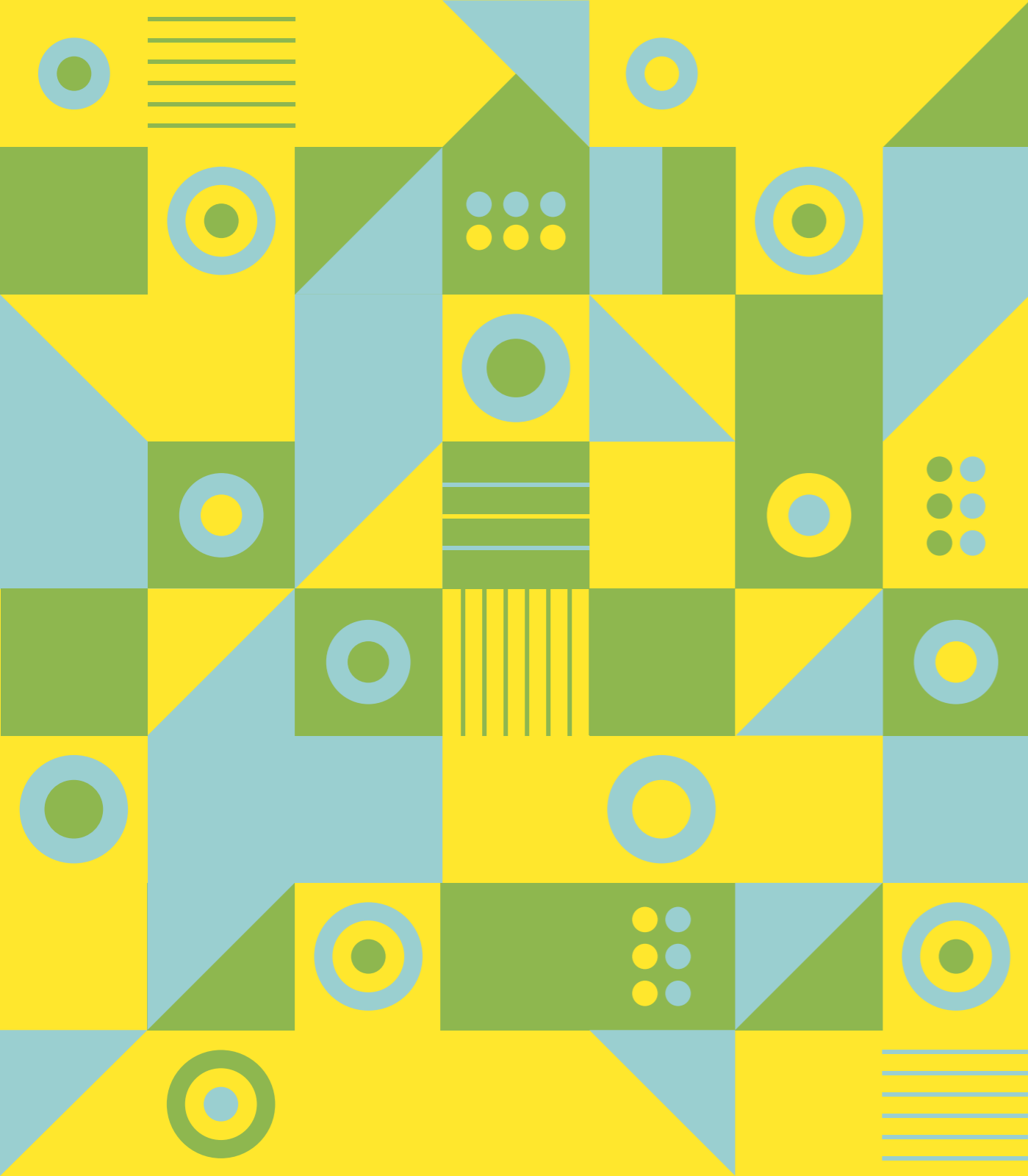




**2022**

SUSTAINABILITY  
REPORT

**PagSeguro Digital Ltd.**



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# Letter from the Management

[GRI 2-22]

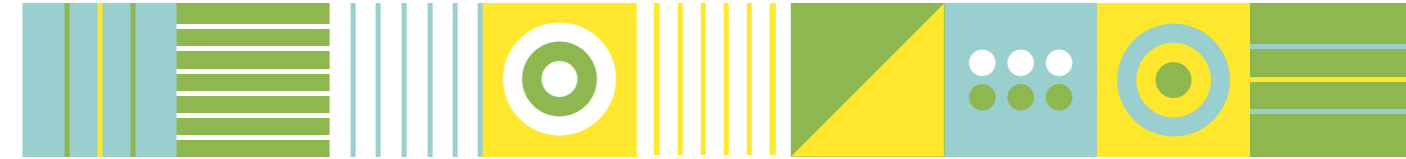
PagSeguro Digital's Sustainability Report marks the third year of providing qualitative and quantitative information that impacts the entire value chain of our business. We are a Brazilian technology company made for Brazilians and our purpose to make the financial lives of people and businesses easier through a simple, safe, affordable and digital ecosystem achieved relevant milestones in 2022.

**We unified the brands used in our operations.** We are now PagBank, the complete bank, simplifying our communication with clients, increasing the awareness about our financial services beyond our payment solutions, and optimizing marketing expenses. For our cross-border operations, we changed the brand from BoaCompra to PagSeguro International.

**Our 28 million clients, approximately 13% of the Brazilian population,**

transacted approximately R\$731 billion, of which R\$354 billion was TPV (payments), and accounted for 10% of all Pix (Brazilian P2P/P2B instant payment rail) transactions in the country. The integrated combination of payments, financial services, and software has increased our deposits growth. In the first quarter, we reached the R\$10 billion mark and, nine months later, R\$20 billion, diversifying funding sources, structurally lowering financial expenses, and adopting a compelling pricing policy for clients and competitive in the market.

**We expanded democratization and financial inclusion,** topping, for the first time in the group's history, R\$1 trillion in total transactions. It took us 16 years to achieve this milestone and, in the second quarter of 2023, just 12 months later, we reached R\$2 trillion, consolidating our ability to safely and solidly scale business. In 2022, 55% of the merchants who became our clients started accepting cards as a payment option, and 19% of the new digital



Ricardo Dutra  
Principal Executive Officer  
PagSeguro Digital



Alexandre Magnani  
Chief Executive Officer  
PagSeguro Digital



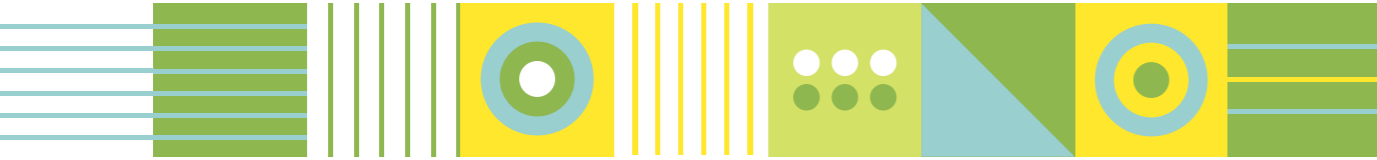
Artur Schunck  
Chief Financial Officer  
PagSeguro Digital

account clients had never had a relationship with banks. This enabled us to serve those who needed it most and who until then had been on the edge of the banking and financial system.

**We launched new products in our ecosystem,** including a digital account for business with multiple owners, credit cards backed by PagBank CDs and high yield savings account, automatic savings, and a

payroll platform for small- and medium-sized companies, extending our value proposition, especially for larger merchants.

**We improved our service levels and customer care.** Our contact rate fell by 50% compared to 2021, as a result of our automation processes and increased use of artificial intelligence in the Customer Service



Center. We reduced POS delivery and replacement timing by 10% and 25%, respectively, optimizing our investments in client acquisition and activation and capturing efficiency in logistics costs.

**We achieved record recurring net income (non-GAAP) of R\$1.6 billion**, consolidating our position as one of the most profitable fintechs/acquirers in Brazil. Our disciplined allocation of resources and focus on sustainable growth led our equity position to R\$12 billion, 52% of which is composed of retained earnings and almost R\$10 billion in net cash balance.

**We adopted new standards/frameworks for the disclosure of ESG information in our Sustainability Report**, such as the most recent Global Reporting Initiative standards (GRI 1: Foundation 2021), the compilation of the Sustainability Accounting Standards Board (SASB) indicators for the “Software & IT Services - Technology & Communications

Sector,” and the inclusion of a first view of the Task Force on Climate-Related Financial Disclosures (TCFD).

**This is our first report to have the GRI indicators assured by an independent third party.** This has improved the quality, reliability, and scope of the data and indicators reported, adding to the process of independent assurance of the Greenhouse Gas Inventory already conducted in previous years.

**We maintained our process for the continuous improvement of data security and privacy**, ensuring the security of client data based on the PCI Data Security Standards Certification and on the Brazilian General Data Protection Law (LGPD). We also reduced the number of system downtime events, ensuring the best experience for clients.

**We expanded our human capital initiatives and social impact actions** with the creation of

our Diversity and Inclusion department which showed an organic increase of 14% in the number of female and Black employees compared to 2021. We launched PagTalents, our internship program, with at least 50% of the job openings geared toward socioeconomically vulnerable youth, giving them exclusive access to financial education courses and training while promoting education for vulnerable communities and gender equality through our tech education programs such as #ElasTech, Vai na Web, and G10 Tech

**We offset 100% of all our greenhouse gas emissions, even with the expansion of Scope 3**, and reported the results on CDP’s climate change platform and in the Brazilian GHG Protocol Program. Furthermore, we have gradually increased the percentage of forestry credits (REDD+) and consolidated our continuous improvement processes in our fleet of POS terminals, recovering 90% of the equipment

subject to maintenance and ensuring that those that have reached the end of their life cycle are fully recycled.

We are very excited about the next chapters in our history, and are determined to disrupt digital finance in Brazil. In the following pages, we present our main highlights and actions taken during 2022.

Enjoy your reading!

The Management  
PagSeguro Digital (PAGS)





# 1. PagSeguro Digital



# PagSeguro Digital

## Mission

Throughout its existence, PagSeguro Digital has fulfilled its mission to transform and democratize access to financial and payment solutions in Brazil providing a simple, safe, affordable and accessible digital ecosystem to merchants and consumers.

## Purpose

Today, the company has one purpose: To make financial lives of people and businesses easier.

## Values

- **All for the client:** with focus, agility, and a sparkle in our eyes, we all work for the client
- **Protagonism:** we act as protagonists to do things differently and without fear of challenging the status quo
- **Collaboration:** We embrace collaboration and diversity in order to grow
- **Simplicity:** We uncomplicate today with simplicity
- **Reliability:** Our actions offer security to our clients

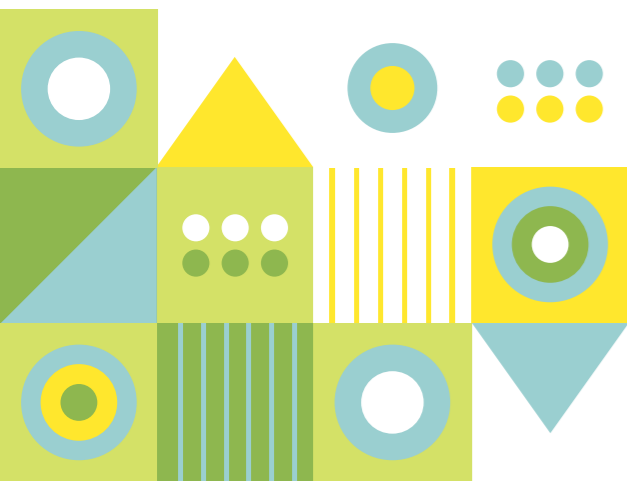
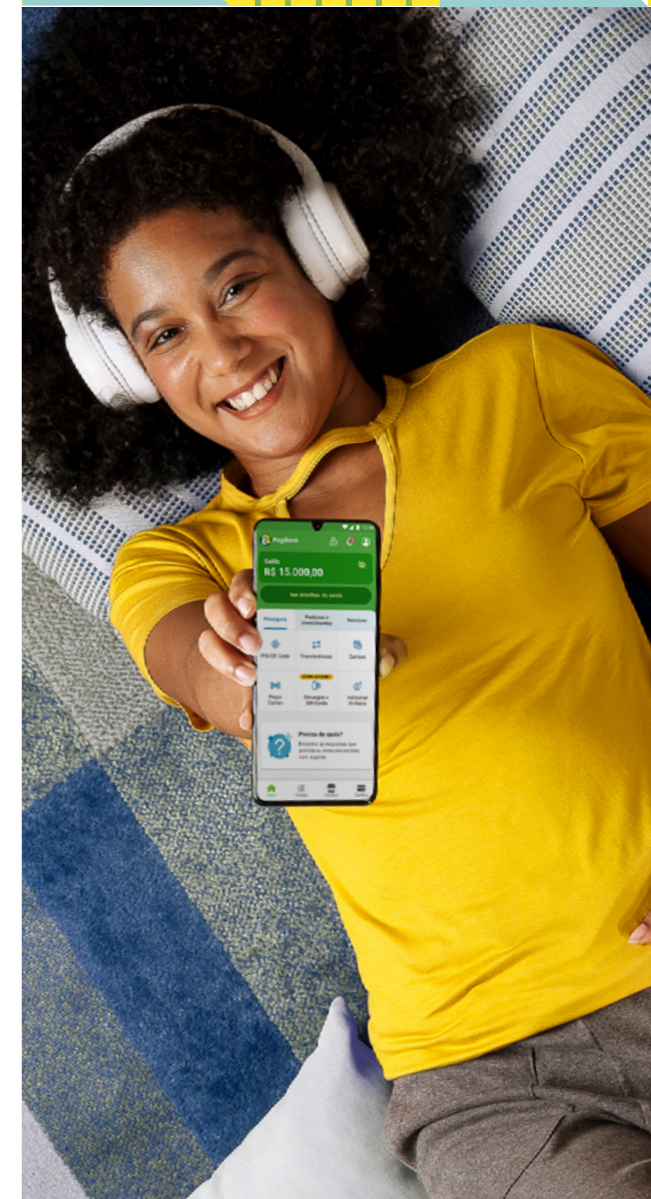
## Strategic Priorities

- Profitable and sustainable growth
- Revenue diversification with consolidation of financial services
- Integration of the financial services and payments ecosystem under the PagBank brand
- 360° Risk Management
- Focus on human capital

## Business Model

[GRI 2-6]

- Complete digital platform with means of payment, financial services, and software
- Acquirer with the most widely accepted network in Brazil, offering face-to-face, online, and cross-border payments
- Issuer of debit, credit, and prepaid cards
- Complete multiple bank for individuals (CPF) and companies (CNPJ) with one or more account holders
- Investment platform offering public and private securities, investment funds, and equity/REITs trading platform
- Insurance distribution platform: PIX, cards, health, home, and life insurance
- Super app with an extensive list of partners in telecommunications, transportation, delivery, games, and entertainment.







