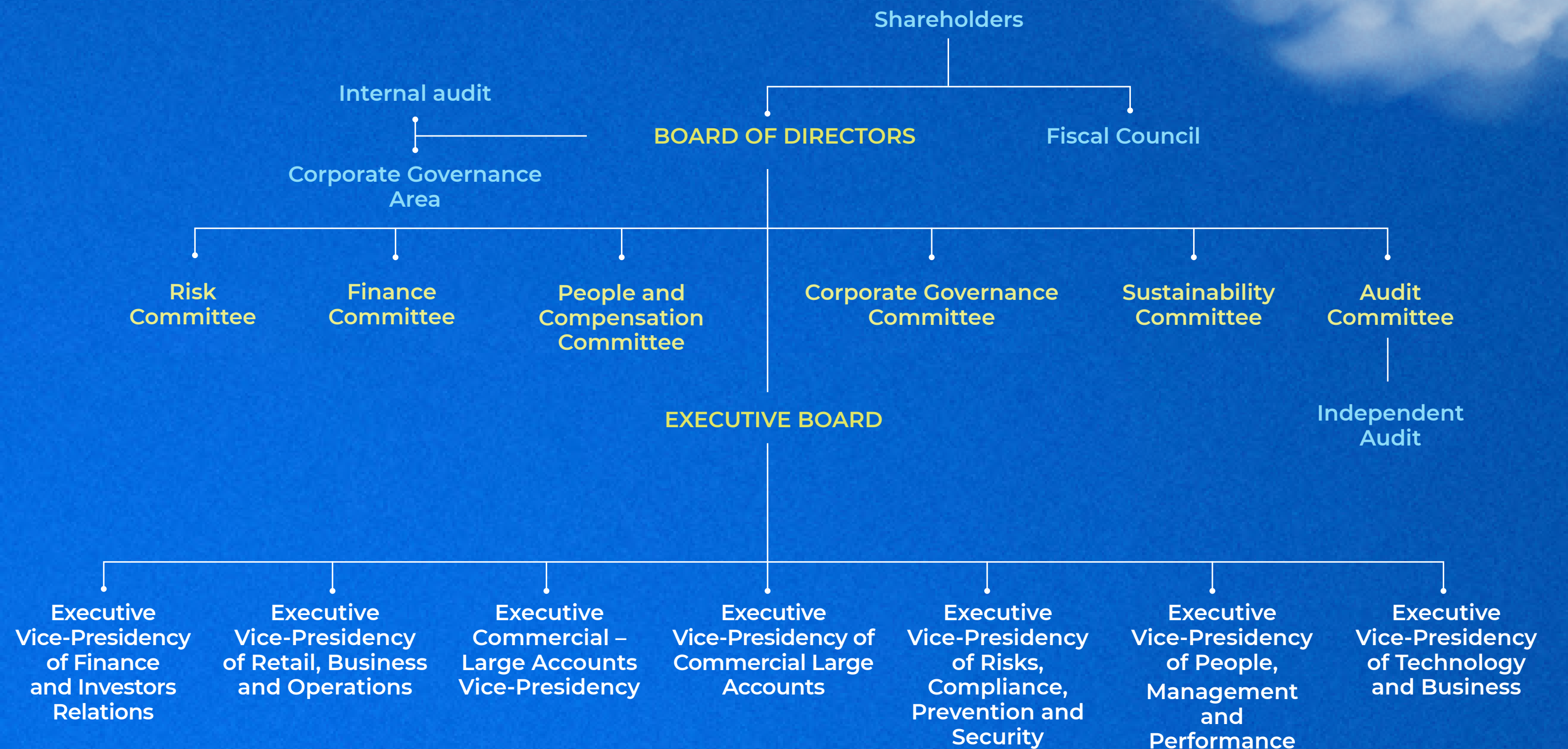
GRI 2-9

Cielo is managed by the Board of Directors, which is composed of twelve members elected at the Ordinary General Meeting (OGM), with a unified two-year term of office, reelection permitted, and by the Executive Board, currently made up of eight members (with a two-year term of office, reelection permitted).

In order to safeguard the interests of the Company and its minority shareholders, four members of the Board of Directors are independent, as defined in the Novo Mercado Regulations. In this sense, the appointment of Independent Members may be carried out by the Management, Controlling Shareholders or Minority Shareholders<sup>2</sup>.

In the Attachments, on page 112, you can find details on the composition of our Board of Directors, Advisory Committees and Executive Board.  
[Click here](#)

<sup>2</sup> The deliberation on the independence of members took place at the AGO held on April 27, 2022.





The Board of Directors establishes and defines the Company's business strategies, taking into account the impact of its activities on society and the environment, in addition to electing the Executive Board members and overseeing their management in order to manage the Company.

## Support for governance

In order to increase the quality and efficiency of the Company's governance bodies performance, the corporate governance system is made up of six Advisory Committees and nine Advisory Forums, which provide advisory and technical assistance to the Board of Directors and the Executive Board, respectively, as indicated in the organizational chart on page 16.

We also have a Fiscal Council, which is installed by resolution of the General Meeting or at the request of shareholders, in the cases provided for by law, with non-permanent operation, as well as attributions and powers conferred by law. When installed, the Fiscal Council is composed of three to five sitting members and the same number of alternates, elected by the General Meeting.

Additionally, the support structure has also an Audit Committee and an Independent Audit, which have the following duties:

- › Assist the Board of Directors in performing its responsibilities related to the Company's accounting policies, internal controls and issuance of financial reports, internal controls and risk management;
- › Issue recommendations and opinions so that the Board of Directors can promote the accountability of the Executive Board, in order to ensure that these activities are conducted in such a way to protect and value the Company, as well as guaranteeing the promotion of the integrity and effectiveness of the implemented internal controls;
- › Ensure that the Internal Audit can regularly carry out its functions in an independent manner, as well as that the independent auditors can evaluate the practices of the Executive Board and the Internal Audit.

In order to maintain and improve the structure and good corporate governance practices, we have a Corporate Governance Area, with an Executive

Superintendence, with functional reporting to the Board of Directors, dedicated to assisting the management bodies and the advisory committees and forums of the Company and its subsidiaries.



**Learn more about our corporate governance structure and practices through the [link](#)**





# Leadership of governance bodies for impact management

GRI 2-12 / 2-13 / 2-16 / 3-3

The Board of Directors is responsible for guiding and defining Cielo’s business strategies, taking into account, among other aspects, the impacts of its activities on society and the environment, through the application of social responsibility in business management and the strategic sustainability plan, as proposed by the Executive Board, and based on previous guidelines from the Sustainability Committee.

It is also up to the Board of Directors to define the Company’s ethical values and principles through its Code of Ethical Conduct, which establishes the principles that should guide the Company’s relationships and activities, including, but not limited to transparency, integrity, and compliance with applicable regulations.

In addition, in all meetings of the Board of Directors, there is time for the coordinator of each Advisory Committee to report on debated/discussed matters and topics to the other members of the board, as well as to report critical concerns.

In this way, the Board of Directors is continuously informed about critical issues and other matters dealt with by the Advisory Committee and can provide recommendations regarding the strategies and practices adopted in order to manage the most diverse impacts.



## Conflict of interests

GRI 2-15

Cielo has a Policy for Transactions with Related Parties, which aims to consolidate the procedures to be observed in the Company's business involving related parties, as well as in situations involving a potential conflict of interest, providing transparency on said procedures to the shareholders and to the market in general, guaranteeing its alignment with the Company's interests, in line with the best corporate governance practices.

The Policy provides that, when there is a situation that gives rise to a conflict of interest, the conflict of interest must be invoked by the key person who is aware of it, as soon as it is verified or known. Issues related to conflict of interests should be directed to the Company's Corporate Governance Committee so that it can assess the need for recommending the topic for deliberation by the Board of Directors.

It is worth mentioning that the members appointed by controlling shareholders who are in a position of

conflict of interest, and the members appointed by controlling shareholders who are not in a position of conflict of interest, when the matter subject of discussion refers to the strategic issue of the conflicting shareholder, will not participate in meetings of the Board or the Governance Committee.

In such hypotheses, the members who do not participate in the meetings will be replaced by the independent members of the Board of Directors.



See our full [Policy on Transactions with Related Parties and Other Situations Involving Conflicts of Interest](#)



# Ethics and integrity

GRI 3-3



Respect and teamwork are part of Cielo's routine. As key players in the sector, we must ensure the Company's ethics, integrity, compliance and sustainable development, based on a complex and important value chain.

Therefore, when performing their duties, our employees, in any position, as well as the stakeholders which we relate with, are committed to honoring our responsibility and propagating the practices established in the policies, standards and procedures we have created.



## Action based on the commitment to Human Rights

GRI 2-23

Our commitment to Human Rights is formalized in our Code of Ethical Conduct and ratified through our Sustainability, Diversity & Inclusion and Human Resources Management Policies. This set of Corporate Guidelines and Policies is approved by the Executive Board, specific Committees and the Board of Directors.

This framework of policies reflects the standards of respect and behavior that are expected in all our operations and relations with all interested parties, and aspects related to compliance are systematically evaluated and, when applicable, are subject to external audits.

# Code of Ethical Conduct

GRI 2-23 / 2-24

At Cielo, respect and teamwork are part of our routine, as well as the inclusion of different individual experiences. In this sense, our Code of Ethical Conduct was prepared to strengthen our ethical path, guiding our decisions and daily actions around our purpose of simplifying and drive business for all.

More than organizing our corporate principles, the document reinforces the conduct we expect from our teams in the relationship with all our stakeholders. After all, it is the daily attitudes, guided by ethical behavior, that translate Cielo's way of being.

The document follows references from the Declaration of Human Rights, the Global Compact and the 2030 Agenda for the Sustainable Development Goals (SDG) – all of the United Nations (UN) – in addition to the conventions of the International Labour Organization (ILO).

Its guidelines apply to members of the Board of Directors, Executive Board and Fiscal Council, employees, interns, young apprentices, subsidiaries, shareholders, investors, suppliers, service providers and other stakeholders of the Company.

Members of the Executive Board, employees, interns and young apprentices formally adhere to the Code upon hiring and renew their commitment to act in line with its guidelines in an annual basis.

Thus, we expect everyone to act as guardians of the Code, reporting any and all situations that may indicate non-compliance with the guidance and guidelines contained therein.



**Find out about our Code of Ethical Conduct by [clicking here](#)**



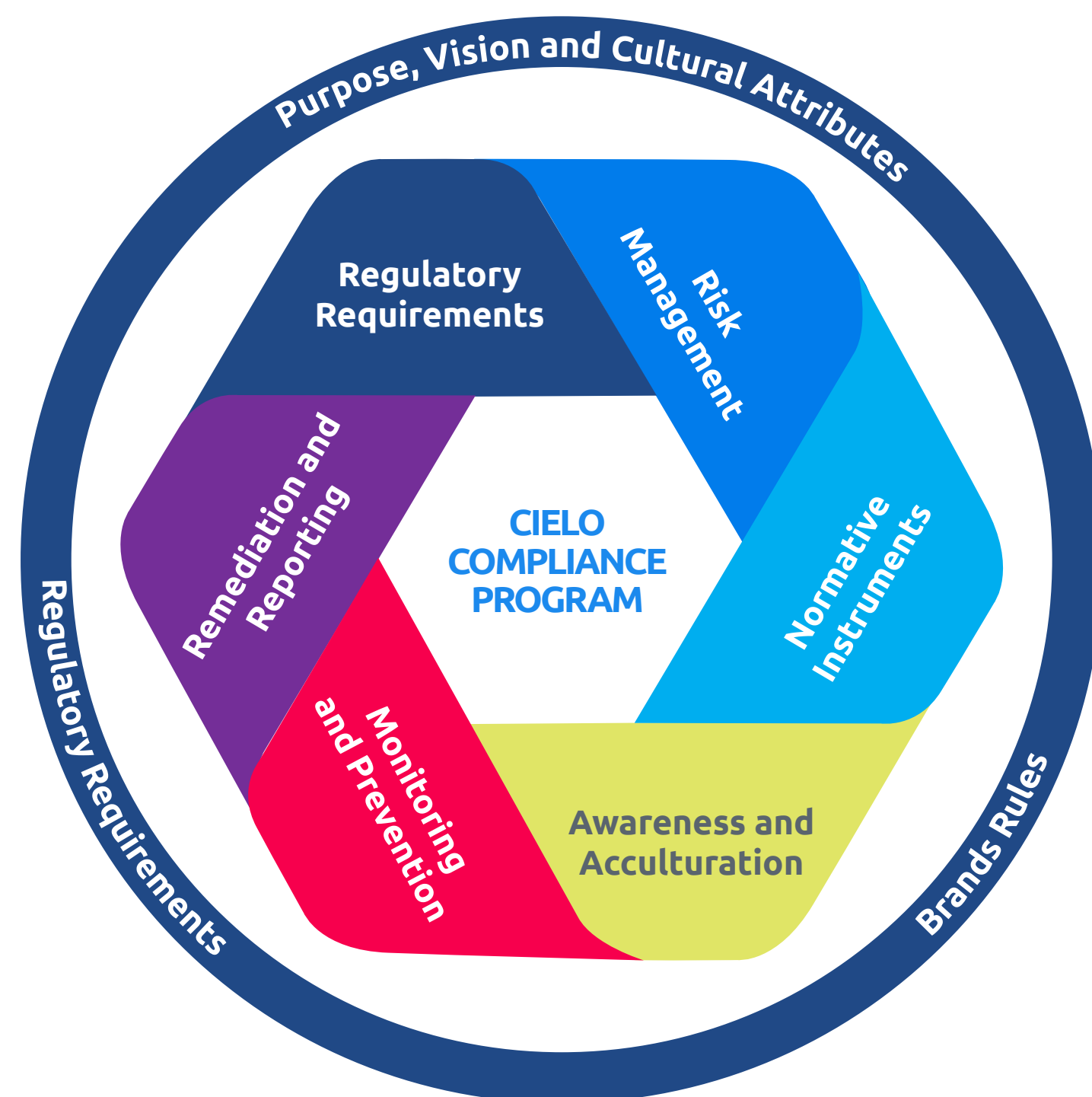
# Cielo Compliance Program

GRI 205-2

Cielo Compliance Program aims to expand actions beyond the Compliance and Integrity specific scope, creating synergy with other areas, in order to enable an ethical, integrity, risk management and compliance culture as a whole, not only for Cielo, but also among its various stakeholders.

This is a set of internal processes, controls and procedures that ensure that Cielo adheres to the regulatory structure, infra-legal regulations, recommendations from regulatory bodies, operational regulations established by card brands, its Code of Ethical Conduct and to the Company's normative instruments.

This Program is based on six main elements that transit between the processes and activities of different areas of Cielo, namely:



The Risk, Compliance, Prevention and Security Vice Presidency, through the Compliance Policy, is formally responsible for Cielo Compliance Program, with the support of the other areas that have attributions in the Program's operation.



[Click here](#) to access the **Compliance Policy** and learn in detail the pillars of the **Cielo Compliance Program!**

## Regulatory Training

GRI 205-2 / 205-3

The Regulatory Training Track is an integral part of the Cielo Compliance Program. It consists of annual mandatory training, applicable to the entire Executive Board, employees, interns and young apprentices, addressing the following topics:

- › Code of Ethical Conduct;
- › Anti-corruption;
- › Prevention of Money Laundering and Terrorism Financing;
- › Information Security and Cybernetics;
- › Risk management;
- › Privacy and Data Protection;
- › Information Disclosure and Cielo Shares Trading; and
- › Business Continuity Management.

Training is available at Cielo University (learn more on page 81). Its content is revised and updated annually, in compliance with regulations, the requirements of regulatory bodies and the Company's processes.

The update of regulatory training in 2022 included a more interactive view, adapted to home office, and included a new mandatory training, focused on Business Continuity Management.

The adherence of employees, interns and young apprentices is monitored and tracked by the Compliance area and the leadership.

At the end of the training, people with pending issues are ineligible for some corporate benefits.

*By the end of 2022, 98.88% of Cielo employees had completed the Regulatory Training Track.*

### EMPLOYEES INFORMED AND TRAINED ON THE REGULATORY TRAINING TRACK (INCLUDING ANTI-CORRUPTION) \*

	INFORMED		TRAINED	
	Number of individuals	Percentage	Number of individuals	Percentage
Midwest	304	100%	302	99.34%
Northeast	451	100%	450	99.78%
North	100	100%	100	100%
Southeast	3,649	100%	3,614	99.04%
South	518	100%	500	96.53%
<b>TOTAL</b>	<b>5,022</b>	<b>100%</b>	<b>4,966</b>	<b>98.88%</b>

\* The calculation does not consider employees on leave. Employees from Cielo, Stelo, Aliança and Servinet were included

	INFORMED		TRAINED	
	Number of individuals	Percentage	Number of individuals	Percentage
Membros da Diretoria-Executiva	9	100%	9	100%

## Anti-Corruption

GRI 205-1 / 205-3

We believe corruption must be fought very seriously, in all areas, as this helps to avoid enormous damage to society and is fundamental to guarantee human rights and the construction of fairer societies.

In this context, Cielo has a strong commitment to ethical and integrity practices, as well as the fight against corruption. For this, our work is based on widely disseminated guidelines and responsibilities, which support ethical and wholehearted behavior in all spheres of action.

As this is an essential topic for our value generation, we have a structure with high compliance standards, which guarantees an environment of integrity for all our stakeholders.

**?** [Find out about our Anti-Corruption Policy](#)





We act actively in the prevention and fight against corruption, promoting various initiatives of this nature, with emphasis on:

- ✔ Cielo is a signatory to the Business Pact for Integrity and Against Corruption, a voluntary commitment undertaken by private and public companies with the aim of uniting them in promoting a more ethical and upright market and reducing different corruption practices.
- ✔ We are signatories of the UN Global Compact, and every year, we present our progress, with the actions undertaken in the areas of Human Rights, Labor, Environment and Anti-Corruption Practices.
- ✔ We are also part of the Global Compact Brazil Network and are an active part of the Working Groups, including the Anti-Corruption Working Group.

- ✔ Through automated systems, we monitor 100% of customer transactions, identifying suspicious cases with indications of financial crimes and illegal acts, such as corruption, money laundering and terrorist financing.
- ✔ Interactions with public agents are monitored, ensuring compliance and diligence in these relationships. All meetings or interactions with public agents held by Cielo team are communicated to the Compliance team. Our Code of Ethical Conduct and the Rule for Accepting and Offering Courtesies establish rules and responsibilities for the acceptance and offer, by Cielo team, of items such as gifts, presents and invitations to events.

- ✔ We also carry out specific monitoring for customers qualified as PEPs (Politically Exposed Persons).
- ✔ During the election period, Cielo adopts additional procedures in order to identify signs of suspicious activities and/or irregular donations to candidates.
- ✔ The entire Cielo team takes annual anti-corruption training.

In 2022, we registered no significant cases of non-compliance with laws and regulations that resulted in fines or non-monetary sanctions. There were also no cases of corruption involving public agents.



## Prevention of Money Laundering and Terrorism Financing

GRI 205-1 / 3-3

At Cielo, the Money Laundering and Terrorism Financing Prevention activities go beyond cases related to the potential crime of money laundering.

Our management includes acting in relation to other illegal acts and situations that occur in violation of applicable regulations, such as corruption, credit card lending, sale of benefits, working capital and gambling.

Based on the understanding that the perpetuity and security of our business depends on proper management of the issue, we are committed to the evolution of our controls and compliance with regulatory obligations.



**Find out about our Money Laundering and Terrorism Financing Prevention Policy by [clicking here](#)**

The risk of money laundering and terrorism financing is classified in the nature of Operational Risk and its monitoring follows the risk management methodology adopted by the Company, which allows risks to be evaluated, monitored and addressed. Learn more about our risk management on page 39.

We have a methodology for Money Laundering and Terrorism Financing Risk Analysis, which provides for the rules for measuring exposure to this risk, considering the dimensions of products and services, customers, partners, service providers (or suppliers) and employees.

In the Company's control environment, 100% of customer transactions are monitored, and in the year 2022, 5,704 cases generated alerts of atypical situations identified. Of these, 1,399 cases were reported to the Financial Activities Control Council (COAF), after in-depth analysis.

The monitoring of transactions carried out by sub-acquirers is carried out separately, and in 2022, 21,736 cases generated alerts. Of these, 692 cases were reported to COAF, after in-depth analysis.



# Ethics channel

GRI 2-16 / 2-25 / 2-26

We have an Ethics Channel, available to all employees, suppliers, service providers, partners and other stakeholders of Cielo, to receive whistleblowing and serve as a mechanism for consulting information about the Company's ethical behaviors and guidelines.



Access the [Ethics Channel here](#) or by calling **0800 775 0808**.

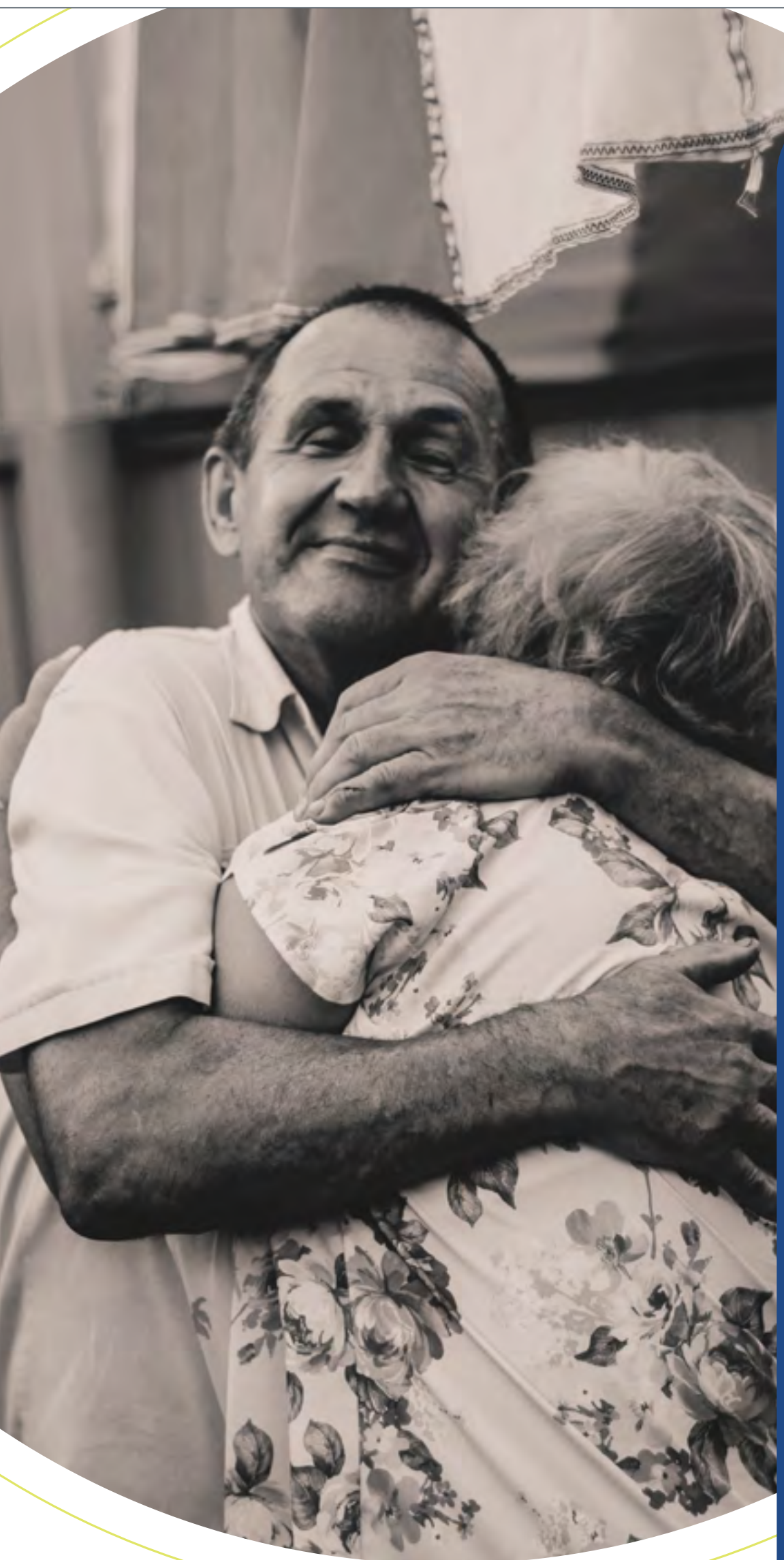
Whistleblowing reported on the Channel are received by an independent company, as a way of guaranteeing confidentiality, anonymity and secrecy of information. After the whistleblowing is made, verification of the records becomes the responsibility of Cielo's Internal Audit area.

If necessary, the area can rely on the collaboration of other competent sectors and partners, who, using the best practices in the market, provide expert opinions on cases in their areas of expertise.

Any type of retaliation attempt against the whistleblower is forbidden by the Company, and the person involved in the practice is subject to the application of disciplinary sanctions.

All records and indicators of the Ethics Channel are monitored by the Audit Committee in a monthly basis. With the same frequency, the Committee Coordinator reports any points of attention to the Board of Directors.





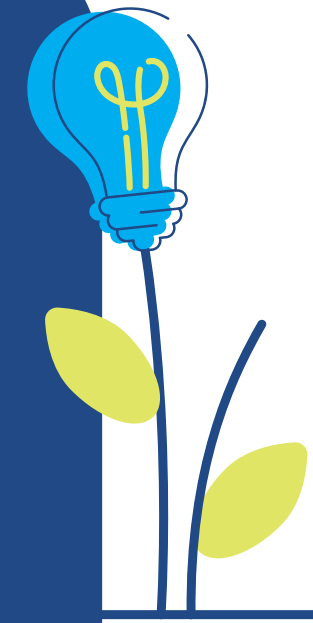
## Transparency

GRI 2-25 / 2-26 / 2-27 / 205-3 / 3-3

In 2022, the Ethics Channel received 250 whistleblowing cases, 34% identified and 66% anonymous. The amount is 45.3% higher than that recorded in 2021, as a result of the channel being more publicized and the trust that employees place in the mechanism, in addition to the increase in the number of employees in the Company in the period. The mean treatment period was 27 calendar days, with a median of 23 calendar days.

The main nature of the reports recorded refer to moral harassment, non-compliance with internal policies, internal fraud, ethnic-racial discrimination or abusive practices, breach of confidentiality of customer data, conflict of interests, external fraud, misuse of company assets and sexual harassment. Among all complaints filed, 29% were considered valid. As a result, 45 disciplinary measures were applied, including:

- › Dismissal without just cause: 17
- › Verbal warning: 10
- › Dismissal for just cause: 10
- › Formal warning: 7
- › Customer disqualification: 1



## Ethics Channel in the Diversity and Inclusion agenda

GRI 406-1

Since 2021, the Ethics Channel has allowed complaints related to diversity and inclusion to be classified by Discrimination or Abusive Practices in the themes: Ethnic-Racial, PwD, obesity, gender, LGBTQIA+, age, among others.

The objective is to bring diversity to the scope of compliance and ensure that prejudiced and discriminatory acts are effectively repressed, ensuring that

people who commit such ethical misconduct have the necessary consequences.

As a result, throughout the year we received 20 reports of discrimination related to diversity. Of these, 10 were considered valid and two partially valid.

For valid reports, the disciplinary measure of dismissal was applied to all employees involved. As for partially valid reports, a formal warning was applied.

# Value Generation

## Business model

Our solutions go beyond traditional payment machines. We have evolved to become true business partners for our customers, providing a complete portfolio of solutions capable of serving all types of business and solving the complex needs of the daily-to-day of establishments.





## Purpose

### **Simplify and drive business for all**

We work to simplify the daily lives of millions of consumers and businesses and boost business for everyone in the market economy.

Generating opportunities through our businesses also brings the possibility of work and income for millions of families, who deserve to live in a fair, equitable and sustainable society.

