

2021
2021
2021

INTEGRATED ANNUAL REPORT

2021
2021
2021



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Message from the CEO

GRI 102-14

The year 2021 represented an important milestone for the Company. Cielo **resumed its results growth trajectory**, while decisively advancing in its transformation process.

The result registered a 98% growth and the volumes processed once again showed expansion, up 11% over 2020. However, just as important as the financial performance were the advances we made in Cielo's transformation process, which allow us to have today a lighter, more responsive and customer-oriented organization, even better prepared to compete in Brazil's dynamic payments industry. In this letter, I share two major points of this journey.

Transformation Process and Strategy

We have progressed in implementing our strategy, which has three main pillars: (i) strengthening of the acquiring (core) position; (ii) innovation in payments; and (iii) expansion of the value chain operation.

Strengthening the core is aimed at improving the quality of service for our 1.2 million merchants. We want a prominent position in the quality of service provided, among the best in the industry. Solid foundations in acquiring will also allow us to advance in a sustainable way in the other pillars of the strategy.

In 2021, we improved the sales model. I highlight the expansion of our own sales force, improvements in processes, and greater use of technology. As a result, we saw gains in sales productivity, with advances in activation and volume indicators brought in by new customers.

In logistics we implemented a number of changes in the model that allowed us to reduce equipment delivery time. Now, over 80% of POS terminals are delivered within two

business days. In large cities, an important percentage of the equipment is delivered in a matter of hours. We have implemented Heroes, a model in which exclusive, uniformed professionals make visits to customer to install equipment and help solve problems. We want to be closer to the customer so that he/she experiences a more personal relationship at different points of contact with Cielo.

We promoted organizational changes, reviewing structures, work processes and returning physical spaces, with the main purpose of making Cielo more responsive and customer-oriented. These changes, coupled with spending discipline and the adoption of zero-based budgeting, also made possible operational efficiency gains that were recognized by the market last year.

In 2021 we had relevant announcements in the pillars of innovation in payments and value chain expansion. I would highlight the launch of transfer operations on WhatsApp, in which Cielo supports Facebook Pay in transaction processing; the announcement of the first investment in value added services startup Liuv¹;

[1] Investment made through convertible debentures.

and the new urban mobility solutions, which are transforming the payment experience of public transportation and toll station users.

These movements show Cielo's **commitment to add value to the services provided to its customers** and maintain its leading role in the digitalization of means of payment in the country.

Along the same lines, I would like to draw attention to the increase in the volume captured in cardless- transactions, with emphasis on NFC, and the growth in the percentage of customers who use the LIO, our Smart Terminal, in an integrated way to manage their business.

Values and Organizational Culture

Cielo's entire transformation process has been guided by doing the right thing, in a sustainable manner and in line with the market's best practices. We are very pleased to receive awards and recognition related to our Corporate Governance practices, ESG initiatives and sustainability reports.

I must also emphasize that the results have been achieved with a very strong commitment from our employees. We want to recognize all the efforts of our team and protect people, especially during the pandemic's most severe phases. As a result, we advanced considerably in e-NPS, the main internal satisfaction metric that we track in the company, and we were recognized by Great Place to Work, as one of the best companies to work for in the country.

We remain committed to our purpose of simplifying and driving business for all, aiming to exceed our clients' expectations, consolidate Cielo's leading role in the payments industry and ensure maximum value creation for our shareholders.

I invite you to learn in detail about our performance in 2021. Have a good reading!



**GUSTAVO HENRIQUE
SANTOS DE SOUSA**
CEO

CHAPTER 1

ABOUT THIS REPORT

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About this Report

GRI 102-50

We present Cielo's 2021 Integrated Annual Report, the first fully following the Integrated Reporting Council (IIRC) framework and aligned with CPC 09 Guidance and Securities and Exchange Commission (CVM) Resolution 14. This initiative confirms our commitment to transparency and open dialogue with our stakeholders.

In this publication, we provide information about our business model, its value generation and our performance during the year 2021, integrating financial information with environmental, social and governance (ESG) aspects. We include the operations of Cielo and its subsidiaries Servinet, Aliança and Stelo. The social and environmental indicators presented here cover more than 75% of our operations and revenues.

We have also reserved a chapter to present information on Cateno, an affiliate in which Cielo holds a 70% stake (learn more on page 88).

In preparing the Report, which covers information from January 1 to December 31, 2021, we refer to the Global Reporting Initiative (GRI) guidelines, core option, and the Sustainability Accounting Standards Board (SASB), in addition to the Integrated Reporting Council (IIRC) guidelines.

Finally, the content presented is audited by KPMG Financial Risk & Actuarial Services Ltda - an external and independent company - and validated by the Statutory Board, the Sustainability Committee and the Board of Directors of Cielo.



How to read this report?

The references and reporting guidelines used to prepare the Report can also be adopted as alternative ways to a linear reading of the document. Below we explain how the reader can interact with the contents of the document through them.

» **INTEGRATED REPORTING CAPITALS:** these are the basis for the chapters' structuring. At the beginning of each one, we present which capital is addressed and why it is relevant for Cielo.



» **GRI AND SASB:** based on the material themes arising from our materiality, we selected GRI and SASB contents to be disclosed in the Report. At the beginning of each chapter and subchapter, we present the numbering of the contents presented therein. In the Attachments chapter, the SASB and GRI Indexes (pages 115 and 118, respectively) consolidate all the contents and indicate the pages on which they are reported.

» **SDG:** in line with our adherence to the SDG, our Report will present, whenever there is a business contribution to one of the goals, the corresponding SDG.

Priority SDG



Materiality matrix

GRI 102-40 / 102-42 / 102-43 / 102-44 / 102-46 / 102-47 / 102-49

In 2021, we performed a revalidation process of the material themes that we present in our Report. This process was based on the materiality matrix prepared and reported in 2020 and included the following steps:

1. an analysis of the external scenario, through benchmarking with relevant sources for the Company. The main market mechanisms were considered, such as Vigeo Eiris, ISE-B3, DJSI, MSCI and FTSE Russell.
2. a workshop with Cielo's senior management in order to gather the perception of the executives about current and new themes.
3. the approval by the Executive Board, the Sustainability Committee and the Board of Directors, reinforcing the strategic nature of the process for Cielo.

This revalidation process has led to the **retention of six themes** that were already present in 2020, the change/renaming of one theme, and the inclusion of **one new theme**.

Learn about the process and the Materiality Matrix performed in 2020 on page 6 of Cielo's 2020 Annual Report, at the [link](#).

GRI 103-1

MATERIAL THEME	WHY IS IT RELEVANT FOR CIELO	BOUNDARIES	MATERIAL ASPECTS	RELATED SDG	RELATED CAPITAL - INTEGRATED REPORTING
<p>1. Ethical and fair conduct</p>	<p>A structure with high compliance standards ensures an integrated environment for all: employees, customers, shareholders, suppliers and society. Accordingly, Cielo is strongly committed to ethics and integrity practices, through a structure with widely disseminated guidelines and responsibilities that support ethical behavior and integrity, as well as the fight against corruption.</p>	<p>Directly impacts all employees, company operations, and audiences with whom we relate.</p>	<ul style="list-style-type: none"> » Robust integrity structure » Ethics and combating corruption » Employee engagement on the Code of Conduct 		
<p>2. Customer relationship</p>	<p>Working with the customer at the center of our decisions allows us to enhance the relationship and take advantage of new business opportunities, as well as to identify possible improvements throughout the life cycle of the customer journey. This strategy allows Cielo to strengthen its relationships and develop products and solutions specific to their needs, as well as to ensure relevant inputs for service improvement.</p>	<p>Directly or indirectly impacts all operations that rely on a Cielo product or service</p>	<ul style="list-style-type: none"> » Customer relationship 		<p>Social And Relationship</p>
<p>3. Close and sustainable business relationships</p>	<p>The quality of the Company's business relationships is a tool to promote sustainable development, to include people in the financial system, and to promote economic growth.</p>	<p>Directly impacts all of Cielo's operations and its clients, and indirectly, all of society.</p>	<ul style="list-style-type: none"> » Support for social development » Supporting small businesses » Good labor practices in the supply chain 		
<p>4. Leadership and Innovation</p>	<p>Considering the market in which Cielo operates, the search for innovation in processes, products and services must be increasingly constant, which depends on investments in the development of technologies and innovative business models to expand the Company's portfolio in the face of the high competitiveness and dynamism of the payments industry.</p>	<p>Impacts Cielo's operations, products and services and, indirectly, society.</p>	<ul style="list-style-type: none"> » Innovation 		<p>Intellectual</p>

MATERIAL THEME	WHY IS IT RELEVANT FOR CIELO	BOUNDARIES	MATERIAL ASPECTS	RELATED SDG	RELATED CAPITAL - INTEGRATED REPORTING
<p>5. Systems security and availability</p>	<p>The soundness of the infrastructure and the stability of the system ensure the continuity of Cielo's business in the face of the growing digitalization of payments and financial transactions. In addition, information security and personal data privacy are priority issues for Cielo and have specific management and governance structures.</p>	<p>Directly impacts all of Cielo's operations and its customers.</p>	<ul style="list-style-type: none"> » Solid infrastructure and system stability » Information security and privacy 		<p>Intellectual</p>
<p>6. Eco-efficiency and Climate Change UPDATED THEME including the Climate Strategy topic</p>	<p>The use of natural resources implies in the Company's responsibility to implement the best practices in environmental management, in order to mitigate potential impacts arising from our operations, products and services. In addition, we have the challenge of ensuring that our business is prepared for the risks and opportunities arising from climate change.</p>	<p>Impacts all of Cielo's operations and the entire society.</p>	<ul style="list-style-type: none"> » Climate Strategy » Electronic waste management » Environmental assessment of suppliers 		<p>Natural</p>
<p>7. People and Management</p>	<p>A diverse, healthy, and capable workforce is a strategic driver of results. People and Management's focus is on engaging and motivating the teams, creating a favorable environment for different visions, encouraging creativity and the collective construction of ideas.</p>	<p>Directly impacts all of our employees, and directly or indirectly, part of society.</p>	<ul style="list-style-type: none"> » Diversity in senior leadership » Diversity, equality and non-discrimination » Attracting and retaining talent » Training and education » Well-being and quality of life at work 		<p>Human</p>
<p>8. Social, environmental and climate risks and opportunities UPDATED THEME</p>	<p>In line with regulatory requirements, the structuring of this topic positions Cielo as a company that creates strategies to mitigate risks and maximize opportunities, contributing directly to the improvement of social, environmental and climate management.</p>	<p>Directly or indirectly impacts all of Cielo's operations and society as a whole.</p>	<ul style="list-style-type: none"> » Management of social, environmental and climate risks and opportunities 		<p>Intellectual, Social And Relationship and Natural</p>

Targets Panel

MATERIAL THEMES	2021 TARGETS	STATUS	
Ethical and fair conduct	Investigate on the average time of 35 days the "on scope" reports registered in Ethics Channel, between December 2020 to November 2021.	Partially achieved. The average reporting time in 2021 was 42 calendar days.	
Customer relationship	Achieve 85% Customer Satisfaction Index by 2021.	Partially achieved. In the assessment made in November 2021, 78% of clients evaluated Cielo with scores between 7 and 10.	
Leadership and Innovation	Focus on the development of the strategic pillars of our strategic planning: digital payment, expansion of operations with a focus on adding more value to our customers, and digital transformation.	Achieved. Among the solutions developed, we highlight the development of an app that integrates the Cielo LIO with the UPS logistics company's system, providing customers with a more secure payment experience. Learn more in the Innovation chapter, page 58.	
Systems security and availability	Implement security and system availability actions and projects, with a focus on achieving a 2.75 score on the Cybersecurity Framework (CSF) of the National Institute of Standards and Technology (NIST).	Achieved. We scored a maturity level of 2.9.	
Eco-efficiency	Emissions Keep the ratio of scope 1 + scope 2 emissions/EBITDA up to 1.1.	Achieved. We scored an index of 0.9.	
	Neutralize 100% of Scope 1 and 2 emissions through offsetting.	Achieved. Our 2021 Scope 1 and 2 emissions were neutralized through carbon credits and International Renewable Energy Certificates (I-REC), respectively.	
	Energy Acquire International Renewable Energy Certificates (I-REC) equivalent to the energy consumption accounted for in Scope 2.	Achieved. We acquired international renewable energy certificates (I-REC) equivalent to the energy consumption accounted for in Scope 2.	
	Water Keep consumption to 10 liters per person/day.	Achieved. By 2021, we have determined water consumption at 2.3 liters per person/day among employees.	
People and Management	Implement our Diversity & Inclusion Policy.	Achieved. Learn more about our D&I Policy on page 70.	

Targets Panel for 2022



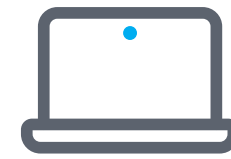
Ethical and fair conduct

Ascertain within the average investigation period of 35 days the reports registered in the Ethics Channel.



Customer relationship

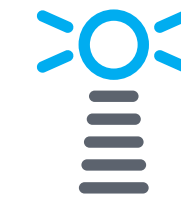
Achieve 83% Customer Satisfaction Index in 2022.



Systems security and availability

Implement security and system availability actions and projects, with a focus on keeping the score on the Cybersecurity Framework (CSF) of the National Institute of Standards and Technology (NIST) at 2,9, ensuring that Cielo's innovations and changes continue within the established controls.

Radiate this maturity to infrastructure and development, enhancing secure system development and operation practices.



Social, environmental and climate risks and opportunities

Improve the control of socio-environmental risks and action plans at suppliers.



People and Management

Implement dashboard for managing Diversity and Inclusion indicators.

See page 73 for the Gender and Race Diversity goals until 2025



Eco-efficiency and Climate Change

Emissions

Keep the ratio of Scope 1 + Scope 2 emissions/EBITDA up to 2.1 at the revised 2021 baseline.
Neutralize 100% of the emissions accounted for in Scope 1 and 2.

Energy

Acquire International Renewable Energy Certificates (I-REC) equivalent to the energy consumption accounted for in Scope 2.

Water

Maintain consumption of up to 10 liters per person/day.



Close and sustainable business relationships

Implement mentoring program for vulnerable entrepreneurs focused on black women.



Leadership and Innovation

To implement an open innovation program with social and environmental impact startups, focused on Cielo's business and purposes.



Who we are

GRI 102-1 / 102-2 / 102-4 / 102-6 / 102-7

Cielo S.A. is a technology and services company for trade of goods and services, operating for 26 years in the Brazilian market.

With a business model driven by the purpose of simplifying and boosting business for everyone, we are leaders in electronic payments in Latin America and in 2021 we transacted 9% of the Brazilian Gross Domestic Product (GDP).

To serve over 1.2 million customers in our active base, our operation relies on a platform of technological solutions for the accreditation, transmission, processing and financial settlement of transactions and capture of the main national and international credit and debit card brands. Moreover, we count on a robust logistics structure and an operational infrastructure that ensures compliance with the strictest security standards and business availability.

Get to know our products, solutions and services at:
<https://www.cielo.com.br/maquininhas-de-cartao/>

CHAPTER 2

ABOUT CIELO

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ABOUT CIELO

2021 IN FIGURES



Performance

» **R\$ 713,4 billion**

of raised financial volume
(increase of 11% over 2020)

» **6,8 billion**

of transactions captured

» **R\$ 52,7 billion**

of term products to retailers
and entrepreneurs in 2021

» **1,2 million**

customers (December, 2021)



Operations

» **Over 80%**

installations carried out within
2 business days in 4Q21

» Expansion of the Heroes
model to **153 cities**

» Implementation of the **Instala Direto**
for **100%** of commercial strength



Personnel

» **4,202**

own employees

» **Over 89 thousand**

hours taken at our Corporate University



ESG

» Listed in the Corporate Sustainability
Index (ISE B3) and in the 2022 Sustainability
Yearbook of S&P Global.

» **Over R\$ 3 million**

in private social investment.

» **R\$ 756 thousand**

in donations to social projects and causes.



Innovation & Technology

» Evolution in Cloud Computing through
partnership with Amazon Web Services (AWS).

» 10 startups participated in our **Mentoring
Program**, held by Garagem Cielo.

Covid-19 pandemic efforts

In 2021, the Covid-19 pandemic continued to impact the Brazilian population's health and the national economy, although to a lesser extent than in the previous year. Given this scenario, we maintained our attention and efforts to continue our business and simultaneously help our customers and employees overcome this moment of adversity.

Initiatives to tackle Covid-19



Work aid, with a monthly allowance of R\$ 85 for employees who work from home.



Partnership with Google My Business, offering solutions for small business digitalization.



R\$ 756 thousand in donations for social projects and causes.



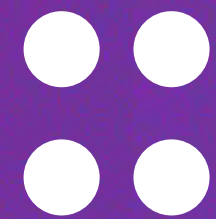
Card readers adapted to use emergency aid cards, helping people access the benefit made available by the government.



Partnership with LIUV, offering digital solutions for bars and restaurants (learn more on page 64).



R\$ 500 thousand donated to the Banco do Brasil Foundation, to support family agriculture and the distribution of food staples.



AWARDS AND RECOGNITIONS



ESG Indexes

ISE B3

For the ninth consecutive year, we are part of B3's Corporate Sustainability Index portfolio.

Sustainability Yearbook Member 2022 S&P Global

For another year, we have been included in S&P Global's Sustainability Yearbook 2022.

ICO2 B3

Our presence in the portfolio of B3's Carbon Efficient Index was maintained.

IGPTWB3

We were selected to be part of the new B3 index in partnership with GPTW, which lists the companies with the best practices in the labor market.



Recognitions

Época 360 Award

Champion of the decade in Corporate Governance, achieving first place among all sectors.

Melhores & Maiores da Exame

Companies with the best ESG score. Cielo received a score of 9 (financial services sector).

Valor Inovação 2021 Award

Best Innovative Company in the Financial Services segment.

Great Place to Work

2nd best company to work for in the financial sector, in Brazil, in 2021.

Época Negócios 360 Award

Sustainability Champion in the Financial Sector.

Estudo Valor Econômico

Most Transparent Companies in Sustainability.

Consumidor Moderno Award

1st place in the Acquirer Category.

Interbrand

We are the 15th most valuable Brazilian brand.



CHAPTER 3

**STRATEGY AND
MANAGEMENT:
FUTURE VISION**

STRATEGY AND
MANAGEMENT:
FUTURE VISION

**Business model
and value creation**

GRI 102-16

Our solutions go far beyond the traditional payment machine.

Cielo comprises a portfolio of products and solutions capable of meeting the needs of all business types and of satisfying the needs of our clients, making means of payment increasingly more democratic.



Purpose

Simplify and drive business for all

We operate 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.

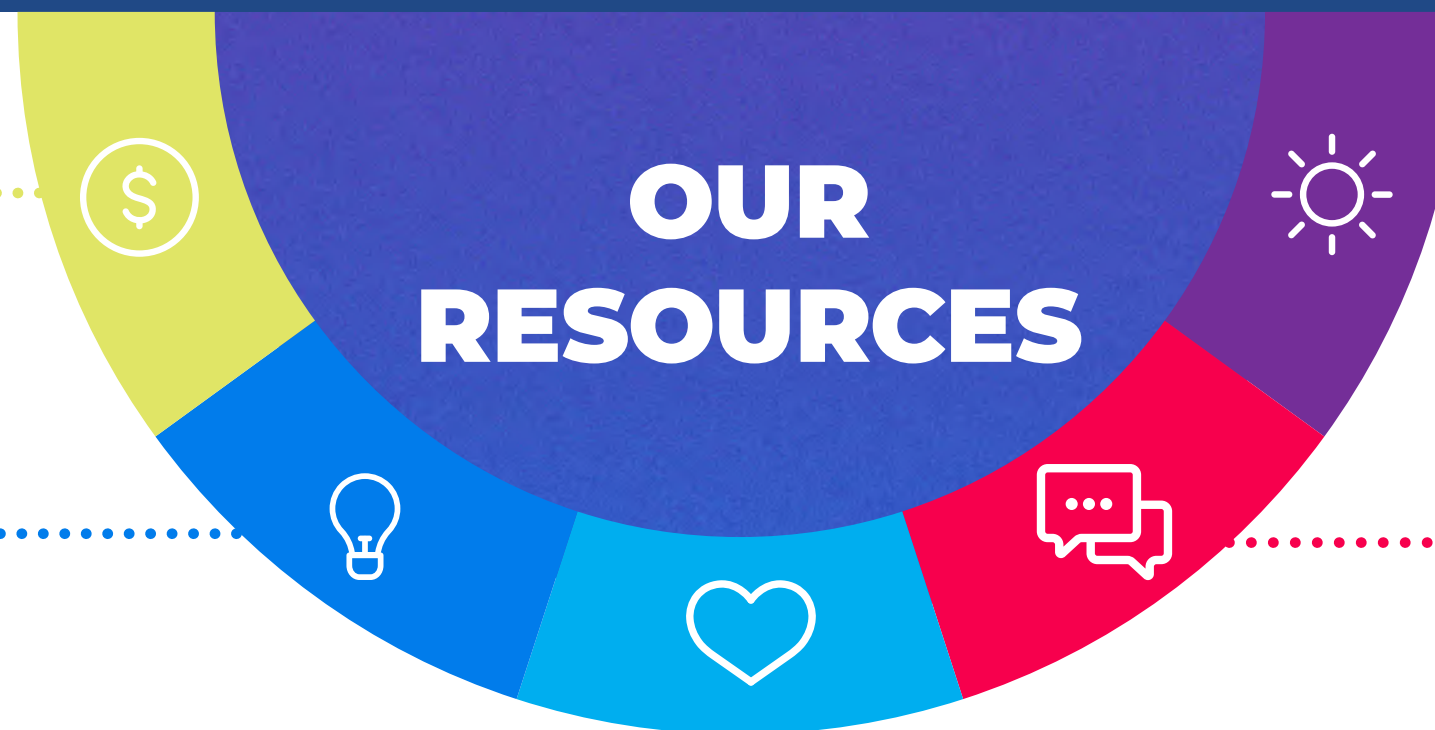


Vision

Being the most desired smart platform in the Brazilian commerce

We work to be recognized as the smart platform that integrates the entire value chain, in comprehensive and customized solutions in the territories of digital banking and marketplace in Brazilian commerce. We will be a reference for our performance with sustainable practices and social responsibility and desired by our role in the inclusion of all diversity of people.





FINANCIAL CAPITAL

Diversified Portfolio

Solutions that allow customers to anticipate their receivables flows (Term Products).

INTELLECTUAL CAPITAL

Garagem: our innovation hub.

Working model in multidisciplinary teams (squads) using agile methodologies.

SOCIAL AND RELATIONSHIP CAPITAL

1,2 million customers.

R\$ 3 million invested in social projects, via incentive laws.

R\$ 756 thousand in donations to social projects and causes.

Over **800** active suppliers.

Compliance with the General Data Protection Law (LGPD).

HUMAN CAPITAL

4,202 own employees.

Cielo University, with over **250 thousand** in content.

Program to promote health, well-being and quality of life (De Bem com a Vida).

Occupational health and safety management system.

Diversity Program: commitments to practice and promote Diversity & Inclusion at Cielo.

NATURAL CAPITAL

Environmental Management System (EMS) certified by the ISO 14.001 standard.

Cielo Energia Limpa: program that provides discounts on our clients' electric bills.

Structured management for reverse logistics and recycling of electronic equipment.



FINANCIAL CAPITAL

- Optimized financial resources.
- Results on a recovery path.
- Strong spending discipline.

INTELLECTUAL CAPITAL

- Support for the Brazilian innovation environment.
- Innovation and efficiency in internal processes.
- Quick delivery of new products.

SOCIAL AND RELATIONSHIP CAPITAL

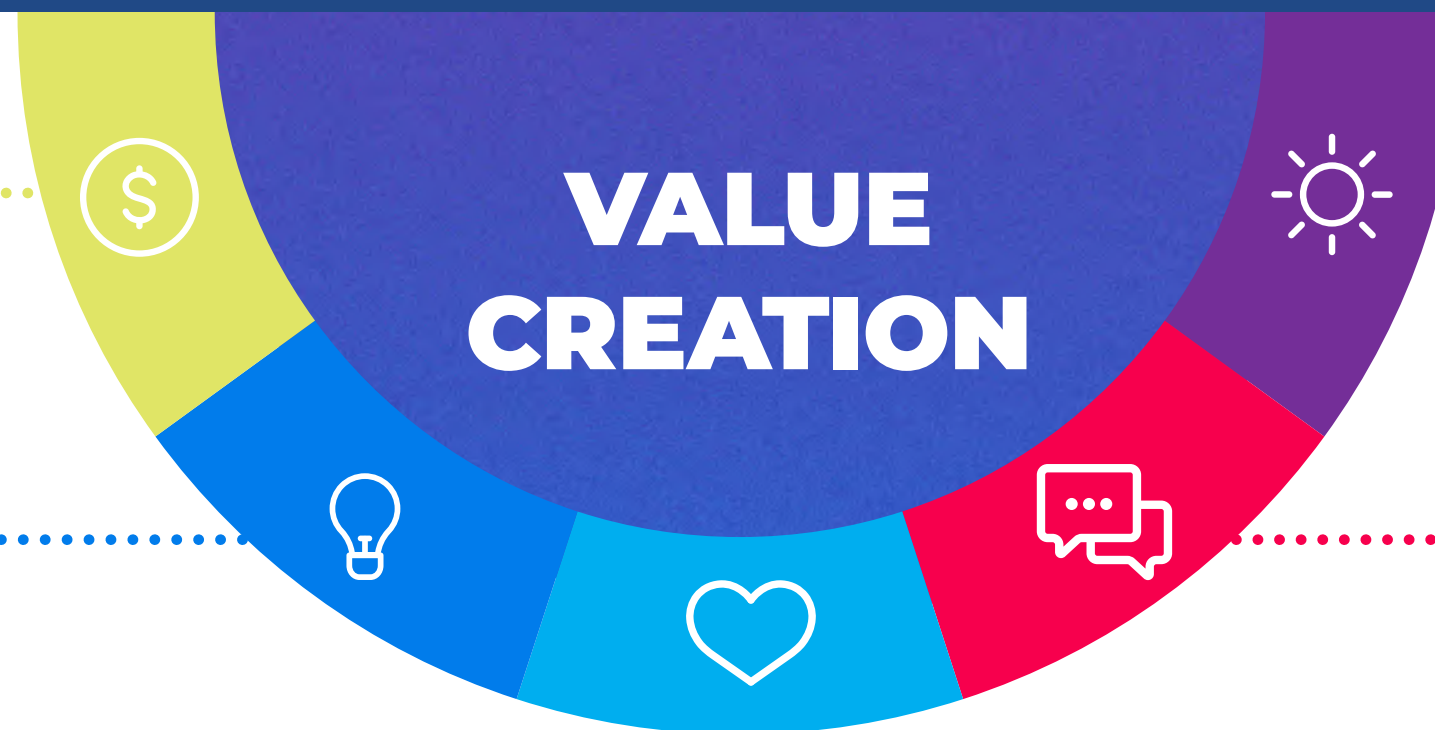
- Contribution to job creation in the country.
- Support for social development and small business.
- Robustness in identifying and mitigating cyber risks and in measures aimed at privacy and data protection.

HUMAN CAPITAL

- Attracting and retaining talent.
- Employee Experience.
- Diversity and inclusion in representation and culture.
- Compensation and benefits in line with the best market practices.

NATURAL CAPITAL

- In tune with the main sustainability guidelines.
- Reuse of materials whenever possible.
- Physical and transitional impacts from climate change.



FINANCIAL CAPITAL

R\$ 970,5 million

Net income.

R\$ 2,676.6 million

EBITDA.

R\$ 52,7 billion

of term products to retailers and entrepreneurs in 2021.

6,76 billion

transactions captured.

R\$ 713,4 billion

raised financial volume.

INTELLECTUAL CAPITAL

10 startups

participated in our Mentoring Program.

Productivity gain of **40%**.

60 employees

were invited to the Lean Six Sigma Program.

SOCIAL AND RELATIONSHIP CAPITAL

~ 9% of GDP

is captured by Cielo.

Customer Satisfaction Index **78%**.

790 people impacted by incentivized social projects.

486 suppliers evaluated in social and environmental criteria.

No substantiated complaints regarding breaches of privacy and loss of customer data in 2021.

HUMAN CAPITAL

89,039 hours of training.

R\$ 2,08 million

invested in training.

Score of **+76** in the Employee Experience Survey (eNPS).

Census taking (PWD and Racial) and LGBTQIA+ demographic research.

Four affinity groups to discuss diversity issues and open an agenda for positive transformation.

NATURAL CAPITAL

Internalization of recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Neutralization of emissions (scopes 1 and 2) with carbon credits and in international renewable energy certificates (I-REC), respectively.

Availability of 94.24 MWh of electricity generated from renewable sources for our customers through Cielo Energia Limpa.

259.7 tons of electronic waste disposed of responsibly.