## History

[GRI 2-1; 2-2; 2-6]

Created more than 16 years ago to democratize access to financial services in Brazil and promote innovative solutions for diverse audiences, PagSeguro Digital currently has more than **28 million clients**.

Its operation in Brazil began in 2006, throughout its history, PagSeguro Digital also consolidated itself as an acquirer and card issuer, in addition to providing complete solutions for online and in-person payments (through mobile devices and POS terminals with the widest variety of payment methods, such as credit, debit, and meal cards, having the largest acceptance network in Brazil, with more than **7 million active merchants**.

PagSeguro Digital, a public company listed on the NYSE and regulated by the SEC (Securities and Exchange Commission, controls companies in Brazil and abroad, including companies regulated by the Brazilian Central Bank (BCB). Such companies are part of a prudential conglomerate and have licenses as a financial institution (multiple bank and securities broker) and payment institution (issuer of electronic currency, credit card and acquirer), having partnerships with the main brands of cards.

In 2019, the company officially launched its digital banking operation, expanding democratization and financial inclusion beyond payments solutions, with three main objectives: **to reduce financial expenses** by diversifying funding sources through deposit growth, **to reduce merchant churn** by increasing the penetration of digital account services, and **to diversify revenue streams** beyond merchant discount rates and prepayment of credit card receivables.

In December 2022, the company had 7,223 employees. Even with an extremely lean corporate structure compared to other financial institutions, one of PagBank's main characteristics is its focus on innovation, creation of scalable products, and widespread financial inclusion.

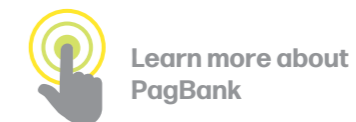
With headquarters in the city of São Paulo and operations in **100% of the Brazilian national territory**, in its more than 5,500 cities, the company's main mission is to develop disruptive products aimed at democratizing financial services in Brazil, offering sellers and consumers a complete digital ecosystem that is simple, mobile-first, safe, and affordable.

PagSeguro Digital's clients are companies of all types and sizes – from individual entrepreneurs, micro merchants, and small businesses such as street vendors and beauty salons, to medium-sized companies in retail and other sectors - as well as digital account clients. It also has a growing presence in the business-to-business trade segment and offers specific products for beauty

care professionals, self-employed professionals and individual micro entrepreneurs (MEI), drivers and taxi drivers, lawyers, physicians and dentists, commerce and brick-and-mortar stores, restaurants, bars, and snack bars.

Since its founding, PagSeguro Digital has followed initiatives for the development of an environment that is open to competition in the financial and digital means of payment sectors. That's why the company is a member of several associations, such as **ABRANET** (Brazilian Internet Association), **ABECS** (Brazilian Association of Credit Card and Service Companies), **ABBC** (Brazilian Association of Banks), and **ANBIMA** (Brazilian Association of Financial and Capital Market Institutions). [GRI 2-28]

The company **also has the Women on Board (WOB)** seal, an independent and non-profit initiative that recognizes companies that have at least two women on their Board of Directors and is a **signatory to the United Nations Global Compact**, the world's largest voluntary corporate sustainability program, and the **Women Empowerment Principles (WEPs)**.



Learn more about  
PagBank



## Awards and Recognition

PagBank came 2nd in the Electronic Payment Methods category of the Reclame Aqui 2022 Awards.

PagBank **ranked third** in the **“Bank of Companies that Provided the Best Services to Society in 2022”** category, by the Estadão newspaper.

PagBank is the **second largest** POS company in Brazil, according to a survey by UBS Evidence Lab.

PagBank **ranked fourth** in the **“Fintech”** category, of the IBest 2022 award (as one of the 10 best Fintechs).

PagBank is the **fifth best bank** in Brazil, according to **Forbes/World’s Best Banks 2022**.

We placed **38th** in the **Brand Finance Brazil 2023** ranking, which features the most valuable brands in Brazil, with a market value of **US\$497.37 million**.

We are among the **50 most valuable brands in Brazil** according to the 2023 ranking published by IstoÉ Dinheiro (we ranked 27th, at US\$ 427 million).

**2022 Latin America Executive Team**  
PagBank was awarded the distinction of **“Most Honored Company”**:

- Best CEO - Ricardo Dutra
- Best CFO - Artur Schunck
- Best IR Professional - Éric Oliveira
- Best IR Team
- Best IR Program
- Best ESG
- Best Analyst Day
- Best Crisis Management (COVID-19)

PagBank won **first place** in the Folha Top of Mind Award in the **“Payment POS”** category (there was a virtual tie for first place between the brands PagBank and Cielo).

PagBank is among the **Best Companies in Customer Satisfaction in the “Digital Banking”** category, according to Instituto MESC.



## 2022 Performance

[GRI 2-2]

In a very eventful year for Brazil, with substantial increases in interest rates since 2020, PagSeguro Digital continued with its purpose of being a competitive and profitable company, with significant results and return for society at large. In 2022, the company continued working to bring even more financial inclusion to all Brazilians, offering the best solutions and services to clients who previously never even imagined having a bank account and access to card machine services, in addition to encouraging the formalization of microentrepreneurs.

**28 million**  
Clients

**R\$ 731 billion**  
Total Finance Volume<sup>1</sup>

**R\$ 20.7 billion**  
Total Deposits

**R\$ 2.7 billion**  
Credit Portfolio

**R\$ 15.3 billion**  
Total Net Revenue

**R\$ 3.1 billion**  
Adjusted EBITDA

**R\$ 1.6 billion**  
Net income (non-GAAP)

**R\$ 2.1 billion**  
Capital Expenditures

**Valuable Brand:**  
one of the 25 most valuable  
brands in Brazil

**55%** of new  
merchants did not accept  
cards before PagBank<sup>2</sup>

**19%** of new clients  
opened their first bank account  
in 2022 with PagBank<sup>2</sup>

<sup>1</sup>Total Finance Volume (TFV): Total Payment Volume (TPV) and Total Banking Volume (TBV)

<sup>2</sup>Data from internal research with PagBank clients.





## Products and Services

Through a free digital account that centralizes all cash-out options, functionalities, and services in a single ecosystem, the company allows clients to expand and strengthen their business in a secure, affordable, and simple way. The digital account has a 100% online onboarding process, with no red tape, fast turnaround, and high acceptance rate.

The company also provide POS subscriptions, accepting credit, debit, or prepaid cards, vouchers and PIX (the most demanded is *Moderninha*, but there are several other types of POS terminals in the portfolio, with several options and advantages).

Recently, PagBank created a campaign focusing on high yield checking account (*conta rendeira*), showing how it yields more than savings accounts (*poupança*), without clients having to make any effort. Another highlight, which personalizes the experience of our audiences, was the implementation of an automated sales bot, directly on WhatsApp, which allowed us to serve clients faster and answer questions in a highly scalable way. [GRI 3-3; 417-1, 417-3]



PagSeguro Digital's main products and services are broken down into the following categories:

### Cash-In Solutions:

- Payment solutions are performed via web checkout, app checkout, or in person using POS devices. These solutions include credit and debit cards, meal vouchers, bank slips (*boletos*), bank transfers and bank debits
- PIX, the Brazilian P2P/P2B instant payments
- Payroll direct deposits allowing clients to access their paychecks directly into PagBank's digital account
- ACH and wire transfers
- Issuance of payment slips (*boletos*) that can be paid online or at any bank branch

- Credit products
- Investments, with a wide range of products for different types of investors and a digital account that yields more than savings when the balance is held for at least 30 days

### Prepayment of Receivables

Prepayment of receivables allow retailers to offer their clients the option of credit card payments in installments, without affecting their own cash flow. Besides generating financial income for the company, this is an important source of working capital for merchants, in particular for Micro and Small Merchants and SMEs (Small and Medium Enterprises), who may not have proper access to capital from incumbent banks or financial institutions. With instant settlement for merchants, a pioneer product developed by PagBank, this form of working capital is even more useful for small merchants and entrepreneurs working continuously.

## Advanced Integrated Solutions and Value-added Services:

PagBank's digital account comes with a number of free advanced integrated functionalities, as well as value-added services and features designed to help consumers and merchants, such as:

- Customer care center 24/7
- **PagVendas:** Enterprise Resource Planning (ERP) and business management
- **Concil:** Cash and Cards reconciliation services
- **ClubPag:** Customer Relationship Management (CRM) and Loyalty program
- **EnvioFácil:** Shipping and delivery services for online sellers
- Instant POS activation
- Purchases in person or online using the account balance through partners
- Use of cards issued by PagBank or cards from other financial institutions in the PagBank wallet
- Bill payments and tax collection

## Cash-out solutions:

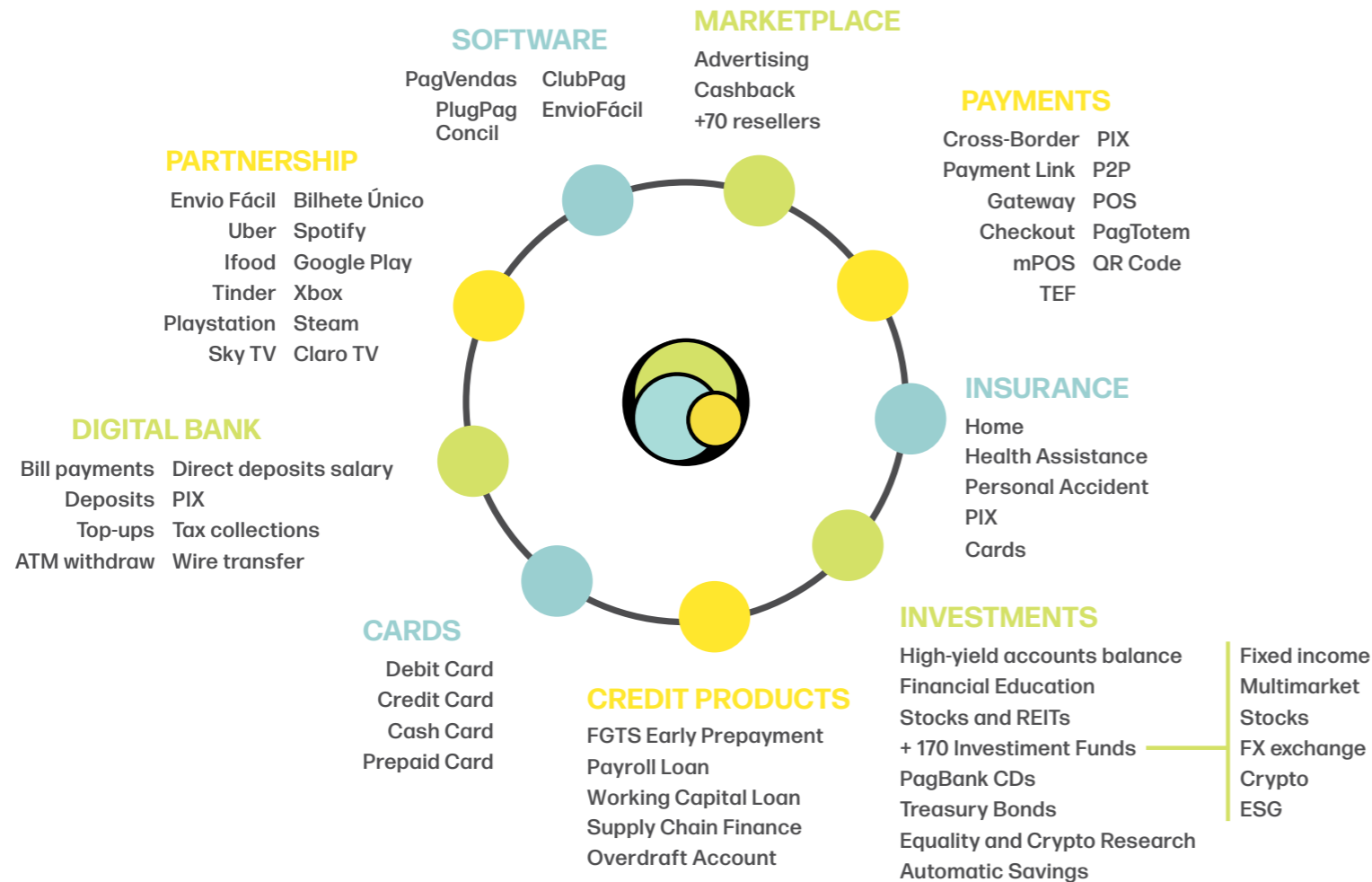
- Online shopping via eWallet
- PagBank cards spending and withdrawals
- Bill payments
- PIX, the Brazilian P2P/P2B instant payments rail
- ACH and wire transfers
- Cross-border transactions (CBT)
- Top-ups based on account balance for an extensive list of telecom, transport, and entertainment partners
- QR Code transactions via PagBank terminals

