



ANNUAL

REPORT

2020

Somos Todos Um

cielo



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Message from the CEO

GRI 102-14

The year of 2020 challenged us, but at the same time, it strengthened us. In order to overcome difficulties and remain steadfast in our commitment to better serve, we have chosen the path of relationships.

Among the search for excellence, innovation and competitiveness, the current times demand attention to profitability, efficiency, human capital management as well as the expectation of helping to build an increasingly better society.

Here at Cielo, we challenge ourselves every day in this regard and, in 2020, we faced the test of fire, as everyone else, as we experienced an unprecedented moment in our generation. Efforts to combat the Covid-19 pandemic have brought changes in the behavior of people and companies that we are still identifying, understanding, and adapting to.

With the strength of a brand that has 25 years of existence and a prominent presence in the means of payment segment, we have not shied away from our role of meeting the new demands of society and when possible anticipating them.

Thus, we are betting in the relationship with our customers to deliver the best experience, in the training and safety of our employees as well as in an ethical and transparent partnership with our suppliers and with different Brazilian companies. Our digital and cultural transformation, which was already underway, was streamlined by the Covid-19 pandemic that imposed more dynamism and presented us with new challenges. Yet, we took advantage of the opportunities that also exist in challenging scenarios like this.

We invested in more motivation and engagement of our teams, and we also have in place a commitment to expand diversity. We strongly believe that the promotion of Diversity & Inclusion within the company will bring innovative ideas and, a company that is even more connected and capable of generating value for customers, shareholders and the entire Brazilian society.

Innovation is our tool for transformation and support for those who undertake and face the difficulties of the daily struggle. More and more, we have been offering solutions for digital products and services, such as Cielo Super Link and WhatsApp payment transactions, without forgetting the use of Contactless, NFC and QR Code technologies.

In line with the trend of the financial industry, to give consumers and entrepreneurs more and more practicality at a low cost, our ability and agility to innovate has benefited millions of families, the so-called unbanked, so that they could use their Government Emergency Assistance cards directly on the Cielo equipment. And we went further by sharing this technology with other acquiring companies, contributing to support the society and boost economy, at such a difficult time.

We did everything from the perspective of attentive and constant risk management, practicing good governance in the continuity of our business, in the financial health of customers, and in the safety of our employees.

Thus, day after day we keep building a company capable of making a difference and contributing to the sustainable development of our country.

Gustavo Sousa
CEO



About this Report

GRI 102-50 / 102-52 / 102-56

For the 9th consecutive year, we are presenting Cielo's Annual Sustainability Report, an initiative that reaffirms our commitment to transparency and dialogue with the Company's stakeholders. Throughout the document, we highlight the economic-financial, environmental and social performance of the business between January 1 and December 31, 2020, covering 100% of the operations¹ of Cielo and the controlled companies Servinet, Aliança and Stelo.

Moreover, in the Affiliates chapter, we present information about Cateno and M4U, affiliates operated independently (learn more about our relationship in these companies on page 30).

In line with the best market practices, this Report was prepared based on the guidelines of the International Integrated Reporting Council (IIRC), the Global Reporting Initiative (GRI) – Standards version – and the Sustainability Accounting Standards Board (SASB).






The information submitted was audited by KPMG Financial Risk & Actuarial Services Ltda, an external and independent company, and validated by Cielo's senior management team, and the Board of Directors.

¹ The indicators in this report also include in part Braspag, a company that was merged into Cielo in September 2020.

HOW TO READ THE REPORT

The references used throughout the document unfold in different ways of reading the Report. Therefore, in addition to the linear reading, it is possible to browse through the contents according to the reporting guidelines adopted:

GRI and SASB DISCLOSURES: starting from our material topics, we have chosen GRI and SASB disclosures that appear in the Report. At the beginning of each chapter, we point out which disclosures are addressed, and in the GRI Content Index and SASB Index (page 131) we explain their content, pointing out the page on which they are reported.

-  **Natural**
CAPITAL
-  **Social And Relationship**
CAPITAL
-  **Financial**
CAPITAL
-  **Intellectual**
CAPITAL
-  **Human**
CAPITAL

CAPITALS: the report structure is based on the Integrated Reporting capitals. At the beginning of each chapter, we present which capital will be addressed and provide a brief explanation on their importance to the Company.

SUSTAINABLE DEVELOPMENT GOALS (SDGs): taking into account our adherence to the SDGs, the Report considers those that are priority to the Company. Along the Report we mention the aspects covering a business contribution to one of the SDG goals.

Priority SDG



Revised materiality matrix

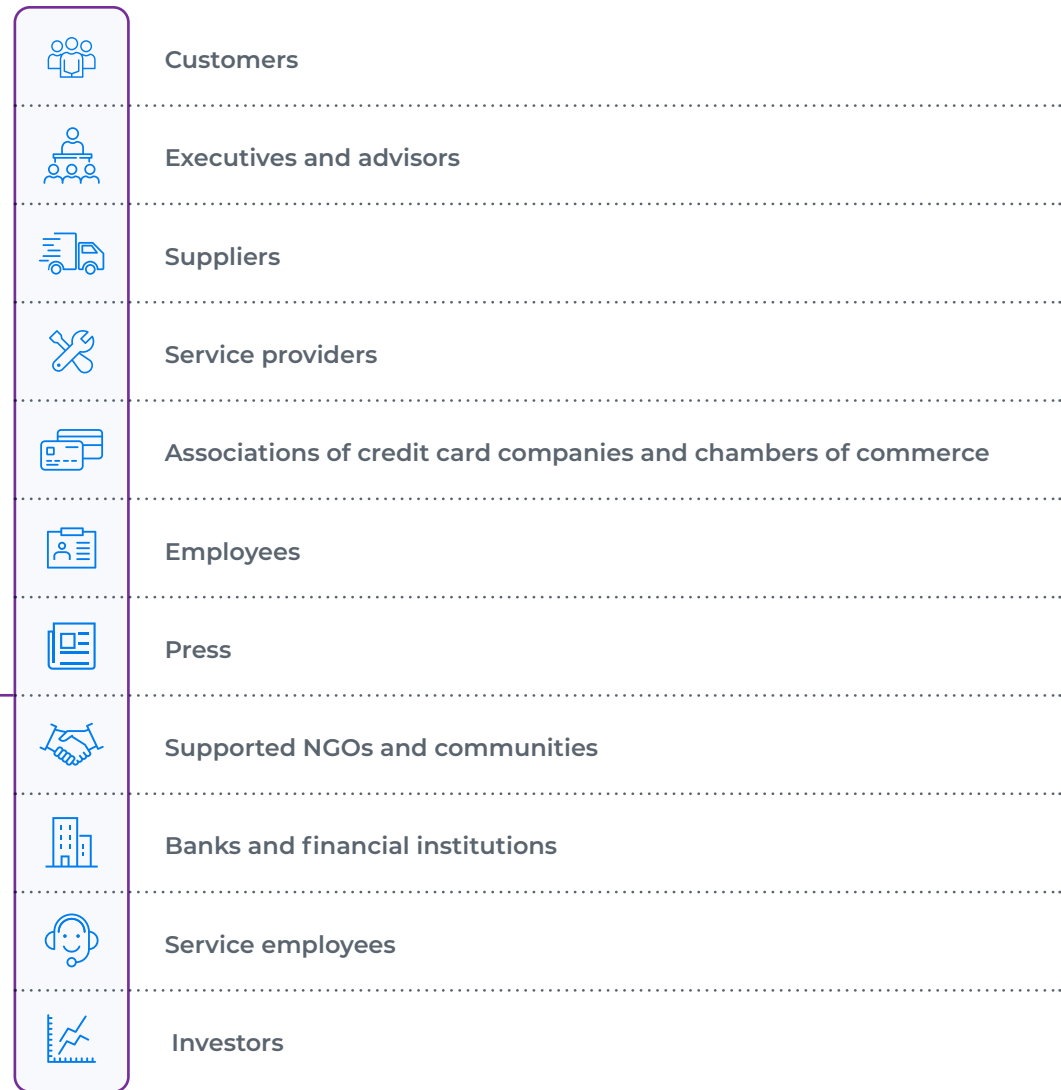
GRI 102-40 / 102-42 / 102-43 / 102-44 / 102-46 / 102-47 / 102-49

In order to identify the priority material issues in our value chain and understand which themes should guide the content of the Report, we carried out a review of our materiality matrix in 2020.

To ensure that the report covered the themes of most interest to stakeholders, the analysis was based on the following steps:

- ◆ Evaluation of the strategic scenario for the Company based on the selection of the most relevant topics indicated in a market initiative for sustainability management, the assessment of its importance as per the company executives' vision, and finally consideration of the topics deemed material for our peers and industry benchmarks;
- ◆ **We applied an online survey, answered by the Company's main stakeholders;**
- ◆ We conducted interviews with the senior management, in order to align the importance of the themes for the Company's operating strategy.

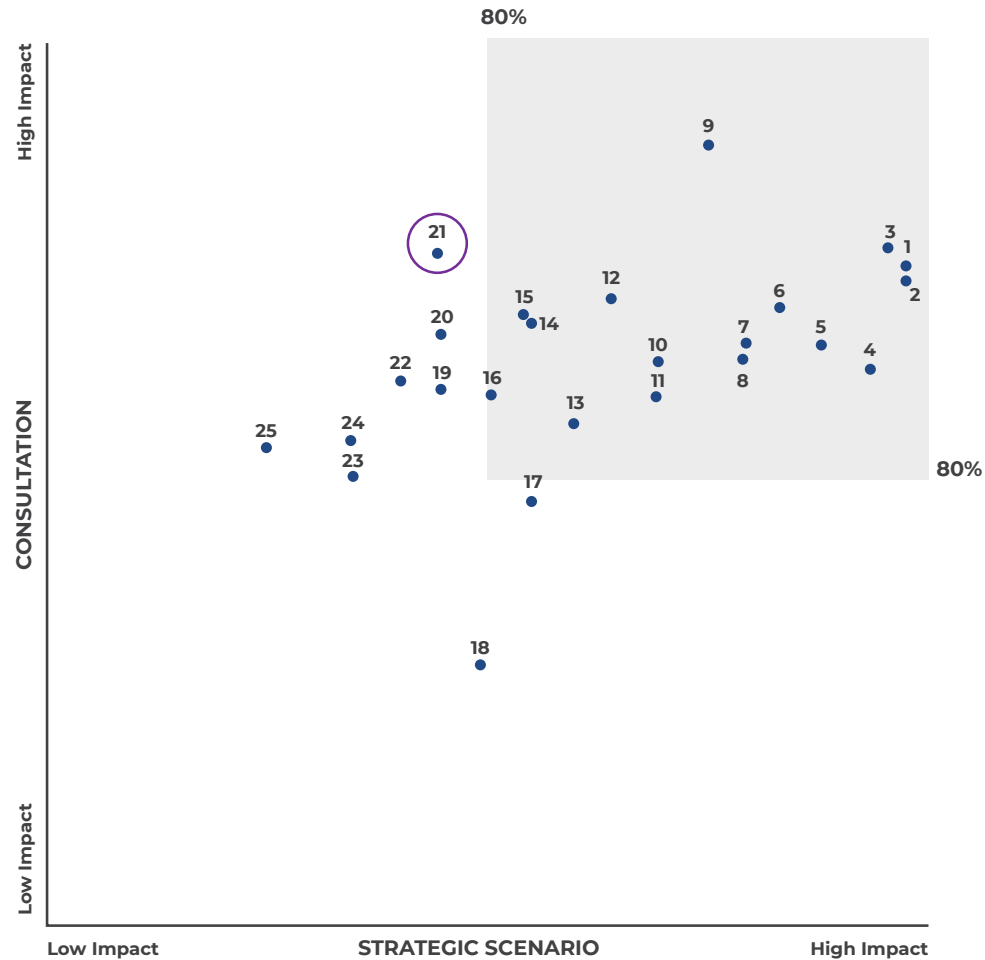
At the end of these steps, the most relevant aspects were submitted for approval by Cielo's Executive Board and Board of Directors, consolidating the materiality matrix below.



Materiality matrix

GRI 102-49

The materiality matrix presented below considers themes with more than 80% relevance both in the strategic scenario and under inquiry with stakeholders.




















○ Non-material, but strategic aspects for sustainability at Cielo.

Priority material aspects

1. Customer relationship
2. Information security and privacy
3. Ethics and combating corruption
4. Robust integrity structure
5. Solid infrastructure and system stability
6. Diversity, equality and non-discrimination
7. Attracting and retaining talents
8. Employee engagement on the Code of Conduct
9. Innovation
10. Diversity in senior leadership
11. Good labor practices in the supply chain
12. Training and education
13. Environmental assessment of suppliers
14. Electronic waste management
15. Well-being and quality of life at work
16. Support for social development
17. Energy use management
18. Combating climate change
19. Fair purchasing practices
20. Expanding the population's access to the financial system
21. Supporting small businesses
22. Performance evaluation of the Board of Directors and Executive Board
23. Management of the use of natural resources in equipment and packaging
24. Compensation of governance bodies
25. More eco-efficient products and services

At the end of the process, we reached 17 aspects deemed relevant, which were organized into seven material themes, as shown in the table below.

GRI 102-47 / 102-49

Material aspects	Material themes	Related SDG	Related Capital - Integrated Reporting
Robust integrity structure	Ethical and fair conduct		 <p data-bbox="1874 920 2060 986">Social and Relationship</p>
Ethics and fight against corruption			
Employee engagement on the code of conduct			
Customer relationship	Customer relationship	 	
Support for social development	Close and sustainable business relationships	   	
Small business support		    	
Good labor practices in the supply chain		 	

Material aspects	Material themes	Related SDG	Related Capital - Integrated Reporting
Innovation	Protagonism and Innovation	 	
Solid infrastructure and system stability	Systems security and availability	 	 Intellectual
Information security and privacy		 	
Electronic waste management	Eco-efficiency	  	 Natural
Environmental assessment of suppliers			
Diversity, equality and non-discrimination	People and Management	   	 Human
Diversity in senior leadership		 	
Attracting and retaining talent		    	
Training and education		 	
Well-being and quality of life at work		 	

Targets for material themes

2019-2020

MATERIAL THEME	TARGETS	STATUS
<p>Focus on customer service and satisfaction, adjusting products and services to the customer's needs</p>	<p>Answer 95% of the demands within seven working days</p>	<p>Target achieved In 2020, more than 95% of the demands were finalized within five working days.</p>
<p>Fraud prevention and control and cybersecurity</p>	<p>Upgrade the technology of the access management platforms for employees and customers, and achieve a 50% decrease in audit notes that occur due to problems in the existing integrations with the systems</p>	<p>Target achieved In 2020, we made progress in the implementation of projects and actions related to fraud and cyber security prevention and control. In addition, we achieved an improvement in our audit point reduction rates, and we are pursuing their total reduction.</p>
<p>Trends and technological disruption</p>	<p>Increase by 100% the customer base that uses Super Link</p>	<p>Target achieved The Covid-19 pandemic has accelerated the change in behavior of businesses and consumers, who have increasingly used digital technologies to make their payments:</p> <ul style="list-style-type: none"> • 6.5-fold growth in Super Link's active base; • Over 1,000% increase in new accreditations to use Super Link; • Super Link registered an exponential increase of 1,659% in demand and accreditation in 2020, when we observed a jump from approximately 700 clients in February to over 18 thousand accreditations in April. Learn more on p. 91

Targets for material themes

2020-2021

MATERIAL THEME	Targets
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.
Customer relationship	Achieve 85% Customer Satisfaction Index by 2021.
Close and sustainable business relationships	Leverage social impact through a product aimed at microentrepreneurs.
Protagonism 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.
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).
Eco-efficiency	Goals related to emissions, energy, water and waste (p. 82, 84 and 85).
People and Management	Implement our Diversity & Inclusion Policy.

Targets for Material themes

Eco-efficiency

Target_2020		Status	Goal_2021
Scope 1 Emissions	Fuel the fleet with ethanol biofuel only and reduce mobile combustion emissions by 90%.	Target partially achieved In 2020, we updated our Fueling Standard, orienting employees who use cars and need reimbursement to fuel up with ethanol only, a renewable and less polluting fuel. Through this initiative, it was possible to avoid 550.12 tCO ₂ e of emissions and reduce mobile combustion emissions by 35.53%.	Keep the ratio of scope 1 + scope 2 emissions/EBITDA up to 1.1. Neutralize 100% of the emissions accounted for in scope 1 through offsetting.
Scope 2 Emissions	Acquire certificate for 100% of energy consumed.	Target achieved Through the purchase of I-REC, we neutralized our 2020 emissions.	Keep the ratio of scope 1 + scope 2 emissions/EBITDA up to 1.1. Neutralize 100% of the emissions accounted for in scope 2 through offsetting.
Scope 3 Emissions	Considering the market recovery projections, it was not possible to establish a target.	Goal will be discussed in 2021.	Goal will be discussed in 2021.
Energy	Purchase 100% of energy from renewable sources.	Target achieved Through the purchase of I-REC.	Maintain I-REC.
Water	Consumption of up to 10 liters per person/day.	Target achieved In 2020, water consumption was 2.03 liters per person/day among the employees at the Head Office (Headquarters). In all, 1,688 m ³ of water were consumed, 55% less than the previous year. The reduction is associated with the displacement of part of the employees to the home office as of March due to the pandemic.	Consumption of up to 10 liters per person/day.
Waste	The possibility of proposing a goal for this topic will be decided after verifying the waste generation behavior in 2020.	Still under study, due to the pandemic and the home office, it was not possible to conduct such a behavioral study planned for 2020.	Goal will be re-evaluated/ discussed in 2021.

2020 Highlights

Response to pandemic

In view of the unprecedented challenges brought by the Covid-19 pandemic, we worked to ensure business continuity at the same time that we sought to face the effects of the disease on our employees, customers and communities..

R\$ 5 billion

in advance of receivables for trade.

1.5 million

of card readers eligible to receive Emergency Aid payments.

5,817 Covid-19

tests donated to the Casas André Luís.

6.5-fold growth

in Super Link's active base.

R\$ 957,600.00

in donations to counter the pandemic.

139,932 donations,

along with

68,000 people.

3 percentage points

increase in penetration of contactless transactions (NFC, QR and ecommerce).

Over 1,000%

increase in new accreditations to use Super Link.

R\$ 1.253 million

invested in initiatives aimed at the health and well-being of employees.

113 thousand

registered at the "Your Digital Business in 5 Days" event.

70 thousand

entrepreneurs digitalized in partnership with SEBRAE).

46 thousand

people impacted by volunteer actions.

Other highlights in the year



Reformulation of Cielo's **Code of Ethical Conduct**



Elaboration of Cielo's **Diversity & Inclusion Manifesto**



+ 100 startups on Radar Cielo



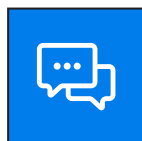
93.7% of employees completed the **new Compliance training**



Average of **28.16 hours of training** offered to each employee



89% of the portfolio using **agile methodologies**



100% of the complaints received by the Ethics Channel verified



Review of our **Strategic Sustainability Planning 2021-2025**



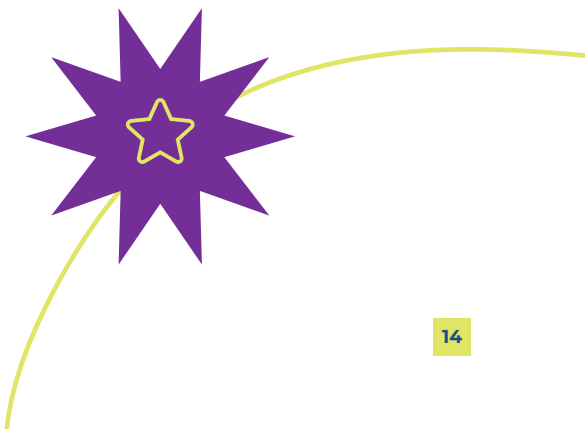
Over 80% of those approved in the Internship Program are black or brown and **50% LGBTQIA+** and intersectionalities



Over 70 free courses available on our website to leverage digital sales



143 startups enrolled in our **Mentoring Program**



Awards and recognition

Ethics in Business Award

One of the seven winning companies of the award promoted by the Ethics in Business Institute.

Melhores da Dinheiro Award

1st place in the Human Resources category in the award promoted by Istoé Dinheiro.

ISE B3

Member, for the 8th consecutive year, of the Corporate Sustainability Index, organized by B3 - Brasil, Bolsa, Balcão.

Brazil Design Awards

1st place in Brand Repositioning in the Branding Category - Popular Vote.

Valor Inovação Award

6th place in the ranking among the most innovative companies in the award promoted by Valor Econômico newspaper.

Most Valuable Brands in Brazil

Voted the 23rd most valuable brand in the country in Brand Finance's ranking in Brazil.

ICO2

Member of the Carbon Efficient Index (ICO₂) of the B3 - Brasil, Bolsa, Balcão.

Melhores da Dinheiro Award

3rd place among the 100 Most Innovative in Means of Payment and Acquirers in the award sponsored by Istoé Dinheiro with the case of Emergency Aid.

Valor 1000 Award

5th place in the ranking of Specialized Services, in the award promoted by Valor Econômico newspaper.

Brasil Design Awards

3rd place in Branding in the Jury Selection.

Top Of Mind

Award Winner.

S&P/B3 Brazil ESG Index

Member of the S&P/B3 Brazil ESG Index in recognition of environmental, social and governance practices.

Época Reclame Aqui Award

2nd place in the award promoted by Época magazine.

Cliente S.A. Award

Finalist for the award promoted by Você S.A. magazine.

Consumidor Moderno Award

1st place in the Acquirer Category.

Consumidor Moderno Award

1st place in the Financial Services sector.

Most Valuable Brands

14th most valuable brand in the ranking of the global brand consultancy Interbrand.

100 Open Startups

63rd place in the Open Corps ranking.

iBest Award

Award Finalist.



Value creation

How we generated value in 2020

Financial Capital

- Results of Operations
- Revenue of R\$ 11.186 billion in 2020

Infrastructure

- Operations network distributed over 99.99% cities
 - Logistic
- Digitalized service networks, aiming at customer satisfaction

Innovative Culture

- Cielo Digital
- Teams organized into squads and tribes, making innovation easier
- Big data tools for the analysis of large volumes of data

Social Capital

- 1.4 million customers
- Cielo brand reputation
- Over 1 thousand suppliers

Employees

- More than 3,929 employees

Natural Capital

- Water and energy to supply operations
- Consumption of natural resources (paper, plastic fuels)
- Environment under pressure from climate change



Financial Capital

- Net income of R\$ 631,5 million
- R\$ 669 million distributed to shareholders

Infrastructure

- Expanded use of Super Link and online product base

Innovative Culture

- Super Link implementation
- Digitalization of transactions
- Receiving Emergency Aid payments
- PIX
- Cielo Garagem

Social Capital

- Catalyst of around 8.38% of the Brazilian GDP through payments made on our platforms
- Contribution to the creation of jobs in the country
- Support to small businesses during the pandemic
- R\$ 2.04 billion spent with socially responsible suppliers
- Support to social development
- Customer Satisfaction Index of 82%*
- Private Social Investment

Employees

- Average of 28.16 hours of training per employee
- Diversity Program
- Volunteer Program

Natural Capital

- Fueling the fleet with ethanol, emitting less CO₂
- Reduction in energy consumption
- 8 tons of recycled residues
- Reverse logistics and recycling of electronic equipment

* Around 82% of those consulted were satisfied with the quality of the relationship and the service, products, services and solutions - giving Cielo scores between 7 and 10.

Chapter 1



Related SDG

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Who we are

GRI 102-1 / 102-2 / 102-3 / 102-4 / 102-5 / 102-6 / 102-7

With **25 years of experience in the country**, Cielo S.A. is a technology and services company for retail, with the purpose of **simplifying and boosting business for all**. We are leaders in the electronic payments segment in Latin America. Through an extensive portfolio of solutions, we meet the needs of our more than 1.4 million active customers, which range from individual entrepreneurs to large retailers throughout Brazil, both in the physical world and in e-commerce.

We are catalysts for around 8.38% of Brazilian GDP through payments made on our platforms.

We operate with 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, supported by a robust logistics structure and infrastructure adhering to the most rigid safety standards.

We are a publicly-held corporation, headquartered in the city of Barueri (SP) and also active in the United States through a subsidiary.



Our figures



6.2 billion
transactions



Over 1 million
contactless card readers



35.2 %
of market share



R\$ 644 billion
of raised financial volume



Present in
5,564 K (99.9%)
municipalities of Brazil



1.4 million
customers



R\$ 10.9 billion
of market value



3,929
employees



8.38%
of the Brazilian GDP
catalyzed by payments
made on our platforms



R\$ 631.5 million
of net profit



R\$ 32.3 billion
of term products to retailers
and entrepreneurs in 2020



31.2%
penetration



Our solutions

GRI 102-2

Cielo is more than a payment machine. Our business model includes a wide portfolio of products and solutions to meet all types of business and the needs of customers, bringing about the democratization of means of payment.

PAYMENT MACHINES

CIELO ZIP

portable and fast machine that does not require a cell phone, aimed at professionals who need mobility.

CIELO LIO

much more than a card machine, it allows one to control inventory in the palm of one's hand, place orders, close accounts, issue invoices and close the cash register, all integrated with the store system.

CIELO MINI ZIP

a portable machine that does not require a cell phone and does not use paper, offering agility and ease for sellers to operate anywhere.

Our solutions

GRI 102-2

Cielo is more than a payment machine. Our business model includes a wide portfolio of products and solutions to meet all types of business and the needs of customers, bringing about the democratization of means of payment.

SERVICES

TO SELL MORE

PROMO
exclusive service that allows one to make promotions directly on Cielo machines.

MOBILE RECHARGE
Cielo machines can be used to recharge cell phones, thus increasing sales.

CURRENCY CONVERTER
Cielo machines are enabled to pay in more than 80 foreign currencies.

TO MANAGE BUSINESSES

CIELO APP
allows the management of sales and receipts of the business in a simple and practical way.

CIELO DIGITAL WALLET
allows tracking account operations in real time, in addition to receiving and sending money in an uncomplicated manner.

CIELO FAROL (“LIGHT HOUSE”)
it offers information on customers' income profile and buying behavior, as well as comparisons with similar businesses.

CIELO STORE
it offers a series of applications that streamline the daily routine of businesses.

TO GET TO KNOW THE MARKET

ICVA
the Cielo Retail Expanded Index (ICVA) tracks the evolution of trade on a monthly basis according to the nominal revenue of small store owners to large retailers.

Our solutions

GRI 102-2

Cielo is more than a payment machine. Our business model includes a wide portfolio of products and solutions to meet all types of business and the needs of customers, bringing about the democratization of means of payment.

E-COMMERCE SOLUTIONS

CIELO SUPER LINK

it allows one to make online sales on social networks, without needing a store and without a membership fee.

CIELO CHECKOUT

payment solution that allows you to monitor 100% of sales in real time.

CIELO E-COMMERCE API

complete payment solution for any type of business, which allows a quick integration for developers.

CREDIT PRODUCTS

NON-GUARANTEED CREDIT

Receba Mais (Working Capital).

ANTECIPATING DUPLICATES

RECEBA RÁPIDO

Receiving in advance.

CREDIT WITH GUARANTEE

Credit with real estate collateral.

Purpose and Vision

GRI 102-16

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.



Chapter 2



GOVERNANCE

& **RISK MANAGEMENT**

cielo



Governance

Our corporate governance system has as guiding principles 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. 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. 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.



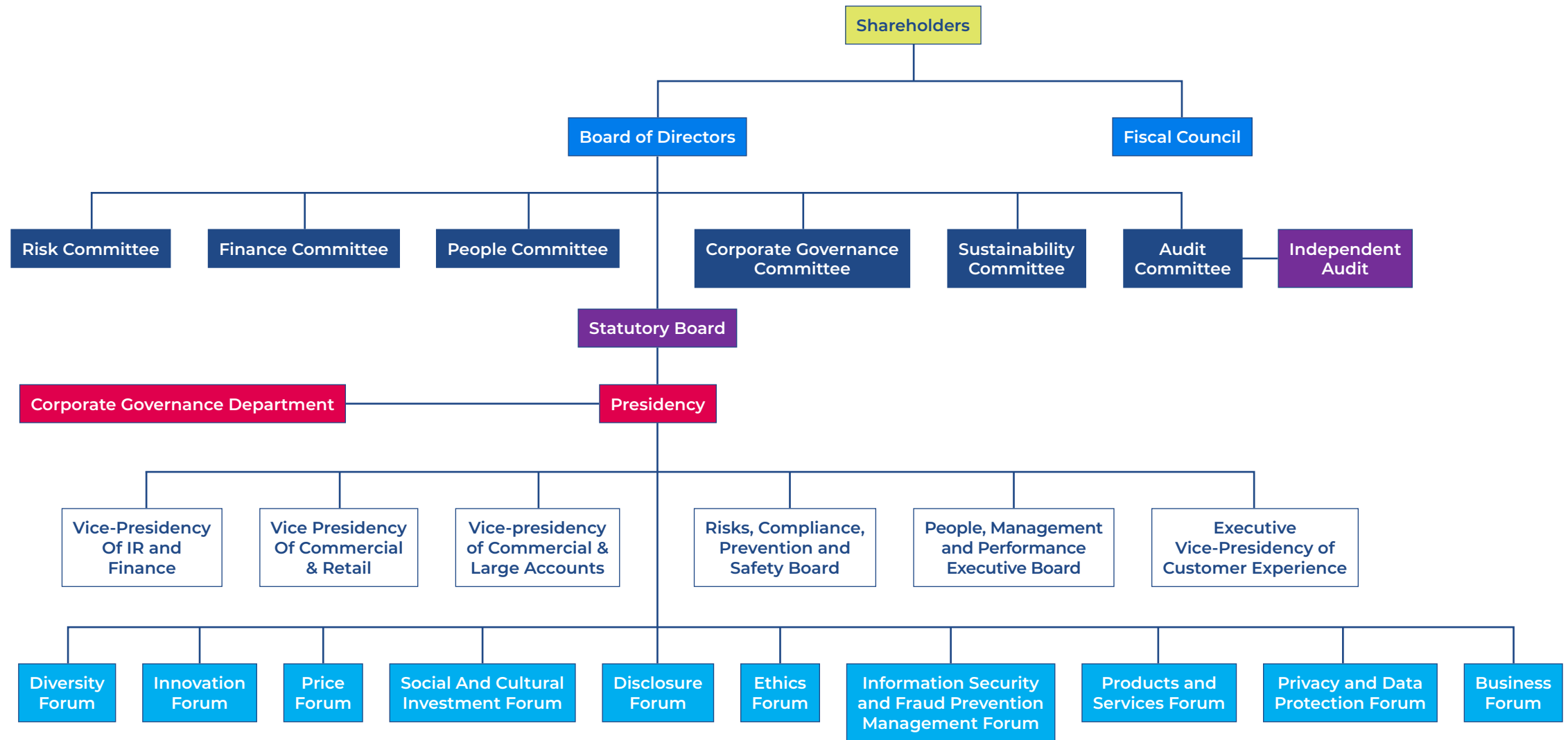
Management Structure

GRI 102-18 | 102-22

Cielo is managed by the Board of Directors, composed of members elected at the General Meeting and by the Statutory Board, as provided for in the Company's Bylaws.