Strategic Planning

Cielo's strategy aims to value our greatest strengths: **the market's strongest brand, a highly committed employee team, and a valuable customer base.**

In view of this, in 2021 we spared no efforts to bring a fair and competitive price to our base, to improve the deadline for equipment installation, maintenance and replacement, and to improve our customer service - the latter being the most important of all initiatives, since it is a crucial link in our strategy.

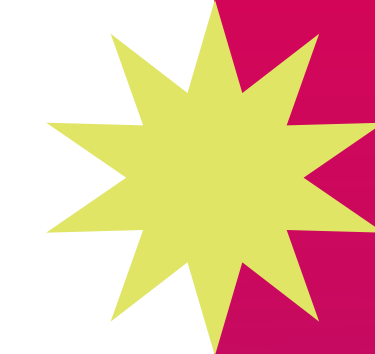
During the year, we carried out specific actions to meet the different customer profiles:

- » **Small business owners and customers:** provide autonomy and digitize service;
- » **Retail:** expand services that promote the increase in sales and term products, added to excellence in service and competitive prices;

» **Large accounts:** develop offers customization, so that Cielo can deliver even more personalized solutions and increase the customer satisfaction index.

Amidst the fierce competition in the sector, our business model aims to offer products and services that meet the needs of all the Company's customer segments.

The execution of these initiatives will allow us to align the Company's core business towards our long-term strategy, which is guided by the diversification of our activities to areas other than payments, offering an even larger product and service portfolio, and consequently, increasing our revenue sources.

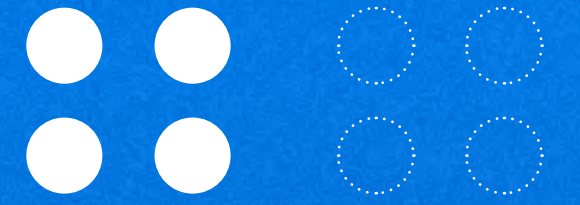


Our strategy is guided by three pillars that aim for operational excellence:



Operational excellence

To better serve customers, focusing on the **markets that matter,** through **optimized financial resources.**



Sustainability management

We have a Cielo's Strategic Sustainability Planning for the period 2021-2025, where we establish the guidelines and the strategic themes for the Company's sustainability, which are structuring for our strategy of building shared value.

Based on these themes we developed initiatives that will be implemented in our business in the period 2021 - 2025. By doing so, we seek to provide greater clarity regarding the direction of initiatives on environmental, social, diversity, and corporate governance themes, creating value in each of the strategic objectives established.



SUSTAINABILITY PURPOSE

Empowering sustainable and inclusive business with everyone

Strategic Guidelines for Sustainability

OPERATION

Promote sustainable operations, resources and structures

- » Promote diversity and inclusion in people representation and corporate culture.
- » Maximize eco-efficiency in all activities.
- » Influencing the value chain for sustainability.

BUSINESS

Evolve the business model to generate value with positive impact

- » To be an industry benchmark for ESG practices.
- » Offer sustainable solutions with products and services.
- » Take action on social inclusion through entrepreneurship.

SOCIETY

To be a vehicle for social transformation

- » Promote humanized business and work relationships.
- » Foster digital inclusion.
- » Strengthen social action in education.



STRATEGIC THEMES FOR SUSTAINABILITY

ACTIONS CARRIED OUT IN 2021

ESG Governance & Reporting

- » Listing in the Corporate Sustainability Index (ISE B3) and in S&P Global's Sustainability Yearbook 2022.
- » 31st place in the Abrasca award, which rewards the best Annual Reports.
- » Best company in the financial sector in the ESG category of Exame's Melhores & Maiores award.

Socio-environmental Risk Management

- » Process structuring for environmental, social and climate risk assessment in products and services.
- » Approval of **486** suppliers with social and environmental criteria.

Impact Innovation & Entrepreneurship

- » **50%** of the startups selected by the Cielo Mentoring Program in 2021 had female partners, founders or cofounders.
- » One of the selected startups has as its business model the inclusion of black talents in the labor market.
- » We carried out the Empreenda Natal program, offering training, mentoring and a virtual store to **50** women entrepreneurs who are, or have family members who are, PwD.

Climate Change & Eco-efficiency

- » Continued certification of the Environmental Management System.
- » Internalization of recommendations from Task Force on Climate related Financial Disclosures (TCFD).
- » Creation of the Cielo Energia Limpa (Clean Energy) project, which provides discounts on our customers' electricity bills.
- » Review of the scope of our greenhouse gas emission inventory.

Diversity & Inclusion

- » Learn about all our [Diversity & Inclusion Commitments on page 71](#).

Social Responsibility

- » Over **R\$ 3 million** in private social investment.
- » **R\$ 756 thousand** in donations to projects and social causes, including donations of R\$500,000 in staples for the Brasileiros pelo Brasil project, in partnership with the Banco do Brasil Foundation.
- » Volunteer program: Movimento do Bem, with the engagement of **91** employees in 2021.

CHAPTER 4

CORPORATE GOVERNANCE

CORPORATE
GOVERNANCE
CORPORATE
GOVERNANCE



Corporate governance model

Our corporate governance system has as guiding principles ethics, transparency, equity, accountability and corporate responsibility, which when converted into corporate governance practices, allow the improvement of management, the harmonization of interests, the business sustainability and the generation of value aimed at the Company's longevity, always aligned with the market's best practices.

Since June 2009, we have adhered to B3's Novo Mercado, according to the clause provided for in our Bylaws. The listing in this segment implies the adoption of a set of governance rules in addition to those required by Brazilian law, expanding the rights of minority shareholders, in addition to a more transparent and comprehensive information disclosure policy.

Also, we have consolidated all the governance principles and practices adopted in a Corporate Governance Policy, as well as our commitment to the adoption of the best practices, having as reference the Code of Best Corporate Governance Practices and the Brazilian Code of Corporate Governance - Publicly-held companies.

Moreover, Cielo launched a sponsored Level I ADR program in 2011, facilitating access to its shares by investors based abroad, and reinforcing its commitment to international practices.



Learn more about our corporate governance structure and practices at [link](#).

Governance highlights

- » The Chairman of the Board of Directors and the CEO positions are held by different people, complying with the Novo Mercado Regulation, as set forth in the Bylaws.
- » According to the Dow Jones Sustainability Index (DJSI) criteria of S&P Global, all members of Cielo's Board of Directors are considered independent members.
- » The Board of Directors is evaluated annually, with tools that include a collegiate and individual approach, which, since 2021, has been led by an external consulting firm.
- » Annual agenda of recurring themes to be discussed at the Board of Directors, includes economic, environmental and social topics.
- » Electronic corporate governance portal to restrict information exchange with members of the Board of Directors and Advisory Committees.



In 2021, Cielo was chosen as the company champion of the decade in Corporate Governance by Época 360 Award. Learn more by [clicking here](#).



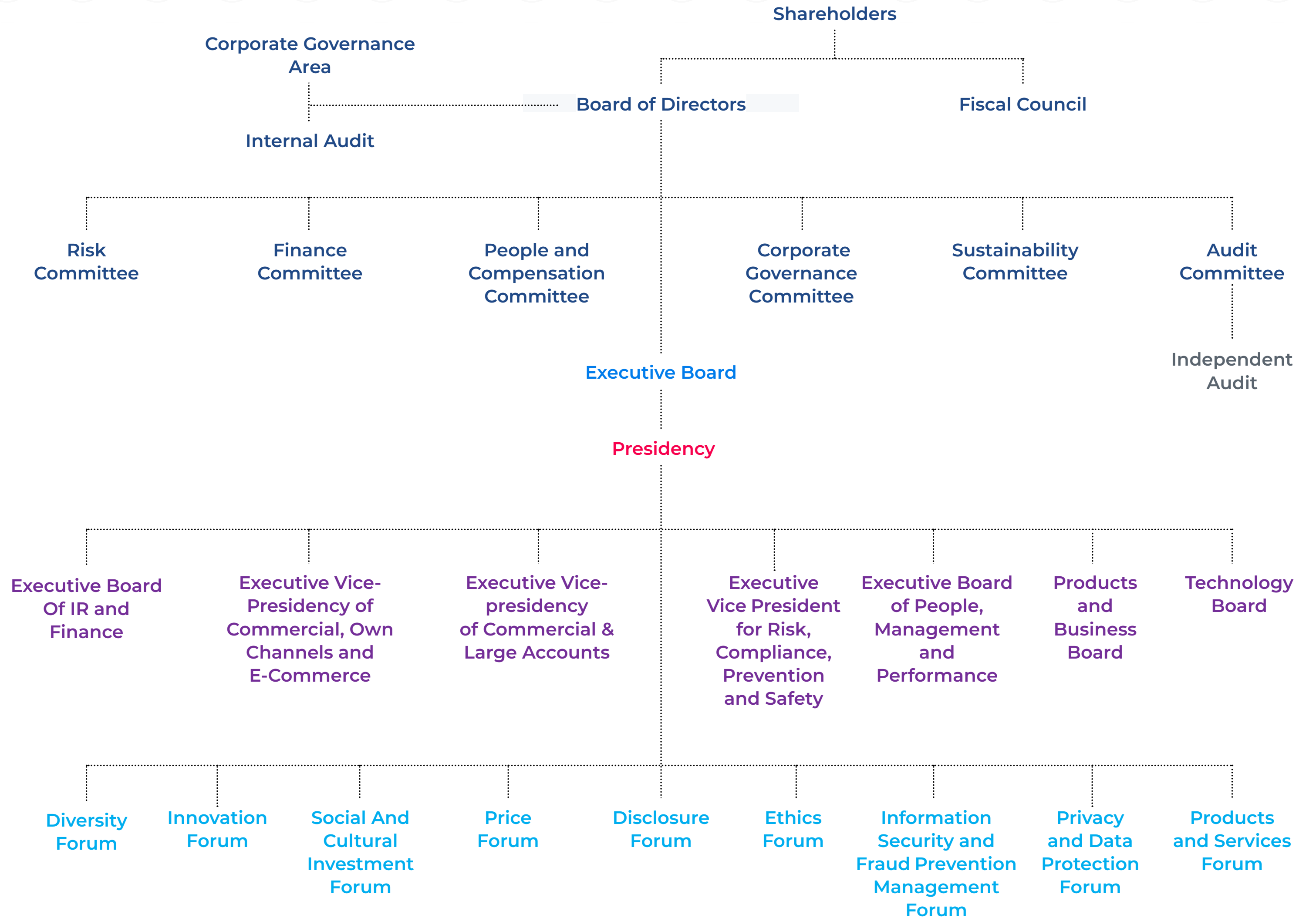
Governance structure


GRI 102-18 / 102-22 / 405-1

As set forth in the Company's Bylaws, Cielo is managed by the Board of Directors, composed of twelve members, four of whom are independent, elected at a General Meeting - with a two-year term of office and reelection permitted - and by the Executive Board, currently composed of eight members. The information regarding the governance structure refers to May 2022, the month of publication of this Report.

Aiming to increase the quality and efficiency of the performance of the Company's management bodies, the governance system is also composed of Advisory Committees and Forums, which provide advisory and technical support to the Board of Directors and the Executive Board, respectively, as indicated in the Organizational Chart.

The Company's Fiscal Council is installed by resolution of the General Assembly or at the shareholders' request, in the cases provided for by law, with a non-permanent nature and the duties and powers conferred by law.



 In the Attachments chapter, you will find details about the composition of our Board of Directors, Advisory Committees and Executive Board. [Click here!](#)



Nomination and information about senior management members

The Nominating and Compensation Policy for members of the Corporate Governance Bodies consolidates the guidelines, the criteria, and the selection process for members to act in its governance bodies, aiming to ensure the adequate composition of these bodies and alignment with the best governance practices. Thus, we guarantee a highly qualified professional staff with recognized integrity.

Furthermore, 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. In addition to providing a snapshot of the current moment, the matrix supports the succession planning approach, which is constantly updated to ensure Cielo's strategic objectives are met.



Learn more about the Nominating and Compensation Policy for members of the Corporate Governance Bodies [clicking here.](#)

**Cielo's Board Members
competence matrix is available at:**

<https://ri.cielo.com.br/sobre-a-cielo/conselho-diretoria-comites-e-foruns/>

Performance evaluations of governance bodies

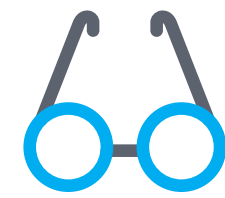
GRI 102-28

Cielo conducts performance evaluations of the Board of Directors and its Committees, as well as of the Executive Board, as collegiate bodies; and of the Chairman of the Board, the Board members, the members of the Committees and the Executive Board individually, as well as of the Governance area and the Governance Officer by means of a self-assessment questionnaire, following best governance practices while seeking continuous improvement of the bodies. The evaluation processes do not include the Fiscal Council.

The Board evaluation is directed by the Governance Committee Coordinator (independent member of the Board of Directors) and the Committees by their respective Coordinators.

Every four years we carry out an in-depth and detailed assessment and, annually, intermediate assessments to monitor the evolution of improvement points and, eventually, identify new points and opportunities for improvement.

Since 2021, an external consulting firm is conducting the performance evaluation process, under the direction of the Governance Committee Coordinator and the Governance Department.



As of 2021, the
performance
evaluation **is
being led by
an external
consulting firm**

Conflict of Interest

GRI 102-25

In relation to the treatment of conflicts of interest, we have a Policy for Transactions with Related Parties and other situations involving Conflict of Interest of the Company, approved by the Board of Directors.

The purpose of this policy is to consolidate the procedures to be observed in our business involving related parties, as well as in other situations that involve a potential conflict of interest. It is also a purpose providing transparency about these procedures to shareholders and the market in general, and guaranteeing their strict alignment with our interests, always in accordance with the best corporate governance practices.

Ethics and compliance

GRI 103-2 / 103-3

In our view, the existence of an integrity structure, with guidelines and responsibilities previously defined and disseminated among employees supports ethical behavior and integrity, as well as the fight against corruption.

To this end, we have policies, actions and initiatives aimed at educating and engaging employees in relation to ethical behaviors and compliance.

Code of ethical conduct

GRI 102-16 / 102-26

The Board of Directors is responsible for defining the Company's ethical values and principles through the **Code of Ethical Conduct**, which establishes the principles that should guide our relationships and activities such as transparency, integrity, compliance with applicable regulations, among others.

The document follows the references of the Declaration of Human Rights, of the Global

Compact and the 2030 Agenda for Sustainable Development Goals (SDG) - all from the United Nations (UN) - in addition to the conventions of the International Labor Organization (ILO) and applies to the Directors (members of the Board of Directors and Executive Board), members of the Fiscal Council, employees, interns, young apprentices, subsidiaries, shareholders, investors, suppliers, service providers and other Company stakeholders.

The Code of Ethical Conduct, as well as Cielo's other regulatory instruments, is also applicable to the controlled companies Servinet Serviços Ltda., Aliança Pagamentos e Participações Ltda. and Stelo S.A. The document also is a reference for defining the directions of the affiliated companies.

In addition to our purpose, vision, strategic guidelines and cultural attributes, the document presents the general conduct guideline, covering the topics



ADDRESSED IN THE CODE OF ETHICAL CONDUCT

- » Equal opportunities
- » Respect for people
- » Conflict of interests
- » Courtesy acceptance and offer
- » Anti-corruption
- » Running for Public Office
- » Contributions, Donations and Sponsorships to Candidates for Public Office or to Political Parties
- » Donations of Goods and Sponsorship of Social, Cultural and Sports Projects
- » Fraud Prevention
- » Prevention of Money Laundering and Financing of Terrorism
- » Competitive Practices
- » Information Preservation and Security
- » Privacy and Data Protection
- » Social networks
- » Respect for the Fundamental Rights of Children and Adolescents
- » Slave Labor
- » Health and safety at Work
- » Sustainable Development
- » Use of Organization Resources, Assets and Properties

Cielo's administrators, employees, interns and young apprentices are responsible for applying the Code's guidelines in all their professional relationships and must act as guardians, reporting any and all situations that may indicate non-compliance with the guidelines contained therein. Additionally, all professionals must sign the formal adherence to the Code upon hiring and renew it annually.

Update of the Code of Ethical Conduct

To further reinforce our commitment to ethical behavior and integrity, Cielo enhanced its Code of Ethical Conduct in November 2021 and incorporated into its content the elements of the former Supplier Code of Ethics and Conduct.

The unified format aimed to simplify the availability of content for all the audiences with which Cielo relates, establishing a single reference.

Additionally, the update included greater convergence with:

- » Brazilian Central Bank and CVM Regulation;
- » Legislation in effect applicable to the Company;
- » Recommendations of the Brazilian Code of Corporate Governance - Listed Companies;
- » Guidelines of the ISE B3 (Corporate Sustainability Index), the Dow Jones Sustainability Index (DJSI) of S&P Global, the Global Compact - Brazil Network and the Ethos Institute; and
- » Market best practices.



Learn more about our [Code of Ethical Conduct](#)

Anti-Corruption

GRI 205-2

We condemn all forms of corrupt conduct, such as bribery, embezzlement, and the granting of undue advantages, as well as the concealment or disguise of these acts and the hindering of investigation and inspection activities.

In 2021, we updated the Anti-Corruption Policy, reinforcing the Company's commitment to the topic. Among the inclusions are guidelines on the removal of

employees and managers in case of involvement in an investigation of acts of corruption.

We also updated the Norm for Accepting and Offering Gifts and Invitations to Events, and carried out a communication on the International Anti-Corruption Day on 12/09.



Get to know our policies at [link](#)



Other important documents in our compliance framework are:



COMPLIANCE POLICY

Which includes the guidelines for compliance with regulatory norms, internal norms and the Code of Ethical Conduct, in addition to presenting Cielo's Compliance Program structure (learn more on page 31).



TAX MANAGEMENT POLICY

Which ensures compliance of the tax management and strategy adopted by the Company with the legislation in force.



ANTI-CORRUPTION POLICY

Which presents the guidelines and positioning regarding rejection and combat of corrupt conducts.



Victor de Oliveira

Compliance program

GRI 205-2

Cielo's Compliance Program aims to create synergy to enable a culture of ethics, risk management and compliance within the Company and with its different stakeholders.

It is a set of internal processes, controls and procedures ensuring that Cielo complies with the regulatory framework, the infra-legal regulations, the recommendations of regulatory bodies, the operating regulations

established by the card associations, its Code of Ethical Conduct and the normative instruments.

The Program is grounded on six elements that permeate the processes conducted, mainly, by the 2nd and 3rd lines of responsibility (learn more on page 40), encompassing activities from different company departments. They are:



Senior management support



Risk management



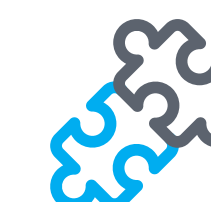
Normative Instruments



Awareness and acculturation



Monitoring and Prevention



Remediation and Reporting

Regulatory Training Courses

As part of the Cielo Compliance Program, the Regulatory Training Track consists of the following mandatory training applicable to all employees, interns and underage apprentices: Code of Ethical Conduct; Anti-Corruption; Prevention of Money Laundering and Terrorist Financing; Information and Cyber Security; Risk Management; Privacy and Data Protection; and Cielo Stock Trading..

Training is available at the Cielo University, except for Executive Board members, whose training is carried out at meetings of the body itself.

The training calendar is annual, complies with the requirements of the regulatory agencies, and its effectiveness is monitored by the leadership. The training content is reviewed annually and updated whenever necessary.

The launch of the Regulatory Training Track 2021, in addition to the Senior Management support, relied on an

institutional communication plan prepared in partnership with the Marketing department. The disclosure occurred for the entire company, through the different channels available, such as Intranet, e-mail and WhatsApp.

Participation of employees, interns and underage apprentices is monitored by the Compliance department, and those with pending issues are ineligible for some corporate benefits. As of December 31, 2021, 96.72% of Cielo's employees had completed the Regulatory Training Track - which since 2020 has a gamified format, making knowledge easier to learn..

In order to assess the potential for improvements in training, we capture feedback from employees, who gave an average score of 8.75 (from zero to ten) regarding their satisfaction with the training provided.



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Employees trained and communicated on anti-corruption practices and procedures*

REGION	COMMUNICATED	TRAINED
North	91 (100%)	88 (96.7%)
Northeast	408 (100%)	393 (96.3%)
Mid-West	225 (100%)	212 (94.2%)
Southeast	2,893 (100%)	2,827 (97.7%)
South	432 (100%)	396 (91.7%)
TOTAL	4,049 (100%)	3,916 (96.7%)

* The calculation does not consider employees hired in December and employees on leave. Employees from Cielo, Servinet, Aliança and Stelo are included.

Braspag employees are not considered in this calculation.

SENIOR LEADERSHIP	COMMUNICATED	TRAINED
Executive Board Members	6 (100%)	6 (100%)

Prevention of fraud, money laundering and terrorist financing

GRI 205-1

In view of the nature of our business, fraud prevention and money laundering activities, and the financing of terrorism, are not only regulatory obligations, but are also essential for maintaining our good reputation and guaranteeing the legality of the operations we carry out. We have been committed to the security of customer transactions, constantly investing in technology and intelligence to curb these practices.

The rising digitalization of business and social relationships faces challenges when it comes to fraud, especially with respect to the incidence of social engineering scams, a technique used by criminals to manipulate users into certain behaviors, such as opening links to infected websites, performing financial transactions, or sharing confidential data like passwords and card numbers.

In light of this, Cielo has been attentive and has adapted to the changes that have surfaced in the payments industry, which has required strengthening its security and fraud prevention matrix.

As our business is increasingly digitally exposed, we carry out and review processes for monitoring and responding to security incidents.

We have in place several mechanisms to know our customers, suppliers and business partners, as well as to identify fraud and illegal activities in our operation. These procedures are supported by systems that allow the analysis of all transactions in real time and make use of automated learning technologies, allowing the rules to be adapted to the profile of each transaction and generating greater assertiveness in detecting suspicious situations.

In addition to the robustness of our technological framework, throughout the year we worked intensively to adapt the technologies already in use to new fraud models and trends noted in the market, in order to prevent their occurrence. In this sense, we highlight the work of the teams to keep our processes and systems updated in terms of rules and the use of intelligence to prevent and react to fraud.

Our practices

» Through automated systems, we monitor 100% of our clients' transactions, identifying suspicious cases and cases with signs of financial crimes and illicit acts such as corruption, money laundering and terrorism financing.

» Interactions with public agents are also monitored, ensuring compliance and diligence in these relations. All meetings or interactions with public agents held by the Cielo Team are communicated to the Compliance department.



The fraud prevention process includes everything from monitoring each of the transactions we receive to the post transaction, allowing us to identify any type of fraud, effecting the eventual blocking of accounts linked to suspicious activities and reimbursing the injured client afterwards.

Regarding the prevention of money laundering, in 2021 we kept monitoring the transactions made by the establishments accredited by Cielo. In case of any irregularity identified, we report it to the Council for Financial Activities Control (COAF), reaffirming our social role in the sense of curbing crimes related to the financial system.

Among the initiatives undertaken in 2021 are:

- » Training session with COAF for the PLD team and related areas;
- » Execution of the internal assessment of money laundering risk, as determined by BCB Instruction no. 3978/2020.



Get to know our [Prevention of Money Laundering and Terrorist Financing Policy](#)



Ethics channel

GRI 102-17 / 205-3

Our Ethics Channel is available to all Cielo employees, suppliers, service providers, partners and other stakeholders. Through this channel, it is possible to report, anonymously or identified, any deviations from the guidelines of the Code of Ethical Conduct or the legislation in force and monitor its progress. The channel is also a tool for consulting information on ethical behavior and guidelines.

The complaints, which are received by an independent company to ensure confidentiality, are treated confidentially. On its side, complaints are investigated by Cielo's Internal Audit area, which, if necessary, may rely on the cooperation of other competent areas and partners..

This is the case for independent investigative consultants who, using best market practices, provide expert opinions on cases in their areas of expertise. For discrimination cases, for example, the company has an external consultant specializing in the topic.

All occurrences registered in the Ethics Channel are reported monthly to the members of the Ethics Forum and to the Audit Committee; and, every six months, to the Board of Directors.

For events deemed valid and of higher complexity, the Ethics Forum, the last instance of the flow, is called for deliberation. Less complex cases are handled by the responsible managers, based on guidance provided by Human Resources area. In case of the validity of the reports, disciplinary measures are provided based on Cielo's Consequence Management Standard.

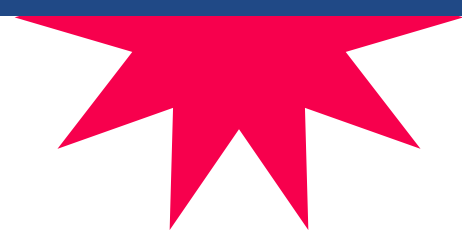
If the reports involve members of the Executive Board of directors, employees subordinate directly to the Board of Directors or people considered key or strategic, the Audit Committee Coordinator or one of its members will participate in the meeting of the Forum that will analyze the case, presenting the recommendation on the disciplinary sanction to be applied to the case for the deliberation of the Board of Directors.



Starting in 2021, the Channel began to allow the specific categorization of complaints regarding Diversity aspects, ensuring that the reports related to the topic are addressed and treated appropriately, **reinforcing Cielo's commitment to promoting Diversity and Inclusion.**



Access our Ethics Channel at <https://canalconfidencial.com.br/cielo/#home> or call 0800.775.0808.



In April, our Ethics Channel got a new feature aimed at increasing its accessibility.

There are two new features available, Brazilian Sign Language and voice.

The results achieved during the year indicate the success of our employee engagement initiatives, since the number of registered complaints increased 76%, reflecting the employees' trust in the Channel.

In 2021, we received 172 reports (71% anonymous and 29% identified). Of these, 31% were considered well-founded and, among the measures applied, were:

- » Employee termination due to moral harassment or internal fraud situations;
- » Formal warning to an employee for non-compliance with internal policies and norms or for deviation from leadership behavior on specific pressure occasions;
- » Disqualification of clients involved in irregular operations.

The Company did not record any substantiated cases of corruption related to public agents in 2021. Similarly, we also received no substantiated complaints regarding privacy and loss of customer data.



**Tatiane
Ferreira**



Risk mapping and identification

GRI 102-15 / 103-2 / 103-3

Cielo has a **Corporate Risk Management Policy and Internal Controls** that sets out the priority guidelines for corporate risk management and internal controls. The policy meets the applicable regulations and best market practices, to protect the business and the Company's economic-financial situation. This policy also ensures a methodology for identifying and keeping the list of the main corporate risks we are exposed up-to-date.

In line with the policy, we have processes in place to identify, assess, monitor, report and mitigate risks. These processes aim to prevent Cielo and its direct and indirect clients from being harmed by operational failures, illegal practices (including fraud) and failure to deliver the products and services offered by the Company.

CHAPTER 5

RISK MANAGEMENT

RISK MANAGEMENT
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The identification of key business risks and opportunities is carried out through annual strategic planning cycles, during which we perform an extensive mapping of the market and strategic risks in the competition, business model, technology and regulatory dimensions.

In addition to the formal strategic planning process, we have internal processes focused on monitoring the market and identifying other potential risks and opportunities.

Some examples of these processes include surveys with Cielo customers and the market, monitoring national and international trends and movements in the payments and technology market, and following the regulatory agenda of the Brazilian Central Bank.

The risks we identify in the strategic planning cycles and during the corporate risk inventory review are categorized between emerging and managed risks, according to how we monitor and respond to them.

Nature of risks

OPERATIONAL

- » Social, Environmental and Climate Risks;
- » Legal Risk;
- » Risk of Money Laundering and Terrorism Financing;
- » Compliance Risk;
- » Fraud Risk;
- » Risks of Business Interruption.

FINANCIAL:

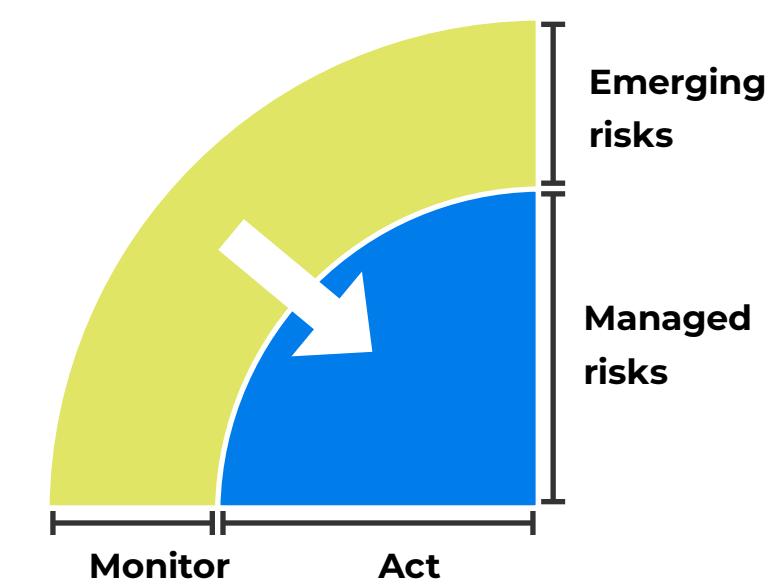
- » Market Risk
- » Credit Risk;
- » Liquidity Risk.