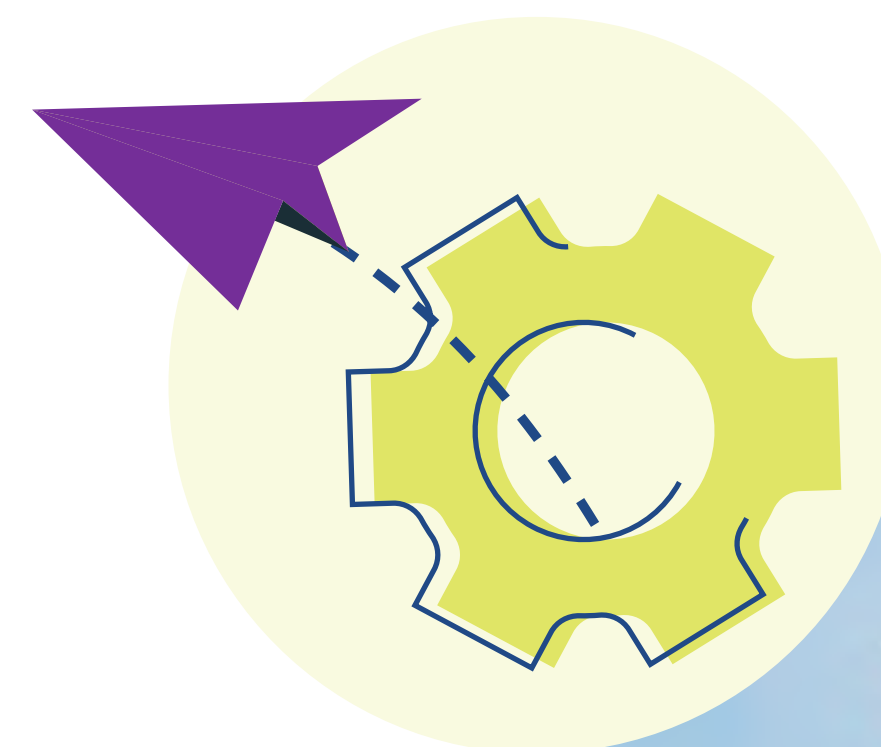
We seek to make all kinds of diversity possible by boosting business for all and, through innovation, simplifying the processes and relationships of companies and customers, making the context of trade more sustainable.



## Vision

### **Being the most desired smart platform in Brazilian commerce**

We work to be recognized as the smart platform that integrates the entire value chain, with broad and personalized payment solutions in Brazilian commerce. We will be a reference for our work with sustainable practices and social responsibility, in addition to our role in the inclusion of all diversity of people.



## Financial Capital

- › Equity (shareholders' capital) of R\$11 billion;
- › Most efficient acquirer in the market, when compared to the total spending ratios of the other listed players;
- › R\$ 872 billion in volume transacted through 8.3 billion transactions captured;
- › Solutions that allow customers to anticipate their receivables flows (Pre-payment Products.).



## Intellectual Capital

- › Design and Technology Strategy directing Cielo towards scale transformation, with quality services and managed risk;
- › Work model in multidisciplinary teams (squads) using agile methodologies;
- › Garagem: our innovation hub.

## Natural Capital

- › Environmental Management System (EMS) certified by ISO 14001;
- › 40,473.8 tCO<sub>2</sub>e in greenhouse gas emissions.;
- › Structured management for reverse logistics of electronic equipment;
- › Climate Strategy aligned with the Task Force on Climate-related Financial Disclosures (TCFD).

## Human Capital

- › 5,045 diverse, unique and complementary people;
- › Cielo University, for training and development of Cielo team;
- › Programs to promote health, well-being and quality of life (De Bem com a Vida);
- › Commitment to Diversity, Equal Opportunities and Inclusion.

## Social and Relationship Capital

- › + 1 million customers;
- › Appropriate portfolio for each customer segment;
- › ISO 22301 certification, guaranteeing a business continuity management system;
- › R\$ 1.8 million invested in social projects, via incentive laws;
- › More than a thousand active suppliers.

## Financial Capital

- › Financial soundness and ability to make differentiated advances;
- › Steady and sustainable growth;
- › R\$1.5 billion in recurring Net Income;
- › R\$ 3.7 billion in recurring EBITDA;
- › Optimized financial resources;
- › Consistency in the profitability agenda;
- › Gains from operating leverage.



## Intellectual Capital

- › New advances in digital transformation and new products;
- › Enabling business and customer value through technology;
- › Efficiency in internal processes and agility in the delivery of new products;
- › 28% productivity gain in 2022.

## Natural Capital

- › Alignment with the main sustainability guidelines;
- › Eco-efficiency in operations and business solutions;
- › Physical and transitional impacts of climate change.

## Human Capital

- › Attracting and engaging culture-connected talents;
- › Simple and charming employee journey;
- › Promoting Cielo team's health and well-being;
- › Diversity and inclusion in representativeness and culture;
- › Organizational culture connected to the Company's strategy.

## Social and Relationship Capital

- › Quality of products and services in the customer's journey;
- › 80% Customer Satisfaction Rate;
- › 100% of suppliers evaluated according to socio-environmental criteria;
- › Operational security and systems availability.



## Financial Capital

- › About 8% of the Brazilian GDP is captured by Cielo;
- › Expansion of the Receivables anticipation Business; 116 billion in prepaid volume in Pre-payment Products.



## Intellectual Capital

- › Operation of technology prepared to scale and transform, efficiently and safely;
- › 10 startups participated in our Mentoring Program.

## Natural Capital

- › Compensation of (scope 1 and 2) emissions with carbon credits and international renewable energy certificates (I-REC), respectively;
- › 60.6 tons of electronic waste disposed of sustainably.

## Human Capital

- › 111,7 training hours.
- › R\$8.4 million invested in training.
- › Score of +85 on the Employee Experience Survey (eNPS).
- › Representation Goals - Gender & Race and Ethnicity.

## Social and Relationship Capital

- › Contribution to employment and income generation in the country;
- › Support for social development and small businesses.

# Strategy

We reinforced our commitment to the purpose of “simplifying and boosting business for everyone”.

As a Company that fosters a vision of the future, we are committed to advancing our service model, acting resolutely on the customer journey and experience, with a focus on profitability, advances in digital transformation and new products.

In order to make our vision of “being the most desired smart platform in Brazilian commerce” feasible, we have structured our strategic priorities into 5 pillars, which demonstrate how the Company is able to move forward in opportunities that will materialize with the combination of strengths of our products and services, people and technologies.

## Strategy Pillars

**1** Payments - Core

**2**

Innovation in Payments

**3**

Financial Services Distribution

**4**

Value Added Services (VAS)

**5** People, Technology and Data

## Objectives

- 1 Ensure financial efficiency for constant and sustainable growth.
- 1 Deliver the best of Cielo to each customer segment.
- 1 Excel in processes to delight our customers.
- 1 Ensure the quality of products and services end-to-end.
- 2 Fully and broadly serve our customers’ needs in payment solutions.
- 3 Expand our product offering with financial services.
- 4 Increase the value of our customer base becoming a platform of services.
- 5 Be recognized as a cutting-edge technology Company in the payments space.
- 5 Deliver more value to our clients with data driven offerings and decisions.
- 5 Expedite the development of our team and expand the adoption of agile methods, seeking for gains in all teams of the Company.



# Sustainability management

GRI 2-23 / 2-24

Cielo's actions focused on promoting sustainable development are formalized in its Sustainability Policy, which provides guidelines for implementing an environmental, social and governance (ESG) practices agenda.

The purpose of implementing this agenda is to reconcile the long-term success of the business with the construction of a fair society, economic development and environmental conservation, through the generation of shared value.

In order to enforce these commitments, we have structured Cielo's Strategic Sustainability Plan, which translates Cielo's Purpose and Vision from the perspective of sustainability, thus establishing the Purpose and Vision of Sustainability.



 Sustainability Purpose

**Empowering sustainable and inclusive business with everyone**

 Sustainability vision

**Be a sustainable development platform for the Brazilian market**

The Plan, as proposed by the Executive Board, is approved by the Sustainability Committee, and defines three pillars that organize the Company's sustainability guidelines:

## Cielo's Sustainability Guidelines



### Sustainable Operations

Adopt ESG practices in culture, structures and processes

- 1 Establish diversity and inclusion in representativeness and culture
- 2 Incorporate ecoefficiency in all activities
- 3 Influence the value chain for the adoption of ESG practices



### Impact with the Business

Generate shared value through the business model

- 4 Integrate ESG practices into the business model
- 5 Offer sustainable solutions in products and services
- 6 Seek socio-productive inclusion with Entrepreneurs (Long-Tail) hip



### Society Development

Be a means for social transformation

- 7 Promote humanized business and work relationships
- 8 Boost technological and digital inclusion
- 9 Strengthen social action through education

These guidelines unfold in actions connected to various fronts of the organization, both through impacts generating changes in operations, and through opportunities to generate shared value through the business model. All these actions are organized around strategic themes for the generation of sustainable value.

The Plan's execution is monitored by the People, Management and Performance Department, reporting to the Executive Board, and supported by the Executives' Forum, to monitor the themes. In addition, its evolution is periodically monitored by the Sustainability Committee, reporting its progress to the Board of Directors.



## ESG targets linked to variable compensation

In order to engage the Company's senior leadership in meeting sustainability commitments, we have established ESG targets linked to variable compensation of senior management members, focusing on reducing Greenhouse Gas (GHG) emissions and Diversity and Inclusion.

With regard to emissions, we have carbon intensity targets linked to the variable compensation of the Vice President, which allow us to monitor how much the Company's economic and financial growth is associated with the GHG emissions volume accounted for.

In 2022, we reached an 1.86 index, against a target of 2.10. This result shows that our development is being efficient.

Our goal for 2023, also linked to the vice president variable compensation, is to maintain the Scope 1 + Scope 2 emissions/EBITDA ratio at up 1.80.

CARBON INTENSITY (Emissions/EBITDA)	2022
Scope 1 + Scope 2 Emissions (tCO <sub>2</sub> e)	7,098.71
Denominator: EBITDA (BRL Million)	3,815.6
<b>Result</b>	<b>1.86</b>

Diversity targets establish the goal of making the workforce more diverse and representative by 2025. Approved by Cielo's Board of Directors, these targets directly influence the variable compensation of the Company's executives.

REPRESENTATIVENESS	Baseline (2021)	Target by 2025
Women in the workforce (no leadership)	39%	45%
Women in leadership	38%	42%
Black and indigenous people in the workforce (no leadership)	31%	35%
Black and indigenous people in leadership	18%	22%



An aerial photograph of a tropical beach scene. The top half shows a dense line of palm trees along a sandy beach. Below the beach is a wide promenade with a repeating pattern of light-colored, scalloped shapes. People are seen walking and sitting on the promenade. Below the promenade is a road with a green-painted lane, where several people are riding bicycles. At the bottom, a row of cars is parked in a lot.

# Risk Culture

## Risk mapping and management

GRI 2-12 / 3-3

In order to guide the adoption of a risk management process compatible with the nature of its activities and its size, Cielo has a Corporate Risk Management and Internal Controls Policy, in addition to a series of other internal policies and regulations related to the subject.

The Policy provides for the guidelines for the incorporation of a corporate risk culture, complying with applicable regulations and good market practices, with a view to protecting the Company's business and economic-financial situation.

With the purpose of enforcing its guidelines on a daily basis, the Company has processes to identify, evaluate, monitor, report and mitigate risks to which it is exposed, keeping them within the limits accepted by the organization, with the aim of preventing Cielo and its direct and indirect customers are harmed by operational failures, illegal practices (including fraud) and failures in the delivery of products and services offered by the Company, among other risks that are regularly monitored.

Risks are periodically evaluated and reported by the Risk Management team and by the Internal and External Audits to

the Company's governance bodies, namely: Executive Board, Risk Committee, Audit Committee and Board of Directors.

At least once a year, the Risk Appetite and Tolerance Statement – a tool that represents the written articulation of the level and types of risk an institution is willing to accept or avoid in order to achieve its business objectives – is reviewed and submitted to the Board of Directors for approval.



**See our**  
**[Corporate Risk Management and Internal Controls Policy](#)**



## Integrated View

The Company updates its corporate risk inventory in an ongoing basis, in order to reflect changes in the business environment. Periodically, the impact and probability of materialization of these risks are evaluated and classified in the corporate risk map, through the Dynamic Risk Assessment process, which uses a methodology that allows timely and more frequent review of the risk map.

## How we manage

Cielo adopts the concept of 3 lines of responsibility to operationalize its structure for managing Corporate Risks and Internal Controls, in order to ensure compliance with the defined guidelines.



The **1<sup>st</sup> line of responsibility** is composed of all the managers of the business and support areas, who must ensure the effective management of risks within their organizational responsibilities. They must also implement new controls, or improvements to existing ones, to mitigate identified risks and communicate them, in a timely manner, to the appropriate governance.



The **2<sup>nd</sup> line of responsibility** is represented by the Risk, Compliance, Prevention and Security Vice-Presidency, who acts in a consultative manner with the business and support areas, but with independent evaluation and reporting. It reports directly to the CEO, reporting its activities to the Board of Directors, through the Risk Committee, related to risk management, compliance, business continuity management, crisis management, information security, prevention of money laundering, fraud and terrorist financing, as well as the quality of the controls environment.



The **Internal Audit** represents the **3<sup>rd</sup> line of responsibility**, which aims to provide independent opinions to the Board of Directors, through the Audit Committee, on the risk management process, the effectiveness of internal controls and corporate governance.







This configuration ensures the segregation and independence of the 2<sup>nd</sup> line of responsibility in relation to the business and support lines (1<sup>st</sup> line of responsibility) and the Internal Audit (3<sup>rd</sup> line of responsibility), in risk assessment and reporting in the Company.


From the identification of unmitigated risks, which can be carried out by any employee of the Company, risk occurrences are recorded in the corporate risk management tool, with their respective action plans, deadline, person in charge and impact, to ensure these risks are maintained at levels acceptable to the Company. Risk occurrences are reported to the Company's competent governance bodies.

## Strengthening a Risk Culture


See below the advances from 2022 aimed at strengthening and leveraging a risk culture at Cielo:

 **Advances in credit risk management:** new risk assessment models were developed for customers to support the Company in decision-making regarding a series of aspects related to receivables anticipation, pricing, among others. There was also greater proximity to customers to carry out risk assessments, especially with those who transact large financial volumes and raise greater exposure to the Company.

 **Evolution in the management of liquidity risk:** several improvements were made in the way this risk is monitored, through the creation of new indicators and reports.

 **Automation of the Dynamic Risk Assessment process:** Cielo automated the process that keeps the Company's risk map up to date, which now uses an application to facilitate the capture of information from different areas to help assess the impact and probability of materializing each risk. The new methodology allowed

the Company to improve the management of the historical risk assessment base and risk management governance. As a result, risk management has become more dynamic, agile and timely, enabling even more frequent revisions of the risk map.

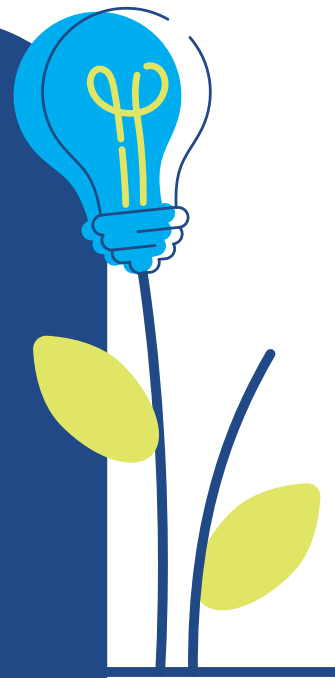
 **Improvements in institutional Risk Management training:** As part of the regulatory training track, which includes risk management, updates and improvements were made to the risk management training module, with the aim of disseminating the culture and promoting knowledge on the subject.



## Exposure to socio-environmental risks

In 2022, the socio-environmental risk assessment process underwent improvements, with the purpose of identifying situations involving this type of risk, which may result in financial loss for the Company, through analyses related to customers' business models, providing inputs for decision-making in case of exposure.

This process shall come into force in 2023.



## Emerging risks

Given the dynamism of the sector in which the Company operates, which is highly regulated and subject to constant technological changes, there is an ongoing effort to identify and monitor emerging risks. These risks, which generally have an external origin and are highly complex, if materialized, could threaten both Cielo's business model and business continuity in the medium and long term.



**Find out about our**  
**[Emerging Risks](#)**  
**[Report](#)**

The Company has a specific methodology to monitor emerging risks and annually releases a report so that all (internal and external) interested parties can understand the potential impacts arising from emerging risks that the Company may have in the short, medium and long term.





# Internal controls

At Cielo, the control environment is structured based on protection mechanisms, aligned with the strategic guidelines defined by the Company. To make this commitment feasible, we have an internal control management structure in place.

Aiming to keep Cielo's risks at levels compatible with those established in the Company's risk appetite, this structure maps and controls processes, identifying risks related to activities, measuring the impact and assessing the vulnerability of these risks materializing, monitoring and reporting the conclusion of the control environment of the evaluated processes.



## Risks associated with products and services

GRI 416-1 / FS2

We have a Products and Services Forum, which plays an important role in advising the Executive Board in assessing and deliberating on risks involved before launching or changing existing products and services.

Assessments within the scope of the Forum take place with the participation of various areas of the Company, which assess risks from the perspective of their field of activity.

All products and services launched last year were evaluated from different perspectives within the Product Forum. The environmental, social and climate risks inherent to products and services are assessed by the Sustainability Management, which, in 2022, identified 9 risks and 15 recommendations, determining 10 action plans.

# Information Security and Cybernetics

GRI 3-3

With the objective of guaranteeing the security of our data, mitigating cyber risks and complying with Brazilian laws, we have an information security and privacy strategy, monitored by the Company's senior leadership and governed by the Privacy and Data Protection Policy and the Information Security Policy.

## Information Security

In 2022, we reinforced our ability to identify and respond in a timely manner to demands involving information security based on the increase in personnel in the teams dedicated to dealing with the topic.

This also allowed the information security area to participate in a more integrated

way in the evaluation and incorporation of information security requirements in products and services, from the moment of their conception until launch. For this, we created a management dedicated to the assessment of information security risks in projects.

To test the strength of our security controls, we run a series of tests throughout the year to ensure our cyber resilience. With the support of external consultants, we carried out tests based on good practices and on attack scenarios that allowed the Company to verify its level of readiness and capacity for response and containment in cases of attacks.

## Promoting Information Security Culture

An important advance in 2022 was the creation of the Information Security Culture Program, with a focus on raising people's awareness of the importance of the topic. The objective is for employees to be able to identify, on a daily basis, suspicions and information security threats, responding in an agile and assertive manner.

As part of the Program, throughout the year we carried out a series of communications with the internal audience, carried out in a playful way, with simple and uncomplicated language, aiming to impact and engage the largest possible number of employees.

Also within the scope of the program, we held the 1st Information Security Week, with a series of events where our team could participate in lectures by information security specialists, in addition to training, dynamics and raffles.



Another initiative that attracted a lot of support from the Company's employees was the phishing campaigns, which alerted people on how to recognize threats contained in their e-mail boxes, reducing exposure and reporting suspicious cases.

As a result of these efforts, in 2022, we recorded no occurrences related to privacy violations or loss of personal data of customers, employees or suppliers.

## Fraud prevention

At Cielo, we consider our efforts to prevent fraud to be an essential obligation for the legality of our operations and the maintenance of our good reputation, as well as a fundamental commitment to the security of our customers' transactions.

In this sense, our fraud prevention process ranges from the monitoring of each transaction we receive to the post-transaction, allowing us to identify any type of fraudulence, carry out the eventual blocking of accounts linked to suspicious activities and subsequently reimburse the injured customer.

To ensure a commitment to fraud prevention, we constantly invest in technology and intelligence, especially in a context of increasing digitalization of business and social relationships.

*In 2022, we strengthened the mechanisms for getting to know our customers, suppliers and business partners as a way to prevent fraud and illegal activities arising from them.*

Throughout the year, we also continued the process of strengthening our technological framework, working hard to align the technological structures already in use with the trends and new fraud models observed in the market.

To meet this expectation, we kept our processes and systems up to date to comply with available regulations, using intelligence to prevent and react to fraud.

## Digital identity

Throughout the year, we evolved with our digital identity model, seeking constant improvements in our processes to make the customer experience in our digital channels even safer and more complete.

With the use of biometric resources and facial recognition technologies, for example, we made identity validation of this audience even more robust and less conducive to improper access.

This initiative strengthens Cielo's commitment to data security. The data validation mechanism also reduces the risk of fraud, both for Cielo and for customers.



## Privacy and Data Protection

GRI 418-1 / SASB TC-SI-220a.1 / TC-SI-220a.2 / TC-SI-230a.1

Protecting the data of customers, employees, suppliers, service providers and partners is a priority at Cielo, using the highest level of care and under the strictest security standards, pursuant to Law 13.709/2018, General Data Protection Law (LGPD), as well as other internal regulations and good practices.

Our data processing processes promote transparency, guaranteeing the exercise of data holders' rights and ensuring their privacy. All access to information is restricted and controlled, and in case of violation of internal policies and rules, those

involved are subject to liability measures, in accordance with the Consequence Management Standard.

In order to advise the Executive Board on matters related to privacy, including monitoring the actions of the Privacy Program, we have created the Privacy and Data Protection Forum, which includes the participation of several areas of Cielo.

We carry out a periodic mapping of business processes involving personal data, with the aim of identifying risks in processing activities, and thus implementing mitigation controls.

Additionally, this process allows confirming that there is no data being used for secondary purposes, only for the purposes informed to data holders.

Moreover, we periodically hold awareness and education actions with our employees, third parties and service providers, aiming to promote a privacy culture. These actions involve training, workshops and communications on the subject.

All of this work is carried out by a team dedicated to the theme, under the management of the Data Protection Officer (DPO), as provided for by the LGPD.

In 2022, Cielo recorded no occurrences related to the privacy of personal data of customers, employees, suppliers, service providers or partners.



See our [Privacy and Data Protection Policy](#) and the [data lifecycle guidelines](#)



# Business continuity

GRI 3-3 / SASB TC-SI-550a.2

We maintain structures and mechanisms to ensure that any incidents do not impact our ability to continue delivering solutions and products to our customers in full, without interruptions and inconveniences.

In this sense, we have a Corporate Business Continuity Management Policy, an area dedicated to the subject and a Business Continuity Plan, which aim to contribute to the resilience and sustainability of the businesses before, during and after crisis situations.

The Plan, prepared according to international standards and best market practices, establishes the instruments to be followed in cases of crisis so that Cielo maintains its activities at an acceptable level, allowing the company to function even during episodes of post-unavailability recovery.

For this, the plan provides for the strategic resources that need to be guaranteed for the operation in situations of adversity, such as key people involved in the activities, systems and applications, suppliers and workplaces considered critical to the operation in minimum acceptable standards.

*Also in 2022, as a way to increase the collective awareness of our teams regarding the importance of Business Continuity, we promoted training on the subject. The training was developed in such a way as to be dynamic and inspiring, in order to facilitate employees' understanding of how to deal with possible crises, avoiding and reducing the resulting impacts. Additionally, this training was incorporated into the mandatory regulatory track, making part of the content employees must comply with annually.*



Find out about our [Corporate Business Continuity Management Policy](#)



## ISO 22301 Certification

In 2022, in recognition of our ongoing efforts to create and improve structures that ensure business continuity, we became the first acquirer in the country to obtain ISO 22301 certification.

With this achievement, we are recognized as a resilient Company, which has structured processes capable of withstanding the threats and impacts of disruption, in addition to recovering in cases of inopportune incidents.



### Procedure recognized by ISO 22301

- › Identification and management of current and coming threats to the business;
- › Proactive attitude to minimize the impact of incidents;
- › Maintenance of critical functions in operation during periods of crisis;
- › Reduced downtime during incidents and improved recovery time.

As a way of maintaining this certification, the Company will be subject to periodic inspections, to verify the compliance of the system and incorporate continuous improvements.

We emphasize the relevance of these advances for a context of risk prevention and for the fulfillment of our objective of benefiting our customers with safe solutions, contributing to boost business for all.





# Intellectual Capital: Technology and innovation

GRI 3-3

## Garagem Cielo

To drive Cielo's innovation objectives, we have Garagem, our innovation hub. Its objective is to discover, test and implement new solutions, encouraging creative thinking, strengthening our culture of innovation and positioning us as a reference in the field.

Garagem operates through five products, based on innovation governance: Trends, Experimentation, Incubation, Open Innovation and Culture.



## Trends

On this front, we seek to develop studies and research that bring knowledge and hypotheses of future scenarios for Cielo. In 2022, topics such as cashless democratization, Value Added Services (VAS), new business models, cryptocurrencies and digital currencies, the future of applications, LGPD and Blockchain were addressed.

Moreover, top research on solutions and technologies in Brazil and the world were also addressed, focusing on the development of studies and trends. The objective is to align the company with global technology trends, identifying the opportunities these current technological trends can offer.

## Experimentation

On the Experimentation front, we test hypotheses to learn about adherence to new solutions and business models. The area also works in partnership with other companies and external researchers, in order to create solutions for the market.

Throughout 2022, we dedicated attention to the concept of Tap on Phone, a solution that allows payments without the need for a terminal, simply using a smartphone or tablet.

## Open innovation

A front of “Garagem”, which has the purpose of getting closer to the innovation ecosystem based on the relationship with startups, bringing new market opportunities to Cielo.

Within this front, one of the highlights of the year was the Startup Mentoring Program, carried out as a way to bring Cielo leaders closer to the startup ecosystem, supporting and providing guidance to face their challenges.

## Incubation

At Incubation, we are dedicated to developing solutions with Go-to-Market structuring and guarantee for the ecosystem.

## Culture

In Culture we seek to democratize innovation methods, practices and processes within the Company.

One of the initiatives on this front is Garagem Talks, which invites experts to present topics related to innovation to all employees. A total of nine meetings were held during 2022.



## Startups Mentoring Program: innovation for social transformation

The proposal for the 2022 edition was to support only impacting startups, i.e., those that seek to address a socio-environmental problem from their main activity. Thus, without losing sight of the search for financial return, they are also committed to measuring the positive impact they generate.

In order to select initiatives with this profile, the Sustainability and Garagem teams joined forces in the search for those that met the proposal and presented the capacity to bring return to society, the environment and business.

A total of 262 startups enrolled, which demonstrates the recognition of Cielo's ability to attract and connect with this ecosystem.

By the end of the selection process, ten of them were selected and joined the program, which was carried out in the hybrid model.

Mentors were also carefully selected to identify leaders within the Company who could leverage actions and provide the best possible results.

In all, 20 Cielo leaders were chosen, 50% women and 50% men, who accompanied the participating startups for 5 months through mentoring sessions, workshops and experience exchange, generating knowledge between businesses and society.

In the final phase of the program, we carried out an action that was called Impact Day, with the objective of opening new connections for impact startups. At this event, companies had the opportunity to present their solutions in pitches, receive feedback and questions from the panel, as well as exchange knowledge and promote connections.

### DIVERSITY DATA IN THE 10 SELECTED STARTUPS:

54.1%

declare to have at least 1 woman as a partner.

19.6%

declare to have at least 1 black woman as a partner.

12.1%

declare to have at least 1 LGBTQIA+ person as a partner.

5.4%

declare to have at least 1PwD person as a partner.



# Process innovations

2022 was a year marked by the creation of the Processes Superintendence, an area dedicated to looking specifically at corporate processes, identifying flaws and correcting them to make structures and workflows more agile and efficient.

The area was installed in July 2022 and carried out a complete review of Cielo Operating Model over the first few months, seeking to identify all the Company's processes, detailing the areas involved, systems and flows inherent to each one of them.

Through this initiative, we were able to understand the extent of the processes and trace trails that make it possible to understand their completeness. The trails also allow other areas of the Company to gather this information and promote improvements in the day-

to-day of their structures, eliminating redundancies to achieve greater operational efficiency and quality in the tasks carried out.

The processes area was also involved in major Company projects, such as Salesforce (learn more on page 54), helping to identify, redesign and document the processes that are being migrated.

## **Comprehensive and effective adoption of agile methods**

Over the last few years, Cielo has been working on the implementation of teams that use agile methodologies to develop new solutions. This work model allows for greater autonomy in the process, providing the areas with mastery of all stages of product or

service development, from ideation to final delivery to the customer.