The company has continuously invested in marketing strategies in order to increasingly strengthen its image among stakeholders and society at large. The activities are always analyzed considering online media conversion, when campaigns are tied to goals for sale of terminals or opening of accounts. The company also uses renowned web and mobile analytics platforms to relate the result of its investments to the corresponding marketing channels. [GRI 3-3; 417-1; 417-3]





# Complete and Integrated Solution: Payments, Financial Services, and Software.



## Complete set of payment solutions and methods



## Competitive Advantages

### PRODUCT

- Digital company with tech-DNA
- Automatic and instant Prepayment of receivables
- Robust logistics structure and service levels
- Single interface integrating payments, financial services, and software (app or internet banking)

### SALES CHANNEL/

### CLIENT ACQUISITION

- Online strategy in partnership with UOL, reaching 90% of the Brazilian Internet audience
- Salesforce based on HUBs covering more than 90% of GDP geographically distributed

### FINANCIAL STRUCTURE

- Net cash position of R\$10 billion
- Diversified funding sources based on deposits, with cost of funding structurally lower than industry



# Payments

**Our Products:** In the Payments Platform, we offer complete product portfolio and value-added services, with payment options for offline, online, omnichannel, and best-in-class technology for more efficient business management. Our clients have the option to receive their sales by cards in an automatic and instant way, 24 hours per day, 7 days a week, including holidays. Besides the Payment solutions, our merchants can rely on PagBank's complete digital bank.

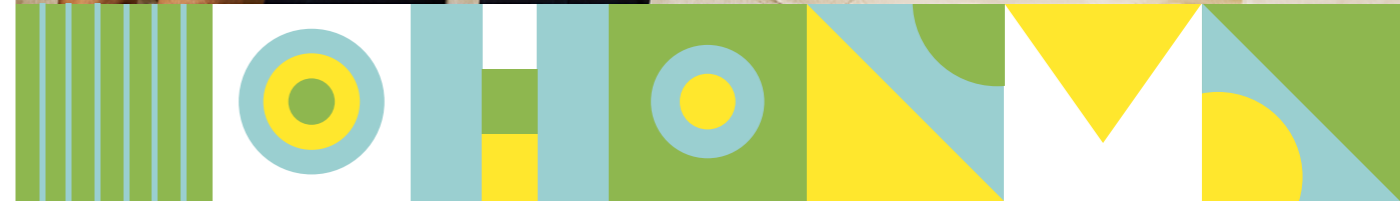
**In-Store Payments:** Complete and diverse portfolio for every merchant profile, which includes mPOS, POS, Smart POS, and PagTotem.

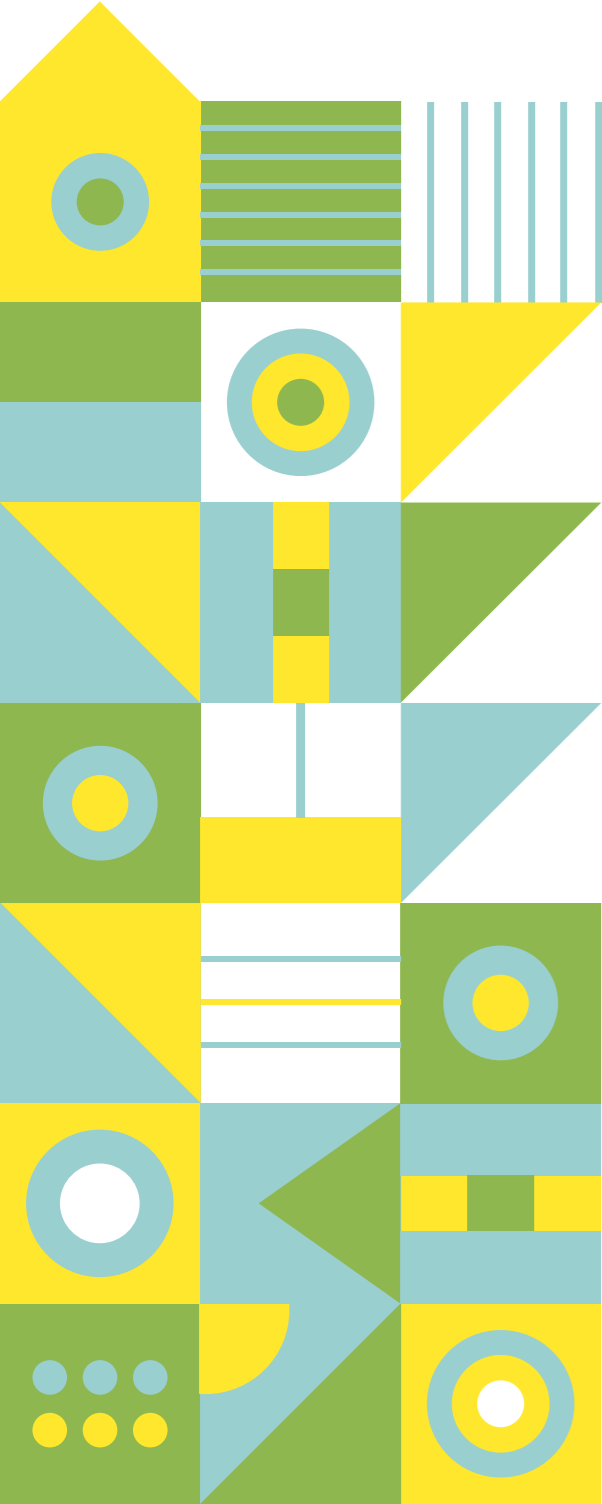
**Online Payments:** complete and diverse portfolio of which we highlight:

- **Checkout/Gateway:** with integration between shopping cart and merchant's e-commerce
- **Payment Link:** easy and fast payments without relying on websites or POS terminals
- **EnvioFácil:** safer, quicker, and more affordable product shipping service, and
- **Cross-border:** focused on gaming, software, and digital payments in Europe and Latin America

### Value Added Services:

- **Concil:** bank reconciliation with cash management and forecast
- **PagVendas:** software for business management
- **ClubPag:** loyalty program, with emphasis on customer retention and engagement
- **PlugPag:** POS connection to the merchant's software
- **TEF:** cash management, invoice issuance, and integration with cell phones and tablets.





## Financial Services

**Our Products:** We offer a simple, safe, digital, and accessible solution through one app, one platform and, one customer service center. In Financial Services, we already have a broad and constantly evolving product portfolio of day-to-day banking services, partnerships focused from younger to older audiences, different card options, credit products, an investment platform fully integrated into our app, and an insurance offering through partners.

**Day-to-day Banking:** our clients can make deposits, withdrawals, transfers, and Pix transactions, pay bills and taxes, top up cell phones (prepaid and control plans), have a business account for companies with more than one partner, and use our payroll management tool.

**Partnerships:** our clients can use their account balance to purchase credits for services widely used by Brazilians, such as Envio Fácil, Bilhete Unico (bus/train token), Uber, Spotify, IFood, Google Play, Tinder, Xbox, PlayStation, Steam, Sky TV, and Claro TV.

**Cards:** we offer debit, credit, prepaid, and cashcards

**Credit products:** payroll loan for public employees, FGTS early prepayment, working capital loan, overdraft loan, and supply chain finance.

### Investments:

- **High yield savings account (*Conta Rendeira*):** the digital account that yields more than the regular savings accounts
- **Automatic savings:** solution in which merchants choose a percentage of their sales to be automatically invested in PagBank's CDs
- **Securities:** stocks, REITs and BDRs
- **Investment Funds:** opportunities starting at R\$1.00
- **Research:** with morning call, technical analysis, and proprietary content (stocks/ crypto)
- **Financial Advisory:** a highly prepared and motivated team

- **Financial Education:** cooperating to the financial development of our clients
- **Fixed Income:** the best CDs in the market issued by PagBank and treasury bonds

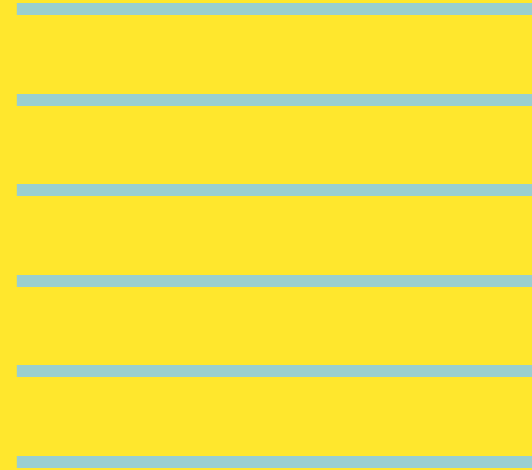
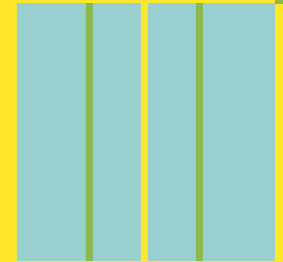
### Insurance:

- **PIX:** safe transactions, besides access to Coursera (training platform) and prizes of up to R\$30,000
- **Home:** different plans available for own and leased homes
- **Life:** extensive coverage in case of death and reimbursement of expenses resulting from accidents
- **Health:** unlimited appointments and up to four dependents at no additional cost
- **Cards:** prevents losses incurred by the loss, theft, or robbery of the PagBank card





## 2. About this Report





# About this report

PagSeguro Digital proudly presents, for the third consecutive year, its Sustainability Report, showcasing the company's main highlights and actions during 2022. The material was developed based on the following references:



The new **Global Reporting Initiative (GRI)** standards - GRI Standards 2021



The **Sustainability Accounting Standards Board (SASB)** indicators for "Software & IT Services - Technology & Communications Sector"



The **Sustainable Development Goals (SDGs)** of the United Nations (UN).

In addition to showing its Materiality Matrix and topics such as Corporate Governance and Risk Management, the document, inspired by the principles of the International Integrated Reporting Council (IIRC), is divided into sections: Financial Capital, Intellectual Capital, Human Capital, Natural Capital, and Social and Relationship Capital.



**As with financial data, the information contained in this report has been assured by PwC.** In order to reinforce our commitment to transparency and integrity, at the end of this report, for the first time PagSeguro Digital is including a report of assurance, demonstrating our efforts in sharing reliable and transparent information.

The company's Sustainability Committee oversees the preparation of the Sustainability Report. The report contains economic-financial, environmental, social,

and governance information for the period of January 1 to December 31, 2022. [GRI 2-14]



New in this edition is the inclusion of a specific section covering the implementation of **TCFD (Task Force on Climate Related Financial Disclosures)** recommendations.

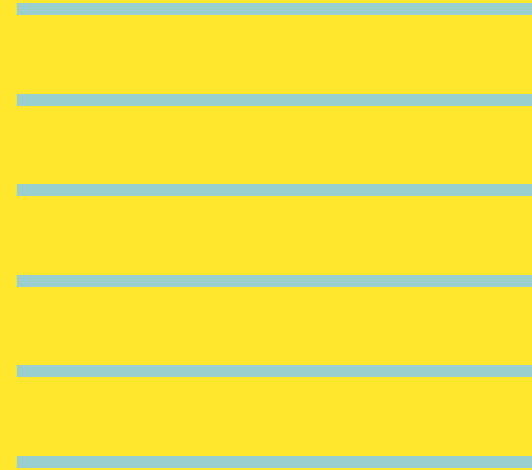
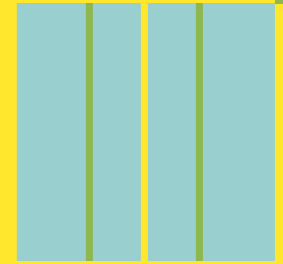
As in the last three years, the Greenhouse Gas inventory was verified by Instituto Totum.