The Board of Directors is technically advised by the following Advisory Committees: Audit Committee – statutory body and of a permanent nature, with operational autonomy and its own budget approved by the Board of Directors, Finance Committee, Corporate Governance Committee, Personnel and Compensation Committee, Risk Committee and Sustainability Committee.

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



The policy of nominating and remunerating members of the compensation bodies consolidates the guidelines, criteria and the process of selecting members to act in their governance bodies, in order to ensure the proper composition of these bodies and alignment with the best governance practices. By doing so, we guarantee a staff of highly qualified professionals considering:

- ◆ Remarkable experience (technical, professional and academic) compatible with the position for which they were appointed;
- ◆ Professionals with time available to dedicate themselves properly to the role;
- ◆ Who are aligned with values and culture Company and its Code of Ethical Conduct;
- ◆ Professionals with different characteristics and profiles, aiming at complementing competencies, such as social and environmental aspects;
- ◆ The diversity of knowledge, experiences, behaviors, as well as gender, age group, cultural aspects, ethnicity, among others.

Participation as a member in more than four Boards of Directors of publicly traded companies, as well as the reelection of members to the Board, must take into consideration their attendance at meetings during their last term of office, and reelection is recommended for nominees who have attended at least 75% (seventy-five percent) of the meetings in their last term of office.

More information on governance structure and practices is available at the website:



<https://ri.cielo.com.br/sobre-a-cielo/governanca-corporativa/>

Board of Directors' composition

Name	Age and date of birth	Position	Election date	End of mandate	Percentage of meetings share
Aldo Luiz Mendes	62 years (13/10/1958)	Independent Advisor	07/24/2020	up to AUG 2022	96.7%
Carlos Motta dos Santos	50 years (03/09/1970)	External Advisor	07/24/2020	up to AUG 2022	100.00%
Edson Marcelo Moreto	50 years (16/01/1970)	External Advisor	07/24/2020	up to AUG 2022	100.00%
Edson Rogério da Costa	50 years (29/12/1970)	External Advisor	07/24/2020	up to AUG 2022	96.70%
Francisco Augusto da Costa e Silva	72 years (06/09/1948)	Independent Advisor	07/24/2020	up to AUG 2022	100.00%
Francisco José Pereira Terra	51 years (25/05/1969)	External Advisor	07/24/2020	up to AUG 2022	93.30%
Gilberto Mifano	71 years (11/11/1949)	External Advisor	07/24/2020	up to AUG 2022	100.00%
Gustavo de Souza Fosse	48 years (14/05/1972)	External Advisor	01/26/2021	up to AUG 2021	N/A
Marcelo de Araújo Noronha	55 years (10/08/1965)	External Advisor	07/24/2020	up to AUG 2022	96.70%
Mauro Ribeiro Neto	32 years (13/03/1988)	External Advisor	07/24/2020	up to AUG 2022	96.70%
Vinicius Urias Favarão	46 years (20/11/1974)	External Advisor	07/24/2020	up to AUG 2022	100.00%

Composition of the Advisory Committees

Committee	Name	Position	Independent
Audit	Gilberto Mifano	Coordinator	Yes
	Francisco José Vieira Félix da Silva	Member	No
	José Antonio Teixeira	Member	No
	Mônica Luciana Martins de Oliveira	Member	No
Finance	Aldo Luiz Mendes	Coordinator	Yes
	Francisco José Pereira Terra	Member	No
	Fernando Sabbi Melgarejo	Member	No
Corporate Governance	Francisco Augusto da Costa e Silva	Coordinator	Yes
	Arthur José André Neto	Member	No
	Rodrigo Felipe Afonso	Member	No
	Gustavo Henrique Santos de Sousa	Member	No
People and Compensation	Francisco Augusto da Costa e Silva	Coordinator	Yes
	José Avelar Matias Lopes	Member	No
	Vinícius Urias Favarão	Member	No
Risk	Aldo Luiz Mendes	Coordinator	Yes
	Gláucio Nery Henrique	Member	No
	Marcelo Souza Ramos	Member	No
	Thais Regina Gonçalves Torres	Member	No
Sustainability	Francisco Augusto da Costa e Silva	Coordinator	Yes
	Aldo Luiz Mendes	Member	Yes
	Francisco José Pereira Terra	Member	No
	Fernando Pinto Lima	Member	No
	Edson Rogério da Costa	Member	No

The vice-presidencies are independent from each other, and the Risk, Compliance, Prevention and Security Directorate is independent from the vice-presidencies of the business areas.

Composition of the Executive Board

Name	Position
Gustavo Henrique Santos de Sousa	Chief Executive Officer
Superintendent of Finance (Interim)*	Executive Vice President of Finance and Investor Relations Officer
Paulo Adriano Rômulo Naliato	Executive Vice President of Commercial Own Channels and E-commerce
Júlio Almeida Gomes	Executive Vice President of Customer Experience
Renata Andrade Daltro dos Santos	Executive Vice President of Major Accounts
Fernando Pinto Lima	Executive Director of People, Management and Performance
Marcelo de Giuseppe Toniolo	Risk, Compliance and Prevention Director

Composition of the Fiscal Council

Name	Independent
Marcos Aparecido Galende	No
Felipe Guimarães Geissler Prince	No
Antonio Joaquim Gonzalez Rio Mayor	Yes
Herculano Aníbal Alves	No
Júlio César Rodrigues da Silva	No

* Position held by the Superintendent of Finance on an interim basis. Until the closing of the report the position was under definition.

Solid governance model

- ◆ Board of Directors (CA) composed of a total of 11 members, three of whom are independent;
- ◆ Positions of the Chairman of the Board of Directors and the Chief Executive Officer are held by different people, in accordance with the Bylaws;
- ◆ Corporate Governance Department reports to the Board of Directors;
- ◆ Annual assessment of the Board of Directors, with mechanisms that comprise a collegiate and individual approach, conducted by the Corporate Governance Department, with the participation and guidance of the Coordinator at the Corporate Governance Committee (independent member of the Board of Directors);
- ◆ Periodic external assessment led by an external consultancy, guided by the Coordinator at the Corporate Governance Committee and support from the Corporate Governance Department;
- ◆ Electronic corporate governance portal to restrict the exchange of information with members of the Board of Directors and Advisory Committees;
- ◆ Fixed agenda of recurring topics to be discussed in the Board, which includes the management of economic, environmental and social impacts, and annual calendar of ordinary meetings of the Board of Directors, Fiscal Council and advisory committees;
- ◆ Adoption of a "Deliberation Proposal" to formalize the deliberative process of the Board of Directors in a clear manner;
- ◆ Integration program for new members of the Company's governance bodies;
- ◆ Commitment to diversity in senior management;
- ◆ Provision of governance guidelines for the Company and its subsidiaries aligned through corporate documents (Bylaws, Shareholders' Agreement, Regulations and Corporate Governance Policy);
- ◆ Periodic review of policies, standards and procedures;
- ◆ Manual for the participation of shareholders in general meetings;
- ◆ Policy on Transactions with Related Parties and situations involving conflict of interests, whose guideline is to ensure that the Company's controllers do not participate in decisions in which they may benefit;
- ◆ According to SAM's criteria, all members of Cielo's Board of Directors are considered independent members.



Joint ventures and associates

GRI 102-10

In order to create value for shareholders, our strategic planning seeks to diversify the Company's product and service portfolio through associates: companies in which we hold 10% or more of the capital, but not its control.

These companies follow our corporate governance guidelines and institutional policies. It is economic-financial, marketing, regulatory, administrative, and operational and risk management is supported by the respective technical areas of Cielo, in order to promote better alignment on sensitive issues to the sustainability of companies, bringing efficiency, effectiveness and business efficiency. Find out more about what information regarding these companies is covered by this Report on pages 101-116.



♦ Payment account management corporation. More information in the Affiliated chapter.



♦ American acquiring company (in-person and online) and payment processing.



♦ Digitalization of payment methods and mobile solutions. A Cielo Group's company. More information in the Affiliated chapter.



♦ Physical payment solutions, with 100% of the share capital held by Cielo.





♦ It provides services for developing and maintaining contacts with commercial establishments and establishments providing services for accepting credit and debit cards, as well as other means of payment; and share in other companies as a partner or shareholder.



♦ It provides services for maintaining contacts with commercial establishments for the acceptance of credit and debit cards, as well as other means of payment.

CAPTION

-  Affiliates operated independently
-  Controlled directly by Cielo

* Braspag was terminated and merged with Stelo

Risk Management

GRI 102-15

We have a Corporate Risk Management Policy and Internal Controls, which includes guidelines and responsibilities on the integrated management of corporate risks, internal controls and business continuity, in line with applicable regulations and best market practices.

Revised during the second half of 2020 and approved by the Board of Directors in February 2021, when it started to include guidelines to manage credit, market and liquidity risks, which were previously in a separate policy, the policy includes guidelines that aim to guide the Company in adoption a structured risk management process compatible with the nature of our activities and size, as well as on seeking protection from the company's business and economic and financial situation. In addition, the document ensures a methodology for identifying and keeping the list of the main corporate risks which we are exposed up-to-date. Based on our risk appetite, we can prioritize and address the listed risks.

The policy is reviewed and updated by the Risk, Compliance, Prevention and Security Directorate, which reports directly to CIELO's president, acting in a consultative manner with the executive areas, but with independent assessment and reporting on the company's risk management.

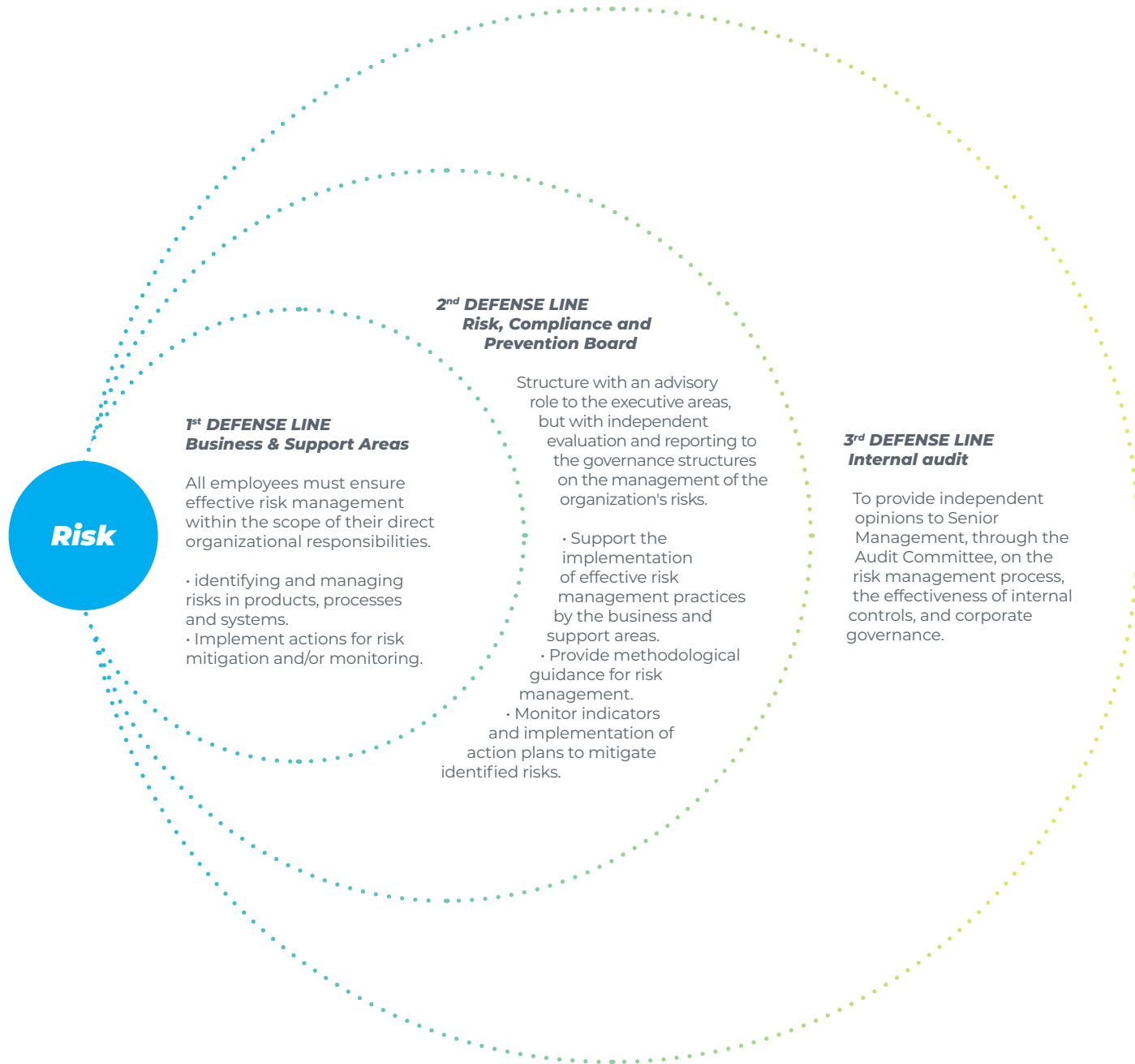
In order identify the main risks and opportunities of the business, every 3 years we carry out periodic strategic planning cycles, with annual reviews, during which an extensive mapping of the market and strategic risks to the business in the dimensions of competition/ business model, technology and regulation.

In addition to the formal strategic planning process, we have internal processes focused on monitoring the market and identifying potential risks and opportunities for the business. Examples of these processes include surveys with Cielo and market clients, monitoring national and international trends in the payments and technology market and monitoring the regulatory agenda of the Central Bank of Brazil.

The Corporate Risk Management and Internal Controls Policy includes the monitoring of changes in the regulatory environment, including the rules established by the banners, thus guaranteeing the conformity of products and processes with the internal and external standards in force. The Policy also guides the dissemination of the culture of risk management, internal controls, business continuity, compliance, security and privacy of information and prevention of fraud and money laundering through a periodic training program for employees.

In 2021, Cielo updated its corporate risks inventory, including some previously existing risks with a deeper level of detail, in order to give management a greater visibility of the risks that are relevant to the company. The risk map was prepared by using a specific method, based on the best market practices, such as COSO, Cobit, and ISO 27001, adapted to our operating context. The map is reassessed at least annually and validated by those responsible, who are also responsible for informing the mitigation actions if such risks materialize.

Cielo's risk management process adopts the model of three defense lines:



We have processes for identifying, assessing, monitoring, reporting and mitigating risks, described more deeply in company's internal regulations. The following are the main risks monitored by the Company:

- ◆ Operational risks, which include, among others:
 - Social, Environmental and Climate Risks;
 - Legal Risk;
 - Risk of Money Laundering and Terrorism Financing;
 - Compliance Risk;
 - Fraud Risk;
 - Risks of Business Interruption.
- ◆ Reputational risks;
- ◆ Strategic risks;
- ◆ Risks of a financial nature, which include:
 - Market Risk;
 - Credit risk;
 - Liquidity Risk.
- ◆ Emerging Risks.

The risk management process, in addition to other benefits, seeks to prevent our direct and indirect customers from being harmed by illicit practices such as fraud and failures in the delivery of products.

Cielo has a process and methodology to manage risk occurrences and action plans related to them, as well as to map and manage risks and controls.



In **2020**, we registered **1,197** risk occurrences and implemented **2,328** action plans for their reduction.

The event management process aims to ensure adequate governance for vulnerabilities identified in the company's control environment. Based on the identification of vulnerabilities, risk events and action plans are recorded, with a deadline and responsible, in the risk management workflow system. The person responsible for the process where the vulnerabilities were identified must implement corrective actions in order to avoid and reduce operational risk in their processes, products and services.

In 2020, 1,197 (one thousand one hundred ninety-seven) occurrences of risks were recorded, which were addressed through the implementation of 2,328 (two thousand three hundred and twenty-eight) action plans, enabling the reduction of residual risk.

The application of the aforementioned methodologies is intended to support the executive areas in the identification, assessment, mitigation, monitoring and reporting of risks, aiming to keep them within the levels acceptable to the Company.

Seeking to promote a risk culture, we seek to raise awareness and train all employees on the subject through e-learning on regulatory and mandatory courses, which are applicable to all employees, addressing the topics:

- ◆ Anti-corruption;
- ◆ Trading of the Company's shares;
- ◆ Code of Ethics and Conduct;
- ◆ Prevention of money laundering;
- ◆ Information security;
- ◆ Business continuity management;
- ◆ Risk management;
- ◆ Payment institutions;
- ◆ Regulatory aspects;
- ◆ Normative instruments;
- ◆ Working hours.

The accomplishment of the e-learning sessions is monitored by the Human Resources area and employees with pending issues are ineligible for some corporate benefits.

Socio-environmental risks of products and services

GRI 102-11 / 416-1 / FS1 / FS2

New products or services, as well as possible changes to existing products and services, go through the risk assessment process.

Risks are identified through an assessment of a reviewer areas that make up the Products and Services Forum. The purpose is to assist the Executive Board in assessing the risks involved in launching or changing products and services, in line with strategic objectives and with the principles of corporate governance practices, namely: Risk Management, Compliance, Business Continuity, Fraud Prevention and Money Laundering, Information Security, Legal, Finance, Remote Channels, Logistics, Operations, Sustainability and Ombudsman.

In 2020,
19 *(nineteen)*
products/services
were assessed.



The assessment of the changing or launch of products and services is formalized through a technical opinion prepared by reviewer areas, within the expertise of each one, and reported in the Products and Services Forum. If the reviewer areas identify risks that do not have any mitigators defined by the assessment team, they indicate conditions or occurrences of risks:

- ♦ **Conditions:** These are requirements that if not implemented, prevent the launch of the product/service (new or changed).
- ♦ **Risk Occurrences:** Requirements that do not prevent the launch of the product/service (new or changed). In this sense, the remedying action can be implemented after the date of deployment of the product/service (new or changed).

The Products and Services Forum deliberates when the implementation products and services that show low risks. Initiatives that present medium or high risks must be resolved on by the Executive Board.

Our risk management taxonomy incorporates the Task Force on Climate-related Financial Disclosures (TCFD), an initiative that seeks to develop and implement recommendations for the disclosure and analysis of climate-related risks and opportunities.

Risk mitigating actions (action plans) are recorded in Cielo's Risk Management workflow tool and monitored by the Risk, Compliance, Prevention and Information Security Department.

The Sustainability Management team also participates in the Products and Services Forum, contributing with socioenvironmental analysis of inherent risks to products and services, from its preparation to the final disposition. For these analysis, based on the product qualification, risk opinions are prepared for the Products and Services Forum in which criteria of accessibility, economic security of clients and any risks of slave and/or child labor are observed, for example.

Business continuity

SASB TC-SI-550a.1 / TC-SI-550a.2

The risk of unavailability of our core systems is one of the risks addressed by the Business Continuity area, which can be caused by an interruption in the infrastructure of a Data Center, the unavailability of access or another reason for the workplace, due to the absence of a key employee or service interruption by a critical supplier.

To mitigate the problem, we have a Business Continuity Management (GCN) program, which aims to identify the risks of unavailability and ensure the implementation and maintenance of an evolutionary process, aiming at:

- ◆ 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 our image;
- ◆ Prepare people, through tests and simulations, to respond effectively to an incident or interruption.

To ensure that essential services are identified and preserved, in the event of a “disaster,” we have in place a formalized and audited methodology. One of the stages of the GCN methodology is the Business Impact Analysis (BIA), which aims to identify and document the impacts, in the event of an interruption in the main business processes. It is also applicable to determine the recovery priorities of processes in situations of unavailability, appropriate recovery times (MTPD – Maximum Tolerable Period Disruption, RTO – Recovery Time Objective and RPO – Recovery Point Objective), resources and teams to meet service levels required by business.

Based on the BIAs, the business continuity strategy is defined, and the Business Continuity Plan (PCN) is developed.

The PCN consists on a set of documents that describes how we 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.



The PCN consists of the following plans:

- ◆ Disaster Recovery Plan (DRP): The Disaster Recovery Plan (DRP) Procedures show how to recover the technology environment after an incident that causes a partial or total unavailability of technology assets;
- ◆ Crisis Management Plan: Procedures for making decisions about the plans to be triggered, in a crisis and monitoring the environment until the return to normality;
- ◆ Workplace Continuity Plan (PCLT): Procedures for activating the alternative workplace in the event of unavailability of the primary workplace;
- ◆ Supplier Continuity Plan: Procedures for assessing critical suppliers (TIER 1) and their contingencies. In addition to elaborating scenarios and alternatives in case of unavailability in the supplier's technological environment; and
- ◆ People Continuity Plan: Procedures for activating the backup plan by role of employees appointed as key persons.

The effectiveness and reliability of the Business Continuity Plan are established by conducting periodic validation tests. The nature, scope and frequency of which one are determined according to the criticality of the services and

businesses in question, as well as following definitions of regulatory bodies.

To reinforce the organizational culture related to Business Continuity, mandatory e-learning training is provided for all employees.

Throughout 2020, we recorded three incidents with a partial impact on our operation. We estimate that the estimated financial volume of transactions not captured in the period of the incidents was RS 28.6 million .

In 2020, Cielo carried out two business continuity tests (Integrated from the authorization and capture environment and another from offline settlement).



Training related to
**Business
Continuity**
*is mandatory for all
employees.*

* Calculation performed by estimating non-entry transactions, comparing with the same period of the week prior to the partial impact period, and multiplying the difference in transactions by the average ticket of the partially impacted product.

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 carry out three-year strategic planning cycles, which are reviewed annually.

To identify the main emerging business risks, we carry out periodic strategic planning cycles every three years, with annual reviews, during which an extensive mapping of the market and strategic risks to the business in the dimensions of competition / business model, technology and regulation is performed. In addition to the formal strategic planning process, we have internal processes focused on monitoring the market and identifying potential risks and opportunities for the business. Examples of these processes include: surveys with Cielo and market clients, monitoring national and international trends in the payments and technology market and monitoring the regulatory agenda of the Central Bank of Brazil.

The main emerging risks identified by the Company are those that lead to the possible disintermediation of the acquiring products, in the long and medium term, as follows:



Climate changes

GRI 201-2

Climate change is a risk that imposes uncertain conditions on climate patterns on various sectors of the economy, such as water regime, heat islands, average temperature, droughts, floods, storms and sea level, among other aspects that can impact or directly make business unfeasible.

Our business is exposed to the potential impacts of climate change, since we operate on the commercial base of multisector of the economy, on which our result is directly dependent.

The risks associated with the demand for public policies for the transformation to a low carbon economy may land on a consumption reduction agenda, for example, and consequently cause an economic slowdown and a reduction in the Brazilian GDP.

Extreme weather events, in its turn, can also have a major influence on reducing GDP, as they can reach vast regions, affecting the distribution and service network, directly impacting our operations.

We are currently responsible for transacting around 8.38% of GDP through our terminals. Accordingly, any events related to climate change that lead to reduced consumption or prolonged interruptions in our operating systems can generate a reduction in our financial income.

Therefore, we have a Climate Strategy based on four pillars:

- ◆ Impact assessment;
- ◆ Emission reduction;
- ◆ Compensation of Emissions;
- ◆ Transparency.

Based on this strategy, we aim to contribute to a low carbon economy and establish contingency plans in the event of extreme events. In addition, we are dedicating efforts to provide new digital solutions.

Entry of technology players in the acquiring market

Technology players can enter the payments market. This already occurs in Asian countries like China, where the high penetration of cell phones makes the use of mobile as a means of payment conducive (via Wallet). The main objective of these new players is to offer their own means of payment together with their services or technology products.

This scenario of greater competition may lead to lower rates and pressure on the Company's profitability. Therefore, in addition to monitoring the activities of new entrants and new technologies being implemented both in Brazil and in the world, Cielo also developed in 2019 its own Wallet solution, CieloPay.

Extinction of money bill and prevalence of exclusively digital payments

With the popularization of digital media and the growing technological development that allows more people to have access to the internet, payment through money bills has become increasingly rare, and the subject of debate in several countries in Europe and in

Brazil. The forecast is that, in the future, modern economies will be dominated by the use of cards and electronic money on a global scale. At least two of the ten largest economies in the world (China and the United States) are considering digitizing money and ending paper money.

In Brazil, this idea gained strength through the electronic payment system PIX, launched by the Central Bank of Brazil (Bacen). As an example of progress on this topic, Sweden started to discuss the creation of its own cryptocurrency (e-krona). This risk and, at the same time opportunity, demonstrate that the financial market and entire payment business model will need changes to be more dynamic, intelligent and secure.

Deepfake frauds

Technological breakthroughs have allowed the use of Artificial Intelligence (AI) techniques to create fake videos, where the face and voice of a certain person are assumed by the fraudster. For the montages to be effective, software is used in which photos and videos of the person subject to the fraud are included and then processed by the algorithm that learns characteristics such as the features of a face or the way it moves.

With the Covid-19 pandemic, companies around the world had to update their technologies in order to maintain their full functioning while respecting social isolation to curb the spread of the virus. Therefore, interactions with physical presence have been replaced by digital/virtual interactions, making the use of digital validation/authentication mechanisms with facial recognition to open bank accounts or make payments recurrent. However, the technologies behind deepfakes demonstrates that they are able to trick the liveness detection features, where the person needs to make random gestures (e.g., blinking the eyes or moving the head) to indicate they are a person and are alive (instead a simply a photo or recorded video).A software that has a reasonably guaranteed security to combat this threat has not yet been developed.

Ethics and Compliance

As this is a material issue of paramount importance to the Company, we have in place a robust integrity and compliance structure, with previously defined and disseminated guidelines and responsibilities among employees, which supports ethical and honest behavior, as well as the fight against corruption, in order to guarantee the continuity of business.

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 our 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.

Reformulated in 2020, Cielo's Code of Ethical Conduct defines the directions expected from managers, employees, interns, young apprentices, controlled companies, shareholders, investors and the other audiences with which the Company relates.

The document covers the operations by Cielo, Servinet, Aliança, and Stelo , and present the essential elements that must be considered in the relations established by the Company with its most different audiences. The document also determines the guidelines that the affiliates, over which we do not have operational control, must be based on the development of their respective codes of conduct.

Through the Code, we seek to contribute to the creation of long-term partnerships that are compatible with society's most legitimate interests and aspirations.

The references for drafting the Code of Ethical Conduct are based on the United Nations Declaration of Human Rights, the principles of the United Nations Global Compact, the conventions of the International Labor Organization (ILO), and the 2030 Agenda for the Objectives of the United Nations Sustainable Development (SDG).

In addition to our purpose, vision, strategic guidelines and cultural attributes, the document presents the general conduct guidelines expected by the Company in its relationship with its stakeholders, covering the topics:

- ◆ Equal opportunities;
- ◆ Respect for people;
- ◆ Conflict of interests;
- ◆ Courtesy acceptance and offer;
- ◆ Anti-corruption;
- ◆ Contributions and Affiliations to Political Parties;
- ◆ 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;
- ◆ Slavery;
- ◆ Health and safety at Work;
- ◆ Environment;
- ◆ Use of Organization Resources, Assets and Properties.

* Braspag was incorporated into Stelo in September 2020

Responsibility to manage Cielo's Code of Ethical Conduct is attributed to the Ethics Forum, formed by the President, Vice-Presidents, Executive Directors of the Company and Director of Risks and Compliance, and it is coordinated by the Director of Internal Audit. Its objectives include ensuring that the document's precepts are respected in the day-to-day work, through its dissemination and the training of employees.

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. In addition, all professionals must sign the formal adherence to the code and renew it upon completion of the mandatory training.



Discover our Code of Ethical Conduct at: <https://ri.cielo.com.br/sobre-a-cielo/governanca-corporativa/codigo-de-etica/>

Supplier Code of Ethics and Conduct

GRI 102-16 / 205-2

The Supplier Code of Ethics and Conduct provides the guidelines that guide our relationship with this audience, aiming to share our principles for building a lasting business relationship. In this sense, the document reaffirms our belief in good corporate governance practices and long-term sustainable relationships.

The document defines responsibilities and the expected conduct of the parties involved in contracting products and services, seeking to meet the legitimate interests of the parties involved in this relationship.



Learn more at: <http://bit.ly/CódigoDeÉticaECondutaDeFornecedores>

Starting in 2020, it became mandatory for the supplier to conduct Money Laundering Prevention (PLD) training, before having access to any competition.

Anti-Corruption Policy

In order to curb unlawful acts involving our related parties, we have in place an Anti-Corruption Policy, which establishes the main guidelines and ratifies our position regarding the repudiation and fight against any form of corruption, including extortion and bribery. In line with Act 12,846/2013 ("Anticorruption Law"), the Policy covers all managers, members of the Fiscal Council and employees of the companies Cielo S.A., Servinet Serviços Ltda., Aliança Pagamentos e Participações Ltda. and Stelo* S.A.

Subsidiaries and Affiliates must define their guidelines based on the guidelines provided through Cielo's Policy, considering the specific needs as well as legal and regulatory aspects to which they are subject.

All administrators, employees, trainees and young apprentices must undergo a mandatory online training annually, and sign the adherence term.

Failure to comply with the Policy guidelines is subject to the application of accountability measures, depending on the severity of the non-compliance.



More details about Cielo's Anti-Corruption Policy via <http://bit.ly/PolíticaAnticorrupçãoCielo>

* Braspag was incorporated into Stelo in September 2020

Compliance Program

GRI 205-2

Our Compliance Program aims to ensure the responsible and citizen performance of employees, in addition to meeting the requirements of regulatory bodies, supervisors and self-regulating external agents. To this end, the Program seeks to expand its performance beyond the specific scope of Compliance, creating a synergy that enables the ethical, risk and compliance culture as a whole.

The Program is based on six elements, which encompass the activities of Company's different areas and lead to initiatives related to compliance and integrity:

♦ Top management support:

the Company's top management is at the forefront of the actions and decisions of the Compliance Program, influencing and inspiring the conduct of employees and stakeholders.

♦ Risk management:

we identify, map and act continuously to mitigate the risks to which our business is exposed. Through a dedicated team and a structured risk management program, we report the results, allowing the prioritization of activities and optimization of available resources.

♦ Normative Instruments:

through policies, rules and procedures, we formalize the commitments and guidelines of our business practice and guide all employees as to the necessary actions, decisions and reports. In this sense, we have Anti-Corruption, Compliance, Competition and Money Laundering Prevention Policies, which establish guidelines to be adopted and followed by all employees and administrators. These policies are periodically reviewed and approved by the Board of Directors, as well as are available publicly on our website.

We also have specific rules in which the processes for preventing and addressing consequences in cases subject to the risk of corruption are formalized, such as the Rule on Relationship with Public Administration Bodies, Money Laundering Prevention, Bids, Donations, of Distribution and Acceptance of Courtesies and Consequence Management.

♦ Awareness and acculturation: we promote the rules and expectations of conduct through communication and training, focusing on the prerogatives and responsibilities.