REPUTATIONAL;

STRATEGIC;

EMERGING.

Risk category



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

Risk management

In 2021, Cielo revised the concept previously used of "Three Lines of Defense" with the objective of aligning it with the Company's values and its management model, beginning to use the concept of "Three Lines of Responsibility."

Risk management is handled by the Vice-Presidency of Risks, Compliance, Prevention and Safety (2nd line of responsibility), which reports directly to the Company's CEO, the highest executive level of the organization, who in turn reports to the Board of Directors.

As such, independence is assured in relation to the business lines (1st line of responsibility) and to Internal Auditing (3rd line of responsibility), in the evaluation and reporting on the Company's risks.

When a risk is identified, materialized or not, Cielo relies on a defined methodology and process to manage it, with the objective of ensuring appropriate governance for vulnerabilities found in the Company's control environment.

When vulnerabilities are identified, risk occurrences and action plans with deadlines and responsible parties

are registered in the workflow system used for risk management.

The Vice-Presidency of Risk, Compliance, Prevention and Safety acts in the continuous monitoring of action plans to control or minimize the risks identified, applying penalty measures in the event of delay or failure to implement them. Furthermore, the department provides the first line of responsibility with methodological guidance on risk management, support for the implementation of risk management practices, and monitoring and certification of the suitability and effectiveness of internal controls.

The Company maintains an inventory of corporate risks that is continuously updated to reflect changes in the business environment. The risks present in the inventory are periodically assessed and classified in the corporate risk map. Additionally, Cielo has a Risk Appetite Statement, revised annually and approved by the Board of Directors.



For information about the main risks and opportunities, access our Reference Form, available at ri.cielo.com.br/publicacoes-cvm/

Natasha
Iglesias
Brunhara

LINES OF RESPONSIBILITY

1st Line of Responsibility

Business & Support Areas

All employees must ensure effective risk management within the scope of their direct organizational responsibilities.

PRACTICE:

- » Identifying and managing risks in products, processes and systems.
- » Implement actions for risk mitigation and/or monitoring.

2nd Line of Responsibility

Risks, Compliance, Prevention and Safety Vice-Presidency

Structure with an advisory role to the executive areas, but with independent evaluation and reporting to the governance structures on the management of the organization's risks.

PRACTICE:

- » Support the implementation of effective risk management practices by the business and support areas.
- » Provide methodological guidance for risk management.
- » Monitor indicators and implementation of action plans to mitigate identified risks.

3rd Line of Responsibility

Internal audit

Independent structure that reports to the Board of Directors, through the Audit Committee.

PRACTICE:

- » Provide independent opinions to Senior Management, through the Audit Committee, on the risk management process, the effectiveness of internal controls, and corporate governance.



Highlights of our risk management in 2021



Management improvement for liquidity and credit risk

The Company processes and settles large volumes of cash arising from transactions carried out by cardholders. Also, Cielo anticipates receivables for its clients when requested by them, which may generate a period mismatch between the receipt of amounts from card issuers and the settlement to its clients.

In view of this, we have strengthened our performance in liquidity management by means of alert systems in relation to the minimum cash situation required to meet cash needs in relation to demand. Additionally, the Vice Presidency of Risk, Compliance, Prevention and Security established a monitoring routine with the treasury department to assess indicators and issue alerts when a liquidity risk is identified.



Credit risk mitigation

With respect to the acquiring operation, Cielo has measures in place to manage credit risk involving (i) the risk of default by card issuing banks; (ii) the risk of default by sub creditors to commercial establishments served by them; and (iii) the risk of losses related to inability to compensate chargebacks and cancellations received.

Throughout 2021, considering the risk management strategy, we improved the methodology for credit assessment of customers to mitigate their exposure to credit risk, as well as to guide the anticipation of receivables process.



Alignment between Risk Management and the Board of Directors

According to our corporate governance structure, risk management reports are submitted to the Executive Board on a monthly basis, to the Risk Committee, at least quarterly, to the Audit Committee, also at least quarterly, and finally to the Board of Directors.

In 2021, the Risk Committee met monthly to discuss issues related to risk management, including cybersecurity and data privacy.

Furthermore, the Risk Committee coordinator is an independent member of the Board of Directors and takes the topics discussed in the Committee to the consideration of the other members whenever there is a Committee meeting, i.e., ordinarily every quarter.

Emerging Risks

As we operate in a very dynamic, highly regulated and constantly changing sector, we are subject to emerging risks that can threaten the strategy and even the viability of the business.

For this reason, in order to mitigate such threats and identify emerging business risks, **we have a specific process for monitoring and managing emerging risks**, based on benchmarks and market best practices.

10 emerging risks were identified and are monitored and classified into short, medium and long term.

An emerging risk may in fact become a corporate risk, and be monitored as such, or it may be dismissed as unrepresentative to the Company as understanding of its behavior increases. The tendency is that an emerging risk "evolves" from long-term to medium-term, and consequently to short-term, being absorbed as a de facto corporate risk or discarded.



Learn more about the topic by clicking [here](#).

Risks associated with products and services

GRI 416-1 / FS2

Cielo has a Products and Services Forum, which is responsible for evaluating the risks and impacts arising from the launch of new products and services or changes to existing ones.

The risks are identified through the evaluation of the "opinionist" areas that are members of the Forum, which, in turn, has the purpose of advising the Executive Board on the assessment of the risks involved in the launch or change of products and services, in line with the strategic objectives and the principles of corporate governance practices.

In 2021, eight initiatives passed through the Forum's scrutiny. The Sustainability Management also participates in the Product Forum, analyzing environmental, social and climate risks inherent to products and services, from their development to their final disposal. In 2021, four risks and 10 recommendations related to environmental, social or climate aspects were identified, determining five action plans.

Environmental, social and climate risks and opportunities

GRI 102-11 / 201-2

The identification of environmental, social and climate risks and opportunities is carried out by the Vice-Presidency of Risks, Compliance, Prevention and Safety together with the Sustainability Management, during the annual risk map revision cycle.

Alignment with TCFD

In 2021, we moved forward with the internalization of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), an initiative that seeks the development and implementation of recommendations for disclosure and analysis of risks and opportunities related to climate issues.

Recommendations are structured into four dimensions, which reflect the Company's integrated management in relation to: Governance, Strategy, Risk management and Metrics and goals. In the chart on the side, we summarize the correlation between the actions taken by Cielo and the TCFD pillars.

	GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS AND GOALS
Goals	Company governance on risks and opportunities related to climate change.	Actual and potential impacts of climate change-related risks and opportunities on business.	Process used by the organization to identify, assess, monitor and report risks related to climate change.	Metrics and targets used to assess and manage relevant climate change-related risks and opportunities.
Actions by Cielo	Monitoring of the theme by the Sustainability Committee, reporting to the Board of Directors.	Specific study to assess risks and opportunities of climate change based on the scenarios of the Intergovernmental Panel on Climate Change (IPCC).	Climate change risk management process integrated into the Company's management process.	Goals for 2022: Keep the ratio of Scope 1 + Scope 2 emissions/EBITDA up to 2.1. Neutralize 100% of the emissions accounted for in Scope 1 and 2



In the Attachments chapter, on page 112, you can find details about alignment to the TCFD. [Click here!](#)

Information Security

GRI 103-2 / 103-3

Throughout 2021, the Privacy, Prevention, and Information Security department continued to deepen its ability to identify and manage information security-related risks in the face of business needs in the growing digitalization of payment methods.

We highlight the progress made in identifying, addressing and mitigating risks in a structured manner, which allows us to move forward in business while preventing technological and cybernetic risks from hindering the Company's progress. To this end, the initiatives were carried out in tandem with the business, customer, and product development areas.

All these processes relied on the essential support from senior management, the Board of Directors, and Internal Audit, reinforcing the relevance of the topic for all the company's decision-makers.

Information Security Maturity Index

During the year, we also evolved our security maturity to 2.9 on the Cybersecurity Framework (CSF), with no operational downtime related to security incidents. Among the various actions taken, we highlight the review of information security event management (SIEM) rules, the implementation of a solution to protect against account misappropriations and the use of threat intelligence tools.

We also work on assessing our suppliers' cyber risks and on improving cyber risk occurrence and security incident indicators for management follow-up.

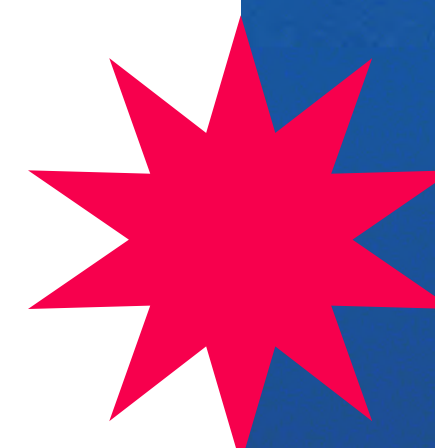
Prevention of cyber attacks and data hijacking

Regarding the prevention of cyber attacks and data hijacking, in 2021 we reviewed the architecture of technologies and preventive, detective and reactive processes for the most common incidents observed in our industry, such as ransomware and information leakage. The work involved the systems architecture team, with rounds of analysis of the transactional environment with threat models and procedures adopted in attacks to identify points of improvement and weaknesses.

Through this initiative, it was possible to identify and act on the processes that needed to be revised and the technologies that needed improvement. Besides the exchange of some technologies, new protection layers were added to the systems.

With the support of a specialized consulting firm, we conducted attack simulation exercises, which provided the enhancement of containment and remediation measures, expanding the ability of our technical team to identify and respond to threats.

In 2021, the Company did not record any case of data hijacking.





Certifications

In 2021, after the new evaluation cycle, we maintained the PCI certifications, the most complete for our market, which are mandatory for the industry and include protection of credit card transaction data.

During the year, we also started the process to obtain ISO/IEC 27001 certification, an international standard for information security management, which should be completed in 2022.

Cyber Insurance

We renewed the company's cyber insurance contract, after a process that included a roadshow with insurance companies to expose the risks to which we are subject and our ability to treat and manage cyber risks.

As a result, it was possible to secure a mature insurance policy with a good level of financial and process coverage, including support for incident response if necessary, as well as reimbursement of fines in cases of non-compliance with LGPD guidelines and regulatory bodies.

Privacy & Data Protection

SASB TC-SI-220a.1 / TC-SI-220a.2

We have developed our information security and privacy strategy based on best market practices, with the aim of providing greater strength in identifying and mitigating cyber risks and implementing technical and administrative measures to protect data. The strategy is defined and approved annually and is periodically monitored by senior management and other governance bodies of the company.

To advise the Company on issues related to privacy and data protection and adaptation to the General Data Protection Act - LGPD (Law 13,709/2018), we have instituted, since 2020, the Data Protection and Privacy Forum, whose internal regulations are approved by Cielo's Executive Board. The Forum is attended by the heads of different departments, including Risks, Compliance, Technology, Legal, HR, Information Security, etc.

Cielo also has, since 2020, an area dedicated to the topic, with the appointment of an employee at management level to the position of Data Protection Officer (DPO). All professionals have knowledge and certifications related to data privacy and

information security. The area is responsible for conducting the LGPD compliance activities and Governance of the Data Protection and Privacy Program.

Privacy and Data Protection Highlights in 2021:

- » Continuing our journey of compliance with LGPD, throughout the year we continuously and timely monitored the rules (resolutions) and publications (orientation guides) released by the National Data Protection Authority - ANPD.
- » We reviewed the definitions made in 2020 in relation to the LGPD, which allowed us to fully adapt to the regulatory requirements. Thus, we attest to the maturity of Cielo and our Privacy Program, which demands a continuous journey towards expanding privacy and security controls related to personal and sensitive data.

» In 2021, Cielo did not record any occurrence related to the privacy of personal data of customers, employees or suppliers.

We also created and disseminated the Privacy and LGPD Portal and structured the Privacy Ambassadors Program, which includes the participation of employees from different areas in order to facilitate contact with the DPO and help disseminate the culture of privacy.

In 2021, our Privacy Channel received 938 petitions. Of these, 604 (64%) were well-founded and referred to requests regarding the holder's request to not communicate (opt out) to Cielo and requests regarding requests to access, update and delete the holder's data held by Cielo.



Learn about our [Privacy and Data Protection Policy](https://www.cielo.com.br/privacidade/) and the guidelines that govern the life cycle of the information provided to the Company by users: <https://www.cielo.com.br/privacidade/>

Business continuity

The Business Continuity Management Program (PGCN), aims to identify the unavailability risks and ensure the implementation and maintenance of an evolving process of Business Continuity Management (GCN) at Cielo, in order to:

- » ensure that the Business Continuity Plan (PCN) is properly documented with updated procedures and information available for use in the event of an incident, in order to allow our critical activities to be maintained at an acceptable level of functioning;
- » ensure an adequate level of stability during recovery after unavailability, protecting Cielo's image;
- » prepare people, through tests and simulations, to respond effectively to an incident or interruption.

The Business Continuity Management Program allows Cielo to activate its business continuity plans, ensuring that people, assets, systems, information and, consequently, its reputation are preserved.

The PCN consists of a set of documents that describes how Cielo must respond to an interruption event, in order to ensure that critical business processes return to an acceptable level of operation, within a desirable timeframe, covering all areas, processes and environments involved.

In 2021, we highlight the advances and achievements below:

- » the mapping of the organization's critical processes has progressed. There were over 75 processes mapped;
- » evaluation of critical suppliers, allowing the opening of risk occurrences for those not adhering or partially adhering, comprising 42 critical suppliers;
- » performing 15 business continuity tests, aiming at the unavailability of the Data Center (Disaster Recovery) and workplace;
- » holding business continuity workshops, with significant participation of employees and focal points;

- » disaster Recovery test integrated with the authorization and capture process, simulating the loss of the main Data Center infrastructure, involving the main assets supporting the process;
- » implementation of preparatory actions for ISO 22301 certification.
- » preparation of the Business Continuity Policy and revision of the GCN methodology.

For 2022, we will dedicate efforts to incorporate cyber risk events in the IT Incident Response Plan, the certification of Cielo's GCN System based on ISO 22301 and the reformulation of continuity training.



Get to know our Business Continuity Policy by accessing the [link](#).

Systems availability

We have a control center (NCC) that uninterruptedly monitors the service infrastructure of Cielo and its partners, allowing, in real time, the identification of any instability or unavailability. Through this robust system structure, we ensure the effectiveness of transactions 24 hours a day, seven days a week.

This permanent monitoring allows any inconsistency to be flagged immediately and contingency measures to be applied.

In order to ensure that the transactions are carried out, we have an installed capacity of about 1,000 transactions per second in e-commerce and 12,000 in the physical world.

In 2021, our availability index, composed of Core services (capture, authorization and settlement) and Non-Core services (other environments), was **99.97%**. Furthermore, we had no critical incident that generated total unavailability in our systems or technological environment.



Aislan
Cavalcante
de Brito

CHAPTER 6

FINANCIAL CAPITAL: PERFORMANCE

FINANCIAL CAPITAL:
PERFORMANCE
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FINANCIAL CAPITAL:
PERFORMANCE



Sectorial scenario

Given the Covid-19 pandemic effects that have significantly affected consumer behavior, we observe - throughout 2020 and 2021 - that the acquiring market continues to be in increasing demand for adaptations and new solutions. This demand for evolution adds up to even tougher competition among the players.

The accelerated digitalization of the means of payment has remained on the rise, requiring speed to innovate and develop new tools, solutions, and services. In parallel, this trend requires extra care with digital security in the face of the rapid transformation and the need to offer solutions in record time to meet customer needs.

The transformations in the payments industry were also stimulated by an extensive regulatory agenda, such as the PIX. Cielo has remained attentive to all the sector changes and has made adaptations to its business model.

Another regulatory change was the implementation of the new registry of receivables, also known as "Balcão de Recebíveis" (Receivables Desk): an initiative of the Central Bank that allows merchants to anticipate their receivables with different institutions. The implementation of the new receivables registry system proved to be a challenge for all market participants.

With a challenging implementation schedule, Cielo carried out a large task force involving key areas so that this complex process, which involves thousands of transactions daily, would occur as **smoothly as possible, internally and externally.**

We allocate employees to work integrally in mitigating impacts and helping our clients with their doubts.

Open banking, which is being implemented in phases, also has the potential to bring major innovations to the market in the coming years. It is a topic that we have analyzed in detail in order to be ready for the possible changes it will bring.

With regard to the Brazilian macroeconomic scenario, we observed an important recovery of the economy in 2021, which could be seen in several sectors. The recovery has been benefiting the volumes of transactions processed by acquirers. On the other hand, difficulties in the global supply chains, resulting from the Covid-19 pandemic, have been pressuring inflation indices around the world, which triggered the beginning of a cycle of interest rate hikes.

Finally, in the global context, the speed up of digitalization also impacted the supply of inputs used by the industry, with a drop in the availability of items such as chips and metals required for manufacturing and maintenance of POS machines. As a result, the industry had to find alternatives to meet the growing demand and mitigate supply risks. In the case of Cielo, there was no material impact, since the company has designed initiatives to mitigate any effect of this crisis.



Gilson Alves de Azevedo Ferreira

Operating performance

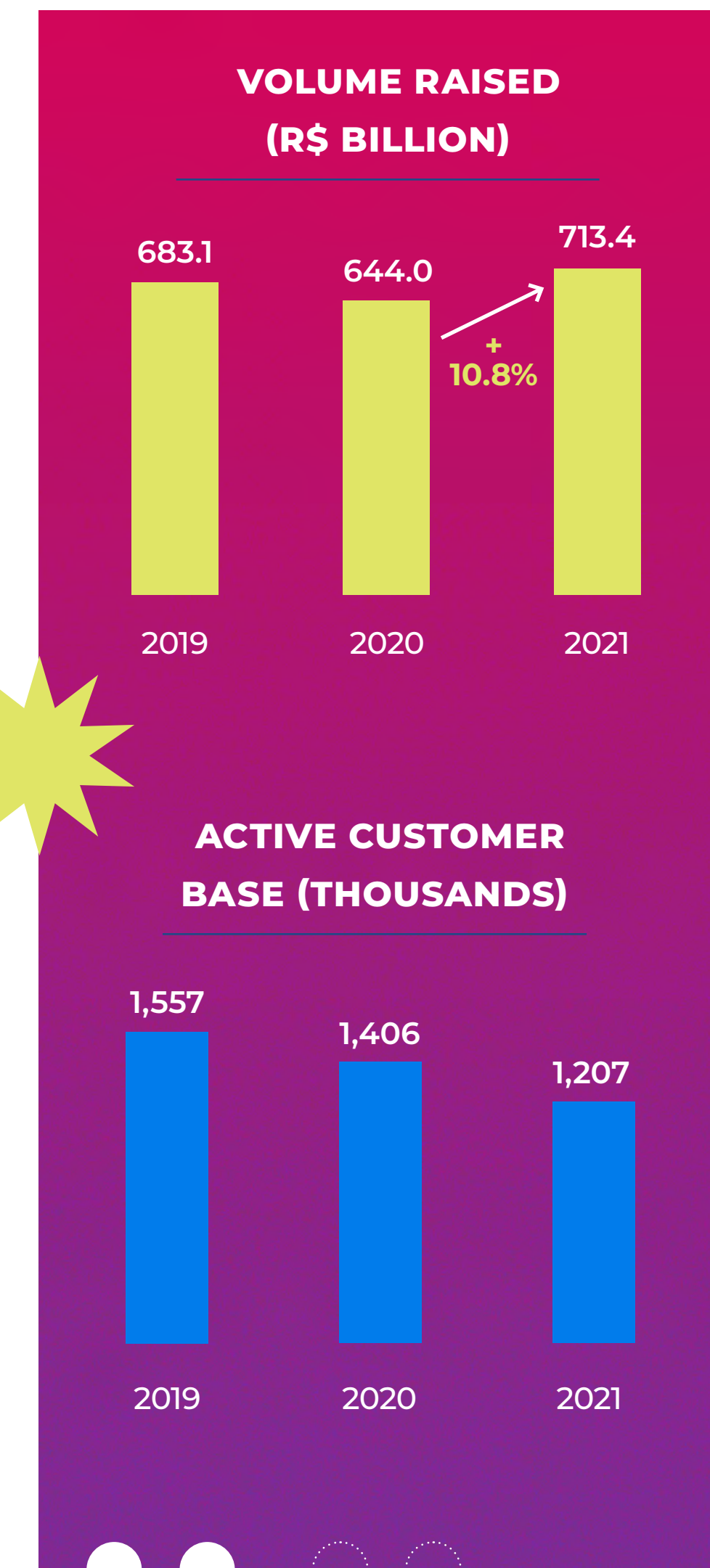
Even with the sector's challenges, we made important operational advances in commercial performance, logistics, and customer service. We reviewed our sales model, expanding, equipping with technology and training the team, in order to improve customer attraction and retention, prioritizing a more personal and closer relationship with the retailer.

In customer service, we have prioritized digital solutions, which provide a better experience for our customers.

Our operating result benefited from the growth in volumes raised, the expansion of the anticipation of receivables business and the better performance of the subsidiaries.

In terms of acquiring, the results were driven by volumes raised, which grew 10.8% over 2020, and by solid spend control. The number was also positively impacted by term products, solutions that help our customers to better manage their cash flow by allowing receipt within two working days of the sales flow by credit cards.

We closed 2021 with over **1,2 million customers.**



Logistics and operational transformation

Another relevant theme for our operations in 2021 was customer service, which included the restructuring of the service model and contractual renegotiations with logistics operators, becoming faster, more digital, and more precise.

In logistics, we implemented Instala Direto for 100% of the sales force, a model in which the sales team installs the card reader at the time of sale.

We also completed the expansion of the Heroes project to 153 cities. In this logistics service model, the after-sales agent takes care of delivery, installation, maintenance and customer support in a timely manner. The restructuring of the model allowed the percentage of machine installations in up to 2 working days to grow 15.7 percentage points during the year, surpassing 80% in 4Q21.

Infrastructure & technology

In 2021, we continued the movement to enhance the efficiency of our infrastructure and technology, reviewing the use of equipment in data centers for better energy efficiency and advancing the use of cloud computing.

The incremental adoption of the cloud is done in partnership with Amazon Web Services (AWS), and among the expected results, are the speed up of new product development, the use of cutting-edge technologies (such as Artificial Intelligence) and greater scalability and services availability.

During the year, we also undertook the following initiatives and operational advances, which reflected in improved product quality and customer experience:

- » Improvement in the revisit rate of the services (8pp reduction);
- » Improved aesthetic recovery of POS terminals (filming, painting, reducing misuse).



Learn more about Cielo's partnership with AWS in our [blog](#).

Financial-economic performance

GRI 102-7 / 201-1

The business transformation and the evolution of the Company's culture have been translating into better financial performance. **We reached a net income of R\$970,5 million in 2021**, a 98% growth over the previous year. There was an improvement of results in all business lines: Cielo Brasil, Cateno and other subsidiaries.

One of the enablers of the transformation that has been implemented at Cielo is the focus on its core competencies and strategic priorities. In this regard, in 2021 we concluded the divestments of Orizon, for R\$129 million, and Multidisplay/ M4U, in a transaction with a base value of R\$125 million. These non-recurring events positively impacted the result.

The year 2021 was highlighted by a focus on cost reduction and efficiency in purchasing. We acted strongly with the goal of finding measures to reduce the Company's expenses, optimizing the operational cost, which leveraged the recovery of net income even in a highly competitive scenario.

The initiatives of the Revenue Plan in 2021 sought to improve the Company's revenues, added to the effects of the Zero-Base Budget in reducing expenses, which together positively impacted Cielo's results.

Financial performance and EBITDA (R\$ million) - consolidated

	2019 (RESTATED)	2020	2021
Net Revenue	11,353.8	11,186.0	11,685.4
Profit attributable to controlling shareholders	1,547.5	490.2	970.5
Interest of non-controlling shareholders	205.7	141.3	188
Financial result	584.1	121.5	(74.5)
Income tax and social contribution	(737.6)	(319.5)	(342.9)
Depreciation and amortization	(1,085.5)	(1,228.5)	(1,100.7)
EBITDA	2,992.1	2,058.0	2,676.6
Ebitda Margin (%)	26.4	18.4	22.9

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) (in R\$ Million)


	2019 (RESTATED)	2020	2021
Service Sales	12,504	12,273	13,125
Loss from uncollectable receivables, chargeback and fraud	(389)	(512)	(331)
Revenues	12,115	11,761	12,794
Inputs purchased from third parties	(7,034)	(7,553)	(7,501)
Gross value added	5,081	4,208	5,293
Depreciation and amortization	(1,085)	(1,229)	(1,101)
Net value added produced	3,996	2,979	4,192
Value added received in transfer	1,337	632	731
Total added value to be distributed	5,333	3,611	4,923
Distribution Of Added Value			
Personnel and charges	(758)	(835)	(922)
Employee and management profit sharing	(118)	(125)	(151)
Taxes, fees and contributions	(1,968)	(1,496)	(1,874)
Interest expense and rents incurred	(189)	(486)	(817)
Paid dividends and interest on own capital	(628)	-	(383)
Proposed dividends and interest on equity capital	(81)	(166)	(236)
Profit retention	(838)	(324)	(352)
Minority interest in subsidiaries	(753)	(179)	(188)
Distributed added value	(5,333)	(3,611)	(4,923)

1) 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.

2) The layout change in the presentation of the DVA data, aims at a better alignment with the Company's Financial Statements.

In the purchasing area, besides reducing expenses, we work to weigh the demands of each Company area, always guided by the best quality at the lowest cost, a task that is supported by tools for monitoring suppliers' performance while reducing risks of rupture in supply.

The efficiency in spending on purchases has permitted us to make new investments and covered unforeseen costs, supporting the Company's efficiency level.

 For more details about Financial Information (such as total capitalization broken down in terms of debt and equity), access our Results Center at <https://ri.cielo.com.br/informacoes-financeiras/central-de-resultados/>



Innovation for digital transformation

GRI 103-2 / 103-3

In 2021, the projects developed by Cielo's Innovation department continued to be aligned with the Company's strategy, with a focus on digital acquiring and the generation of added value for customers.

In the short term, the main objective of our innovation is to solve our customers' pains, involving the commercial and product areas to increase what Cielo already has expertise in. In the medium and long term perspective, the focus of innovation is to prepare the way for new technologies and opportunities, expanding our participation in other ecosystems, so that in the future we can bring the value-added solutions developed for the customer.

CHAPTER 7

INTELLECTUAL CAPITAL: LEADERSHIP AND INNOVATION

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Valor Inovação 2021 Award
In 2021, in the seventh edition of the award, we won 1st place for the Financial Services sector for the second year in a row. Learn more by clicking [here](#).

Garagem: our innovation hub

The Garagem aims to foster and simplify business, encouraging creative thinking through trends and solutions, strengthening our culture of innovation and positioning us as a reference in innovation and technology.

Structured to discover, test and implement new solutions, the Garagem looks at innovation through three fronts:

» **Innovation Lab:** technological front of the Garagem, the Lab is the perfect place to test and develop scalable solutions. Throughout 2021, it was dedicated to building pilot projects to generate new opportunities, in addition to testing new technologies and products that will help the company stand out in solving the most recurring problems of its customers.

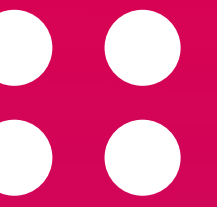
» **Open innovation:** pillar aimed at the relationship with the startup ecosystem. We currently have more than 500 startups in our pipeline, with whom we seek to develop innovative products and services. In 2021, we started the development of four pilot projects, which are in the testing phase.

Under the Open Innovation umbrella, two initiatives are worth highlighting. The **Garagem Discovery**, which seeks to find startups to develop pilots and projects that accelerate the Company's development, generating new revenues or cost reductions; And the **Mentoring Program**, an initiative whose main objective is to bring our executives closer to startups. Through mentoring sessions, our professionals, resorting to their expertise, provide all the necessary support to the startups in their challenges. In 2021, the Program had its 4th edition and included the participation of ten selected startups.

» **Internal Innovation:** aimed at spreading the culture of innovation within the company. One of the initiatives on this front is **Garagem Talks**, which invited specialists to present topics related to innovation to all employees, in more than 20 meetings held during the year. **Garagem Trends**, in turn, made available five studies of global trends and concepts in the means of payment market.

Program engagement

Cielo 2021 Mentoring Program



Participants



10

Startups



7

Segments



13

Mentoring people



10

Areas

Startups



Impact



36

Mentoring sessions



7

Opportunities to connect with areas



50%

Have female founding or co-founding partners



3

Credentialing opportunities



77

NPS

Customer-focused innovation

Digital transformation is brought into the Company's everyday life through the constant search for the evolution of our products - including rapid adaptations to market changes - the enhancement of the digital experience and a customer-centric focus, with three objectives:



Making the payment journey simpler and faster - while ensuring security.



Incorporate new digital payment technologies.



Providing excellent services to this digital ecosystem.