For the purposes of this report, PagSeguro Digital includes the group of companies and businesses that are under the corporate control of PagSeguro Digital, a public company, listed on the NYSE.



### 3. Materiality





# Materiality Matrix

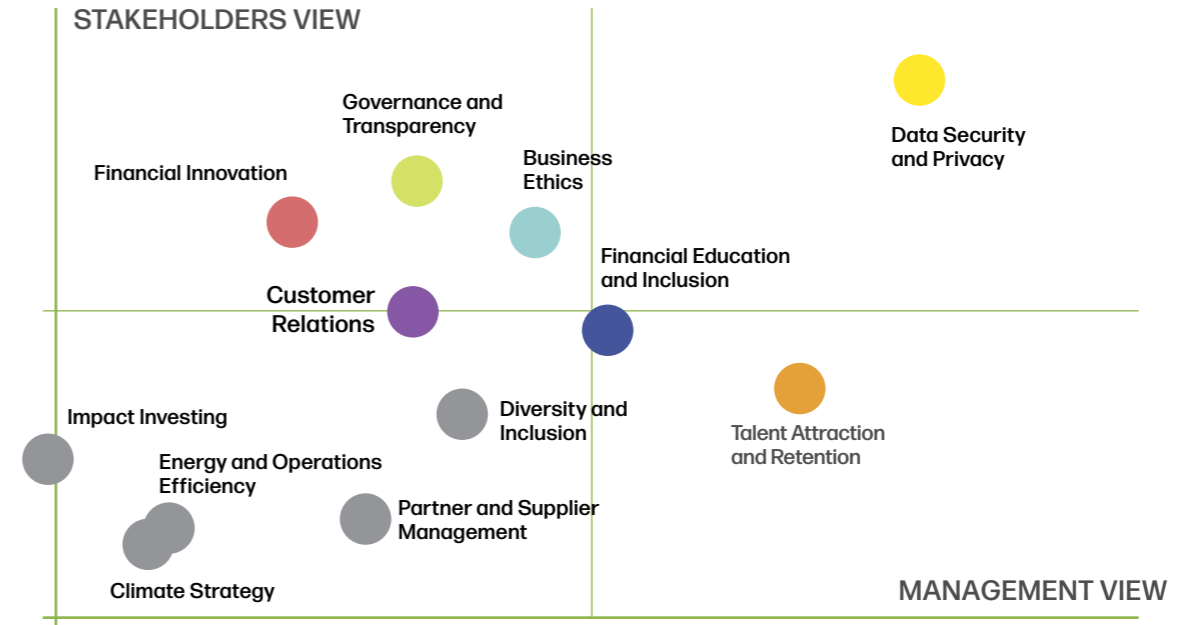
[GRI 2-29; 3-1; 3-2]

The purpose of the consultation process with PagBank’s main stakeholders - employees, suppliers, non-governmental organizations, investors, clients, and regulatory agencies - is to develop the Materiality Matrix, which encompasses the main topics that guide the company’s operations.

The materiality is determined after an in-depth market analysis and survey, which totaled **8,265 consultations**, with a return of **5% of the stakeholders surveyed**, involving our professionals, suppliers, investors, clients (micro and small entrepreneurs, companies, partners, subacquirers, and others), regulatory and self-regulatory agencies,

trade associations and non-governmental organizations with which the company interacts, looking to understand the main issues and impacts associated with the business and operations.

The current Materiality Matrix was developed in 2021 following the guidelines of the GRI Standard, through the analysis of the organization’s context and identification of relevant topics within the company’s operations; identification of potential and actual impacts through the analysis of the corporate risks mapped, and an assessment of the significance and prioritization of impacts.



Material topics	Related GRI indicators
1 <sup>st</sup> ● Data Security and Privacy	418-1
2 <sup>nd</sup> ● Talent Attraction and Retention	2-7, 2-8, 2-19, 2-20, 401-1, 401-2, 401-3, 404-1, 404-2, 404-3
3 <sup>rd</sup> ● Business Ethics	2-23, 206-1
4 <sup>th</sup> ● Governance and Transparency	2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-17, 417-1, 417-3
5 <sup>th</sup> ● Financial Education and Inclusion	2-6, 203-1, 203-2, 413-1
6 <sup>th</sup> ● Financial Innovation	201-1, 203-1
7 <sup>th</sup> ● Customer Relations	2-14, 2-16, 2-23, 2-29

Relevant Topics - Not Material	Related GRI indicators
8 <sup>th</sup> ● Diversity and Inclusion	405-1, 405-2, 406-1
9 <sup>th</sup> ● Partner and Supplier Management	2-6, 2-29, 204-1, 308-1, 308-2, 408-1, 409-1, 414-1
10 <sup>th</sup> ● Energy and Operations Efficiency	302-1, 302-3, 303-5
11 <sup>th</sup> ● Impact Investing	203-1, 203-2, 204-1, 413-1, 413-2, 415-1
12 <sup>th</sup> ● Climate Strategy	201-2, 305-1, 305-2, 305-3, 305-5

# Sustainable Development Goals (SDG)

Based on the analysis of the material topics identified in the Materiality Matrix, we verified that they are in line with the Sustainable Development Goals (SDGs), defined by the UN Member States in 2015.

The 17 SDGs contain ambitious, interconnected targets relating to the main development challenges currently faced by people, governments, and businesses in Brazil and across the world. They are a global call-to-action to end poverty, protect the environment and the climate, and ensure that people everywhere can enjoy peace and prosperity.

To learn more about the SDGs and their targets, visit: <https://odsbrasil.gov.br/>

The following table shows the correlation between PagSeguro Digital's material topics, the SDGs, and their respective targets related to the 2030 Agenda in Brazil.

Material Topics x SDG Targets	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Data Security and Privacy			8.2				17.8
Talent Attraction and Retention	4.3 4.4	5.5 5.c	8.5		10.4	16.B	
Business Ethics						16.5	
Governance and Transparency						16.6 16.7	
Financial Education and Inclusion	4.4	5.a 5.b.1br	8.3	9.2	10.2		
Financial Innovation			8.2 8.3	9.3			
Customer Relations						16.6	

For more than two years, the company has been a signatory to the United Nations Global Compact, launched in 2000 as a call-to-action for companies to align their strategies and operations with the Ten Universal Principles in the areas of Human Rights, Labor, Environment, and Anti-Corruption,

encouraging actions that contribute to meeting the challenges faced by society. This is the world's largest corporate sustainability initiative, with more than 16,000 members, among companies and organizations, distributed across 70 local networks, covering 160 countries.



# 4.

## Corporate Governance



# Corporate governance

[GRI 2-9; 2-11; 2-12; 2-13; 2-24; SASB TC-SI-130a.3]

With a robust Corporate Governance that guides the company's operations and its strategic planning, the company has a specific policy approved by senior management based on five pillars: **Equity, Transparency, Accountability, Corporate Governance, and Corporate Responsibility.**

The objectives of each of these pillars are presented below, highlighting Corporate Responsibility, which sets the guidelines for the company's economic financial viability in addressing important topics such as long-term business sustainability, creation of shared value, and benefits to society.

## Equity

Give fair and equal treatment to all shareholders and other stakeholders, respecting their rights and duties.



## Accountability

Disclose the company's information in a clear and concise manner, assuming responsibility for its actions and omissions, always acting with diligence and responsibility in performing its roles.



## Corporate Responsibility

Ensure the economic and financial viability of the company.



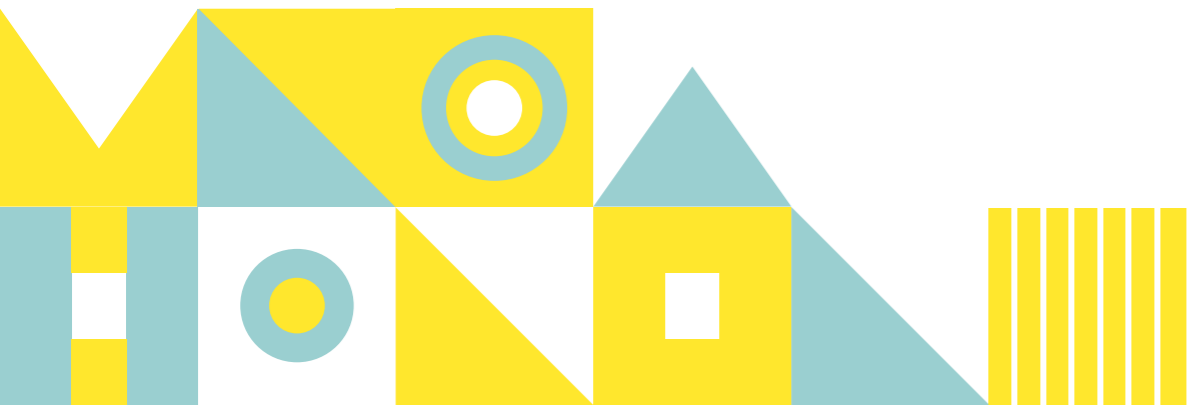
## Transparency

Provide stakeholders with information of their interest in a clear manner, (in addition to information required by regulators).



## Corporate Governance

Set of laws, regulations, policies, and processes that govern how the company should be managed, respecting the relationship with its stakeholders.



## Board of Directors<sup>1</sup>

The main objective of PagSeguro Digital Ltd.'s Board of Directors is to oversee management, elect and remove directors, and appoint independent auditors. In addition to assessing economic, environmental, and social matters, the Board is also responsible for analyzing the overall business strategy and policies, including the company's mission, vision, and values.

Composed of six members, three of whom are independent, as per criteria set out by the Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE), the Board defines that each member should hold office until their resignation or removal (or for the term set by the shareholders' resolution that appointed them, if any), i.e. the appointment or resignation of Board members is approved at meetings of the Board of Directors and submitted for ratification by PagSeguro Digital shareholders, at the Annual General Meeting. [GRI 2-10]

In 2020, the company was recognized by WOB (Women on Board), a non-governmental and non-profit organization supported by UN Women and Brazil Global Compact, for having a **diverse Board with three women as board members** (Maria Judith de Brito, Maria Carolina Ferreira Lacerda, and Marcia Nogueira de Mello).

The current Chairman of the Board of Directors of PagSeguro Digital Ltd. is Luis Frias. Members of the Statutory Board of Officers of operating companies do not take part in the Board of Directors.

The Board was also directly involved in the discussions on PagSeguro Digital's Sustainability and ESG study and diagnosis. The company's key issues, and critical concerns are discussed at frequent Board meetings, whenever necessary. [GRI 2-16]

### The **Public Corporate Governance policies** are described below:

- Code of Ethics and Conduct | Bullying and sexual harassment
- Code of Ethics and Conduct | UOL Group
- Operational Risk Policy | Conglomerate
- Corporate Governance Policy | Conglomerate

### Board of Directors

**Luis Frias**  
Chairman

**Eduardo Alcaro**  
Vice President

**Maria Judith de Brito**  
Board Member

**Maria Carolina Ferreira Lacerda**  
Independent Board Member

**Marcia Nogueira de Mello**  
Independent Board Member

**Cleveland Prates Teixeira**  
Independent Board Member

In addition to the Board of Directors, the company has executive committees for specific topics, ensuring that the strategies defined are in line with the risks identified and with the relevant legislation.

These committees, listed below, advise the Board of Directors and the Executive Board in their areas of expertise.

### Audit Committee<sup>1</sup> [GRI 2-9]

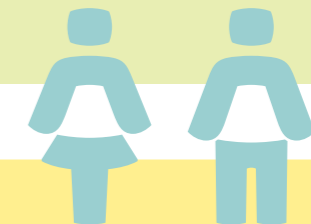
[Monthly]

**Maria Carolina Ferreira Lacerda**  
Chairwoman

**Cleveland Prates Teixeira**  
Member

**Marcia Nogueira de Mello**  
Member

<sup>1</sup> 100% Independent Committee



**50% of the Board Members are independent**

**50% of the Board Members are women (WOB)**

<sup>1</sup> The composition of the board of directors reported refers to the arrangement as of January 2, 2023, whereas in 2022 the composition was: Luis Frias, Eduardo Alcaro, Maria Judith de Brito, Ricardo Dutra da Silva, Noemia Gushiken, Cleveland Prates Teixeira and Marcia Nogueira de Mello.

## Credit, Risk, and Liquidity Committee

[Weekly]

**Alexandre Magnani**  
Chief Executive Officer

**Artur Gaulke Schunck**  
Chief Financial Officer

**Victoria Rozsavolgyi Bortolin**  
Legal Executive Director

**André Mello Souza Fernandes**  
Digital Account and Investments Executive Director

**Céar Augusto Felix Leite**  
Chief Technology Officer

**Fabio Herszkowicz**  
Financial Services Executive Director

**Roberto Sadami Ikegami**  
Chief Risk Officer

**Leandro Lopes**  
Credit Risk Modelling Director

### INVITED MEMBERS

**Maria Judith de Brito**  
Board Member

**Ricardo Dutra**  
Principal Executive Officer

## Finance Committee

[Monthly]

**Alexandre Magnani**  
Chief Executive Officer

**Artur Gaulke Schunck**  
Chief Financial Officer

**Victoria Rozsavolgyi Bortolin**  
Legal Executive Director

**André Estefan Ventura**  
Finance Director

**Ezequiel Henrique Vianna**  
Strategic Planning Director

**Wilson Gomes de Lima**  
Controlling Director

### INVITED MEMBERS

**Maria Judith de Brito**  
Board Member

**Ricardo Dutra**  
Principal Executive Officer

The composition of the Board and committees refers to the configurations as of January 2, 2023.