♦ Monitoring and Prevention:

through a continuous monitoring and prevention process, we evaluate our activities in line with the applicable internal and external rules (learn more on page 31). This element seeks to verify the need for evolution or improvement of the established processes.

♦ Remediation and Reporting:

in the face of the need to establish action plans to remedy or address compliance deviations, it is possible to work to remedy the exposed weaknesses and promote the continuous improvement of processes. To this end, we are committed to transparency in reporting to internal management bodies and external bodies, such as regulators, self-regulators and flags.

In 2020, all of our employees, including members of the Executive Board, interns, temporary staff and young apprentices, were informed about the Anti-Corruption Policy and the Code of Ethical Conduct.

In 2020, we reformulated the regulatory training, which now includes gamification activities and real examples, in order to attract the attention of employees, allowing better assimilation and enabling them to see such content in their daily routines. Due to these changes and your commitment to conducting the theme, we were recognized as one of the seven winning companies in the Ethics in Business Award.

The launch of the new Regulatory Training Trail, in addition to the support of Senior Management, included an institutional communication plan developed in partnership with the Marketing department. The disclosure occurred to the entire Company, through the different channels available according to each internal audience.

The mandatory training calendar is annual, adhering to the requirements of regulatory agencies, and the leadership monitors its effectiveness.

In addition, during the year 2020, Cielo carried out a campaign to recycle the courses, in which employees did the five regulatory training courses again. In the year, the percentage of training in anti-corruption practices was 96.6%, an increase of 6.03% in relation to the previous period.

In addition to employees, we have specific training aimed at the Executive Board, Risk Committee and Board of Directors. The launch

Employees trained and communicated on anti-corruption practices

Region	2020	
	Communicated	Trained
North	78 / 100%	76 / 97.4%
Northeast	210 / 100%	207 / 98.5%
Mid-West	122 / 100%	113 / 92.6%
Southeast	2505 / 100%	2440 / 97.4%
South	260 / 100%	232 / 89.2%
Total	3.175 / 100%	3,068 / 96.6%

Employees hired in December were excluded.

In **2020**, employees have rated **4.7 (from zero to five)** for the training provided.



of the training was communicated to employees through articles posted on the intranet and an institutional video that reinforced the importance of the initiative.

In order to assess the possibility of improvements in training, we captured feedback from employees, who in 2020 scored 4.7 (from zero to five) in relation to satisfaction.

In addition to training, in 2020 we held a Digi Day dedicated to discussing issues related to fraud prevention and compliance together with employees, who had lives in which we seek to disseminate knowledge and create a culture of compliance in the Company. Among the topics covered were hacking accounts, data leaks, combating fraud, money laundering and expected ethical behaviors.

Ethics Channel

GRI 102-17

Deviations from the Code of Ethics can be reported on our Ethics Channel, which aims to enable the reporting, identified or anonymous, of situations of conflict with our guidelines, through the website (<https://canaldeetica.com.br/cielo/#home>) or phone (0800-775-0808). The channel is open to receiving complaints from employees and third parties, including suppliers, service providers and customers - who have the possibility to monitor the progress of the process through a tool on the website.

The information and authorship of the complaints received by the channel are guaranteed of absolute secrecy.

The reports are received by an independent company and forwarded to the Internal Audit team, which reports to the Board of Directors with technical support from the Audit Committee.

The records in the Ethics Channel are analyzed, in a confidential manner, by groups designated for the verification of the facts, formed according to the nature and origin of the potential misconduct. The Executive Audit Superintendence is the only one to have access

to the information and it is responsible for the analysis, preparation of the opinion, as well as to handle the complaints received. In case of the validity of the reports, disciplinary measures are provided based on Cielo's Consequence Management Standard.

All occurrences registered in the Ethics Channel, as well as the means of gathering of information about the facts, monitoring of the respective verification processes and applied disciplinary measures, are reported monthly to the members of the Ethics Forum (members of the statutory Executive Board) 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. The less complex cases are handled by the responsible managers, based on guidance provided by Human Resources area.

If the reports involve members of the statutory 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.

Throughout 2020, we received 98 reports (66% anonymous and 34% identified) of non-

compliance with the Code of Ethical Conduct. Of the total, 45 (46%) were classified as valid. The investigation of all 98 complaints received was coordinated by the Internal Audit.

The measures applied to each of them included:

- ♦ dismissal of employees for situations of moral harassment, favoring of suppliers and internal fraud;
- ♦ formal warning to employees for noncompliance with internal policies and standards;
- ♦ termination of third parties from the operation and reimbursement of suppliers involving operational fraud;
- ♦ disqualification of customers involved in irregular operations.

In 2020, there were no cases of corruption. During the year, we also did not receive substantiated complaints regarding breaches of privacy and loss of customer data.

The companies affiliated by Cielo also have an independent channel for dealing with matters that conflict with the Code of Ethical Conduct:

Braspag (<http://canaldeetica.com.br/braspag>);

M4U (<https://canalconfidencial.com.br/m4u>);

Stelo (<http://canaldeetica.com.br/stelo>),

Cateno (<https://canalconfidencial.com.br/catenos>).

Fraud prevention and money laundering

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.

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.

From the moment we register new customers, hire suppliers and business partners, as well as new employees, we are concerned with mitigate the risks of fraud, money laundering and terrorist financing. We have adopted procedures designed to identify, qualify and classify them, which include: the collection and validation of your

registration data, the qualification as a Politically Exposed Person (PEP), the verification of presence in international restrictive lists as well as national lists of administrative and socio-environmental sanctions, the investigation of negative media, and the analysis and classification of their risk, in compliance with the provisions of Central Bank Circular No. 3,978/2020.

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.

In addition, during the life cycle of our customers, we apply the transactional monitoring process, which tracks each of the transactions we receive until the post-transaction. In this way, it is possible to identify any type of fraudulence or evidence of illegal activity in the establishments, also considering the specific rules of each banner of the cards accepted in our equipment. This process makes it possible to investigate and give due treatment to the cases, effect the possible blocking of accounts and the disqualification of customers linked to suspicious activities, as well as, when appropriate, reimburse the prejudiced persons.



Security

SASB TC-SI-220a.1

To guarantee the security of the service and compliance channels in relation to the privacy as well as data protection laws applicable to the Company's business, we developed our information and privacy security strategy, based on the best market practices, aiming to provide greater solidity in the identification and mitigation of cyber risks, and the implementation of technical and administrative measures for data protection, defined and approved annually and monitored periodically by the Company's Senior Management.

Governing our guidelines on the topic, we have different normative instruments, including the Code of Ethical Conduct, the Data Protection and Privacy Policy, and the Information Security Policy, which features our Information Classification Standard, both updated and disclosed periodically by the Company.

In 2020, the Privacy and Data Protection area was institutionalized with the nomination of a management-level employee to Data Protection Officer (DPO) position, responsible for conducting the project to adapt to the requirements of the General Protection Law Data Protection (LGPD). This employee is responsible for all processes related to data privacy, including the flow of privacy by design, which guarantees the privacy requirements for new initiatives, answers to requests from data subjects, based on the information held by the Company, elaboration of the personal data inventory, aiming to identify the data flow, legal bases and control

measures for protection and the annual training program, providing to increase the culture of awareness on the subject.

Cielo
is already fully compliant with
LGPD
requirements.



In order to adhere to the General Data Protection Law (LGPD), since 2019 we have invested in mapping and adapting all of our processes, and with the entry into force of the law in 2020, all the necessary adaptations to be in compliance were already implemented. Additionally, we are also investing in a tool for automation and governance of processes in the area of Privacy and Data Protection.

Our technological framework is quite extensive and follows the standards of good market practices, including technologies that protect the transactional environment (HSMs), protection solutions for servers and notebooks (antivirus, antimalware and EDR) and network-level protections (firewalls, web application firewalls and IPSs), in addition to the various log monitoring and management solutions that make

up our SOC, supporting the processes of identifying and dealing with security incidents. We also have a security intelligence process, with support from services provided by specialized companies and participation in international groups such as FS-ISAC to receive information and proactive mitigation action on possible threats to our environment. In the scope of information security, we have had PCI certifications for more than ten years, which are the most complete for our market, covering 20% of the total of our technology environment.

In 2020, with the expansion of digital channels and the greater offer of self-service services, we reinforced security measures in order to prevent undue access to sensitive information from our customers through the implementation of the second authentication factor (MFA), making the use of these channels even more secure. Both customer access control and employee access control are rigorously identified by a robust set of credentials, preventing unauthorized access. Security indicators directly related to access management, as well as risk of data leaks are monitored by the Company's management on a monthly basis.



The guidelines for the life cycle of the information provided to the Company by users within Cielo's processes are public and open to consultation through the link <https://www.cielo.com.br/privacidade/>

Conflicts 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, established at a meeting of the Board of Directors whose updated version was approved by the Board of Directors in 2019.

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.

The Policy on Transaction with Related Parties determines that, when there is a situation that raises a conflict of interest, this must be invoked by the party that causes it, or by any third party who becomes aware of it, as soon as the conflict occurs or has science. In the same sense, the document establishes that issues related to conflicts of interest, whether or not related parties, should be directed to the Corporate Governance Committee, so that it recommends the topic or not for the Board of Directors' deliberation.

In addition, our bylaws provide that, in the decisions of the management bodies, the votes of those prevented from voting due to a conflict of interest must be excluded. Likewise, there is also this provision in the internal regulations of the Board of Directors and its Advisory Committee.



The bylaws and their institutional policies are available for inquiry at <https://ri.cielo.com.br/estatuto-social-e-politicas/>

In addition, we have mechanisms for managing conflicts of interest in the votes submitted to the general meeting, provided for in the Meeting Participation and Management Proposal Manual. Through the Manual, we clarify that in the event that someone is not independent in relation to the matter under discussion and can influence or make decisions motivated by interests other than those of the Company, this person must immediately communicate the fact and refrain from participating in the discussion and voting on that matter. It is up to the board of the general meeting to assess the issue.

Conflicts of interest are disclosed to stakeholders in relation to the following items:



Cross participation in other management bodies;



Cross shareholding with suppliers and other stakeholders;



Transactions between Cielo and Related Parties, such as its controlling shareholders;



Members of the management bodies who are not independent of the matter under discussion in said bodies must declare, in a timely manner, their conflict of interest or private interest, must absent themselves from discussions on the subject, and must abstain from voting in deliberations on the matter;



Information disclosure on related parties.

Chapter 3 



VISION OF
THE FUTURE

Strategic planning

In the face of increasing competition in our sector, our strategic planning has been guided by three main pillars: strengthening of the core business (acquisition), expansion of operations with a focus on adding more value to our customers and digital transformation. Thus, we have some priority initiatives with the objective of improving customer satisfaction, optimizing pricing and distribution, improving operational efficiency and expanding the offer of products and services.

In 2020, we launched Cielo Digi, a campaign that seeks to offer more and more solutions that contribute to the digitalization process of our customers, in order to simplify and enable digital transformation in the market.

In addition to wrap up our digital products and services in a single package, Cielo Digi aims to bring new customers and increase profitability among current ones, consolidating the Company's perception as a technological platform and as a high-tech and innovative company. Through a package of digital solutions for business transformation, we create innovative, simple and practical solutions that support traders in the adverse moment of the pandemic. To this end, the campaign was structured around three pillars:

PROSPECTING

We are far beyond the payment machine, with selling solutions on WhatsApp, complete e-commerce, market data and much more.

- ◆ Generate brand awareness for customers of all sizes.
- ◆ Present Cielo as the main partner in the digital transformation of business.
- ◆ Recognition as an innovative and technological company.



EDUCATION

Over 70 free courses on our website. We provide tools for users to learn and sell much more digitally.

- ◆ Generate brand proximity to customers and non-customers.
- ◆ New selling point; we go beyond the payment solution and wish to generate more value for customers.
- ◆ We are alongside great partners such as Sebrae, EduK and Facebook.

NEW EXPERIENCE AT THE CIELO WEBSITE

Fully customized experience. With few questions, we will be able to design our customer's profile and bring the best package of products and services

- ◆ Deliver a new experience in a didactic, interactive and informative way.
- ◆ Generate strategic information for the commercial area based on the profile of the users' answers.

During the year, we deepened our strategy of placing the customer at the center of everything we do, with special attention to retail, through the development of the New Service Model, which includes initiatives to offer more quality in the relationship with this audience (learn more about the initiative on page 89). We also carried out the remodeling of Business Units in our own and third-party channels. With this change, we seek to capture synergies in the operational model, since each channel has the possibility to serve the entire pyramid of customers, supporting the improvement of satisfaction, the quality of the relationship and service, as well as the products, services and solutions offered.

Cielo has been applying several actions to improve its operational efficiency. Among the actions carried out in 2020, we had Zero Base Budget measures, review of operational and logistical models, among other measures that have already resulted in a 10% reduction in Cielo's normalized expenditures in 2020 when compared to 2019. These and other efficiency actions will continue and be reinforced in 2021.

In our pricing strategy, we seek to offer retail customers more competitive and personalized prices, in addition to the quality of service. In 2020, we improved our initiatives in this regard using data technology, which reflected in the increased participation of retail in our results.

Our commercial structure, historically based on the partnership with banks and our own sales force, has been leveraged through the intensification of partnerships across Brazil. Our representatives in all states of the country are responsible for intermediating contact between the Company and commercial establishments.

In the large accounts segment, we seek to be at the forefront of technology solutions that allow us to bring more and more data to customers, combining volume and quality. In this sense, our efforts have been directed towards expanding the points of contact with the brand through a variety of channels, products and services that offer a unique experience to customers, guided by digital transformation initiatives.

Such initiatives include the strategy of evolving the offer of term products for prepayment of receivables, either through the acquisition of receivables (ARV) or through a product that allows customers to receive credit card sales within two days, which had the greatest expansion within our portfolio during the year. In addition, we have also evolved in the strategy of offering credit to small and medium-sized establishments, which gained even greater relevance in the context of the pandemic and proved to be very positive in 2020, fostering the economy and supporting entrepreneurs.

Furthermore, Cielo has been evolving in its digital transformation journey, with cultural and structural changes that will generate positive impacts for both the company and our customers. We already see preliminary results such as the increase in team productivity and the time to market with the adoption of the tribes model and agile methodology, the increasing use of digital solutions for processes and the increased penetration of digital channels in customer service. In 2021, Cielo should further accelerate this transformation.

Thus, Cielo's strategy in 2021 will continue to reinforce our core business of acquiring, in addition to expanding to services that add greater value to our customer base and evolve in our digital transformation.

Sustainability

Our commitment to sustainable development is reinforced through the Sustainability Policy, whose guidelines insert social, environmental and governance (ESG) aspects into the business. The document is applicable to all administrators (directors, members of the Board of Directors and members of the Advisory Committees), members of the Fiscal Council and employees of the companies Cielo S.A., Servinet Serviços Ltda., Aliança Payments and Participations Ltda. and Stelo S.A.

All of our controlled companies must define their guidelines based on the guidelines provided for in the Sustainability Policy, considering the specific needs as well as the legal and regulatory aspects to which they are subject.

In relation to the Affiliated Companies, our representatives who act in the management of the Affiliated Companies must endeavor to define their directions based on the guidelines provided for in the Policy, considering the specific needs and the legal and regulatory aspects to which they are subject.

In 2020, we started to review our Strategic Sustainability Planning 2021-2025, which included discussions on the meaning of Cielo's Purpose and Vision for the generation of sustainable value, and how its developments should direct operations on the fronts of operations, business and society. This work resulted in the interpretation of the Purpose

and Vision for Sustainability and allowed the establishment of Sustainability Guidelines that will guide our performance over the next five years. Such a Plan provides a clearer understanding of how sustainability can effectively add value and boost our business.

Based on this, we established six strategic themes for sustainability, considering priority themes in Cielo's materiality matrix, as well as of structural significance for the strategy of building shared value. Based on these strategic themes for Sustainability, we will structure the initiatives to be implemented in our business in the period 2021-2025.

Strategic Guidelines for Sustainability

Sustainability Purpose

Purpose

Empowering sustainable and inclusive business with everyone

Sustainability Vision

Vision

To be the smart platform recognized for driving sustainability and inclusion in Brazilian commerce

Operation

Diversity in representativeness and culture

Eco-efficiency in all activities

Value chain influenced for sustainability

Business

To be a market reference for ESG practices

Sustainability through products and services

Socio-productive and entrepreneurial inclusion

Society

Humanized business and work relations.

Social Inclusion in Digital Transformation

Acting through education and example

Strategic themes for Sustainability



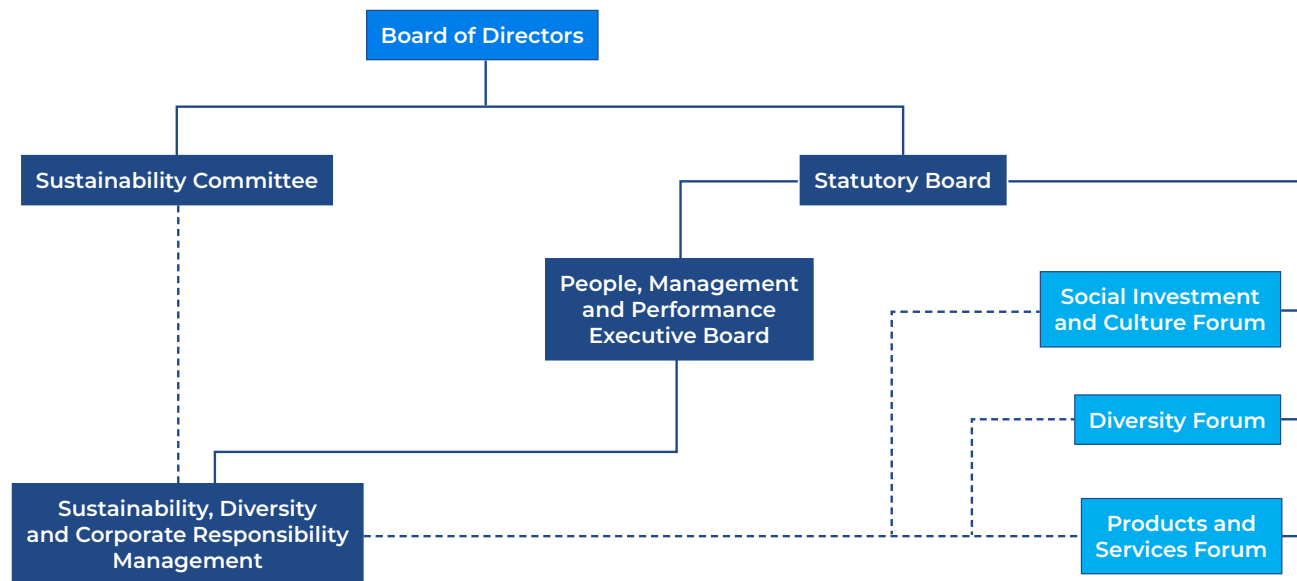
Sustainability Governance

GRI 102-26

In our governance, we have a Sustainability Committee, which has the role of advising the Board of Directors on issues related to the topic. The body is composed of four members of the Board of Directors, two of whom are independent directors, one representative of each of the controlling shareholders, and the executive director of People, Management and Performance (statutory director).

The Sustainability Committee contributes to the continuous improvement of our sustainability profile, establishing corporate guidelines and actions, as well as reconciling issues of economic development with those of social responsibility, ensuring long-term business success, contributing to a healthy environment for the country's economic and social development.

The implementation and monitoring of sustainability initiatives are conducted by the Sustainability, Diversity and Corporate Responsibility area jointly and transversely with other areas of the Company, reporting directly to the People, Management and Performance Executive Board, ensuring alignment with the strategy at the Company.



In 2020, the Sustainability Committee met on three occasions, when were discussed measures to combat climate change, actions to promote Diversity and Inclusion in the Company, and action plans aimed at maintaining sustainability indexes.

The Board of Directors discusses our performance related to sustainable issues at its meetings, with at least half-yearly presentations of initiatives in the area of Sustainability, Diversity and Corporate Responsibility in quarterly reports to the Sustainability Committee.

The Board is also responsible for defining business strategies, taking into account, among other aspects, the impacts of our activities on society and the environment, through the application of the strategic sustainability plan. The Plan is analyzed by the Sustainability Committee and approved by the Statutory Executive Board and the Board of Directors.

The execution of the Plan is periodically monitored by the bodies, allowing the management to assess the effects of sustainability in terms of adding value and boosting our business.

External Commitments

GRI 102-12

Since 2011, we have been signatories, together with the affiliates, of the United Nations (UN) Global Compact, and since 2018, we have contributed in the Participant


category. The initiative aims to encourage companies to adopt corporate social responsibility and sustainability policies by adhering to ten principles related to human rights, work, the environment and corruption.

With that, we also adhere to the Sustainable Development Goals (SDG), defined by the UN with the purpose of engaging organizations from all over the world in goals such as the eradication of poverty, the fight against climate change and the preservation of natural resources, by 2030.

We participate in the Global Compact Brazil Network, with representation in the thematic groups, Platform Action for Climate, Action for SDGs, Human Rights and Anti-Corruption.

In addition, we prepared the Greenhouse Gas Emissions Inventory (GHG), according to the methodology of the Brazilian GHG Protocol Program. Our emissions and actions aimed at climate change are reported through the CDP, an initiative that brings together and presents information related to risks, opportunities and environmental impacts of various companies to investors. Additionally, our GHG emissions are also published in the Public Emissions Registry, a platform developed by the Brazilian GHG Protocol Program.



Chapter 4 
Intellectual Capital:

**PROTAGONISM
&
INOVATION**



Related SDG

	
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If innovation and technology were already intrinsic to our DNA, during the Covid-19 pandemic they were accelerated due to the changing behavior of markets and consumers, who started to use more and more digital technologies to do their business.

Through the Cielo Digital work methodology, we place innovation as the responsibility of the entire organization, through five elements:

- ♦ **Digital end-to-end** – decision-making in real time and automatically, with digitization of processes;
- ♦ **Customer at the center** – focus on the customer and the process of creating products and services;
- ♦ **Agility at scale** – teams with full responsibility for delivery, with continuous interaction and testing with customers, as well as incorporating feedbacks;
- ♦ **Data-based decisions** – constant use of data for decision-making;
- ♦ **Intensive use of new technologies** – adoption of the latest technologies to design customer experiences.

We also have an Innovation Forum, which aims to assist the Executive Board and the Board of Directors in activities related to the theme, ensuring their social objectives and values are aligned with the basic principles of corporate governance.

In this context, in 2020 we believed and invested in the further growth of e-commerce, which opens up important opportunities for our business. An example is the modernization of means of payment already underway in Brazil, proportionate by the PIX. These innovations are in line with our purpose to simplify life and boost business across the country.

Digital Bitz Wallet

In November, we launched the Cielo Code™ Pay partnership, our solution for payment via QR Code, with the Digital Bitz Wallet, an innovative solution for making and receiving payments.

With Bitz, end consumers can add money online to the wallet to make bill payments and billets via smartphone, transfer amounts between Bitz accounts, make charged bank wiring between different banks, as well as payments. With the partner, we started to receive this type of transaction both in machines and in e-commerce. Transactions are made without physical contact, through the QR Code or Payment Link, which helps to prevent the transmission of the Coronavirus.

In 2020, we closed an agreement with Ambev that will make us the group's white label platform. In this type of service, we offer our platform to be used by the customer under your brand.

To implement this project, we developed a partnership with Donus, a Z-Tech startup that works as an innovation and technology hub focused on small and medium entrepreneurs in the brewery industry. This will allow taking an integrated solution for receiving payments to the points of sale, which includes accreditation, statements, face-to-face and remote assistance and logistics. This is our first lending experience, which will expand our operations in the moment of economic recovery, enhancing cell phones usage as a payment tool, and consolidate our position as a provider of a cutting-edge technological platform.

BOOST

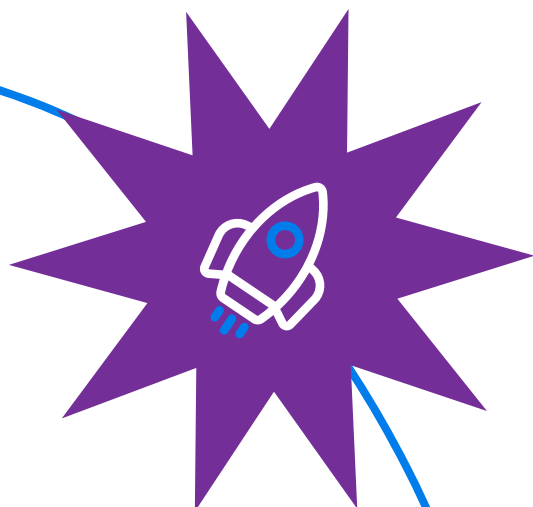
THE USE OF CELL PHONES AS A PAYMENT TOOL AND CONSOLIDATE OUR POSITION AS A PROVIDER OF A STATE-OF-THE-ART TECHNOLOGICAL PLATFORM.

Garagem: our innovation hub



Innovation represents the experimentation of new ideas, with the objective of increasing sales and productivity, reducing costs and reaching new markets, among other benefits. To boost this theme in our business, we have Garagem, a structured innovation hub to discover, test and implement new solutions. The area works in a collaborative manner, aiming to disseminate the culture of innovation to the entire Company.

Currently, Garagem is divided into three fronts, as described below.



Innovation Lab

This is the technological front of Garagem, which is also responsible for our co-creation, projects developed in partnership with other companies. The Lab is constantly looking for new technologies and focused on developing scalable solutions, and through proofs of concept (POCs) and pilots carry out validations until the final stage of making the solution available on the market. This front is also responsible for bring the future closer to Cielo.

Objectives:

- ♦ Test trends and develop POCs;
- ♦ Search for new sources of revenue;
- ♦ Implement scalable solutions with our customers;
- ♦ Carry out saving with internal areas.

Actions:

- ♦ Trend Studies;
- ♦ POCs of new solutions;
- ♦ Product acceleration POCs;
- ♦ Product improvement POCs;
- ♦ Mapping of common pains for different markets;
- ♦ Technology and Innovation Events.

Open innovation

The pillar acts in the innovation ecosystem not only in Brazil, but worldwide. Its main objective is to leverage business with startups, in order to accelerate deliverables, keeping in mind the efficiency and/or new revenues. We want startups to see us as a partner and support company for entrepreneurship.

Objectives:

- ♦ Search for new business opportunities;
- ♦ Be closer to innovation hubs;
- ♦ Position Cielo as a top-of-mind company in open innovation;
- ♦ Be recognized as a reference company in relationships with startups;
- ♦ Bring speed and revenue to our business through startups solutions.

Actions:

- ♦ Relationship with startups and new businesses with startups;
- ♦ Innovation strategy;
- ♦ LIFT – Innovation Program of the Central Bank of Brazil;
- ♦ Garagem Discovery;
- ♦ Mentoring Program;
- ♦ Open Innovation Events.

Internal Innovation

This front represents our entry channel to disclose and permeate the culture of innovation throughout the Company, in line with our belief that innovation is only valid if shared. One of the main initiatives of our internal innovation is the Garagem Talks, an event in which we connect prominent companies and people to the market, in order to share experiences and ideas with our employees.

Objectives:

- ◆ Disseminate qualified technology and innovation content inside the Company;
- ◆ Encourage transformative and creative thinking in our employees;
- ◆ Curate important content, bringing it to our context;
- ◆ Be the source of information about innovation and trends for our employees.

Actions:

- ◆ Garagem Talks;
- ◆ Garagem Toolkit;
- ◆ Innovation culture events.



RESULTS 2020

TRENDS

5
training
sessions

ABOUT

- # 01 Digital Products Prototypes Workshop
- # 02 Co-creation Training for Commercial Team
- # 03 Cielo Initiatives – Covid-19
- # 04 Mentor Workshop
- # 05 Delighted Client – Trainees

CO-CREATIONS

31
Co-creations
in 2020

HIGHLIGHTS



TALKS

17
talks

regarding subject
such as: KanBan,
OpenSource,
Open Banking, PIX etc.

83
NPS

(average)

165
audience

(average per session)

MENTORSHIP PROGRAM



143

enrolled
startups



21

startups
selected



21

mentors

OPEN INNOVATION



+100

startups in
Radar Cielo

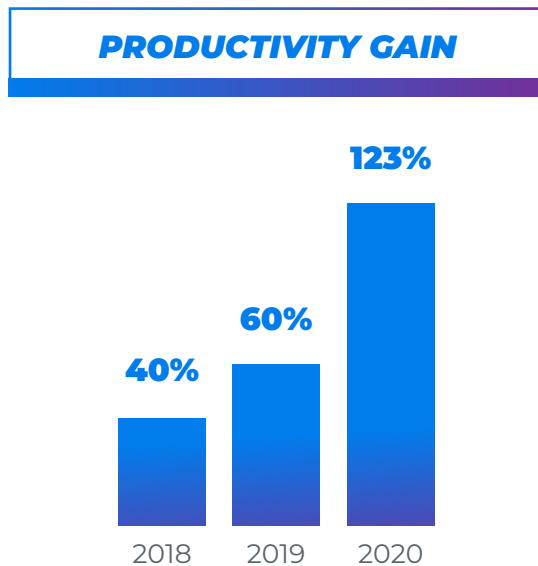
5

contracts
closed

Organized for digital transformation

In order to prepare employees for the use of new tools and work methodologies, in recent years we have invested in the digital transformation of our business. Throughout 2020, we continue to advance in the implementation of the agile methodology, which is based on the formation of multidisciplinary teams (squads), with business, IT and operation professionals, focused on the development of projects in services or customer experience.

During the year, we had 22 squads, registering a 67% increase in the frequency of deployments (availability of new software versions), which allowed faster deliveries, noticed by customers due to reduced activation time.



In 2020, our agile methodology was updated to accommodate the tribes structure, which is based on large teams of professionals working for the same project, but each with specific roles. Oriented towards the client's journey, the tribes model is based on a broad perspective, which encompasses our strategy and governance, in addition to products and services, as well as operation. Thus, the tribe takes care of each project from end to end, focused on the evolution of results. To do this end, we updated our squad structure, including and adjusting roles for the new model:

- ♦ **Business Owner** - Adjusted to address relevant tribe-level activities;
- ♦ **Tribe Agile Expert** - New role with operations at the tribe level, focused on supporting team integration;
- ♦ **Technical Tribe Expert** - New role focused on directing the technical solution with the Technical Leaders of the squads, directing the teams to follow the required standards and ensuring the integration of the work delivered;
- ♦ In addition to other roles updated according to involvement in the model dynamics.

We have also established a series of tribe rites, related to the new work model, which ensure the integration of work, the speed of deliveries and the continuous evolution of processes.



Currently,
89%
of our portfolio adopts
agile methodologies.

Since the beginning of this transformation, it has been possible to increase project delivery efficiency by 123%. This increase in productivity levels was essential for the Company to be able to handle with the new remote work model imposed by the pandemic. A highlight was the speed in delivering the solution for accepting payments for Emergency Aid, developed in a few days.

In addition, the change in our work model was accelerated in the context of the home office, bringing positive developments in relation to meeting productivity and the connection between the areas (learn more about these initiatives on page 66).