Throughout 2022, we had 71 teams in the agile model, with 25 squads starting the agile journey and completing it in January 2023. As a result, the total time from the moment a task is started until its completion has dropped from 124 days in 2021 to 89 days in 2022, representing a 28% productivity gain.

## **Lean Six Sigma Program**

With the purpose of increasing the efficiency of processes and strengthening the cultural change of continuous improvement, 91 employees were trained in Lean Six Sigma in 2022. These employees learned skills such as project leadership, qualitative vision, fact-

and data-driven decision-making, and problem structuring to look for solutions.

In this way, the program allows new designs to be developed and implemented for processes, projects and deliveries. The completed projects brought a financial gain of R\$34.5 million to the Company.

In addition, the 5 leaders of the best Lean Six Sigma projects at Somos (corporate event for the entire Cielo) were recognized and awarded. These projects were chosen by the Evaluating Panel, composed of the Vice-Presidents and Superintendents.

# Technology

The guidelines established in our Technology Strategy aim to reinvent delivery, in the sense of enabling end-to-end experiences that meet our customers' needs, at an agile pace and committed to quality.

We are focused on improving customer satisfaction, delivering better products and services in a shorter time to launch. For this reason, we want to enable multiple business models through a modular and modern architecture considering everything from the customer experience to the technology operation.

For all of this to happen on a day-to-day basis without major complications or unwanted surprises, we must have a stable technology operation, prepared to scale and transform, in

an efficient and safe manner. In this way, we can reduce, for example, the average time to recover from failures and the number of vulnerabilities in the environment.

As a way to make all this happen, we will continue to invest in people to reinforce and expand the performance of our technology teams, seeking to engage them in our purpose by encouraging them to act as agents of change, with a sense of ownership.

Taken together, all these efforts are aimed at enabling business and customer value through technology. In this sense, we work to make the service more assertive and self-managed to positively impact the customer in their journey, in addition to expanding our commercial productivity.

## Technology in customer relationship

We continue to invest in technology to provide our customers with the best service. In 2022, we started a process for adopting Salesforce: a new tool for Customer Relationship Management (CRM) in an integrated manner, aiming to facilitate the dynamics of service, making the experience more personalized and agile.

Overall, the implementation of this tool relies on more than 150 professionals from Cielo and is supported by a specialized consultancy, who work together to guarantee the success of this large and complex operation, at each stage of its implementation.

The first achievements were already

observed in 2022. They include the availability of a chatbot providing customers with more than 20 features, including self-services and detailed explanations about their doubts. The next steps include making available a new service flow via e-mail at the call centers and a new billing and negotiation process.

All these initiatives aim to further evolve our Service Model and Customer Experience (learn more on page 56).

## Cloud Computing

The use of Cloud Computing is yet another initiative by Cielo to further accelerate the Company's digital transformation and support modernization strategies, greater operational efficiency and improved customer experience.

In 2022, we continued with the migration of our servers to this model and the discontinuation of applications, taking into account the Company's processes and vision of interdependence. In this way, we seek to simplify the architecture of proprietary technology, making it possible to accelerate the development of new products and enable end-to-end technology with artificial intelligence.

Our objective is that, within up to five years, we will have 40% of all the company's services in the cloud.

## Energy efficiency in data centers

SASB TC-SI-130a.3

Since 2021, the company responsible for our data center services has been self-generating electricity at the Rio dos Ventos wind farm, in Rio Grande do North. Energy is injected through the National Interconnected System (SIN) and covers 100% of the needs of the data centers serving Cielo.

In addition, over the last year, initiatives were carried out to reduce energy consumption in data centers, such as the installation of a new chiller and chilled water valve actuators, review of hydraulic balancing and adjustments in operating modes, in addition to the implementation a dedicated air conditioning system.

### RENEWABLE ENERGY SHARE IN DATA CENTERS

	2019	2020	2021	2022
Total energy consumption in data centers (MWh)	58,950	60,421	62,855	67,753
Renewable energy percentage	82.73%	83.4%	84.76%	100%

### ENERGY EFFICIENCY IN DATA CENTERS

	2019	2020	2021	2022
Power Use Efficiency (PUE) index	1.61	1.62	1.63	1.58



# Share Capital and Relationships: Positive Impact Customer Experience

GRI 3-3


The year 2022 represented an important step in positioning Cielo as the best business partner, supporting Small Business (Retailers) customers and Entrepreneurs (Long-Tail) in the various challenges of managing their businesses.





To boost this new moment, we launched a new campaign, entitled “Every day together for your business”. The initiative stems from the Company’s purpose of “Simplifying and boosting business for everyone”, and reinforces proximity and building stronger and lasting relationships, aiming to attract new customers and build customer loyalty by offering integrated solutions to improve sales, finance and business management.

To achieve this objective, the campaign explores options for products and services that go beyond payment, while giving visibility to solutions that are already part of the portfolio, creating a memory that Cielo is a diverse product and service ecosystem, with options that meet customers’ needs – from the simplest to the most complex ones.



### PILLARS OF THE “EVERY DAY TOGETHER FOR YOUR BUSINESS” CAMPAIGN



**Improve sales**



**Improve finances**



**Improve business management**





## Customer satisfaction

We carried out NPS (Net Promoter Score) surveys at three different times to support actions to improve customer experience with our products, services and support.

The results of the surveys are reported at meetings of the Vice-Presidency and Boards, in addition to being shared internally with forums and areas that seek ongoing improvement.

The process of gathering information takes place through telephone interviews, carried out by a research institute that gathers the perception of Small Business (Retail) establishments of different sizes, focusing on their satisfaction with the call center, sales representatives, maintenance services, commercial conditions, website and app, among others.

In 2022, we had more than 10,200 participants in the three survey waves. The margin of error is 2.3 points, for a 95% confidence interval.

The survey carried out in December 2022 showed that 80% of customers evaluated us with grades ranging from seven to ten. In order to continuously evolve the percentage of customers who evaluate us positively, we maintain initiatives related to improvements in service, logistics, positioning and digital.



# Serving model

**B**elow, we present the highlights of our Service Model in each business segment.

## Small Business (Retail)

In the Small Business (Retail) segment, we work to provide quality equipment, logistics services and technical support, with technology to generate team effectiveness, business conversion and tracking of all customer interactions, ensuring deadlines, demands and evaluation. Serve regions with little capillarity better.

In 2022, we expanded the workforce of the Small Business (Retail) commercial team, and put squads working on marketing strategies to communicate improvements in the most assertive way possible.



### Small Business (Retail) Data Intelligence

One of our main focuses in the segment is the use of data intelligence to offer products that generate increasing value to customers.

An example is the **Cielo Broad Small Business (Retail) Index (ICVA)**, a service that uses our data technology to monitor sales evolution in 18 sectors on a monthly basis, offering our customers an overview of the Brazilian Small Business (Retail) scenario, which supports their businesses. Additionally, we work to leverage our data intelligence and offer the right product to the right customer at the right price.

In this sense, we have made available a new type of receivables anticipation, the so-called **Customer Installments**. Among the advantages for businesses, the service allows expanding the consumers flow in establishments by offering an additional possibility of up

to 18 credit installments, in addition to increasing business working capital by ensuring Small Business (Retailers) receive the full value of the sale in their bank account within 2 working days, without fee discount.

The **Currency Converter** was yet another service that emerged as one of the key solutions for Small Business (Retailers) in 2022. The service facilitates consumers payment with a foreign card through automatic currency conversion directly at the POS. This makes sales easier, as payments are still made in Reais, and there is no need for calculations and insecurity when paying with a foreign flag card.

In 2022, we also launched a cash prize promotional action, called **Promoção da Sorte**, which distributed R\$ 300,000 in prizes to customers according to the use of our solutions. The objective was to attract new

customers and encourage loyalty of the existing base, leveraging the adherence to new products and services.

On the other hand, **Pre-payment Products**. – such as Receba Rápido and Receivables Acquisition (ARV) – continued to have great prominence in 2022, by offering a series of advantages that allow Small Business (Retailers) to receive their credit card sales within two days.



### **Service improvements**

We reviewed the platform used in our customer service center, now called SOUL. This movement made the services more assertive, allowing the attendant to seek the way to guide and solve customers' doubts with greater agility.

As a result, the recurrence rates were the lowest in the historical series, showing that customers were able to solve their problems in the very first service, avoiding the need for a new contact.



### **Logistic model**

Throughout the year, we sought to raise the standard of operation in our logistics, in order to provide the customer with a better, more agile and uncomplicated experience. With this, we accelerated our process of delivering the machine to Small Business (Retailers), making it simpler.

*By the end of the year,  
90% of our terminals  
were delivered within two  
working days.*

We have implemented service tracking through WhatsApp, making it even easier for the customer to follow up on demands.

We maintained **Instala Direto**, a modality in which the commercial team installs the POS machine in the establishment, which guaranteed customers the possibility of starting their sales more quickly, eliminating the waiting time to receive the device.

We were also able to increase the number of services considered excellent, i.e., those in which deadlines are met, no return visits are required, no complaints are generated and there is no cancellation of service orders.

## Entrepreneurs (Long-Tail)

GRI 3-3

For our customers in the Entrepreneurs (Long-Tail) hip segment, we offer a portfolio tailored to their needs, providing autonomy, digital service and self-service.

We revised our portfolio for customers in the Entrepreneurs (Long-Tail) hip segment in 2022. As part of this process, we agreed on new prices and conditions, offering the segment with affordable solutions, while guaranteeing profitability for our businesses.

As an example, it is worth highlighting the possibility for the customer to purchase one of our Zip machines at more competitive prices. In addition, we continue to offer Cielo Facilita, which makes our products available to customers on a lending basis.

We strengthened partnerships with our controlling banks, which gives us capillarity and capacity to expand our customer base. In this way, we were able to make our acquiring solutions available to Entrepreneurs (Long-Tail) across the country.

Also in this regard, we made important investments in digitization, integrating with banks so that managers themselves, when opening new accounts for Entrepreneurs (Long-Tail), already accredit them in the Cielo system.



### Digital Channels

In digital service, we work with a perspective of expanding the penetration of digital channels, which is where we best connect with our customers in the Entrepreneurs (Long-Tail)hip segment, providing them with the best possible service and reaching Brazil as a whole.

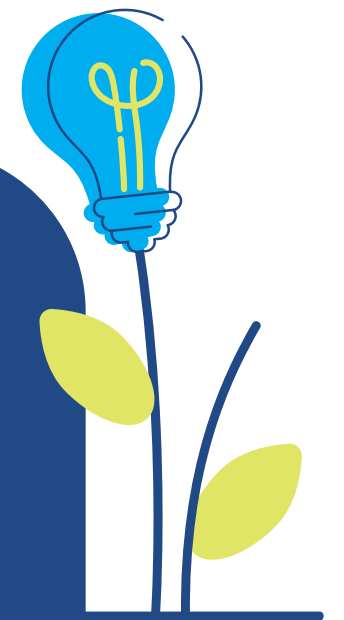
In this sense, in 2022, we increased the amount of self-service functionalities in the application, which was possible thanks to the availability of new security features. The new functions in the app are part of the efforts to improve the customer experience, making the service self-managed, reducing or even eliminating the need for the customer to call the call center to obtain assistance.

### Initiatives to promote Entrepreneurs (Long-Tail) hip

As a way to spread the entrepreneurial spirit and connect directly with the segment, we offer courses and produce educational materials for Entrepreneurs (Long-Tail) or enthusiasts of the subject.

In partnership with Sebrae and eduK, we offer more than 70 free online courses for this audience. The contents can be accessed on the website [www.cielo.com.br/cursos-gratuitos-para-seu-negocio/](http://www.cielo.com.br/cursos-gratuitos-para-seu-negocio/).

Furthermore, we have Impulsiona Aí: a free program aimed at black entrepreneur women who undertake in the field of gastronomy (learn more on page 64).



## Large accounts

Our focus on large accounts is to evolve by offering customized solutions, so that Cielo can offer even more integrated services, guaranteeing a high level of satisfaction in this segment.

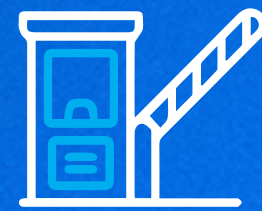
In 2022, the Company maintained its focus on customer profitability, after completing the review process for customers with a low contribution margin, which involved a series of renegotiations over the years 2020 and 2021.

We continued to develop customized and integrated solutions for Large Account customers, which consequently brought greater profitability to the segment.

The good performance of the area also reflects the characteristics of the service offered by Cielo to this customer profile, ensuring personalized service and solutions with low turnover among the service team, a culture of availability and willingness to solve problems, in addition to proposals that adhere to their needs and expectations.

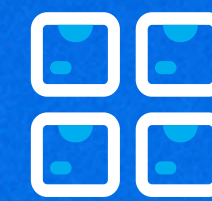
## Customized and integrated solutions

In 2022, we made several customized and integrated payment solutions available to Large Account customers, so that they can leverage their business, in addition to providing their consumers with a practical, simple and secure payment experience. Some examples stand out in this regard:



We implemented, for a highway management specialized company, the payment of toll fee by NFC payment with debit card.

The solution allowed the company to reduce evasion due to lack of cash, eliminated difficulties in getting change and reduced the high cost of operating with cash. In addition, it ensured greater safety for employees working at the toll booths.



Through Lio's software integration, we connected the inventory of a chain of home goods stores to the infinite shelf.

This allowed its customers to have an omnichannel consumption experience, with greater sales possibilities, without depending on physical space to display and stock its entire range of items for sale.



We found the solution for a customer who needed an integrated solution for door-to-door billing and omnichannel database management, which would combine the physical world with e-commerce, in addition to card tokenization.

Through Cielo Conecta and the use of Smart Terminal equipment, which performs the physical transaction and allows the recurrence of charges, we integrated the customer's e-commerce and physical payments with the use of an app, ensuring a connected, simplified, safe and practical experience.



### **Urban mobility - Connecting places, simplifying payments**

Last year, we have worked to expand new urban mobility solutions in more than ten Brazilian regions, promoting the simplification and modernization of the ticketing system, through NFC (Near Field Communication) payment technology.

In all, 11 cities have already adopted this simplification model and are transforming the payment experience for users in seven bus stops, three toll booths and two subway systems.

In 2022, public transport transactions grew by 547% and had a 611% increase in revenue compared to the previous year. Additionally, the Company registered a 10% increase in the average ticket.



# Social transformation

GRI 3-3 / 203-2 / 413-1 / FS13

At Cielo, we understand that our role in promoting society development can go beyond offering solutions for the trade of goods and services. Therefore, we work to be a means for social transformation, seeking to leverage our social impact through innovation in business and the promotion of Entrepreneurs (Long-Tail) hip, education, technology and diversity.

For this reason, we develop authorial projects that address our strategy of seeking socio-productive inclusion with Entrepreneurs (Long-Tail) hip.

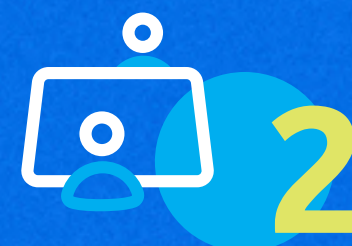
## Impulsiona Aí – Education Program for Black Women

In 2022, we carried out the Impulsiona Aí program, aimed at generating income and entrepreneurial education for black women from poor regions in São Paulo, who work in the gastronomy field. The program supported, free of charge, 150 female Entrepreneurs (Long-Tail) in different phases of their business development, in partnership with Empreende Aí, a business school from the periphery to the periphery.

With the aim of transforming the income of female Entrepreneurs (Long-Tail)' families based on the structuring of their businesses, the program was divided into three phases:



In the first phase, **150 female Entrepreneurs (Long-Tail)** were trained on topics such as Self-Awareness, Ideation and Business Model.



During the second phase, **40 ongoing** and better-structured businesses were chosen for a 21-hour face-to-face immersion in São Paulo, with training on topics that helped Entrepreneurs (Long-Tail) manage their businesses, such as: Marketing, sales, finance, management, planning, time management and social networks.



In the last phase of the Program, the **10 finalists underwent an immersion** in which they received mentoring sessions along with specialists. On that occasion, they were exposed to the knowledge of our team, to leverage their business.

To further complete the initiative, the entire Cielo team was invited to meet and honor the Entrepreneurs (Long-Tail) and accompany their business **pitch** to a panel of judges. The two businesses that stood out according to the evaluation panel received an **award of R\$5,000 to invest in their development.**



## Private Social Investment

GRI 203-1

Cielo's private social investment strategy seeks to adopt specific causes for the use of incentive laws, in order to connect supported initiatives with the Company's businesses.

Therefore, we support projects that are aligned with the Sustainable Development Goals (SDG) and that contribute to improving education, promote initiatives that enable income generation or contribute to the development of entrepreneurial businesses.

In 2022, we encouraged projects, through incentive law:

PROJECT	VALUE
Cósmicas Project	R\$ 500.000
São Paulo State Symphony Orchestra — Osesp's Academy of Music	R\$ 260.000
OSESP Orchestra and Games Series	R\$ 260.000
Papo de futuro 4.0	R\$ 283,122
Requalification of the geriatric area of the Irmã Dulce social work	R\$ 283,122
Brazilian Judo Confederation (CBJ)	R\$ 283.000
<b>Total</b>	<b>R\$ 1,869,244</b>



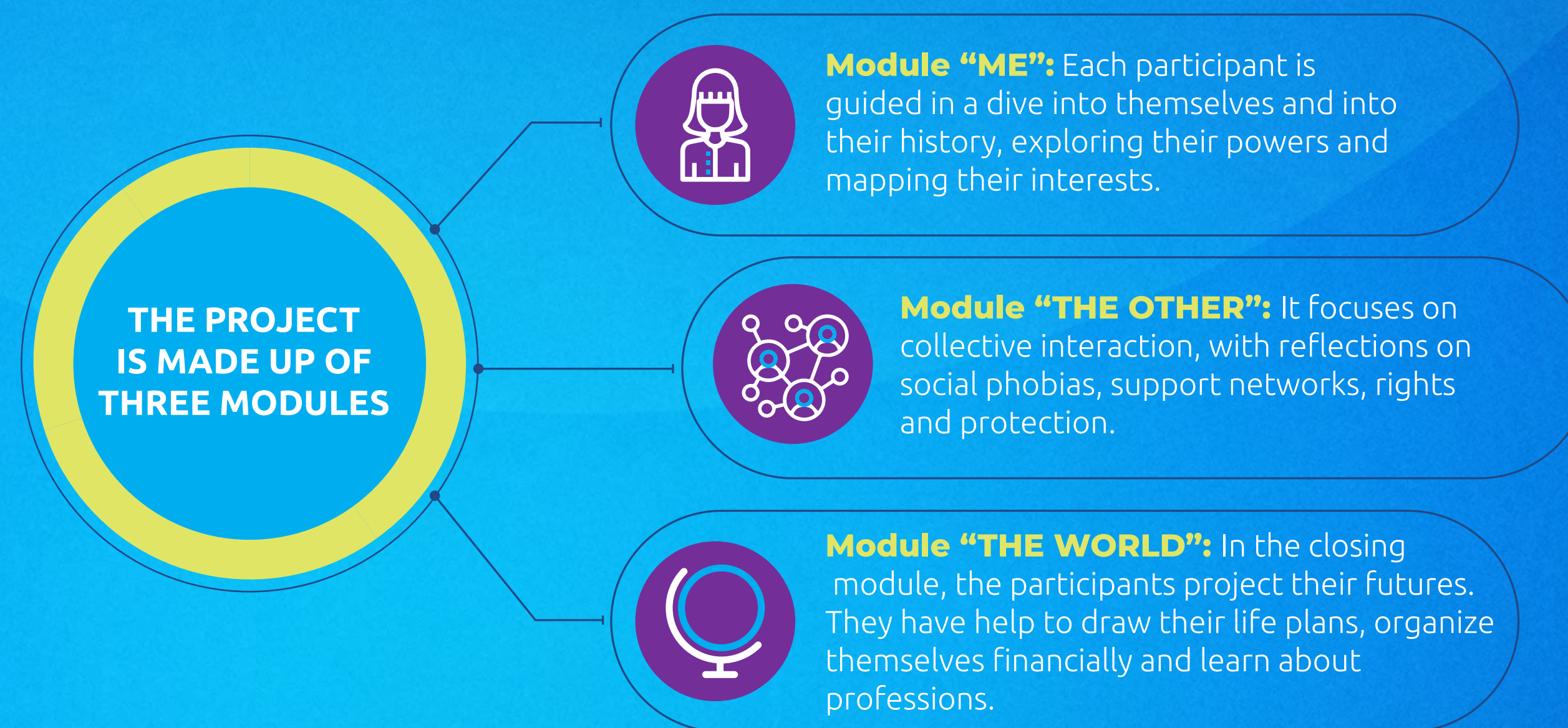
In the Attachments chapter, on page 123, you can find more information about the projects we supported via Incentive Laws in 2022.

[Click here](#)

# Cósmicas Project

We believe in the power of social transformation and positive impact in creating a more sustainable and inclusive future. For this reason, in 2022, one of our supported projects was the Cósmicas Project, by Tomie Ohtake Institute, aimed at developing female leaders.

The initiative seeks to promote autonomy and articulation for young women between 16 and 26 years of age, with the objective of drawing up life plans and encouraging the protagonism of the participants in individual and collective transformations.



In 2022, the program offered **free training to up to 500 young and adult women**, in a virtual format, prioritizing the participation of black women, indigenous women, public school students, participants in social programs, low-income women and people with disabilities.

In addition to the incentive, Cielo was directly involved in the program, through the participation of two of its female employees, invited by the initiative as inspiring agents, who shared their experiences in the professional and personal world.

## Waiver of amounts and differentiated fees

In the process of accreditation and sales operation for non-profit Civil Society Organizations (Charity and social service organization, civic and social association) different fees, commissions and financial settlement deadlines are applied, in view of the positive impact they promote for society, as well as aiming to contribute to the financial sustainability of the organization.

As a result, by 2022, we benefited 18,806 customers, including small businesses, entrepreneurs and large accounts.

## Volunteering

GRI 413-1

Since 2016, we have had Movimento do Bem, our corporate volunteering program, which aims to strengthen an inclusive and humane culture through volunteering, support the development of communities where we are present and encourage the active participation of our employees in promoting benefits to the society.

Voluntary actions may take place in the free time of each employee or within working hours, limited to up to four hours a month, provided that this does not compromise the fulfillment of their usual duties and in agreement with their immediate manager.

In 2022, 780 people participated in our volunteer work, totaling 781 hours.

## Engagement with volunteering actions in 2022

	VOLUNTEERING HOURS	VOLUNTEER PEOPLE
Mentoring	207	41
Movimento Do Bem   Social Action	81	22
Affinity Groups	493	717
<b>Total</b>	<b>781</b>	<b>780</b>

Moreover, around R\$ 55 thousand were donated. These resources were mainly converted into food baskets for institutions and social actions.



# Relationship with suppliers

GRI 2-6 / 3-3 / 204-1

At Cielo, we have established guidelines, mechanisms and processes to guide and manage our supply chain, seeking competitiveness, quality, speed and sustainability in relationships and partnerships.

The guidelines are defined in the Purchasing Policy, the Sustainability Policy and the Code of Ethical Conduct. Structured mechanisms and processes allow disciplined execution to improve service delivery and evolve corporate governance based on facts and data, preventing unilateral and arbitrary decisions.

Cielo's supply chain includes operation and logistic, technology services, telecommunications, customer service (contact center), legal and corporate services suppliers, among others.

In 2022, we had 1,228 suppliers, to which we allocated R\$2.1 billion in payments, which accounts for 62% of the total spending budget. Over the period, 98% of products and services were purchased locally, in the national territory.

## Supplier management

In a context where service quality is a requirement and a condition for companies to be more competitive, we have a careful process of administrative approval. In this process, suppliers are classified into supply tiers, according to the degree of risk they pose to Cielo's business and the type of service or product provided, monitoring our entire chain from the impact on the customer.

## Vendor Performance Program

With the aim of improving suppliers performance and/or replacing those that perform below expectations, Cielo has the Vendor Performance Program. Through it, we evaluate our main suppliers on a quarterly basis, according to criteria of quality, speed, competitive attitude and innovation.

The best evaluated suppliers are awarded according to criteria, such as recognition of excellence. For those with lower-than-expected performance, feedback schedules are held and we recommend the preparation of action plans to reverse the negative trend.

In 2022, 157 suppliers underwent this assessment.

## Vendor Risk Program

Created in 2019, the Vendor Risk Program was designed with the objective of expanding knowledge about our critical suppliers. Through it, we analyze financial health, legal, data protection, business continuity, social, environmental and reputational aspects of these suppliers on a quarterly basis.

In 2022, we proceeded with these analyses and expanded monitoring to 37 companies, considering not only their criticality for the business, but also ESG and Diversity & Inclusion aspects, expanding the scope of the evaluation of the most relevant suppliers for Cielo.

## Supplier ESG Assessment

GRI 308-1 / 308-2 / 408-1 / 409-1 / 414-1 / 414-2

In order to evaluate and monitor our supply chain practices, we sent a questionnaire to 100% of our suppliers to assess environmental, social and governance aspects, as part of the approval process. As a result, the ESG and Diversity & Inclusion criteria are now verified both in supplier onboarding and during risk assessments.

Upon the revision of the process, in July, we incorporated a socio-environmental criticality rule,

according to supplier classification, and a module dedicated to Diversity and Inclusion, which includes training and tests on the subject.

Throughout the year, 771 suppliers underwent this process. The average performance of the evaluated suppliers is 72%, with potential for improvement.

Also in 2022, we started to carry out a mandatory audit of critical suppliers, including those that participate in the Vendor Risk and critical suppliers from an ESG perspective. A total of 54 companies were audited (100% of critical suppliers), and part of them are under analysis for the preparation of action plans.

During this audit process, we request proof of hiring for formal jobs and verification of informal jobs, with the aim of eliminating child and slave labor in our supply chain.



### Diversity clause in contracts

The year 2022 was another milestone in our Diversity & Inclusion commitments. With the update of the supplier ESG approval process, we established in our contracts the obligation to accept a clause ratifying the supplier's commitment to adopt a posture that aims at the development of an anti-racist, anti-misogynistic, anti-LGBTphobic and anti-capacitist culture in all its business and work relations.

# Human Capital: Our team

GRI 2-7

The achievements we have had over 27 years of existence are the result of the contribution of each person in our Team, who helped to consolidate us as the largest payment company in Brazil and Latin America and will certainly take us even further.

That's why we seek to invest in our people, valuing every aspect of their journey, offering all the conditions for them to evolve and become better people and professionals, living in a diverse and prejudice-free environment, so that everyone can reach their potential without any kind of barrier.