## Risk Committee (former Corporate Governance Committee):

[Every two months]

**Alexandre Magnani**  
Chief Executive Officer

**Artur Gaulke Schunck**  
Chief Financial Officer

**Victoria Rozsavolgyi Bortolin**  
Legal Executive Director

**Arilda Vasconcelos Nogueira de Lima**  
Chief Operating Officer

**André Mello Souza Fernandes**  
Digital Account and Investments Executive Director

**César Augusto Felix Leite**  
Chief Technology Officer

**Roberto Sadami Ikegami**  
Chief Risk Officer

**Cristiano Roberto de Souza**  
Risk Senior Manager

**Fabio Eiki Shimomoto Obata**  
Risk Manager

### INVITED MEMBERS

**Maria Judith de Brito**  
Board Member

**Ricardo Dutra**  
Principal Executive Officer



## Information Security and Data Governance Committee

[Every two months]

**Alexandre Magnani**  
Chief Executive Officer

**Roberto Sadami Ikegami**  
Chief Risk Officer

**César Augusto Felix Leite**  
Chief Technology Officer

**Cláudio Devecchi**  
Engineering Director

**Evelise Yoshimi**  
Engineering Director

**Nadia Cei Amorim**  
Risk Director

**Gustavo de Almeida Sartori**  
Data Security Senior Manager

**Nicolle Refinski De Freitas**  
SOX Compliance Senior Manager

**Fabiano Reis Avelar**  
Data Security Manager

## ESG Committee <sup>[2-24]</sup>

[Quarterly]

**Ricardo Dutra da Silva**  
Principal Executive Officer

**Alexandre Magnani**  
Chief Executive Officer

**Arthur Gaulke Schunck**  
Chief Financial Officer

**Carol Elizabeth Conway**  
Regulatory Affairs Executive Director

**Fabiana Verdicchio**  
Human Resources Executive Director

**Roberto Sadami Ikegami**  
Chief Risk Officer

**Victoria Rozsavolgyi Bortolin**  
Legal Executive Director

**Eric Krahembuhl de Oliveira**  
IR, ESG and Market Intelligence Director

Based on Corporate Governance, in recent years the company defined its strategy for the next three years, considering the following pillars:

- Profitable and sustainable growth;
- Revenue diversification with consolidation of financial services;
- Integration of the financial services and payments ecosystem under the PagBank brand;
- 360° Risk Management;
- Focus on human capital.

Currently, the performance of the highest governance body against SOX requirements is evaluated by external auditing, internal auditing, and internal controls. **[GRI 2-18]**

The composition of the Board and committees refers to the configurations as of January 2, 2023.



# Risk Management

PagSeguro Digital's **Risk Management and Internal Controls department** operates independently but connected across all sectors of the company. Its main responsibility is to implement and maintain the procedures listed in the Policy on Internal Controls, Operational and Social and Environmental Risk Management, which establishes mechanisms to identify, assess, monitor, control, and mitigate risks.

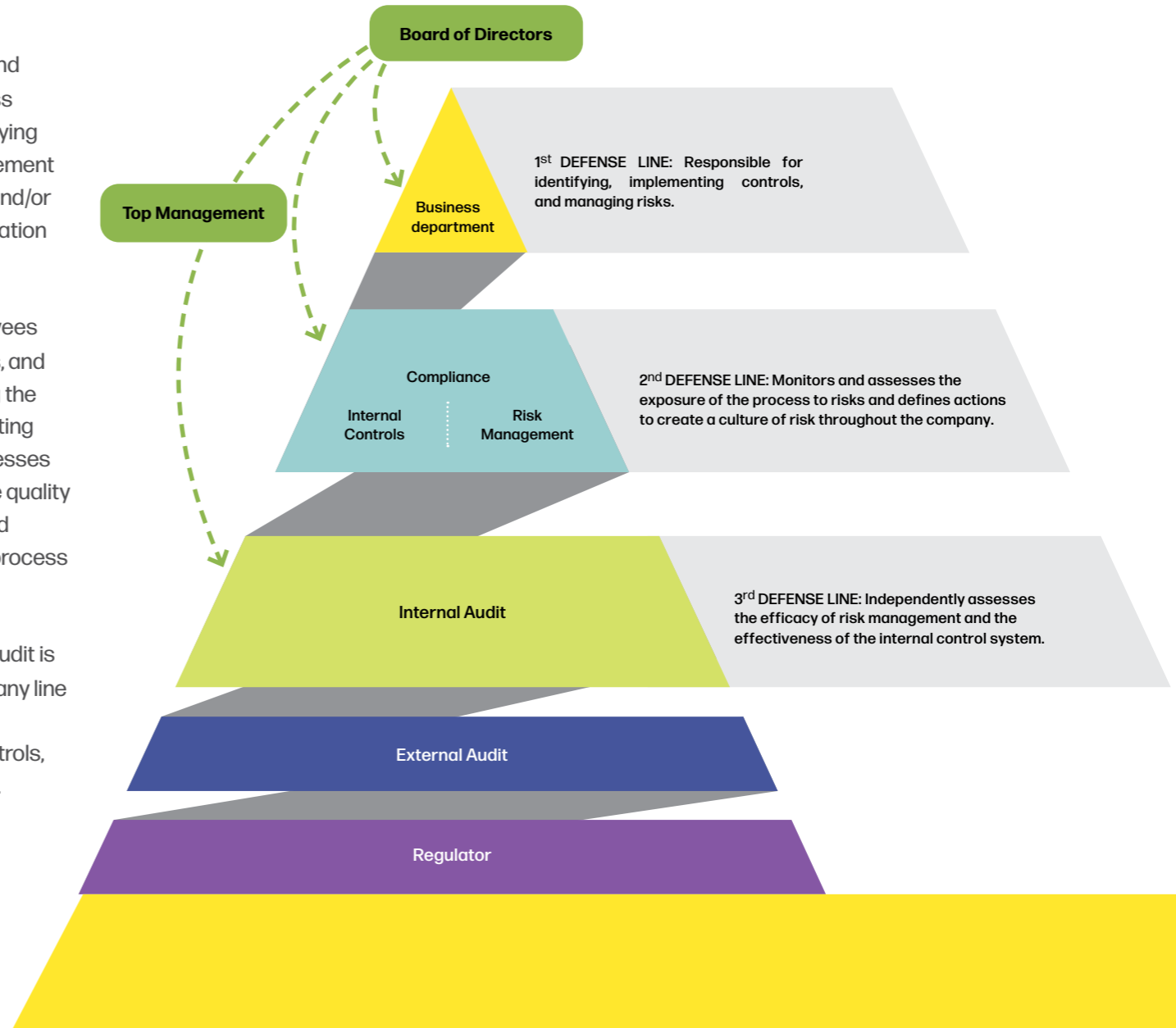
These guidelines consider the norms in effect, including the rules and policies set out by the **National Monetary Council (NMC)** and the **Brazilian Central Bank (BCB)** for regulated institutions - with which the company fully complies.

PagSeguro Digital's current operating model is based on the concept of the Three Lines of Defense (as described below, in which each department acts according to its roles and responsibilities.

**1st Defense Line:** composed of analysts and managers from the areas where the process takes place. They are responsible for identifying and implementing controls and risk management according to their activities, implementing and/or improving the necessary controls and mitigation actions.

**2nd Defense Line:** composed of all employees from the Operational Risk, Internal Controls, and Compliance areas responsible for assisting the first line of defense in identifying and mitigating risks. This line of defense monitors and assesses exposure of processes to risk, analyzing the quality of the control environment in the 1st Line and acting in an advisory capacity, suggesting process revisions or new controls.

**3rd Defense Line:** In this line, the Internal Audit is responsible for evaluating the elements of any line of defense, checking the effectiveness of governance, risk management, internal controls, and the achievement of the expected goals.



[GRI 2-23]

To manage Operational Risk, the company uses a specific four-phase methodology:

**Identification:** provides a detailed view of the area's processes and an understanding of the main characteristics of the operations. In this phase, interviews are held with managers and key employees involved in the processes, aiming to identify events that could compromise the company's operations and the controls associated with the risks.

**Analysis and Assessment:** besides following the process step by step, in this phase analysis and implementation is conducted to identify deficiencies and conformities. Interviews are held with the department responsible for the process to gather evidence and evaluate the effectiveness of the control. The evaluation is done using a tool (risk calculator) that gauges the level of exposure to risk, based on impact and likelihood parameters.

**Response and Treatment:** formalizes the weaknesses identified in order to define the response to the risk and the action plan together with the Risks and Internal Controls department.

**Surveillance and Review:** in this phase, the control environment is monitored by means of risk indicators, according to the tolerance levels established.

In the risk management process, social and environmental responsibility and commitment to society and the environment guide the company's entire operation, always in line with the principles of ethics and transparency in the internal and external environment involving clients, partners, and suppliers. That is why PagSeguro Digital continuously monitors the social and environmental risk, identifying possibilities of losses due to social and environmental damage.

To manage suppliers, PagSeguro Digital has a proprietary methodology for risk assessment and control. Currently, more than 90% of the company's suppliers are based in Brazil and almost 40% of the suppliers are classified as Risk Category A (lower risk).

PagSeguro Digital also has an Operational Risk, Internal Control, and Social and Environmental Policy (conglomerate), which is revised every two years and approved by the Board of Directors. Despite having no specific targets for the topic, the

department will continue to map the risks related to social, environmental, and climate issues, and to identify opportunities for improvement to reduce the incidence and materialization of risk, with registration in the GRC tool.

In 2022, in addition to hiring a Chief Risk Officer (CRO), work was carried out to reduce risks in the following processes:

**BancoSeguro loans:** evaluation of the application of the social, environmental, and climate questionnaire for corporate loan operations

**Prevention of Money Laundering and Terrorist Financing, and Compliance:** evaluation of supplier entry/restriction monitoring

**Relationship with users:** evaluation of the Ombudsman's Office component and the Customer Service structure. [GRI 2-6; 201-2; 408-1; 409-1]



# Business Continuity Plan

To ensure the continuity of its operations, PagSeguro Digital created a business continuity process based on the ISO 22301 standard. This standard sets out an appropriate strategic, operational, and business framework for re-establishing the company's capacity to supply its main products and services after a disruption, at a previously agreed upon and determined level.

The Business Continuity Plan (BCP) contains the following objectives:

- **to proactively identify** the impacts of a disruption of operations;
- **to develop** incident management capacity, providing effective and possible response to disruptions through an efficient testing process;
- **to minimize** impacts to the company and protect its key products and services
- **to improve** the company's self-awareness and the way it

relates to organizations, regulatory agencies, government departments, and emergency services;

- **to strengthen** teamwork.

The main potential incidents may be related to suppliers, business, systems, processes, infrastructure, logistics chain, environment, and people. For this reason, the plan sets out strategies and actions to ensure the functioning and availability of the company's essential services during such incidents, until they return to normal.

To effectively deal with these situations, the company has a Business Continuity Management department, responsible for providing employees with guidelines for the development of all documents and continuity processes. In addition, the department implements constant improvements in the processes, including monitoring and reporting to the Executive Board regarding training and awareness actions, as well as the mandatory training program for all employees.

PagSeguro Digital's Business Continuity Plan is sustained by the following pillars:



# Ethics and Transparency

[GRI 2-15; 2-23; 2-26]

PagSeguro Digital does not relinquish ethics in its activities. Ethics is a primary value to keep growing and delivering the best results for stakeholders and the Brazilian society as a whole. No wonder it was one of the most cited topics in the last Materiality Matrix survey.

Through the Code of Ethics and Conduct and Code of Compliance, the company establishes guidelines to be followed by all employees and how they should perform their duties. [GRI 2-24]

In addition to thoroughly covering topics such as transparency, ethics, respect for privacy, and information security, the document also defines the importance of an inclusive work environment - free of harassment of any nature (sexual or moral) and discrimination or prejudice of any kind based on race, color, religion, gender, sexual orientation, and others.