Chapter 5 

Financial capital:

PERFORMANCE



Related SDG



Sectorial scenario

The year of 2020 was marked by important launches by the Central Bank of Brazil that make up Agenda 21 and influence the country's development, with emphasis on Pix, the receivables desk and open banking. Such launches contribute for Brazil to continue to be recognized worldwide as a benchmark in terms of financial system, digitalization and means of payment.

We see Pix as a great opportunity to work with the more than 60 million Brazilians who do not have a bank account, since the digitization of money gives us the possibility to operate in a larger share of the market.

The receivables desk, on the other hand, will allow merchants to negotiate the prepayment of amounts with the acquirer who manages payments by credit card, enabling a more competitive credit offer, combined with greater security and better levels of control.

In addition, open banking offers possibilities for more disruptive innovations in the system as a whole, since it proposes a new business model based on the sharing of data, products and services by financial institutions and other organizations involved in banking services.

Such changes will also bring benefits to our customers, since they will allow for a reduction in transaction costs, improving the level of competitiveness of services and products.

In addition to these developments, during the year, we announced another innovation through a partnership with Facebook to enable WhatsApp payment transactions in the country, authorized by the Brazilian Central Bank (Bacen) in March 2021. The tool will enable payment between individuals (P2P) as well as for merchants (P2B). P2P transactions will only be available for debit cards, while P2B transactions will be available for both.

In a year marked by the economic crisis caused by the pandemic, data from Cielo Broad Retail Index (ICVA) show that there was an increase in the non-durable goods market, especially supermarkets, pharmacies and pet shops, while the durable goods sector suffered drastic reduction, despite the increase in civil construction.

The service sector was the most affected by the pandemic, especially tourism, airlines, bars and restaurants, the low revenue from these activities was the one that most affected the Company's results in 2020.



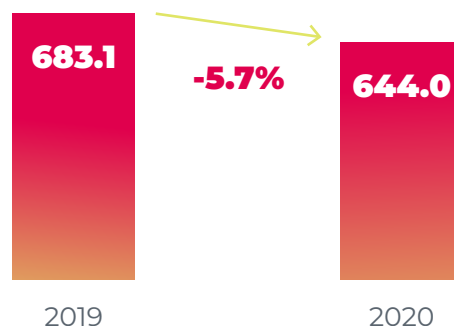
Operating performance

In view of the social isolation measures caused by the Covid-19 pandemic, we acted quickly to ensure the operation while protecting the health of employees. Through a Committee created specifically to monitor issues related to the pandemic, we coordinate the entry of more than 90% of employees in the home office regime, fully exercising their roles in a safe manner.

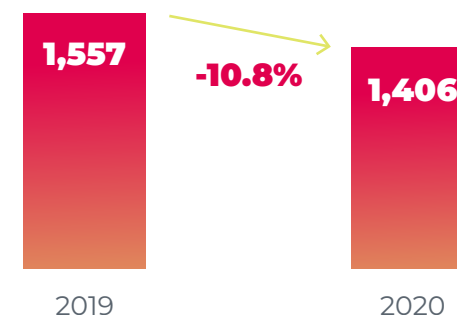
The new work model was supported by remote communication tools, with no impact on productivity and service availability, with delivery and availability indicators that attest to the effectiveness of this strategy.

Thus, even impacted by the unfavorable economic scenario, especially in the second quarter, we demonstrated our recovering capacity throughout the second half. As a result, the volume captured during the year fell by only 5.7% when compared to 2019, with a 10.8% reduction in our customer base.

VOLUME RAISED (R\$ BILLION)

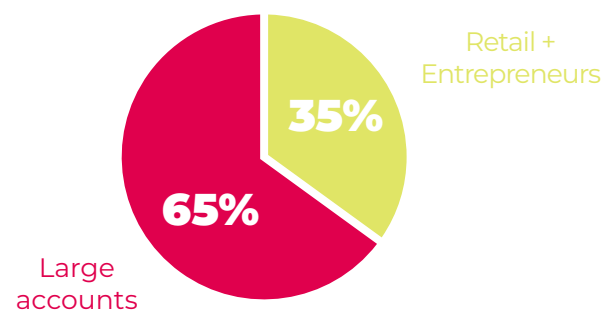


CUSTOMER BASE (THOUSANDS)



We ended 2020 with more than 1.4 million customers - among large accounts, retail and entrepreneurs - confirming the success of the strategy of improving our share in anticipation products.

CUSTOMER PORTFOLIO




The decrease in the customer base is due to our initiative to revisit the strategy in the entrepreneurs segment, in which we no longer provide subsidies for the sale of equipment. Moreover, the productivity of our sales force supported the balance in the client portfolio, between large accounts, retail and entrepreneurs, which in 4Q20 represented 65 and 35%, respectively.*

* In 1Q21 the Company revisited the classification of certain customers between segments and adjusted the historical series for comparability purposes with regard to the number of customers and the relative shares of the segments in the total TPV.



During the pandemic, when several businesses were closed, we had an increase of more than 1000% of new accreditations for the use of Super Link, a product that facilitates purchases without a physical presence through a payment link, sent by the merchant to customers via WhatsApp, social networks, e-mail, SMS or QR Code.



In search of greater operational efficiency, Cielo made efforts that generated significant cost results in 2020, with emphasis on the Zero Base Budget (OBZ) measures:

- ◆ Reviewed Call Center operation model;
- ◆ Reviewed logistic model with an efficient unit cost;
- ◆ Benefits package review ;
- ◆ Optimization of expenses with Marketing and Consultancy;
- ◆ Contractual renegotiations in technology services;
- ◆ Reviewed the Commercial Force outsourcing model.

Financial-economic performance

GRI 102-7 | 201-1

In 2020, Cielo faced some retraction in its net profit when compared to 2019, as well as a reduction in the volume captured. This performance is mainly explained by the impacts of measures to combat the Covid-19 pandemic and reflects the measures that have been taken by management to transform the business, given the new scenario of competition in the means of payment industry.

Regarding volumes, it is also worth mentioning that Cielo was also impacted by the greater commercial focus on retail businesses, especially small and medium-sized companies.

Finally, it should be noted that, in the fourth quarter of 2020, Company's results returned to an annual evolution, driven by recovery in volumes, good retail performance, greater penetration of term products (prepayment of receivables), with emphasis also for operational efficiency actions.

Financial performance and ebitda (r\$ million) – consolidated financial statement

	2018	2019*	2020
Net Revenue	11,685.8	11,353.8	11,186.0
Net profit	3,341.9	1,753.1	631.5
Interest of non-controlling shareholders	217.5	205.7	141.3
Financial result	1,246.8	584.1	121.4
Income tax and social contribution	1,390.1	737.6	319.5
Depreciation and amortization	932.10	1,085.5	1,228.5
EBITDA	4,634.8	2,992.1	2,057.9
Ebitda Margin (%)	39.7	26.4	18.4

* The figures for 2019 were restated in relation to the previous report, an event informed in note 2.20 of our Financial Statements.

Statement of added value (DVA) (in R\$ millions)

	BRAZIL			OVERSEAS			CONSOLIDATED FINANCIAL STATEMENT		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Shareholders (own capital compensation)	3,408	2,300	669	0	0	0	3,408	2,300	669
Employees (compensation, benefits and charges for employees)	624	760	820	101	116	140	725	876	960
Government (taxes, fees and contributions)	2,811	2,013	1,619	-103	-45	-122	2,708	1,968	1,497
Third-party capital compensation (interest and rent)	527	123	399	62	66	87	589	189	486

Chapter 6



HUMAN CAPITAL:

PEOPLE & MANAGEMENT

Related SDG



Profile

GRI 102-7 | 102-8



😊
3,929
own employees.

We believe that our employees are our greatest asset and fundamental elements in order to guarantee our results. In pursuit the purpose of simplifying and boosting business for all, our management model connects organizational culture to the Company's strategy. In this sense, we value some cultural attributes that we consider essential to our employees:

- ◆ Spirit of serving
- ◆ Simple and agile execution
- ◆ Systemic influence
- ◆ Collaboration and trust
- ◆ Responsible autonomy.

Employees, by gender

Male	2,364
Female	1,565
Total	3,929

Employees, by age group

		%
Under 30 years old	788	20.1%
Between 30 to 50 years old	2,951	75.1%
Over 50 years old	190	4.8%
Total	3,929	

Employees' health and safety

In view of the Covid-19 pandemic and the need for social distance, in March we established a committee with the participation of different areas in order to make decisions regarding the protection of employees. The first step was to suspend all travel and face-to-face meetings.

To this end, on March 23 we made it possible to send 100% of our own employees to work on home office. The action also included the sales force, which began to serve customers remotely or through scheduled visits. in specifically situations and locations.

The initiative was supported by People, Management and Performance area, which quickly responded to the needs brought by the new work model, with actions to enable the necessary infrastructure, such as the supply of furniture and equipment.

In this scenario, the Intranet has become an indispensable means for communication between our employees in a fast and transparent way. In order to ensure the security of the information exchanged, we installed devices that allow access to the contents of the computer or cell phones, with the support of the Technology team to help solve any doubts.

Additionally, we created the bulletin "Plantão Cielo Covid-19", published on the Intranet with two daily editions to bring updated information to employees, in addition to statistics with the evolution of cases involving the team and new decisions made by the Company.

To promote physical and mental health, we have created vaccination actions, counseling and psychological support for employees and

their families through the De Bem Com a Vida Program (learn more on pages 68-69).

Whereas the pandemic does not impact everyone in a homogeneous way and each person has unique economic conditions and emotional structure, the work of supporting employees sought to act with empathy to understand what each one was experiencing, with specific actions and individualized care for each case.

During the reopening of our physical units, we adopted strict security measures due the continuity of the pandemic. In addition to personal protective equipment for employees, hand sanitizers totems were installed in stores and at kiosks, as well as floor signage in order to limit the number of people in establishments.

CONSTANT MONITORING OF COVID-19 CASES



Since the beginning of the pandemic, we have constantly monitored cases of Covid-19 infection among our employees. To this end, we provide channels for registering cases via telephone and e-mail, which we also used to monitor the health status of those infected. In this way, we follow the evolution of our team and we can provide all the necessary support.

Occupational Health and Safety Services

GRI 403-1 / 403-3 / 403-5

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. The system offers several services related to the health and safety of employees, which contribute to the identification, minimization and elimination of risks:

♦ Admission, periodical and dismissal exams

They have the role of ensuring that the employee is able to perform a certain role or identifying if he/she acquired an illness due to work.

♦ Environmental Risk Prevention Program (PPRA)

It identifies the risks to which the employee is exposed in the work environment, such as heat, noise, among others.

♦ Occupational Health Medical Control Program (PCMSO)

A document that directs the medical examinations that must be performed for each role and the performance frequency.

We guarantee the quality of the services above and facilitate the access of workers to them through the preparation of documents by the company Mantris, leader in the occupational health segment and in the provision of occupational medical examinations. Data related to workers' health are available on a platform protected by login, password and ID of occupational physicians, and only they have access to include and consult this personal data.

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.

Employees who have specific risks related to work are those who drive motorcycles and receive specific information for the role, in line with the Manual of Good Traffic Practices – Motorcycles. All roles receive general occupational health and safety training.

The main types of health problems recorded in our business are related to the mental health of employees. To identify and monitor these cases, we have a series of health programs and offer psychological care through the Wellness with Life Program (learn more on pages 68-69). In 2020, we recorded five cases of work-related illnesses, properly monitored by our medical team.

All cases of work-related illness are monitored by our **medical team.**



De Bem com a Vida Program

GRI 403-6

In order to promote health, well-being and life quality to employees and their families, we have the *De Bem com a Vida* program, which offers several initiatives divided into three pillars:

Health Balance Pillar

◆ Health Campaigns

We promote campaigns such as Yellow September, Pink October and Blue November. Through information, content and interactions, we foster the idea that self-care is very important and that awareness and healthy habits can change the lives of employees for the better.

◆ Collection of clinical exams in company

In partnership with the A + laboratory, we offered to all employees of the Alphaville Headquarters the collection of several simple clinical exams at our medical clinic. Since March 2020, due to the pandemic, this benefit has to be suspended.

◆ ComTato Program

In order to promote the well-being and quality of life of our employees and their dependents, we offer free welcome and personal support, by telephone, in nine specialties: Psychology, Legal, Physiotherapy, Nutrition, Social Work, Pedagogy, Physical Educator, Financial Guidance and Pet Consulting.

In the context of the pandemic, it was essential to provide guidance on food to increase immunity, doubts about the labor rights of domestic employees hired by employees, care for anxiety, physical exercises, among others, supporting our team in overcoming the adverse moment.

◆ Medical specialties

The Headquarters outpatient clinic in Alphaville has several medical specialties available to employees: Psychologist, Nutritionist, General Physician, Cardiologist and Endocrinologist. During the pandemic, we facilitate the attendance of the specialties Psychology and Nutrition online.

◆ Pharmacy discount

In partnership with the pharmacies Pague Menos, our employees and dependents have access to discounts and services in the more than 1,100 chain stores throughout Brazil.

◆ Health Mapping

We conduct an online health questionnaire annually for a complete screening of employees, in order to guarantee their physical and mental health. All information contained in the online questionnaire is confidential. *De Bem com a Vida* team will only have access to Cielo's general statistics, not individual responses.

◆ Mental health

In order to promote the mental health of our employees, the Mental Health Program promotes actions aiming the adoption and maintenance of healthy lifestyles. Thus, we foster knowledge and information on several topics related to Integral Health, encouraging and guiding the practices of healthy habits, for a better quality of life and well-being.

◆ Sementinha Program

Aimed at pregnant women, employees or employees' wives, the Sementinha Program aims to offer free gestational follow-up until the fourth month after the baby's birth. The pregnant women have remote monitoring by a multidisciplinary team, composed of health professionals from different areas of the ComTato Program. Participants also receive a refund for taking the course for pregnant women.

The program also has support for the adoption of children, offering legal guidance, in addition to psychologists and social workers to support the adoption process.

◆ Xô Gripe Campaign

Annually, *De Bem com a Vida* promote a Flu Vaccination Campaign (H1N1), nationwide and free of charge, for all our employees and dependents.

Always in Motion Pillar

◆ **Gympass**

Aware of the importance of regular physical activity in order to prevent and treat chronic diseases and its contribution to physical and mental health, we make Gympass available to all employees and legal dependents. During the Coronavirus pandemic, Gympass facilitated the continuity of training at home with Gympass Wellness, which offers online personal trainer assistance.

◆ **Sesc**

Our employees and dependents can join freely at any Sesc (Social Service of Commerce) facility.

Facilities for You Pillar

◆ **Bem me Care**

To help the daily routine of all our employees in their personal care, we have a beauty salon with a mini-SPA, where it is possible to take advantage of various services. During the pandemic, face-to-face care had to be suspended.

◆ **Coffee shop + Refectory + Cart**

We offer healthy meals at affordable prices in the coffee shop, cafeteria or cart at Cielo's headquarters, in addition to clinical nutritional care in partnership with Novamed. Due to the pandemic, both services had to be suspended.

◆ **Shop**

On commemorative dates, we have physical stores in Alphaville Headquarters, in addition to a permanent online store throughout Brazil, where employees can buy products and services from different brands with discounts and benefits.

◆ **Partnerships with major brands**

Our employees and their families can take advantage of Cielo's partnerships with major brands such as Dell and Samsung, to purchase services and products with special advantages.



5.3K people assisted by the Personal Support Program named **ComTato**.



Masks and Alcohol Gel bought to the **Business Area**.



2.6K people vaccinated by the **Xô Gripe** campaign.



Over 1.8K employees reached in 19 live sessions and chat round tables on **Physical and Mental Health**.



Over 4.2K kits with **self-care items sent** to the employees.



1K people joined and **2.4K accessed** the contents of the virtual game at SIPAT **addressing mental health**.



11 videos developed to employees at the **Educational Path UC Mental Health**.



200 kits delivered to the employees involved in the War Room 2020 during the **Black Friday**.



Deployment of **Bem Me Care**.



Partnership deployed with a drugstore network for **discounts on medications and personal care products**.

Valuing diversity



We believe that an environment that values diversity, equality and non-discrimination is more conducive to different views and benefits the Company as a whole, favoring creativity and the collective construction of ideas.

We seek to promote practices, policies and initiatives aiming the inclusion of all, which guarantee mutual respect among employees, at all levels, regardless of gender, race, presence of disability, sexual orientation, religion, social origin or age. Currently, we have made major investments in promoting the theme of diversity, with the aim of fostering debates on representativeness and equal rights.

One of the highlights of 2020 was the elaboration of Cielo's Diversity & Inclusion Manifesto, which positions us as a Company that has the belief of moving the market in a more plural, intersectional and inclusive direction, working as a call to accelerate the process of inclusion and empowerment of minority voices.



Learn more about the Manifesto at <https://www.youtube.com/watch?v=DSVJ0m1CfwY>

The document will serve as the basis for structuring our Diversity Policy with specific objectives and commitments related to the theme for the period 2021-2030, in addition to short-, medium- and long-term actions and goals.

We have a Diversity & Inclusion program, which aims to transform our culture, structures and positions.

Currently, the topic is the object of attention by top management through the Diversity Forum, which is coordinated by the Company's CEO. The Forum also discusses the strategic importance of the topic. Its main objective is to discuss and advise the executive board in decision-making. The debates of the Diversity Forum are taken to the Sustainability Committee and have gained visibility in the Board of Directors.

In 2020, we also highlight the performance of affinity groups within the Company with monthly meetings, which include race and ethnicity, people with disabilities, gender and the LGBTQIA + community. Formed by volunteer employees who wish to contribute to the discussion of the topic and the participation of sponsors from the Executive Board, the groups are responsible for setting discussions and proposing actions to leverage diversity and Inclusion in the business.

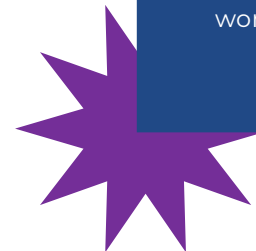
Thematic Lives

As part of our efforts to involve employees in the discussion of issues related to diversity, in 2020 we held a series of lives on topics such as Preventing and Combating Violence Against Women, Structural Racism, Challenges and Opportunities for People with Disabilities, LGBTQIA + in Companies, which counted on the participation of specialists and great public engagement.



DIVERSITY IN THE INTERNSHIP PROGRAM

In 2020, we also highlight the strength with our Internship Program worked on the theme of diversity, with more than 80% of approved blacks or browns and 50% LGBTQIA +, confirming our work to attract and enhance diverse workforce.



Diversity & Inclusion Commitments for 2030

In 2020, we defined six commitments for the practice and promotion of Diversity & Inclusion within the Company. These commitments are divided into 19 strategic objectives to be achieved by 2030, which include aspects related to gender, race and ethnicity, disability, LGBTQIA +, among others.

The six commitments will serve as a guide to action plans and indicators to be implemented over the next few years, which will be created with the engagement of different areas of the Company and are already under construction.

At the end of 2020, we launched the Training Trail on Diversity and Inclusion at the Corporate University, which offers content for improving the knowledge of employees on the topic and deepening the construction of an Inclusive Culture.

Goal:
1,000
hours of D&I training
with employees

CIELO'S 6 COMMITMENTS TO DIVERSITY & INCLUSION FOR 2030



Inclusive leadership

Developing a committed leadership that demonstrates an active and protagonist behavior in promoting Diversity & Inclusion.



Representativeness

Seeking racial inclusion, gender, LGBTQIA + and people with disabilities at all levels of the company, representative of Brazilian demographics, ensuring selective processes guided by affirmative actions.



Career development

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



Inclusive culture

Develop an Anti-Sexist, Anti-Racist, Anti-Capacitist and Anti-LGBT Phobic Organizational Culture with a leading institutional positioning in the Diversity & Inclusion guidelines.



Stakeholder orientation

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



Internal structure

Ensure the existence of a formal structure to act on the Diversity & Inclusion agenda, directing and allocating efforts, teams and resources.

Diversity indicators

GRI 405-1 / SASB TC-SI-330a.3

Breakdown of employees by race/ethnicity		Breakdown of management positions by race/ethnicity		Breakdown of management positions* by race/ethnicity, in relation to total employees	
Asian	2.2%	Asian	2.2%	Asian	0.4%
White	64.8%	White	78.3%	White	14.4%
Indigenous	0.2%	Indigenous	0.0%	Indigenous	0.0%
Black	4.4%	Black	2.1%	Black	0.4%
Brown	20.3%	Brown	13.6%	Brown	2.5%
Not informed	8.1%	Not informed	3.8%	Not informed	0.7%
Total	100%	Total	100%	Total	18.3%

* Management positions in relation to total employees: 18.3%.

Percentage of women in the Company	
% of women in leadership positions (including junior, full and senior leadership)	39.8%
% of women at the lowest level of leadership positions	41.1%
% of women in the middle level of leadership positions	28.3%
% of women at the top level of leadership positions (no more than two levels away from the CEO)	21.6%
% of women in all leadership positions in revenue-generating areas	42.2%
% STEM positions*	21.8%

*STEM: Science, Technology, Engineering and Mathematics.

Percentage of individuals on the Board of Directors and Executive Board by gender		
	% Board of Directors	% Executive Board
Male	100	70
Female	0	30

Percentage of individuals on the Board of Directors and Executive Board by age group		
	% Board of Directors	% Executive Board
Under 30 years old	0	0
Between 30 to 50 years old	27	50
Over 50 years old	73	50

Percentage of individuals on the Board of Directors and Executive Board by other diversity indicators		
	% Board of Directors	% Executive Board
People with Disabilities (PWD)	0	0
Black	0	0
Indigenous	0	0
Brown	9%	0

Career

The development of our workforce ensures that we have the appropriate skill set to execute the business strategy, in addition to improving the attraction and retention of talents and the motivation of employees, resulting in greater productivity and innovation potential.

Therefore, we seek to promote the improvement and continuous development of our human and intellectual capital through the integration of knowledge management systems and the implementation of programs and procedures for organizational learning at all levels of the Company.

Attracting and retaining talent

GRI 401-1

Our external talent recruitment process is supported by talent acquisition software, that in addition to supporting us in choosing candidates who are more aligned with the Company's values, uses artificial intelligence and technology to analyze profiles, allowing us to offer accurate feedbacks. During 2020, we hired 1,433 new employees, with a hiring rate of 27.4%.

Through the Young Talent, Trainee and Internship programs, we promote the accelerated development of employees since joining Cielo. Thus, we rely on the help of tools that monitor the employees' journey, as well as the monitoring and monitoring of e-NPS, which allows a broad view of their professional career in the Company (learn more on pages 75-76).

One of the highlights of our Trainee program in 2020 was the retention of 82% of internal talent. Also, our Internship Program focused on diversity, led us to seek talent from the Zumbi dos Palmares University (learn more on page 71).

In order to maintain the best team in the market, we develop actions to map Company's talents, and promoting the recognition of the merit of our employees through promotions, long-term compensation and development actions.

Thereby, we have a People's Forum, which annually brings together all Cielo teams to discuss in a cross way who are the talents that must be developed.

Our managers are provided with tools specially developed, and they can work focused on the growth of employees during their journey at the Company. Such tools includes podcast for

leadership, a continuous feedback tool, Individual Development Plan (PDI), a development path for leadership at the University Corporate, workshops and external training.

We have succession follow-up cycles for key positions in the Company, as well as ways of recognizing our employees in the short and long term, among them:

- ♦ **Be my Guest:** 350 BRL prepaid card offered to employees who stand out, during the year, in specific actions;
- ♦ **Quem Faz História:** employees with 10, 15 and 20 years of service are awarded with trips to Gramado (RS), Punta Del Este (Uruguay) and Paris (France);
- ♦ **Sócio-Cielo:** offered for the positions of manager upwards, links part of the short-term variable compensation to the acquisition of Cielo shares, with the corresponding consideration of the Company.

In 2020, the **Trainee Program** promoted **82%** of Cielo's internal talents.



Voluntary turnover rate			
	2018	2019	2020
Men	18.6%	23.8%	11.7%
Women	15.5%	23.6%	11.7%
General	17.1%	23.7%	11.7%

Employee experience

GRI 102-44

In order to attract talent, increase engagement, productivity and retention, we have a mission to transform the experience of employees with a simplified and effective journey. To this end, in 2020 we created a multidisciplinary team, based on the agile methodology (learn more on page 58), aimed at achieving our strategic objectives in Employee Experience.

The project is based on mapping and building the employee's journey, working in an integrated manner with processes such as integration, training and performance evaluation. Thus, we seek to invest in People Analytics roles, with a team of non-traditional HR expertise, such as UX, Design, Marketing, Branding and Storytelling.

Additionally, through our e-NPS survey allow us to measure, from the perspective of employees, satisfaction with HR processes that impact their experience at the Company.

With this, we were able to identify the most sensitive points, and develop improvement actions that directly impact a better Employee Experience.

In the December 2020 survey, the themes of climate and engagement were incorporated, bringing a complete mapping of the experience, as well as preventing the employee from having to answer several surveys.

We understand that the employee's experience concerns all the effects generated on people in each of their interactions with or within the Company, covering everything from routine activities, how to accomplish tasks and communicate with peers, leaders, to milestones of the company, employee journey, such as admission, integration, promotion and termination.

Although we know that when it comes to people, the experience is not static, we go to great lengths to make it as satisfying as possible for everyone. Thus, for us the experience of the employee is an essential thermometer to measure the performance and satisfaction of the teams in relation to the Company and, consequently, the results of the business.

In 2020, we applied three surveys to our employees, in which all 3,687 employees were invited to participate. Of these, 85.1% contributed by answering a questionnaire aimed at mapping the pains of our employees and guiding us toward promoting the most pleasant work environment possible.



The data reported is confidential and helps to identify our strengths and points for improvement within the Company, such as, for example, engagement, learning and development actions, harmony between personal and work life, empowerment, leadership, work environment and Law Suit.

After completing the surveys, a report is presented to the Company's leaders, in order to develop action plans focused on the main pains captured in each of Cielo's areas. In addition, mappings of the employee's journey are carried out, aimed at sustaining the results obtained during the surveys.

Believers that more important than delivering results is delivering results with happy people, from 2021 e-NPS surveys will be applied quarterly, in order to measure the satisfaction of our collaborators more frequently, as well as work on action plans to correct or reverse the points for which the research shows the need for improvement.

The last survey conducted in 2020 totaled +67 e-NPS, with an e-NPS of +70 for the female audience and +66 for the male. Below, we highlight the main points revealed by the research:

- ◆ **90.4%** say they are proud to work at Cielo;
- ◆ **92.8%** believe that diversity is a strength of Cielo and recognize the Company as an appreciator of diversity;
- ◆ **56.7%** state they easily find what they need on the HR portal and/or customer service channel;
- ◆ **71.9%** state they are able to maintain the balance between professional and personal life.

e-NPS scores by role category

Leadership	+41
Commercial Team	+80
Coordinator	+45
Specialist/consultant	+65
Team	+66
Junior Management (Coordinator/Supervisor)	66
Middle Management (Manager)	63
Senior Management (Support and VPs)	36

In order to meet the points raised in the survey, we took the following actions:

- ◆ Team dedicated to understanding the problems and applying improvements in Cici's service re-garding matters such as microcomputing, electronic points, vacations, pay stub, internal recruitment, payroll loan, performance evaluation, earnings report, HR portal, benefits, leave and leave, alteration of personal data, corporate card, facilities, reimbursement etc.;
- ◆ Mappings with employees to better understand pain related to internal processes;
- ◆ Conversations with employees;
- ◆ Active listening to pain in staffs to create action plans with teams focused on pain;
- ◆ Option to remove a chair in the office to improve ergonomics;
- ◆ Sending gifts to employees' homes.

Training and capacity building

GRI 404-1 / 404-2

To carry out the training of our employees, we have the Cielo Corporate University, a robust development platform, where our team has access to content to improve their skills and knowledge.

One of the highlights of the year was the implementation of Cielo's New Serving Model (learn more on page 89), focused on customer relations, which required investments in training the commercial team.

We have a learning ecosystem in which the employee can consume customized learning trails in two dimensions.

- ♦ **Soft skills:** focused on the forms of communication and collaboration used in daily life. It counted on leadership training initiatives that were cascaded to the levels below, with the objective of aligning behavior with the new culture;
- ♦ **Hard skills:** training focused on the continuous improvement of areas in relation to specific technologies for the development of their activities.

In 2020, we made major investments in leadership training, with training divided into modules related to the cultural attributes that must be developed among the Company's leaders: simple and agile execution, spirit of service and collaboration and trust.

Our in-house continuing education program offers financial support in three modules: InCompany Postgraduate, Update and Extension. Each has its own percentage of subsidy, and it is necessary for the employee to go through an application and selection process according to performance and behavior. All are 100% exclusive and, on the job, connected to the employee's daily life.

We also have a Trainee Program, which includes both on the job training and those focused on concepts and products relevant to the Company.

Average hours of training offered to employees

Gender	Average hours of training
Male	26.55
Female	30.57
Total	28.16

Functional category	Average hours of training
Consultants/Specialists	14.85
Coordinators	17.28
Directors/Managers	31.86
Executive Board	10.25
Team	15.13
Commercial Team	35.34
Programs (Appren-tice/Internship/Trainee)	47.14
Total	28.16

In 2020, we invested R\$ 2,657,395.96 in training for our employees, which represents R\$ 536.52 per person.

Average investment by role category

Functional category	Number of people	Average investment (R\$)
Consultants/Specialists	590	439.20
Coordinators	167	453.81
Directors/Managers	419	431.19
Executive Board	2	1,078.99
Team	1,069	442.16
Commercial Team	5,536	420,74
Programs (Apprentice/Internship/Trainee)	184	419.80

Average investment by gender and functional category

Functional category	Female		Male	
	Number of people	Average investment (R\$)	Number of people	Average investment (R\$)
Consultants/Specialists	145	450.43	445	435.26
Coordinators	65	479.28	102	437.4
Directors/Managers	158	430.2	261	431.81
Executive Board	0	0.00	2	1,078,98
Team	511	444.08	558	439.89
Commercial Team	1.019	421.13	1.517	420.49
Programs (Appren-tice/Internship/Trainee)	100	419.8	84	419.8

As part of our Trainee Program, in 2020 we offer virtual development trails due to the pandemic. To this end, each trainee visited ten areas of the Company throughout the year and made a delivery to each of them, every three weeks. At the end, projects were developed linked to the management goals. The projects were tested at the UX Virtual Journey, which consists of virtual route models on the enchanted client trail, taking into account the client's pain and his ideal journey.

In addition, we held a hackathon of our trainees with seven trainees from Danone company, who were involved in a social project with young people in socially vulnerable situations, from the Bold Institute. In this hackathon, trainees developed social products. At the end of the program, all of our trainees were allocated to areas of the Company.



People management technologies

GRI 404-3

We have a solid people management model based on results, which includes everything from setting goals and objectives to setting expectations, evaluating and providing feedback.

Through specific tools, our employees are evaluated in terms of delivery and competence, with goals and guidelines clearly defined by the People, Management and Performance area. In 2020, the assessment started to include the cultural attributes expected from employees.