# Our team in numbers

## By gender

Indeterminate term contract



3,037

Men

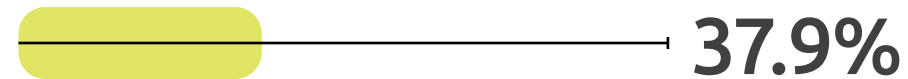


2,008

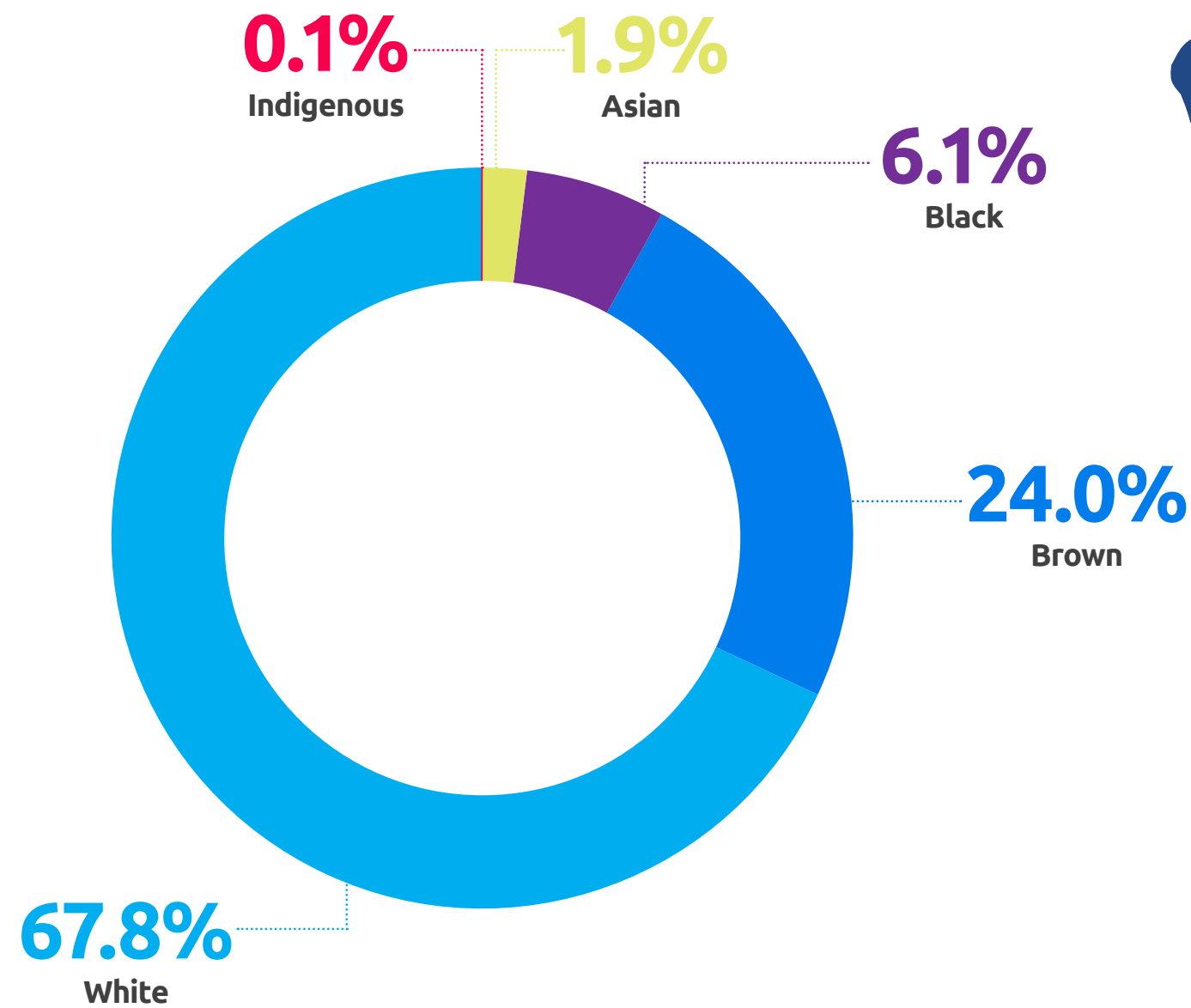
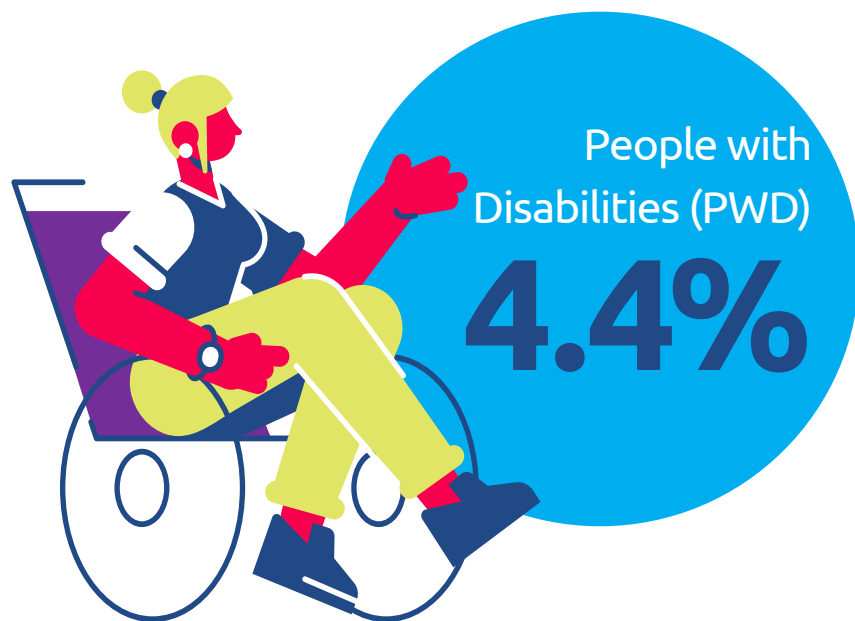
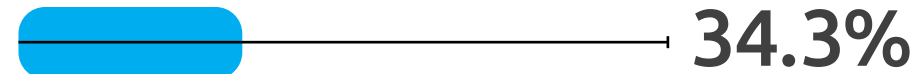
Women

5,045  
*total*

Women in leadership positions

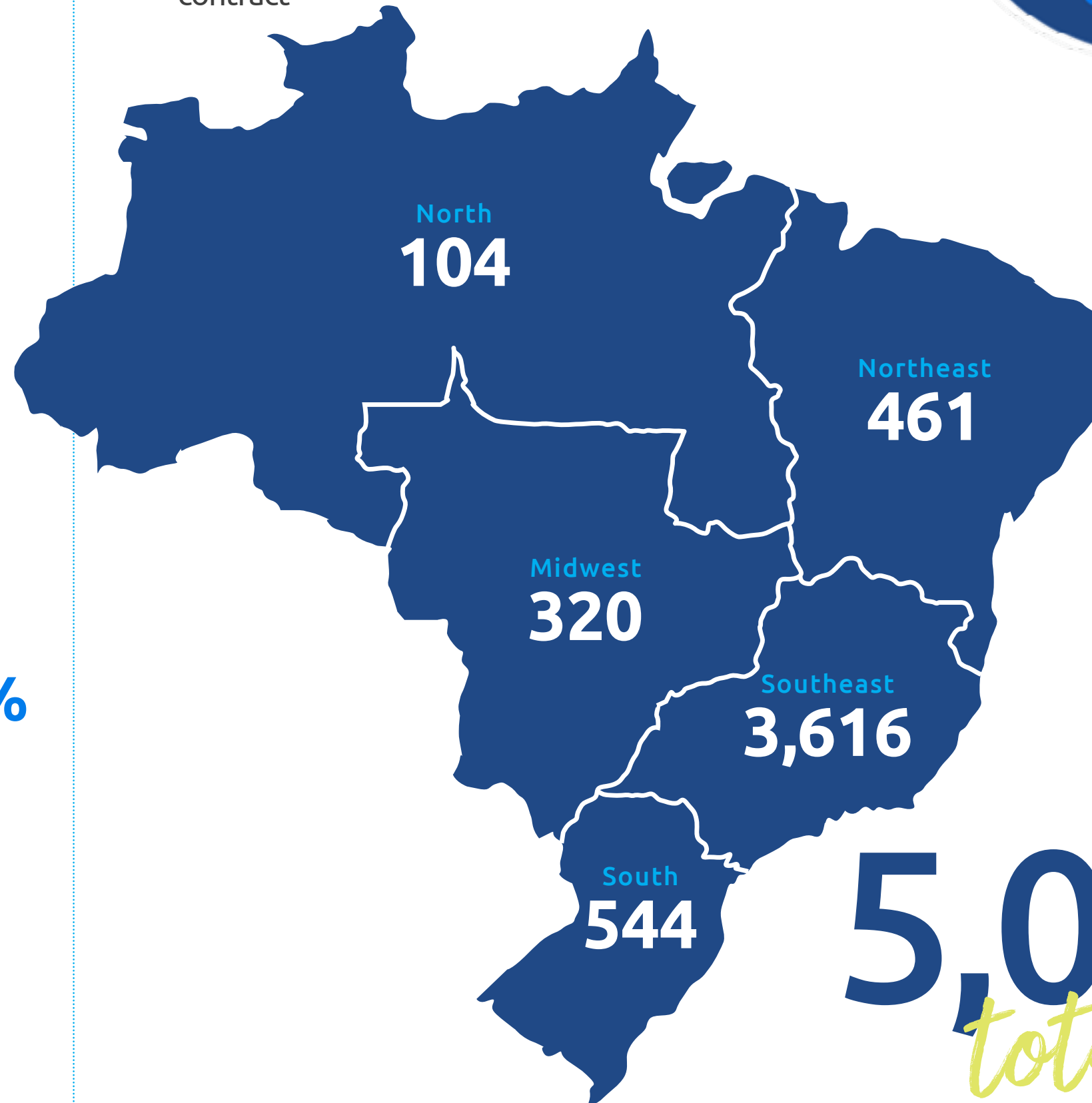


Women in science, technology, engineering and mathematics related positions



## By region

Indeterminate term contract



In the Attachments, page 114, you will find more content on our team diversity.

[Click here](#)

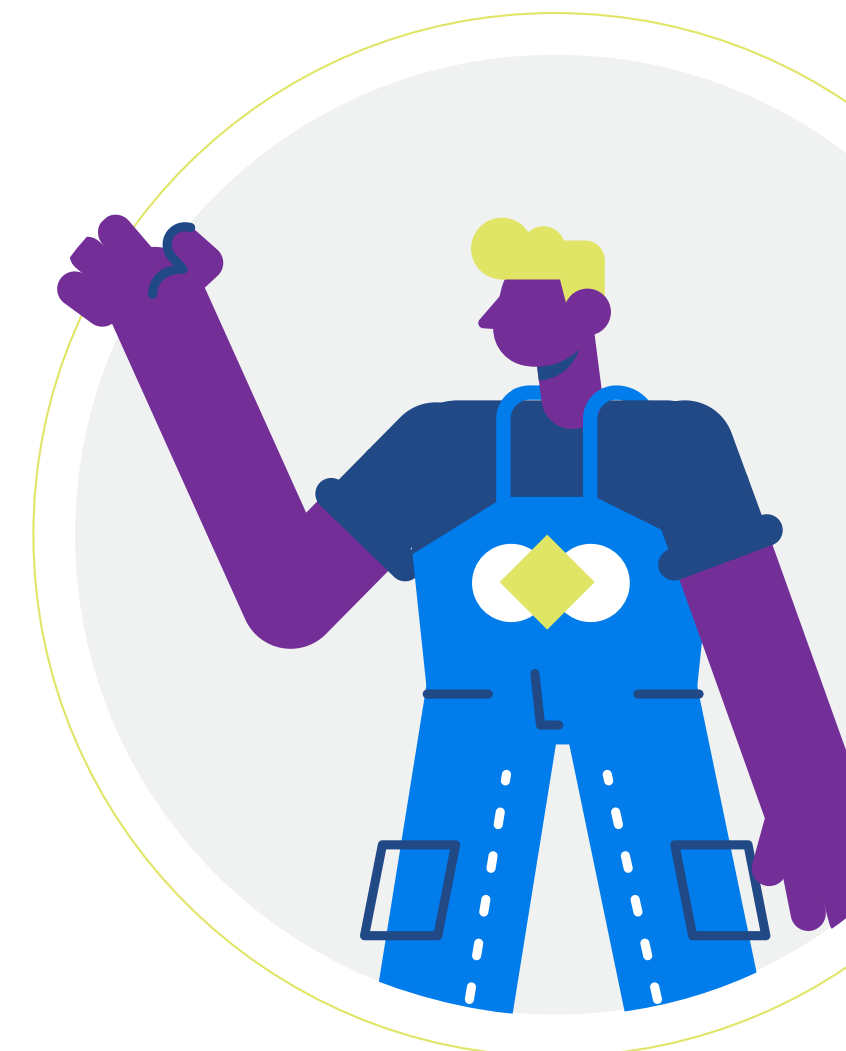
\* Data as of December 31, 2022. Information on race/ethnicity and PwD is self-reported.



# Strategic people management

GRI 3-3

The year 2022 was marked by the definition of the strategic objectives that will allow Cielo to go further in the coming years (learn more on page 36). In this sense, in order to align People Management with the Company's strategic objectives, we worked strongly on four pillars throughout the year:



1

**Attract and engage** employees who are connected to the culture to boost the business.

2

**Improve employee journey** to make their experience charming.

3

**Leverage talent potential**, ensuring the formation of high-performance teams.

4

**Leverage diversity and sustainability results** by promoting an environment of respect and generation of shared value.

Over the next few pages, we present the actions, projects and initiatives carried out in 2022 within the scope of each pillar.



# 1 | Attract and Engage

In the light of our people strategy, created to support the Company in achieving its goals and objectives, we want to attract and retain diverse talents that can contribute to the evolution of our business, connected to our values and principles.

To this end, we have structured an attractive benefits package, defined compensation

in line with best market practices and promoted a broad personal and professional development initiatives agenda, in addition to frequently monitoring the results of these initiatives through researches and surveys to capture the perception of employees and support new actions.



# Quality of Life and Well-being

GRI 403-6

In addition to offering growth and development opportunities for the team, Cielo also ensures that all people can face the challenges of their careers with health and quality of life.

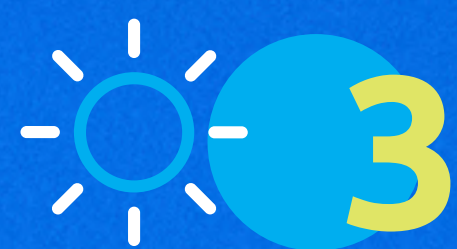
To this end, it provides a structured care network within the **De Bem com a Vida** Program, aimed at quality of life and well-being, which offers a series of initiatives divided into three pillars:



In the **Health & Balance** pillar, the program promotes an agenda of actions focused on mental health, health, nutrition and parenting campaigns.



In the **Always in Motion** pillar, the habit of practicing physical activities, leisure and culture is encouraged.



In the **Convenience for You** pillar, employees well-being and quality of life are promoted through events and partnerships, which include exclusive discounts.

Check out some initiatives carried out in 2022, within the De Bem com a Vida Program:

**Cielo Olympic games:** to encourage the practice of sports, we held another edition of the Cielo Olympic Games. At the event, all employees and their families were invited to participate in different sports, including, but not limited to arena soccer, running, street walking, challenge circuit, bowling and beach volleyball.

To engage the team in activities, employees were invited to choose their modalities, and those who best ranked in each of them received prizes.

Participant satisfaction results indicated an eNPS of +87.

**DBCW Week:** In June, an entire week of actions to promote health and well-being was held, designed to boost the three pillars of the De Bem com a Vida

program. The event featured a broad agenda of actions at the Company's headquarters, in addition to some actions carried out in the hybrid format to also impact employees outside the headquarters. The initiatives were focused on healthy eating, stretching and ergonomics, among many others.

**Yellow September:** During the suicide prevention month, De Bem com a Vida, together with the Occupational Safety team, prepared some activities focused on promoting the mental health of employees, providing various service channels and initiatives aimed at mental health, such as mental health trails, Emotional Health Program, self-care tips and meditation session.

# Health and Safety

GRI 403-1 / 403-2 / 403-3 / 403-6 / 403-7

In order to take care of our employees, we have an occupational health and safety management system, established based on applicable legislation and good management practices, to ensure that all the people working at Cielo is able to carry out their duties.

To this end, occupational diseases are routinely checked and the risks to which the employee is exposed in the work environment, such as heat and noise, are identified through the Risk Management Program (PGR) and Ergonomic Analysis, in addition to the mitigation following the Occupational Health Medical Control Program (PCMSO).

In order to facilitate access to these services, we have a medical clinic within Cielo's facilities, through

which we also provide other clinical services in a hybrid way (online and in person), such as psychological, nutritional and clinical assistance<sup>3</sup>.

We also run campaigns and actions on non-work-related health risks. In 2022, we held meetings with all the teams to raise awareness of the need to maintain a self-care and prevention routine, such as:

**Pink October**, a month dedicated to warning about the importance of early diagnosis of breast and cervical cancer. We invited the team to follow a chat with experts, who guided female employees on self-examination and identification of alerting signs on the body. In addition, we hold raffles, and through a partnership with laboratories, we carried out tests and consultations at our headquarters.

**Blue November**, month in which the World Day to Combat Prostate Cancer is celebrated. We invited employees to a chat with the participation of a consultant to talk about the importance of self-care and the main taboos involving the subject.



## Ergonomics Station

In 2022 we created a space dedicated to the free acquisition of equipment such as mouse, footrest, among others that make the employees' work routine easier, especially in a hybrid work and home office context.

<sup>3</sup> All information related to workers' health is treated in accordance with the General Data Protection Law (LGPD) and Cielo's Code of Ethical Conduct.

In the Attachments chapter, you will find further content on occupational health and safety.. [Click here](#)



## “Sou Cielo” (I am Cielo) Onboarding

Last year, the onboarding of new employees underwent changes, as a way to make Cielo team’s experience even more remarkable and welcoming. In this context, the onboarding track was reformulated, and now has specific topics aimed at apprentices, interns, administrative, commercial and leadership.

The welcome kit, in addition to undergoing a structural revision (reduction in the box size, quality testing of the items delivered), is again collected in person at the headquarters for employees living in São Paulo (SP), with a view to strengthening the resumption of office activities, in addition to making the first day’s experience more fluid by providing all the necessary support for equipment and system configurations. For people who are not from São Paulo, the kit is sent directly to their homes.

The e-NPS results show that newcomers to the Company reacted satisfactorily to our Integration program, which achieved a +85 satisfaction result, considering the survey in the first 30 days of the new employee.

## Internal recruitment

In 2022, Cielo launched “Impulsionando Carreiras” (Boosting Careers), its internal recruitment program. The initiative is a way to value and focus on the team, while ensuring the permanence of people who already experience Cielo’s culture and values, offering opportunities for growth and career development in other areas and functions through internal moves.

Openings are updated on a weekly basis and made available on the Internal Opportunities Panel, through which employees can obtain further guidance on how to apply and eligibility criteria, as well as tips for succeeding in the process.



## New hires and turnover

GRI 401-1

Throughout 2022, we hired 2,584 new employees, at an average cost of R\$3,467.21 per hire. Of the total hiring, 3.8% were for leadership positions.

Demonstrating our effort to value and promote the team, 13.8% of open positions were filled through internal recruitment.

We recorded 1,740 dismissals in the year, with a 38.4% turnover rate. The rate is 11.1% lower than the previous year, which reinforces our ability to retain the team. At the same time, the voluntary turnover rate was 16.8%, 9.6% lower than that of 2021. In leadership, total turnover was 20.6% and voluntary turnover reached 8.3%.

In order to increase the engagement of our employees, we conducted an offboarding survey with terminated employees, to identify the reasons that led them to leave the Company, generating new actions to be carried out.

	2020	2021	2022*
Total turnover rate	31.5%	49.5%	38.4%
Voluntary turnover rate	11.7%	26.4%	16.8%

	2020	2021	2022
Percentage of positions filled through internal recruiting	21.9%	16.0%	13.8%
Average hiring cost	R\$ 2,228.1	R\$ 3,268.0	R\$ 3,467.21
Total employees hired	1,433	2,270	2,584





## 2 | Improve the Journey

In 2022, we continue to improve employee's journey, making it even more fluid and uncomplicated, and seeking to strengthen our values in everything we do.

### Team experience

In order to measure the satisfaction of our team, we apply the Cielo Team Experience Survey twice a year, aimed at measuring how satisfied the Company is with the journey, leadership and climate.

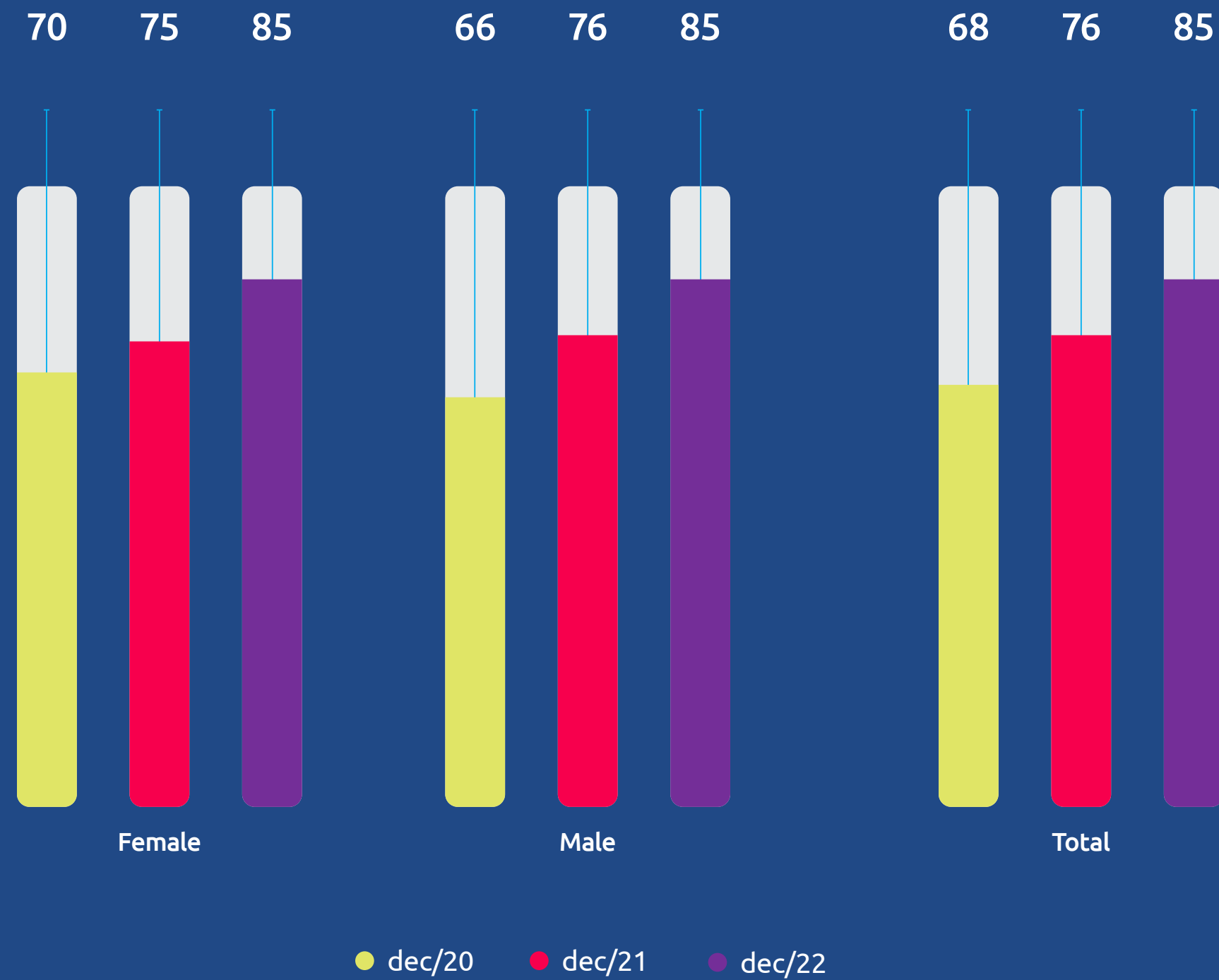
The methodology used is the eNPS, which measures Cielo's level of loyalty and recommendation, ranging from -100 to +100. The answers range

from 0 to 10, where scores from 0 to 6 are considered detractors, 7 and 8 are considered neutral, and 9 and 10 are promoters.

We closed the year with an engagement of 81.7% of respondents, which reveals people's interest in being protagonists of our transformation, also reflecting our cultural attributes of collaboration and trust.

*As a result, in the survey carried out in December, we had a score of +85, 9 points higher than the previous year.*






### E-NPS SCORE



In the Attachments chapter, you can find details about the e-NPS scores by functional category and age group. [Click here](#)

In addition to the eNPS survey, we also evaluate other topics, which we call favorability, in order to identify how much the employee is favorable to each one of them. This evaluation is made by the Likert scale, in which we have results ranging from 1 to 5: 1 and 2 are unfavorable, 3 is neutral and 4 and 5 are favorable to the theme.

The favorability highlights found in the last survey are presented below:

-  Proud to work at the company: 96.1%
-  Diversity appreciation: 96%
-  Manager acts in accordance with the company's guidelines: 95.2%
-  Development and Opportunities: 91.6%
-  Readiness for Change: 89.9%

The positive results stem from the leadership's commitment to improving the satisfaction and engagement of their teams, using the research information as a starting point for building action plans, which contributed to making actions more assertive and adapted to each structure.

In addition to the relevant engagement of leaders, institutional actions were carried out to reinforce the methodology, such as employee development, strengthening of our culture, recognition of merit and promotions, diversity initiatives and continuity of the skills assessment cycle.



## Cultural attributes

Every six months, we apply a survey called Cultural Attribute Potential (CAP) to leaders, to measure and monitor the strength of our cultural attributes:

- 1 Spirit of Serving
- 2 Systemic and innovative influence
- 3 Responsible autonomy
- 4 Collaboration and trust
- 5 Simple and agile execution

As the culture is alive, dynamic and takes place organically in the teams, this tool allows the Company, based on statistical data, to know the progress and setbacks of the desired culture. In this way, we can correct routes and understand opportunities to leverage our culture, living our purpose in an increasingly concrete way.

In 2022, Cielo's target for the CAP was a 4.50 score. With the constant actions to reinforce our culture, we achieved, for the first time, the result of 4.58, surpassing our goal.

Overall, the results in recent years have shown that there has been a significant improvement in all cultural attributes, in particular the attribute "Responsible Autonomy", which, on a scale from -10 to +10, reached 5.25, its best performance throughout the survey period.



# 3 | Leverage talent potential

GRI 404-1

## Cielo University

Cielo University, our corporate university, is responsible for implementing an agenda to promote a learning and training culture across our team, building paths and programs dedicated to the development and training of talents so that they can contribute to the Company's strategies and objectives.

To promote a learning and training culture, Cielo University operates on four fronts:

### 1. Institutional

We encourage active, autonomous and self-directed learning. We enable knowledge with cutting edge technology connected to trends.

### 2. Talent programs

We offer innovative, relevant and effective learning content and solutions that enhance both people and business growth. Learning is not just about content; it is about experience.

### 3. Leadership

Develop and train transforming leaders, capable of boosting Cielo's culture, leveraging our talents and bringing results to the business.

### 4. Business school

Maximize the performance and results of the employee ecosystem through human development.



## edUca Platform

To promote the team's access to knowledge, we have a modern and innovative learning platform called edUCa. It uses artificial intelligence to personalize learning, recommending content according to employees' needs.

Altogether, there are more than 250,000 hours of content available, in addition to various features that make the learning experience more attractive. We

ended 2022 with 5,258 active users on the edUCa platform, with an average of 2,700 monthly unique accesses, which represents a 58.8% growth compared to 2021.

*Throughout 2022, we provided 111,7 hours of training, with a total investment of R\$8.4 million.*

## AVERAGE HOURS OF TRAINING BY GENDER

	TOTAL HOURS			AVERAGE HOURS PER EMPLOYEE		
	2020	2021	2022	2020	2021	2022
Male	59,840	52,479	64,596	26.6	16.0	16.5
Female	77,170	36,560	47,125	30.6	15.5	18.0
<b>Total</b>	<b>137,010</b>	<b>89,039</b>	<b>111,721</b>	<b>28.2</b>	<b>15.9</b>	<b>17.1</b>

	2020	2021	2022
<b>AMOUNT INVESTED IN TRAINING</b>			
Total amount invested in Training	R\$ 2.657.396	R\$ 2.085.354	R\$ 8.445.139
Average training investment per employee	R\$ 536,5	R\$ 372,0	R\$ 1.289,9



In the Attachments chapter, you will find details about the average hours of employee training by age group, functional category, race/ethnicity and education.

[Click here](#)

# Highlights of Cielo University in 2022

GRI 404-2

In addition to the platform's learning trails, we also develop an annual agenda of actions aimed at developing our employees. Learn more about the highlights of the year:

## Continuing Education Program

Cielo has a Continuing Education Program, through which, in 2022, vacancies for an MBA in Customer Experience Management were offered.

Altogether, 34 employees from different areas of the Company participated in the program, totaling 360 hours of training and development, with online meetings twice a week.

*As part of our diversity and inclusion initiatives, we had reserved positions for black and people with disabilities, who received additional allowances.*

At the end, the participants took part in a project evaluation panel, which included the participation of Company leaders. The three best-evaluated people were awarded with discounts on courses to continue developing and contributing to Cielo in achieving its goals.