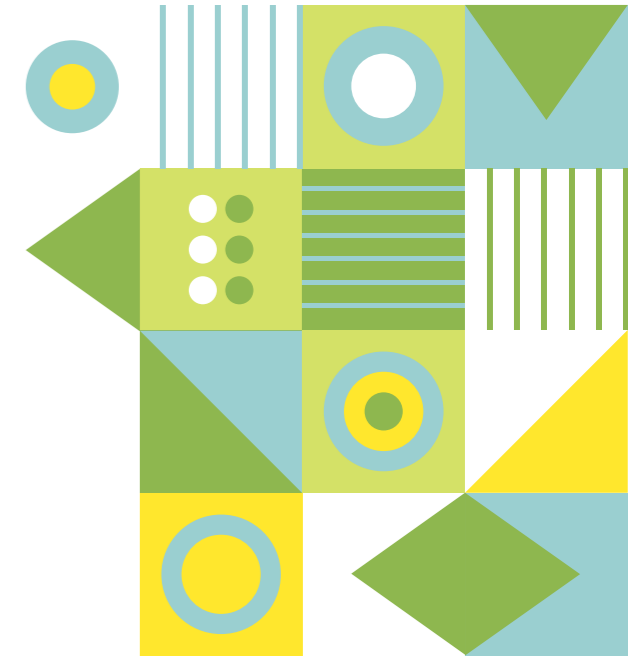
All employees are instructed to develop, on a daily basis, a relationship based on collaboration and mutual respect, conveying the importance of this attitude to clients, suppliers, partners, and administrators. In this way, the company ensures that relationships in the workplace are always steered by professionalism, ethics, and transparency.

Regarding the fight against corruption, PagSeguro Digital encourages compliance with the law in all its forms, provides objective information to investors, and works to identify, manage, and mitigate any conflicts of interest that could affect the impartiality of the employees who work in the distribution of investment products and in other functions.

The company has a Reporting Channel email to address any type of claim or question and analyze reports of possible non-compliance with the Code of Conduct. Employees using the channel have their confidentiality guaranteed, including the claims, the results, and measures taken. All claims are immediately investigated by the HR Department, which may assign a qualified professional to assist in the investigation, including legal

counseling where necessary.

**All reports received via the Reporting Channel in 2022 (19) were fully resolved.** After an investigation process, 37% of them were deemed to be well-founded and 63% unfounded or inconclusive. The company made every effort to resolve the cases reported and invested in the leadership program, which addresses management literacy. It also applied performance evaluation processes for better alignment between leaders and their employees, thus reducing the number of cases related to lack of feedback. [GRI 2-16; GRI 2-26]



Total number of reports received via the Reporting Channel	2019	2020	2021	2022
Total number of active employees	2,578	4,611	6,751	7,223
Total number of reports	2	25	44	19
% Reports per active employee	0.1%	0.5%	0.7%	0.3%
Total number of well-founded reports	1	21	25	7
% Unfounded reports	50.0%	84.0%	56.8%	36.8%
Total number of unfounded reports	1	4	19	12
% Unfounded reports	50.0%	16.0%	43.2%	63.2%

The responsibilities with regard to compliance with the company's Code of Ethics and Conduct are listed below:

- **Managers:** all managers are responsible for being familiar with and transmitting UOL Group's Code of Ethics and Conduct to their teams, reinforcing compliance and leading by example.   
GRI-2-24
- **Employees:** all employees should be familiar with UOL Group's Code of Ethics and Conduct and act in accordance with the guidelines and policies presented therein.
- **Violations:** in cases of violations of the Code of Ethics and Conduct, it is up to UOL Group's HR Department to investigate the matter and listen to all parties involved, for subsequent escalation of the matter to the Executive Board or Presidency, as appropriate.

The total number of reports between 2020 and 2022 increased due to the higher number of company employees and actions to reinforce internal communication about the Reporting Channel.

In addition to the Code of Ethics and Conduct, the company has a procedure in place to Monitor Related-Party Credit Transactions. Every six months (preferably in June and December), the Officers and the company's subsidiaries and affiliates, as well as the Board Members, must fill out a questionnaire designed to collect information on related parties, as defined in the Company's Related-Party Policy, and on any transactions// credit operations between them and the company.   
[GRI 2-15]

Information is also collected on the nature of the relationship between the Officers/Board Members and their respective related parties and

the company, indicating whether they are clients or suppliers, thus establishing controls to avoid conflicts of interest.

The company also provides a mandatory training program for all employees, which includes the following: [GRI 2-17]

- Ethics and Compliance
- Information Security and Phishing
- LGPD - Brazilian General Data Protection Law
- PCI-DSS - Data Security Standards
- Financial Privacy
- Prevention of Money Laundering and Terrorist Financing
- Anti-Corruption Law
- Operational Risk, Internal Controls, and Compliance
- SOX - PagSeguro Digital
- BCP - Business Continuity Plan

In addition to these training programs, the company has the UniUOL platform, which offers several courses and contents that can be accessed by all PagSeguro Digital employees. The company also has a Code of Compliance, which must be followed by all professionals, including employees, contractors, consultants, and third parties.

**In 2022, 98% of our professionals completed the mandatory course program.**





## Conflict of Interest [GRI 2-15]

The company, through its leaders, managers, and administrators, monitors and manages potential conflicts of interest of their employees. Conflict of Interest can occur when someone is not independent and impartial in relation to their activities, thus compromising their decision making, either apparently or effectively.

In these cases, the employee must immediately report to their department manager and/or compliance leader about their conflict of interest - or their concern about the conflict - that prevents them from performing their activities with impartiality. Hiring relatives and friends is forbidden, except within the rules of the HR Department, approved by the members of the Board of Executive Officers and communicated to the compliance leader.

PagSeguro Digital is always careful to take the necessary precautions to avoid and manage the procedures to prevent such risks, since the image and reputation of the Group, in addition to that of the professional, may be compromised due to the action of other persons or companies hired to perform services or supply products.

The conduct of third parties such as consultants, representatives, and expeditors when contracted to act on behalf of the company may result in the company and its professionals involved being punished for crimes such as bribery, money laundering, and offering and receiving of unlawful benefits.

## Prevention of Fraud and Money Laundering

To comply with legal and regulatory obligations, PagSeguro Digital has specific guidelines in place to identify and prevent operations suspected of involving money laundering and terrorist financing. Some guidance on this topic is also set forth in the Code of Ethics and Conduct.

To thoroughly address this issue, the company created a mandatory training program for all employees directly involved in the operations, including topics such as Information Security, Prevention of Money Laundering and Terrorist Financing, Anti-corruption, Brazilian General Data Protection Law (LGPD), Business Continuity Plan (BCP), and others.

The course must be completed by every employee within 15 days of joining the company, and refresher courses are taken once a year. **In 2022, the courses on Prevention of Money Laundering and Terrorist Financing, and Anti-Corruption Law were completed by 98% of the employees.** Another important precaution in this department is the inclusion of clauses on this subject in employment contracts and contracts with clients and suppliers.

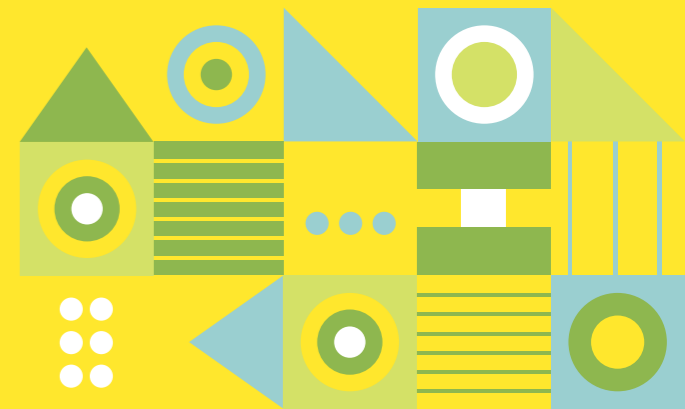
PagSeguro Digital also has structures and procedures in place to prevent and combat money laundering and terrorist financing, such as:

### Customer Identification

The KnowYourCustomer process includes, in addition to registration, proof of customer identification, where all important information is maintained and updated.

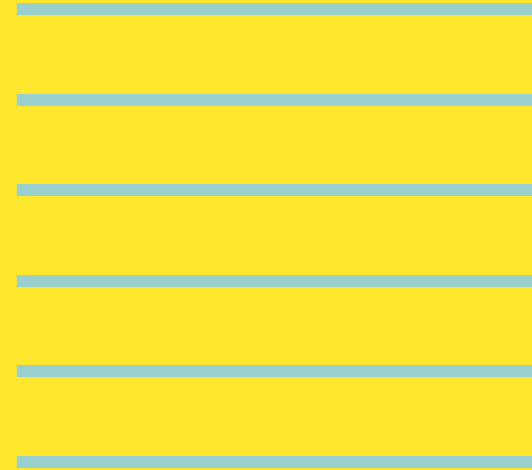
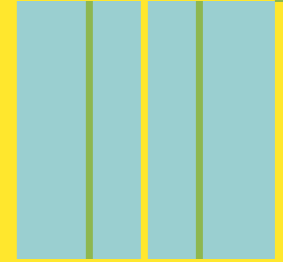
### Customer Profile

A customer profile process is conducted to collect information on the customer's income, assets, activity, or nature of business, and to check whether the customer is a Politically Exposed Person (PEP).





# 5. Financial Capital





## Economic and Financial Performance

[GRI 3-3; 201-1]

PagSeguro Digital managed to achieve significant results in 2022, with a solid economic and financial performance focused on the growth of market share in payments, consolidation of PagBank (financial services unit), reaching 13% of the Brazilian population, and constant search for structural competitive advantages and strict expense control, despite the impacts of the COVID-19 pandemic and uncertainty about the country's economic situation.

The year 2022 ended with R\$ 731 billion in financial volumes processed, of which R\$ 354 billion in payment volume in acquiring (TPV or Total Payment Volume) and R\$ 379 billion in financial services (TBV or Total Banking Volume).

**Total net revenue** reached R\$15,335 million, which represents an increase of R\$4,886 million compared to R\$10,448 million in 2021, mainly due to the growth in volumes processed in payments and financial services and digital bank, repricing of prepayment fees and PagBank's additional services, such as card issuance, credit products, and day-to-day banking services.

**Operating costs and expenses (GAAP)** totaled R\$13,576 million, up R\$4,615 million compared to R\$8,961 million in 2021. The increase in **the cost of goods and services** sold was mainly due to higher total processed volumes (TPV), raising the day-to-day banking costs of card interchange, card issuance, cash-out costs, among others. The higher **cost of sales** was mainly due to the increase in the size of the teams of the commercial hubs and losses (cancellation of transactions and provision for doubtful debts).

The increase in **administrative expenses** stem from growth in staff. The increase in **financial expenses** was mainly due to the significant increase in interest rates in Brazil (average SELIC rate in 2021 was 4.58% while the SELIC rate in 2022 was 12.57%) and the increase in total volumes processed (TPV) in payments and digital banking.

**Operating costs and expenses (Non-GAAP)** totaled R\$13,445 million, up R\$4,867 million compared to R\$8,568 million in 2021.

Net income (GAAP) reached **R\$1,505 million**, an increase of R\$339 million compared to R\$1,166 million in 2021.

Net income (Non-GAAP) reached **R\$1,597 million**, an increase of R\$172 million compared to R\$1,425 million in 2021.

GAAP   R\$ million	2020	2021	2022
Revenue from Transaction Activities and Other Services	4,508.7	6,784.8	8,906.4
Sales Revenue	-	-	-
Financial Income	2,177.4	3,514.4	6,252.7
Other Financial Income	128.6	149.5	175.8
<b>Total Net Revenue</b>	<b>6,814.7</b>	<b>10,448.7</b>	<b>15,334.9</b>
Cost of Goods and Services Sold	(3,772.3)	(5,775.9)	(7,470.9)
Cost of Sales	(617.5)	(1,523.9)	(1,946.1)
Administrative Expenses	(563.9)	(877.6)	(668.7)
Financial Expense	(109.2)	(790.6)	(3,151.6)
Other Income (Expenses), net	22.9	7.3	(338.4)
<b>Earnings Before Income Tax</b>	<b>1,774.7</b>	<b>1,488.0</b>	<b>1,759.3</b>
<b>Income Tax and Social Contribution</b>	<b>(482.4)</b>	<b>(321.7)</b>	<b>(254.5)</b>
Current Income Tax and Social Contribution	(62.8)	(119.8)	(60.7)
Deferred Income Tax and Social Contribution	(419.6)	(201.9)	(193.8)
<b>Net Income   GAAP</b>	<b>1,292.3</b>	<b>1,166.3</b>	<b>1,504.8</b>

R\$ thousand (less EPS)	2020	2021	2022
<b>Net Income attributable to:</b>			
Equity Holders of the Controlling Company	1,291,658	1,166,102	1,504,768
Non-controlling interests	642	182	-
<b>Basic Earnings per Common Share</b>	<b>R\$ 3.92</b>	<b>R\$ 3.53</b>	<b>R\$ 4.60</b>
<b>Diluted Earnings per Common Share</b>	<b>R\$ 3.92</b>	<b>R\$ 3.51</b>	<b>R\$ 4.57</b>

NON-GAAP   R\$ million	2020	2021	2022
Revenue from Transaction Activities and Other Services	4,508.7	6,784.8	8,906.4
Sales Revenue	-	-	-
Financial Income	2,177.4	3,514.4	6,252.7
Other Financial Income	128.6	149.5	175.8
<b>Total Net Revenue</b>	<b>6,814.7</b>	<b>10,448.7</b>	<b>15,334.9</b>
Cost of Goods and Services Sold	(3,752.2)	(5,747.3)	(7,518.3)
Cost of Sales	(616.4)	(1,522.6)	(1,945.7)
Administrative Expenses	(369.9)	(517.1)	(544.3)
Financial Expense	(109.2)	(790.6)	(3,151.6)
Other Income (Expenses), net	22.9	9.3	(275.6)
<b>Earnings Before Income Tax</b>	<b>1,989.9</b>	<b>1,880.4</b>	<b>1,899.5</b>
<b>Income Tax and Social Contribution</b>	<b>(555.4)</b>	<b>(455.2)</b>	<b>(302.2)</b>
Current Income Tax and Social Contribution	(62.8)	(119.8)	(59.1)
Deferred Income Tax and Social Contribution	(492.6)	(335.4)	(243.1)
<b>Net Income   Non-GAAP</b>	<b>1,434.5</b>	<b>1,425.2</b>	<b>1,597.3</b>

## Financial Innovation

As one of its main pillars of action, financial inclusion permeates the daily life of PagSeguro Digital, whose mission is to facilitate access to financial services in Brazil. For this reason, the company works continuously to implement and develop products and resources that prioritize innovation, expanding the customer experience in order to democratize these services in the country.