Among the examples of how we adopted digital transformation as a vector to provide a more fluid and customer-centric experience, we highlight the following initiatives:



Products and services to meet current needs of our customers, such as **WhatsApp payment and Cielo Farol**.



Creation of **Cielo's Data Lake**, where all our customers' data is concentrated, making it easier to manage and serve them.



Working models with **multidisciplinary teams** that, by using **agile methodologies**, improve the efficiency and effectiveness in delivering products to clients.



Spreading the **Customer Experience and User Experience** vision inside and outside the company.



Review of the organizational structure in order to prioritize the customer experience.



We have reformulated the commercial service model. As of 2021, hunters and farmers have become business consultants. **The change provides a closer and more resolute service.**

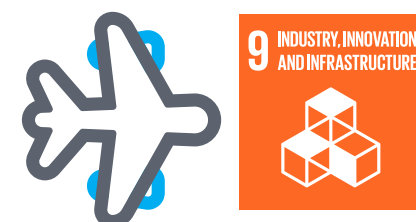


Following are some of the projects developed in 2021 with the objective of solving our clients' pains:



PARTNERSHIP WITH VIA

We integrated the cell phones of 22,000 Via (Casas Bahia and Ponto) salespeople with a Cielo pin pad, providing a special service to customers, allowing all the stages of the purchase to be carried out with the salespeople - including payment -, avoiding queues at the checkouts.



PARTNERSHIP BETWEEN CIELO AND UPS

We have developed an application that integrates the Cielo LIO with UPS's logistics system, a giant in the logistics industry. For the UPS end-customer, the experience becomes safer, as there is no longer the need to fill out a form manually to capture card information, as the process is now done automatically by LIO.



URBAN MOBILITY

We are consolidating our position as a pioneer among acquirers to operate in Brazilian public transportation. We have already provided our payment solutions to 11 cities in various transportation modes: seven bus terminals, three toll stations and two subway systems. In 2021 alone, there were more than 4.5 million transactions, representing a tenfold growth in the segment. Find out more [here](#).



PIX

Cielo has also adapted its machines to receive PIX transactions. Learn more in our [blog](#).



Process innovation

We keep a close eye on our processes, always seeking to improve them through innovation. In previous years, the company had already implemented some agile methodologies in its daily routine, a working model that increases autonomy in building solutions, empowering the areas to master all stages of product/service development, from ideation to final delivery to the customer.

We have accelerated this process in 2021. We migrated more areas to the multidisciplinary teamwork model (88 active squads with more than 500 employees involved) using agile methodologies. As a result, we observed an expressive productivity gain of 40%.

In technology, for example, this represents a reduction in product delivery time, positively affecting our customers' experience.

These practices were extended to the People, Management and Performance team, starting the journey to an Agile HR, by means of a pilot team that acted on problems and

opportunities that were raised by the employees themselves about the development cycle, bringing greater efficiency to the process while reducing the preparation and launching time of the competency assessment cycle by upwards of 70%.

Additionally, we now have an Operational Excellence team, made up of specialists dedicated to the improvement of strategic indicators of operational efficiency and quality of our services.

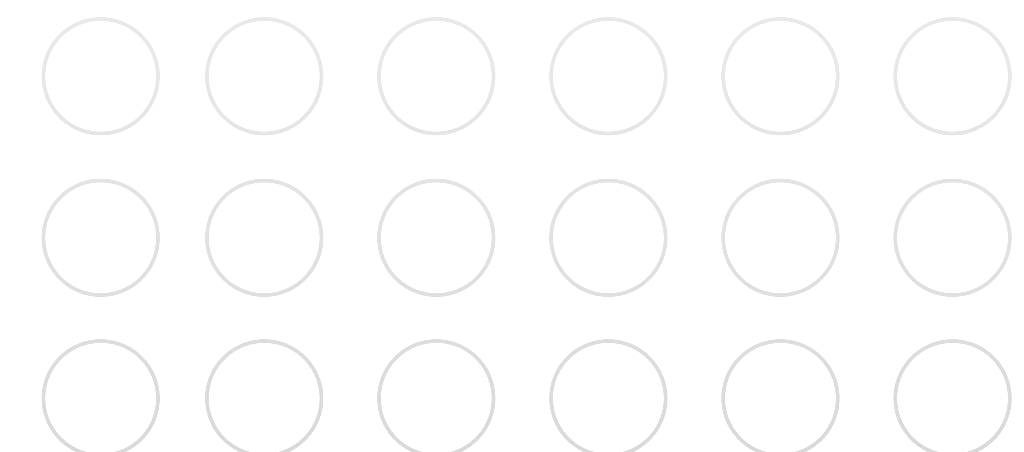
We have also trained our employees in design tools, including design thinking, in order to develop sensitivity to the customer's look and experience before designing a new product.

All these elements combined represent innovation in practice, enabling new paths and solutions that will shape our future, contributing to our mission of simplifying and driving business for everyone.



Also in 2021, 60 employees were invited to the Lean Six Sigma Program, in which they could refine their continuous improvement vision, allowing the implementation of new designs for processes, projects and deliveries.

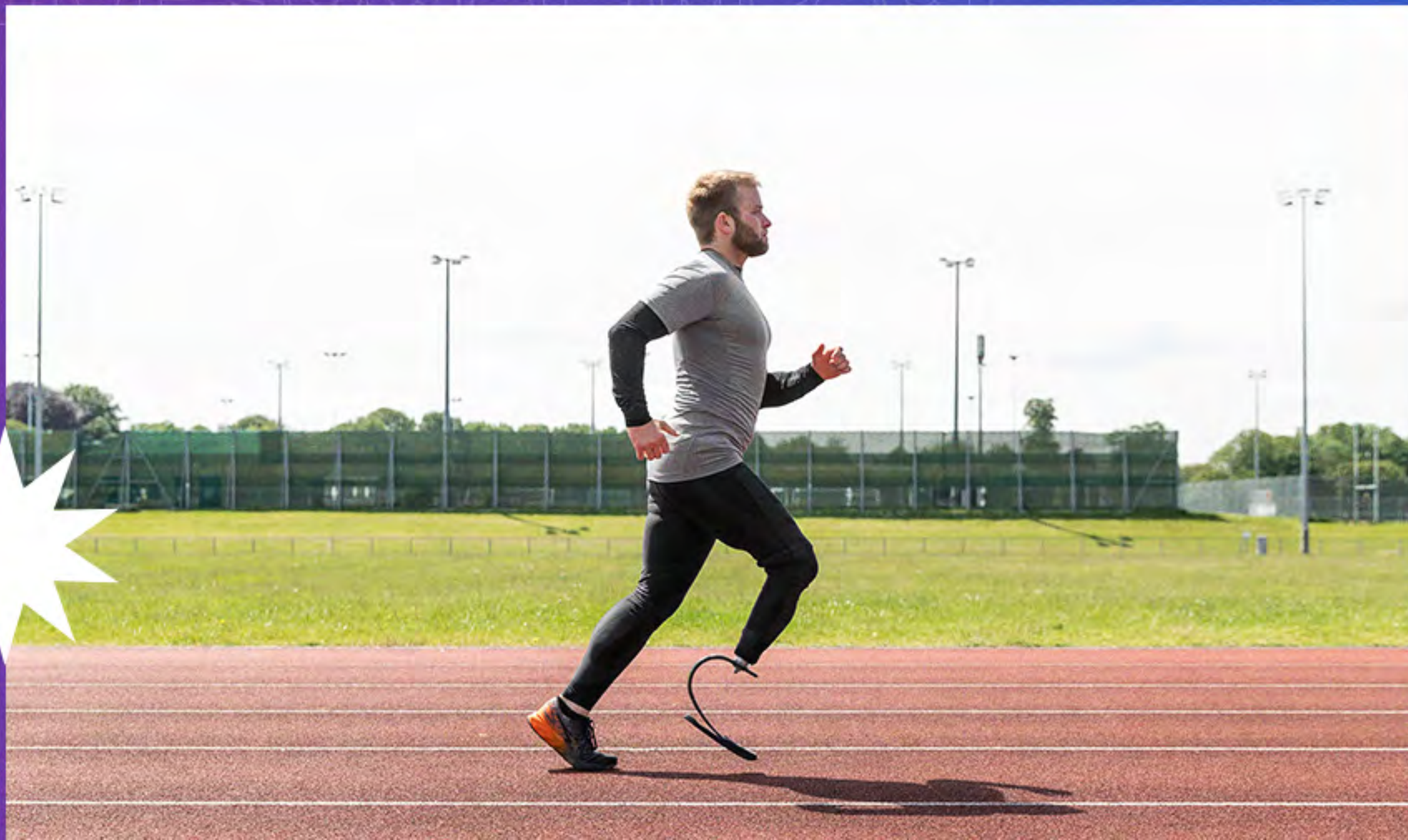
In total, 32 projects have already been concluded, resulting in a financial gain of R\$47,2 million for the company.



CHAPTER 8

SOCIAL AND RELATIONSHIP CAPITAL: POSITIVE SOCIAL IMPACT

SOCIAL AND RELATIONSHIP CAPITAL:
POSITIVE SOCIAL IMPACT
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POSITIVE SOCIAL IMPACT
SOCIAL AND RELATIONSHIP CAPITAL:
POSITIVE SOCIAL IMPACT



Serving Model

GRI FS16 / 102-2 / 103-2 / 103-3

In 2021, we worked towards evolving from the current acquiring strategy to offer a robust ecosystem of services and solutions to our customers, in order to create a more comprehensive link and relationship, creating new revenue avenues.

The following are highlights of our Serving Model in each business segment.

Retail

Our sales performance in the retail segment is focused on putting the customer at the center of the decisions, offering an increasingly agile and personalized service, since this is Cielo's largest customer segment.

In 2021, we moved forward with the implementation of our Serving Model, based on being closer to our customers, understanding their needs and expectations. To this end, we remodeled our sales service, improved our logistics and invested in technology to manage our relationship with them even better. We have complemented these efforts with the Sales Excellence Cycle, an internal routine that allows us to bring visibility to team performance, commitment, and the generation of consistent and sustainable results for the business.

We also continued to evolve in our logistics operation, delivering more than 80% of our products within two working days (learn more about the Heroes project on page 52). During the year we also implemented Instala Direto, a model that decentralized machine inventory, allowing simple and fast accreditation. This speed represents an important factor in the decision and customer experience.

The Receba Rápido, for its part, had great prominence in allowing the entire flow to be credited to establishments in up to 2 days, even in credit card transactions. **The Receba Rápido reached 40.9% penetration in the last quarter of 2021, against 28.5% in the same quarter of the previous year,** when the Retail and Entrepreneurial segments were evaluated.

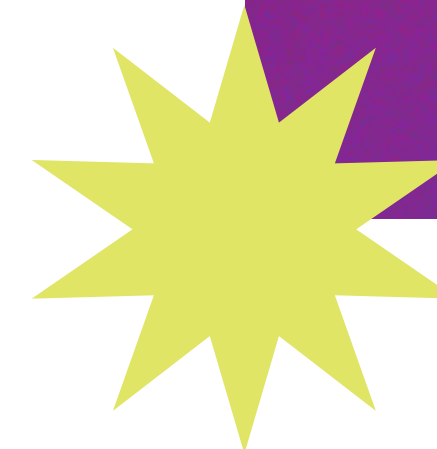
New sales service model

In 2021, we introduced changes in our sales service model. As a result, our sales team no longer has separate functions for prospecting (hunters) and relationship maintenance (farmers), with all of them now acting as business managers.

In this new model, the teams are responsible for specific geographies and act with greater proximity and focus both to attract customers and to sustain the relationship.

Besides maturing the relationship, the new service model has also generated efficiency in displacements and flexibility of action.

To balance the appropriate time between seeking new customers and taking care of the ones already conquered, the Sales Team relies on advanced behavioral data analysis tools, which guide the consultants on which customers to visit and what to talk to each of them.

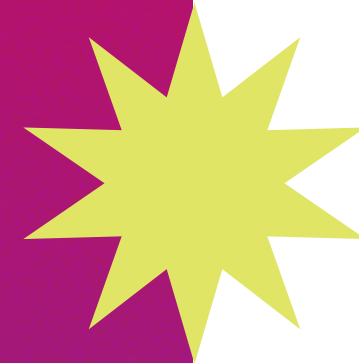


Integration of new Business Managers

For our sales force professionals, who are allocated in several Brazilian states, we have organized the integration so that everyone has access to the same content. We call this journey Sou Cielo Gerente de Negócios (I am a Cielo Business Manager).

In 2021, the on-site channels team had a considerable expansion in headcount and therefore we redesigned the onboarding journey, which follows a 4-day training schedule where the executive learns about Cielo, the products, processes, tools and tips to negotiate with customers.

Knowledge retention is measured by evaluations of the topics applied. Our approval percentage for the onboarding journey in 2021 was 83%.



In customer service, we have prioritized digital solutions, which provide a better experience and present better satisfaction rates, such as lowering the contact rate, percentage of the customer base that uses the call center and increasing digital channel penetration.

Large accounts

In the large accounts segment, the major highlight of 2021 was the conclusion of the customer base review process started in 2020. The process did not generate material impacts on the company's market share, given that the acceptance level of renegotiations was higher than expected, even generating volume growth in the segment in 2021.

Even with the challenging economic scenario and the rate adjustment foreseen for 2021, we maintained a solid client base, which clearly shows the uniqueness of our service and excellence in customer service.

The year also saw expansion of solutions that seek to guarantee customer sales, such as Super Link and customized integrations to accept payments. We offer several tools and services that allow the integration of our customers' solutions with Cielo to perform financial transactions.

The segment's strategy for the medium and long term is to create new revenue avenues, such as offering solutions to the client beyond the transaction in an integrated manner, generating operational gains, increased sales and conversion.

Entrepreneurs

The year 2021 was hallmarked by the construction of a closer relationship with entrepreneurs, by creating a specific service model for this segment, based on efficient digital service channels.

Furthermore, we adapted our solutions portfolio for the segment, launching the lending model, Cielo Facilita. We also carried out price revisions and reactivated idle machines so that clients could resume their links with Cielo. These factors contributed to an organic increase in the customer base.

We continue to support entrepreneurship with over 70 free courses, available on the [site](#), and divided into four themes: digitalizing the business, getting ideas off the paper, promoting the business, and managing.

Digital transformation support

In the quest to offer increasingly digitalized solutions to our clients, we have reinforced **Cielo Digi**: a package of solutions and free courses to help our clients in their digital transformation journey. **Learn more by clicking [here](#).**

Moreover, we launched the **Cielo Digicast**, a podcast that covers topics related to digitalization that are relevant to the retail and entrepreneurial segments, promoting the qualification of the listeners.



Please aim your cell phone camera at the QR Code to access the Cielo Digicast.

Our customers' satisfaction

GRI 102-43 / 102-44

Our efforts to improve our customers' experience with our products, services and customer care are translated into the NPS (Net Promoter Score) survey conducted annually at three different intervals. At each survey, the results are reported at Vice-Presidency and Board meetings, and shared internally with forums and areas that pursue continuous improvement.

By telephone interviews, a research institute collects the perception of retail merchants of different sizes about their satisfaction with the call center, sales representatives, maintenance services, sales conditions, website, app, among others.

In 2021, we added more than 10,200 participants in the three waves of the survey. The survey's error margin is 2.3 points, for a 95% confidence interval.

The survey conducted in November 2021 showed that 78% of customers evaluated us with scores between seven and ten. To continue evolving in the percentage of customers who positively evaluate us, we maintain initiatives related to improvements in customer service, logistics, positioning, and digital.



The survey conducted in November 2021, showed that **78%** of the customers evaluated us with scores **between seven and ten.**

Supporting small businesses

GRI 103-2 / 103-3 / 203-1 / 203-2 / FS13 / FS14

We are present in almost 100% of the Brazilian cities. Aware of each place's specificities, we look for ways to make possible the delivery and maintenance of our products and services in the most adequate way for each region. In places where there are no highways, for example, we deliver by boats.

Bearing this in mind, in 2021 we supported entrepreneurs by offering receivables anticipation solutions, which were crucial for maintaining the cash flow of many of them.

We also revised the prices charged to entrepreneurs, in order to make them more adherent to the segment. Adjustments in the conditions offered to this public took into account the need for financial breath so that they could keep their businesses running and survive the adverse period.

Digitizing Small Businesses



In 2021, we developed a partnership with Google so that Cielo customers can register on Google My Business and have their profile created in less than 24 hours, since the data will already be verified and certified by Cielo. **Learn more by clicking [here](#).**

The partnership also includes the creation of an online store, with our Checkout or Superlink payment options already included, and an advertising solution with the Google Ads tool.

CIELO + LIUV



We have partnered with foodtech LIUV, to help bars and restaurants take back their services. Through a one-stop payment solution, customers can order and pay using their smartphone, quickly and contactless.



Tatiane Sinigaglia de Souza

Support for social development

GRI 103-2 / 103-3 / 203-2 / 413-1



In 2021, we proceeded promoting initiatives and supporting social projects that make it possible to generate income, contribute to social development, and favor the most vulnerable groups.

We continued our sponsorship for the Fundo Periferia Empreendedora, with a contribution of R\$60,000 in 2021 (as well as in 2020). The initiative offers special microcredit lines for micro and nano entrepreneurs in the poorer regions who face difficulties accessing credit from traditional financial institutions. In 2021, the Fund had a return of R\$ 165,000 of the R\$ 500,000 lent in 2020; part of this resource was invested in free training to support microentrepreneurs.

The Company also supported the Dados do Bem project, a non-profit initiative that uses data intelligence to analyze the evolution of the Covid-19 virus in the population, enabling the government to develop better strategies to fight the disease. Cielo performs its support by providing visibility on the Company's official channels and encouraging its employees to participate in the cause.

Private social investment



According to our Sustainability Policy, the Company supports social projects through tax incentive laws that are related to the United Nations' Sustainable Development Goals (SDG).

In our private social investment strategy, we prioritize adopting specific causes for the use of incentive laws, in order to connect the supported initiatives to our businesses. Within this context, the projects we support focus on Education, Entrepreneurship, and Diversity and Inclusion.

In 2021, we incentivized projects through the following methods:

MECHANISM	AMOUNT INVESTED (R\$)
Fund for Children and Adolescents (FIA)	R\$ 272,000.00
Elderly Fund	R\$ 272,000.00
National program to support the health care of people with disabilities (Pronas/PcD)	R\$ 272,000.00
Sports Incentive Law	R\$ 272,854.00
Culture Incentive Law (Rouanet)	R\$ 1,961,461.95
TOTAL	R\$ 3,050,315.95

 In the Attachments chapter you will find the projects we are supporting via incentive laws in 2021. [Click here!](#)



Besides the social projects encouraged through incentive laws, we made donations that, added together, amount to R\$ 756,350.00.

» **R\$ 500,000.00**

for the "Brasileiros pelo Brasil" campaign of the Banco do Brasil Foundation, for the purchase of family farming products and the distribution of staple baskets for people in situations of social vulnerability.

» At the year end, our employees had the option of receiving a **Christmas kit** or donating it to a social institution. In all, 445 kits were donated by employees to five institutions in Belo Horizonte, Curitiba, Fortaleza, Manaus and Recife.

» **R\$ 80,000.00**

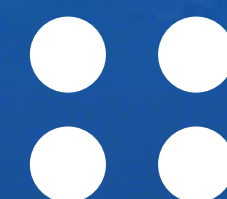
for the Empreenda Natal project of the Social Action for Equality of Differences (ASID) and mentoring program with Cielo employees to boost business and family income generation for entrepreneurs with disabilities or cases of disability in their families.

» **R\$ 58,500.00**

on Covid-19 test donations to Fleury.

» **R\$ 60,000.00**

to the Periferia Empreendedora Fund.



Volunteering

Created in 2015, the **Movimento do Bem** is Cielo's corporate volunteer program, which aims to support the development of the communities where we operate through our employees' engagement in initiatives that promote benefits to society.

In its six years of operation, our employees have already participated in several volunteer actions, such as winter campaigns, Christmas campaigns, blood drives and inclusion of young people from the poorer neighborhoods, which have benefited thousands of people throughout the country.

In 2021, seeking to strengthen our positive social impact, we entered into a partnership with **Gooders**, a social tech company that offers rewards to those who support social causes. Gooders is an online platform where users make donations of time, knowledge or money to the institutions, causes and projects supported by it and, in return, receive points that can be exchanged for products, services, discounts or experiences offered by partner companies.

We ended 2021 with 91 benefactors who engaged in actions promoted by the platform, ranging from online mentoring for entrepreneurs with disabilities to donations of materials and supplies.

Supply Chain

GRI 102-9 / 102-10 / 103-2 / 103-3 / 204-1 / 308-1 / 308-2 / 408-1 / 409-1 / 414-1 / 414-2

In dealing with suppliers, we base ourselves on our Purchasing Policy, Sustainability Policy and Code of Ethical Conduct to select the suppliers with whom we will maintain commercial relations, prioritizing those who are engaged in good socio-environmental practices and in compliance with these requirements.

Cielo's supply chain includes suppliers of operations and logistics, corporate services, legal services, technology services, telecommunications, and contact center services.

In 2021, we had 839 suppliers from various sectors, both domestic and abroad, to whom we allocated a total of R\$2.4 billion in payments. In the same year, 98.69% of products and services were purchased locally, which represents 57.3% of the purchasing budget.

Social and environmental responsibility in the supply chain

We have in place processes and procedures to evaluate and monitor supply chain practices, in order to ensure a relationship with responsible suppliers. Our socio-environmental questionnaire is sent to 100% of the suppliers, in the initial registration and updates.

The document was revised in 2021, covering social (including human rights, child or slave labor, and Diversity and Inclusion requirements), environmental (including natural resource use and greenhouse gas emissions), and governance (ethics and conduct, business continuity, and data leakage aspects) issues.

Throughout the year, 486 suppliers underwent this evaluation. We did not identify any risks in the supply chain related to child labor, forced or compulsory labor.

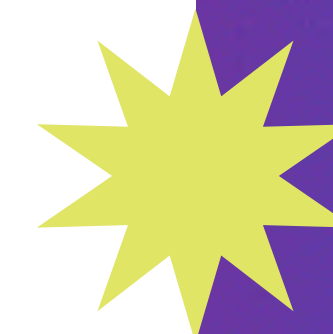
Furthermore, we have set guidelines for the classification of risks and opportunities in supplier chain relationships that aim to ensure that all socio-environmental requirements are met.

SRM Program

Since 2019, we have used the Supplier Relationship Management program to perform a 360° analysis of critical suppliers.

This evaluation, which includes annual audits, allows us to better understand our suppliers through quarterly analyses of Financial, Legal, Data Protection, Business Continuity, Socio-environmental, Performance and Reputational aspects.

In 2021, 47 suppliers went through the process.





CHAPTER 9

HUMAN CAPITAL: PEOPLE AND MANAGEMENT

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HUMAN CAPITAL: PEOPLE AND MANAGEMENT

Profile

GRI 102-8 / 103-2 / 103-3

Throughout our 26 years, the work of each of our employees has been essential for us to become a reference in the payments industry in Brazil. Our People, Management and Performance model connects the organizational culture to the Company's strategy, with our purpose to simplify and drive business for everyone. Accordingly, we have five cultural attributes that we consider essential to our team:



Spirit of serving



Simple and agile execution



Systemic and innovative influence



Collaboration and trust

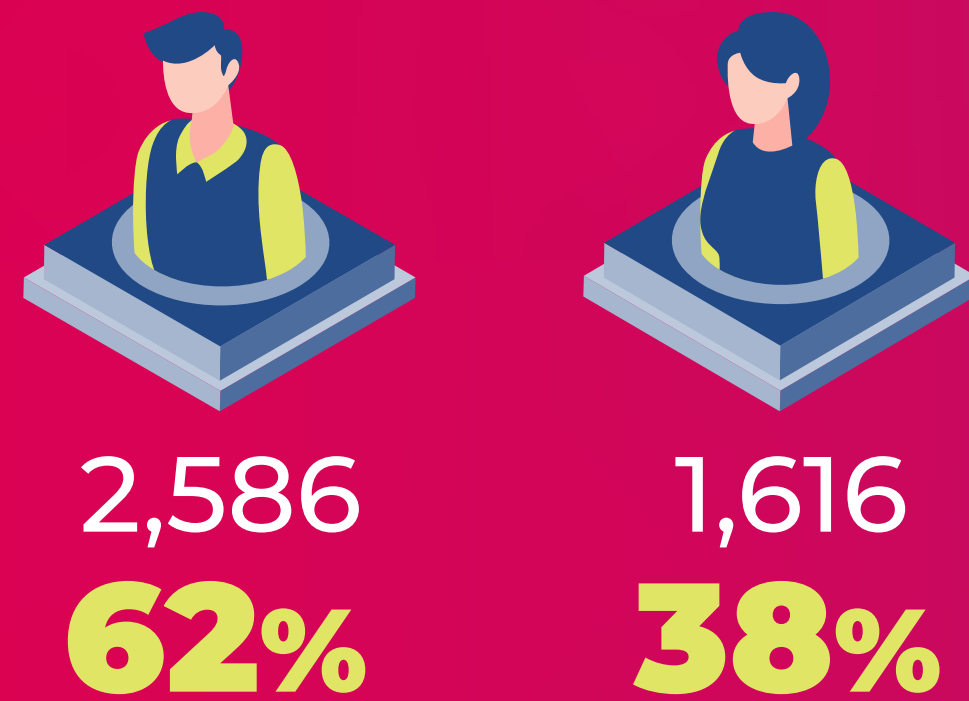


Responsible autonomy

To measure the strength of our cultural attributes within Cielo, we conducted the CAP (Culture Attributes Potential) survey. It calculates the frequency of behaviors and practices observed by the groups. In December 2021, we registered a score of +3.10.