### ESG Training Track

In the second half of 2022, we launched a mandatory training track focused on ESG, which addresses topics related to Sustainability, Environment, Climate Change, Diversity, Equity and Inclusion.

As of December 2022, over 76% of eligible audiences have completed the track.



## Lab Leader

In order to train high-performance leaders, in 2022 Cielo launched the Leader Lab, a development program that combines people management with business management to improve participants' skills.

The Program was responsible for developing 70% of our leadership, in addition to preparing 60 employees to occupy leadership positions in the future.

Participants could learn about or deepen their knowledge on the topics of self-knowledge, protagonism and influence, communication and feedback, talent management and performance, diversity, conflict resolution, a systemic view of the business and decision-making.

## Modo Turbo Program

Career acceleration program focused on employees who are already part of the Cielo team. Its objective is to develop senior analysts and specialists to occupy strategic positions in the company.

During the program, several topics are addressed, including: agile methodology, protagonism and behavior, and business and market, in addition to self-awareness sessions and networking meetings with senior leadership.

In all, the program had the participation of 30 employees, who attended, on average, 82 training hours. At the end of the activities, the program had an NPS of 92.

## Internship Program

Focused on employees who are starting their professional careers, the Internship Program had monthly training sessions focused on hard and soft skills.

In all, the program had the participation of 200 interns, who took an average of 31 training hours. At the end of the activities, the program obtained an NPS of 92.

## Young Apprentice Program

The objective of the program is to contribute to the technical and behavioral development of young people in social vulnerability situations and to enable general qualification for the corporate job market.

In 2022, we completed yet another cycle of the program, which had the participation of 11 apprentices, who received training on various topics. In addition, we held an online career fair with professionals from the areas that are of interest to the apprentices.

In all, the program had 100% adherence and, in the end, the apprentices completed, on average, 44 training hours.



# Performance review

GRI 404-3

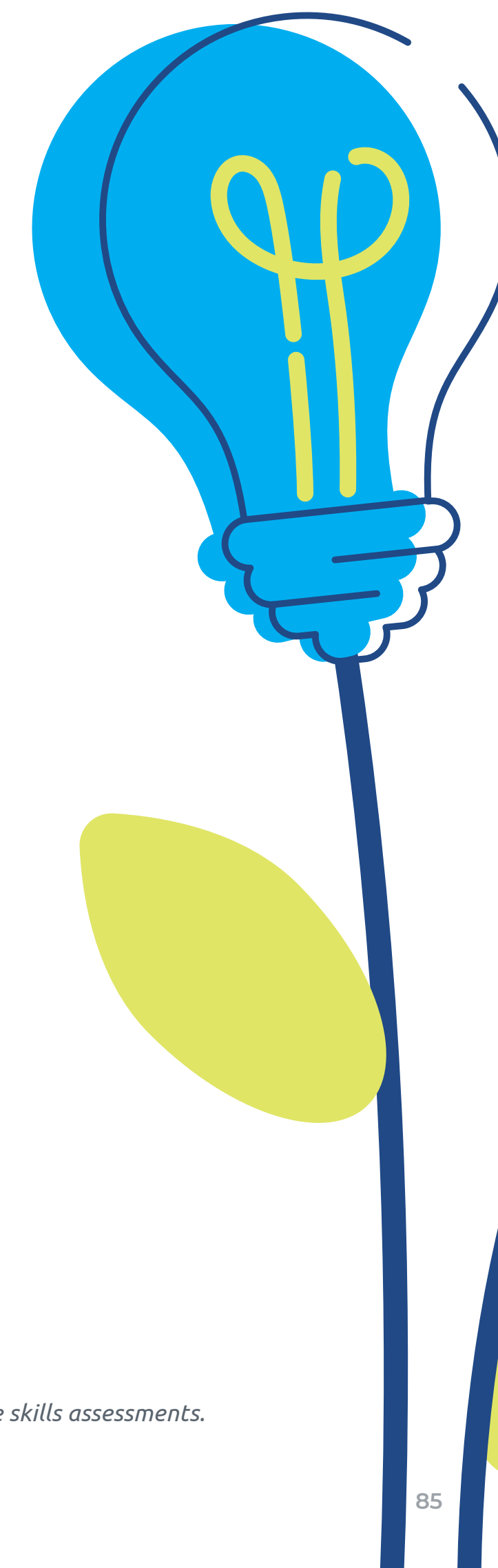
We annually promote the Competence Assessment Cycle, as a way to monitor employees evolution and help in the professional growth of our team.

To guarantee a multiplicity of perspectives and a balanced examination regarding the characteristics of each one, we developed a network assessment model, which involves the entire team. In it, each employee is evaluated by professionals who work together in their daily lives at the company and who, therefore, are able to reflect on their performance.

For specialist-level employees up to superintendence, we carry out an additional step: the People and Succession Forum. In it, we discuss their performance, the complexity of their work, their potential and professional aspirations.

## ELIGIBLE EMPLOYEES\* WHO RECEIVED A PERFORMANCE REVIEW, BY GENDER AND FUNCTIONAL CATEGORY

	2021	2022
<b>Gender</b>		
Male	80.0%	95.3%
Female	76.7%	94.5%
<b>TOTAL</b>	<b>78.7%</b>	<b>95.0%</b>
<b>Functional category</b>		
Team	67.8%	97.4%
Sales force	78.0%	90.4%
Specialist/Consultant	87.0%	99.2%
Manager	92.9%	97.2%
Superintendent/Director	96.6%	100%
Coordinator	84.6%	99.5%
Executive Board	100%	100%
<b>TOTAL</b>	<b>78.7%</b>	<b>95.0%</b>



(\* ) Employees who have been working at the company for at least three months, except for apprentices, third parties and service providers, participate in the skills assessments.

# 4 | Diversity, Equal and Inclusion

GRI 2-23 / 3-3

For Cielo, driving innovation and growth necessarily involves consolidating diverse, inclusive and non-discriminatory environments. Thus, all people can feel free to be who they are and contribute their best to our performance.

In 2022, we continue to implement an extensive agenda of actions to deepen a culture of Diversity, Equal Opportunities & Inclusion, with direct engagement of the Company's Senior Management. Through our Diversity Forum, coordinated by the CEO, we discuss related topics to advise the Executive Board in decision making.

The topic is also on the agenda of the Board of Directors, which keeps abreast of the debates carried out within the scope of the Forum and in the Sustainability Committee.

In 2022, the Board discussed and validated diversity targets for the entire Company (find out more on page 37).

## Progress in commitments for 2030

In order to establish an inclusive and humane culture and develop people and processes that lead to equal opportunities, we have structured the Cielo Diversity Program. Through it, we seek to progress with the promotion of an increasingly plural and inclusive environment based on the definition of six commitments.

Check below the progress made in relation to these commitments in 2022 and the actions that stood out in the year:





## Inclusive Leadership

We carried out a 360° assessment, with a team assessment and leadership self-assessment in relation to the inclusive leadership archetype.

The process had the participation of 57% of the leaders in the assessment stage by the teams and 68% during the self-assessment survey.

The results obtained were the basis for defining an agenda of training workshops with the entire leadership and subsequently a continuing education trail on the subject.

As a result, we received the Diversity in Practice award for our work focused on promoting inclusive leadership.

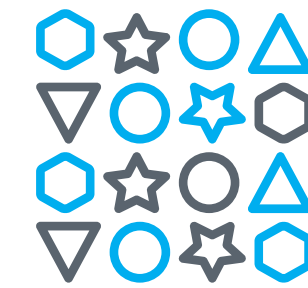


## Commitment 1 - Inclusive Leadership

*Develop a committed leadership that demonstrates an active and protagonist behavior in the promotion of Diversity & Inclusion.*

Progress in 2022:

- › Inclusive Leadership Assessment Survey;
- › Training of leaders so that they are increasingly protagonists in promoting Diversity & Inclusion at Cielo.



## Commitment 2 - Representativeness

*Seek racial, gender, LGBTQIA+ and people with disabilities inclusion at all levels of the Company, representative of the Brazilian demography, ensuring selection processes guided by affirmative actions.*

Progress in 2022:

- › Launch and completion of two editions of the Business Manager Training Program exclusively for PwD;
- › Efforts to ensure that the shortlist always includes at least one representative from each diversity group;
- › Inclusion of affirmative openings in the Gupy Platform, making the selection processes a lever to increase representativeness.



### Business Manager Training Program Exclusive for PwD

At Cielo, we promote the employability of people with disabilities and create fair working conditions to boost diversity within the Company. In this sense, in 2022 we launched two editions of the Business Manager Training Program, allocating exclusive vacancies for PwD to work at Cielo commercial area.

Those hired went through 90 days of training and received guidance from senior professionals who participated in the program as mentors. In addition, they also had the support of the Attraction & Selection and Diversity & Development areas during the adaptation process.

Altogether, 69 professionals were selected.



### Commitment 3 - Inclusive Culture

*Developing an Anti-misogynistic, Anti-racist, Anti-capacitist, and Anti-LGBTphobic Organizational Culture with a leading institutional positioning on the agendas.*

Progress in 2022:

- › 12 editions of “Conversas Plurais” (Multicultural Conversations”, for monthly discussion on matters related to Diversity;
- › Launch of the ESG Track, with an exclusive Diversity & Inclusion module (find out more on page 83).



### Commitment 4 - Career Development

*Supporting the career development of minority groups, ensuring equal opportunities in promotions and moves, actively fighting unconscious biases.*

Progress in 2022:

- › Implementation of the Female Mentoring Program;
- › Guia de Rodas certification, attesting to Cielo’s efforts to adopt the best practices for inclusion and building accessibility.





### Guia de Rodas Certification

In 2022, Cielo participated in the Guia de Rodas certification process, which improves and recognizes companies and ventures that adopt the best accessibility and inclusion practices.

To be granted recognition, we carried out the Accessible Attitude Training, through which participants were also certified as “Kindness Masters”.

Additionally, the Company’s headquarters underwent renovations to adapt to accessibility requirements, making the space more inclusive.



### Commitment 5 – Stakeholder Orientation

*Foster the socio-productive inclusion of minority groups, supporting a social innovation that stimulates Diversity & Inclusion in the entire value chain, including our customers.*

Progress in 2022:

- › Inclusion of a specific clause on Diversity & Inclusion and Combating Racism in contracts, with mandatory acceptance;
- › Mandatory training and application of Diversity & Inclusion tests during the supplier approval process. Learn more on page 68;
- › Support for the Impulsiona Aí initiative to leverage businesses run by Black female Entrepreneurs (Long-Tail) (learn more on page 61).



### Female Mentoring Program

To support the Company in achieving its public Inclusion and Diversity targets by 2025, we launched a Female Mentoring Program, with 50% of affirmative openings destined for black and indigenous women.

The initiative aims to accelerate the careers of female employees with high potential, offering opportunities for them to expand their networking and to create a support network for their careers and skills development, in line with the Company’s cultural attributes.

The Program was carried out in partnership with a specialized external consultancy, and had the participation of Cielo leaders, who acted as mentors, contributing with an empathetic look and collaborating with the growth of the mentees.

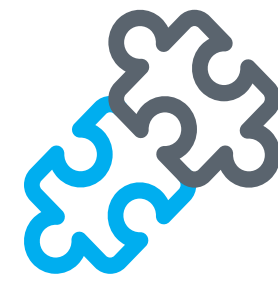
The initiative had 16 participants and 16 mentor leaders. In all, there were 96 hours of mentoring.



## Joining the Business Initiative for Racial Equality

We have joined the Business Initiative for Racial Equality, a movement promoted by Zumbi dos Palmares University, bringing together companies and institutions committed to promoting racial inclusion and overcoming racism.

The partnership, besides restating the Company's commitments to the theme, will also contribute to the achievement of racial diversity goals by 2025.



## Commitment 6 - Internal Structure

*Ensure that a formal structure is in place to act on the Diversity & Inclusion agenda, directing and allocating efforts, teams, and resources.*

Progress in 2022:

- › Definition of Representativeness Goals for gender and race/ethnicity, aiming to increase diversity in the company (learn more on page 37);
- › Ethics Channel with specific categorization of Diversity-related reports (learn more on page 31);
- › Conducting an LGBTQIA+ demographic survey (anonymous);
- › Formal adherence to the Business Initiative for Racial Equality.



## Affinity groups

At Cielo, we have four Affinity Groups which, in 2022, continued to fulfill their role as safe spaces for deepening discussions on Diversity and Inclusion. They promote the debate of ideas and the development of actions that generate transformation and contribute to the Company advancing in its commitments related to the theme.

The direct engagement of the Vice-Presidents as sponsors of the Groups proved once again to be of paramount importance so that the demands and discussions unfold into effective actions in the Company, in addition to contributing to attracting more people to participate in the meetings.



**Blue to black:** discusses ethnic-racial relations in the professional environment and the most efficient ways to decrease inequality and create a discrimination-free corporate environment.

**Sponsor:** Commercial Executive Vice President - Large Accounts.



**Beyond gender:** a women's empowerment group discusses issues related to the daily lives of women in companies with a majority male workforce.

**Sponsor:** Vice President of Risk, Compliance, Prevention and Safety.



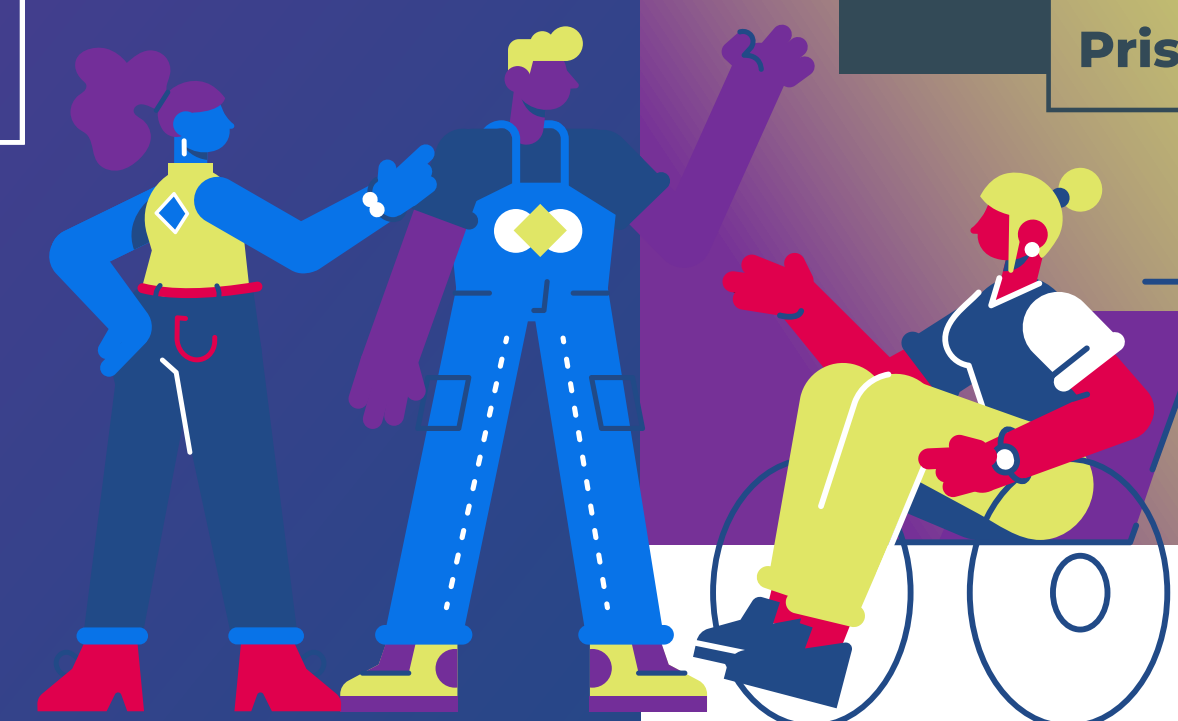
**Somos todos um:** the group deepens its understanding of issues related to people with disabilities. Among its action fronts are the reduction of barriers, facilitation of daily life inside and outside Cielo, and fostering the hiring of these professionals.

**Sponsor:** Legal and Government Relations Executive Vice-President.



**Prisma:** the group is a place to discuss and promote the inclusion of the LGBTQIA+ community.

**Sponsor:** Commercial Executive Vice President - Small Business (Retail) and Entrepreneurs (Long-Tail).





# Natural Capital: environmental performance

## Environmental management: eco-efficiency

GRI 3-3

In order to develop and incorporate eco-efficiency in operations and business solutions, we act in accordance with available legal requirements that govern environmental issues, in addition to implementing the best market practices as a way of mitigating potential negative impacts arising from our operations, products and services.



We adopt a preventive approach to impacts, we seek to run our business in an environmentally responsible manner, setting goals and monitoring our environmental performance based on a series of indicators.

In order to ensure that our activities are in line with the environmental standards recognized as a guideline for corporate actions, we have an Environmental Management System (EMS), certified by the ISO 14001:2015 standard, which regulates the system and establishes requirements for its implementation and operation.

## Waste

GRI 306-1 / 306-2 / 306-3 / 306-5

Aware of the growing impact electronic waste has on the environment, we are committed to reverse logistics and recycling of equipment used in our

machines, batteries and peripheral items (cables, chargers and power supplies). In this sense, we have a structured, qualified management that makes the circular economy possible by reintroducing electronic equipment as a raw material in other sectors of the economy.

To manage impacts related to the topic, we seek to implement the best environmental management practices with a preventive approach, in order to mitigate potential environmental impacts resulting from our operations, products and services, with a view to the continuous improvement of processes.

In this sense, we have a logistics operation, which is responsible for receiving and properly directing the equipment returned to our distribution centers by customers.

In the case of POS machines, we have a reuse system, which restores the units in good condition and

properly disposes those that cannot be reused to qualified companies.

The data is managed by the Logistics Services team, which controls which electronic equipment needs to be discarded, in addition to managing the sending (sale) of these materials to previously approved partners. To put this topic into practice, we have the support of regulated companies, which have traceability through the issuance of reports and certificates.

Throughout 2022, we evolved our management processes by including logistics waste management within the scope of the EMS. As a result, we have strengthened our standards for discontinuing capture terminals and managing the disposal of equipment and waste, acting in accordance with the National Solid Waste Policy (Law 12,305 of 2010).



## NON-HAZARDOUS WASTE, BY TYPE AND DESTINATION, IN TONS

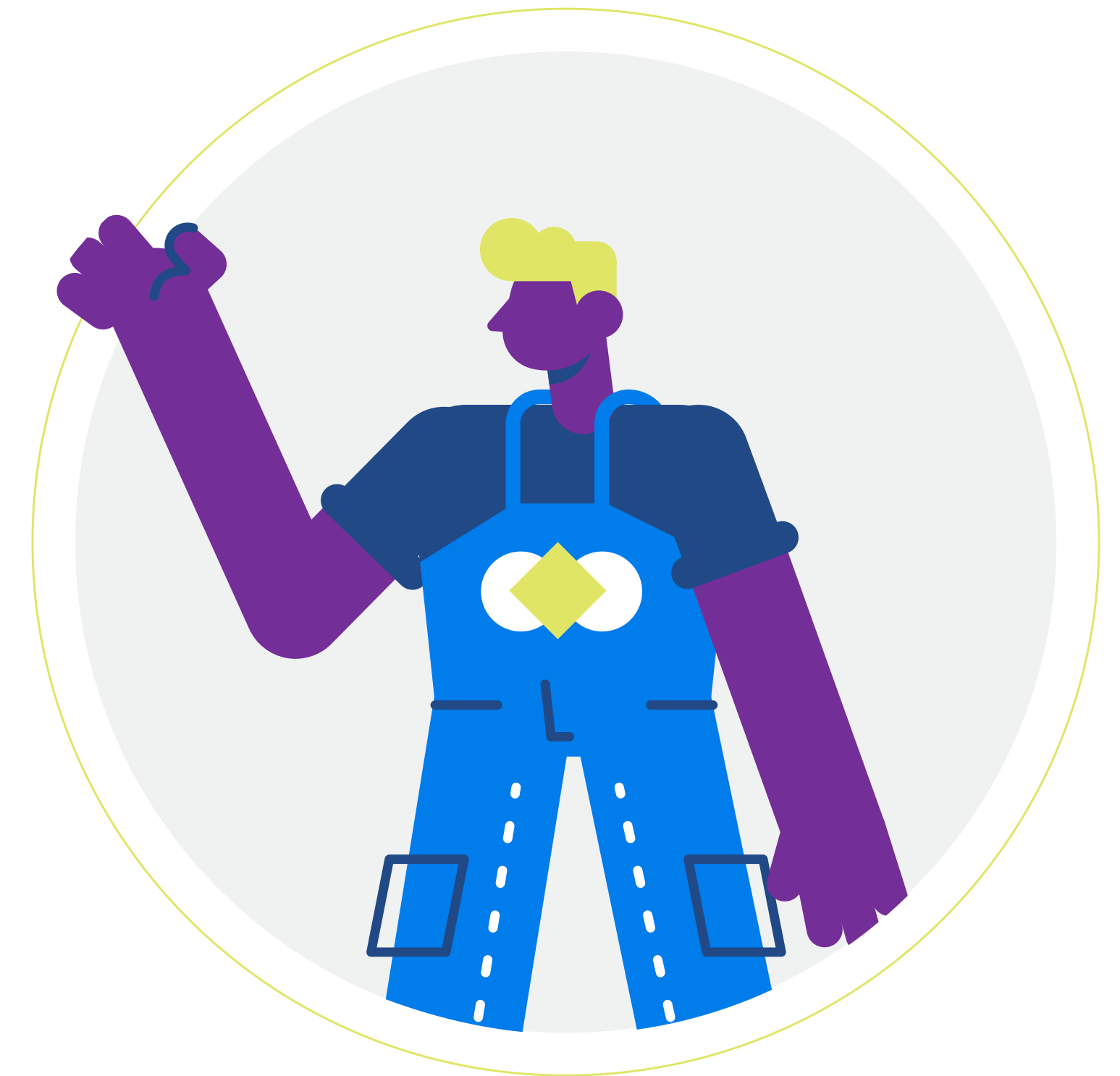
GRI 306-3 / 306-5

	2020	2021	2022
<b>Recycling</b>	<b>197</b>	<b>249.4</b>	<b>161.10</b>
Technological Waste - Machines	57	78.3	60.6
Supplies and peripheral items	87	133.7	75.1
Marketing materials	53	37.4	25.5
<b>Landfill</b>	<b>34</b>	<b>10.4</b>	<b>7.99</b>
Recyclable waste (Headquarters)	8	5.3	3.24
Organic waste (Headquarters)	26	5.1	4.75
<b>TOTAL</b>	<b>231</b>	<b>259.7</b>	<b>169.19</b>

## END OF LIFE OF SOLD PRODUCTS, IN TONS

<b>LANDFILL</b>	<b>2022</b>
Paper reels discarded by commercial establishments and/or end users	1,376.0
Cardboard discarded by commercial establishments	708.6
<b>TOTAL</b>	<b>2,084.6</b>

\* All waste is destined for disposal outside the Company.



### Hazardous waste

Cielo performs the process of returning POS machine batteries to manufacturers, in accordance with the National Solid Waste Policy. Transport is performed by the manufacturers themselves. In 2022, 141,000 batteries were returned to their manufacturers.

# Water and Effluents

GRI 303-1 / 303-2 / 303-5 | SASB TC-SI-130a.2

Aligned with the Sustainability Policy guidelines, which provide for the rational use of natural resources, Cielo seeks to stimulate the conscious consumption of water by employees in order to contribute to the environment and to greater cost efficiency.

Our management for aspects and impacts related to the theme are monitored in the scope of the Environmental Management System. Periodically, the Sustainability Team together with the areas

involved, closes the data and compares it with the objectives and targets proposed in the scope of the EMS.

All the drinking water for human consumption used at the Company's headquarters comes from a water utility company. In 2022, 1,336 m<sup>3</sup> were consumed, equivalent to 2.48 liters per person per day among the employees at Headquarters, compared to the consumption target of up to 10 liters/person/day.

## WATER CONSUMPTION (M<sup>3</sup>)

SOURCE	2020	2021	2022
Municipal water supply or other water supply companies	1,688	1,632	1,336

In the headquarters building there is a Sewage Treatment Station (ETE), which allows the treatment and reuse of water, in accordance with the rules established by the São Paulo State Environmental Company (Cetesb).



# Energy

GRI 3-3 / 302-1 / SASB TC-SI-130a.1

As Brazil’s and Latin America’s leading player in the payments market, proper energy management is a strategic factor for the continuity of our business.

Our offices are powered by electricity supplied by local utilities connected to the National Interconnected System (SIN).

In line with our commitment to adopt the best energy management practices, in 2022 Cielo acquired international renewable energy certificates (I-REC), with the aim of encouraging the production and consumption of clean energy.

## ENERGY CONSUMPTION WITHIN CIELO\*

FONT	2021		2022	
	GJ	MWh	GJ	MWh
Electricity consumed (SIN)	10,004.4	2,779.0	9,797.20	2,721.5
Renewable fuels	20,964.4	5,823.5	22,727.7	6,313.3
Non renewable fuels	88,480.5	24,577.9	127,894.9	35,526.4
<b>TOTAL</b>	<b>119,449.3</b>	<b>33,180.4</b>	<b>160,419.8</b>	<b>44,561.2</b>

\* Energy consumption data refer to scopes 1 and 2 of the GHG inventory and include information from Cielo (Aliança, Servinet and Stelo) and Cateno.

\*\* We followed the GHG Protocol standards and the emission factors and global warming potential (GWP) made available by the Calculation Tool of the Brazilian GHG Protocol Program.

\*\*\* The assurance audit of the 2023 GHG Emissions Inventory was performed by KPMG.





# Emissions

GRI 3-3 / 305-1 / 305-2 / 305-3

To monitor our performance and define priority actions, we account for greenhouse gas (GHG) emissions, following the guidelines of the Brazilian GHG Protocol Program.

Cielo offsets its scope 1 and 2 emissions through the purchase of carbon credits, which support a project to reduce GHG emissions with social and environmental integrity, in a traceable way and verified by an entity recognized in the world market.

## Direct Emissions (Scope 1)

Cielo's direct emissions in 2022 totaled 10,697 tCO<sub>2</sub>eq – a 38% increase compared to 2021. Such growth is mainly related to the expansion of the commercial team (learn more on page 59), which uses vehicles in their customer relationship activities.

## Indirect Emissions (Scope 2)

Indirect emissions related to energy consumption totaled 116.5 tCO<sub>2</sub>eq – a 65% reduction compared to the previous year. The decrease is due to the closure of operations at Cielo stores, which had their emissions accounted for until July 2022, as well as the reduction in the emission factor from the generation of electricity in the National Interconnected System of Brazil.

DIRECT EMISSIONS (SCOPE 1) (tCO <sub>2</sub> e)	2020*	2021*	2022
Mobile combustion	3,549.0	5,130.3	7,393.1
Fugitive emissions	0.1	0.2	0.3
Stationary combustion	3.5	7.2	12.1
Biogenic Emissions	921.5	2,610.4	3,292.1
<b>TOTAL</b>	<b>4,474.1</b>	<b>7,748.1</b>	<b>10,697.6</b>

Note 1: We followed the GHG Protocol standards and the emission factors and global warming potential (GWP) provided by the Calculation Tool of the Brazilian GHG Protocol Program.

Note 2: The assurance audit of the 2023 GHG Emissions Inventory was performed by KPMG.

Nota 3: Gases included in the calculation: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>, PFC and HFC

Nota 4: The results consider data from Cielo (Aliança, Servinet and Stelo) and Cateno.

(\*) The 2020 indicators are not compatible with those of 2021, because of new data sources that are now being considered in the calculation

INDIRECT EMISSIONS (SCOPE 2) (tCO <sub>2</sub> e)	2020	2021	2022
Acquisition of electricity	230.1	333.5	116.5
<b>TOTAL</b>	<b>230.1</b>	<b>333.5</b>	<b>116.5</b>

Note 1: We followed the GHG Protocol standards and the emission factors and global warming potential (GWP) provided by the Calculation Tool of the Brazilian GHG Protocol Program.

Note 2: The assurance audit of the 2023 GHG Emissions Inventory was performed by KPMG.