Through a tool implemented in 2020, it was possible to manage the goals and results of the entire Company, with the possibility of filtering them by area, role level or strategic pillars, which allows an accurate view of performance.

Percentage of employees receiving regular performance and career development reviews

Gender	Percentage
Male	59%
Female	41%

Functional category	Percentage
Executive Board	0.20%
Manager/Superintendent/Director	10%
Coordinator	5%
Specialist/Consultant	18%
Commercial Team	44%
Team	22%

Compensation and benefits

GRI 401-2

Our compensation and benefits policy seeks to promote a culture of valuing employees, in order to keep them engaged in their growth and adhering to the practices of our sector.

In light of this, we work to recognize different performances. As of 2020, this assessment started to focus on teamwork instead of individual performance. Thus, we are based on shared goals that are adherent to the agile methodologies adopted by the Company and the culture of extraordinary teams (learn more on page 75).

We have the support of management and compensation tools for collective recognition in relation to the goals of the Profit-Sharing Program (PPR), but we also consider individual factors for merit and promotion decisions.

All of our employees receive Gympass, Food and Meal Coupons, health plan, dental insurance, health insurance, 20-day paternity leave or 4-month maternity leave, private pension and share-based compensation plan - the latter for management level on. All benefits are extended to temporary, except for private pension, in which we pay a match of 7.5% of salary.

In 2021, a project will be implemented in order to offer flexible benefits to employees, who will be able to customize the package according to their preferences.

Chapter 7



Natural capital:

ECO-EFFICIENCY

Related SDG

- 3 GOOD HEALTH AND WELL-BEING
- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Environmental management

We have an Environmental Management System (EMS) certified by the ISO14.001 standard, which establishes the frequent monitoring of the impacts generated by our activities in compliance with legal requirements and other requirements applicable to environmental issues. In 2020, we underwent a periodic audit and achieved the maintenance of certification.

We seek to implement the best environmental management practices through a preventive approach, in order to mitigate potential impacts related from our operations, products and services, focused on the continuous improvement of our processes.

Thus, we use natural resources in a responsible and sustainable manner, adopting internal measures aimed at rationalizing the use of non-renewable resources, prioritizing and encouraging water and energy efficiency, as well as the reuse of materials and the proper treatment of waste and disposable materials.

To achieve this goal, we also have employee awareness and training initiatives, in addition to the guidance of our service providers on socio-environmental issues (learn more on pages 99-100).

Combating climate change

Climate change brings negative financial, regulatory, reputational and physical risks as well as impacts to businesses around the world. For this reason, we consider it to be urgent and, in recent years, we have endeavored to institutionalize and reinforce our commitments to sustainable development and reduce CO2 emissions both in our operation and in our value chain.

Our contribution to combating climate change is through our strategy of measuring impacts, reducing emissions, setting goals and compensating for unavoided emissions. In addition, we actively participate in discussions on public policies that contribute to a low carbon economy.

In 2020 we started a study to establish science-based targets, to reduce emissions in line with the goals of the Paris Agreement. With this initiative, we intend to join the SBTi (Science Based Targets Initiative) in 2021.



Emissions in Brazil * (tCO₂e)			
	2018	2019	2020
Scope 1	2,700.5	4,239.4	1,739.3
Mobile combustion	2,646.0	4,239.2	1,739.2
Fugitives	54.5	0.2	0.2
Scope 2	333.6	395.7	270.4
Acquisition of electricity	333.6	395.7	270.4
Scope 3	22,000.6	42,033.1	43,111.8
Purchased goods and services	492.2	253.6	0.0
Displacement of employees (home-work)	3,246.1	2,772.4	687.3
Waste generated in operations	89.2	431.5	110.4
Transport and distribution (downstream)	0.8	2.0	4.3
Transport and distribution (upstream)	16,431.5	37,481.1	41,821.5
Use of goods and services sold	244.7	238.2	251.6
Business trips	1,496.0	854.4	233.8
Total	25,034.6	46,668.1	45,121.6

* Cielo, Servinet, Aliança, Braspag, Cateno, M4U and Stelo

Scope 3 Emissions - Upstream Transport and Distribution* (tCO₂e)			
	2018	2019	2020
Courier	3,962.3	3,942.1	5,892.9
Coils supplies	760.3	745.0	1,026.5
Disposal (terminal, supply and marketing)	6.5	2.9	2.6
Manufacturer (new terminals)	2,599.9	6,350.3	923.9
Reverse and direct logistics	9,054.8	26,399.2	33,936.1
Milk run	39.6	39.7	37.5
Material transportation	7.6	1.6	2.0
Total	16,431.5	37,481.1	41,821.5

* Cielo, Servinet and Aliança.

SCOPE 1 EMISSIONS

Target_2020

Fuel the fleet with ethanol biofuel only and reduce mobile combustion emissions by 90%.

Status

Target partially achieved

In 2020, we updated our Fueling Standard, orienting employees who use cars and need reimbursement to fuel up with Ethanol only, a renewable and less polluting fuel. Through this initiative, it was possible to avoid 550.12 tCO₂e of emissions and reduce mobile combustion emissions by 35.53%.

Target_2021

- Keep the ratio of scope 1 + scope 2 emissions / EBITDA up to 1.1.
- Neutralize 100% of the emissions accounted for in scope 1 through offsetting.

In 2020, we neutralized scope 1 emissions with the purchase of Carbon Credits, REDD+, and scope 2 emissions with the purchase of I-REC.

SCOPE 2 EMISSIONS

Target_2020

Acquire certificate for 100% of energy consumed.

Status

Target achieved

Through the I-REC project, we neutralized our 2020 emissions.

Target_2021

- Keep the ratio of scope 1 + scope 2 emissions / EBITDA up to 1.1.
- Neutralize 100% of the emissions accounted for in scope 2 through offsetting.

SCOPE 3 EMISSIONS

Target_2020

Considering the market recovery projections, it was not possible to establish a target.

Status

Target will be discussed in 2021.

Target_2021

Target will be discussed in 2021.

US Emissions* (tCO₂e)

	2018	2019	2020
Scope 1	30.2	0.2	8.9
Stationary combustion	3.7	0.2	4.8
Mobile combustion	26.5	-	4.1
Scope 2	308.6	335.5	335.5
Acquisition of electricity	297.6	322.8	318.5
Acquisition of thermal energy	11.0	12.7	17.0
Scope 3	1,095.8	1,022.5	519.1
Displacement of employees (home-work)	565.6	565.6	456.1
Transport and distribution (downstream)	13.9	11.2	15.78
Business trips	516.3	445.7	47.3
Total	1,434.6	1,358.2	863.5

* Merchant E-Solutions.

GRI 302-1

Energy consumption* (GJ)

	2018	2019	2020
Direct energy consumed from non-renewable sources			
Diesel fuel (generators)	173.2	47.6	71.5
Gasoline	30,296.0	47,385.9	29,973.7
Vehicular Natural Gas (CNG)	-	2.3	-
Total	30,469.2	47,435.8	30,045.2
Direct energy consumed from renewable sources			
Biodiesel	17.3	5.1	-
Ethanol	7,420.4	28,407.2	7,647.7
Total	7,437.8	28,412.4	7,647.7
Indirect energy			
Electricity	13,788.0	16,567.5	14,204.0
Total	13,788.0	16,567.5	14,204.0

* Energy consumption figures (GRI 302-1) refer to Scope 1 and 2 of the GHG inventory. Scope: Cielo, Stelo, Cateno and Braspag. Energy consumption at our head office, branches and subsidiaries hosted at the head office building.

GRI 302-4

Supplying the fleet with ethanol

According to our Fleet Supply Standard, updated in September 2020, our employees who use cars and need reimbursement must supply their vehicles only with Ethanol, renewable and less polluting fuel.

*Through the initiative,
it was possible to avoid*

**550.12 tCO₂e
of emissions.**



REMOTE SERVICE AND EMISSION REDUCTION



In view of the need to expand remote customer service generated by the pandemic, we reduced emissions caused by the displacement of our sales team, which had a positive environmental impact.

TOTAL ENERGY CONSUMPTION COSTS



2017	R\$ 3,746,656.00
2018	R\$ 8,026,899.51
2019	R\$ 13,397,015.06
2020	R\$ 3,140,175.70

* the reduction in consumption in 2020 is due to the period of the Covid-19 pandemic

Target_2020

Purchase 100% of energy from renewable sources

Status

Target achieved

Through the I-REC project

Target_2021

Maintain I-REC project

Water and effluents

GRI 303-1

Throughout 2020, we consumed 1.688 m³ of water at our headquarters, from the supply concessionaire.

To reduce our consumption, our headquarters has a water reuse and treatment system, which transforms all the water that would be discarded into water for reuse.

The building where our headquarters is located has a wastewater treatment station (ETE) for collecting used water, and all effluent is sent for treatment in accordance with guidelines established by the Environmental Company of the State of São Paulo (Cetesb).

WATER CONSUMPTION (M³)



2018	3,535
2019	3,764
2020	1,688

Status

Target achieved

In 2020, water consumption was 2.03 liters per person/day among the employees at the Head Office (Headquarters). In all, 1,688 m³ of water were consumed, 55% less than the previous year. The reduction is associated with the displacement of part of the employees to the home office as of March due to the pandemic.

Target_2021

Consumption of up to 10 liters per person/day.

Waste

GRI 306-1 / 306-2 / 306-3 / 306-5 / 307-1

With the evolution of digitalization, the generation and disposal of electronic waste has become an emerging concern worldwide. Proper management of this type of waste prevents the chemicals used in its manufacture from contaminating the soil, water and air.

In this direction, our activities and products whose waste has the potential to generate environmental impact, are linked to reverse logistics and discontinuity of terminals. Due to the added value of several electronic components, the management of this waste through reuse, recycling and reuse brings environmental and social benefits to those involved in the chain.

For this reason, we have initiatives aimed at the circular economy, which proposes the re-entry of these resources into the economy, as raw material in other processes. For this purpose, the equipment that was in the customers and/or that is no longer part of our portfolio goes back to our distribution center, from where they can be sent for different treatments. An example is the machine reform and reuse laboratory, which includes a reverse logistics system for collection and return.

We sell obsolete equipment and scrap to partner suppliers, who receive, sort, disassemble, process and dispose of each material in an environmentally friendly manner. In addition, POS (Point of Sale) machines are all sold for recycling plastic material.

The disposal of waste generated in our business is carried out by regulated companies, which have traceability through reports and certificates, accessible electronically. Transport is carried out by the disposal suppliers themselves. All waste generated is separated and sent for recycling or to landfills.

For waste generated in our activities that are managed by third parties, destination reports

are issued with photos of the destruction and final destination process in accordance with the National Solid Waste Policy (Law 12.305).

In 2020, there was no record of non-compliance in relation to laws and/or environmental regulations

In 2020, we generated a total of 231 tons of non-hazardous waste, 37.4% less than in 2019. The reduction is mainly explained by the Covid-19 pandemic and the remote work regime adopted during the year.

Target_2020

The possibility of proposing a goal for this topic will be decided after verifying the waste generation behavior in 2020.

Status

Still under study, due to the pandemic and the home office, it was not possible to conduct such a behavioral study planned for 2020.

Target_2021

Target will be re-evaluated/discussed in 2021.

Total weight of non-hazardous waste (tons)

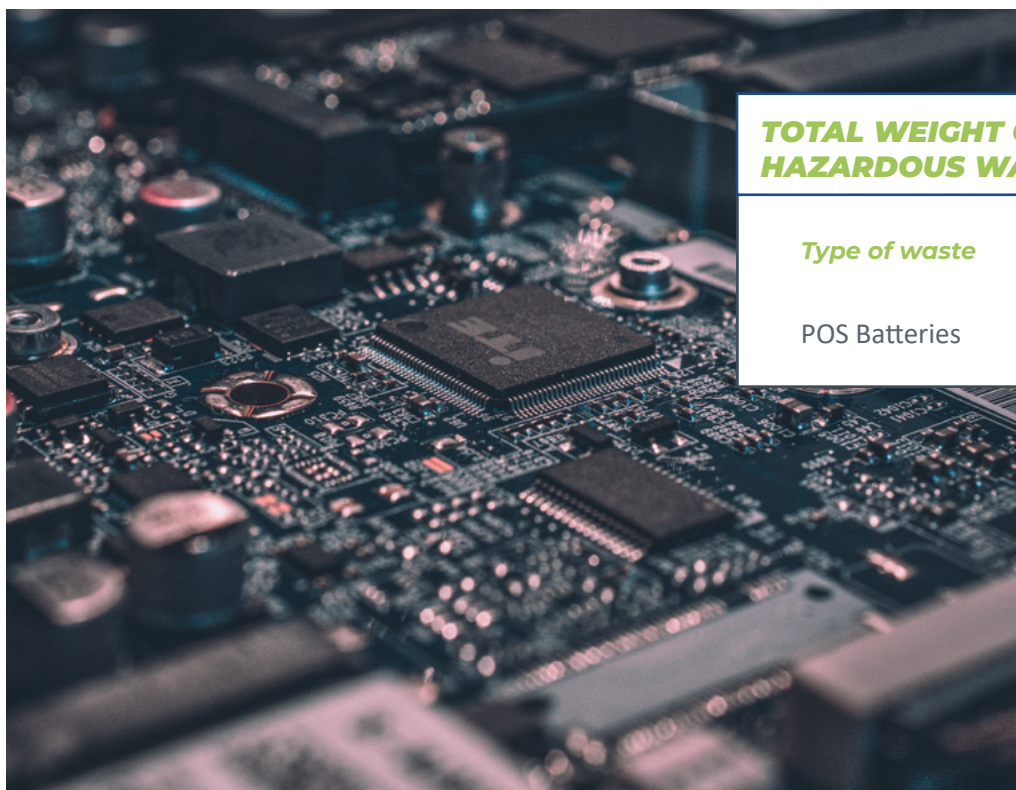
Type of waste	2018	2019	2020	Disposal type
Cardboard (cardboard box-es, reels, manuals etc.)	-	-	53	Co-processing
Cielo card readers	174	57	57	Recycling
Marketing material	3	4	-	Co-processing
Supplies (cables and sources)	137	71	87	Recycling
Organic waste	27	112	26	Landfill
Recyclable waste	28	125	8	Recycling
Total	369	369	231	-

Natural resources in equipment and packaging

The use of plastics and their derivatives has a high environmental impact due to the carbon footprint resulting from their production from fossil fuels and the high period of decomposition, polluting the seas and threatening marine life.

Further, materials derived from vegetable fibers, such as cardboard, can have an impact on deforestation and on terrestrial life. Therefore, reducing the use of packaging and improving the profile of the materials used in our products is essential to minimize impacts on climate change and environmental pollution.

We have made efforts to identify opportunities to reduce the use of materials in packaging. We study, for example, the improvement of the profile of the materials used for less impactful options in disposal and with greater potential for reuse or recycling, in addition to encouraging the reinsertion of packaging in the chain and raising awareness and engaging customers and suppliers in relation to the topic.



TOTAL WEIGHT OF HAZARDOUS WASTE (TONS)



Type of waste	Total weight (in tons)
POS Batteries	58

* In accordance with the National Solid Waste Policy (Law 12,305), the manufacturer is responsible for collecting the batteries. Cielo schedules collections with manufacturers who must collect them directly from the logistics operator.

Chapter 8



Social and Relationship Capital:

POSITIVE SOCIAL IMPACT

Related SDG



Focus on the customer

Customers occupy a central place in our strategy and we are dedicated daily to offering them the best experience and services. In this sense, we continuously invest in technological development, pricing, instruments and methodologies that allow us to optimize the service to your needs.

In 2020, our former Business Units (BUs) were reorganized into our own and third-party channels, in order to adapt the offer of products and services to the different profiles of clients served.

This new division has helped us to ensure greater agility and simplicity at a lower cost, in addition to supporting the improvement of customer satisfaction in relation to the quality of the relationship and service, confirmed by the significant increase in NPS in 2020.

Customer Service

During the year, we continued to invest in service improvements, with a focus on strengthening digital channels, which have become even more important in the context of the Covid-19 pandemic. With the process accelerated due to the need for social distance. In just over a year, we doubled the participation of these channels in customer service, which allowed us to act even more effectively in the face of the temporary closure of our physical stores.

We have several indicators to measure the evolution of the customer experience with our products and services. In 2020, we made investments in order to improve this diagnosis, which now includes several factors that involve the life cycle of products and services, in order to broaden our view on the gaps and understand the points for improvement.

In this sense, we highlight the implementation of an SMS survey with the use of Artificial Intelligence in all Company's contact points, covering all customers and their respective life cycles. As the methodology adopted offers a real-time view of all our relationship channels, it was possible to broaden our understanding of your customer experience, both at the individual level and in general.

Among the initiatives implemented to improve our relationship and customer service channels, are:

- ♦ **Instala Direto:** an initiative launched in 2020 that allows account executives to accredit establishments and get their machines up and running in a simple and agile way;
- ♦ **Customer Service:** through our helpdesk, customers receive guidance on the use and operation of the machines;

- ♦ **Express Channel:** dedicated to our internal public, this is a guide to help account executives solving problems and conducting services via WhatsApp or phone;
- ♦ **Heroes Project:** project launched in 2020 in the squares of Campinas and Alphaville, consists of the use of trained employees to deliver and guide customers in a personalized way on the maintenance and cleaning of machines, offering all the necessary support for the proper functioning of the equipment;
- ♦ **Anti-issue department:** with specialized customer service, it counts on qualified professionals to improve the problem-solving experience;
- ♦ **Bank consultancy:** focused on the operational area, the help center serves the entire Cielo DDN team, formed by managers who relate to partner banks in the accreditation of new customers, offering support executives to solve a wide range of problems;
- ♦ **360° management:** a workflow tool that supports the express channel and help center. Activated via WhatsApp, phone or e-mail, she receives the demands and directs her to the person most capable of responding on a certain subject. When the solution is found, the account executive receives the response via the application.

New Serving Model

Focused on offering more quality to our customers, with the support of a specialized consultancy, in 2020 we prepared Cielo's New Service Model, which includes initiatives both from the point of view of logistics and quality of service.

To improve logistics, we divided the national territory into nine major regions, where the Heroes model (learn more on page 88) will be tested with outsourced employees. The equipment will be stored in strategic places called Advanced Posts (PAs), to be delivered by contracted companies and trained professionals.

In the search for new gains in quality and efficiency, our new logistic model, added to technology, enables improvements in commercial performance. Thus, the business consultant will perform hunting and farming roles, generating greater efficiency in travel, a smaller number of customers per portfolio, personal relationship and closer to customers, besides greater flexibility to direct the actions of the commercial force.

With a focus on service, our Central has 93 different islands, with specific knowledge, to which the customer is directed according to their choice at Interactive voice response (IVR). In this way, the customer's call is directed to the operator specialized in the subject, guaranteeing an excellent and effective service.

We also invested in improvements to our help center, which is now able to resolve up to 63 processes in first call resolution and has two different teams. The first level teams were trained to resolve issues of less complexity, while the second level teams assist account executives in solving problems of higher complexity and monitor the progress of requests.

Satisfaction

GRI 102-43 | 102-44

In order to know the needs and preferences of our customers and measure the degree of our relationship, we conducted satisfaction surveys with this audience, carried out at three different times of the year. The interviews are conducted by telephone by a contracted research institute, in the different geographic regions of the country and in establishments of different sizes of retail.

In this survey, we measured the general satisfaction with the accreditors, the NPS, intention to evade and attributes related to the services provided and products offered, such as satisfaction with the call center, commercial representative, maintenance service, commercial conditions, website, app, among others.

At the end of 2020, 3.5 thousand people were interviewed per consultation wave, totaling more than 10.3 thousand participants. The samples are sufficient to guarantee a complete and in-depth reading of the results, which can be analyzed in

a granular way - by region and size of customers, for example, among other variables. The survey's margin of error is 2.3 points, for a 95% confidence interval, considering our general customer base.

CUSTOMER RELATIONSHIP

Target_2021

Achieve 85% Customer Satisfaction Index.

In the third wave of 2020, held in November, approximately 82% of customers scored us between 7 and 10. The result is 4 percentage points higher than the previous year, indicating an improvement in satisfaction with the quality of the relationship, service, products, services and solutions.

With each wave, we report the results in meetings of VPs and Directors, in addition to sharing the material internally in forums aimed at continuous improvement and the design of action plans.

Systems availability

GRI 203-2

Thanks to a robust system structure, we guarantee that transactions are carried out 24 hours a day, 7 days a week. Thus, we rely on the NCC, a control center that continuously monitors our service infrastructure and that of our partners, allowing the identification of any instability or unavailability in real time (learn more about our Business Continuity Plan on page 35-36).

Through this constant monitoring, any inconsistency is immediately identified, and the necessary contingency measures are applied. To ensure that transactions are carried out safely and efficiently, we have an installed capacity of around 1,000 transactions per second in e-commerce and 12,000 in the physical world.



CIELO ENTREPRENEURS



We have a portal dedicated to small entrepreneurs, with content that seeks to support customers in their business. The page addresses financial issues, such as cash flow, fixed costs and desired profit, as well as information on legal measures for hiring employees.

The portal can be accessed at the link:
<https://www.cielo.com.br/cielo-emprededores>

Support for small businesses

GRI 203-2 / FS13 / FS14

Small businesses have an important impact on regional development and the Brazilian economy as a whole. According to a study by the Brazilian Micro and Small Business Support Service (Sebrae), this sector is responsible for 30% of the Brazilian GDP. In trade, they are responsible for 53% of all wealth generated.

Therefore, we are committed to supporting such businesses, which have limitations in relation to payment services, access to credit and working capital, among other factors that enable their continuity and growth.

In the context of a pandemic, support for small businesses has gained even more importance, in view of the measures of social distance and the reduction of sales, especially in physical establishments.

In the face of the crisis, we spare no effort to offer new solutions to these customers, such as payment by link and credit products, which required redesigning the way we work.

Emergency Aid

Through technology delivered in record time, we also made it possible to use Emergency Aid- a benefit paid by the government to thousands of families without income - in purchases through e-commerce during the period of social isolation, through Caixa's virtual card.

In this way, we were able to help about 30 million people who do not have a bank account, at the same time that we helped our commercial customers who were facing serious financial difficulties and thus began to be able to sell to this audience as well.

Cielo Movimenta

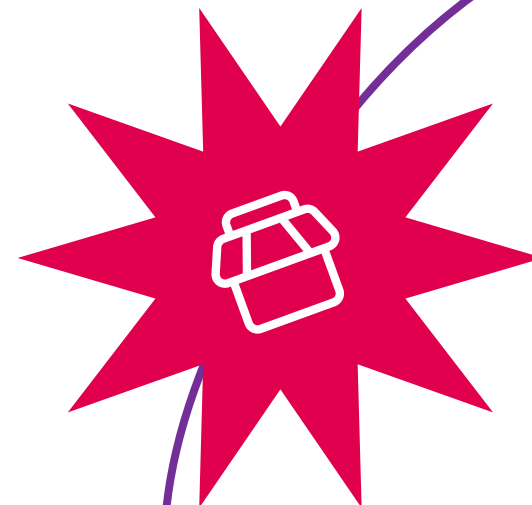
With the preparation of our commercial team, which quickly adapted to remote visits, we launched the Cielo Movimenta Community. The action started with the provision of R\$ 5 billion to prepay receivables, ensuring cash flow so that companies could honor their commitments in the most critical period of the crisis.

Faced with the closing of stores due to social distancing measures, *Cielo Movimenta* assisted merchants who were not familiar with e-commerce so that they could start their online sales. To this end, the boost in sales relied on online payment solutions, such as Super

Link, which registered an exponential increase of 1,659% in demand and accreditation in 2020, when we saw a jump from approximately 700 customers in February to more than 18.000 accreditations in April. The quantification of the results reveals that more than 7 million of payment links were generated, which handled over 1.7 billion BRL during the year.



bit.ly/AgênciaSebraeDeNotícias



Delivery

To further support customers' businesses in the digital world, we have partnered with the Loggi delivery service and started offering delivery services to companies that do not have this expertise. Through the initiative, when using Super Link, the customer can contract the service in an integrated manner, starting to deliver products sold online.

In addition, we are present in almost 100% of the municipalities in Brazil, and in places that do not have highways, we deliver by boat.

Contactless payment

In order to preserve the continuity of our customers' sales as much as possible, we offer solutions for e-Commerce transactions, such as Super Link, a tool that has had an exponential increase in volume since the beginning of the pandemic and has multiplied its active base nine times.

In view of the risk of contamination in card payments, our contactless approach payment technologies and QR Code were of great value, since we have 1 million machines capable

of carrying out these two types of transactions. Since the beginning of the pandemic, we have seen an increase of three percentage points in the share of contactless payments in Cielo's total transactions.

Billing limit

Another measure that help our clients during the crisis caused by the pandemic was the initiative to release the requirement of a minimum billing limit in the calculation of the rent charged, in addition to the exemption from charging in some cases.

Blue Market

At the same time, through a partnership established with Sebrae, we provide guidance and space for advertising companies, products and services in the Blue Market, offered free of charge. Another partnership worth mentioning was the support for small bars and restaurants, one of the segments most impacted by the crisis, an initiative built together with Ambev that helped dozens of businesses.

Supporting small businesses and rewarding customers

In November, we partnered with BRF company, in order to create an initiative that returns to the consumer part of the money spent on food products. Referred to as "Dinheiro que Volta" the initiative offers back to customers 50% of the value spent on Sadia products on Cielo machines, which can be credited directly on account, used to pay bank slips or on Uber and Uber Eats vouchers.

Through this partnership, we benefit both the end consumer and our customers, driving retail sales and helping merchants to boost their business revenue.



Support for social development

We are aware that, in driving business across Brazil, our Company has a direct impact on social development and economic growth. To further increase our value generation, we promote initiatives and support social projects that enable income generation, contribute to social development and support the most vulnerable groups.

To that end, we support the formulation and implementation of policies, programs and projects to foster education, health and social protection systems through our corporate citizenship and philanthropy initiatives.

Supporting entrepreneurship

The promotion of entrepreneurship is a transversal pillar of our activities, and we seek to support initiatives aimed at generating income, as well as that contribute to the development of business in the country. In order to help Brazilian entrepreneurs to organize and grow, we have a website to help those who want to undertake, with information for those who are starting or want to update themselves. On the website,

users have access to free materials on the most varied subjects to answer questions, manage the business and expand the knowledge base.

Get to know Cielo Entrepreneurs on the link: <https://www.cielo.com.br/cielo-empreendedores>

Undertaking during Covid-19: Your Digital Business in 5 Days

A survey by Sebrae revealed that, during the Covid-19 pandemic, 44% of small businesses interrupted their operation, as they depended on face-to-face operation, while 32% maintained operation with the aid of digital tools. Another 12% continued to role, despite not having a digital technology structure.

Faced with the change in the consumption profile accelerated by the pandemic, we held the event Your Digital Business in five days in partnership with Sebrae, which aimed to prepare entrepreneurs in structuring and intensifying their digital presence through practical training.

Offered free of charge, the event brought together major players from the digital market to present tools, techniques, practices and information that would allow entrepreneurs to implement changes and improvements in online sales, with low cost and easy access.

Large companies that are active in digital commerce have presented alternatives to start selling online, finding customers, offering services, publicizing the business to more people and organizing deliveries.

During the day, the participants were also able to access live classrooms with consultants from Sebrae-SP to learn in practice the step-by-step to digitize their business. Thus, the classes brought tips on how to set up business pages on Facebook, make photos and videos for product display on Instagram, leverage posts on social media, set up the company on Google My Business and insert the company in geolocation applications.

**Leveraging
vales**

In 2020, we signed a partnership with Next and Jequití for the implementation of a new business model, which brought a series of benefits to the consultants of the Jequití's cosmetics. Thanks to the partnership, Jequití consultants will be able to use a 100% free digital account and request our Mini Zip machine.

By mixing technology, convenience and functionality in the same solution, the new business model generates value for the parties involved, especially the consultants benefiting from the partnership, who will be able to leverage their sales by accepting card payments through the machines.

Entrepreneurial Periphery

Reaffirming our commitment to supporting social development and small entrepreneurs, in 2020 we sponsored the Entrepreneurial Periphery Fund. Created by the collective loan platform Firgun, in partnership with the business school on the outskirts Empreende Aí and Impact Hub, an organization that connects entrepreneurs to the fostering and innovation ecosystem, the fund offered a special microcredit line for micro and nano entrepreneurs on the peripheries. with difficulty in accessing credit in traditional public and private organizations.

Faced with the pandemic scenario, which placed small businesses at great risk, the fund offered R\$ 500 to R\$ 3,000 for entrepreneurs from the periphery to get through the crisis months, with interest of 1% per month., 120 days grace period and installments up to 20 times.

Credit analysis and fund management is carried out by Firgun, which has been working with collective loans and the granting of microcredit to low-income entrepreneurs for three years. The priority is for entrepreneurs belonging to minority groups (income, gender, race, refugees and immigrants) and who are unable to get credit from banks. With the initiative, a total of R\$ 500. 000 was loaned, which helped over 250 entrepreneurs.

After repaying the loans, the amounts will be reverted to the founding institutions of the device to strengthen these and other businesses with a new round of investment or training, ensuring that entrepreneurs are organized in the period after the end of the social isolation measures.

In November, when we turned 25, we launched the #FazerAcontecer campaign, in partnership with the website *Razões Para Acreditar* . To reinforce our mission to simplify and boost business, the initiative sought to support entrepreneurs to put into practice ideas that can improve people's lives.

The #FazerAcontecer series of videos and posts included eight projects, which received financial support of up to R\$ 5,000 in working capital for each, in addition to offering our products with special conditions and training to the winners.

The first supported initiative was *Água Camelo*, a company that provides access to a safe source of drinking water for people in poor communities. In addition to the awards, the initiative's website has been transformed into an e-commerce platform, and the project will also have consulting support from Sebrae-SP and Garagem, our innovation hub.



Private Social Investment

GRI 203-1

In line with our Sustainability Policy, we support social projects identified with the United Nations (UN) Sustainable Development Objectives (SDG). In our private social investment strategy, we seek to adopt specific causes for the use of incentive laws, in order to connect supported initiatives to our businesses, taking into account the following criteria:

- ♦ Alignment with the business;
- ♦ Potential for the transformation of society;
- ♦ Strengthening the local economy;
- ♦ Contribution to public agendas;
- ♦ Stakeholder engagement - customers, suppliers, employees and society.

In this line, the social projects encouraged by law that we support are in line with the following focuses:

- ♦ **Education:** promote initiatives that contribute to the improvement of basic and/or vocational education;
- ♦ **Entrepreneurship:** support and promote initiatives that enable the generation of income and contribute to the development of entrepreneurial businesses.

Investments are made through tax incentive laws, such as the Rouanet Law, the Federal Sports Incentive Law, the Childhood and Adolescence Fund (FIA), the Elderly Law, the National Oncology Care Support Program (Pronon), and the National Program Support for Health Care for Persons with Disabilities (Pronas/PcD).