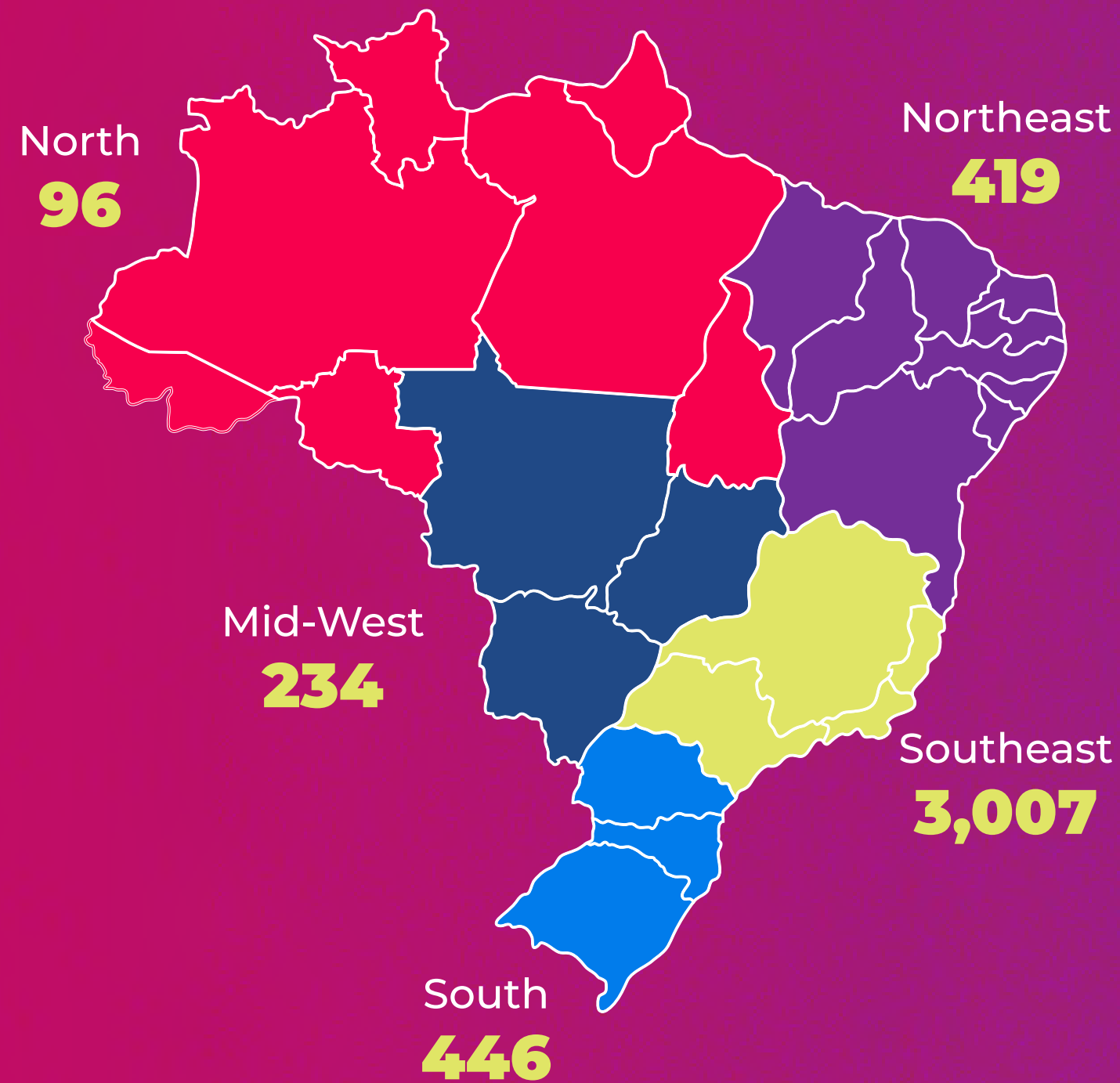
OUR TEAM IN FIGURES

Own employees, by gender*

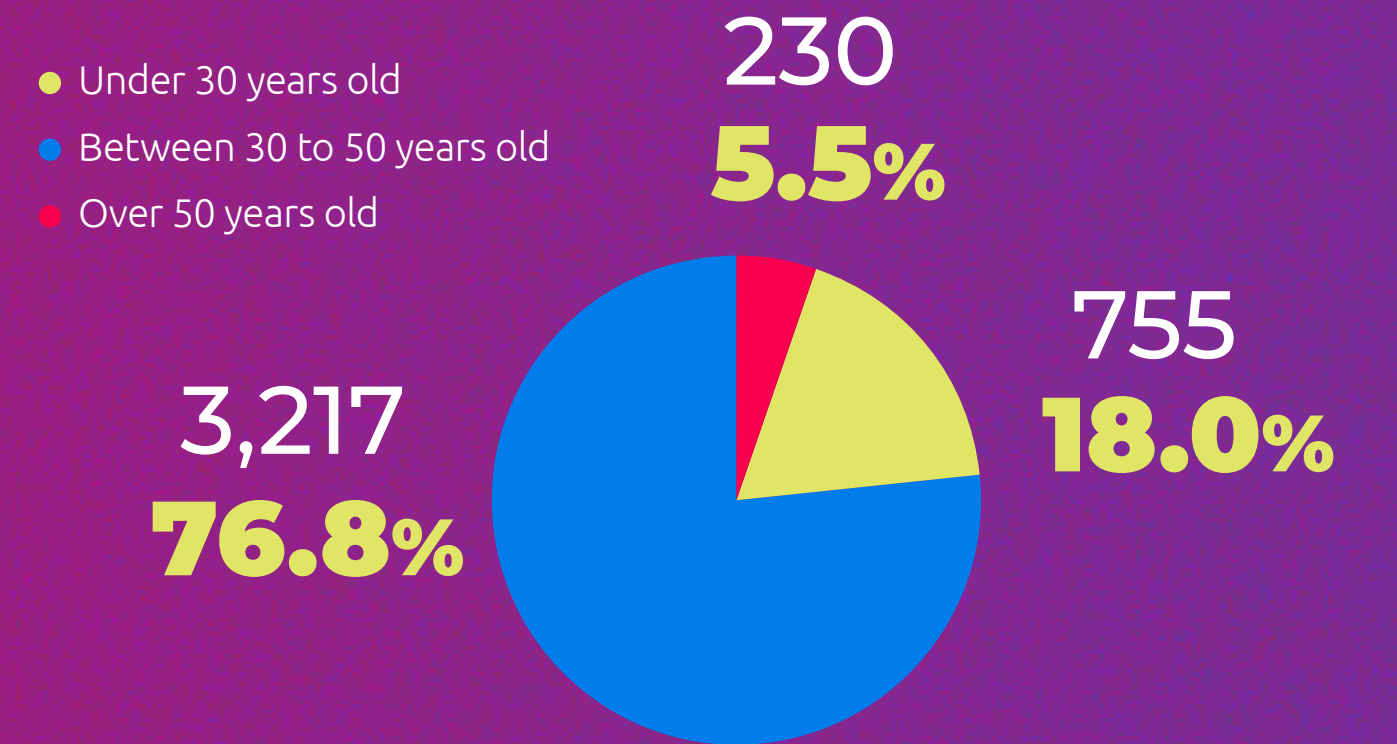


Total
4,202

Own employees, by region*



Own employees, by age group*



In the Attachments chapter on page 102 you will find more diversity content from our team. [Click here!](#)

* Data refers to December 2021.

Diversity and inclusion

Cielo believes that promoting a diverse, inclusive and non-discriminatory environment, where all of its employees feel comfortable to be exactly who they are, is a vital path to growth and innovation within the Company. For this reason, we have increasingly focused on Diversity and Inclusion in our workforce.

We work on the topic with senior management through the Diversity Forum, coordinated by Cielo's CEO. The Forum's main role is to discuss, deliberate on and advise the Executive Board on decision making. The Forum's debates are taken to the Sustainability Committee, which has increased the visibility of the topic on the Board of Directors.

The year 2021 was characterized by our focus on evolving in a relevant way and increasing the scope of Diversity & Inclusion within the Company.

In the first quarter, we launched the **Diversity & Inclusion Manifesto and six official diversity-related commitments to be achieved by 2030**, which position us as a company that holds the belief of moving the market in a more plural, cross-sectional and inclusive direction.

In December 2021, we published our **Diversity and Inclusion Policy**, whose main objective is to establish guidelines and governance to increase the representation of minority groups in the workforce and promote a culture of inclusion. We also launched our **Diversity and Inclusion Booklet**, which provides concepts and guidelines on how to approach these topics at Cielo.



Learn about our Diversity & Inclusion Policy [here](#).

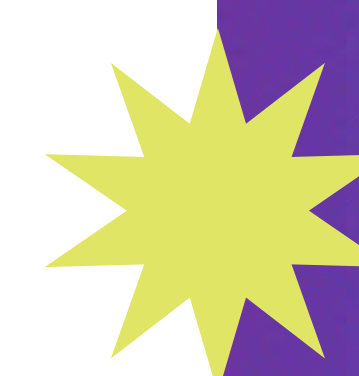
Diversity and Inclusion Booklet

To help us promote and disseminate this culture, in 2021 we launched a **Diversity and Inclusion Booklet**, available for consultation and knowledge by our employees, suppliers and service providers. The material presents and clarifies terms and concepts with the intention of helping and sharing best practices in order to make Cielo and the world more diverse and inclusive places.

Learn more about the Diversity and Inclusion Booklet on our [blog](#)!

Multicultural Conversations

In 2021, we held 20 "Multicultural Conversations", our fixed agenda of thematic live casts with internal and external guests where relevant themes about Diversity & Inclusion are debated.



Diversity & Inclusion Commitments for 2030

In 2021, we continued to manage our six commitments to the practice and promotion of Diversity & Inclusion within the Company, divided into strategic objectives to be achieved by 2030, which include aspects related to gender identity, race and ethnicity, disability and LGBTQIA+.

One of the highlights was the Census of Race and People with disabilities, an internal survey that made it possible to identify PWDs who were at the company but were not classified as such, and to map and reduce the bottlenecks in relation to racial self-declaration, helping to direct actions to make Cielo more inclusive, accessible and diverse.

The chart below shows our progress in 2021:

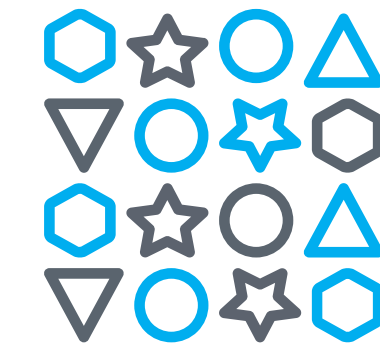


Inclusive Leadership

Develop committed leadership that demonstrates active and leading behavior in promoting Diversity & Inclusion.

Actions taken in 2021

- » Launch of Diversity & Inclusion Manifesto and six official commitments to 2030.
- » Publication of the Diversity & Inclusion Policy and Booklet.
- » Presentation of diversity topics at the executive vice-presidency team meetings.
- » Hiring of the consulting company Guia de Rodas for a structural accessibility project with training for leadership on "Accessible Attitude".
- » Sending an Orientation Manual with literacy and instructions for all the company's leadership, considering the individualities of PWD employees.

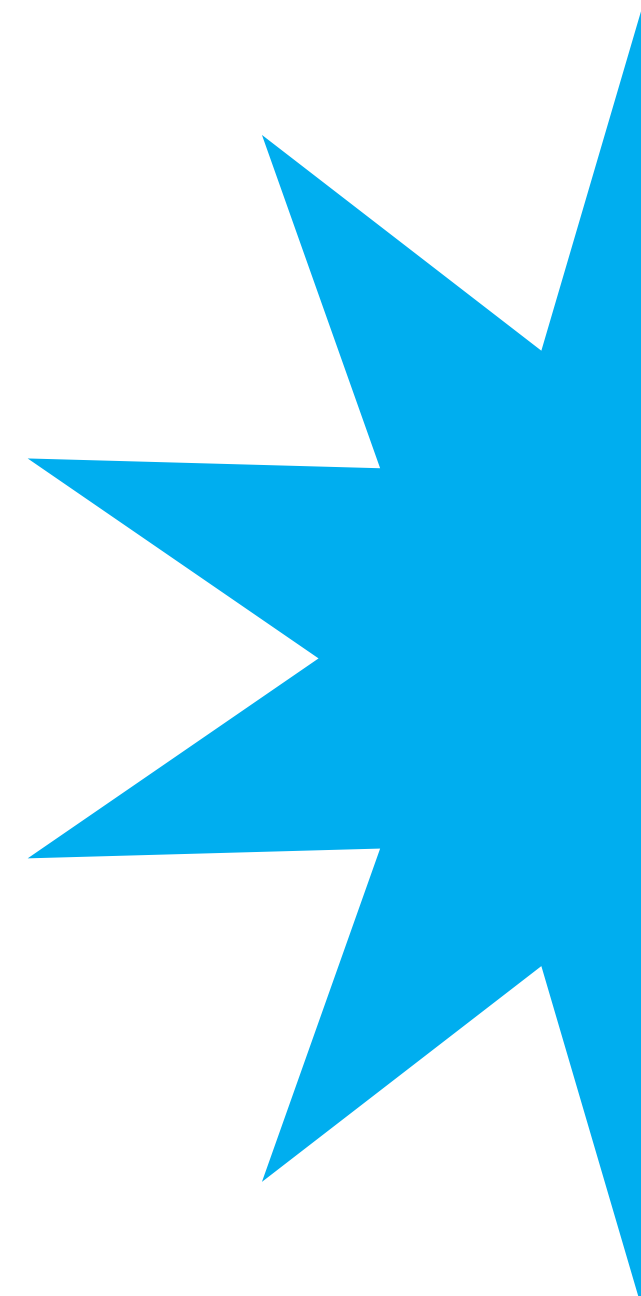


Representativeness

To seek the inclusion of racial, gender, LGBTQIA+ and people with disabilities at all levels of the company, representing the Brazilian demography, ensuring selective processes guided by affirmative actions

Actions taken in 2021

- » Conducting a Census (PWD and Racial) and LGBTQIA+ demographic research (anonymous).
- » Definition of hiring goals for gender and race by 2025.





Career Development

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

Actions taken in 2021

- » Carrying out an exclusive program for training and hiring PWD - People with Disabilities, in the sales force.
- » Racial quotas in the MBA program at Cielo University with additional allowance for black (self-declared black and brown) employees.

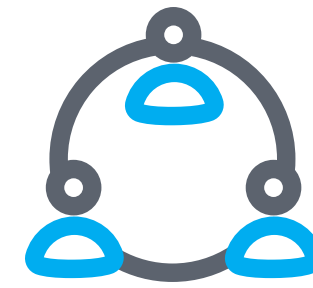


Inclusive Culture

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

Actions taken in 2021

- » Creation of a D&I training track in the Corporate University.
- » Implementation of a fixed monthly agenda with conversation rounds about the theme with external guests.
- » Implementation of D&I track in the Corporate University.
- » Training of strategic areas (Human Resources and Communication & Marketing) in conducting the Diversity and Inclusion theme in the Company, through specialized Consulting.

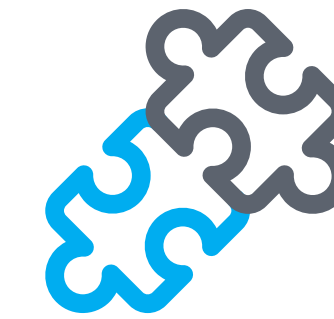


Stakeholder Orientation

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

Actions taken in 2021

- » Implementation of accessibility questionnaire and information related to Diversity when launching new products.
- » Inclusion of D&I aspects in the supplier approval process.
- » Definition of the D&I aspect as a prioritization criterion in social investment and impact business projects.



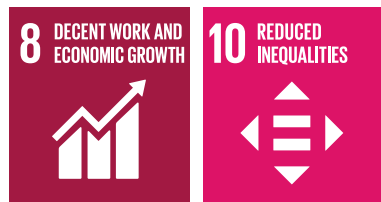
Internal Structure

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

Actions taken in 2021

- » Review of the Diversity Forum Charter.
- » Publication of the Diversity and Inclusion Policy.
- » Allocation of a Diversity Specialist with exclusive dedication to the topic.
- » Categorization with insertion of Diversity aspects in the Reporting Channel.

Representativeness goals - gender and race & ethnicity



Cielo has defined representativeness goals that aim to make our workforce more diverse and representative by 2025.

WOMEN	2021	2025
Total Workforce (no leadership)	39%	45%
Leadership	38%	42%

BLACK AND INDIGENOUS	2021	2025
Total Workforce (no leadership)	31%	35%
Leadership	18%	22%

Affinity groups

We have four affinity groups that were created with the purpose of discussing diversity issues and opening an agenda for a positive transformation of the Company. Each group has a Vice-President as sponsor and all employees are invited to participate in the periodic meetings. Get to know them below:

- » **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.*
- » **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: Vice President Large Accounts.*
- » **Prisma:** the group is a place to discuss and promote the inclusion of the LGBTQIA+ community.
 » *Sponsor: Vice President of Retail.*

» **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: General Counsel (Legal and Government Relations Executive Superintendent).*

Among the affirmative actions developed in 2021, we highlight the first trainee program for business consultants aimed exclusively at People with Disabilities (PwDs). With the aim of bringing diverse people to our team, the PwD candidates did not need to have a car or a driver's license, or have completed higher education, nor previous experience in sales. At the end of the program, 33 people were hired. Learn more by clicking [here!](#)

Employee Career and Experience

In the first half of 2021, we created the **Juntos no Mesmo Ritmo**: a set of guidelines and tools for adapting and simplifying remote work routines, such as defining one day a week without meetings to increase focus and aligning breaks between activities.

At the end of 2021, Cielo's in-person activities gradually resumed in a hybrid model, which required the adaptation of our offices to ensure health security for those who opted for in-person work during some weekdays.

There were also actions focused on the expected behaviors in the hybrid work context, such as leading teams remotely,

connection and trust rituals, and aspects related to the Matrix use, such as booking workstations and running the shuttle buses.

Strategic Planning of Employees

Our People & Management structure has a team dedicated to People Analytics, with the objective of monitoring indicators related to employees. The area has analytical tools to manage such information and provides monthly reports with the main indicators for follow-up by Cielo's senior management.

Attracting and retaining talent

GRI 401-1

In terms of attracting talent, we carried out initiatives to make the process more efficient by defining hiring profile models and using algorithms, which helped us, for example, to reduce turnover in the sales area. Employee experience also received special attention throughout the year by mapping experiences through regular surveys.

In addition, we implemented the **Tech Intern Program**, focused on innovation and technology, whose main objective is to fast-track the careers of young students in the Cloud, Information Security, Development and Data Science areas. In all, 48 interns were hired.

The initiatives to recognize employees were strengthened with the creation of two new programs, **Juntos** and **Valeu**:

» **Juntos**: recognizes teams that have worked together on a one-off project, but have generated effective and high-impact results with innovative ideas and creative solutions. Awarded team members receive points that can be converted into cash, days off, or experiences;

» **VLW (Valeu)**: the initiative allows one to express special thanks to a colleague and recognize his or her work, competence, attitude, or achievement. The recognition, which is not financial, is delivered via personalized e-mail. In 2021, we had 2,481 employees recognized by the VLW.



EMPLOYEE TURNOVER

The increase in turnover rates in 2021 is related to the competitive outlook for electronic payment companies, which reflects in a high demand in the market for Information Technology professionals.

	2019	2020	2021
Total turnover rate	44.5%	31.5%	49.5%
Voluntary turnover rate	23.7%	11.7%	26.4%

In the Attachments chapter, you can find details about Cielo's hiring and turnover rates. [Click here!](#)

Employee Experience

SASB TC-SI-330a.2

In the Employee Experience Survey conducted in December 2021, we had the participation of 80.6% of our employees, a significant number that shows the participants' interest in being players in Cielo's transformations.

The survey results measure the eNPS (Cielo's recommendation level), which in 2021 reached a total score of +76 (representing a 9-point increase over the December 2020 survey).

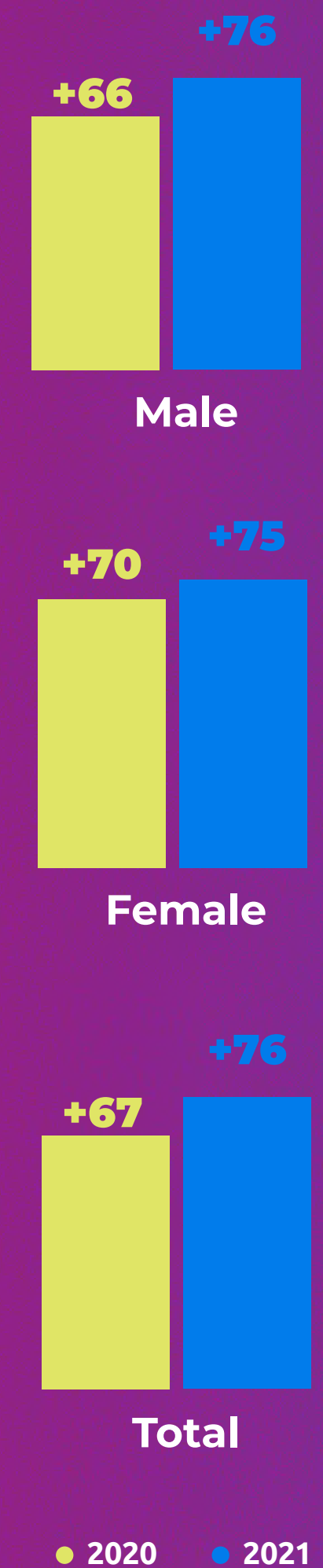
Results management was carried out with the company's areas, with analysis of the information collected for the creation of action plans aimed

at continuously improving employee experience at Cielo.

We understand this increase as a consequence of the actions that were addressed to strengthen our culture, such as: the implementation of diversity goals for the Company; launch of projects that introduced the new office and the new hybrid working model; consolidation of the performance management model and improvement of the corporate goals process; New Corporate University Platform: the "edUCa", and launch of Plug Cielo the new platform to support IT services operations.

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

e-NPS score by gender



Training & Development

GRI 404-1 / 404-2

In 2021, we redesigned our **Cielo University (UC)**, making it more modern, interactive and innovative. The new platform, called edUCa, uses artificial intelligence as its main tool to customize learning for users according to their needs. Offering over 250 thousand contents available to all employees, it presents features that contribute to a better learning experience, such as content sharing by users in discussion groups and gamification with scoring and ranking.

It is all part of a strategy to support and improve our actions and results, encouraging a learning culture focused on leadership and autonomy in learning. All our tracks are hosted on the platform, including the training tracks for the commercial area and the onboarding of all employees.

We closed 2021 with **4,050 active users** within the edUCa platform and an average of 1.7 thousand unique accesses per month.

Constantly updated, the edUCa collection includes tracks for business consultants, soft skills, data lake, agile methodologies, accounting, storytelling and much more. Cielo University is also responsible for all the development of talent programs, such as Young Apprentice, Internship and Trainee.

The figures referring to the average number of hours of training attended are lower than the previous year, mainly due to the change in the Cielo University strategy, more and more emphasizing the leadership and autonomy in learning, as well as a greater learning customization.


In-company MBA Program

The year was also noted for the launch of the in-company MBA Program, in partnership with FIAP. There were 40 openings available for the Program, 15 of which were exclusively for black people and professionals with disabilities. This is an affirmative action that aims to bring greater representation and equality in career development opportunities for employees who represent historically disadvantaged groups.

Average hours of training by gender

	TOTAL HOURS		AVERAGE HOURS	
	2020	2021	2020	2021
Male	59,840	52,479	26.6	16.0
Female	77,170	36,560	30.6	15.5
TOTAL	137,010	89,039.1	28.2	15.9

AMOUNT INVESTED IN TRAINING	2020	2021
Total amount invested in training	R\$ 2,657,396	R\$ 2,085,354
Average training investment per employee	R\$ 536.5	R\$ 372.0

 In the Attachments chapter, you will find details about the average hours of employee training by age group, functional category, race/ethnicity and education, as well as the investments in each training type. [Click here!](#)

Performance review

GRI 404-3

Cielo has a people management model, which occurs annually, continuously, and aims to promote the career development of all employees, through evaluations. This process encompasses career expectations, evaluation and feedback.

All of the Company's employees, except those with less than three months at the Company, apprentices, third parties and service providers are eligible for the competency assessment.


For employees from the specialist level up to the superintendency level, with more than six months at the Company, we also carry out the People Forum stage, where we discuss the performance, the complexity of the performance, the potential and the aspirations of the professionals. The Forum uses the 9 box methodology for evaluation.

Compensation

GRI 102-38

We adopt a compensation and benefits policy in line with the best market practices, which aims to recognize individual and collective performance, keeping our employees engaged while attracting new talent to the company.

Together, we use management and compensation tools for collective recognition in relation to the goals of the Profit Sharing Program (PPR) and for the consideration of individual factors in merit and promotion decisions.

 In the Attachments chapter, you can find details about CEO and executive compensation, as well as pay equity content. [Click here!](#)

Employees who received a performance review, by gender and functional category

	TOTAL ELIGIBLE EMPLOYEES	TOTAL EMPLOYEES EVALUATED	%
Gender			
Male	2,470	1,977	80.0%
Female	1,628	1,249	76.7%
TOTAL	4,098	3,226	78.7%
Functional category			
Team	910	617	67.8%
Sales Force	2,067	1,612	78.0%
Specialist/Consultant	540	470	87.0%
Manager	379	352	92.9%
Superintendent/Director	29	28	96.6%
Coordinator	169	143	84.6%
Executive Board	4	4	100%
TOTAL	4,098	3,226	78.7%

The performance evaluation adopts the month of June as the cutoff line for the selection of eligible employees.

Health and Safety

GRI 403-1 / 403-2 / 403-3 / 403-4 / 403-7

We have in place an occupational health and safety management system, which meets the national regulatory standards NR 1, NR 7, NR 9, NR 17 and NR 32. Some of the employee health and safety services that the system offers are:

- » **Admission, periodical and dismissal exams:** to ensure the employee's suitability to perform a specific function within the Company or to check whether he or she has developed any illnesses as a result of his or her work.
- » **Environmental Risk Prevention Program (PPRA):** carries out risk identification to which employees are exposed in the work environment, such as heat, noise, among others.

- » **Occupational Health Medical Control Program (PCMSO):** determines how often and which exams must be performed for each job function.

All activities related to the Company's roles have risks and mitigated assessment, in accordance with our PPRA, PCMSO, and Ergonomic Analysis documents, applicable to our headquarters, branches and stores.

During 2021, our attention continued to be drawn to the evolution of the Covid-19 pandemic, as well as the number of confirmed cases among our employees.

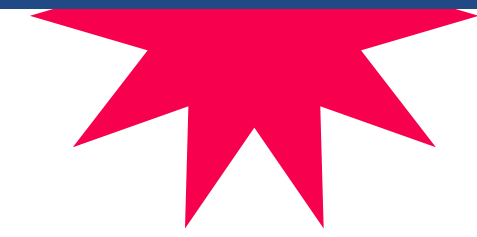
Since the pandemic began, we provided a channel by e-mail and telephone so that the team could report suspected or

confirmed cases to the Crisis Management area. At the same time, we distributed over 2,400 hygiene kits and reinforced our respect for preventive care and protection measures.

More recently, as we began planning a return to a hybrid working model, we launched a survey to gauge the vaccination status of the teams and undertook a major adaptation of our offices to provide as much health security as possible for our employees.



In the Attachments chapter, you can find other health and workplace safety contents. [Click here!](#)



Since the pandemic began, **we provided a channel by e-mail and telephone** so that the team could report suspected or confirmed cases to the Crisis Management area.



Thalita Martorelli

De bem com a vida


We have a program to promote health, well-being, and quality of life for employees and their families, the **De Bem com a Vida** program, which offers a number of initiatives divided into three pillars:

1 
Health & Balance

2 
Always in Motion

3 
Convenience for You

In 2021, In partnership with the consultancy firm Filhos no Currículo, De Bem com a Vida launched several actions for **Conscious Parenting in the Corporate World**. Among them, a trail of videos with information, tips, and content about motherhood and fatherhood. We also launched a comprehensive guide with Q&As about all the parenting processes at Cielo, from waiting for the baby, to the policies for leaving for exams and consultations, preparation for maternity, paternity and adoption leaves, to returning to work.

 In the Attachments chapter, you can find details about our parental leave content (GRI 401-3). [Click here!](#)


 **De Bem com a Vida**

In figures

» **2,563** vaccinated by the Xô Gripe campaign

» Support for the "My child on the resume" campaign

» Launch of the Conscious Parenthood Program

 In the Attachments chapter, you can find details about De Bem com a Vida Program benefits. [Click here!](#)





CHAPTER 10

**NATURAL CAPITAL:
ECO-EFFICIENCY AND
CLIMATE CHANGE**

NATURAL CAPITAL:
ECO-EFFICIENCY AND
CLIMATE CHANGE
NATURAL CAPITAL:

Environmental management

GRI 103-2 / 103-3

Cielo holds an Environmental Management System (EMS) certified by the ISO 14.001 standard, which establishes the frequent monitoring of the impacts generated by the Company's activities in compliance with legal requirements and others applicable to environmental issues. In 2021, the Company went through a follow-up audit and its certification was maintained.

Our directives are the constant search for the adoption of best practices in environmental management through a preventive approach, aiming at the mitigation of potential impacts resulting from our operations, products and services.

We make responsible and sustainable use of natural resources. Among our guidelines are the rational use of non-renewable resources, the encouragement of water and energy

efficiency, the reuse of materials whenever possible, and the correct disposal of waste and electronic equipment.

Environmental Data Review

Consistent with the focus on Cielo's core competencies and strategic priorities, we reviewed the scope and sources of input data for our greenhouse gas inventory, in order to reflect the Company's new organizational structure, as well as the new management processes and controls implemented in 2021.

This work resulted in better control, traceability and accuracy of environmental data. For these reasons, and in line with the recommendations of the Brazilian GHG Protocol Program, the historical data on Emissions, Energy and Waste will be restated in this report.

Emissions

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

We follow the Brazilian GHG Protocol Program guidelines for GHG emissions accounting for Cielo and Cateno. Our 2021 Scope 1 and 2 emissions were neutralized through carbon credits and in International Renewable Energy Certificates (I-REC), respectively.

We have evolved in the institutionalization of our commitments to climate change.

Our Climate Strategy drives our actions regarding climate governance, risk and opportunity management, emissions accounting, targets, and engagement with the value chain.

We present information about our climate change management in the Carbon Disclosure Project (CDP).

Direct Emissions (Scope 1)

We have evolved with the fuel reimbursement management tools used by Cielo's employees, and in 2021 we began to have a greater visibility and control of the input data for the calculation of mobile combustion emissions. Therefore, new data sources were included in the calculation. Due to this fact, 2021 emissions are not comparable to the historical series.

DIRECT EMISSIONS (SCOPE 1) (tCO ₂ e)	2021*
Mobile combustion	5,130.3
Fugitive emissions	0.2
Stationary combustion	7.2
TOTAL	5,137.6

DIRECT EMISSIONS (SCOPE 1) (tCO ₂ e)	2019*	2020*
Mobile combustion	3,549.0	1,219.4
Fugitive emissions	0.1	0.2
Stationary combustion	3.5	4.6
TOTAL	3,552.7	1,224.2

Gases included in the calculation: CO₂, CH₄, N₂O, SF₆, PFC e HFC.

The results consider information from Cielo (Aliança, Servinet and Stelo) and Cateno.

* The 2019 and 2020 indicators are not comparable to the 2021 indicators because of new data sources that are now being considered in the calculation.

Indirect Emissions (Scope 2)

We have accounted for emissions related to the electricity consumption of our offices and stores. While there was no significant change in the number of stores and offices, scope 2 emissions showed a 45% increase over the previous year due to the large increase in the Brazilian GRID emission factor.

INDIRECT EMISSIONS (SCOPE 2) (tCO ₂ e)	2019	2020	2021
Acquisition of electricity	339.5	230.1	333.5
TOTAL	339.5	230.1	333.5

Gases included in the calculation: CO₂, CH₄, N₂O, SF₆, PFC e HFC.

The results consider information from Cielo (Aliança, Servinet and Stelo) and Cateno.