Nota 3: Gases included in the calculation: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>, PFC and HFC

Nota 4: The results consider data from Cielo (Aliança, Servinet and Stelo) and Cateno.

## Other indirect emissions (Scope 3)

Indirect emissions related to Scope 3 totaled 29,659.7 tCO<sub>2</sub>e – 48% increase compared to the previous year, which is mainly due to employees displacement and business trips: with the return of face-to-face activities, Cielo team is coming to the office twice a week, as well as travel to work a little frequently.

INDIRECT EMISSIONS (SCOPE 3) (tCO <sub>2</sub> e)	2020*	2021	2022
Purchased goods and services	-	158.5	45.6
Displacement of employees (home-work)	565.5	177.0	2,291.0
Waste generated in operations	110.4	24.0	18.1
Transport and distribution (downstream)	4.4	5.3	47.2
Transport and distribution (upstream)	9,105.0	16,901.9	15,338.5
End-of-life treatment of products sold	-	-	7,782.4
Use of goods and services sold	251.6	799.5	201.1
Business trips	198.4	141.0	605.2
Indirect biogenic emissions	2,223.3	1,859.2	3,330.6
<b>TOTAL</b>	<b>12,458.6</b>	<b>20,066.4</b>	<b>29,659.7</b>

Note 1: We followed the GHG Protocol standards and the emission factors and global warming potential (GWP) provided by the Calculation Tool of the Brazilian GHG Protocol Program.

Note 2: The assurance audit of the 2023 GHG Emissions Inventory was performed by KPMG.

Nota 3: Gases included in the calculation: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>, PFC and HFC

Nota 4: The results consider data from Cielo (Aliança, Servinet and Stelo) and Cateno.

(\*) The 2020 indicators are not compatible with those of 2021, because of new data sources that are now being considered in the calculation





# Climate strategy

GRI 3-3

**T**hrough the Sustainability Policy, Cielo defines its commitment to combating climate change, helping to prevent global temperatures from reaching higher than expected levels.

The theme is managed through our Climate Strategy, which governs the measurement of impacts, reduction of emissions, establishment of goals and the Company's engagement in discussions on public policies that contribute to the low carbon economy.

In this process, we follow the recommendations of the Task Force on Climate related Financial

Disclosures (TCFD), an international initiative that provides guidelines for disclosing and analyzing risks and opportunities related to climate issues. This methodology allows greater integration of these risks and opportunities both in Cielo's risk management processes, as and in the perspective of co-responsibility, with customers and suppliers.

Additionally, we are committed to disclosing information about our climate management in the Carbon Disclosure Project (CDP), as a way of providing greater transparency and accountability for our climate actions.

*In 2022, Cielo's score on the CDP raised to "B", which attests that the Company is addressing actions on climate issues in a coordinated manner.*

Learn more about the Company's actions aligned with the TCFD in the Attachments chapter, on page 126.



# Financial Capital: Performance in 2022

## Sectorial scenario

In recent years, the acquiring market in Brazil has been going through a phase of adaptation to the new opportunities and challenges posed by changes in consumer habits, but also by the growing competitiveness and regulatory demands that have driven the payments industry. This scenario has required acquirers to act in a customer-oriented manner, attentive to trends and new consumer habits.

In this sense, in order to remain relevant, market participants have sought to invest in technology, innovation and the development of solutions that simplify and facilitate the journey of customers, in addition to reinforcing security in operations, mitigating fraud and incidents that compromise trust or that affect business continuity.

In recent years, we can also mention three regulatory changes that significantly impacted the payment market: PIX, Receivables Registry and Open Finance.

PIX brought a series of important changes to the financial market. Based on this new means of payment, we created the PIX product, which adds value to our customers by providing yet another option for receiving their sales at the POS machine itself.

In 2021, the new receivables registry was implemented in the country, a regulatory initiative that aims to create competition in the business of receivables anticipation

for commercial establishments, and enable the creation of new business models, involving, for example, the use of credit card receivables as collateral. Despite the challenging implementation, Cielo operates responsibly and reliably in this ecosystem.

Open Finance, which is being implemented in phases, also has the potential to bring great innovations to the market in the coming years. This is a theme that we analyze in detail, with the aim of being prepared for the possible changes it may bring.

We also look closely at other trends in the sector, such as the dematerialization of terminals and the tap on phone (learn more on page 51), to be at the forefront of the main innovations that may impact our business and customers.



# Operacional Performance

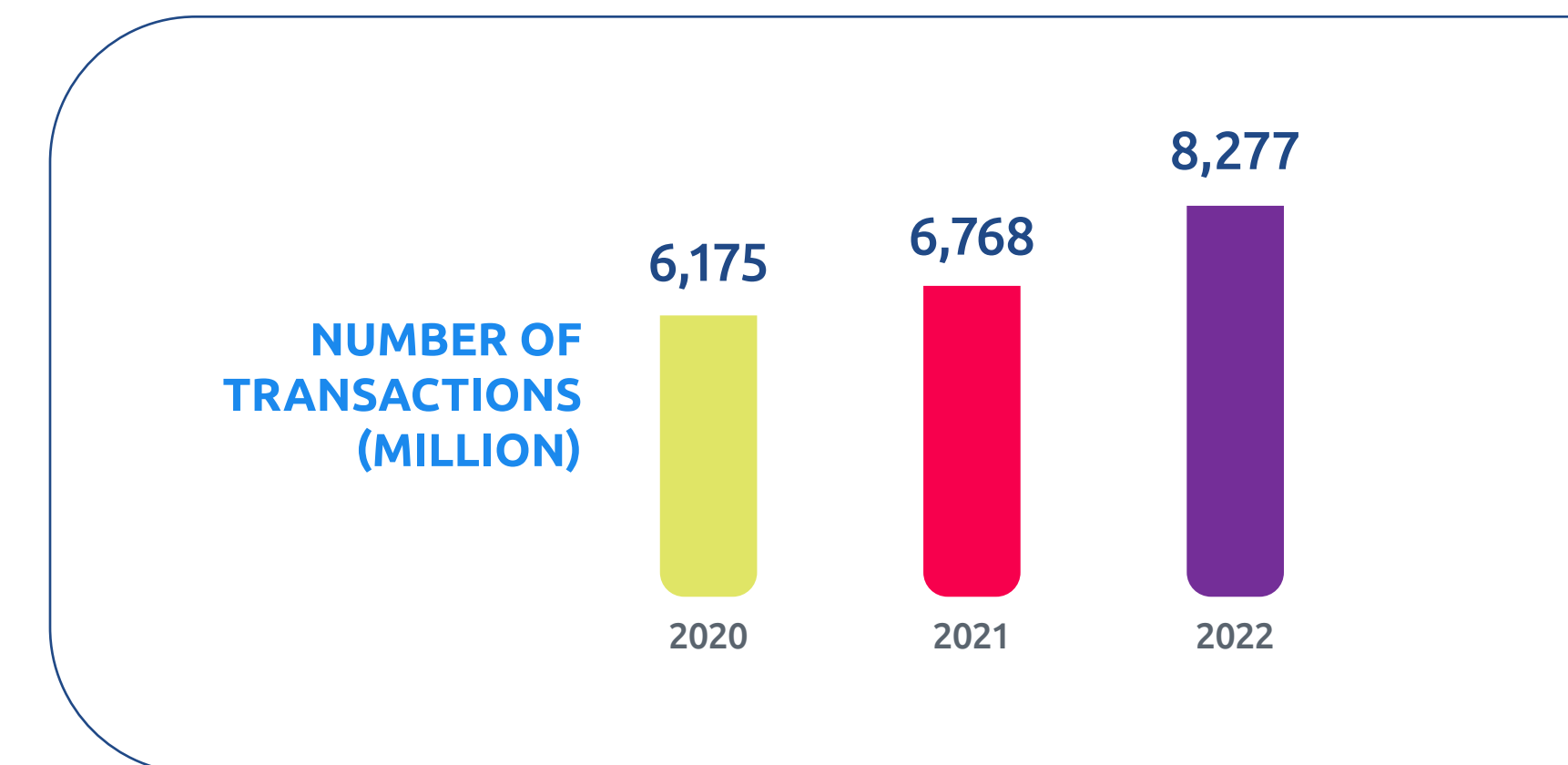
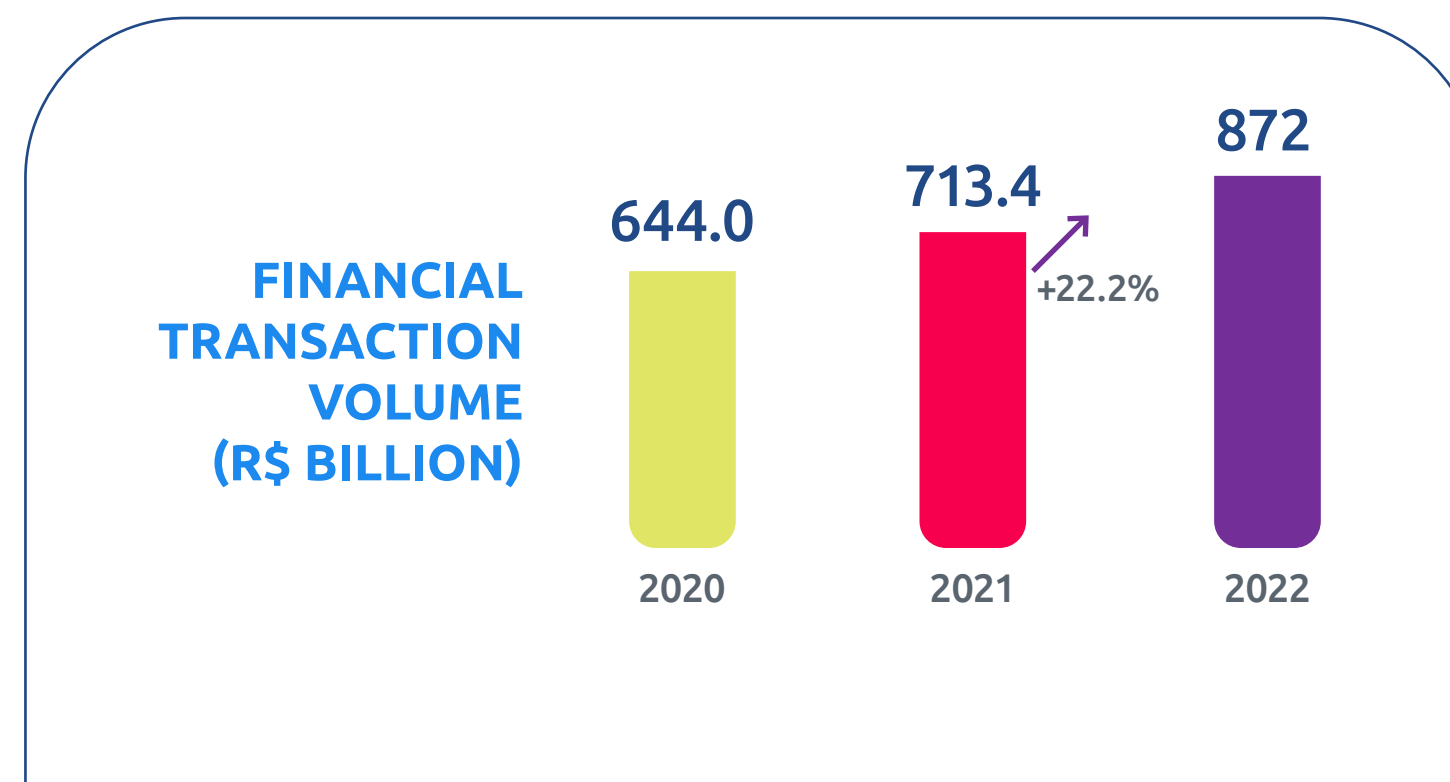
2022 was marked by the completion of Cielo's divestment agenda, which allowed the Company to optimize its assets, enabling Management to focus on the core business strategy and management. The divestment agenda also strengthened cash, contributing to our strategy of growing our Pre-payment Products, reducing the need for funding, in addition to optimizing indebtedness.

Over the past year, we have made progress in expanding our analytical capacity, making all operational decisions data- and fact-driven. This made it possible to manage expenses and prices, consolidating us as the most efficient player in the market. On the other hand, we have seen a recovery in revenue yield (Net revenue divided by volume transacted), as a result of the repositioning carried out in previous years in large accounts and, more recently, in Small Business (Retails).

Data orientation also allowed us to get to know our customers better, which culminated in an improvement

in the main indices that measure the quality of services provided and satisfaction of our base (learn more on page 118), reducing the number of complaints and customer dropout.

Among the main operational indicators of the year, the financial volume of transactions captured reached R\$ 872 billion, an amount 22.2% higher than that registered by the end of 2021. Considering only the volume of Pre-payment Products., we reached R\$ 116 billion, growth greater than the Total Payment Volume (TPV), which demonstrates our successful initiatives in expanding the anticipation business.



The active customer base, which considers those who carried out at least one transaction with Cielo in the last 90 days, ended the year at 1.1 million, 12.4% less than the previous year. The reduction is mainly explained by the suspension of the subsidy policy for point-of-sale (POS) machines, in the sales modality, which mainly impacts affiliations in the Entrepreneurs (Long-Tail) segment.



# Economic-financial performance

GRI 201-1

The optimization of assets, marked by the sale of MerchantE in April 2022, ensured greater efficiency, increased cash and optimized debt. Furthermore, the continued focus on customer profitability leveraged revenue growth, when excluding the comparative effects of the subsidiaries that were sold. In this way, the financial indicators ended the year 2022 in a positive manner for the Company.

We recorded a Net Operating Revenue of R\$10.7 billion, of which the business units Cielo Brasil and Cateno accounted

for a total of R\$10.1 billion. The result obtained is 23.4% higher than the previous year, leveraged by volume and yield growth in both business units.

Recurring EBITDA totaled R\$3.7 billion, which is equivalent to a 47.8% growth compared to 2021, driven by the growth in captured volume, revenue yield recovery, continued cost control and better performance of Cateno.

Consolidated Net Income reached, on a recurring basis, R\$1.5 billion, representing 78.7% growth

<sup>4</sup> The Net Operating Revenue described is pursuant to the consolidated publication of information.

compared to the previous year, as a result of the sound improvement in operating fundamentals, with revenue growth and expenses under control, for both Cielo and Cateno.

As of December 31, 2022, we had total cash and cash equivalents of R\$2.2 billion, a decrease of R\$3.7 billion compared to 2021, explained by the increase in cash allocated to Pre-payment Products.

#### FINANCIAL PERFORMANCE AND EBITDA (R\$ MILLION) – CONSOLIDATED\*

	2020	2021	2022
Net revenue	11,186.1	11,685.4	10,693.1
Profit attributable to controlling shareholders	490.2	970.5	1,569.6
Interest of noncontrolling shareholders	141.3	188.0	303.2
Financial result	121.2	(746.5)	(384.4)
Income tax and social contribution	(319.5)	(342.9)	(583.9)
Depreciation and amortization	(1,228.5)	(1,100.7)	(974.4)
EBITDA	2,058.0	2,676.6	3,815.5
EBITDA margin	18.4%	22.9%	35.7%

\* Results consider Cielo, Cateno and other subsidiaries. The financial amounts are presented in accordance with the Accounting Chart for Institutions of the National Financial System (COSIF) and accounting practices adopted in Brazil.





STATEMENT OF ADDED VALUE (DVA) (R\$ MILLION)*	2020	2021	2022
Service Sales	12,273	13,125	12,076
Loss from uncollectable receivables, chargeback and fraud	(512)	(331)	(142)
Revenues	11,716	12,794	11,935
Inputs purchased from third parties	(7,553)	(7,501)	(5,470)
Gross value added	4,208	5,293	6,465
Depreciation and Amortization	(1,229)	(1,101)	(975)
Net value added produced	2,979	4,192	5,491
Value added received in transfer	632	731	1,338
<b>Total added value to be distributed</b>	<b>3,611</b>	<b>4,923</b>	<b>6,829</b>

DISTRIBUTION OF ADDED VALUE (R\$ MILLION)	2020	2021	2022
Personnel and charges	(835)	(922)	(952)
Employee and management profit sharing	(125)	(151)	(183)
Taxes, fees and contributions	(1,496)	(1,874)	(2,094)
Interest expense and rents incurred	(486)	(817)	(1,727)
Paid dividends and interest on own capital	-	(383)	(739)
Proposed dividends and interest on equity capital	(166)	(236)	(239)
Profit retention	(324)	(352)	(591)
Minority interest in subsidiaries	(179)	(188)	(303)
<b>Distributed added value</b>	<b>(3,611)</b>	<b>(4,923)</b>	<b>(6,829)</b>

\* Results consider Cielo, Cateno and other subsidiaries. The financial amounts are presented in accordance with the Accounting Chart for Institutions of the National Financial System (COSIF) and accounting practices adopted in Brazil.



For more details about Financial Information and Statement of added value, access our [Results Center](#)

# About this report

GRI 2-2 / 2-3 / 2-4 / 2-14

## Reporting Profile

Cielo is committed to transparency and open dialogue with its stakeholders. As a way of honoring this commitment, we hereby present, for another year, our Integrated Annual Report, which provides information on our performance and impacts of our business model during the year 2022.

Once again, the document complies with the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) standards, as well as the Integrated Reporting Council (IIRC) framework and the CPC 09 Guideline established by Resolution No. 14 of the Securities and Exchange Commission (CVM).





We have organized the content according to the Integrated Report capitals, and in this way, we present information on the performance and impacts of our business model during the year 2022, structuring the financial information in synergy with the environmental, social and governance aspects.

The data presented herein cover more than 75% of Cielo's operations and refer to the period from January 1<sup>st</sup> to December 31<sup>st</sup>, 2022, including the operations of Cielo and its subsidiaries Servinet, Aliança and Stelo.

Some indicators also cover Cateno, although the affiliate has its own sustainability report independent from Cielo's. The information presented in this document is audited by KPMG Auditores Independentes Ltda - an external and independent company. The content is validated by the members of the Executive Board and also appraised by the Sustainability Committee, which, in turn, submits its opinion to the Board of Directors.

# Impact materiality

GRI 2-14 / 3-1

In order to identify priority and strategic environmental, social and governance (ESG) topics that Cielo must monitor, manage and account for, we have created a **Materiality Matrix**.

It presents the most important topics for the Company's value creation based on its socio-environmental impacts, the Strategic Plan and the Corporate Risk Map.

## We did the following:

1

### ESG trends mapping:

survey of themes on the ESG agenda present in the market, in the sector and in benchmarks, which may have an impact on the sustainability of the Company's businesses.

2

### Convergence with strategic focus groups:

convergence of ESG trends with the vision of the internal areas of sustainability, risk management and strategic planning.

3

### Engagement with stakeholders:

interviews with employees, leaders, executive vice presidents, coordination of the sustainability committee, customers and suppliers.

4

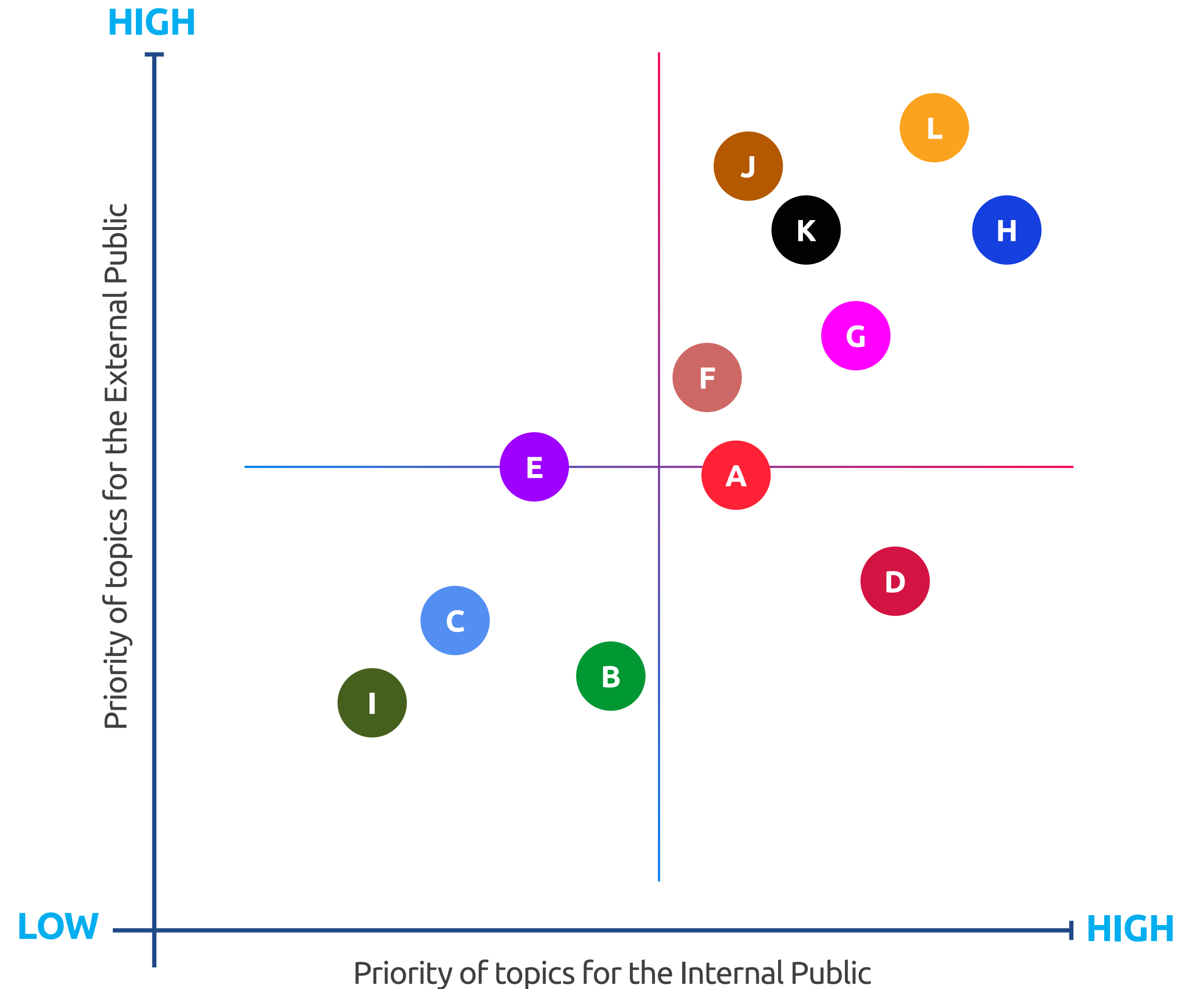
**Validation:** : consolidation of all consultation material and validation with Senior Management.

# Materiality Matrix

GRI 3-2

As a result of all the work, the 12 final material themes were plotted in Cielo’s materiality matrix. Of these, seven were present in the 2021 matrix and have been modified in terms of scope and three themes are new. Those in the upper right quadrant are the most relevant for both audiences (internal and external).

- A** People Attraction and Development
- B** Responsible and Sustainable Value Chain
- C** Education, Citizenship and Financial Inclusion
- D** Diversity, Equity and Inclusion
- E** Eco-efficiency in Operations
- F** Entrepreneurs (Long-Tail) hip
- G** Risk Management and Business Continuity
- H** Governance, Integrity, Ethics and Transparency
- I** Climate Change
- J** Technology, Innovation and System Availability
- K** Costumer Relationship
- L** Information Security & Fraud Prevention



## Sustainable Development Goals (SDG) Map

Seeking to demonstrate the strength and concreteness of material themes, we correlate Cielo's material themes with the UN Sustainable Development Goals (SDG).

In other words, this exercise represents the **relationship between the perceptions of stakeholders** who participated in the entire process of building the Materiality Matrix with **potential SDG**. In the next figure, the size of the SDG icon represents the degree of importance from the stakeholders' perspective.





# Attachments

## Complementary indicators

This section presents indicators and additional information to those mentioned throughout the Report.



# Corporate governance structure

## Board of Directors Composition

GRI 2-9

BOARD OF DIRECTORS	AGE AND DATE OF BIRTH	POSITION	ELECTION DATE	END OF MANDATE	PERCENTAGE OF MEETING ATTENDANCE	TIME ON THE BOARD OF DIRECTORS, SINCE THE FIRST ELECTION *
<b>Aldo Luiz Mendes</b>	64 years (10/13/1958)	Independent Advisor	04/27/2022	April 2024	100%	5 years
<b>Carlos Motta dos Santos</b>	52 years (09/03/1970)	External Advisor	04/27/2022	April 2024	97%	4 years
<b>Eurico Ramos Fabri</b>	50 years (09/29/1972)	President of the Board of Directors	04/27/2022	April 2024	100%**	4 years
<b>Ênio Mathias Ferreira</b>	52 years (03/30/1971)	External Advisor	04/27/2022	April 2024	100%	2 years
<b>Fernando José Costa Teles</b>	56 years (03/07/1967)	Independent Advisor	04/27/2022	April 2024	100%	1 year
<b>Francisco Augusto da Costa e Silva</b>	74 years (09/06/1948)	Independent Advisor	04/27/2022	April 2024	100%	15 years
<b>Francisco José Pereira Terra</b>	53 years (05/26/1969)	External Advisor	04/27/2022	April 2024	97%	7 years
<b>José Ricardo Fagonde Forni</b>	52 years (02/27/1971)	Vice- President of the Board of Directors	04/27/2022	April 2024	100%	2 years
<b>Marcelo de Araújo Noronha</b>	57 years (08/10/1965)	External Advisor	04/27/2022	April 2024	97%	12 years
<b>Marco Aurélio Picini de Moura</b>	53 years (07/26/1969)	External Advisor	04/27/2022	April 2024	97%	2 years
<b>Regina Helena Jorge Nunes</b>	57 years (10/04/1965)	Independent Advisor	04/27/2022	April 2024	100% **	1 year
<b>Vinícius Urias Favarão</b>	48 years (11/20/1974)	External Advisor	04/27/2022	April 2024	91%	5 years

\* Accounted following the Dow Jones Sustainability Index (DJSI) criteria.

\*\* During 2022 we had the dismissal of Mr. Gilberto Mifano and Edson Marcelo Moreto as members of the Board of Directors and the admission of Mr./Ms. Regina Nunes, Eurico Fabri and Fernando Teles on the Board of Directors, in which case the attendance of such directors is lower than the others, considering that the said members started to follow the Board meetings from May/22.

Note: The information regarding the governance structure refers to May 2022, the month of publication of the Report.



## Attendance in meetings of the Board of Directors

The Internal Regulation of the Board of Directors defines that the members of the Board have the duty to comply with an attendance of at least 75% in the Board meetings.

The average attendance of members in Board of Directors meetings for the 2022 fiscal year was 98.5%.

## Average tenure of Board of Directors members

The average tenure of Board of Directors members is 6.3 years.



The curriculum of the Directors and other members of the governance bodies can be accessed on our [IR website](#)

## Fiscal Council Composition

NAME	INDEPENDENT
Daniela de Avelar Gonçalves	No
Euler Antonio Luz Mathias	No
Herculano Anibal Alves	No
Marcos Aparecido Galande	No
Cristiane do Amaral Mendonça	Yes

*Note: The information regarding the governance structure refers to May 2022, the month of publication of the Report.*



[For more information](#) about the composition of the Board of Directors and its committees, see the Investor Relations website

## Executive Board composition

NAME	POSITION
Estanislau Mendes Llobatera Bassols	CEO
Carlos Eduardo Domingues Alves	Executive Vice President
Filipe Augusto dos Santos Oliveira	CFO and IRO
Louangela Bianchini da Costa Colquhoun	Executive Vice President
Marcelo de Giuseppe Toniolo	Executive Vice President
Paulo Adriano Rômulo Naliato	Executive Vice President
Patrícia Quirico Coimbra*	Executive Vice President
Renata Andrade Daltro dos Santos	Executive Vice President

*\* Waiting for BACEN approval.  
Note: The information regarding the governance structure refers to May 2022, the month of publication of the Report.*

## Diversity content in governance bodies

GRI 405-1

### PERCENTAGE OF INDIVIDUALS SERVING ON THE BOARD OF DIRECTORS AND EXECUTIVE BOARD, BY GENDER

	BOARD OF DIRECTORS	EXECUTIVE BOARD*
<b>By gender</b>		
Male	92%	62.5%
Female	8%	37.5%
<b>By age group</b>		
Under 30 years old	0%	0%
Between 30 and 50 years old	17%	62.5%
Over 50 years old	83%	37.5%
<b>By other diversity indicators</b>		
People with Disabilities (PwD)	0%	0%
Black	0%	0%
Indigenous	0%	0%
Brown	8%	0%
White	0	100%

## Diversity content in the Cielo team

### CIELO TEAM BY TYPE OF EMPLOYMENT CONTRACT, BY GENDER\*

GRI 2-7 / 2-8 / 405-1

	MEN	WOMEN	TOTAL
Permanent	3,037	2,008	5,045
Temporary**	2,025	837	2,862***

\* On 31/Dec/2022, all employees performed their duties full-time

\*\* Data from outsourced (temporary) people are presented separately from the total number of Cielo (permanent) employees. Most of the outsourced people are allocated in the Information Technology area.