In 2020, we support the following projects through tax incentive laws:



Midiacom Project

Location: Eusébio (CE)

Audience benefited: more than 500 direct beneficiaries

Project period: 12 months

Amount invested in 2020 via Fund for Children and Adolescents (FIA): R\$ 696,258.16

Carried out by the Technological and Vocational Advanced Institute (Iteva), the project aims at the effective and lasting transformation in the lives of the beneficiaries, aiming at their development and autonomy, through four actions:

- ♦ professional qualification: training of public-school teenagers in the information and communication technology area;
- ♦ digital teachers: qualification of teachers to prepare and apply new teaching methodologies;
- ♦ Bem-Te-Vi: production of transforming audiovisual content for civil society organizations that contribute to their development and guarantee the Rights of Children and Adolescents;
- ♦ Scientist of the Future: it promotes children's access to activities that privilege plays and foster the ability to learn.

Maturity School

Location: São Paulo (SP)

Public benefited: More than 500 direct beneficiaries

Project Period: 12 months

Amount invested in 2020 via the Elderly Fund: R\$ 696,258.16

Developed by Instituto Anima, the project consists of a set of courses and educational strategies aimed at empowering, preventing and promoting health in the elderly, through socialization, increased self-esteem and access to new technologies. The training courses and workshops are held weekly over two semesters in the units where the Anima group has a campus, following the university schedule.



We also support the following events, festivals and cultural activities:

Projects supported in 2020

Law	Proponent	Name	Description of the cultural projects con-tributed	Amount
Culture Incentive Law (Rouanet)	MIS/ MIS Experience	Annual Plan 2020: John Lennon/ Leonardo da Vinci	Annual Activity Plan of MIS and Paço das Artes 2020	1,100,000.00
Culture Incentive Law (Rouanet)	Pinacoteca	Os Gêmeos	Annual Plan 2020 of Pinacoteca de São Paulo	200,000.00
Culture Incentive Law (Rouanet)	Riachuelo Theater	Live Show Esquentada da Virada com Ludmilla	Annual Plan Teatro Riachuelo 2020	385,000.00
Culture Incentive Law (Rouanet)	MIS	Annual Plan 2021 (contribution of funds for new MIS pronac 2021 contract)	Annual Plan of Activities MIS and Paço das Artes 2020	771,461.95
Sports Incentive Law	CBJ	Contract 1	Project Support to State Judo Federations and Management of the Olympic Judo Team	216,898.97
Sports Incentive Law	CBJ	Contract 2	Events Project of the Brazilian Judo Confederation	500,000.00
Sports Incentive Law	CBJ	Contract 3	Participation in competitions and training for the International Judo Federation (FIJ) ranking to take part in the 2024 Olympic Games	102,216.52

Commercial Initiatives

GRI 203-1

We accomplish commercial initiatives in order to contribute to the financial sustainability of non-profit civil society organizations. Thus, we have a differentiated charging policy, exempt from the affiliation fee, connectivity and machine rental, in addition to practicing differentiated prices, with lower rates on the financial transactions of these organizations. By ceasing to receive the rental of the machines and providing different prices, in 2020 we benefited 2,895 customers, which resulted in a discount of approximately R\$ 10,808,705.92 in rental of the machines.

Volunteering

GRI 203-1

In order to engage our team in our social causes, we seek to encourage volunteering in actions that support the development of the communities where we operate. To this end, we developed **Movimento do Bem**, a corporate volunteer program that aims to engage employees in initiatives that promote benefits for society, distributed in the following themes: Campaigns, Education and Entrepreneurship Programs, Corporate Social Actions and Independent Actions.

In partnership with the RIBON application, the initiative implemented the gamification of *Movimento do Bem* program.

Through the platform, available for Android and iOS phones, we adopted the Coopetition model (collaborative competition), encouraging users to donate virtual points to social projects that will benefit.



In **2020**, we carried out **139,932** donations, together with **68,000** people.



Pilot - Movimento do Bem Digit@l

In view of the impossibility of carrying out face-to-face volunteering initiatives due to the pandemic, we created the Movimento do Bem Digit@l, a program that aims to engage employees remotely through social actions in digital format. With this, we seek to build a culture of giving and volunteering in a fun and collaborative way.

Supported Institution/Project	Amount raised	Investments made
Américas Amigas	R\$ 2,403.44	23 mammography exams
Favela Sem Corona	R\$ 223.51	4 tests for Covid-19 detection
Instituto Dara	R\$ 1,389.09	1,929 days of medication for children
MOBIS	R\$ 1,278.10	1,997 training days for educators
NASCE	R\$ 724.22	36 People with Disabilities included in sports
PACE	R\$ 1,700.21	3,208 training courses for food production
Pão é Vida	R\$ 1,851.09	462 days of literacy for children
WFP	R\$ 430.61	21,530 decontaminated meals
Natal Sem Fome	R\$ 10,000.27	15,000 meals
TOTAL	R\$ 25,000.27	-



VOLUNTEERING AGAINST COVID-19

Reinforcing our contribution in combating the Covid-19 pandemic and the health crisis, in 2020 our Cloud, Devops and Workplace manager voluntarily coordinated the CovidZero infrastructure team. The platform, also known as "Covid's Waze", was designed to monitor the disease scenario in the country in real time.

The project involved more than 1,200 people, including doctors, journalists, lawyers and data scientists. Its objective is to function not only as a point of support for the population, with accurate maps of the location of cases of the disease, but also to provide data to the Government that help, for example, to

identify the overload of hospital beds. The entire infrastructure works in Amazon's cloud environment, which contributed US \$ 100,000 to the project and the maps are supported by Google, with the security company Cloudflare also offering financial support.

Donations

GRI 203-1

In August, we signed a partnership with the Fleury Group for the donation of 5,817 serological and molecular diagnostic tests for health professionals and outsourced employees of InCor (Heart Institute of Hospital das Clinicas, USP School of Medicine) and professionals and residents of the long-stay unit of the Casas Andre Luiz, an initiative that involved an investment of R\$872,600.00 by the Company.

In 2020, we also donated R\$ 60,000 to the Entrepreneurial Periphery Fund.

Suppliers

GRI 102-9 | 204-1 | 308-1 | 308-2 | 408-1 | 409-1 | 414-1 | 414-2

Our relationship with suppliers is based on care and the establishment of partnerships that are positive for both parties. Thus, we value ethics and responsibility, guided by the Code of Ethical Conduct and the Supplier Code of Conduct.

In 2020, we have 820 partners from different sectors, including national and international. In all, we allocated R\$ 2.04 billion in the form of payments.

By paying local suppliers, we create value for the communities where we operate, as we inject resources into the economy and support the development of responsible businesses. In 2020, 98.5% of the products and services we purchased were purchased locally, representing 60% of the purchasing budget.

Social and environmental responsibility in the supply chain

Outsourcing the production of inputs, products or services implies our indirect responsibility for the adoption of good environmental and social practices in the value chain, which includes respect for human rights, decent wages, the eradication of child or slave labor and guarantees workers' rights. For this reason, we have processes and procedures aimed at evaluating and monitoring supplier practices.

In **2020**,  we bought **98.5%** of products and services locally, which represents **60%** of the purchasing budget.

We continuously monitor the main critical segments of our supply chain, requiring adherence to good practices and verification of supplier compliance. Thus, we seek to prioritize suppliers who are committed to the preservation of the environment and in accordance with the principles defined in our Sustainability Policy and the Supplier Code of Ethics and Conduct.

According to these documents, all of our suppliers are obliged to respect and enforce all the provisions of the current environmental legislation, being responsible to the environmental agencies and society, for any and all damages or losses that they may cause to the environment. In addition, the performance of its services or activities must comply with legal, regulatory, administrative and related acts at the Federal, State and Municipal levels, including compliance with the National Environmental Policy, the Environmental Crimes Law and the National Waste Policy Solids.

Suppliers must also provide products and services with reduced environmental impacts, in addition to being aware of environmental impacts and establishing action plans and targets for reducing these impacts, including the consumption of energy, water, paper, and fuels, to emission of greenhouse gases, the proper disposal of products and waste in general, the use of certified forest materials and recycling of materials.

In order to ensure that all of these environmental and social requirements are met, we have established guidelines for the classification of risks and opportunities in the relationship with the supply chain. In this classification, suppliers in tier 1 are considered critical for the sustainability of the business, in tier 2 they are relevant to the sustainability of the business and in tier 3 they are not relevant.

Since 2019, we have carried out a 360o analysis of tier 1 suppliers, through the Supplier Relationship Management (SRM) program. The initiative aims to better understand the main suppliers, through quarterly analyzes of Financial, Legal, Data Protection, Business Continuity aspects, Social, Environmental, Performance and Reputational. The main objectives are performance improvement, cost reduction, business continuity, generation of opportunities, risk mitigation and adherence to laws, rules and governance practices.

In 2020, we increased the criteria for evaluating critical suppliers, including in the quarterly evaluation routine, in addition to the supply risk, the companies with risk of business continuity and with risk of data leakage. As a result, it was possible to achieve a complementary view on who are the most critical suppliers for the Company. As a result, between 2019 and 2020, we jumped from 23 to 41 evaluated suppliers.

During the year, 5% of our new suppliers were evaluated based on environmental and social criteria. None have been identified as causing significant actual or potential negative impacts

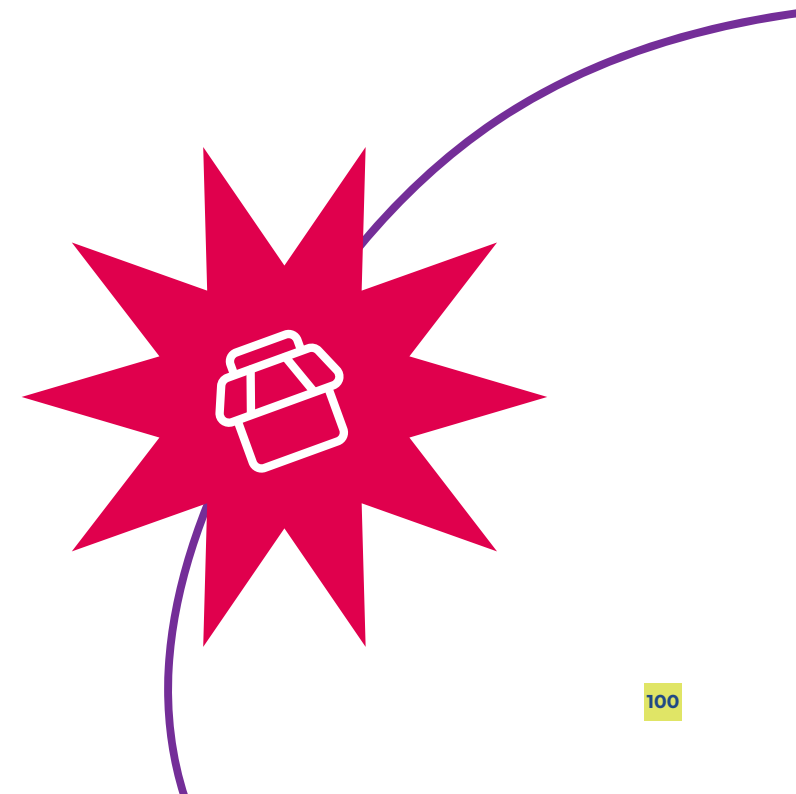
In addition, none of our operations and suppliers were at risk of child labor, forced or compulsory labor.

The Purchasing area is responsible for conducting the process, with suppliers and managers, who are co-responsible for drawing up an Action Plan for the identified improvements.

Still in 2020, we carried out other actions that reinforce our commitment to best governance practices in the relationship with suppliers, including:

- ♦ In the process of homologation and updating of the registration, it was mandatory to consult the CNPJ in the Registry of Ineligible and Suspended Companies (CEIS). If there are any restrictions, an analysis and approval as required;
- ♦ It became mandatory to carry out the Money Laundering Prevention (PLD) training by the supplier, before having access to any competition.

Between
2019 *and* **2020**,
we jumped from
23 to 41
critical suppliers
evaluated.



Chapter 9



AFFILIATES

cielo

CATENO AND M4U



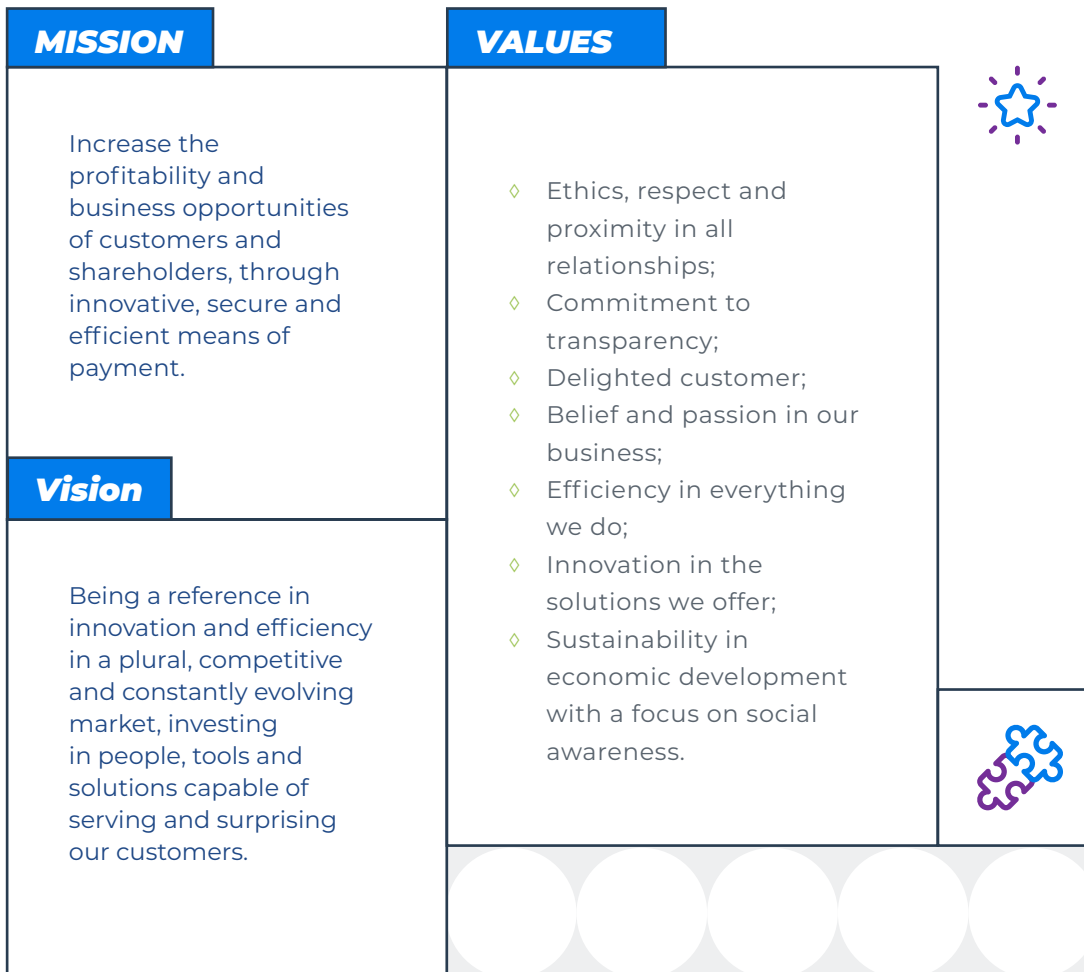
CATENO

GRI 102-7

Formed in 2014, Cateno is a joint venture of BB Elo Cartão Participações S.A. and Cielo S.A, acting in the creation and management of technological solutions for the payment industry. One of its main assets is the management of the debit and credit cards of the Ourocard Arrangement, in addition to the Digital Account.

Guided by innovation and the fast transition between physical and digital, the Company seeks to connect banks, customers and issuers in a diverse ecosystem of possibilities, generating efficiency, agility and security. It offers customized prepaid cards for the most diverse company profiles, with the aim of making financial and banking services accessible and promoting a constant offer of new features.

With the innovation in DNA, Cateno has a team of 92 experienced and trained professionals, who maintain permanent contact with emerging startups and strategic partners with the objective of creating new businesses and new ways to carry out, share and multiply ideas.



Sustainability

Cateno's Sustainability Policy aims to reaffirm the Company's commitment to sustainable development, establishing guidelines for the insertion of social, environmental and governance aspects in business, guided by nine guidelines:

- ◆ Code of Ethical Conduct;
- ◆ Anti-Corruption Practices;
- ◆ Respect for Human Rights;
- ◆ Fair Competition;
- ◆ Value Chain;
- ◆ Engagement and Social Investment Actions;
- ◆ Relationship with local communities;
- ◆ Environmental management;
- ◆ Sustainability Governance.

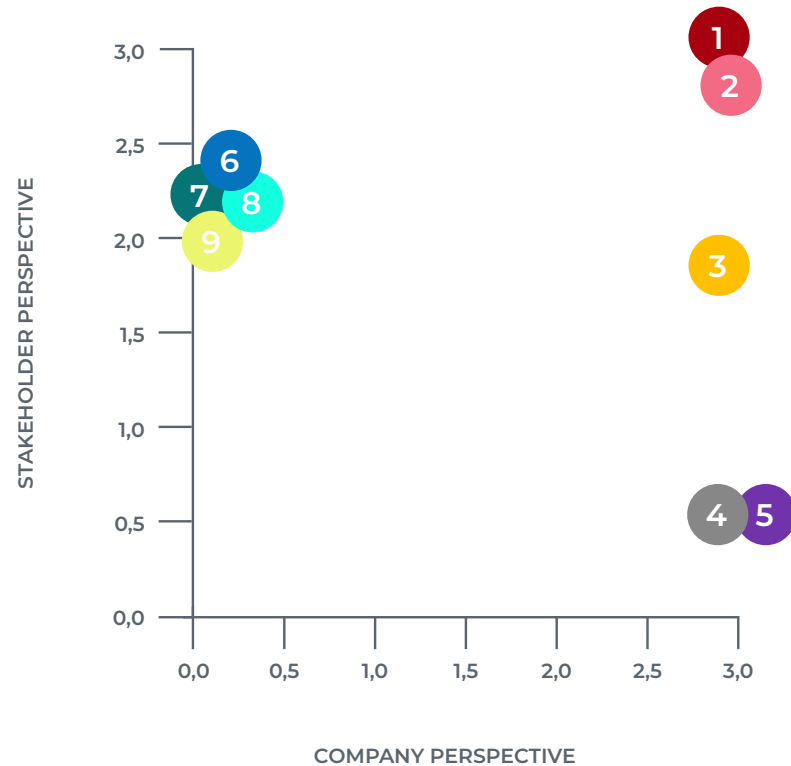
Materiality Matrix

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

In order to build Cateno's materiality matrix, a stage of analysis of sectorial studies, benchmarking and internal documents was carried out. Then, the identified themes were submitted to prioritization among the Company's stakeholders, formed by customers, the community, employees, suppliers and partners.

This step had, on the internal axis, the approval of the Executive Board, and, on the external axis, interviews with partners Elo, Sequoia, Conductor and Valid, added to an online consultation with representatives of Banco do Brasil.

In the end, the process resulted in nine material themes, which were associated with the Company's priority SDGs and submitted impacted.



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

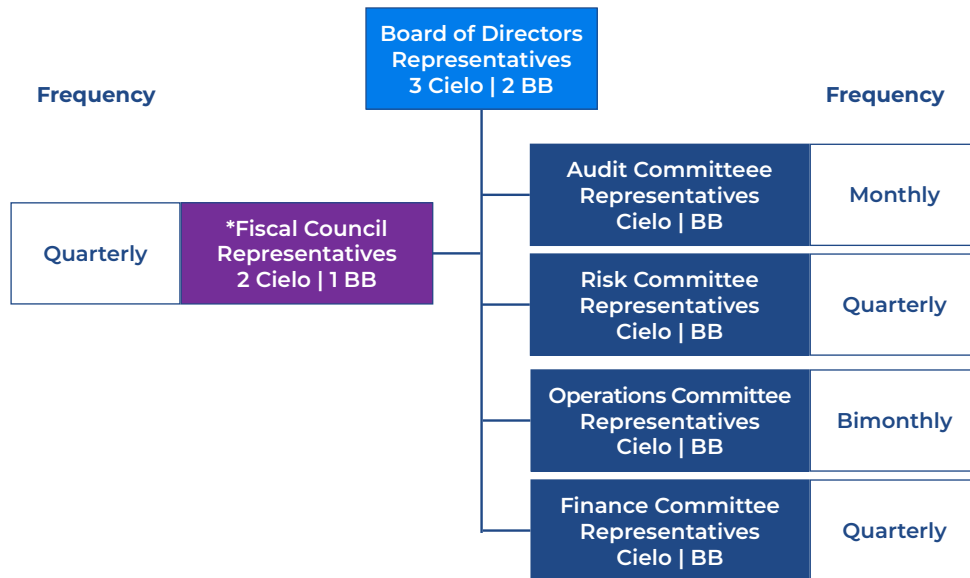
MATERIAL ASPECTS		RELATED SDG	
1. Cybersecurity and data privacy	Customer privacy (418)	Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.	
2. Trends and technological disruption	Own indicators. General standards (102-15: Key impacts, risks and opportunities; 102-29: Identification and management of economic, environmental and social impacts)	-	
3. Ethics, integrity, and anti-corruption practices	General standards (102-15: Key impacts, risks, and opportunities, 102-16: Values, principles, standards, and norms of behavior). Economic Performance (201-4: Financial assistance received from government). Anti-corruption (205) Public Policy (415) Socioeconomic Compliance (419)	16.5 Substantially reduce corruption and bribery in all their forms	
4. Risk Management	Indirect Economic Impacts (203) Anti-competitive Behavior (206)	10.5 Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations	
5. Corporate governance	General standards (102-5: Ownership and legal form; 102-10: Significant changes to the organization and its supply chain; 102-18: Governance structure; 102-29: Highest governance body's role in identifying and managing economic, environmental, and social topics)	16.6 Develop effective, accountable and transparent institutions at all levels	
6. Customer experience	General standards (102-43: The organization's approach to stakeholder engagement; 102-44: Key topics and concerns that have been raised)	-	
7. Expansion of customer base	General standards (102-6: Markets served; 102-7: Scale of the organization) Indirect Economic Impacts (203-2: Significant indirect economic impacts). Sectoral (FSI: Policies with specific socio-environmental components applied to business lines; FS14: Initiatives to improve access to financial services for low-income people)	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	
8. Customized solutions	Own indicators. General standards (102-2: Activities, brands, products, and services)	-	
9. Operational capacity and availability	Own indicators. FS13: Access points in unpopular or economically disadvantaged areas, by type	9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets	

Corporate governance

GRI 102-18 | 102-22

The governance structure of Cateno is formed by a Board of Directors, made up of five members, an Audit Board, with three members, and four Committees, which advise the Board of Directors, composed of four members each. They are: Finance, Audit, Risk and Operations Committee, and a Fiscal Council.

While the Finance Committee is responsible for discussing financial issues to assist the decisions of the Board of Directors, the other committees are responsible for making decisions on the Company's economic, environmental and social topics.



Ethical principles

GRI 102-16 | 102-17

The Company's management and the relationship with its stakeholders are guided by the best standards of conduct. Cateno has a Code of Ethical Conduct and an independent ethics channel that seeks to ensure compliance, allowing the reporting of deviations in an identified or anonymous manner.



Complaints can be made online at the link <https://bit.ly/3ugZbWq>

The company's values, as well as the internal policies and norms, are defined by the Executive Board supported by the areas and validated by the Committees and the Board of Directors.

All new employees of the Company are trained in the values, principles, standards and norms of behavior of the Company during the Code of Conduct e-learning. The training is carried out by UniCateno, the Company's corporate university, and is mandatory for all employees. At the end, they undergo a test to validate the knowledge acquired, with annual reinforcement.

In addition, suppliers are obliged to declare their knowledge in relation to the topic in the accreditation process on our NIMBI purchasing platform.

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.

We offer all the structure for our B2B customers to position themselves in the market in the bank as a service model, through a white label solution with functionalities that can be defined and customized, from the digital account to the prepaid card, according to the business model of each client.

Cateno also registers an open platform with more than 80 proprietary APIs, which connect several resources to the solutions offered for prepaid payment methods and for authorization intelligence and fraud.

Certifications and security

Cateno has PCI-DSS certification, which attests to the security of services performed in compliance with mandatory safety standards. In 2020, the Company achieved certification with the ISO 27001 standard, a standard for information security management systems in line with the requirements of the General Data Protection Law (LGPD).

Performance

GRI 102-7

Financial Performance (R\$ million)

	2019	2020
EBITDA	1,299.40	1,031.82
Net Revenue	2,773.30	2,622.37
Net profit	677.80	464.35
Net Profit + Liabilities	12,990.63	10,871.95

Human and intellectual capital

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

The multidisciplinary team of employees is Cateno's greatest asset, supporting its capacity for innovation and dialogue with new business partners.

Workforce by employment contract

	Men	Women
Permanent	53	39
Temporary	0	0
Subtotal	53	39
Total	92	

Employees by employment type

	Men	Women
Full-time	52	38
Part-time	1	1
Subtotal	53	39
Total	92	

Employees by type of contract by region

	Permanent	Temporary
Southeast	79	0
Mid-West	13	0
Total	92	

Number of employees by age and ethnicity

Ethnicity	Under 30 years	Between 30 and 50 years	Older than 50 years	Total
Asian	0	2	0	2
White	6	45	20	71
Indigenous	0	1	0	1
Brown	4	11	0	15
Black	1	2	0	3
Total	11	61	20	92

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

Roles	Base salary	Compensation
Coordinators	0.81	0.82
Team	0.87	0.87
Specialist/Consultant	0.85	0.85
Management	1.09	1.07

Average hours of training by gender and functional category

Roles	Women	Men
Coordinators	3	70
Team	37	45
Specialist/Consultant	9	86
Interns	-	224
Management	9	19
TOTAL	27	49

Turnover

Type	Total
Hired	24
Dismissed	38
Total	62
Employees	92
Annual turnover	34%
Monthly turnover (average)	3%
Interns	2

Number of employees by age and gender

Age Group	Women	Men	Total
Under 30 years	7	4	11
Between 30 and 50 years	26	35	61
Older than 50 years	6	14	20
Total	39	53	92

100% of Cateno's employees are covered by collective bargaining agreements.

Social capital and relationship

GRI 102-13

Cateno participates in the Global Compact of the United Nations and the Brazilian Association of Credit Card and Services Companies (Abecs).

Natural capital

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

Greenhouse gas emissions (tCO₂ equivalent)

	2018	2019	2020
Direct emissions (Scope 1)	32.2	53.3	53.3
Mobile combustion	31.1	53.3	53.3
Fugitives	1.1	-	-
Indirect emissions (Scope 2)	5.2	8.9	1.8
Acquisition of energy	5.2	8.9	1.8
Indirect emissions (Scope 3)	851.3	167.8	33.2
Employee displacement (home-work)	606.2	59.8	15.8
Transport and distribution (upstream)	0.1	0.1	0.1
Business trips	245.1	107.9	17.4
Total	888.7	230.0	88.4

M4U

GRI 102-7

Founded in 2000, M4U is a technology company, focused on creating payment solutions for several companies. Its mission is to digitize the means of payment, developing innovative, scalable and secure solutions.

The Company has 34 operations and a portfolio of 34 products and services, ranging from payment platforms and digital recharge transactions to machine learning projects with data science and sub-acquisition.

Its team of 438 employees is organized in squads, which seek to revolutionize customers' business, with a focus on agility and on offer for the best user experience.

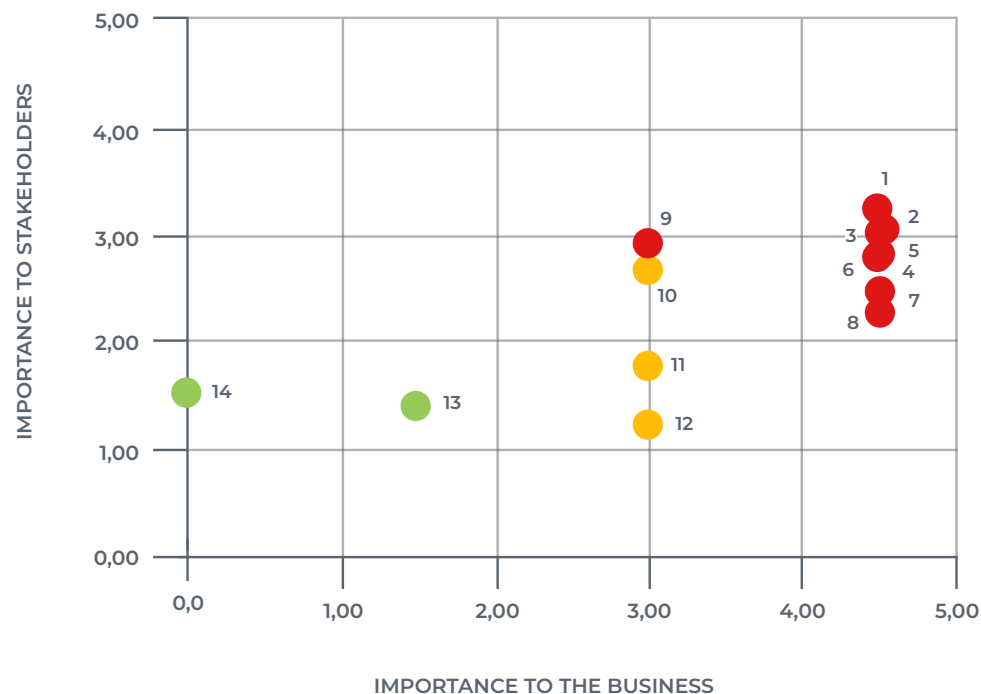
In 2020, M4U reached R\$ 116.8 million in net sales and closed the year with a total capitalization of R\$ 58.1 million.

Materiality Matrix

GRI 102-40 / 102-42 / 102-47

The M4U Report was built based on the Company's materiality matrix, prepared based on a study that included analysis of sector studies, benchmarking and internal documents. Then, the identified themes were submitted to an online consultation for prioritization among the stakeholders - employees, suppliers, customers, shareholders, partners and executives of the Company - added to interviews with the executives.

At the end of the process, 14 material themes were identified, which were associated with the Company's priority SDG:



- | | |
|---|---|
| 1 Business performance in the market | 8 Operational capacity and availability |
| 2 Attracting and developing talent, valuing employees | 9 Cybersecurity and data privacy |
| 3 Customer experience | 10 Risk Management |
| 4 Ethics, integrity, and anti-corruption practices | 11 Sustainable supply chain |
| 5 Trends and technological disruption | 12 Eco-efficiency and management of socio-environmental impacts |
| 6 Economic-financial performance | 13 Sustainability applied to products and services |
| 7 Corporate governance | 14 Climate Change (mitigation and adaptation) |

Stakeholder engagement

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

To conduct the business in a responsible and sustainable manner, M4U engages its stakeholders as follows:

- ♦ **Shareholders:** the meetings of the Company's Board of Directors are held bimonthly, in which themes defined in its Bylaws are taken, so that the activities of M4U are supervised, generating benefits for stakeholders from a strategic point of view;
- ♦ **Managers:** the Company's Executive Committee is held weekly, which includes the Statutory Directors, the Executive Directors and some Senior Managers of M4U. On these occasions, follow-ups and presentations are made on topics important to the Company, with the aim of improving the processes and the progress of activities;
- ♦ **Employees:** M4U implemented the Business Partner Follow-up processes and the Merit Cycle, with the objective of verifying how employees feel about the Company, its teams and leaders, as well as the personal expectation of professional growth and evaluation of the well-being of employees and their families.