Other indirect emissions (Scope 3)

In 2021, we revisited our data sources for Scope 3 calculations. This movement led to an update of the historical numbers, which can be seen in the table.

We have strengthened our engagement with suppliers and value chain partners and thus achieved greater data availability and traceability for calculating emissions from purchased goods and services (related to call center activities) and transportation and distribution - upstream (related to our logistics operation).

As for employee displacement, the data presented below reflects only the months in which Cielo's office in Alphaville was available for the use of employees and takes into consideration the new hybrid work model adopted by the Company. Finally, emissions referring to the use of goods and services sold in 2021 take into consideration the greater data traceability of our active machine park.

INDIRECT EMISSIONS (SCOPE 3) (tCO ₂ e)	2021*
Purchased goods and services	158.5
Displacement of employees (home-work)	177.0
Waste generated in operations	24.0
Transport and distribution (downstream)	5.3
Transport and distribution (upstream)	16,901.9
Use of goods and services sold	799.5
Business trips	141.0
TOTAL	18,207.1

INDIRECT EMISSIONS (SCOPE 3) (tCO ₂ e)	2019*	2020*
Purchased goods and services	253.6	-
Displacement of employees (home-work)	2,278.0	565.50
Waste generated in operations	435.5	110.4
Transport and distribution (downstream)	2.0	4.4
Transport and distribution (upstream)	11,258.4	9,105.0
Use of goods and services sold	238.2	251.6
Business trips	776.2	198.4
TOTAL	15,241.8	10,235.3

Gases included in the calculation: CO₂, CH₄, N₂O, SF₆, PFC e HFC.

The results consider information from Cielo (Aliança, Servinet and Stelo) and Cateno.

* The 2019 and 2020 indicators are not comparable to those of 2021, due to new data sources that started to be considered in the calculation.

Greenhouse gas emissions intensity

Our assessment of the intensity of greenhouse gas emissions was based on the Scope 1 and Scope 2 emissions recorded in 2020, considering the scope and data available for the calculation at the time of its definition, i.e., before the review of the coverage and scope of environmental data we conducted in 2021. The denominator for the calculation is the EBITDA recorded in the year.

Given this baseline, we have computed an index of 0.9. This result shows that the Company's economic-financial growth is decoupled from the volume of emissions accounted for. Therefore, our development is efficient, because at the same time that we are growing, we are not increasing our volume of emissions proportionally.

Our goal for 2022 is linked to variable executive compensation and has 2021 as its baseline, with its operational and organizational scope already revised. The goal is to keep the ratio of Scope 1 + Scope 2 emissions/EBITDA up to 2.1.

	2021
Scope 1 + Scope 2 Emissions (tCO ₂ e)	2,484.2
Denominator: EBITDA (R\$ Million)	2,676.6
ENERGY INTENSITY	0.9



Energy

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

As Brazil's and Latin America's leading electronic payments company, energy is an essential resource for Cielo to keep its operations running and thus ensure service to our 1.2 million customers. Our offices and stores are powered by electricity supplied by local utilities connected to the National Interconnected System (SIN).

As part of our commitment to adopt best practices in renewable energy, in 2021 Cielo acquired International Renewable Energy Certificates (I-REC), **with the purpose of encouraging the production and consumption of clean energy.**

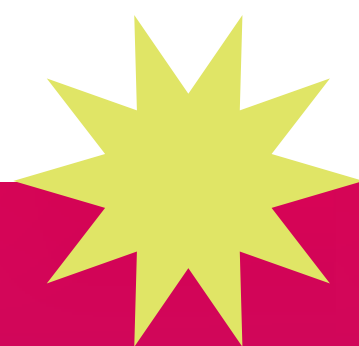
Energy consumption within Cielo

	2021*	
	GJ	MWh
Electricity consumed (SIN)	10,004.4	2,779.0
Renewable fuels	20,964.4	5,823.5
Ethanol	20,964.4	5,823.5
Non renewable fuels	88,480.5	24,577.9
Diesel	107.2	29.8
Gasoline	85,868.3	23,852.3
Compressed natural gas (CNG)	2,505.0	695.8
TOTAL	119,449.4	33,180.4

	2019*		2020*	
	GJ	MWh	GJ	MWh
Electricity consumed (SIN)	16,567.5	4,602.1	13,044.3	3,623.4
Renewable fuels	16,278.4	4,521.8	7,647.7	2,124.4
Ethanol	16,278.4	4,521.8	7,647.7	2,124.4
Non renewable fuels	61,158.2	16,988.4	21,062.4	5,850.7
Diesel	53.7	14.9	71.5	19.9
Gasoline	58,913.7	16,364.9	20,990.8	5,830.8
Compressed natural gas (CNG)	2,190.9	608.6	-	-
TOTAL	94,004.2	26,112.3	41,754.4	11,598.4

Energy consumption data refers to Scope 1 and 2 of the GHG inventory and includes information from Cielo (Aliança, Servinet and Stelo) and Cateno. The 2019 and 2020 data were restated considering Cielo's organizational and operational structure.

* The 2019 and 2020 indicators are not comparable to those of 2021, due to new data sources that started to be considered in the calculation.



Cielo Clean Energy

GRI 201-2



We partnered with Focus Energia in 2021, which is benefiting our customers in 82 cities in the countryside of São Paulo, with an expected expansion to 2022. Focus, by means of its solar and hydroelectric plants, produces renewable electric energy that is injected into the concessionaire's network and destined to our customers who join the partnership.

As a result, our customers get discounts of up to 15% on their energy bills. This is yet another advantage for Cielo customers, who, in addition to receiving a significant discount on their electricity bill, contribute to the environment.

Through this partnership, we made 94.24 MWh of electricity generated from renewable sources feasible for our customers in 2021.

Data Center Energy Efficiency

SASB TC-SI-130a.1

In October 2021, the company responsible for Cielo's data center services started self-producing energy in the Rio dos Ventos wind farm, in Rio Grande do Norte. Although the energy injection is by the National Interconnected System (SIN), the production is for its own consumption. The self-production meets 100% of the needs of the data centers that serve Cielo.

The Company also carried out other specific actions aimed at saving electricity consumption and improving energy efficiency, including the sectoring of the lighting

circuits, the automation of the refrigeration systems and the systems for energy reception and distribution. This initiative has provided better controls in the various air conditioning and electrical power distribution systems.

Another important move to increase our infrastructure efficiency was the deactivation of equipment in data centers that had high energy consumption, in exchange for greater use of cloud computing. About 5% of our servers are in the cloud and the idea is to reach 30% in the next 16 months.

Share of renewable energy in data centers

	2018	2019	2020	2021
Total energy consumption in data centers (MWh)	57,215	58,950	60,421	62,855
Percentage of renewable energy	79.03%	82.73%	83.4%	84.76%

Energy Efficiency in Data Centers

	2019	2020	2021	2022 GOAL
Power Usage Efficiency Index - PUE	1.61	1.62	1.63	≤ 2



Water and effluent management

GRI 303-1 / 303-2 / 303-5

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.

All the drinking water consumed at the Company's headquarters comes from the water utility. In 2021, 1,632 m³ were consumed, about 3% less than the previous year, mainly due to home office work and the return of physical spaces.

Therefore, the intensity indicator obtained was 2.3 liters per person per day among Headquarters' employees, against the annual consumption target of up to 10 liters / person / day.

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).

Water consumption (m³)

SOURCE	2018	2019	2020	2021
Municipal water supply or other water supply companies	3,535	3,764	1,688	1,632

Waste management

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

Cielo, as a technology company, pays great attention to electronic waste management. For this reason, we have put in place a structured management - and it is constantly evolving - to enable reverse logistics and recycling of electronic equipment.

We deal with electronic waste as our machines, batteries and accessory items (cables, chargers and power supplies) reach the end of their useful life.

In these cases, we rely on initiatives aimed at the circular economy, which proposes the re-entry of these resources into the economy, as raw material in other processes. To this end, the equipment that was at the customers' and/or that is no longer part of our portfolio returns to our distribution center, from where it can be sent for several processes.

We have a machine reuse system, which restores those that are in good condition, and performs

the proper disposal to qualified companies when it is no longer possible to reuse them. The data is managed by the Logistics Services team, which controls the electronic equipment that needs to be discarded, as well as manages the sending (sale) of these materials to previously approved partners.

As for the waste generated in our administrative activities (headquarters), the management is done by the condominium and all the waste generated is separated and sent to landfills. This process is monitored by Cielo through its Environmental Management System (EMS).

All these processes are carried out in compliance with the National Solid Waste Policy (Law 12.305) and by regulated companies, which have traceability through appraisals and certificates. The transportation is carried out by the disposal suppliers themselves.

Non-hazardous waste, per type and destination in tons

	2019	2020	2021
Recycling	127.7	197	249.4
Cielo card readers	56.7	57	78.3
Supplies & Accessories	71.0	87	133.7
Cardboard and reels	-	53	37.4
Landfill	237	34	10.4
Recyclable waste (Headquarters)	125.4	8	5.3
Organic waste (Headquarters)	111.6	26	5.1
TOTAL	364.7	231	259.7

Hazardous Waste

Cielo returns machine batteries to the manufacturers in accordance with the National Solid Waste Policy. The transportation is carried out by the manufacturers themselves. In 2021, 68,100 batteries were returned to their manufacturers.

CHAPTER 11

ABOUT CATENO

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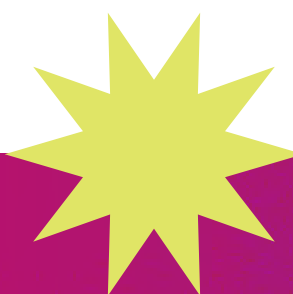
Cateno

GRI 102-7 / 102-16

Cateno is a joint venture between BB Elo Cartões Participações S.A. and Cielo S.A., established in 2015. It operates in the creation and management of technological solutions for the payment industry and has the management of debit and credit cards Ourocard as its main service.

Inserted in a market in constant evolution and growth, Cateno has the competitive advantage of being a light company, ending 2021 with 99 experienced and highly qualified professionals, great capacity for innovation, and being in an ecosystem with a solid customer base.

That allows the Company to continue seeking to connect banks, clients and issuers in a diverse ecosystem of possibilities, generating efficiency, speed and safety. Moreover, Cateno maintains permanent contact with emerging startups and strategic partners in order to create new businesses and new ways to accomplish, share and multiply ideas.



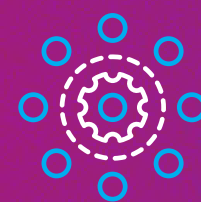
Mission

Increase the profitability and business opportunities of customers and shareholders, through innovative, secure and efficient means of payment.



Vision

Being a reference in innovation and efficiency in a plural, competitive and constantly evolving market, investing in people, tools and solutions capable of serving and surprising our customers.



Values

- » ethics, respect and proximity in all relationships;
- » commitment to transparency;
- » owner Attitude;
- » delighted customer;
- » belief and passion in our business;
- » efficiency in everything we do;
- » innovation in the solutions we offer;
- » sustainability in economic development with a focus on social awareness.

Materiality matrix

GRI 102-40 / 102-42 / 102-43 / 102-44 / 102-47

Cateno's materiality matrix is drawn up every two years. In 2020, when it was most recently prepared, the process included a benchmarking stage with relevant sources for the Company, and analysis of internal documents.

The themes identified as relevant were submitted to the prioritization of the company's stakeholders, composed of customers, employees, suppliers, partners, and the community.

The process also included interviews with strategic business partners, as well as an online consultation with representatives from Banco do Brasil. At the end of these steps, Materiality was validated by Cateno's Executive Board.

Finally, nine themes were selected and associated with the Company's priority SDG.

- 1 Cyber security and data privacy
- 2 Technology trends and disruption
- 3 Ethics, integrity and anti-corruption practices
- 4 Risk Management
- 5 Corporate Governance
- 6 Customer experience
- 7 Expansion of customer base
- 8 Customized solutions
- 9 Operational capacity and availability

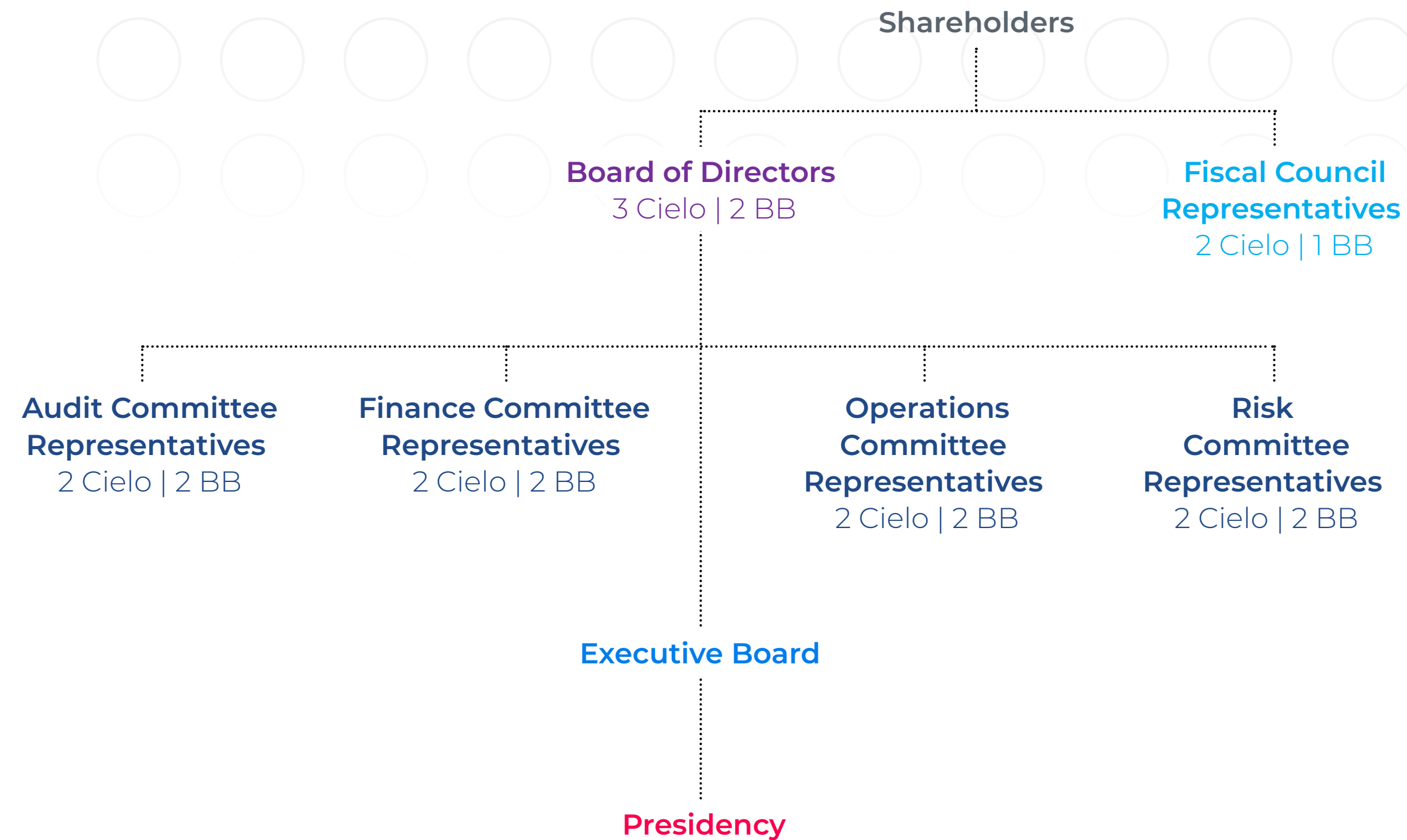
Corporate governance


GRI 102-18 / GRI 102-22

Cateno's governance structure consists of the Board of Directors, the Fiscal Council, and the following Advisory Committees: Audit Committee, Finance Committee, Operations Committee, Risk Committee, and the Executive Board, as provided for in the Company's by-laws.

The Advisory Committees are responsible for advisory and technical discussions on the Company's financial, economic, environmental and social topics, assisting in decisions to be taken by the Board of Directors.

The year 2021 was highlighted by the renewal of some corporate policies, leading to the approval of a package of sound policies and practices, among them the Company's Risk Management Policy.



 Learn more about Cateno's Risk and Opportunity Management Policy at the [link](#).

Ethical principles

GRI 102-16 / GRI 102-17

Cateno has a Code of Ethical Conduct that defines the basic principles that guide the Company's relationships and activities with its many different stakeholders. The Code aims to contribute to the creation of long-term partnerships that are **compatible with the interests and most legitimate aspirations of society.**

In case of Code or legislation violation, the Company has an Ethical Conduct Channel, which allows safe and, if desired, anonymous communication. The information from the reports are received by an independent and specialized company, thus ensuring absolute confidentiality and the proper treatment of each situation by Cateno's Compliance area.

Every year, our employees undergo Cateno's Code of Ethical Conduct e-learning training. The training is conducted via UniCateno, our corporate university.



The Code of Ethical Conduct and the Reporting Channel can be accessed at the [link](#). Complaints can also be made through the number 0800 377 8008.

Products and solutions

Cateno's main assets are the issuance and management of Ourocard debit and credit cards, payment account management activities and customized digital solutions for the most diverse company profiles.

The Company has all the necessary structure for the B2B public to position itself in the market in the bank as a service model, through a white label solution with features that can be defined and customized, such as the prepaid card, according to each customer's business model. Due to strategic decisions, Cateno's Digital Account was closed in 2021.

Financial capital: performance

Operational performance

In 2021, a year in which the Covid-19 pandemic continued to impact business nationwide, inflation exceeded the defined target, and economic activity was below expectations, Cateno achieved a vertiginous recovery of its results.

The Company's operating segment was little impacted by this complex scenario, and we were able to reap better results than in 2019, the pre-pandemic year. This result is the outcome of a broad application of technology, process improvement, and the offer of solutions to support society in the face of the changes brought about by the pandemic.

Internally, Cateno invested in an integrated management system - Enterprise Resource Planning (ERP) - to perfect efficiency and

transparency in process management, accounting entries, flows between departments, and internal controls.

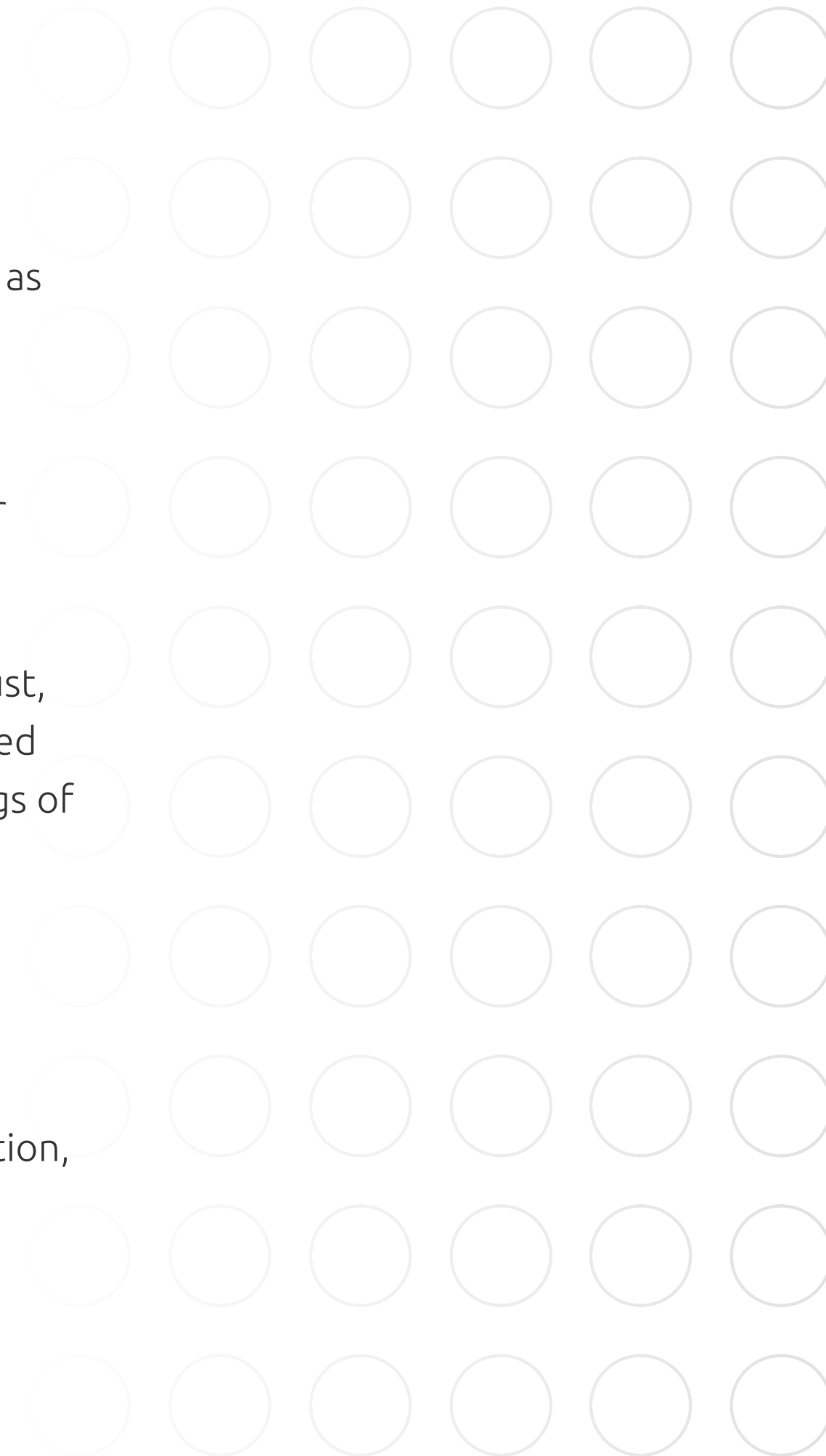
The creation of the Data Science Management Department was also a highlight of the year. The department applies data from debit and credit transactions, capture, processing, transformation and data analysis techniques to generate knowledge capable of bringing business solutions and optimizing the Company's performance. By interconnecting billions of transaction data, unconnected at first - such as the purchase of a product or an operation on a platform - the department finds behavioral patterns capable of guiding our decisions.

Throughout 2021, about R\$ 50 million were also invested in modernization and innovation projects aimed at customers who operate in

the Arranjo Ourocard, to address issues such as fraud, logistics and digital cards.

In terms of sustainability and business operational efficiency, the reduction in paper consumption stands out, given the inhibition of sending printed invoices to customers. Considering the data for the months of August, September and October, 899 thousand printed invoices were eliminated, representing savings of R\$ 1,7 million.

Cateno has a positive expectation for 2022 results, which are likely to be made possible through efficiency gains with payment processing, customer retention, churn reduction, and technological evolution of the platform.





Financial performance

GRI 201-1

Cateno saw a favorable financial performance in its main lines of result, with revenue and net income evolving.

Cateno's net operating revenues totaled R\$3,2 billion in 2021, an increase of 23.1% versus 2020. The growth was related to higher transacted volume and a more favorable mix, with a higher concentration on credit card transactions and segments that provide higher average interchange, effects that were partially offset by higher ISS expenses.

Statement of Income for the Year (DRE) | Cateno (R\$ Million)

	2019	2020	2021
Net operating revenue	2,773.3	2,622.4	3,237.9
EBITDA	1,299.6	1,031.8	1,298.8
EBITDA margin	46.9%	39.3%	40.1%
Financial result	118.5	63.3	49.0
Income Tax and Social Contribution	(352.4)	(241.4)	(326.6)
Net profit	677.8	464.3	626.8

Financial values are presented in accordance with the Accounting Plan for Institutions of the National Financial System (COSIF) and accounting practices adopted in Brazil.

Human and intellectual capital

GRI 102-8 / 102-41 / 401-1 / 404-1 / 405-2

Cateno's team is represented by multidisciplinary employees who are the key to its capacity for innovation and dialogue with new business partners.

The construction of Cateno's organizational culture is guided by the Personnel Management Policy, designed to promote ethics, integrity, excellence and productivity. It also outlines the adherence to the commitments with the International Labor Organization (ILO) conventions and the defense and protection of Human Rights and Children's Rights. Get to know the Policy in full by clicking [here](#).

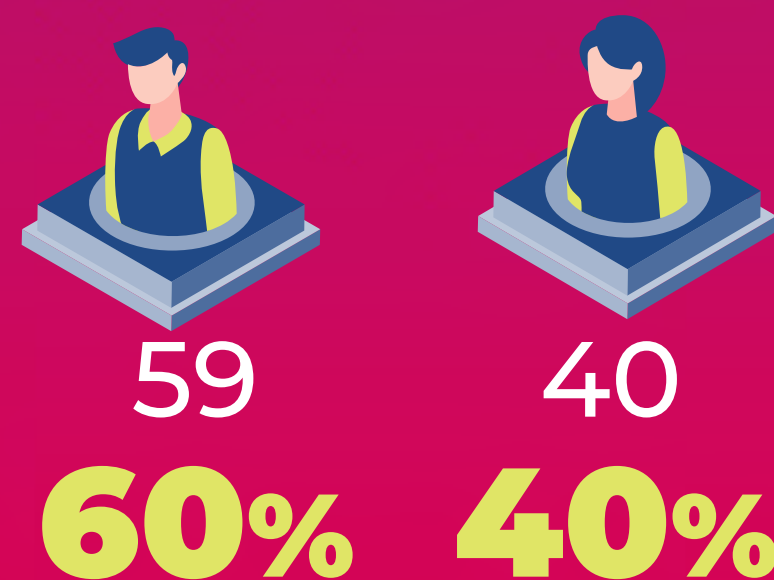
In 2021, the workforce consisted of 95 employees, all covered by collective bargaining agreements, with permanent employment contracts, working full-time.

EMPLOYEES

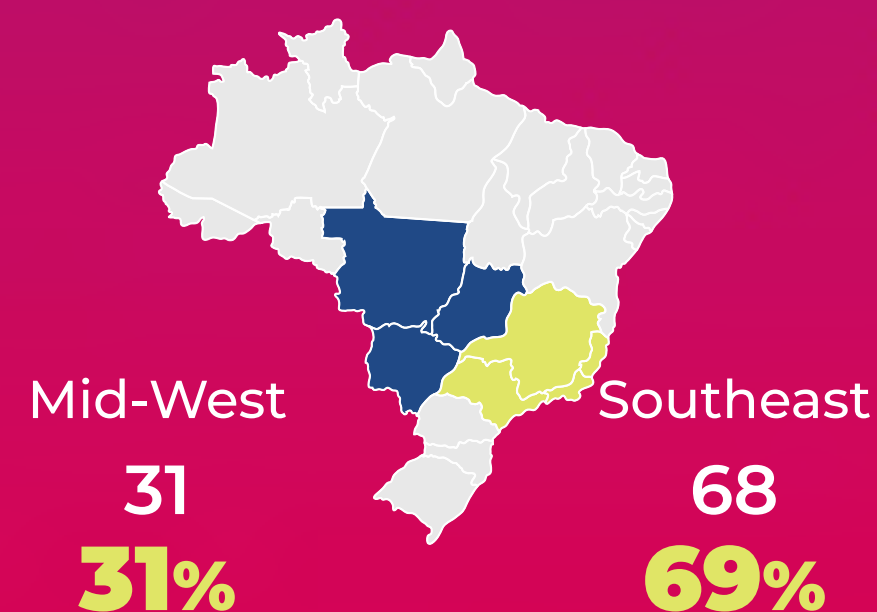


Total
99

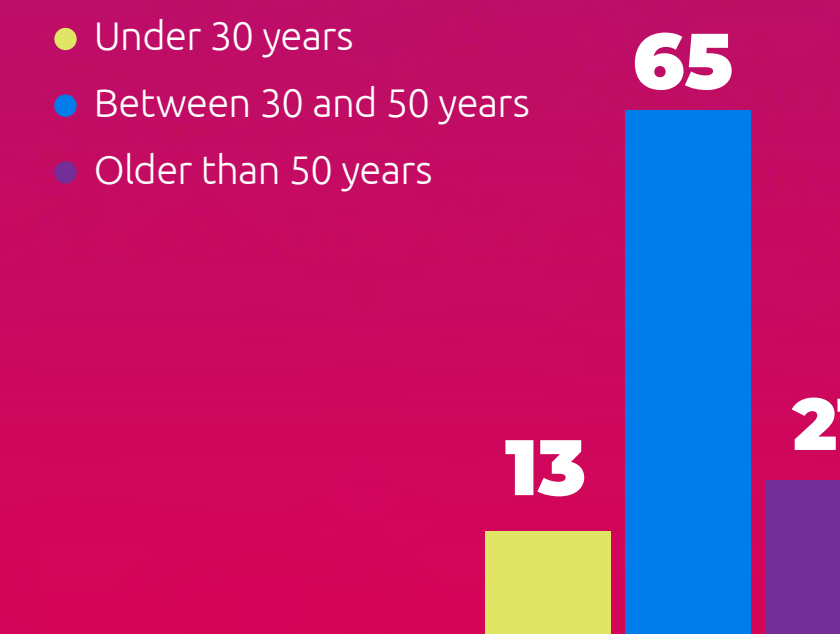
Employees by gender



Employees by region



Employees by age group



New hires

	TOTAL	TOTAL HIRING RATE (%)
Age group		
Under 30 years	7	54%
Between 30 and 50 years	24	38%
Older than 50 years	5	26%
Gender		
Male	21	38%
Female	15	38%
Region		
Mid-West (DF)	13	48%
Southeast (SP)	23	38%
Southeast (RJ)	-	-

Turnover

	TOTAL	TURNOVER RATE (%)
Age group		
Under 30 years	7	54%
Between 30 and 50 years	23	37%
Older than 50 years	4	21%
Gender		
Male	18	33%
Female	16	40%
Region		
Mid-West (DF)	5	19%
Southeast (SP)	28	47%
Southeast (RJ)	1	13%

Mathematical ratio between the base salary and compensation of women and men

FUNCTIONAL CATEGORY	MATHEMATICAL RATIO BETWEEN THE BASE SALARY AND COMPENSATION OF WOMEN AND MEN
SP	
Advisor	*
Coordinators	0.74
Team	0.86
Specialist/Consultant	0.74
Managers	0.85
DF	
Advisor	**
Coordinators	***
Team	0.63
Specialist/Consultant	0.93
Managers	0.98
RJ	
Advisor	****
Coordinators	*****
Team	0.51
Specialist/Consultant	0.98
Managers	****



* There are no women in this position in SP.
 **there are no people allocated to this position in DF.
 *** There are no women in this position in DF.
 **** there are no advisors and managers allocated in RJ.
 ***** There are no women in this position in RJ.