\*\*\* Data refers to the end of the reporting period (12/31/2022).

### CIELO TEAM, BY AGE GROUP\*

	MANAGEMENT	TECHNICAL	ALL OTHER
Under 30 years old	4.8%	20.6%	74.7%
Between 30 and 50 years old	16.6%	19.4%	63.9%
Over 50 years old	19.4%	23.6%	57.1%
<b>TOTAL</b>	<b>13.3%</b>	<b>19.9%</b>	<b>66.8%</b>

\*On 31/Dec/2022.

## CIELO TEAM BY TYPE OF EMPLOYMENT CONTRACT, BY REGION\*

GRI 2-7 / 2-8

	MID-WEST	NORTHEAST	NORTH	SOUTHEAST	SOUTH
Permanente	320	461	104	3,616	544
	MID-WEST	NORTHEAST	NORTH	SOUTHEAST	SOUTH
Temporário**	-	-	-	2,862	-

\* On 31/Dec/2022, all employees performed their duties full-time.

\*\* Data from outsourced (temporary) people are presented separately from the total number of Cielo (permanent) employees. Most of the outsourced people are allocated in the Information Technology area.

## CIELO TEAM, BY RACE/ETHNICITY\*

	2020	2021	2022
Asian	2.2%	2.5%	1.9%
White	64.8%	64.7%	67.8%
Indigenous	0.2%	0.2%	0.1%
Black	4.4%	5.8%	6.1%
Brown	20.3%	25.5%	24.0%
Not informed	8.1%	1.2%	0.0%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*On 31/Dec/2022. The data presented is based on self-declaration and comprise the entire employee base of the Company.

## DIVISION OF MANAGEMENT POSITIONS\* BY RACE/ETHNICITY

	2020	2021	2022
Asian	2.2%	3.0%	2.8%
White	78.3%	79.2%	79.0%
Indigenous	0.0%	0.0%	0.0%
Black	2.1%	1.8%	2.2%
Brown	13.6%	15.8%	15.9%
Not informed	3.8%	0.2%	0.0%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\* For management positions we consider the following categories: coordinators and managers.

## WOMEN IN LEADERSHIP POSITIONS

	2020	2021	2022
Percentage of women in relation to the total number of employees	39.8%	39%	39.8%
In leadership positions (including junior, full and senior leadership)	38.3%	38.2%	37.9%
At the lowest level of leadership positions	41.1%	39.9%	39.7%
At the top level of leadership positions (no more than two levels away from the CEO)	21.6%	37.4%	30.8%
In all leadership positions in revenue-generating areas	42.2%	36.9%	39.2%
In Science, Technology, Engineering and Mathematics related positions	21.8%	26.5%	34.3%

## DEMOGRAPHIC SURVEY LGBTQIA+

	2022
Percentage of employees* self-declared as LGBTQIA+	7%

\* Considers participants of the Employee Experience Survey, which counted with the participation of 81.7% of our employees.

# Compensation content

## Mathematical ratio of salary and compensation between women and men, broken down by functional category

GRI 405-2

At Cielo, there is no differentiation in the compensation policy between genders, and the competitiveness of the remuneration practiced is monitored through periodic comparisons with the reference market, defined with specialist consultants in the subject, considering companies that have a business level comparable to that of the Company and that employ professionals with a profile similar to those the Company needs.

	AVERAGE SALARY WOMEN / MEN	TOTAL AVERAGE COMPENSATION WOMEN / MEN
C-Level	104%	102%
Top Leadership	102%	106%
Average Leadership	98%	98%
Technical Level	89%	89%
Operational Level Commercial	93%	94%
Executive	102%	101%

# Hiring and turnover content

## Evolution of hiring numbers

GRI 401-1

	TOTAL HIRES			HIRING RATE (%)		
	2020	2021	2022	2020	2021	2022
<b>Age group</b>						
Under 30 years old	376	1,185	857	9.6%	57.0%	33.2%
Between 30 and 50 years old	1,012	1,024	1,657	25.8%	31.8%	64.1%
Over 50 years old	45	61	70	1.2%	26.5%	2.7%
<b>Gender</b>						
Male	871	1,440	1,518	22.2%	55.7%	58.7%
Female	562	830	1,066	14.3%	51.3%	41.3%
<b>Region</b>						
North	51	73	70	1.3%	76.0%	2.7%
Northeast	188	253	235	4.8%	60.4%	9.1%
Mid-West	134	165	220	3.4%	70.5%	8.5%
Southeast	840	1,463	1,685	21.4%	48.6%	65.2%
South	220	316	374	5.6%	70.0%	14.5%

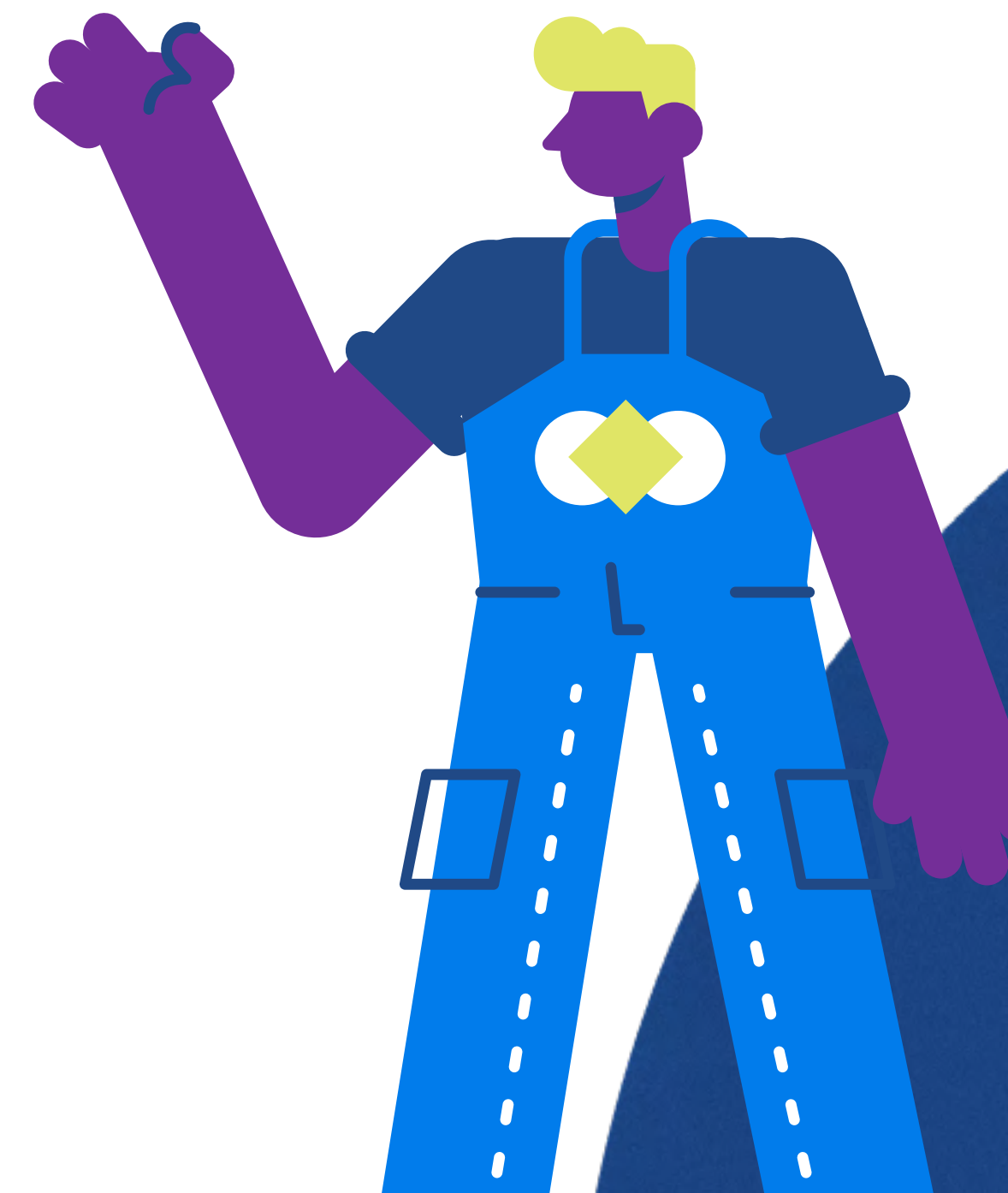
## Evolution of the total turnover rate

GRI 401-1

	EMPLOYEES WHO LEFT THE COMPANY			TURNOVER RATE (%)		
	2020	2021	2022	2020	2021	2022
<b>Age group</b>						
Under 30 years old	265	320	438	6.7%	42.4%	37.1%
Between 30 and 50 years old	792	1,564	1,243	20.2%	48.6%	38.7%
Over 50 years old	792	105	59	1.1%	45.7%	38.8%
<b>Gender</b>						
Male	663	1,214	1,065	18.9%	46.9%	38.7%
Female	439	775	675	11.2%	47.9%	37.8%
<b>Region</b>						
North	28	56	46	0.7%	58.3%	47.4%
Northeast	86	214	192	2.2%	51.1%	45.8%
Mid-West	84	130	146	2.1%	55.6%	53.3%
Southeast	762	1,303	1,086	19.9%	43.3%	33.2%
South	122	286	270	3.1%	64.0%	56.9%

## Turnover by race

	2022	
	TURNOVER TOTAL	VOLUNTARY TURNOVER
Asian	32.5%	16.3%
White	34.7%	15.9%
Indigenous	52.2%	11.1%
Brown	44.7%	17.7%
Black	40.0%	16.8%



# Cielo team experience: Satisfaction Index (eNPS)

## Results (e-NPS), by functional category\*

	DEC/2020	DEC/2021	DEC/2022
Apprentice/Trainee	+70	+81	+94
Assistant	+81	+79	+94
Analyst	+58	+70	+86
Consultants	+83	+82	+82
Specialists	+51	+65	+82
Coordinators	+46	+57	+80
Managers	+63	+75	+85
Officers/Managers	+32	+62	+77

## Results (e-NPS), by ethnicity\*

	SEP/2021	SEP/2022
Asian	+45	+84
White	+53	+84
Indigenous	+89	+79
Brown / Negra	+62	+87
Black / Negra	+65	+84
Not informed	+46	+69

\* Only in the two surveys listed above was the measurement made by ethnicity.

## Results (e-NPS), by age group

	DEC/2021	DEC/2022
Baby Boomers (people born between 1946 and 1964)	+76	+90
Generation X (born between 1965 and 1981)	+76	+85
Generation Y (born between 1982 and 1994)	+75	+84
Generation Z (born after 1995)	+78	+86

\* Only in the two surveys listed above was the measurement made by ethnicity.

# Training content

GRI 404-1

## Average training hours, by functional category

	2021		2022	
	TOTAL TRAINING HOURS	AVERAGE TRAINING HOURS	TOTAL TRAINING HOURS	AVERAGE TRAINING HOURS
Apprentice/Trainee	4,864.8	19.3	-	-
Sales	54,333.7	17.7	47,588	14.9
Consultants/ Specialists	8,091.0	12.1	11,668	15.2
Coordinators	1,379.6	8.7	5,614	19.0
Officers/Managers	5,260.1	11.9	22,157	24.6
Executive board	116.0	58	255	42.5
Team	14,089.3	3.83	24,439	17.6
<b>Total</b>	<b>88,134.5</b>	<b>18.8</b>	<b>111,721</b>	<b>17.1</b>

## Average training hours, by age group

	2021		2022	
	TOTAL TRAINING HOURS	AVERAGE TRAINING HOURS	TOTAL TRAINING HOURS	AVERAGE TRAINING HOURS
Under 30 years old	25,013.3	16.4	38,030	16.6
Between 30 and 50 years old	59,485.0	15.4	69,672	17.4
Over 50 years old	4,540.8	20.2	4,019	15.9
<b>Total</b>	<b>89,039.1</b>	<b>15.9</b>	<b>111,721</b>	<b>17.1</b>



### Average training hours, by race/ethnicity

	2021		2022	
	TOTAL HOURS	AVERAGE HOURS	TOTAL HOURS	AVERAGE HOURS
Asian	1,763.3	15.7	2,922	21.2
White	50,785.9	14.9	76,563	18.0
Indigenous	33.9	6.8	225	32.1
Black	5,467.9	17.8	23,933	15.6
Brown	22,351.9	17.0	1,398	7.6
Not informed	8,636.2	18.6	6,680	15.7
<b>TOTAL</b>	<b>89,039.1</b>	<b>15.1</b>	<b>111,721</b>	<b>17.1</b>

### Average training hours and investment, by education level\*

	2021		2022	
	TOTAL HOURS	AVERAGE HOURS	TOTAL HOURS	AVERAGE HOURS
Elementary School	522.9	21.8	350	11.7
High School	11,514.0	17.3	19,593	16.5
Higher Education	61,185.1	15.7	69,750	16.7
Post Graduation / MBA	13,869.4	14.6	20,851	19.3
Master's / Doctorate	302.0	8.2	804	23.6
Others	1,645.7	40.1	374	12.5
<b>Total</b>	<b>89,039.1</b>	<b>17.8</b>	<b>111,721</b>	<b>17.1</b>

\* For each category, both complete and incomplete levels of education are considered.

# Occupational health and safety contents

## Participation, consultation and communication to workers on occupational health and safety

GRI 403-2 / 403-3 / 403-4

Employees can participate in the development and implementation of the occupational health and safety management system through interviews carried out in the preparation of documents, where they are involved and informed about the risks of their activities.

To discuss the theme, we have a SESMT Committee (Specialized Services in Occupational Safety and Medicine), which meets weekly and involves Occupational Safety

Technicians, Occupational Safety Engineers, Occupational Physicians and Occupational Nurses.

Should any employee wish to report a risk or hazardous situation in the work environment, the complaint can be made through the existing communication channels: [segurancadotrabalho@cielo.com.br](mailto:segurancadotrabalho@cielo.com.br) / [cici@cielo.com.br](mailto:cici@cielo.com.br) / [ambulatoriomedico@cielo.com.br](mailto:ambulatoriomedico@cielo.com.br).

As a way to guarantee the privacy of employees' health information, all information related to workers' health is treated in accordance with the General Data Protection Law (LGPD).



## Worker training in occupational health and safety

GRI 403-2 / 403-3 / 403-5

All functions receive general occupational health and safety training during onboarding and in safety campaigns carried out during the year. In addition, we have specific training for the Fire Brigade, in which the procedures for responding to emergencies related to fire in Cielo building are taught.

## Work-related injuries

GRI 403-2 / 403-3 / 403-9

The main types of work accidents at Cielo are related to commuting accidents, such as collisions with vehicles used by the sales force. Even so, in 2022 there were no notifiable accidents with serious consequences or work-related accidents.

Regarding outsourced workers, there were no accidents or reported occupational accidents in 2022.

Investigations of accidents at work are carried out using a methodology that includes filling in the injured employee information, details of the event resulting in the accident and use of the 5 Whys Tool. The person who perceives a hazardous situation can leave and report the case in the available channels.

## Work-related health issues

GRI 403-10

In 2022, there were no cases of work-related notifiable diseases at the Company, both among own and outsourced employees.

	2021	2022
Total fatalities	0	0
Work-related high consequence injuries (excluding fatalities)	0	0



# Benefits

## Benefits offered to full-time and temporary employees

GRI 401-2

We extend all the benefits to temporary employees, with the exception of private pension plans. The complete list of benefits is presented below:

- › Food vouchers
- › Meal voucher
- › Bradesco Saúde health insurance plan: management of beneficiaries, hospitalization, chronic pathologies and orthopedics
- › Dental insurance
- › Health insurance
- › Life insurance
- › Private pension
- › 20-day paternity leave, entitled to assistance
- › 120- or 180-day maternity leave
- › Pregnant Women Program and Conscious Parenting: priority for assistance in clinical services, periodic conversation circles, book, monitoring of pregnant women, conscious parenting trail
- › Breastfeeding Support Room
- › Gympass
- › Sesc
- › In-company and online nutritionist
- › In-company and online psychology
- › Psicologia in company
- › Flu vaccination campaign
- › Emotional Health Program
- › Mindfulness
- › Health Campaigns: yellow September, pink October, blue November
- › Cafeteria
- › In company beauty and wellness space
- › Christmas Gift and in-Company Christmas

## Maternity or paternity leave data

GRI 401-3

		2021	2022
Total number of employees who took maternity/ paternity leave in the year	Women	1.616	2.008
	Men	2.586	3.037
Rate of return to work, in the reporting period, after the end of maternity/ paternity leave	Women	60	89
	Men	90	100
Rate of return to work in the reporting period, after paternity / parental leave has ended	Women	100%	100%
	Men	100%	100%
Rate of employees who returned to work after maternity/paternity leave and remained employed another 12 months	Women	37%	49,2%
	Men	52%	59,2%

# Projects and activities supported via incentive laws


GRI 203-1

PROJECT	MECHANISM	AMOUNT	PLACE	CONTEXT
<b>Cósmicas Project</b>	Culture Incentive Law (Rouanet)	R\$ 500 thousand	State of São Paulo	Project developed by the Tomie Ohtake Institute, dedicated to the training of girls and women residing in the state of São Paulo (learn more on page 66)
<b>Music Academy of the São Paulo State Symphony Orchestra (OESP)</b>	Culture Incentive Law (Rouanet)	R\$ 260 thousand	São Paulo (SP)	Institution responsible for the Symphony Orchestra and Sala São Paulo, since 2006 OESP has promoted the <b>Academy of Music</b> , aimed at training young talents through theoretical, instrumental and artistic education.
<b>OESP Orchestra and Games Series</b>	Culture Incentive Law (Rouanet)	R\$ 260 thousand	São Paulo (SP)	In 2022, OESP also promoted the <b>Music and Games event</b> , which brings together remarkable video game compositions in an exciting presentation.
<b>Papo de futuro 4.0</b>	Child and Adolescent Fund (FIA) / Elderly Fund	R\$ 283 thousand	Municipalities of Pernambuco	The project is targeted at encouraging Entrepreneurs (Long-Tail) hip among young people, teenagers and women, so that they can set up their own businesses, acting in such a way as to give independence and empowerment to these social groups.
<b>Requalification of the geriatric area of the Irmã Dulce social work</b>	Child and Adolescent Fund (FIA) / Elderly Fund	R\$ 283 thousand	Salvador (BA)	The project aims to provide an adequate structure and welcome the elderly assisted at the Center for Geriatrics and Gerontology, requiring the requalification of the ward environments, through the renovation of the physical spaces.
<b>Brazilian Judo Confederation (CBJ)</b>	Federal Sports Incentive Law	R\$ 283 thousand	Rio de Janeiro (RJ)	Participation in International Judo Federation (IJF) competitions and ranking training for participation in the 2024 Olympic Games.

# Contributions to associations

GRI 2-28


Throughout 2022, we contributed more than R\$ 1.6 million to associations and entities that work in the sector to advocate for causes in which Cielo has interest:

 **ABECS (Brazilian Credit Card and Service Companies Association)** – We participated in more than 40 thematic groups, with representatives contributing constructively to the discussions, in addition to our employees holding positions as coordinators in some of them, such as the Accreditors Forum and GT Confaz.

In addition to the association's functional groups, Cielo also took on coordination positions representing Abecs in other multisectoral forums, such as the Open Finance Deliberative Council and two of its working groups: Policy, Risk and Compliance WG (Open Finance) and Security WG (Open Finance).


Sometimes, the Company actively participated representing the entire accreditation segment at Abecs, in squads to formulate new products for the market.

 **Contribution: R\$ 1,471.229**


 **ICC Brasil (International Chamber of Commerce)** – We participated in the Digital Economy Commission, as well as in the Trade Finance Commission.

The commissions' agenda revolves around the discussion of the New Foreign Exchange Law, Supply Chain Finance, global standards and principles for internet governance and cybersecurity, in addition to the preparation of a roadmap for Brazil's entry into the OECD (Organization for International Cooperation and Economic Development).

 **Contribution: R\$ 26,740**


 **Amcham Brasil (American Chamber of Commerce for Brazil)** – We are members of the Tax Efficiency Task Force, which monitors the discussions on tax reform in progress in the Chamber of Deputies and Federal Senate.

 **Contribution: R\$ 40,888**

 **AFRAC (Brazilian Association of Technology for Commerce and Services)**: Cielo actively monitors the Digital Simplification project headed by AFRAC, which, among other changes, proposes the creation of the Brazilian Invoice.

The Complementary Law Project (PLP) 178, of 2021, is being processed in the National Congress. It was approved by the Chamber of Deputies in 2022 and is currently pending consideration and voting in the Federal Sena.

 **Contribution: R\$ 18,000**

 **IBGC (Brazilian Institute of Corporate Governance):** We are associated with the IBGC, a body with the objective of generating and disseminating knowledge in corporate governance and influencing the most diverse agents in the adoption of best practices, contributing to the sustainable performance of organizations. Participating in lectures, courses and sharing IBCG content contributes to the constant improvement of Cielo team's corporate governance, making it a reference company in corporate governance in the market.

 **Contribution: R\$ 50,714.81**





# Task Force on Climate-Related Financial Disclosures (TCFD)

GRI 201-2

## Governance

- › **Board Supervision:** The Board of Directors is continuously informed by the Sustainability Committee (advisory committee) regarding the actions carried out within the scope of the Strategic Sustainability Planning, which includes, but is not limited to, the Company's Climate Strategy. In this sense, the Board of Directors analyzes and discusses the Company's performance related to Climate issues, provides guidance/feedback on: (1) Cielo's climate strategy; (2) follow-up of strategy implementation; (3) follow-up of established action plans; and (4) risk and opportunity management processes

(integrated into Cielo's risk management process). Through the reporting of corporate risks, carried out via the Risk Committee, Senior Management has a view of the existing exposure to climate risks, and thus can make decisions on the theme.

- › **Management Supervision:** the People, Management and Performance Executive Board, through the Sustainability Management, is responsible for preparing, executing and maintaining Cielo's climate strategy. The People, Management and Performance Executive Director reports the theme to the Sustainability Committee, which, in turn, reports to the Board of Directors.

## Strategy

Cielo conducts a specific study to assess climate change risks and opportunities based on the scenarios of the Intergovernmental Panel on Climate Change (IPCC). The study includes impact scenarios for the business and the probability of occurrence, according to the risks and opportunities identified.

The results obtained direct our efforts to mitigate risks arising from climate change. In this context, we chose to consider the most pessimistic scenario (RCP 8.5), adopting a conservative strategy in a risk and opportunity analysis. This strategy aims at prevention and precaution on the worst case scenario.

Among the risks evaluated, we can mention:

### **Climatic/physical risk:**

*Impact of physical/acute weather events on Brazilian trade.*

- › Increase in temperature generates extreme weather events, such as the increase in rainfall frequency and intensity, floods and landslides. The possible occurrence of these events could impact trading in adverse ways, causing temporary or permanent closures. In this way, such extreme weather events can have a great influence on the reduction of GDP.

- › Since Cielo is responsible for transacting around 8% of the GDP, any events leading to a reduction in trading activities can impact the Company's financial income, since we operate on the commercial basis of the economy's multisectors, on which our result is directly dependent.
- › With Business Continuity in mind in the event of downtime and/or crisis, we have a Business Continuity Management Program. In the face of possible impacts related to extreme weather events related to climate change, this Program allows Cielo to activate its business continuity plans, ensuring that people, assets, systems, information and, consequently, its reputation are preserved.



### **Climate / transition risk:**

*More restrictive regulatory environment in relation to climate change.*

- › Cielo may be impacted due to the possibility of losses caused by events associated with the transition process to a low carbon economy, as well as the possibility of not meeting the commitments established in the Company's climate strategy.
- › A more restrictive regulatory environment in relation to climate change and which leads to a slowdown in domestic markets (especially carbon-intensive activities) could adversely impact the Company's financial income.
- › The Executive Vice-Presidency for Legal and Government Relations is responsible for monitoring and inter-blacking regulations (current, under discussion and emerging/trends), for assessing their applicability and assisting the competent areas in the implementation of the measures that may be necessary for the due suitability.

### **Risk management**

At Cielo, the identification, assessment, monitoring and reporting of risks related to climate change occurs in an integrated manner to the Company's management process, as regulated by our Corporate Risk Management and Internal Controls Policy. Learn more on page 43.

### **Metrics and targets**

Cielo's carbon footprint, including scope 1, scope 2 and scope 3 greenhouse gas emissions, is available on pages 97.

In 2022, we calculated an 1.86 ratio in our greenhouse gas emissions intensity indicator against the EBITDA. Our target for 2023, linked to variable Vice President compensation, is to maintain the scope 1 + scope 2 emissions/EBITDA ratio at up to 1.80.



# Other GRI Contents

## Nomination and information about senior management members

GRI 2-10

Cielo has a Policy for the Nominating and Compensation of members of the Corporate Governance bodies, which consolidates the assumptions, criteria and processes for nominating and selecting members who will compose the Company's governance bodies, ensuring the adequate composition of these bodies and the alignment with the best governance practices.

The document provides that the Board of Directors members may be appointed by the Managers or by any Company shareholder, and the process for appointing members to the Company's Board of Directors must be based on a prior analysis (prepared in the form of a report or a matrix) of the skills of the Board of

Directors members, with a view to verifying the collegiate efficiency and the complementarity of functions, as well as pointing out any gaps in its composition, thus ensuring its adequate composition.

Moreover, the document provides that appointments should consider professionals with different characteristics and profiles, aiming at complementing skills, such as social and environmental aspects, and diversity, such as gender, age group, ethnicity, among others, allowing the effective debate of ideas and technical, impartial and reasoned decisions.

The Advisory Committees members are appointed by Management or by its Controlling Shareholders, and the appointments must be submitted to the Corporate Governance Area, in writing, informing the full name and

qualification of the member appointed to compose the Advisory Committee.

## Awareness of the highest governance body

GRI 2-17

In order to maximize the effectiveness of the body and ensure a balance of experience, skills and knowledge among board members, Cielo maintains a Competency Matrix that measures the members' competence in specific topics.

The matrix also supports the succession planning approach, which is constantly updated to ensure Cielo's strategic objectives are met.

Throughout 2022, the members of the Company's Board of Directors received instructions and updates on various subjects, including the Company's diagnosis and adherence to the best corporate governance practices in the world and the recommendations of the Brazilian Code of Corporate Governance – Public Companies, as well as the best practices related to the nomination and compensation of governance bodies members, under the discussion of the proposed adjustments to the Company's institutional policies.

Additionally, the Board of Directors members also received instructions and updates on the best practices related to communication, diversity, inclusion



Get to know our full [Nomination and Compensation Policy for members of the Corporate Governance Bodies](#)

and sustainability aspects within the scope of the discussion on the proposed adjustments to the Company's Policies, in addition to the evolution of Environmental, Social and Governance ("ESG") practices through analysis of the 2021 Integrated Annual Report.

## Performance evaluations of governance bodies

GRI 2-18

The Company conducts annual performance evaluations of the Board and its Advisory Committees, as collegiate bodies; and of the Chairman of the Board, the Board members, the members of the Committees, individually considered, through a self-assessment questionnaire, as well as the Governance Area and the Governance Officer, following good governance practices and seeking the continuous improvement of the bodies.