The preparation of this report involved the engagement of several areas at M4U, such as Controllership, Talent and Culture, Governance, Facilities and Statutory Board.

Corporate governance

GRI 102-18 / 102-22

M4U adopts Cielo's governance model, which includes the communication, transparency and agenda of matters of the Board of Directors. The Company has its own Board of Directors, which monitors internal matters and the executives' agenda, in addition to a Risk Committee, which promotes discussions on risk mitigation and new business.

Throughout 2020, its management endeavored to improve this governance model, an initiative that gained even more strength during the pandemic, in order to maintain the frequency of meetings so that everyone was informed and participated in decision-making in a timely manner. In view of this scenario, there was a greater focus on transparency, as well as on measuring and communicating the Company's impacts.

Ethical principles

GRI 102-16 / 102-17 / 102-25

M4U believes that ethical commitment is the sum of the conduct of each of its employees. The Company has a Code of Ethical Conduct, which sets out guidelines that reflect its positioning before the public involved in the business.

The situations that characterize potential deviations and conflicts of interest must be immediately informed to the immediate manager and formalized through the Ethics Channel so that they are properly evaluated. The information received by the channel is kept strictly confidential and used by groups specially designated to investigate the facts. These groups, formed according to the nature and origin of the potential deviation, are responsible for preparing reports that are submitted to the Executive Board or the Board of Directors for deliberation.

In 2020, 100% of those entering the Company received training in the M4U Code of Ethical Conduct.

Products and solutions

Certifications and security

In order to guarantee the security of the products and solutions offered, the Company has an anti-fraud tool, enhanced with the use of machine learning and artificial intelligence, a PCI certified card storage and management platform.

The Information Security Policy establishes guidelines that allow the Company to safeguard its information assets, guide the definition of specific Information Security rules and procedures and implement controls and processes for its attendance.

The Privacy Policy, on the other hand, presents to customers the guidelines used by M4U for the treatment given to customers' personal information, as well as the rights related to such information and the measures taken to maintain their privacy and security.

To further increase information security, computers have e-mail filters and the Company adopts a VPN policy with two-factor authentication as a preventive measure, supported by periodic employee awareness campaigns regarding the use of systems and equipment.

In addition, in 2020, URAs, telephone service robots, were migrated, which were previously controlled by third parties and are now allocated within the Company. In this way, it was possible to create its own compliance structure.

During the year, due to the entry into force of the General Data Protection Law (LGPD), two workshop sessions dedicated to the topic were held with employees, in addition to having the support of Cielo's Risk Committee in the necessary adjustments.

Financial Performance and Ebitda (R\$ Million) – Consolidated

	2018	2019	2020
Net Revenue	721.2	1,275.0	1,411.4
Net profit	28.5	27.9	25.1
Interest of non-controlling shareholders	-	-	-
Financial result	0.3	-3.4	-3.5
Income tax and social contribution	12.4	14.1	12.0
Depreciation and amortization	9.9	14.4	18.1
EBITDA	50.5	59.8	58.7
Ebitda Margin (%)	7.0%	4.7%	4.2%

Human and intellectual capital

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

M4U has a Human Resources Management Policy, which defines the HR principles and strategy involved in the operation and Governance to support this strategy.

Guided by the principles of diversity, dignity, transparency and open dialogue, in addition to the balance between work, health and family, the Policy formalizes the commitment to the conventions of the International Labor Organization (ILO) with regard to the defense and protection of Rights and the Rights of the Child. In this sense, the legal requirements, norms and conventions relevant to relations and the work environment are followed, which includes respect for free union association and collective bargaining.

The Human Resources Management strategy is summarized in two proposals that aim to ensure the generation of value for shareholders, employees and other people involved in the Company's operation.

Shareholder Value Proposition Business Sustainability

LEADERSHIP

◆ Labor Cost and Risk Management

- ◆ Management of personnel costs;
- ◆ Mitigation of labor risks.

◆ High Performance Culture

- ◆ Culture & Climate Shaping;
- ◆ Change Management;
- ◆ Performance management;
- ◆ Transformational leadership;
- ◆ Qualified team.

◆ Talent and Successor Management

- ◆ Identification, development, and retention of professionals with differentiated performance.

◆ Intellectual Capital Management

- ◆ Fostering and managing the knowledge needed to create competitive advantage.

◆ Employee Value Proposition

- ◆ Capacity to build a qualified and engaged team capable of producing competitive advantage for Cielo.

Employee Value Proposition

Emotional Bonding & Engagement

MERITOCRACY

◆ Values, culture and climate

- ◆ Cielo's values as a reference in the organization's decisions;
- ◆ Shaping the organizational culture and climate in order to foster employee engagement.

◆ Recognition and Rewarding

- ◆ Recognize employees with differentiated performance;
- ◆ Ensure a competitive compensation strategy.

◆ Development and Career

- ◆ Provide opportunities for the continuous development of each employee by strengthening a career.

◆ Institutional Brand

- ◆ To be recognized in the market as a center for training talent.

GRI 401-2 | 102-41

The Compensation and Benefits Policy seeks to promote a culture of valuing employees, in order to keep them engaged in their growth. Thus, in addition to monitoring market research and aligned to industry practices, over the past few years the Company has deepened the team's recognition, implementing a new semiannual evaluation cycle, with monitoring by the Vice-Presidents, practice that guides the granting of bonuses and variable compensation. The structuring of the employees' Flight Plan supports the anticipation of problems and allows the monitoring of careers and changes in the area, in addition to enhancing horizontal promotions in the Company.

M4U has a series of initiatives aimed at the health and well-being of employees, supported by a Commission especially dedicated to the topic, which includes medical assistance extended to employees' dependents, Gympass and day-off on the anniversary day. Besides, there is a strong remote work culture.

100% of M4U employees are covered by collective bargaining agreements.

Employees by type of employment contract

	Men	Women
Permanent	332	115
Temporary	13	16
Subtotal	345	131
Total		476

Employees by employment type

	Men	Women
Full-Time	330	111
Part-Time	15	20
Subtotal	345	131
Total		476

Number of employees by age and minorities

Ethnicity	Under 30 years	Between 30 and 50 years	Older than 50 years	Total
Asian	0	2	0	2
White	6	45	20	71
Indigenous	0	1	0	1
Brown	4	11	0	15
Black	1	2	0	3
Total	11	61	20	92

Employees by type of contract and region

Region	Permanent	Temporary
North	1	0
Northeast	19	0
Midwest	95	0
Southeast	248	27
South	86	0
International	0	0
Subtotal	449	27
Total	476	

Turnover

Type	Amount
Hired	24
Dismissed	38
Total	62
Employees	92
Annual turnover	34%
Monthly turnover (average)	3%
Interns	2

The drop in the number of employees in relation to the previous year is due to the discontinuity of the trade model by the Operators due to the pandemic.

Career

GRI 404-1

In the context of a very competitive market, marked by the difficulty of retaining and attracting talent, the Company has the support of recruitment tools such as LinkedIn and Guppy, which has supported the Talent and Culture area in hiring.

The search for new talents is also supported by the Company's participation in sectorial events such as the Hackathon da Baixada, which in 2020 was sponsored by M4U and generated the hiring of three employees who stood out in the process.

To assess how employees feel in the work environment and seek continuous improvement, an internal process for monitoring the organizational climate is carried out by the Vice-Presidencies in conjunction with the areas.

Average hours of training by gender

Gender	Average hours
Male	11.76
Female	19.74

Average hours of training by functional category

Role	Average hours
Analyst	16.52
Specialist	8.66
Manager	12.72
Director	11.55

Diversity

GRI 405-2

The theme of Diversity and Inclusion receives special attention at the Company, with a focus on forming a team capable of continuous innovation. A highlight is Devas, a commission that enhances gender equity in the Company, in line with the principles of the Global Compact, which has generated an increase in the number of women in the team. Deepening this process, in 2020, M4U also carried out the training of groups of women developers, with the hiring of those who stood out in the process.

Another important action is the initiative to include the Internship Program, which seeks to insert minority groups into the technology market, without restrictive indications.

In addition, several events were held to discuss topics related to gender, ethnic-racial, LGBTQI + diversity, among others.

Mathematical ratio between the base salary and remuneration of women and men by functional category

Functional category	Base salary	Mathematical ratio between women's and men's pay
Employee	3.31	3.27
Management	2.22	2.07
Supervisor/ coordinator	9.27	10.42
Board	7.49	9.11

Social capital and relationship

In pursuit of continuous improvement of the customer experience, M4U has a structure dedicated to serving operators. In 2019, with the creation of the product area, the relationship area with this audience underwent an important restructuring, which was consolidated throughout 2020.

During the year, the first customer satisfaction survey was conducted, which had a large base of respondents and which brought qualitative inputs related to the speed of deliveries, solutions and proactivity.

The Company also has indicators used to measure the evolution of the customers' experience with products and services, such as technical KPIS, chargeback, incidents, availability and volume.

Suppliers

GRI 102-9

The Company's main suppliers are operators, which offer online recharges and chips sold by M4U Matriz and branches. Additionally, we hire cloud data hosting services, essential for the availability of platforms and services provided by M4P.

Natural capital

GRI 305-1 | 305-2 | 305-3

Greenhouse gas emissions (tCO ₂ equivalent)			
	2018	2019	2020
Direct emissions (Scope 1)	324.0	600.1	467.1
Mobile combustion	324.0	600.1	467.1
Fugitives	0.0	0.0	-
Indirect emissions (Scope 2)	26.4	52.6	35.7
Acquisition of energy	26.4	52.6	35.7
Indirect emissions (Scope 3)	110.7	568.4	141.8
Employee displacement	3.2	490.0	121.8
Transport and distribution (upstream)	0.2	0.2	0.2
Business trips	107.2	78.2	19.8
Total	461.0	1,221.2	644.6

Chapter 10

ANNEXES



cielo

GRI 102-8 - Information on employees and other workers

Total number of employees

	2018		2019		2020	
	Male	Female	Male	Female	Male	Female
CLT/ Permanent	1,836	1,272	2,069	1,406	2,364	1,565
Temporary	807	253	1,086	317	965	339
Total	2,643	1,525	3,155	1,723	3,329	1,904
	4,168		4,878		5,233	

Total number of employees (permanent), by race/ethnicity

	2018		2019		2020	
	Male	Female	Male	Female	Male	Female
Asian	57	26	50	32	56	32
White	1,263	902	1,381	956	1,530	1,017
Indigenous	3	1	1	2	4	3
Black	97	50	82	49	111	60
Brown	397	278	396	265	479	319
Not informed	19	15	159	102	184	134
Total by gender	1,836	1,272	2,069	1,406	2,364	1,565
	3,108		3,475		3,929	

Total number of employees (permanent), by age group

	2018		2019		2020	
	Male	Female	Male	Female	Male	Female
Under 30 years old	411	283	457	317	459	329
Between 30 and 50 years old	1,329	1,329	1,501	1,035	1,771	1,180
More than 50 years old	96	42	111	54	134	56
Total by gender	1,836	1,272	2,069	1,406	2,364	1,565
	3,108		3,475		3,929	

Total number of employees by employment contract (permanent), by region

	2018	2019	2020
North	71	85	104
Northeast	214	253	354
Midwest	137	150	201
Southeast	2,443	2,668	2,853
South	243	319	417
Total	3,108	3,475	3,929

Total number of temporary employees, by region

	2018	2019	2020
North	0	0	0
Northeast	0	0	0
Midwest	0	0	0
Southeast	1,060	1,403	1,304
South	0	0	0
Total	1,060	1,403	1,304

GRI 102-9 - Letters, principles or other initiatives developed externally of an economic, environmental and social nature, which the organization subscribes to or endorses

Global Compact - Participation in Energy and Climate Thematic Groups (GTEC), SDGs, Human Rights of the Global Compact Brazil Network and Anticorruption.

FGVces - Brazilian GHG Protocol Program; Companies for the Climate (EPC); Applied Life Cycle (CiViA), Local Development and Large Enterprises (Local ID); Innovation and Sustainability in the Value Chain (ISCV).

GRI 102-13 - Main stakes in national/international defense associations and/or bodies

IBGC - Brazilian Institute of Corporate Governance

Amcham Brasil - American Chamber of Commerce for Brazil

ABECS - Brazilian Credit Card and Service Companies Association

ICC Brasil - International Chamber of Commerce

AFRAC - Brazilian Automation for Trade Association

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

The financial statements include all the companies in which Cielo has an interest, in accordance with the consolidation accounting rules. In the case of

Servinet, Cielo USA (indirect subsidiary Merchant e-Solutions), Braspag, Multidisplay (indirect subsidiary M4Produtos), Cateno, Aliança (indirect subsidiary Stelo), FIDC-NP, FIDC Plus (Funds exclusive to FIDC Plus OT Master and Fenix), FIC Pegasus and Coral, the results were fully consolidated, that is, the parent company started to recognize all of its assets, liabilities, income and expenses, thus making it necessary to recognize the participation of non-controlling shareholders. In the case of Paggo and Orizon, the results are appropriated to the equity method account.

GRI 205-3 - Confirmed cases of corruption and measures taken

In 2020, there was no case of corruption in the Company

GRI 306-5 – Waste sent for final disposal (in tons)

Weight of incinerated hazardous waste (with energy recovery)

Waste incinerated on site	Cielo does not incinerate hazardous waste
Waste incinerated out of the site	Cielo does not incinerate hazardous waste
Total	Cielo does not incinerate hazardous waste

Weight of incinerated hazardous waste (with no energy recovery)

Waste incinerated on site	Cielo does not incinerate hazardous waste
Waste incinerated out of the site	Cielo does not incinerate hazardous waste
Total	Cielo does not incinerate hazardous waste

Weight of hazardous waste intended for landfills

Waste intended for local landfills	Cielo does not produce hazardous waste
Waste intended for off-site landfills	Cielo does not produce hazardous waste
Total	Cielo does not produce hazardous waste

Weight of hazardous waste intended for other disposal operations

On site	Cielo does not produce hazardous waste
Off-site	Cielo does not produce hazardous waste
Total	Cielo does not produce hazardous waste

Weight of incinerated non-hazardous waste (with energy recovery)

Waste incinerated on site	8,477
Waste incinerated off-site	0
Total	8,477

Weight of incinerated non-hazardous waste (with no energy recovery)

Waste incinerated on site	Cielo does not incinerate non-hazardous waste without energy recovery
Waste incinerated off-site	Cielo does not incinerate non-hazardous waste without energy recovery
Total	Cielo does not incinerate non-hazardous waste without energy recovery

Weight of non-hazardous waste intended for landfills

Waste sent to local landfills	26,153
Waste destined for off-site landfills	0
Total	26,153

Weight of non-hazardous waste intended for other disposal operations

On site	0
Off-site	49,326
Total	49,326

GRI 401-1 – Total and rates of new employee hires and turnover by age group, gender and region

Total new employees hired in the year by age group

Age Group	Total Number of Hirings	Hiring rate (%)
Under 30 years old	376	9.57%
Between 30 and 50 years old	1,012	25.76%
More than 50 years old	45	1.15%

Total new employees hired in the year by gender

Gender	Total Number of Hirings	Hiring rate (%)
Male	871	22.17%
Female	562	14.30%

Total new employees hired in the year by region

Region	Total Number of Hirings	Hiring rate (%)
North	51	1.30%
Northeast	188	4.78%
Midwest	134	3.41%
Southeast	840	21.38%
South	220	5.60%

Voluntary turnover rate

	2018	2019	2020
Under 30 years old	21.0%	30.5%	17.7%
Between 30 and 50 years old	17.2%	22.7%	10.5%
More than 50 years old	1.6%	7.6%	3.1%

Turnover rate

	2018	2019	2020
Under 30 years old	3.9%	9.3%	6.7%
Between 30 and 50 years old	15.0%	33.5%	20.2%
More than 50 years old	1.0%	1.6%	1.1%
Total	19.9%	44.5%	28.0%

Sum of the monthly indexes of the dismissed employees over the active employee base in the month prior to the reference month.

Total employees who left the Company in the year (dismissal, voluntary leave, retirement and death on the job) by age group

Age Group	Total Number	Turnover rate (%)
Up to 30 years	265	6.75%
Between 30 and 50 years	792	20.16%
More than 50 years	45	1.15%

Total employees who left the Company in the year (dismissal, voluntary departure, retirement and death in service) by gender

Gender	Total number	Turnover rate (%)
Male	663	16.87%
Female	439	11.17%

Total employees who left the Company during the year (dismissal, voluntary departure, retirement and death in service) by region

Region	Total Number	Turnover rate (%)
North	28	0.71%
Northeast	86	2.19%
Midwest	84	2.14%
Southeast	762	19.90%
South	122	3.11%

GRI 401-3 - Rates of return to work and retention after maternity/paternity leave, broken down by gender

Total number of employees who took maternity/paternity leave in the year

Gender	Total Number
Male	85
Female	60

Total number of employees who actually returned to work after maternity/paternity leave in the year

Gender	Total Number
Male	91
Female	63

Total number of employees who should have returned to work after maternity/paternity leave in the previous year

Gender	Total Number
Male	71
Female	41

Total number of employees who completed 12 months or more of their return to work after leave this year

Gender	Total Number
Male	52
Female	29

GRI 405-2 - Mathematical ratio of salary and compensation between women and men, broken down by role category and relevant operational units

Mathematical ratio between the base salary and the compensation of women and men in each functional category

Region		ALL
Functional category	Mathematical ratio between the base salary of women and men	Mathematical ratio between the compensation of women and men
Leadership	0.84	0.78
Commercial Team	1.02	1.02
Coordinator	0.78	0.73
Specialist/Consultant	0.85	0.83
Team	0.95	0.95

Region		NORTHEAST
Functional category	Mathematical ratio between the base salary of women and men	Mathematical ratio between the compensation of women and men
Leadership	1.26	1.25
Commercial Team	1.02	1.02
Coordinator	N/A	N/A
Specialist/Consultant	0.99	0.99
Team	0.93	0.93

Region		MIDWEST
Functional Category	Mathematical ratio between the base salary of women and men	Mathematical ratio between the compensation of women and men
Leadership	0.77	0.73
Commercial Team	0.98	0.98
Coordinator	N/A	N/A
Specialist/Consultant	0.83	0.83
Team	1.1	1.1

Region		SOUTH
Functional category	Mathematical ratio between the base salary of women and men	Mathematical ratio between the compensation of women and men
Leadership	0.84	0.76
Commercial Team	1.01	1.01
Coordinator	N/A	N/A
Specialist/Consultant	1.05	1.05
Team	N/A	N/A

Region		NORTH
Functional category	Mathematical ratio between the base salary of women and men	Mathematical ratio between the compensation of women and men
Leadership	1.22	1.32
Commercial Team	1	1
Coordinator	N/A	N/A
Specialist/Consultant	0.97	0.97
Team	1.44	1.44

Region		SOUTHEAST
Functional category	Mathematical ratio between the base salary of women and men	Mathematical ratio between the compensation of women and men
Leadership	0.84	0.79
Commercial Team	1.03	1.03
Coordinator	0.78	0.73
Specialist/Consultant	0.88	0.86
Team	0.96	0.95

GRI 408-1 - Own and suppliers' operations where a significant risk of child labor was identified and the measures taken to contribute to the abolishment of child labor

In 2020, we did not identify any risks related to the occurrence of child labor in the supply chain. Among the measures taken to support the elimination of child labor, we have the Supplier Code of Ethical Conduct, which has a specific clause addressing this issue. Moreover, in the audit, proof of hiring formal jobs and verification of informal jobs to ensure compliance with this issue is requested.

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.

FS14 – Initiatives to improve access to financial services for low-income people

Among the initiatives to improve access to financial services for low-income people, we highlight the adaptation of Cielo machines for the use of Emergency Aid, the creation of the Cielo Movimenta community and Your Digital Business in 5 days - the latter carried out together with SEBRAE .

Another initiative of the Company in this regard was the partnership established with the FIRGUN Institute, which donated the amount of R\$ 60,000.00 to enable the transfer of funds to the New Coronavirus Emergency Fund (Covid-19) to entrepreneurs from the periphery, who were on a low income. due to the paralysis of its activities.

In addition, we have a portal dedicated to small entrepreneurs, whose content aims to support customers in their businesses, called Cielo Empreendedores ("Cielo's entrepreneurs") (<https://www.cielo.com.br/cielo-empreendedores>), which further brings financial information, such as cash flow, fixed costs, desired profit, as well as content on legal measures for hiring employees.

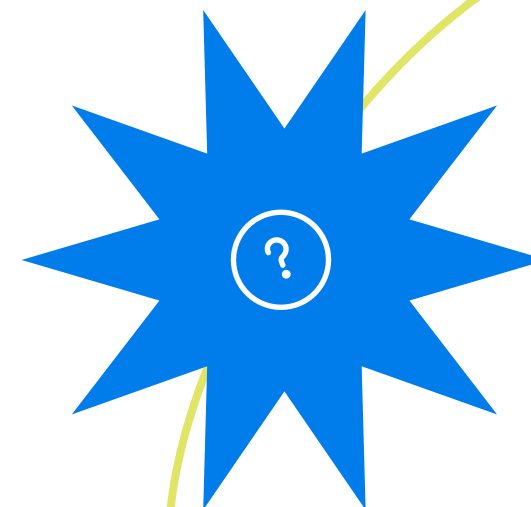
FS16 - Initiatives to increase financial education, by type of beneficiary

Cielo has a portal dedicated to small entrepreneurial entrepreneurship, whose content aims to support customers in their business, called

Cielo Empreendedores (<https://www.cielo.com.br/cielo-empreendedor>). It also provides financial information, such as cash flow, fixed costs, desired profit, as well as content on legal measures for hiring employees.



Para saber mais, acesse <https://www.cielo.com.br/cielo-empreendedores>



Resumes of members of the Cielo's Board of Directors

Aldo Luiz Mendes

Position: Independent Advisor of the Board of Directors (3 years ago - since February 1, 2018), according to the new market criteria of the B3 – Brasil, Bolsa, Balcão S.A. regulations and adopted by RobecoSAM, which are used by the Dow Jones Index (DJSI) of the New York Stock Exchange.

Advisory Committees: Coordinator of the Finance Committee, member of the Sustainability Committee and Coordinator of the Risk Committee of Cielo S.A. He is also an ad hoc member of Cielo's Corporate Governance Committee.

Qualification: Bachelor and Master in Economics from the University of Brasília (UnB). PhD in Economics from the University of São Paulo (USP).

Main professional experiences and skills: solid professional experience in the financial services, finance, risk, regulatory and auditing market. He worked for more than 29 years at Banco do Brasil SA, having, as main roles, the positions of International Finance Manager, Market Risk Management Superintendent, Finance Director, Capital Market Director, Vice-President of Finance, Capital Market and Investor Relations (2005-2009).

He was President of Cia de Seguros Aliança do Brasil (June to December 2009), Monetary Policy Director of the Central Bank of Brazil (December 2009 to July 2016) and Executive Director of Banco Original S.A. (from January to December 2017).

He also served as a member of the Board of Directors of B3 – Brasil, Bolsa, Balcão (January 2003 to December 2006), member of the Deliberative Council of Previ – Banco do Brasil Employees' Social Security (March 2003 to June 2008 – exercising the presidency as of August 2004); member of the Board of Directors of CSN – Companhia Siderúrgica Nacional (March 1999 to March 2000), RGE – Rio Grande Energia (March 2002 to March 2004), TNL – Telemar Norte Leste – current Oi (March 2004 to July 2005), Neoenergia S.A. (August 2005 to March 2006), Visanet – current Cielo (April 2006 to September 2009), CIP – Central Interbank of Payments (March 2007 to March 2009) and BB Tecnologia e Serviços (May 2008 to April 2009).

Positions currently held in other organizations: member of the Risk and Capital Committee of Banco Votorantim S.A.; Member of the Board of Directors of Investimentos e Participações em Infraestrutura S.A. – Invepar and Member and Coordinator of the Audit Committee of Invepar S.A.

Carlos Motta dos Santos

Position: External Advisor of the Board of Directors (2 years ago - since February 25, 2019), according to the new market criteria of B3 – Brasil, Bolsa, Balcão S.A. regulations and Independent Advisor according to the criteria adopted by RobecoSAM, which are used by the New York Stock Exchange's Dow Jones Sustainability Index (DJSI).

Advisory Committees: N/A.

Qualification: Graduated in administration with an MBA in business management.

Main professional experiences and skills: vast professional experience in the financial services and retail market, in addition to people management. In his professional career, he has assumed a leadership position in technology and operations-based companies, as well as in business contexts where data are critical inputs and have a strong connection with customers. He has been working at Banco do Brasil S.A. since 1986, performing several roles, among them, the general manager of the Individuals, Legal and Agro Business Unit, the state retail superintendency of Bahia, the executive management of the Strategy and Organization Board, and Southeast Distribution Board.

Positions currently held in other organizations:

Vice-President of Banco do Brasil S.A., in addition to being a member of the Board of Directors of BB Seguridade S.A.

Edson Marcelo Moreto

Position: External Advisor of the Board of Directors (1 year ago – since March 27, 2020), according to the new market criteria of B3 – Brasil, Bolsa, Balcão S.A. regulations and Independent Member as per criteria adopted by RobecoSAM, which are used by the New York Stock Exchange's Dow Jones Sustainability Index (DJSI).

Advisory Committees: N/A.

Qualification: Graduated in Art Education at FATEA – Faculdades Integradas Tereza D'Ávila and Electrical Engineering at UNISANTA – Universidade Santa Cecília.

Main professional experiences and skills: a solid professional experience in the financial services, finance, means of payment, risk, regulatory and auditing market. In his professional career, he served as director of companies providing credit card processing services, through digital content providers. In October 1996, he joined Banco Excel Econômico S.A., an institution acquired by Banco Bilbao Vizcaya Argentaria Brasil S.A., later

called Banco Alvorada S.A. and incorporated by Kirton Bank – Banco Múltiplo S.A. In September 2003 he was transferred to Banco Bradesco S.A. with a role as Credit Manager and, in August 2010, he was promoted to a role as Executive Superintendent. In March 2014 he was elected Director, in February 2015, Department Director and, in January 2019, Deputy Executive Director.

Positions currently held in other

organizations: he holds the position of director for the following companies of the Bradesco group: (a) Director of Banco Bradescard S.A. ; (b) Director of BBC Processadora S.A. ; (c) Director of Bankpar Brasil Ltda. ; (d) Director of MPO – Processadora de Esportes Móveis S.A. and (e) Director of Tempo Serviços Ltda. In addition, he acts (a) as a member of the Managing Body of Fundação Bradesco, (b) a member of the Management Council of Bradescard México, Sociedad de Responsabilidad Limitada, (c) a member of the Credit Committee of Elo Serviços S.A., (d) sector director and member of the Executive Committee for the Credit Environment of FEBRABAN – Brazilian Federation of Banks, (e) alternate member of the Board of Directors of the Credit Intelligence Manager SA-QUOD, (f) member of the Board of Directors of RCB Investimentos S.A. and (g) member of the Management Council of RFS Human Management, Sociedad de Responsabilidad Limitada.

Edson Rogério da Costa

Position: External Advisor of the Board of Directors (2 years ago – since July 31, 2019), according to the new market criteria of B3 – Brasil, Bolsa, Balcão S.A. regulations and Independent Advisor according to the criteria adopted by RobecoSAM, which are used by the New York Stock Exchange's Dow Jones Sustainability Index (DJSI).

Advisory Committees: Member of Cielo's Sustainability Committee.

Qualification: Graduation in Accounting Sciences from Centro Universitário de Brasília - UniCEUB. MBA in Finance from FIPECAFI/USP and MBA in Strategic Leadership from INEPAD/UNISINOS.

Main professional experiences and skills: extensive professional experience in the financial services, finance, means of payments and risks and compliance market. He has been with Banco do Brasil S.A. since 1985, acting as Director of Means of Payment since 2019. Previously, he held the position of Director of Credit (07.2015 to 10.2016); Corporate Bank Officer (02.2014 to 07.2015); General Manager of the Related Entities Governance Unit (02.2012 to 02.2014); Corporate Superintendent (06.2011 to 02.2012); Business Superintendent (07.2009 to 06.2011); General Manager Corporate Agribusiness (11.2008 to 07.2009); General Corporate Industry Corporate Manager (02.2006 to 11.2008) and Market Manager – São Paulo Business Superintendence (06.2003 to 02.2006).

Positions currently held in other organizations:

he holds the position of Member of the Executive Board of BB Elo Cartão Participações S.A.; Member of the Board of Directors of Elo Serviços S.A.; Member of the Executive Board of Elo Participações S.A.; Member of the Ethical Conduct Committee of Elo Participações S.A. and Member of the Board of Directors of Cateno Gestão de Contas de Pagamento S.A.

Francisco Augusto da Costa e Silva

Position: Independent Advisor of the Board of Directors (for 12 years - since September 22, 2008), according to new market criteria of the B3 – Brasil, Bolsa, Balcão S.A. regulations and adopted by RobecoSAM, which are used by the Dow Jones Index (DJSI) of the New York Stock Exchange.

Advisory Committees: Coordinator of the Corporate Governance Committee, Coordinator of the People and Compensation Committee and Coordinator of Cielo's Sustainability Committee.

Qualification: Graduated in Law from the State University of Rio de Janeiro – UERJ. Executive MBA from COPPEAD, Federal University of Rio de Janeiro - UFRJ.

Main professional experiences and skills:

a partner at the law firm Bocater, Camargo e Costa e Silva Advogados, with a solid professional experience in corporate law, compliance, corporate governance and capital markets. He developed his professional career at the National Bank for Economic and Social Development – BNDES, where he joined, in 1974, through a public competition, in the respective staff of that entity's lawyers. During his legal career at BNDES, he held several positions, among which stand out a role as Legal Superintendent of BNDESPAR. He also served as an executive in the BNDES System, having held the position of Superintendent of the Financial and International, Capital Markets and Administrative Areas. He was also an Officer of BNDESPAR and of BNDES itself. During this period, he was a member of the Boards of Directors of the BNDES Assistance and Social Security Foundation – FAPES and the Rio de Janeiro Stock Exchange. After serving for a year and a half as Director of the Securities and Exchange Commission – CVM, he was appointed President of the Autarchy in August 1995, a position he held until the end of January 2000. During this period, he was a member of COMOC – Commission for Currency and Credit, advisory body of the National Monetary Council and the Supplementary Pension Management Council. He chaired the Council of Securities Regulators of the Americas – COSRA and was a member of the Executive Committee of the International Organization of Securities

Commissions – IOSCO, organizations that bring together, at the regional and international levels, the securities commissions from around the world, respectively. He has served on the Boards of Directors of several companies including Banco do Brasil S.A. (from 2001 to 2009), Vale S.A. (from 2007 to 2010) and Usiminas S.A. In the academic area, he was professor of Commercial Law at the Faculty of Law from UERJ, from the Cândido Mendes Faculty of Law and from the Institute of Public Law and Political Science of the Getúlio Vargas Foundation. He has also acted as a speaker and lecturer in several other entities.