Among the clients who opened a PagBank digital account, **19% were classified as clients who did not have a bank account**. These figures only prove the company's commitment to its purpose of achieving true financial inclusion in Brazil.

The company entered a partnership with Bradesco Asset Management (BRAM), and since 2021 its portfolio has had an option of funds for investors looking to diversify their books of business. Through this initiative, they can select shares from companies aligned with environmental, social, and governance (ESG) practices. The model has products starting at R\$1000 and high liquidity funds. The new investment possibility was disclosed after the launch of a specific PagBank platform to invest in shares, with no custody fee.

[GRI 203-2]





## 6. Intellectual Capital



# Data Security and Privacy

[SASB TC-SI-230a.2]



Listed as one of the priority material topics in the materiality survey, PagSeguro Digital works continuously on actions aimed at the privacy, protection, and security of user and customer data, through the Information Security department, which acts to ensure the protection of the organization's employee, partner, and customer data.

One of the company's key tools in this department is 360° Security, a guideline that permeates all areas to ensure that matters related to information security are prioritized in the products/services offered to our clients.

With an automated process to maintain the quality of information security for all clients, the company also conducts recurring searches and scans the apps to identify potential vulnerabilities. When a problem is identified, it is reported to the Executive Board and a specific deadline is set for its resolution.

PagBank PagSeguro follow the rules and policies of the National Monetary Council (NMC) and the resolutions of the Brazilian Central Bank (BCB) for regulated institutions. PagSeguro Digital also complies with the Payment Card Industry Data Security Standard (PCI-DSS), the Brazilian General

Data Protection Law (LGPD), the Money Laundering Prevention Act.

The company also has the following data protection tools in place for PagSeguro Digital's activities:

**Certification:** it has Payment Card Industry Data Security Standard (PCI) certification. Data is encrypted and stored in a secure environment to prevent unauthorized access.

**Secure shopping:** If the customer purchased online and did not receive the purchase as agreed upon, the company offers full support to resolve the issue, including up to 30 days to file a dispute.

**Risk analysis:** there is a risk management policy in place to avoid fraud. Those who sell through PagBank can count on an experienced and qualified team to analyze the transactions.

The main internal policies that address Data Privacy and Security are: Privacy and Data Protection Policy, Data Governance Policy, Business Continuity Policy, and Information and Cyber Security Policy.

[GRI 3-3; 418-1; SASB TC-SI-220a.1]

The latter policy addresses several topics, such as contracting of data processing and storage, and cloud computing services; third-party management; information classification; sending and receiving confidential electronic information; secure disposal of information; management of information security incident; and management of vulnerabilities. It also provides guidance on the development of secure software; network resources; remote access; use of removable storage devices; backup; logging and data; antivirus and malicious software; identity and logical access management; systems administration; and information and cyber security risk management.

The company offers its employees a mandatory training program that covers the following topics: Information Security, PCI, the Brazilian General Data Protection Law, Business Continuity Plan (BCP), Phishing, Money Laundering Prevention (MLP), and Financial Privacy. By tracking monthly indicators, the company measures the number of employees who have completed each of the mandatory training programs and developed an

awareness program with recurring communications addressing topics related to Information Security, as well as monthly phishing campaigns for the entire company.

Prioritizing trust and security, PagSeguro Digital's core values include respect for privacy and data protection and security for users and clients. Therefore, the company created a project to comply with the General Data Protection Law, consisting of 11 pillars implemented and fully addressed by the company. In addition, the company established a Privacy Program to identify, assess, and ensure the effectiveness of standardized data privacy and protection controls in industry frameworks such as DSG (Data Security Governance), and NIST's Privacy Framework, aiming to continuously improve the program.

Composed of nine guidelines and 28 objectives for the 2022-2024 period, an Information Security Master Plan was recently created with governance that follows the controls and indicators of the ISO 27000 family. The plan is reviewed and approved by the Executive Board and its execution is overseen by the Information Security and Data Governance





Committee, composed of the Chief Technology Officer (CTO), Chief Financial Officer (CFO), Chief Risk Officer (CRO), and representatives of the Risk and Compliance, Data Governance, and Information Security areas.

The company also has a Privacy Committee, which includes a member of the Board of Directors and the Data Protection Officer (DPO), Legal and Regulatory Departments, CRO, as well as an independent member of the Audit Committee of the group specializing in technology for means of payment, which holds bimonthly meetings to present the indicators and main events on the subject.

Another important body to deal with data security is the LGPD Committee (Brazilian General Data Protection Law, enacted a few years ago in Brazil), which has members from the Board of Directors and from the Technology, Legal, and Regulatory areas, as well as the CRO and the DPO. To organize data privacy and protection actions, the DPO has professionals specializing in privacy within the Information Security structure, and the company also provides a channel for professionals to ask questions regarding the LGPD.

In 2022, the company received a total of 30 requests via email [Hgpd@uolinc.com](mailto:Hgpd@uolinc.com), of which 16

are about the exercise of LGPD rights, 6 are general questions, and 6 are reports of fraud. In some cases, it is not specified if the contact concerns PagSeguro Digital or other Group companies. During the year, the company also did not receive any complaints from regulatory agencies regarding breaches of privacy. [418-1]

With its own framework for internal and external audit, compliance, and operational risk, the company guarantees the isonomy of investigations and control of compliance with rules and regulations, and once a year the company undergoes external audits by the main regulatory agencies.

Highlights of the Information Security and Data Privacy department in 2022 are:

- 360° Security, guideline that prioritizes the topic in the products and services offered
- Expansion of the monitoring model in Information Security, with an approach focused on transaction prevention, which directly contributes to the business from end-to-end
- Enhancement of information and cyber security policies for greater internal visibility of alerts and deviations on data handling, as well as activation of policies for preventive blocking

- Implementation of secure solutions for data sharing and transfer, including external partners
- New partnership for cybersecurity threat intelligence services, increasing the internal capacity to detect alerts and protect clients when using the company's services
- Constant expansion of the private BugBounty program and the performance of security tests (Pentests) for early identification of flaws and vulnerabilities in products, which allows to reduce risks and prevent the business from being impacted by malicious acts

PagBank's management of Information Security risks relies on a continuous process to identify, analyze, evaluate, treat, review, and communicate all risks mapped in order to protect assets and, together with the Operational Risk department, offer a risk model and procedure that is common and integrated to the company.

The Information and Cyber Security risk management system is composed of processes from various sources, including from recurring activities, project feasibility studies, vulnerability scans, monitoring activities, asset and application

testing (internal and external), assessments, threat modeling in new products, or specific demands that have been previously assessed or submitted to a committee.

A risk assessment is also performed on all service providers that store, transmit, process, manage, or access data classified as confidential (PII and PCI), involving financial privacy, or providers that host company apps. The assessment determines the impacts on information and cyber security, as well as business continuity, and defines the required controls before each service provider begins to work. The result of this analysis is taken into account prior to signing the contract between the parties.

Through its Business Continuity Plan, PagSeguro Digital sets out goals, targets, controls, relevant processes and procedures to improve business continuity and obtain results aligned with the company's policies and strategic objectives. Currently, there are 110 OCPs (Operational Continuity Plan), which are registered and tested annually. The company also conducts tests for data leakage, backup, data injection in corporate environments, communication links, capital and liquidity, and computing resources.

The Information Security Incident Management Procedure sets out, details, and demonstrates the technical guidelines to comply with the discipline and regulatory issues and support abnormal events and relevant continuity actions. The procedures are based on the Incident Response Methodologies (IRM, offered and made available globally by the Computer Emergency Readiness Team (CERT).

The procedure is a technical basis for handling and managing Information Security incidents and meets the requirements set forth by the Brazilian Central Bank (BCB) the Sarbanes-Oxley (SOx) Act, Payment Card Industry Data Security Standard (PCI DSS), ISO/IEC 27000 standards, and the Brazilian General Data Protection Law (LGPD).

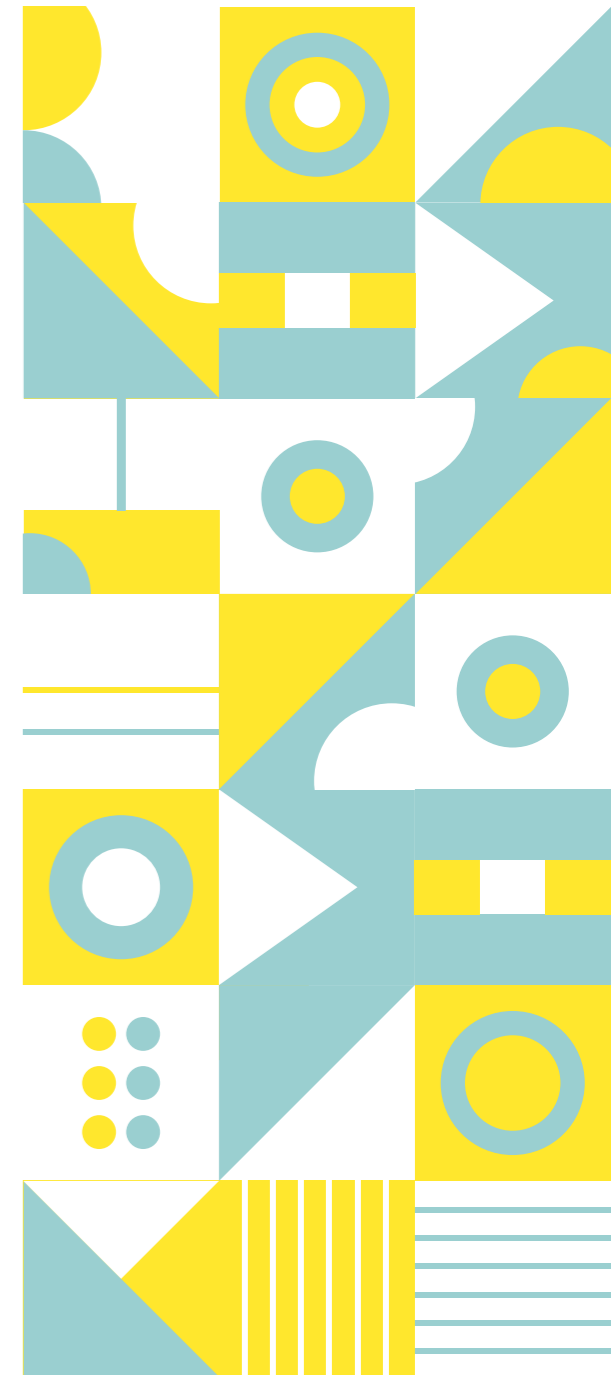
Every year, the company hires businesses specializing in penetration tests regarding security to supplement the tests performed internally. It also runs a bug bounty program, available for Information Security researchers to report possible vulnerabilities in the operational environment.

Data of individuals and legal entities are collected during the customer registration process, as well as the data of the partner informed at the time of onboarding. All data are validated and identified in the PEP and Sanctions lists, with the aim of preventing corruption and crimes such as money laundering. It is worth pointing out that, if the partner is a legal entity, consultations are made until the final beneficiary is established and, in the case of individuals, the view of the corporate structure is updated.

The company also conducts new validations through consultations with bureaus to confirm and update customer registration data, even if the information has been recently updated. Through annual audits, the Internal Controls department evaluates the process to ensure that the flow of updates is correct and properly executed.

Advertising and user privacy policies and practices can be found in PagSeguro Digital's Privacy Policy at [www.grupouol.com.br/politica-privacidade](http://www.grupouol.com.br/politica-privacidade). In 2022, there was no monetary loss resulting from legal actions associated with user privacy.

[2-27; 418-1]





# System Availability

[SASB TC-SI-550a.1; TC-SI-550a.2]

Using monthly indicators generated by advanced technology tools, the Vulnerability Management team produces reports that are submitted to the responsible areas and professionals who act within the previously defined deadlines.

To ensure immediate security, the company uses compensatory control solutions with various instant protections. An example of this is the implementation of solutions to monitor the handling of sensitive and/or classified data in the computer technology park.

The company also has dedicated security teams in each business unit responsible for threat modeling and penetration testing to validate the security of the applications. When failures are detected, they are registered in a centralized platform and notified to those responsible for immediate correction.