Since 2021, the performance

assessment is led by an independent external consultancy, with the guidelines of the Coordinator of the Corporate Governance Committee and the Governance Officer.

Every four years, a Comprehensive Performance Evaluation is carried out, in which the Chairman of the Board, the Board members and the members of the Committees are individually assessed, through a self-assessment questionnaire.

Every year, Cielo carries out an intermediate evaluation process to monitor the evolution of deficiencies and, eventually, identify new points and opportunities for improvement. In this process, we evaluate the performance of the Board and its Advisory Committees as collegiate bodies.

After completing the evaluation process, whether broad or intermediate, the external consultancy consolidates the results

of the evaluations and prepares final recommendations, with individual feedback for each body, in addition to indicating the need for adjustments or improvements. Based on the final assessment report by the Board of Directors, the Corporate Governance Committee discusses the results and opportunities for improvement identified for the development of action plans. Subsequently, the Corporate Governance Committee's recommendations are submitted to the Board, which are approved and prioritized for implementation.

As for the results of the Committees' evaluations, the results and recommendations are submitted to each body for discussion, approval and prioritization for implementation. The main results of the evaluations are reported to the Board, and eventually, the recommendations that depend on its approval are submitted for approval.

## Compensation of governance bodies

GRI 2-19 / 2-20

Cielo has a Policy for the Nominating and Compensation of members of the Corporate Governance bodies duly approved by the Board of Directors. It contains, among other assumptions, the guidelines to be observed and applied for setting the compensation and respective benefits to the members of the Board of Directors, Executive Board, Fiscal Council and Advisory Committees.

The People and Compensation Committee and the Corporate Governance Committee are responsible for analyzing market research and making any recommendations to be submitted to the Board of Directors, as well as analyzing and issuing recommendations to the Board of Directors regarding the strategy, policies and practices adopted or to be adopted by the Company in relation to

the compensation of the governance bodies. In the case of the Executive Board, the People and Remuneration Committee is responsible for analyzing and issuing recommendations.

The Executive Board's compensation consists of a fixed monthly remuneration, defined by the Board of Directors, the amount of which is defined, among other factors, by the individual qualifications and the position level of complexity. In addition, the members receive Short-Term Variable Compensation (rewards reaching and exceeding individual and Company targets), Long-term Bonuses and Long-term Incentive materialized by the Restricted Stock Program (both granted upon individual performance), and retention incentive materialized by the Sócio Cielo Program, where part or all of the short-term variable compensation is linked to the acquisition of Cielo restricted shares, with the corresponding consideration by the Company.

The members of the Board of Directors, on the other hand, are entitled to a fixed monthly compensation, not linked to their participation in the meetings held by the said body, with the aim of remunerating them for the services provided in a manner compatible with their attributions, responsibilities and time dedicated to functions. Such compensation must be in line with the Company's strategic objectives with a focus on its perpetuity and the creation of value in the long term.

The compensation of each board member may be different due to additional responsibilities assumed, such as participation in Advisory Committees. The members of the Board of Directors are not entitled to any variable compensation, but are reimbursed by the Company for all travel and accommodation expenses, as well as other expenses eventually incurred in the performance of their duties.

## Policies with specific environmental and social components applied to business lines

GRI FS1

With the development of products and services and the creation of payment solutions, Cielo contributes to strengthening the Brazilian economy, serving government initiatives, promoting the growth and development of society.

With this, the Company plans, develops, innovates, and repositions its products and services, and corresponding business models, considering the short, medium and long-term social, environmental and macroeconomic impacts.

In this sense, products and services are analyzed throughout their life cycle, seeking sustainable performance. The environmental and social externalities of Cielo's products and services are evaluated, with a focus on minimizing

socio-environmental impacts and identifying alternatives in synergy with sustainability.

In addition, our Sustainability Policy provides for the guidelines for the inclusion of social, environmental and governance aspects in our business.

## Interactions with customers/controlled companies/business partners regarding socio-environmental risks and opportunities

GRI FS5

### › **Customers, partners and service providers:**

Within the scope of the Money Laundering and Terrorism Financing Prevention Policy, Cielo has monitoring processes called Know Your Customers (KYC), Know Your Partners (KYP) and Know Your Service Providers (KYS), which

have procedures specific aimed at getting to know them, including their identification, qualification and classification. These processes include verification of socio-environmental aspects, such as checking the restricted lists of the Slave Labor List and Embargoes and Assessments by IBAMA.

› **Controlled companies:**

We have a Corporate Risk Management and Internal Controls Policy, which includes the guidelines and responsibilities regarding the integrated management of corporate risks - including socio-environmental risks - and internal controls.

This policy determines that the Affiliated Companies must make efforts so that their directions are set based on the guidelines established in the Policy, considering the specific needs and the legal and regulatory aspects to which they are subject.

At Cateno, the theme is governed by its Risk and Opportunity Management Policy and also has guidelines in its Sustainability Policy.

### Access points in sparsely populated or economically disadvantaged areas, by type.

GRI FS13

Thinking about financial education and the conscious use of financial products and services, Cielo:

- › Offer simulators and other free tools to support customers' decision-making. Available at: [www.cielo.com.br/parcelado/simulador/](http://www.cielo.com.br/parcelado/simulador/)
- › Provides information in the promotional material for each Cielo product/service about its

suitability for the customer's profile. Available at <https://www.cielo.com.br/simulador/vendas>

- › Simplifies the language and technical terms with the aim of expanding knowledge about the products to the different segments of society, making purchases more conscious;
- › Has communication channels (via e-mail, WhatsApp and Relationship Center) with specialists who do not have sales targets and who can impartially clarify customer doubts about the institution's products and services, and themes related to financial education.



# SASB Content Index

TOPIC	CODE	METRIC	MEASURING UNIT	2022
<b>ENVIRONMENTAL FOOTPRINT OF HARDWARE INFRASTRUCTURE</b>				
	<b>TC-SI-130a.1</b>	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	Page 96
	<b>TC-SI-130a.2</b>	1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High baseline water stress	Cubic meters (m <sup>3</sup> ) and percentage (%)	Page 95
	<b>TC-SI-130a.3</b>	Discussion of integrating environmental considerations into strategic planning for data center needs	N/A	Page 55

TOPIC	CODE	METRIC	MEASURING UNIT	2022
<b>DATA PRIVACY &amp; FREEDOM OF EXPRESSION</b>				
	<b>TC-SI-220a.1</b>	Description of policies and practices relating to behavioral advertising and user privacy.	N/A	<p>Regarding the use of data from natural persons (users) for behavioral advertising purposes, the Privacy and Data Protection Policy specifies that <i>“Information collected may also be used for advertising purposes, such as sending communications and news that are of interest to current and potential customers and third parties. And in these cases, the objective will be to better serve the target audience by offering products suited to their needs and profile.”</i></p> <p>As for the details of which personal data are processed, the document informs that <i>“Information collected from the use of websites and applications: These are those corresponding to access and navigation to the Company’s websites, pages and applications, containing information about the identification of the device and connection (date, time and IP). Geolocation may also be collected for fraud prevention and security and credit protection”</i>.</p> <p>Additionally, in order to duly inform users who access the Cielo <a href="#">website</a> about how their personal data is processed and their rights under the LGPD, there is a Privacy Notice that states: <i>“(…)the information collected may, upon prior authorization, be used for advertising purposes, such as sending communications and news that are of interest to you. If you feel uncomfortable and no longer wish to receive any advertising information from CIELO, you may, at any time, contact us through the email <a href="mailto:privacy@cielo.com.br">privacy@cielo.com.br</a>, expressing your opposition.”</i></p>
	<b>TC-SI-220a.2</b>	Number of users whose information is used for secondary purposes.	Number	Page 46

TOPIC	CODE	METRIC	MEASURING UNIT	2022
<b>DATA PRIVACY &amp; FREEDOM OF EXPRESSION</b>				
	<b>TC-SI-220a.3</b>	Total amount of monetary losses as a result of legal proceedings associated with user privacy.	R\$	None.
	<b>TC-SI-220a.4</b>	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure.	Number, Percentage (%)	(1) 406, taking into account the reports sent to the Secretariats of all states (27) plus the reports on demand (55 in 2022).  (2) We send all transactions (with date and amounts) carried out by all our customers to the respective State Secretariats on a monthly basis, as well as registration data.
<b>DATA SECURITY</b>				
	<b>TC-SI-230a.1</b>	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected.	Number, Percentage (%)	Page 46

TOPIC	CODE	METRIC	MEASURING UNIT	2022
<b>RECRUITING &amp; MANAGING A GLOBAL, DIVERSE &amp; SKILLED WORKFORCE</b>				
	<b>TC-SI-330a.3</b>	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Percentage (%)	Management: Men = 62.1%; Women = 37.9% Technical Staff: Men = 65.7%; Women = 34.3% All other employees: Men = 58.2%; Women = 41.8%
<b>MANAGING SYSTEMIC RISKS FROM TECHNOLOGY DISRUPTIONS</b>				
	<b>TC-SI 550a.1</b>	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	Number, days	(1) Number of performance issues: 489 (2) Service interruptions: 404 (3) Total Customer Downtime: 830 hours and 24 minutes
	<b>TC-SI-550a.2</b>	Description of business continuity risks related to disruptions of operations	N/A	Services that had the most interruptions and which, consequently, affected Business Continuity: Cielo Mais (46), QR Code (33), FAC (27), Digital Payments (26), Accreditation (23), Lio (23), Cielo Site (20), Star - Platform (18), SAP (14) and PIX (12)



# GRI Content Index

## DECLARATION OF USE

Cielo S.A. - Payment Institution - reported in accordance with the GRI Standards for the period January 1, 2022 and December 31, 2022.

## GRI USED

GRI 1: Fundamentals 2021

## APPLICABLE GRI SECTOR STANDARD(S)

Contents of the financial sector supplement are also reported

## INDICATOR DESCRIPTION

## LOCATION / OMISSION / EXPLANATION

### GENERAL DISCLOSURES

#### The organization and its reporting practices

2-1	Organization details	Page 11. Cielo operates only in Brazil. For the Company's corporate structure, please access: <a href="https://ri.cielo.com.br/en/about-cielo/corporate-structure/">https://ri.cielo.com.br/en/about-cielo/corporate-structure/</a>
2-2	Entities included in the organization's sustainability reports	Page. 106. The companies that make up the report data are part of the companies listed in the Company's Financial Statements (DFs). The results disclosed here are the same as in the DFs, are consolidated and reflect all subsidiaries and affiliates.
2-3	Reporting period, frequency and point of contact	Page. 106. Cielo S.A. - Instituição de Pagamento ("Cielo" or "Company") reported in accordance with the GRI Standards for the period January 1, 2022 to December 31, 2022.

INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
2-4	Information reformulations	Pages 11 and 106
2-5	External verification	Page 151
<b>Activities and employees</b>		
2-6	Activities, value chain and other business relationships	Pages 11 and 68
2-7	Employees	Page. 70. The increase in the number of employees from one year to the next is due to the expansion of the workforce in the Small Business (Retail) segment. More information in the sub-chapter "Service Model".
2-8	Workers who are not employees	Page. 114. The increase in the number of outsourced employees from one year to the next is due to the expansion of the workforce in the Small Business (Retail) segment. More information in the sub-chapter "Service Model".
2-9	Governance structure and composition	Pages 16 and 112
2-10	Nominating and selecting the highest governance body	Page 129
2-11	Chairman of the highest governance body	The Chairman of the Board of Directors does not hold an executive function.
2-12	Role of the highest governance body in overseeing impact management	Page 18 and 38
2-13	Delegation of responsibility for impact management	Page 18
2-14	Role played by the highest governance body in sustainability reporting	Pages 106 and 108

INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
2-15	Conflicts of interest	Page 19
2-16	Communication of critical concerns	Pages 18 and 27
2-17	Collective knowledge of the highest governance body	Page 129
2-18	Highest governance body's performance evaluation	Page 130
2-19	Compensation policies	Page 130
2-20	Process for determining compensation	Page 130
		In 2022, the ratio of the CEO's annual total compensation to the average compensation of all Cielo S.A. employees was 41.0. The ratio of the CEO's compensation to the median compensation of Cielo S.A.'s employees was 57.3.
2-21	Proportion of total annual compensation	<p>Cielo discloses in its reference form (item 13) the highest, lowest and average annual compensation of the Executive Board. Access the document at: <a href="https://ri.cielo.com.br/publicacoes-cvm/">https://ri.cielo.com.br/publicacoes-cvm/</a>.</p> <p>Due to confidentiality restrictions, we have opted not to report the information requested under requirement "b" of this indicator.</p>
<b>Strategy, policies and practices</b>		
2-22	Declaration on the sustainable development strategy	Page 3
2-23	Commitment policies	Pages 20, 21, 35 and 86
2-24	Incorporating commitment policies	Pages 21 and 35

INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
2-25	Processes to remedy negative impacts	Pages 27 and 28
2-26	Mechanisms to seek advice and raise concerns	Pages 27 and 28
2-27	Compliance with laws and regulations	For definition of significant cases, we only considered cases that materialized fines. That said, we declare that in 2022, there were no significant fines or non-monetary sanctions resulting from non-compliance with laws and regulations.
2-28	Participation in associations	Page 124
<b>Stakeholder Engagement</b>		
2-29	Approach to stakeholder engagement	The guidelines on Cielo's engagement with its stakeholders are set out in the Stakeholder Engagement Policy: <a href="https://ri.cielo.com.br/en/bylaws-and-policies/relationships-with-stakeholders-policy/">https://ri.cielo.com.br/en/bylaws-and-policies/relationships-with-stakeholders-policy/</a>
2-30	Collective bargaining agreements	100% of CLT employees are covered by a collective bargaining / union agreement.
<b>Material themes</b>		
3-1	Process for determining material themes	Page 108
3-2	List of material themes	The preparation process for the new materiality matrix, described on page 109, took place between late 2022 and early 2023.

INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
3-3	Material Topics Management	<p>Attracting and Developing People: Pages 72 and 121;</p> <p>Responsible and Sustainable Value Chain: Pages 68, 75 and 120;</p> <p>Education, Citizenship and Financial Inclusion: Page 64 Diversity, Equity and Inclusion: Page 86;</p> <p>Eco-efficiency in Operations: Pages 92 and 96;</p> <p>Entrepreneurship: Page 61;</p> <p>Risk Management and Business Continuity: Page 38 and 48;</p> <p>Governance, Integrity, Ethics and Transparency: Pages 18, 20, 26 and 28;</p> <p>Climate Change: Pages 97 and 99;</p> <p>Technology, Innovation, and System Availability: Page 50;</p> <p>Customer Relations: Page 56;</p> <p>Information Security and Fraud Prevention: Page 44.</p>

**ECONOMIC CONTENT**

**Economic performance**

201-1	Direct economic value generated and distributed	Page 103
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INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Page 126
201-4	Financial assistance received from the government	In 2022, Cielo received no financial assistance from the government.
<b>Indirect Economic Impacts</b>		
203-1	Development and impact of investments in infrastructure and services offered	Pages 65 and 123
203-2	Significant indirect economic impacts, including the extent of impacts	Page 64
<b>Purchasing Practices</b>		
204-1	Proportion of expenses with local suppliers in important operational units	Page 68
<b>Anti-corruption</b>		
205-1	Percentage and total number of operations submitted to risk assessments related to corruption and the significant risks identified	Pages 24 and 26
205-2	Communication and training on anti-corruption policies and procedures	Pages 22 and 23
205-3	Confirmed cases of corruption and actions taken	Pages 23, 24 and 28

INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
<b>Unfair competition</b>		
206-1	Total number of lawsuits for unfair competition, trust and monopoly practices and their consequences	In 2022, the Company was not a party to lawsuits involving unfair competition, trust and monopoly practices.
<b>ENVIRONMENTAL CONTENT</b>		
302-1	Energy consumption within the organization	Page 96
303-1	Interactions with water as a shared resource	Page 95
303-2	Management of water discharge related impacts	Page 95
<b>Water and Effluents</b>		
303-5	Water consumption	2020: 1.69 ML 2021: 1.63 ML 2022: 1.33 ML
<b>Emissions</b>		
305-1	Direct (Scope 1) greenhouse gas (GHG) emissions	Page. 97  The approach to consolidate the greenhouse gas emissions was that of operational control. Emissions are calculated using an automated tool, made available by a specialized consulting firm, a reference in the subject.

INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
		Page. 97
305-2	Indirect (Scope 2) Greenhouse Gas (GHG) Emissions	The approach to consolidate the greenhouse gas emissions was that of operational control. Emissions are calculated using an automated tool, made available by a specialized consulting firm, a reference in the subject.
305-3	Indirect (Scope 3) greenhouse gas (GHG) emissions	The approach to consolidate the greenhouse gas emissions was that of operational control. Emissions are calculated using an automated tool, made available by a specialized consulting firm, a reference in the subject.
<b>Waste</b>		
306-1	Waste generation and significant waste-related impacts.	Page 93
306-2	Management of significant waste-related impacts.	Page 93
306-3	Generated waste	Page 93 and 94
306-5	Waste sent for final disposal	Page 93 and 94
<b>Suppliers Environmental Assessment</b>		
308-1	Percentage of new suppliers selected based on environmental criteria	Page 69
308-2	Actual and potential significant negative environmental impacts in the supply chain and measures taken in this regard	Page 69



INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
<b>SOCIAL CONTENT</b>		
<b>Employment</b>		
401-1	Total and rates of new employee hires and turnover by age group, gender and region.	Pages 77, 116 and 117
401-2	Benefits offered to full-time employees that are not offered to temporary or part-time employees, broken down by major operations.	Page. 122 The headquarters and its subsidiaries were considered to be important operational units.
401-3	Rates of return to work and retention after maternity/paternity leave, broken down by gender.	Page 122
<b>Occupational Health and Safety</b>		
403-1	Occupational health and safety management system implemented	Page 75
403-2	Hazard identification, risk assessment, and incident investigation	Page 75, 120 and 121
403-3	Description of occupational health services functions	Page 75, 120 and 121
403-4	Worker participation, consultation, and communication on occupational health and safety	Page 120
403-5	Worker training on occupational health and safety	Page 121

INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
403-6	Promotion of worker health	Page 74 and 75
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	Page 75
403-8	Workers covered by occupational health and safety management system	Cielo's occupational health and safety management system is applicable to all people working in the Company, however, such information does not go through audit processes. It should be noted that any deviations from the guidelines may be reported through the communication channels on OHS ( <a href="mailto:segurancadotrabalho@cielo.com.br">segurancadotrabalho@cielo.com.br</a> / <a href="mailto:cici@cielo.com.br">cici@cielo.com.br</a> / <a href="mailto:ambulatoriomedico@cielo.com">ambulatoriomedico@cielo.com</a> ), or through the Ethics Channel.
403-9	Number and rate of work-related deaths and injuries	Page 121
403-10	Number and rate of work-related deaths and ill health	Page 121
<b>Training and Education</b>		
404-1	Average hours of training per year, per employee, broken down by gender and job category.	Pages 81 and 119
404-2	Competency management and lifelong learning programs that support the continued employability of employees in preparation for retirement.	Page 83
404-2	Competency management and lifelong learning programs that support the continued employability of employees in preparation for retirement.	Currently, we do not have career transition programs.

INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
404-3	Percentage of employees receiving regular performance and career development reviews, broken down by gender and job category	Page 85
<b>Diversity and Equal Opportunities</b>		
405-1	Diversity of employees and governance bodies, with percentages by gender, age group, minority groups and other indicators.	Page 114
405-2	Mathematical ratio of salary and compensation between women and men, broken down by role category and relevant operational units.	Page 116
<b>Child Labor</b>		
408-1	Own and supplier operations in which a significant risk of child labor was identified and the measures taken to contribute to the eradication of child labor	Page 69

INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
<b>Forced or Compulsory Labor</b>		
409-1	Own and supplier operations in which a significant risk of forced or compulsory labor was identified and the measures taken to contribute to the eradication of forced or compulsory labor	Page 69
<b>Local Communities</b>		
413-1	Percentage of operations with implemented local community engagement, impact assessment and/or local development programs	100%. A Cielo supports social investment projects nationwide, which are selected based on objective social impact criteria.
<b>Supplier Social Assessment</b>		
414-1	Percentage pf new suppliers that were screened using social criteria	Page 69
414-2	Actual and potential significant negative impacts on human rights in the supply chain and actions taken in this Regard	Page 69
<b>Public Policies</b>		
415-1	Political contributions	Cielo S.A. does not make political financial contributions.

INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
<b>Consumer Health and Safety</b>		
416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Page 43
<b>Marketing and Labeling</b>		
417-3	Total number of cases of non-compliance with regulations and/or voluntary codes related to marketing communications, including advertising, promotion and sponsorship, broken down by type of result	There were no incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications in 2022.
<b>Customer Privacy</b>		
418-1	Total number of substantiated complaints regarding breaches of privacy and loss of customer data	Page 46

## GRI FINANCIAL SECTOR SUPPLEMENT

INDICATOR	DESCRIPTION	REFERENCE / DIRECT ANSWER
<b>FS1</b>	Policies with specific environmental and social components applied to business lines.	Page 131
<b>FS2</b>	Procedures for assessing and classifying environmental and social risks in business lines.	Page 43
<b>FS5</b>	Interactions with clients/ investees/business partners	Page 131
<b>FS13</b>	regarding environmental and social risks and opportunities.	Pages 64 and 132
<b>FS14</b>	Access points in sparsely populated or economically disadvantaged areas, by type.	Initiatives of this nature are reported in the FS13 indicator
<b>FS16</b>	Initiatives to increase financial education, by type of beneficiary.	As part of the customer relationship, Cielo's Business Managers (GN) team visits Commercial Establishments (ECs) for customer service and during these visits, they address needs related to the Cielo solutions already contracted, in addition to sharing information with customers about Cielo's products and services that can help their daily business, in terms of financial management, budget and cash flow, for example. Other initiatives to improve our customers' financial education can be seen in the response to indicator FS13.

# Assurance Report

GRI 2-5



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## Independent auditors' limited assurance report on non-financial information included in the Integrated Annual Report 2022

(A free translation of the original report in Portuguese, containing the Assurance Report).

To the Board of Directors and Shareholders

### **Cielo S.A.**

São Paulo - SP

### **Introduction**

We have been engaged by Cielo S.A. ("Company") to present our limited assurance report on the non-financial information included in the "Integrated Annual Report 2022" of Cielo S.A., for the year ended December 31, 2022.

Our limited assurance does not extend to prior period information or to any other information disclosed in conjunction with the Integrated Annual Report 2022, including any embedded images, audio files or videos.

## **Responsibilities of Cielo S.A.'s management**

The management of Cielo S.A. is responsible for:

- › select and establish appropriate criteria for the elaboration of the information contained in the Integrated Annual Report 2022;
- › prepare the information in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI - Standards), with the Sustainability Accounting Standard - Software & IT Services of the Sustainability Accounting Standards Board (SASB) and the CPC 09 Guidance - Integrated Reporting, correlated with the Basic Conceptual Framework of Integrated Reporting, prepared by the International Integrated Reporting Council (IIRC);
- › design, implement, and maintain internal control over information relevant to the preparation of Integrated Annual Report 2022 that is free from material misstatement, whether due to fraud or error.



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## **Responsibility of the independent auditors**

Our responsibility is to express a conclusion on the non-financial information included in the Integrated Annual Report 2022, based on the limited assurance engagement conducted in accordance with Technical Communication CTO 07/2022 issued by the CFC, and based on NBC TO 3000 - Assurance Engagements other than Audits and Reviews, also issued by the CFC, which is equivalent to international standard ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information, issued by the International Auditing and Assurance Standards Board (IAASB). These standards require compliance by the auditor with ethical requirements, independence, and other responsibilities relating to it, including the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures on compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Additionally, the standards require that the work be planned and performed with the objective of obtaining limited assurance that the non-financial information in the Integrated Annual Report 2022, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) mainly consists of inquiries to Cielo S.A.'s management and other Cielo S.A.'s professionals who are involved in the preparation of information, as well as the application of analytical procedures to obtain evidence that enables us to conclude, in a limited assurance manner, on the information taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the information disclosed in the Integrated Annual Report 2022, taken as a whole, may present material misstatements.

The procedures selected were based on our understanding of the aspects relating to the compilation, materiality and presentation of the information contained in the Integrated Annual Report 2022, other circumstances of the engagement and our consideration of areas and the processes associated with the material information disclosed in the Integrated Annual Report 2022 where material misstatements could exist. The procedures comprised, among others:

a. planning the work, considering the materiality of the aspects for Cielo S.A.'s activities, the relevance of the information disclosed, the volume of quantitative and qualitative information and the operating and internal control systems that served as a basis for the preparation





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of the information contained in the Integrated Annual Report 2022.

b. the understanding of the calculation methodology and the procedures for the compilation of the indicators through inquiries with the managers responsible for the preparation of the information;

c. the application of analytical procedures on the quantitative information and inquiries on the qualitative information and its correlation with the indicators disclosed in the information contained in the Integrated Annual Report 2022; and

d. for the cases in which the non-financial data correlate with indicators of a financial nature, the confrontation of these indicators with the accounting statements and/or accounting records.

e. analysis of the processes for preparing the Report and its structure and content, based on the Content and Quality Principles of the Sustainability Reporting Standards of the Global Reporting Initiative - GRI, with the Sustainability Accounting Standard - Sofivare & IT Services of the Sustainability Accounting Standards Board (SASB), with the CPC 09 Guidance - Integrated Reporting (which correlates to the Basic Conceptual Framework of Integrated Reporting, prepared by the International Integrated Reporting Council - IIRC);

f. evaluation of the sampled GRI-Standards and SASB non-financial indicators;

g. understanding the calculation methodology and the procedures for the compilation of the indicators through interviews with the managers responsible for the preparation of the information;

h. analysis of the reasonableness of the justifications for the omission of performance indicators associated with aspects and topics indicated as material in the Company's materiality analysis.

The limited assurance work also comprised adherence to the guidelines and criteria of the GRI - Standards elaboration framework applicable in the preparation of the information included in the Integrated Annual Report 2022.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

### **Scope and limitations**

The procedures performed in limited assurance work vary in nature and timing, and are smaller in extent than in reasonable assurance work. Consequently, the level of



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assurance obtained in limited assurance work is substantially lower than that which would be obtained if reasonable assurance work had been performed- If we had performed reasonable assurance work, we could have identified other issues and possible distortions that may exist in the information contained in the Report. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, given the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretations of materiality, relevance, and accuracy of the data are subject to individual assumptions and judgments. Additionally, we did not perform any work on data reported for prior periods, nor in relation to future projections and targets.

The preparation and presentation of sustainability indicators followed the GRI - Standards criteria and, therefore, are not intended to ensure compliance with social, economic, environmental or engineering laws and regulations- These standards do, however, provide for the presentation and disclosure of any non-compliance with such regulations when significant sanctions or fines are incurred. Our assurance report must be read and understood in this context, inherent to the selected criteria (GRI - Standards).

## Conclusion

Based on the procedures performed, described in this report and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial information included in the Integrated Annual Report 2022 for the year ended December 31, 2022 of Cielo S.A., have not been prepared, in all material respects, in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative - GRI, the Sustainability Accounting Standard - Software & IT Services of the Sustainability Accounting Standards Board (SASB) and with the Guidance CPC 09 - Integrated Reporting (which correlates to the Integrated Reporting Framework prepared by the International Integrated Reporting Council - IIRC).

São Paulo, June 29<sup>th</sup>, 2023

KPMG Auditores Independentes Ltda.  
CRC 2SP-014428/O-6  
Original report in portuguese signed by Sebastian Yoshizato  
Soares  
Accountant CRC ISP257710/04

# Credits

GRI 2-1 / 2-3

## **Cielo Head Office**

Alameda Xingu, 512 – 21º ao 25º andar  
Alphaville – Centro Industrial e Empresarial  
CEP: 06455-030 – Barueri (SP) – Brazil

## **RECORDS**

### **Project general coordination**

Sustainability, Diversity and Corporate  
Responsibility Management

### **Information and questions about this report should be directed to the contact:**

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The preparation and presentation of this  
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There are no omissions regarding the Integrated  
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