Positions he currently occupies in other organizations: in addition to practicing law and being a partner at Bocater, Camargo e Costa e Silva Advogados, he participates on the Development Council of the Pontifical Catholic University of Rio de Janeiro – PUC-Rio, as well as on the Advisory Council of COPPEAD. He is also a member of the Advisory Board of COPPEAD – UFRJ (Coppead Institute of Administration) and of the Development Council of the Pontifical Catholic University of Rio de Janeiro – PUC-Rio.

Francisco José Pereira Terra

Position: External Advisor of the Board of Directors (3 years ago – since March 22, 2018), according to the new market criteria of the B3 - Brasil, Bolsa, Balcão S.A. regulations and Independent Advisor, as per the criteria adopted by RobecoSAM, which are used by the New York Stock Exchange's Dow Jones Sustainability Index (DJSI).

Advisory Committees: Member of the Finance Committee and member of Cielo's Sustainability Committee.

Qualification: Graduated in Economic Sciences from the Pontifical Catholic University of São Paulo

Main professional experiences and skills: a solid professional with experience in the financial services, finance, means of payment, risk, regulatory and information technology markets. In his professional career, he served as director of companies whose main activity is data processing, application service providers and hosting services on the internet.

Other information service provision activities:

he worked at Citibank for 17 years, having operated in the areas of Credit Control, Market Risk Credit Control (Treasury), Regional Division of Legal Personnel (except São Paulo), Financial Controller, including as Alternate Director. Between 2005 and 2009, he worked at Banco Ibi S.A as a Controller, responsible for regulatory information and

for serving the Central Bank of Brazil (indirect inspection) and, between 2008 and 2009, he was the Controller and Financial Planning Officer. As of 2009, he joined as statutory director of Bradesco Cartão, responsible for the financial areas of the Cards Department. In 2020, he was elected as director of Banco Bradesco S.A.

Positions currently held in other organizations:

he holds the position of director at the following companies of the Bradesco group, namely: (a) Director of BradesCard S.A. ; (b) Director of BradesCard S.A. and (c) Director of BBC Processadora S.A. In addition, he is a member of the Board of Directors of Alelo S.A.; (b) member of the Board of Directors of Banco Digo S.A.; (c) member of the Board of Directors of Livelio S.A.; (d) member of the Ethics and Self-Regulation Council of the Brazilian Association of Credit Card and Services Companies – ABECS and (e) alternate member of the Fiscal Council of the Brazilian Association of Credit Cards and Services Companies – ABECS.

Gilberto Mifano

Position: Independent Advisor of the Board of Directors (for 12 years – since June 1, 2010), according to new market criteria of the B3 – Brasil, Bolsa, Balcão S.A. regulations and adopted by RobecoSAM, which are used by the Dow Jones Index (DJSI) of the New York Stock Exchange.

Advisory Committees: Coordinator and member of Cielo's Audit Committee.

Qualification: Graduated in Business Administration from the School of Business Administration of São Paulo, Fundação Getúlio Vargas.

Main professional experiences and skills: a solid professional experience in the financial and technology market, in addition to extensive knowledge in the areas of risk, compliance, auditing, capital markets and corporate governance. Strong performance as a member of audit, risk and finance committees of several companies. In his professional career, he served, from 1994 to 2008, as general director of BOVESPA – São Paulo Stock Exchange, currently B3 (Brasil, Bolsa, Balcão) and CBLC – Cia Brasileira de Liquidação e Custódia. During this period, he was responsible for creating the Novo Mercado (New Market), integrating the Brazilian stock exchanges, demutualizing and going public on B3 itself, negotiating the merger of BOVESPA with BM&F, among others. Then, he was elected as the first Chairman of the Board of BM&FBOVESPA S.A - Stock Exchange, Commodities and Futures. Internationally, for 8 years, he was a member of the executive committees of WFE – World Federation of Scholarships and FIAB – Ibero-American Federation of Scholarships. Between 1971 and 1994, he was executive and director of banks and companies in the financial sector (French and Italian; Serasa; Northwest; Trade and Industry; General of Commerce; Sudameris) working mainly in the areas of credit, planning, information technology,

products, marketing. From 2005 to 2012, he was a Director, Vice-President and Chairman of the Board of Directors of IBGC – Brazilian Institute of Corporate Governance.

Positions he currently occupies in other organizations:

he acts as (a) Independent member of the Board of Directors, member and coordinator of the Audit Committee and member of the Governance and Nomination Committee of Totvs SA, (b) independent member of the Board of Directors and member of the Audit, Risk Management and Finance Committee of Natura S.A.; (c) member of the Board of Directors of Pacaembu Construtora S/A.; (d) member of the Fiscal Council of CIEB – Innovation Center for Brazilian Education; (e) member of the Fiscal Council of the Amigos da Poli Equity Fund; (f) member of the Audit Committee of the Arapyaú Institute for Education and Sustainable Development; (g) member of the Advisory Board of Pragma Gestão de Patrimônio Ltda. and (h) member of the Deliberative Council of RAPS – Political Action Network for Sustainability.

Gustavo de Souza Fosse

Position: External Advisor of the Board of Directors (1st year - since January 26, 2021), according to the new market criteria of B3 - Brasil, Bolsa, Balcão S.A. regulations and Independent Advisor according to the criteria adopted by RobecoSAM, which are used by the Dow Jones Sustainability Index (DJSI) of the New York Stock Exchange.

Advisory Committees: N/A.

Qualification: Graduated in Information Systems administration (União Educacional de Brasília). Post-graduation in the areas of IT governance (UniEuro), financial consultancy and capital markets (Faculdade Michelangelo).

Main professional experiences and skills: vast professional experience in the financial services and information technology market. He has worked at Banco do Brasil S.A. for 34 years, of which 27 years have been dedicated to the technology area. Currently Vice- President of Business Development and Technology.

Positions currently held in other organizations:

Member of the Executive Committee for Risk Management, Internal Controls, Assets, Liabilities, Liquidity and Capital at Banco do Brasil S.A.; Member of the Executive Profitability and Performance Committee at Banco do Brasil S.A.; Member of the Executive Business Committee at

Banco do Brasil S.A.; Member of the Technology, Strategy and Innovation Committee at Banco do Brasil S.A.; Member of the Board of Directors of Cateno Gestão de Contas de Contas S.A. and Member of the Deliberative Board at CASSI - Caixa do Assistência do Banco do Brasil Employees.

Marcelo de Araújo Noronha

Position: External Advisor of the Board of Directors (for 11 years, since May 3, 2011), according to the new market criteria of the B3 - Brasil, Bolsa, Balcão S.A. regulations and Independent Director regulation, as per the criteria adopted by RobecoSAM, which are used by the New York Stock Exchange's Dow Jones Sustainability Index (DJSI).

Advisory Committees: N/A.

Qualification: Graduated in Business Administration from UFPE – Federal University of Pernambuco. Specialization in Finance from IBMEC – Brazilian Institute of Capital Markets and Advanced Management Program – AMP from IESE – Business School – Universidad de Navarra in Barcelona.

Main professional experiences and skills: Solid professional experience in the financial market, especially in cards, means of payment and payment processing. He started his career at Banco Banorte and, as of July 1996, he served as Commercial Director at Banco Alvorada S.A., formerly Banco

Bilbao Vizcaya Argentaria Brasil S.A., where he became Vice-President, responsible for products, trade finance, middle market and retail. In February 2004, he was elected Department Officer of Banco Bradesco S.A., in December 2010, he was elected Deputy Executive Director and, in January 2012, Managing Executive Director. He is currently Executive Vice-President Officer of Banco Bradesco S.A. He also held the position of Chief Executive Officer of the Brazilian Association of Credit Card and Services Companies – ABECS (2013-2017).

Positions he currently occupies in other organizations:

he currently holds the position of director at the following companies, namely (a) Vice-President Director of Banco Bradescard S.A.; (b) Vice-President Director of BEM – Distribuidora de Títulos e Valores Mobiliários Ltda; (c) General Director of Banco Bradesco BBI S.A.; (d) Vice-President Director of Banco Bradesco BERJ S.A.; (e) Managing Director of Banco Bradesco Financiamentos S.A.; (f) Executive Vice-President Officer of Banco Bradesco S.A.; (g) Vice-President Director of Bradesco Administradora de Consórcios Ltda; (h) Vice-President of Bradesco Leasing S.A. – Mercantil Leasing; (i) Vice-President Director of Banco Losango S.A. – Banco Múltiplo; (j) Vice-President Director of Kirton Bank S.A. – Banco Múltiplo; (l) Director of Nova Cidade de Deus Participações S.A. and (m) Managing Director of Fundação Bradesco. In addition, as a member of the Board of Directors, he works for the following companies: (a) member and

Vice-Chairman of the Board of Directors of Alelo S.A. ; (b) member and Chairman of the Board of Directors of Banco Bradesco Europa S.A. ; (c) member of the Board of Directors BBD Participações S.A. ; (d) Member and Vice-Chairman of the Board of Directors of Banco Digio S.A. ; (e) member and Chairman of the Board of Directors of Bradesco Securities Hong Kong Limited. ; (f) member and Chairman of the Board of Directors of Bradesco Securities UK Limited; (g) member of the Board of Directors of Cidade de Deus – Companhia Comercial de Participações; (h) member of the Board of Directors of Elo Participações Ltda. and (i) member of Fundação Bradesco's Managing Body.

Mauro Ribeiro Neto

Position: External Advisor for the Board of Directors (3 years - since July 31, 2017), as per the new market criteria of B3 – Brasil, Bolsa, Balcão S.A. regulations and Independent Advisor according to criteria adopted by RobecoSAM, which are used by the Dow Jones Sustainability Index (DJSI) of the New York Stock Exchange.

Advisory Committees: N/A.

Qualification: Graduated in Law from the Federal University of Juiz de Fora. Postgraduate in Business Law from IBMEC. Master in Law by IDP.

Main professional experiences and skills:

Solid professional experience in law, compliance and corporate governance. In his professional career, he held the positions of director of the Department of Governance and Evaluation of State Owned Enterprises (MPDG), member of the Advisory Chamber of the State Owned Enterprises Governance Market (CCMGE) of Bovespa (currently B3), member of the Executive Group of the Interministerial Commission of Corporate Governance and Administration of State Owned Enterprises (CGPAR), and National Treasury Attorney of the Attorney General Office of the National Treasury (PGFN) (licensed). He held the position of member of the Board of Directors of Neoenergia S.A. and the position of Special Advisor to the President of Banco do Brasil S.A. He also held the position of Corporate Vice President of Banco do Brasil S.A.. from January to April/2021, in addition to being a member of the Executive Committee of People and Organizational Culture (CEPES), Administrative-Operational Executive Committee (CEAO), Committee of People, Compensation and Eligibility (COREM) and Executive Committee of Governance of Related Entities - Alternative Composition Nominations for Related Entities (CEGOV), all of Banco do Brasil S. A. He is currently Vice-Chairman of the Board of Directors of BB Seguridade Participações S.A. Professor

of Corporate Law, Corporate Governance and Capital Markets at the Instituto Brasiliense de Direito Público, Instituto Brasileiro de Mercado de Capitais and Fundação Dom Cabral - FDC.

Positions he currently occupies in other

organizations: Vice-President of the Board of Directors of BB Seguridade Participações S.A. and National Treasury Attorney of the Attorney General Office of the National Treasury - PGFN (licensed).

Vinicius Urias Favarão

Position: External Advisor of the Board of Directors (3 years - since August 30, 2017), according to the new market criteria of the B3 - Brasil, Bolsa, Balcão S.A. regulations and Independent Advisor according to the criteria adopted by RobecoSAM, which are used by the Dow Jones Sustainability Index (DJSI) of the New York Stock Exchange.

Advisory Committees: Member of Cielo's Compensation and People Committee.

Qualification: Graduated in Business Administration, with MBA in Capital Markets by IBMEC/SP, MBA in Business Management by INSPER, MBA Retail Business: Strategy and Management by FIA - Fundação Instituto de Administração and AMP - Advanced Management Program by the ISE Business School.

Main professional experiences and skills:

Extensive professional experience in the financial services and means of payment market, in addition to people management. In his professional career, he has assumed a leadership position in technology and operations-based companies, as well as in business contexts where data are critical inputs and have a strong connection with customers.

Positions currently held in other

organizations: Vice-President Director of the Brazilian Association of Credit Card and Services Companies – ABECs. Also, he holds the position of director of the following companies of the Bradesco group, namely (a) Director of Banco Bradescard S.A. and (b) Chief Executive Officer of Elo Participações Ltda. Moreover, as a member of the Board of Directors, he acts in the following companies: (a) member of the Board of Directors of Alelo S.A. ; (b) member of the Board of Directors of Banco Digio S.A; (c) member of the Board of Directors of Elo Participações Ltda.; (d) member and Vice-Chairman of the Board of Directors of Elo Serviços S.A. and (e) member of the Board of Directors of Livelos S.A. He also serves as Chairman of the Vehicle Finance Executive Committee, sitting member of the Payroll Loan Executive Committee and Full member of the Credit Operations Portability Management Committee of FEBRABAN – Brazilian Federation of Banks.

GRI Content Summary

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.



Standard	Disclosures	Direct reference/response	
GRI 101: Foundations 2016			
General Disclosures			
	102-1	Organization name	p. 18
	102-2	Main activities, brands, products and/or services	p. 18
	102-3	Headquarters location	p. 18
	102-4	Number of countries in which the organization operates	p. 18
	102-5	Type and legal nature of the property	p. 18
	102-6	Markets served	p. 18
	102-7	Scale of the organization	p. 18, p. 63, p. 65, p. 102, p. 107
GRI 102: General Disclosures 2016	102-8	Profile of employees and other workers	p. 65, p. 107-108, p. 112, p. 114. There are no employees hired on a part-time basis.
	102-9	Description of the Company's supply chain	p. 99, p.100, p. 116
	102-10	Main changes in the company's structure and in the supply chain during the period covered	Braspag was incorporated into Cielo in September 2020.
	102-11	Explanation of whether and how the organization applies the precautionary principle	p. 34
	102-12	Letters, principles or other initiatives developed externally of an economic, environmental and social nature, which the organization subscribes to or endorses	p. 53
	102-13	Main memberships in national/international defense associations and/or organizations	p. 108, p. 118
	102-14	Statement by the most senior decision maker on the relevance of sustainability to the organization	p. 3
	102-15	Description of the main impacts, risks and opportunities	p. 31-34

Standard	Disclosures	Direct reference/response	
GRI 101: Foundations 2016			
General Disclosures			
	102-16	Organization values, principles, standards and norms of behavior, such as codes of conduct and ethics	p. 23, p. 39-40, p. 105, p. 110
	102-17	Internal and external mechanisms adopted by the organization to request guidance on ethical behavior and in compliance with the law, such as relationship channels	p. 43, p. 105, p. 110
	102-18	Governance structure, including committees	p. 26-28, p. 105, p. 110
	102-22	Composition of the highest governance body and its committees	p. 26-28, p. 105, p. 110
	102-25	Processes used by the highest governance body to prevent and manage conflicts of interest	p. 46, p. 110
	102-26	Role of the highest governance body and executives in the development, approval and updating of the purpose, mission statement, vision and values, and definition of strategies, policies and goals related to the organization's economic, environmental and social topics	p. 39, p. 52-53
GRI 102: General Disclosures 2016	102-40	List of stakeholders engaged by the organization	p. 6, p. 103, p. 110
	102-41	Percentage of employees covered by collective bargaining	The agreement applies to 100% of CLT employees, excluding only interns, board members, and statutory employees.
	102-42	Basis used for identification and selection of stakeholders for engagement	p. 6, p. 103, p. 109
	102-43	Approach adopted by the Company to engage stakeholders and frequency of engagement	p. 6, p. 89, p. 103, p. 110
	102-44	Main topics raised during the engagement of stakeholders and measures adopted by the Company to address them	p. 6, p. 75, p. 89, p. 103, p. 110
	102-45	List of entities included in the financial statements	p. 119
	102-46	Process for defining the content and limit of the report	p. 6
	102-47	List of material aspects identified in the content definition process	p. 9-10, p. 103-104, p. 109

Standard	Disclosures	Direct reference/response	
GRI 101: Foundations 2016			
General Disclosures			
GRI 102: General Disclosures 2016	102-48	Explanation of the consequences of any reformulations of information provided in previous reports	The numbers referring to the Financial Performance and EBITDA of 2019 were restated in relation to the previous report, an event informed in note 2.20 of our Financial Statements.
	102-49	Significant changes compared to previous years with regard to the list of material topics, limit of topics covered	p. 6-9
	102-50	Period covered by the report	January 1 to December 31, 2020
	102-51	Date of most recent previous report	2019
	102-52	Reporting cycle	Annual
	102-53	Contact details for questions regarding the report	sustentabilidade@cielo.com.br
	102-54	Reporting assumptions according to the GRI Standards	This report was prepared in accordance with the GRI Standards: Core option.
	102-55	GRI Content Summary	p. 130
	102-56	External verification	OK
Material theme: Ethical and honest conduct			
GRI 103: Form of Management 2016	103-1	Explanation of material topics and their limits	p. 39-40, p. 105, p. 110
	103-2	Management on the material topic	p. 39-43, p. 105, p. 110
	103-3	Management evolution	p. 39-43
GRI 102: General Disclosures 2016	102-12	Letters, principles or other initiatives developed externally of an economic, environmental and social nature, which the organization subscribes to or endorses	p. 53

Standard	Disclosures	Direct reference/response	
GRI 101: Foundations 2016			
Material theme: Ethical and honest conduct			
GRI 103: Form of Management 2016	103-2	Management on the material topic	p. 39-43, p. 105, p. 110
	103-3	Management evolution	p. 39-43
GRI 102: General Disclosures 2016	102-12	Letters, principles or other initiatives developed externally of an economic, environmental and social nature, which the organization subscribes to or endorses	p. 53
	102-13	Main memberships in national/international defense associations and/or organizations	p. 108, p. 118
GRI 102: General Disclosures 2016	102-16	Organization values, principles, standards and norms of behavior, such as codes of conduct and ethics	p. 23, p. 39-40, p. 105
	102-17	Internal and external mechanisms adopted by the organization to request guidance on ethical behavior and in compliance with the law, such as relationship channels	p. 43, p. 105, p. 110
GRI 102: Ethics and integrity 2016	102-25	Processes used by the highest governance body to prevent and manage conflicts of interest	p. 46, p. 110
	102-26	Role of the highest governance body and executives in the development, approval and updating of the purpose, mission statement, vision and values, and definition of strategies, policies and goals related to the organization's economic, environmental and social topics	p. 39, p. 52-53
GRI 205: Fight against corruption 2016	205-1	Percentage and total number of operations submitted to risk assessments related to corruption and the significant risks identified	We do not control our operations involved in corruption, but rather the transactions, as described on page 44.
	205-2	Communication and training on anti-corruption policies and procedures	p. 40-42
	205-3	Confirmed cases of corruption and measures taken	In 2020, no cases of corruption were recorded in the Company.

Standard	Disclosures	Direct reference/response	
GRI 101: Foundations 2016			
Material theme: Customer relationship			
GRI 103: Form of Management 2016	103-1	Explanation of material topics and their limits	p. 88-94
	103-2	Management on the material topic	p. 88-94
	103-3	Management evolution	p. 61-62, p. 88-94
GRI 102: Stakeholder engagement	102-43	Approach adopted by the Company to engage stakeholders and frequency of engagement	p. 88-92
	102-44	Main topics raised during the engagement of stakeholders and measures adopted by the Company to address them	p. 6, p. 75, p. 89, p. 103, p. 110
GRI 416: Consumer 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 assessed from a social and environmental standpoint. The products and services undergo analyses where opinions are issued for the analysis of socio-environmental risks. Criteria of accessibility, economic security of customers, any risks of slave and/or child labor are observed. More information about the processes on p. 34.
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 2020.
SASB TC-SI 550a: Systemic risk management of technological interruptions – 2018	550a.1	Number of (1) performance problems and (2) service interruptions; (3) total customer downtime	p. 35-36
	550a.2	Description of business continuity risks related to interruptions in operations	p. 35-36
Material theme: Close and sustainable business relations			
GRI 103: Form of Management 2016	103-1	Explanation of material topics and their limits	p. 91-94, p. 99-100
	103-2	Management on the material topic	p. 91-94, p. 99-100
	103-3	Management evolution	p. 91-94, p. 99-100
GRI 102: General Disclosures 2016	102-15	Description of the main impacts, risks and opportunities	p. 31-38
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	p. 63
	201-4	Financial assistance received from government	In 2020, Cielo received no financial assistance from the government.

Standard	Disclosures	Direct reference/response
GRI 101: Foundations 2016		
Material theme: Close and sustainable business relations		
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts, including the extent of impacts	p. 90, p. 91-94
GRI 204: Purchasing practices 2016	204-1 Proportion of expenses with local suppliers in important operating units	p. 99
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2020, the Company was not a party to lawsuits involving anti-competitive behavior, anti-trust, and monopoly practices.
GRI 408: Child Labor 2016	408-1 Own and supplier operations where a significant risk of child labor was identified and the measures taken to contribute to the abolishment of child labor	p. 99-100
GRI 409: Forced or Slave-like Labor 2016	409-1 Own and supplier operations where a significant risk of occurring forced or compulsory labor was identified and the measures taken to contribute to the elimination of forced or compulsory labor	p. 100
GRI 412: Human Rights Assessment 2016	412-3 Percentage and total number of significant investment contracts that include human rights clauses or that have undergone human rights assessments	100%. All signed contracts acknowledge our Code of Ethical Conduct.
GRI 413: Local Communities 2016	413-1 Percentage of operations with implemented local community engagement, impact assessment and/or local development programs	100%. Cielo serves national social investment projects, 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	p. 100
	414-2 Significant actual and potential negative impacts on human rights in the supply chain and measures taken in this regard	p. 99-100
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	We have records of convictions and sanctions, monetary and non-monetary, and it should be noted that there are no records of fines or non-monetary sanctions that are relevant or significant (consider amounts that exceed 1% of revenues).
GRI Financial Sector Supplement: Product portfolio	FS1 Policies with specific environmental and social components applied to business lines	p. 34, p. 122
	FS2 Procedures for assessing and classifying environmental and social risks in business lines	p. 34

Standard	Disclosures	Direct reference/response	
GRI 101: Foundations 2016			
Material theme: Close and sustainable business relations			
GRI Financial Sector Supplement: Local Communities	FS13	Access points in sparsely populated or economically disadvantaged areas, by type	p. 91
	FS14	Initiatives to improve access to financial services for low-income people	p. 91, p. 123
GRI Financial Sector Supplement: Labeling of products and services	FS16	Initiatives to increase financial education, by type of beneficiary	p. 123
Material theme: Protagonism and Innovation			
GRI 103: Management Approach 2016	103-1	Explanation of material topics and their limits	p. 55-58
	103-2	Management on the material topic	p. 55-58
	103-3	Management evolution	p. 55-58
GRI 203: Indirect Economic Impacts 2016	203-1	Development and impact of investments in infrastructure and services offered	p. 95-98
GRI 302: Energy 2016	302-4	Reduced energy consumption	p. 83
	302-5	Reductions in energy requirements related to products and services	The Company does not measure energy requirements related to products and services.
GRI 305: Emissions 2016	305-5	Reduction of greenhouse gas (GHG) emissions	p. 82
Material theme: Security and availability of systems			
GRI 103: Management Approach 2016	103-1	Explanation of material topics and their limits	p. 44-45, p. 90, p. 106, p. 110-111
	103-2	Management on the material topic	p. 44-45, p. 90, p. 106, p. 110-111
	103-3	Management evolution	p. 44-45, p. 90, p. 106, p. 110-111
GRI 416: Consumer 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 assessed from a social and environmental standpoint. The products and services undergo analyses where opinions are issued for the analysis of socio-environmental risks. Criteria of accessibility, economic security of customers, any risks of slave and/or child labor are observed. More information about the processes on p. 34.

Standard	Disclosures	Direct reference/response
GRI 101: Foundations 2016		
Tema material: Segurança e disponibilidade de sistemas		
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 breaches of privacy and loss of customer data in 2020.
SASB TC-SI 220a: Data privacy and freedom of expression - 2018	SASB TC-SI-220a.1 Description of policies and practices related to behavioral advertising and user privacy	p. 45, p. 90
	SASB TC-SI-220a.2 Number of users whose information is used for secondary purposes	The use of user data is done according to its respective classification and definition of legal bases following the terms defined by the General Law of Data Protection (LGPD).
	SASB TC-SI-220a.3 Total monetary losses resulting from legal proceedings associated with user privacy	There were no monetary losses resulting from legal procedures associated with user privacy in 2020.
Material theme: Eco-efficiency		
GRI 103: Management Approach 2016	103-1 Explanation of material topics and their limits	p. 37, p. 81-86
	103-2 Management on the material topic	p. 81-86
	103-3 Management evolution	p. 81-86
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities for the organization's activities due to climate change	p. 37
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p. 83
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	p. 84
GRI 305: Emissions 2016	305-1 Direct greenhouse gas emissions (Scope 1)	p. 82, 108, 116

Standard	Disclosures		Direct reference/response
GRI 101: Foundations 2016			
Material theme: Eco-efficiency			
GRI 305: Emissions 2016	305-2	Indirect greenhouse gas (GHG) emissions (Scope 2)	p. 82, p. 108, p.116 The calculation includes emissions of CO ₂ , CH ₄ , N ₂ O, SF ₆ , HFCs and PFCs. CO ₂ emissions from renewable sources are not included.
	305-3	Indirect greenhouse gas (GHG) emissions (Scope 3)	p. 82, p. 108, p.116 The calculation includes emissions of CO ₂ , CH ₄ , N ₂ O, SF ₆ , HFCs and PFCs. CO ₂ emissions from renewable sources are not included.
GRI 306: Waste 2020	306-1	Generation of waste and significant impacts related to waste	p. 85-86
	306-2	Management of significant impacts related to waste	p. 85-86
	306-3	Waste generated	p. 85-86
	306-5	Wastes destined for final disposal	p. 86, p. 118
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	p. 85
GRI 308: Environmental Assessment of Suppliers 2016	308-1	Percentage of new suppliers selected based on environmental criteria	p. 100
	308-2	Significant actual and potential negative environmental impacts in the supply chain and measures taken in this regard	p. 99-100
SASB TC-SI 130a: Environmental footprint of hardware - 2018	SASB TC-SI-130a.3	Discussion of integrating environmental considerations into strategic planning for data center needs	The data centers used in our business are outsourced and we do not have any management over them.

Standard	Disclosures		Direct reference/response
GRI 101: Foundations 2016			
Material theme: People and Management			
GRI 103: Management Approach 2016	103-1	Explanation of material topics and their limits	p. 65-80, p. 107-108, p. 112-116
	103-2	Management on the material topic	p. 65-80, p. 107-108, p. 112-116
	103-3	Management evolution	p. 65-80, p. 107-108, p. 112-116
GRI 102: General Disclosures 2016	102-8	Profile of employees and other workers	p. 65, p. 107-108, p. 112, p. 114. There are no employees hired on a part-time basis.
	102-22	Composition of the highest governance body and its committees	p. 26-28, p. 105. p. 110
GRI 401: Employment 2016	401-1	Total and rates of new employee hires and turnover by age group, gender and region	p. 74, p. 107, p. 114, p. 119
	401-2	Benefits offered to full-time employees that are not offered to temporary or part-time employees, broken down by major operations	p. 79, p. 113 At Cielo there is no part-time system.
	401-3	Rates of return to work and retention after maternity/paternity leave, broken down by gender	p. 120
GRI 403: Health and Safety at Work 2016	403-1	Occupational health and safety management system implemented	p. 67
	403-3	Description of the roles of occupational health services	p. 67
	403-5	Training of occupational health and safety workers	p. 67
	403-6	Promotion of workers' health	p. 68-69
GRI 404: Training and Education 2016	404-1	Average hours of training per year, per employee, broken down by gender and job category	p. 76-78, p. 115

Standard	Disclosures Nome	Direct reference/response	
GRI 101: Foundations – 2016			
Material theme: People and Management			
GRI 404: Training and Education 2016	404-2	Competency management and lifelong learning programs that support the continued employability of employees in preparation for retirement	p. 76-78
	404-3	Percentage of employees receiving regular performance and career development reviews, broken down by gender and job category	p. 79
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	p. 73
	405-2	Mathematical ratio of salary and compensation between women and men, broken down by role category and relevant operational units	p. 115, p. 121
SASB TC-SI 330a: Recruitment and management of a global, diverse and qualified workforce 2018	SASB TC-SI-330a.3	Percentage of representation of gender and racial/ethnic group for (1) management, (2) technical staff and (3) all other employees	p. 73

Assurance Report

GRI 102-56



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Limited assurance report issued by independent auditors

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

Introduction

We have been engaged by Cielo S.A (“Cielo” or “Company”) to apply limited assurance procedures on the sustainability information disclosed in 2020’s Annual Report, related to the year ended December 31st, 2020.

Responsibilities of Cielo’s Management

The Management of Cielo is responsible for adequately preparing and presenting the sustainability information in the Annual Report 2020 in accordance with the Standards for Sustainability Report of Global Reporting Initiative – GRI (GRI-Standards), as well as 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 Annual Report 2020 based on a limited assurance engagement conducted in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI-Standards) and the methodology developed globally by KPMG for assurance of social and environmental information disclosed in sustainability reports denominated KPMG Sustainability Assurance Manual - KSAM, applicable to historical non-financial 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 Cielo’s Annual Report 2020, taken as a whole, is free from material misstatement.

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative (“KPMG International”), uma entidade suíça.

KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.



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A limited assurance engagement conducted in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI-Standards) and the KPMG Sustainability Assurance Manual - KSAM 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 Annual Report 2020 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 Annual Report 2020 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 Annual Report 2020, 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:

engagement planning: considering the material aspects for Cielo's 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 Annual Report 2020. This analysis defined the indicators to be checked in details;

understanding and analysis of disclosed information related to material aspects management;

analysis of preparation processes of the Annual Report 2020 and its structure and content, based on the Principles of Content and Quality of the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI-Standards);

evaluation of non financial indicators selected:

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 Annual Report 2020;

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analysis of evidence supporting the disclosed information;

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;

comparison of financial indicators 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 Annual Report 2020.

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.

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Conclusion

Based on the procedures carried out, described earlier in this report, we have not identified any relevant information that leads us to believe that the information in the 2020 Annual Report of Cielo is not fairly stated in all material aspects in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI-Standards), as well as its source records and files.

São Paulo, June 25th, 2021

KPMG Auditores Independentes
Original report in Portuguese signed by

Sebastian Yoshizato Soares
Accountant CRC 1SP2577 10/O-4

Credits

Corporate information

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Coordination

People, Management and Performance Executive Board

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

Ricca Sustentabilidade

Photos

Cielo Image Bank, Unsplash and Adobe Stock

Audit

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