Training & Development

GRI 404-1

Cateno has a Corporate University, UniCateno, responsible for the training subject. Among the main courses and training offered to employees in 2021 by UniCateno, we highlight the course on the General Personal Data Protection Law (LGPD) for the entire Company.

In addition, mandatory training in Money Laundering Protection, Compliance, Information Security, and Risks was also conducted.

COURSE	COMPLETION RATE
General Personal Data Protection Law	98.7%
Money Laundering Protection	97.9%
Information Security	95.8%
Compliance	94.8%
Risks	94.8%

Average training hours and investment

We invested R\$ 228.5 thousand in the development of our employees in 2021. We ended the year with a total of 318.5 hours of training: an average of 3.25 hours per employee.

AMOUNT INVESTED IN TRAINING	AMOUNT (R\$)
UniCateno	R\$ 42,555.33
Specific Training	R\$ 50,268.00
Corporate Training	R\$ 9,262.50
Continuing Education	R\$ 126,435.00
TOTAL	R\$ 228,520.83

	TOTAL EMPLOYEES	TOTAL TRAINING HOURS	AVERAGE TRAINING HOURS
Gender			
Male	59	191.75	3.25
Female	40	126.75	3.25
TOTAL	40	318.5	3.25
Functional category			
Coordinators	12	39	3.25
Team	42	133.25	3.25
Specialist/Consultant	26	84.50	3.25
Officers/Managers	18	58.50	3.25
President	1	3.25	3.25
TOTAL	99	318.5	3.25

Social & relationship capital

GRI 102-13

Since 2020, the Company has been increasingly diligent with customer experience, handling this aspect as an essential pillar for the business strategy and making significant investments in data science, a theme that has a specially dedicated area that supports the modernization of the customer experience with products and services. Still in this area, the customer service platform was revamped and the expectation is to obtain over 70% reduction in the time needed to assist customers.

The enactment of the General Personal Data Protection Law (LGPD) required investments in security and in the operational efficiency of the transaction environment. Also in this topic, the migration of systems to the cloud was carried out, increasing security levels with the support of tests.

Cateno is a member of the United Nations Global Compact and of the Brazilian Association of Credit Card Companies and Services (Abecs).

Natural capital

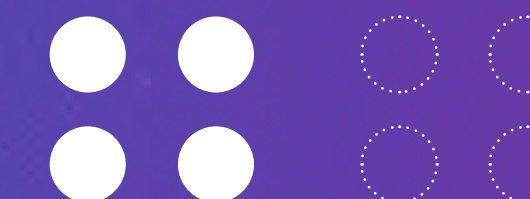
Sustainability Policy

Cateno's Sustainability Policy aims to reaffirm the Company's commitment to sustainable development, establishing guidelines for the inclusion of social, environmental and governance aspects of the business.

The Policy guides the behavior of employees (employees, officers, committees, councils and members of the board of directors) and third parties (suppliers, service providers, business partners and others who may eventually relate to the Company).



Get to know the Sustainability Policy in full, by clicking [here](#).



Ecoefficiency

EMISSIONS

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

We follow the guidelines of the Brazilian GHG Protocol Program to account for our greenhouse gas (GHG) emissions. The reduction in emissions compared to the previous year is mostly associated with the home office system adopted by Cateno.

Cateno's 2021 Scope 1 emissions were neutralized through carbon credits. This volume is accounted for together with the credits acquired by Cielo (learn more on page 81).

ENERGY

GRI 302-1

Our office is powered by electricity supplied by utilities connected to the National Interconnected System (SIN). In 2021, we acquired international renewable energy certificates (I-REC) for 100% of Cateno's electricity consumption for the year. This volume is accounted for together with the certificates obtained by Cielo (learn more on page 84).

	2019	2020*	2021
Scope 1 (tCO₂e)			
Mobile combustion	53.3	0.9	0.27
Fugitive emissions	-	-	0.04
TOTAL	53.3	0.9	0.31
Scope 2 (tCO₂e)			
Acquisition of electricity	8.9	1.8	2.3
TOTAL	8.9	1.8	2.3
Scope 3 (tCO₂e)			
Displacement of employees (home-work)	59.8	15.8	14.7
Transport and distribution (upstream)	0.1	0.05	0.2
Business trips	107.9	16.1	3.0
TOTAL	167.8	32.0	17.9

* Values from 2020 have been revised and restated.

	2019		2020		2021	
	GJ	MWh	GJ	MWh	GJ	MWh
Electricity consumed (SIN)	388.0	107.8	102.8	28.6	66.9	18.6
Renewable fuels	-	-	-	-	-	-
Ethanol	-	-	-	-	-	-
Non renewable fuels	921.9	256.1	15.7	4.4	4.7	1.3
Diesel	0.7	0.2	-	-	-	-
Gasoline	921.2	255.9	15.7	4.4	4.7	1.3
TOTAL	1,309.8	363.8	118.5	32.9	71.6	19.9

CHAPTER 12

ATTACHMENTS

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In this section we present disclosures and complementary information to that mentioned throughout the Report.

Corporate governance structure

GRI 102-18 / 102-22 / 405-1

Board of Directors Composition

BOARD MEMBER	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*
Aldo Luiz Mendes	64 years (10/13/1958)	Independent Advisor	04/27/2022	April, 2024	100%	5 years
Carlos Motta dos Santos	52 years (09/03/1970)	External Advisor	04/27/2022	April, 2024	100%	4 years
Eurico Ramos Fabri	50 years (09/29/1972)	External Advisor	04/27/2022	April, 2024	**	4 years
Ênio Mathias Ferreira	51 years (03/30/1971)	External Advisor	04/27/2022	April, 2024	100%	2 years
Fernando José Costa Teles	55 years (03/07/1967)	Independent Advisor	04/27/2022	April, 2024	**	1 year
Francisco Augusto da Costa e Silva	74 years (09/06/1948)	Independent Advisor	04/27/2022	April, 2024	92.5%	15 years
Francisco José Pereira Terra	53 years (05/26/1969)	External Advisor	04/27/2022	April, 2024	100%	7 years
José Ricardo Fagonde Forni	51 years (02/27/1971)	External Advisor	04/27/2022	April, 2024	100%	2 years
Marcelo de Araújo Noronha	57 years (08/10/1965)	External Advisor	04/27/2022	April, 2024	96.9%	12 years
Marco Aurélio Picini de Moura	53 years (07/26/1969)	External Advisor	04/27/2022	April, 2024	100%	2 years
Regina Helena Jorge Nunes	57 years (10/04/1965)	Independent Advisor	04/27/2022	April, 2024	**	1 year
Vinicius Urias Favarão	48 years (11/20/1974)	External Advisor	04/27/2022	April, 2024	96.8%	5 years

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

** Election awaiting approval by the Brazilian Central Bank.

Average tenure of BD members

In December 2021, the average tenure of Board of Directors members was **7.1 years**.

Fiscal Council Composition

NAME	INDEPENDENT
Felipe Guimarães Geissler Prince	No
Herculano Anibal Alves	No
Marcos Aparecido Galende	No
Raphael Manhães Martins	Yes
Thompson Soares Pereira César	No

Executive Board composition

NOME	POSITION
Fernando Pinto Lima	Executive Director
Filipe Augusto dos Santos Oliveira	CEO and IR
Gustavo Henrique Santos de Sousa	CEO
Marcelo de Giuseppe Toniolo	Vice President Director
Mauro Américo de Carvalho Gomide	Director
Paulo Adriano Rômulo Naliato	Vice President Director
Renata Andrade Daltro dos Santos	Vice President Director
Walter Rinaldo	Director



Diversity content in governance bodies

GRI 103-2 / 103-3 / 405-1

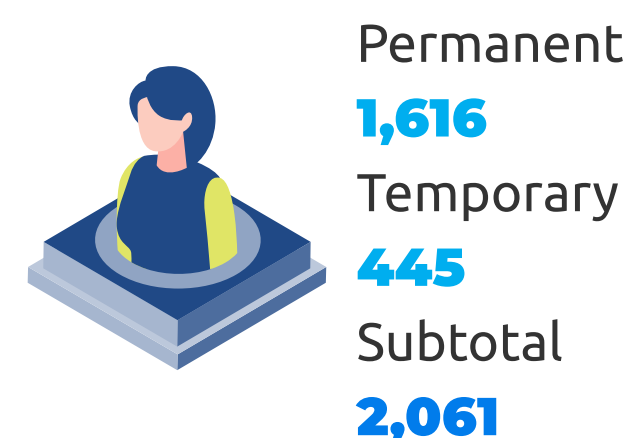
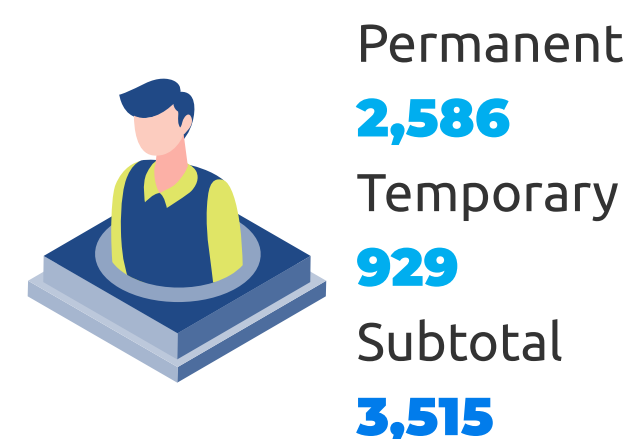
Percentage of individuals serving on the Board of Directors and Executive Board, by gender

	BOARD OF DIRECTORS	EXECUTIVE BOARD
By gender		
Male	92%	87%
Female	8%	13%
By age group		
Under 30 years old	0%	0%
Between 30 to 50 years old	17%	63%
Over 50 years old	83%	38%
By other diversity indicators		
People with Disabilities (PwD)	0%	0%
Black	0%	0%
Indigenous	0%	0%
Brown	8%	0%

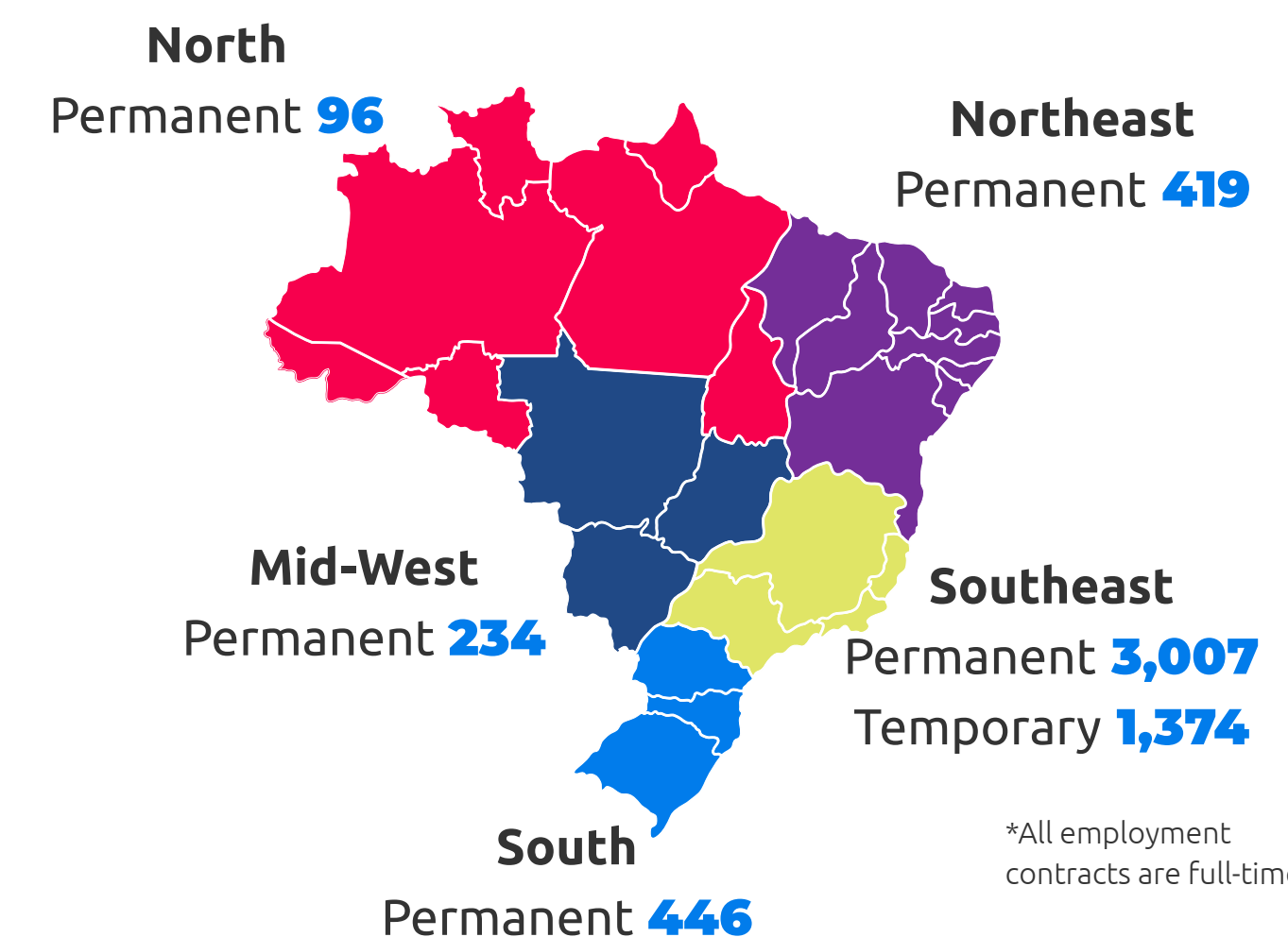
Diversity content in the Cielo team

GRI 102-8 / 405-1

Employees by type of employment contract



Employees in 2021, by type of contract and region



Total Permanent **4,202**

Total Temporary **1,374**

TOTAL
5,576

PwD Census

Percentage of the workforce composed of People with Disabilities (PWD)

4.2%
(2021)

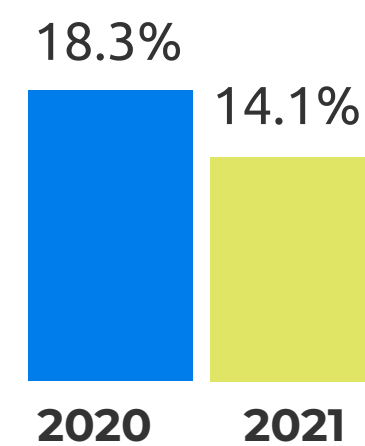
Demographic Survey LGBTQIA+

Percentage of employees* self-declared as LGBTQIA+

6.4%
(2021)

Employees in management positions

Employees in management positions, in relation to the total number of employees



* considers participants of the Employee Experience Survey, which counted with the participation of 80.6% of our employees.

Employees by race/ethnicity

	2020	2021
Asian	2.2%	2.5%
White	64.8%	64.7%
Indigenous	0.2%	0.2%
Black	4.4%	5.8%
Brown	20.3%	25.5%
Not informed	8.1%	1.2%
TOTAL	100%	100%

Division of management positions by race/ethnicity in relation to total employees

	2020	2021
Asian	0.4%	0.4%
White	14.4%	11.2%
Indigenous	0.0%	0.0%
Black	0.4%	0.3%
Brown	2.5%	2.2%
Not informed	0.7%	0.0%
TOTAL	18.3%	14.1%

Division of management positions by race/ethnicity

	2020	2021
Asian	2.2%	3.0%
White	78.3%	79.2%
Indigenous	0.0%	0.0%
Black	2.1%	1.8%
Brown	13.6%	15.8%
Not informed	3.8%	0.2%
TOTAL	100%	100%

Division of women in leadership positions

	2020	2021
Percentage of women in relation to the total number of employees	39.8%	38%
In leadership positions (including junior, full and senior leadership)	38.3%	38.2%
At the lowest level of leadership positions	41.1%	39.9%
At the top level of leadership positions (no more than two levels away from the CEO)	21.6%	37.4%
In all leadership positions in revenue-generating areas	42.2%	36.9%
In STEM positions**	21.8%	26.5%

** STEM: Science, Technology, Engineering and Mathematics.

Hiring and turnover content

GRI 401-1

In 2021, 2,270 hirings were carried out, and 16% of the open positions were filled through internal employee recruitment. In the same year, the average cost of hiring was R\$3,268.00.

	2019	2020	2021
Percentage of positions filled with internal recruitment	40.3%	21.9%	16.0%
Average hiring cost	R\$ 4,162.8	R\$ 2,228.1	R\$ 3,268.0
Total employees hired	1,824	1,433	2,270

Evolution of hiring numbers

	2020		2021	
	TOTAL HIRES	HIRING RATE (%)	TOTAL HIRES	HIRING RATE (%)
Age group				
Under 30 years	376	9.6%	1,185	57.0%
Between 30 and 50 years	1,012	25.8%	1,024	31.8%
Over 50 years	45	1.2%	61	26.5%
Gender				
Male	871	22.2%	1,440	55.7%
Female	562	14.3%	830	51.3%
Region				
North	51	1.3%	73	76.0%
Northeast	188	4.8%	253	60.4%
Mid-West	134	3.4%	165	70.5%
Southeast	840	21.4%	1,463	48.6%
South	220	5.6%	316	70.0%

Evolution in the total turnover rate

	2020		2021	
	EMPLOYEES WHO LEFT THE COMPANY	TOTAL TURNOVER RATE (%)	EMPLOYEES WHO LEFT THE COMPANY	TOTAL TURNOVER RATE (%)
Age group				
Under 30 years	265	6.7%	320	42.4%
Between 30 and 50 years	792	20.2%	1,564	48.6%
Older than 50 years	792	1.1%	105	45.7%
Gender				
Male	663	18.9%	1,214	46.9%
Female	439	11.2%	775	47.9%
Region				
North	28	0.7%	56	58.3%
Northeast	86	2.2%	214	51.1%
Mid-West	84	2.1%	130	55.6%
Southeast	762	19.9%	1,303	43.3%
South	122	3.1%	286	64.0%

Employee Satisfaction Survey (e-nps)

Results (e-NPS), by functional category

	2020	2021
Interns		+81
Assistant	+66 *	+79
Analysts		+70
Specialist/Consultant	+65	+65
Junior Management (Coordinators)	+66	+57
Middle Management (Managers)	+63	+75
Senior Management (Superintendents)	+36	+62

* As of 2021, the data presented as "Team" will be monitored in a segregated manner.

Results (e-NPS), by age group

	2021
Baby Boomers (people born between 1946 and 1964)	+76
Generation X (born between 1965 and 1981)	+76
Generation Y (born between 1982 and 1994)	+75
Generation Z (born from 1995)	+78

* The 2020 survey did not take generational groups into consideration

Training and development content

GRI 404-1

Average training hours and investment, by age group

	TRAINED EMPLOYEES	TOTAL HOURS	AVERAGE HOURS
Under 30 years	1,528	25,013.3	16.4
Between 30 and 50 years	3,852	59,485.0	15.4
Over 50 years	225	4,540.8	20.2
TOTAL	5,605	89,039.1	15.9

Considers all people trained during the year, even if the person is no longer part of the workforce on December 31, 2021.

Average training and investment hours, by functional category

	TRAINED EMPLOYEES	TOTAL HOURS	AVERAGE HOURS
Apprentice/Trainee	252	4,864.8	19.3
Sales	3,065	54,333.7	17.7
Specialist/Consultant	666	8,091.0	12.1
Coordinators	158	1,379.6	8.7
Officers/Managers	442	5,260.1	11.9
Team	1,020	116.0	14.7
TOTAL	5,605	89,039.1	15.9

Considers all people trained during the year, even if the person is no longer part of the workforce on December 31, 2021.

Investments in each type of training in 2021

AREA	TOTAL INVESTMENT
Corporate (Universidade Cielo)	R\$ 1,337,552.0
Continuing Education	R\$ 227,699.0
Specific	R\$ 245,081.0
Programs	R\$ 275,022.0
TOTAL	R\$ 2,085,354.0

Considers all people trained during the year, even if the person is no longer part of the workforce on December 31, 2021.

Average training and investment hours, by race/ethnicity

	TRAINED EMPLOYEES	TOTAL HOURS	AVERAGE HOURS
Asian	112	1,763.3	15.7
White	3,398	50,785.9	14.9
Indigenous	5	33.9	6.8
Not informed	465	8,636.2	18.6
Brown	1,318	22,351.9	17.0
Black	307	5,467.9	17.8
TOTAL	5,605	89,039.1	15.9

Considers all people trained during the year, even if the person is no longer part of the workforce on December 31, 2021.

Average training and investment hours, by education level

	TRAINED EMPLOYEES	TOTAL HOURS	AVERAGE HOURS
Elementary School	24	522.9	21.8
High School	664	11,514.0	17.3
Higher Education	3,891	61,185.1	15.7
Post Graduation / MBA	948	13,869.4	14.6
Master's / Doctorate	37	302.0	8.2
Others	41	1,645.7	40.1
TOTAL	5,605	89,039.1	15.9

Considers all people trained during the year, even if the person is no longer part of the workforce on December 31, 2021.

Compensation content

GRI 405-2 / GRI 102-38

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

FUNCTIONAL CATEGORY	MATHEMATICAL RATIO BETWEEN THE BASE SALARY OF WOMEN AND MEN	MATHEMATICAL RATIO BETWEEN WOMEN'S AND MEN'S PAY
C-Level	0.97	0.96
Leadership	1.04	1.12
Average Leadership	0.89	0.89
Technical	0.90	0.90
Operational	0.92	0.93
Commercial Executive	1.03	1.02

Ratio of the total annual compensation of the highest paid individual to the total annual average compensation of all employees

In 2021, the ratio between the CEO's annual total compensation and the average compensation of all employees was 25.56.

The ratio of CEO compensation to median employee compensation was 34.89.

Cielo discloses in its reference form the highest, lowest and average annual compensation of the Executive Board. Access the document at: <https://ri.cielo.com.br/publicacoes-cvm/>.

Occupational health and safety contents

GRI 403-2 / 403-4 / 403-5 / 403-6 / 403-7 / 403-9 / 403-10

Hazard identification, risk assessment, and incident investigation

The main types of health problems recorded in our business are related to the employees' mental health. To identify and monitor these cases, we have a series of health programs and offer psychological care through the Bem Com a Vida Program.

All work-related illnesses are followed up on by our medical team. Information related to workers' health is handled in compliance with the General Protection of Data Law (LGPD).

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 / cici@cielo.com.br / ambulatoriomedico@cielo.com.

Worker training in occupational health and safety

The employees with specific risks are those who ride motorcycles and receive specific information for their function. All positions receive general occupational health and safety training at "Sou Cielo" (I am Cielo).

Promotion of workers' health

Cielo has a outpatient clinic with nurses and a full-time occupational physician. The clinic also has a breastfeeding room.

Medical specialties available at the outpatient clinic at the Alphaville headquarters for employees: psychologist, nutritionist, general practitioner, cardiologist and endocrinologist. These medical specialties are in partnership with Novamed/Bradesco Saúde.

Work-related injuries

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

Benefits

GRI 401-2 / 401-3



Health and balance

- » Promotion of health campaigns (**Yellow September, Pink October, etc**);
- » In-company exam collections (**for the Alphaville headquarters**);
- » ComTato (**support by telephone contact for nine specialties: psychology, legal, physiotherapy, nutrition, social service, pedagogy, physical and financial education. The ninth specialty is pet consulting**);
- » Medical specialties (**at our headquarters' outpatient clinic in Alphaville**);
- » Discount in pharmacies;
- » Health mapping (**online health questionnaire, which performs a complete screening of employees**);
- » Mental Health Program;
- » Sementinha (**free gestational follow-up until 4 months post-birth**);
- » Xô Gripe (**vaccination campaign against H1N1 influenza**).



Always in Motion

- » Gympass (**Gympass is available to all employees and legal dependents. During the pandemic, the training could be continued at home with Gympass Wellness, which offers online personal trainer assistance**);
- » Sesc (**employees and dependents can join for free at any Sesc unit**).



Convenience for you

- » Bem me Care (**Beauty salon with mini spa available to employees**);
- » Cafeteria + Food Court + Cart (**healthy meals at affordable prices at our headquarters and nutritional assistance**);
- » Lojinha (**physical store in the headquarters and online for all of Brazil, where it is possible to buy products and services from several brands with discounts and advantages**);
- » Partnerships with major brands.

Joice Rosário



Benefits offered to full-time and temporary employees

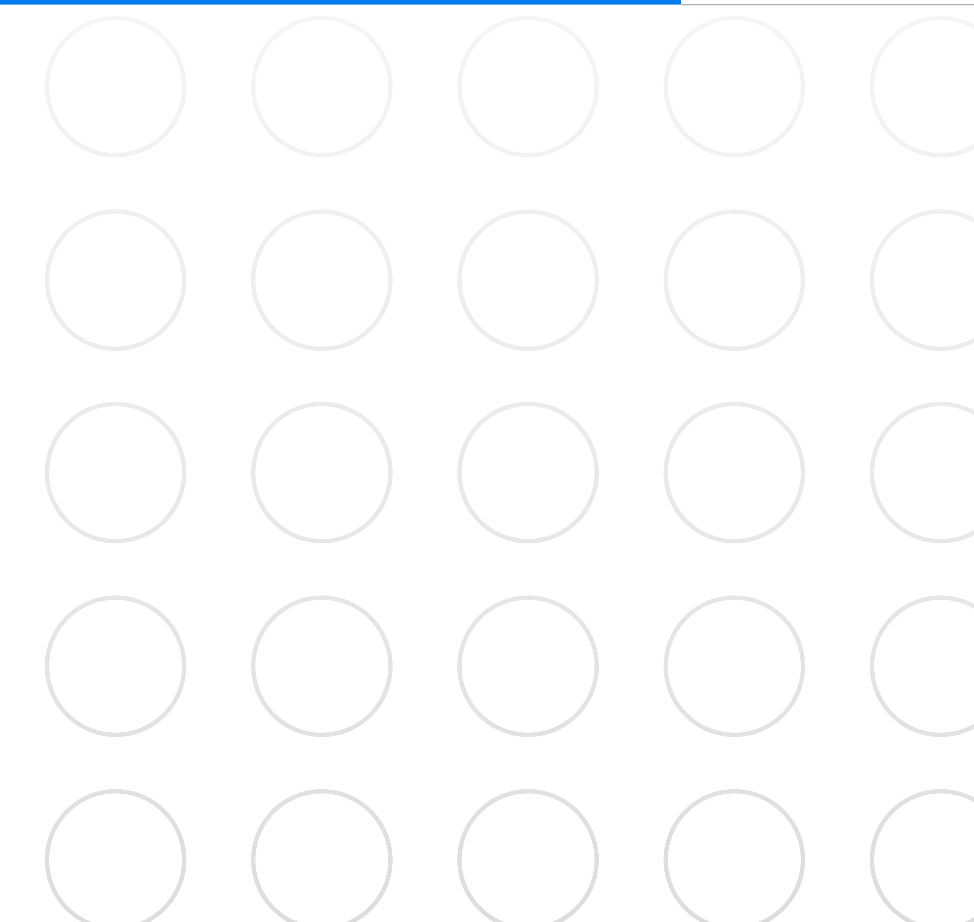
When it comes to benefits, all of our employees are entitled to Gympass, food and meal coupons, health plan, dental insurance, health insurance, life insurance, 20-day paternity leave*, 120 or 180-day maternity leave*, private pension, profit sharing program (PPR) and share-based compensation plan - the latter for managerial level on up.

We have extended all benefits to temporary employees, with the exception of the private pension plan. To the right, full list of benefits per location:

Headquarters	In company Family Doctor (General Practitioner)
Headquarters	In-company and online psychology
Headquarters	In-company and online nutritionist
Headquarters and branches	Personal support program for employees and dependents
Headquarters and branches	Medical check-up
Headquarters and branches	Therapeutic initiation program with no coparticipation
Headquarters and branches	Xô Gripe
Headquarters and branches	Sementinha - Pregnant Women Program and Conscious Parenting
Headquarters and branches	Sesc
Headquarters and branches	Gympass
Headquarters and branches	Online and face-to-face stores with Cielo customers
Headquarters and branches	Pharmacy discount
Headquarters	In company beauty and wellness space
Headquarters	Breastfeeding Support Room
Headquarters	Cafeteria
Headquarters and branches	Health insurance
Headquarters and branches	Dental insurance
Headquarters and branches	Life insurance
Headquarters and branches	Private pension plan
Headquarters and branches	Co-participation exemption for preventive exams
Headquarters and branches	Flexible benefits program

Maternity or paternity leave data for 2021

Total number of employees who took maternity/paternity leave in the year	women	60
	men	99
Rate of return to work, in the reporting period, after the end of maternity/paternity leave	women	100%
	men	100%
Rate of employees who returned to work after maternity/paternity leave and remained employed another 12 months	women	37%
	men	52%



* Without any negative impact on employment and no wage reflexes. Employees who adopt or obtain legal custody of a child are also entitled to an extension of 60 days, also with no negative impact on employment and no wage reflexes.

Projects and activities supported via incentive laws

ACREDITAR PROJECT	MECHANISM	AMOUNT	PLACE	CONTEXT
Itambacuri Association of Parents and Friends of the Exceptional	National Program Support for Health Care for Persons with Disabilities (Pronas/PcD)	R\$ 272,000.00	Itambacuri - MG	Provision of medical care and support services to the health of people with disabilities, especially focused on the rehabilitation/habilitation of 80 people with disabilities and the expansion, stimulation, and maintenance of functional capabilities through animal-assisted therapy (AAT).
Development and Citizenship Center (CDC)	Elderly Fund	R\$ 272,000.00	Recife - PE	The project carries out activities focused on active aging practices, with professionals in occupational therapy, art therapy, and physical education, for 210 elderly residents in eight Long Staying Institutions for the Elderly (ILPIs). In addition, technical training, lectures, and courses are also held to guide 140 workers and volunteers from these institutions with the aim of ensuring the continuity of the actions after the project ends.
Acreditar Project	Childhood and Adolescence Fund (FIA)	R\$ 272,000.00	Glória do Goitá - PE	Project: Entrepreneurial Vision: Fostering Dreams It is oriented to stimulate the entrepreneurship of 500 young people, teenagers and women in setting up their own businesses, acting in a way to provide independence and empowerment to these social groups.
Brazilian Judo Confederation (CBJ)	Federal Sports Incentive Law (Sports)	R\$ 272,854.00	Rio de Janeiro - RJ	Participation in competitions and ranking trainings of the International Judo Federation (FIJ) to participate in the 2024 Olympic Games.
São Paulo State Pinacoteca	Culture Incentive Law (Rouanet)	R\$ 200,000.00	São Paulo - SP	Exhibition OSGEMEOS: Secrets Annual plan 2020 of the Pinacoteca de São Paulo, maintained until the first semester of 2021.
São Paulo State Symphony Orchestra (OSESP)	Culture Incentive Law (Rouanet)	R\$ 240,000.00	São Paulo - SP	Orchestra and Games Series Supporting concerts with music from videogames. The cultural project is part of OSESP's Biannual Activity Plan.
São Paulo State Symphony Orchestra (OSESP)	Culture Incentive Law (Rouanet)	R\$ 450,000.00	São Paulo - SP	OSESP Music Academy Cultural project that is part of OSESP's Biannual Activity Plan to develop and retain young musical talents.
São Paulo Museum of Image and Sound (MIS)	Culture Incentive Law (Rouanet)	R\$ 771,462.00	São Paulo - SP	Exhibition Leonardo da Vinci - 500 years of genius Annual activity plan of MIS and Paço das Artes 2020, maintained until the first semester of 2021.
Tomie Ohtake Institute (SP)	Culture Incentive Law (Rouanet)	R\$ 300,000.00	São Paulo - SP	Tomie Ohtake Institute's Annual Plan 2021 Cosmic Project - Women Leadership Program.

Contributions to associations

GRI 102-13

In 2021, 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.

ASSOCIATION	CONTRIBUTION (R\$)
Amcham Brasil (American Chamber of Commerce for Brazil)	R\$ 40,888.27
AFRAC (Brazilian Association of Technology for Commerce and Services)	R\$ 18,000.00
ICC Brasil (International Chamber of Commerce)	R\$ 26,740.00
ABECS (Brazilian Credit Card and Service Companies Association)	R\$ 1,471,229.41
IBGC - Brazilian Institute of Corporate Governance	R\$ 99,806.71
TOTAL	R\$ 1,656,664.39

Next, we present how we got involved in 2021 with the respective associations:

» **Amcham Brasil:** We participated in the working groups on Tax Efficiency, Labor Modernization, and the Digital Economy Task Force. In 2021, even with the troubled political and legislative environment, we obtained relevant results from the Company's point of view. In the tax arena, we closely monitored the movement of various legislative matters that deal with the expected new tax reform. In the labor sphere, continuing the debates that started in 2020 with the covid-19 pandemic, numerous initiatives that alter the labor legislation also stimulated the national debate. In the digital economy, questions about the LGPD (General Data Protection Law) continued to be high on the agenda.

» **AFRAC:** Cielo's participation in the 2021 discussions was centered on the Digital Tax Simplification project, which in general terms consists of the implementation of the Brazilian Invoice. In a nutshell, the project aims to simplify and standardize accessory obligations in Brazil,

thus reducing the "Brazil cost", through the unification of statements and documents used by the tax authorities to calculate taxes and contributions.

» **ICC Brasil:** in 2021, Cielo participated in the follow-up and monitoring of the issues discussed in the Digital Economy Commission.

» **ABECS:** Due to the fact that it is the industry association focused on defending the interests of the means of payment industry as a whole, most of the discussion agendas have some kind of impact on the company's business, to a greater or lesser extent. The year 2021 was especially challenging for acquirers in general, given the start of the PIX operations in November 2020, the release of Facebook Pay, even if partial, the phased implementation of Open Banking, the troubled start of the Receivables Counter, all this combined with the second wave of covid-19, the opening/closure of businesses and the resumption of economic activity.

Task Force on Climate-Related Financial Disclosures (TCFD)

GRI 201-2

Governance

- » **Board Supervision:** The purpose of the Sustainability Committee is to advise the Board of Directors in the performance of its duties related to sustainability, which also covers topics related to climate change. In this sense, the Board is responsible for defining business strategies, taking into consideration, among other aspects, the impacts of our activities on society and the environment.
- » **Management Supervision:** The Executive Director of People, Management and Performance, through the Sustainability Management, is responsible for preparing, executing and maintaining Cielo's climate strategy. The Executive Director of People, Management and Performance reports to the Sustainability Committee on the Company's Climate Strategy.

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.

Since 2020, two climate risks have been included in Cielo's corporate risk map, namely:

Climate / transition risk:

- » 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.
- » Because it operates in a low carbon-intensive sector, Cielo identifies this risk factor more as an enabler of opportunities.
- » An example of this is that Cielo follows the discussions being held by the Brazilian Central Bank and the Commission of Economic Development, Industry, Commerce and Services of the House of Representatives, which establishes the Brazilian Market for Emissions Reduction (MBRE) (Bill 528/21), understanding that its arrangement may bring opportunities for the company in the medium term.



**Fernando
Pinto Lima**

Climate/physical risk:

- » Risk associated with the possibility of losses caused by extreme weather events that may adversely impact Cielo's operations, as well as those that impact its clients' ability to generate revenue.
- » Extreme weather events can have a major influence on the reduction of GDP. Given that Cielo is responsible for transacting approximately 9% of GDP, any events related to climate change leading to reduced consumption or prolonged interruptions in the Company's operational systems may impact its financial revenues.
- » To mitigate the problem, we have a Business Continuity Management (BCM) program, which aims to identify the unavailability risks and ensure the implementation and maintenance of an evolving process. Learn more on page 47.

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 81 and 82.

In 2021, we have calculated an index of 0.9 in our GHG emissions intensity indicator in relation to EBITDA. This result shows that the company's economic-financial growth is decoupled from the volume of emissions accounted for.

Our 2022 target, linked to variable executive compensation, is based on 2021 and is to keep the ratio of Scope 1 + Scope 2 emissions/EBITDA up to 2.1.

Other GRI Contents

GRI 102-45 – List of entities included in the financial statements

- » Servinet Serviços Ltda.
- » Cateno Gestão de Contas de Pagamentos S.A.
- » Cielo USA, Inc. ("Cielo USA")
- » Aliança Pagamentos e Participações Ltda.
- » Fundo de Investimento em Direitos Creditórios Não-Padronizados Cielo
- » Fundo de Investimento em Direitos Creditórios Cielo
- » Fundo de Investimento em Direitos Creditórios Cielo Emissores I
- » Fundo de Investimento em Direitos Creditórios Cielo Emissores II
- » Fundo de Investimento em Direitos Creditórios Cielo Receba Mais
- » Fundos de Investimento em Cotas de Fundo de Investimentos
- » Multidisplay Comércio e Serviços Tecnológicos S.A. *
- » Merchant e-Solutions, Inc.**
- » Stelo S.A.
- » M4Produtos e Serviços S.A.

GRI FS1 – Policies with specific environmental and social components applied to business lines

We have a Products and Services Policy, which establishes guidelines for offering products and services that promote the sustainable growth of the Company, our partners and customers, promoting positive impacts on society, present and future generations. Thus, products and services are analyzed throughout their entire life cycle, looking for sustainable performance. The environmental and social externalities of Cielo's products and services are assessed, with a focus on minimizing socio-environmental impacts and identifying synergistic alternatives with sustainability.

In addition, our Sustainability Policy reaffirms the Company's commitment to sustainable development, establishing guidelines for the insertion of social, environmental and governance aspects in our business.

GRI FS5 - Interactions with customers/ controlled companies/business partners regarding environmental and social risks and opportunities

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.

* On August 13, 2021, the agreement for the sale of all shares in Multidisplay Comércio e Serviços Tecnológicos S.A. ("Multidisplay") was entered into. The completion of the transaction occurred on November 3, 2021.

** On February 17, 2022, the agreement for the sale of all the shares of Merchant E-Solutions Inc was signed, as per the material fact disclosed on February 18, 2022.

SASB Content Index

TOPIC	CODE	METRIC	UNIT OF MEASURE	2021
Environmental footprint of hardware Infrastructure	TC-SI-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable.	Gigajoules (GJ), Percentage (%)	Page 85
	TC-SI-130a.3	Discussion of integrating environmental considerations into strategic planning for data center needs.	n/a	Page 84
Data Privacy & Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy.	n/a	<p>Page 46. Cielo has formalized and disclosed its Privacy and Data Protection Policy, as well as its rules on Handling of Personal Data, Storage of Personal Data, Sharing of Personal Data with Third Parties and Privacy by Design.</p> <p>The data lifecycle is formalized in the Handling of Personal Data standard. The collection of personal data is carried out under the terms of the standard and solely for the fulfillment of a specific pre-determined purpose, in accordance with the principles of law (adequacy, necessity, purpose, security, among others).</p> <p>Personal data is used only for the purpose originally recorded and informed to the data owner. In case of change of purpose, the DPO is triggered and will ensure that data owners are informed of such change.</p>
	TC-SI-220a.2	Number of users whose information is used for secondary purposes.	Number	Page 46
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy.	R\$	No monetary losses resulting from legal proceedings associated with user privacy in 2021.

TOPIC	CODE	METRIC	UNIT OF MEASURE	2021
Data Privacy & Freedom of Expression	TC-SI-220a.4	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure.	Number, Percentage (%)	<p>As required in the ICMS Agreement 134, as well as in the COTEPE/ICMS Act 69, both published by the National Council of Treasury Policy, the financial and payment institutions have the following obligations</p> <ol style="list-style-type: none"> 1. sending the Payment Medium Information Statement (DIMP): monthly files sent to all State Secretariats with the transactions performed by each of the clients in the respective month and state, with the amounts, dates and types of transaction, cancellations and chargebacks (normal and extemporaneous), name/company name of the client, CPF/CNPJ and the other registration data, as well as which of our clients are VANs and subcredentiaries or not; 2. Sending files on demand: Files sent only in response to letters from State Secretariats, with specific demands (customers and periods). The documents contain the name/corporate name, CPF/CNPJ and the transactions (with amounts, dates and types of transactions) performed by the customer during the specific period requested in the official letter by a given State Secretary. <p>In view of this context, Cielo sends all the transactions made by all our clients to the respective State Secretariats on a monthly basis. In 2021, we made 388 submissions, of which 312 were compulsory and 76 extraordinary requests.</p>
	TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring.	n/a	Not applicable.
Data Security	TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected.	Number, Percentage (%)	Zero.

TOPIC	CODE	METRIC	UNIT OF MEASURE	2021
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.2	Employee engagement as a percentage.	Percentage (%)	eNPS survey. Page 75
	TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees.	Percentage (%)	Female gender and Racial/ethnic group*, respectively: Management = 38.2% / 20.6% Technical Staff = 26.1% / 25.7% All others 41.0% / 38.4% * Racial/ethnic group = consolidates Asian, Indigenous, Black, Brown and 'Not Informed'.
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations.	R\$	In 2021, the Company was not a party to lawsuits involving anticompetitive behavior, trust practices and monopoly.
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.1	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime.	Número, Dias	(1) Number of performance issues: 591 (2) Service disruptions: 188 (3) Total customer downtime: 426 hours, 30 minutes and 35 seconds.
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations.	n/a	Services that had more disruptions and consequently affected business continuity: BITZ (42), SEC (42), STAR (38), Cielo Site (33), STC (24), Digital Payments (22), Skyline (18), Cielo Pay (18), QRCode (18), and Captura Única (15).

GRI Content Index

GRI 102-55



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

The service was performed in the Portuguese (Brazil) version of the Report.

STANDARD	DISCLOSURES	NAME	REFERENCE / DIRECT ANSWER
GRI 101: FOUNDATIONS 2016			
GRI 102: General Disclosures 2016	102-1	Organization name.	Page 11
	102-2	Main activities, brands, products and/or services.	Pages 11 and 60
	102-3	Headquarters location.	Page 130
	102-4	Number of countries in which the organization operates.	Page 11
	102-5	Ownership and legal form.	Limited Liability Company (S.A.)
	102-6	Markets served.	Page 11
	102-7	Scale of the organization.	Pages 11 and 88
	102-9	Description of the Company's supply chain.	Page 67
	102-10	Significant changes to the organization and its supply chain.	Page 67
	102-12	External initiatives.	Global Compact on four platforms: Anti-Corruption, Human Rights, Climate and SDG.
	102-13	Membership of associations.	Pages 97 and 111

STANDARD	DISCLOSURES	NAME	REFERENCE / DIRECT ANSWER
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker.	Page 3
	102-18	Governance structure.	Pages 25, 90 and 100
	102-22	Composition of the highest governance body and its committees.	Pages 25, 90 and 100
	102-26	Role of highest governance body in setting purpose, values, and strategy.	Page 28
	102-28	Evaluating the highest governance body's performance.	Page 27
	102-40	List of stakeholder groups.	Pages 6 and 89
	102-41	Collective bargaining agreements.	Cielo: The agreement applies to 100% of CLT employees, excluding only interns, board members and statutory employees. Cateno: page 94
	102-42	Identifying and selecting stakeholders.	Pages 6 and 89
	102-45	Entities included in the consolidated financial statements.	Page 114
	102-46	Defining report content and topic Boundaries.	Page 6
	102-47	List of material topics.	Pages 6 and 89
	102-48	Restatements of information.	The figures for the 2019 Financial Performance and Statement of Added Value (DVA) have been restated from the previous report. Learn more on page 54. Historical Ecoefficiency data has been restated in this report. Learn more on pages 81 and 82. Regarding the Integrated Reporting framework, there were no data or information omissions.
	102-49	Changes in reporting.	Page 6
	102-50	Reporting period.	Page 5
	102-51	Date of most recent report.	2020

STANDARD	DISCLOSURES	NAME	REFERENCE / DIRECT ANSWER
GRI 102: General Disclosures 2016	102-52	Reporting cycle.	Annual
	102-53	Contact point for questions regarding the report.	Page 130
	102-54	Claims of reporting in accordance with the GRI Standards.	This report has been prepared in accordance with the GRI Standards: Core option.
	102-55	GRI content index.	Page 118
	102-56	External assurance.	Page 127
Material theme: Ethical and fair conduct			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary.	Page 7
	103-2	The management approach and its components.	Pages 28 to 36
	103-3	Evaluation of the management approach.	Pages 28 to 36
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behavior.	Pages 15, 28, 88 and 91
	102-17	Mechanisms for advice and concerns about ethics.	Pages 35 and 91
	102-25	Conflicts of interest.	Page 27
GRI 205: Anti-corruption 2016	205-1	Total number and percentage of operations assessed for risks related to corruption and significant risks related to corruption identified.	Page 33
	205-2	Communication and training about anti-corruption policies and procedures.	Pages 30 and 31
	205-3	Confirmed incidents of corruption and actions taken.	Page 35
Material theme: Customer relationship			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary.	Page 7
	103-2	The management approach and its components.	Pages 60 to 64
	103-3	Evaluation of the management approach.	Pages 60 to 64

STANDARD	DISCLOSURES	NAME	REFERENCE / DIRECT ANSWER
GRI 102: General Disclosures 2016	102-43	Approach to stakeholder engagement.	Pages 6, 63 and 89
	102-44	Key topics and concerns raised.	Pages 6, 63 and 89
GRI 416: Customer Health and Safety 2016	416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	100%. All products and services are evaluated from a social and environmental point of view, through the Products and Services Forum. For each new product or service, as well as for changes to existing ones, the Sustainability, Diversity and Corporate Responsibility Management analyzes accessibility, diversity and inclusion, human rights, eco-efficiency and climate change aspects, among others. Learn more on page 42.
GRI 417 Marketing and Labeling 2016	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 cases of non-compliance with regulations and/or voluntary codes related to marketing communications in 2021.
Material theme: Close and sustainable business relationships			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary.	Page 7
	103-2	The management approach and its components.	Pages 64, 65 and 67
	103-3	Evaluation of the management approach.	Pages 64, 65 and 67
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed.	Page 53
	201-4	Financial assistance received from government.	In 2021, Cielo received no financial assistance from the government.
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts, including the extent of impacts.	Pages 64 and 65
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers.	Page 67 Criteria for geographic definition of "local" = national territory; Criteria for defining "major operational units" = tier 1 suppliers
GRI 206: Anticompetitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	In 2021, the Company was not a party to lawsuits involving anti-competitive behavior, anti-trust, and monopoly practices.

STANDARD	DISCLOSURES	NAME	REFERENCE / DIRECT ANSWER
GRI 308: Environmental assessment of suppliers 2016	308-1	Percentage of new suppliers selected based on environmental criteria.	Page 67
GRI 308: Environmental assessment of suppliers 2016	308-2	Significant actual and potential negative environmental impacts in the supply chain and measures taken in this regard.	Page 67
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor.	Page 67
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor.	Page 67
GRI 412: Human Rights Assessment 2016	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	100%. All our contracts have clauses related to socio-environmental responsibility and to our Code of Ethical Conduct.
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs.	Page 65. 100%. Cielo supports social investment projects nationwide, which are selected based on objective social impact criteria.
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria.	Page 67
	414-2	Negative social impacts in the supply chain and actions taken.	Page 67
GRI Financial Sector Supplement: Local Communities	FS13	Access points in sparsely populated or economically disadvantaged areas, by type.	Page 64
	FS14	Initiatives to improve access to financial services for low-income people.	Page 64
GRI Financial Sector Supplement: Labeling of products and services	FS16	Initiatives to increase financial education, by type of beneficiary.	Page 60

STANDARD	DISCLOSURES	NAME	REFERENCE / DIRECT ANSWER
Material theme: Leadership and Innovation			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary.	Page 7
	103-2	The management approach and its components.	Pages 55 to 59
	103-3	Evaluation of the management approach.	Pages 55 to 59
GRI 203: Indirect Economic Impacts 2016	203-1	Development and impact of investments in infrastructure and services offered.	Page 64
Material theme: Systems security and availability			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary.	Page 8
	103-2	The management approach and its components.	Pages 44 to 48
	103-3	Evaluation of the management approach.	Pages 44 to 48
GRI 418: Customer Privacy 2016	418-1	Total number of substantiated complaints regarding breaches of privacy and loss of customer data.	There were no cases of substantiated complaints regarding violation of privacy and loss of customer data in 2021.
Material theme: Eco-efficiency and Climate Change			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary.	Page 8
	103-2	The management approach and its components.	Pages 67 and 80 to 87
	103-3	Evaluation of the management approach.	Pages 67 and 80 to 87
GRI 302: Energy 2016	302-1	Energy consumption within the organization.	Pages 84 and 98
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource.	Page 86
	303-2	Management of water discharge related impacts.	Page 86
	303-5	Total water consumption.	Page 86

STANDARD	DISCLOSURES	NAME	REFERENCE / DIRECT ANSWER
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions.	Pages 81 and 98
	305-2	Energy indirect (Scope 2) GHG emissions.	Pages 81 and 98
	305-3	Other indirect (Scope 3) GHG emissions.	Pages 81 and 98
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts.	Page 87
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts.	Page 87
	306-3	Total weight of waste generated in metric tons.	Page 87
	306-5	Total weight of waste directed to disposal in metric tons.	Page 87
Material theme: People & Management			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary.	Page 8
	103-2	The management approach and its components.	Pages 68 to 79
	103-3	Evaluation of the management approach.	Pages 68 to 79 and 102 to 109
GRI 102: General Disclosures 2016	102-8	Information on employees and other workers.	Pages 68, 94 and 102
	102-38	Annual total compensation ratio.	Pages 77 and 107
GRI 401: Employment 2016	401-1	Total and rates of new employee hires and turnover by age group, gender and region.	Pages 74, 94 and 104
	401-2	Benefits offered to full-time employees that are not offered to temporary or part-time employees, broken down by major operations.	Page 108
	401-3	Rates of return to work and retention after maternity/paternity leave, broken down by gender.	Page 108

STANDARD	DISCLOSURES	NAME	REFERENCE / DIRECT ANSWER	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system implemented.	Page 78	
	403-2	Hazard identification, risk assessment, and incident investigation.	Pages 78 and 107	
	403-3	Occupational health services.	Page 78	
	403-4	Worker participation, consultation, and communication on occupational health and safety.	Pages 78 and 107	
	GRI 403 Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety.	Page 107
		403-6	Promotion of worker health.	Page 107
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	Pages 78 and 107
		403-9	Work-related injuries.	Zero. Learn more on Page 107
		403-10	Work-related ill health.	Zero. Learn more on Page 107
		GRI 404: Training and Education 2016	404-1	Average hours of training per year, per employee, broken down by gender and job category.
404-2	Competency management and lifelong learning programs that support the continued employability of employees in preparation for retirement.		Page 76	
404-3	Percentage of employees receiving regular performance and career development reviews, broken down by gender and job category.		Page 77	
GRI 405: Diversity and Equal Opportunities 2016	405-1	Diversity of employees and governance bodies, with percentages by gender, age group, minority groups and other indicators.	Pages 25, 100 and 102	
	405-2	Mathematical ratio of salary and compensation between women and men, broken down by role category and relevant operational units.	Pages 94 and 107	

STANDARD	DISCLOSURES	NAME	REFERENCE / DIRECT ANSWER
Material theme: Social, environmental and climate risks and opportunities			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary.	Page 8
	103-2	The management approach and its components.	Pages 37 to 43
	103-3	Evaluation of the management approach.	Pages 37 to 43
GRI 102: General Disclosures 2016	102-11	Explanation of whether and how the organization applies the precautionary principle.	Page 43
	102-15	Description of the main impacts, risks and opportunities.	Page 37
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Pages 43, 85 and 112
GRI 307: Environmental Compliance 2016	307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and/or regulations.	In 2021, the Company did not receive administrative and judicial sanctions for non-compliance with environmental laws and/or regulations.
GRI 419: Socio-Economic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area.	In 2021, the Company did not receive any significant fines or monetary sanctions for non-compliance with laws and regulations in the socio-economic area.
GRI Financial Sector Supplement: Product portfolio	FS1	Policies with specific environmental and social components applied to business lines.	Page 114
	FS2	Procedures for assessing and classifying environmental and social risks in business lines.	Page 42
	FS5	Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities.	Page 114



Assurance Report

GRI 102-56



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Limited assurance report issued by independent auditors

To the Board of Directors and Shareholders of
Cielo S.A.
São Paulo - SP

Introduction

We were engaged by Cielo S.A. (“Cielo S.A.” or “Company”) to apply limited assurance procedures on the sustainability information disclosed in the Integrated Report 2021 (“Report”), in the accompanying information to this report related to the period ended December 31, 2021.

Responsibilities of Cielo is Management

The Management of Cielo is responsible for adequately preparing and presenting the sustainability information in the Integrated Report 2021 in accordance with both the Standards for Sustainability Report of Global Reporting Initiative – GRI, with Orientation CPC 09 - Integrated Report (which is correlated with the Basic Conceptual Framework of the Integrated Report prepared by the International Integrated Reporting Council - IIRC), and the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

Independent auditors’ responsibility

Our responsibility is to express a conclusion about the information in the Report based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared based on NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC equivalent to international standard ISAE 3000, issued by the International Federation of Accountants and applicable to Non-Financial Historical Information. These standards require compliance with ethical requirements, including independence ones, and the engagement is also conducted to provide limited assurance that the information disclosed in the Report, taken as a whole, is free from material misstatement.

KPMG Auditores Independentes Ltda. (“KPMG”) applies Brazilian and international standards on quality control, and consequently maintains a comprehensive quality control system including documented policies and procedures related to compliance with ethical and professional standards, in addition to the legal and regulatory applicable requirements. We comply with the comprehensive code of ethics including detailed independence requirements, established based on the ethical principles of integrity, objectivity, competence and professional care, confidentiality and professional behavior.



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A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of questions and interviews with the Management of Cielo and other professionals of the Company involved in the preparation of the information disclosed in the Report and use of analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues which may lead them to believe that the information disclosed in the Report taken as a whole could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the Report, on other engagement circumstances and also on our considerations regarding areas and processes associated with material sustainability information disclosed where relevant misstatement could exist. The procedures consisted of:

a. engagement planning: considering the material aspects for Cielo is activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the Cielo's Report. This analysis defined the indicators to be checked in details;

- b.** understanding and analysis of disclosed information related to material aspects management;
- c.** analysis of preparation processes of the Report and its structure and content, based on the Principles of Content and Quality of the *Standards* for sustainability report of the Global Reporting Initiative - GRI (GRI - Standards) and with Orientation CPC 09 - Integrated Report (which is correlated with the Basic Conceptual Framework for Integrated Report, prepared by the The International Integrated Reporting Council (IIRC));
- d.** evaluation of non-financial indicators:
 - understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
 - application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the Report;
 - analysis of evidence supporting the disclosed information;



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- e. analysis of whether the performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the Company.
- f. comparison of financial indicators (GRI 201-1) with the financial statements and/or accounting records.

We believe that the information, evidence and results we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied to a limited assurance engagement are substantially less extensive than those applied to a reasonable assurance engagement. Therefore, we cannot provide reasonable assurance that we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the Report.

Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretation of the data's materiality, relevance and accuracy are subject to individual assumptions

and judgments. Additionally, we have not examined data related to prior periods, to evaluate the adequacy of policies, practices and sustainability performance, nor future projections.

Conclusion

Based on the procedures performed, described in this report, we have not identified any relevant information that leads us to believe that the information in the Integrated Report 2021 is not fairly stated in all material aspects in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI- Standards) with Orientation CPC 09 – Integrated Report (which is correlated with the Basic Conceptual Framework for Integrated Report prepared by the International Integrated Reporting Council – IIRC), and with the records and files that served as the basis for its preparation.

São Paulo, May 20th, 2022

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6

Original report in Portuguese signed by
Sebastian Yoshizato Soares
Accountant CRC 1SP257710/O-4

Credits

Corporate information

GRI 102-3 | 102-53

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Coordination

Sustainability, Diversity and Corporate
Responsibility Management

The preparation and presentation of this Integrated
Annual Report was based on collective thinking

Consulting for gathering disclosures according to the GRI Standard guidelines, materiality review, writing, design, translation and review

Ricca Sustentabilidade

Photos

Cielo Image Bank, Adobe Stock and Freepik

Audit

KPMG

Publication date

31/05/2022