In recent years, from 2018 to 2022, unavailability rates in minutes were produced, as well as the percentage of time the system was operational and available and the number of events affecting availability each year.

**In 2022 there was a total of 23 events. On average, the system remained operational for 99.4% of the time, and no event required any repairs that destabilized the system for more than 63 hours.**

All vulnerabilities identified are reported and registered for proper follow-up by the risk department. This work is done by the Security team, which has a proactive characteristic, with frequent tests on the applications being developed.

Year	System	% Time Available	Events (Qty)	Unavailability (minutes)	Average Unavailability (minutes)	Maximum Unavailability (minutes)
2022	In-Store Payments	100.00%	0	0	0	0
	Cards	99.32%	4	3,548	887	1,706
	PagBank	98.90%	19	5,806	306	2,023
2021	In-Store Payments	100.00%	0	0	0	0
	Cards	99.99%	2	56	28	30
	PagBank	99.20%	42	6,374	151	1,045
2020	In-Store Payments	99.97%	3	138	46	100
	Cards	99.94%	3	312	104	260
	PagBank	99.69%	19	1,486	78	404





# 7. Human Capital





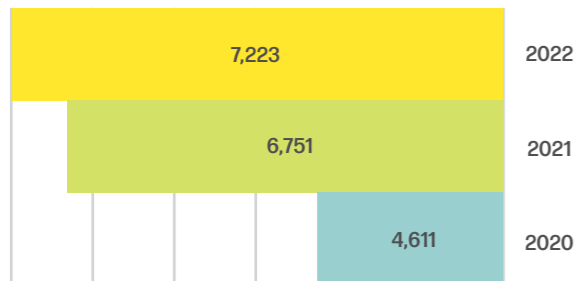
# Talent Management

[GRI 3-3; 401-1]

Through a healthy work environment that values the differences and needs of each professional, PagSeguro Digital believes that people are instrumental for the success of the business. Without them, nothing would make sense. With this in mind, the company carries out various actions to promote personal development, appreciation of diversity and inclusion, encouraging health, safety, and meritocracy, in addition to combating sexual or moral harassment, discrimination or prejudice of any nature, whether of race, color, religion, or gender.

On December 2022, **PagSeguro Digital had 7,223 employees**. In recent years, the number of employees in the company has grown exponentially.

**Total number of Employees**



In the last year, the number of employees increased, albeit not as significantly as in previous years. In the market today there is an intense competition for professionals in the technology department, one of the most important areas for PagSeguro Digital. Known for being a breeding ground for new talent, the company has worked consistently to train and prepare professionals, fostering career development and offering attractive and competitive benefits to all.

For the coming years, the HR Department intends to continue investing in talent and working on engagement and retention, always attentive to best practices and plans aiming to make the company the best place to work, with employees who are integrated and involved in all achievements and opportunities. One of the 2022 actions was the launch of the **New Careers Page**, that focuses on talent attraction and retention.

Through communication campaigns highlighting the pillars of the company's mission and values,

the HR Department works continuously to strengthen PagSeguro Digital's organizational culture. In 2022, the company implemented a management and development program for employees, encouraging greater proximity between leaders and employees and a culture of feedback.

Encouraging innovation and creativity among its employees on a daily basis, the company frequently organizes team meetings with CEO and directors, which ensure synergy among all and the sharing of results, in order to increasingly disseminate the company's fundamental values and pillars. The focus is on promoting important aspects such as collaboration, innovation, and agility, always aiming to provide the best solutions for clients. It is not by chance that PagSeguro Digital's offices are shared environments, which facilitate greater integration among all employees and, consequently, greater productivity.

**Bate-Papo PAGES (PAGES Chat), quarterly meetings with the participation of directors and their teams, was introduced in 2022 to update on ongoing projects and product launches, as well as to share results and celebrate achievements.**

**Coffee with the CEO** was another important initiative during the year, with approximately 150 participants. Topics involving guidelines, alignment, processes and day-to-day experiences were discussed during the meetings. The idea is to provide synergy between teams and make room for new perspectives.

Everyone in the company is welcome: this has been part of the company's DNA since the beginning, with young and diverse teams. In 2022, the company hired a specialized consulting firm to develop an in-depth project around **diversity and inclusion**, providing training for managers and information materials.



[GRI 2-7; SASB TC-SI-330a.1]

**Employees by gender**

Employees* by gender	2020		2021		2022	
	Total	%	Total	%	Total	%
Men	2,932	63.6%	4,170	61.8%	4,287	59.4%
Women	1,679	36.4%	2,581	38.2%	2,936	40.6%
<b>Total</b>	<b>4,611</b>	<b>100.0%</b>	<b>6,751</b>	<b>100.0%</b>	<b>7,223</b>	<b>100.0%</b>

\*Does not include interns

**Employees by region**

Employees* by region	2020		2021		2022	
	Total	%	Total	%	Total	%
Midwest	164	3.6%	265	3.9%	257	3.6%
Northeast	292	6.3%	454	6.7%	451	6.2%
North	47	1.0%	93	1.4%	100	1.4%
Southeast	3,701	80.3%	5,260	77.9%	5,754	79.7%
South	394	8.5%	667	9.9%	651	9.0%
Abroad	13	0.3%	12	0.2%	10	0.1%
<b>Total</b>	<b>4,611</b>	<b>100.0%</b>	<b>6,751</b>	<b>100.0%</b>	<b>7,223</b>	<b>100.0%</b>

\*Does not include interns

**Employees by race**

Employees* by race	2020		2021		2022	
	Total	%	Total	%	Total	%
Asian	65	1.4%	133	2.0%	158	2.2%
Caucasian	3,071	66.6%	4,283	63.4%	4,503	62.3%
Indigenous	1	0.0%	9	0.1%	11	0.2%
Not informed	203	4.4%	166	2.5%	95	1.3%
Black	271	5.9%	484	7.2%	547	7.6%
Brown	1,000	21.7%	1,676	24.8%	1,909	26.4%
<b>Total</b>	<b>4,611</b>	<b>100.0%</b>	<b>6,751</b>	<b>100.0%</b>	<b>7,223</b>	<b>100.0%</b>

\*Does not include interns

**Employees by employee category**

Employee* category	2020		2021		2022	
	Total	%	Total	%	Total	%
Director	38	0.8%	39	0.6%	42	0.6%
Manager	274	5.9%	403	6.0%	461	6.4%
Coordinator/Specialist	466	10.1%	645	9.6%	726	10.1%
Supervisor	194	4.2%	308	4.6%	313	4.3%
Team	3,621	78.5%	5,349	79.2%	5,657	78.3%
Apprentice	18	0.4%	7	0.1%	24	0.3%
<b>Total</b>	<b>4,611</b>	<b>100.0%</b>	<b>6,751</b>	<b>100.0%</b>	<b>7,223</b>	<b>100.0%</b>

\*Does not include interns

## Temporary employees

Temporary employees	2020	2021	2022
	Total number	Total number	Total number
Interns	36	72	122
Apprentices	18	7	24
<b>Total</b>	<b>54</b>	<b>79</b>	<b>146</b>

[GRI 401-1]

## New hires

New hires by gender	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
Men	1,915	64.8%	2,808	61.4%	1,753	55.6%
Women	1,041	35.2%	1,767	38.6%	1,402	44.4%
<b>Total</b>	<b>2,956</b>	<b>100.0%</b>	<b>4,575</b>	<b>100.0%</b>	<b>3,155</b>	<b>100.0%</b>

New hires by region	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
North	95	3.2%	179	3.9%	88	2.8%
Northeast	402	13.6%	569	12.4%	336	10.6%
Midwest	147	5.0%	253	5.5%	113	3.6%
Southeast	2,000	67.7%	2,981	65.2%	2,266	71.8%
South	302	10.2%	583	12.7%	342	10.8%
Abroad	10	0.3%	10	0.2%	10	0.3%
<b>Total</b>	<b>2,956</b>	<b>100.0%</b>	<b>4,575</b>	<b>100.0%</b>	<b>4,575</b>	<b>100.0%</b>

New hires by age group	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
Under 30 years old	916	31.0%	1,479	32.3%	1,207	38.3%
From 30 to 50 years old	2,006	67.9%	2,986	65.3%	1,900	60.2%
Over 50 years old	34	1.2%	110	2.4%	48	1.5%
<b>Total</b>	<b>2,956</b>	<b>100.0%</b>	<b>4,575</b>	<b>100.0%</b>	<b>3,155</b>	<b>100.0%</b>

New hires by employee category	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
Director	7	0.2%	4	0.1%	4	0.1%
Manager	40	1.4%	81	1.8%	59	1.9%
Coordinator/Specialist	143	4.8%	218	4.8%	148	4.7%
Supervisor	140	4.7%	135	3.0%	57	1.8%
Team	2,616	88.5%	4,131	90.3%	2,860	90.6%
Apprentice	10	0.3%	6	0.1%	27	0.9%
<b>Grand Total</b>	<b>2,956</b>	<b>100.0%</b>	<b>4,575</b>	<b>100.0%</b>	<b>3,155</b>	<b>100.0%</b>

[GRI 401-1]

## Turnover and terminations

Overall employee turnover	2020	2021	2022
Turnover rate*	24.2%	38.0%	36.9%

\*Does not include interns

Terminations by gender	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
Men	710	63.6%	1,639	63.9%	1,627	61.0%
Women	407	36.4%	924	36.1%	1,040	39.0%
<b>Total</b>	<b>1,117</b>	<b>100.0%</b>	<b>2,563</b>	<b>100.0%</b>	<b>2,667</b>	<b>100.0%</b>

Terminations by region	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
North	41	3.7%	106	4.1%	53	2.0%
Northeast	130	11.6%	303	11.8%	172	6.4%
Midwest	76	6.8%	137	5.3%	99	3.7%
Southeast	735	65.8%	1,695	66.1%	1,976	74.1%
South	129	11.5%	313	12.2%	367	13.8%
Abroad	6	0.5%	9	0.4%	0	0.0%
<b>Total</b>	<b>1,117</b>	<b>100.0%</b>	<b>2,563</b>	<b>100.0%</b>	<b>2,667</b>	<b>100.0%</b>

Terminations by age group	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
Under 30 years old	321	28.7%	732	28.6%	754	28.3%
From 30 to 50 years old	778	69.7%	1,767	68.9%	1,844	69.1%
Over 50 years old	18	1.6%	64	2.5%	69	2.6%
<b>Total</b>	<b>1,117</b>	<b>100.0%</b>	<b>2,563</b>	<b>100.0%</b>	<b>2,667</b>	<b>100.0%</b>

Terminations by employee category	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
Director	5	0.4%	8	0.3%	9	0.3%
Manager	28	2.5%	91	3.65%	114	4.3%
Coordinator/Specialist	70	6.3%	127	5.0%	161	6.0%
Supervisor	72	6.4%	129	5.0%	105	3.9%
Team	936	83.8%	2,190	85.4%	2,268	85.0%
Apprentice	6	0.5%	18	0.7%	10	0.4%
<b>Grand Total</b>	<b>1,117</b>	<b>100.0%</b>	<b>2,563</b>	<b>100.0%</b>	<b>2,667</b>	<b>100.0%</b>



As for variable pay, the company has actions in place to further encourage the potential of all employees, based on meritocracy, skills, and results, always seeking to tie their performance to compensation through specific indicators and metrics, rewarding the employees and standouts in each department and contributing to the continuity of the business.

PagSeguro Digital currently offers fixed and variable pay, including performance-based compensation, shares, bonuses, and exercisable or deferred shares, such as a Profit-Sharing Plan (PSP)/Short- and Long-Term Bonus, based on company results. It also offers attraction bonuses or recruitment incentive payments (hiring bonuses). Short- and Long-Term PSP targets are tied to economic, environmental, and social topics. [GRI 2-19]

**From January to December 2022, 2,099 employees were promoted or received salary increases.**

The competitiveness of PagSeguro Digital's compensation package is benchmarked against the market through surveys conducted by independent consultants specializing in the topic, specific knowledge and skills of the employee, relevance and impact on the business, salary positioning, and financial results. The levels are clear for all employees within the company structure and meritocracy is the parameter used to give recognition and manage the compensation package. [GRI 2-20, 404-2]

To ensure that promotions and recognition are fair and transparent, the company's managers are responsible for recognizing their teams, and each department has the autonomy and flexibility

to plan and implement such recognition to retain talent. A new evaluation model was implemented in 2022, with feedback recorded on the Development Management platform. [GRI 2-20, 404-2]

PagSeguro Digital also has programs in place to encourage the development of talent. One example is the +Talentos Program, through which employees who make referrals may be rewarded with R\$2,000 if the referral is effectively hired for

specific positions. In 2022, a total of 90 employees were hired through the program, totaling an investment of R\$180,000.

The company has an Internal Recruitment Policy to foster internal opportunities and expands career development possibilities for all employees. It also has partnerships with universities to attract talent, especially those that offer courses in information technology.

#### Other important internal programs:

##### Internship Program - PagTalents

This is an internship program that provides an experience and learning environment for university students, preparing them for the needs of the business and promoting a sense of belonging and career opportunities. **A total of 76 internship opportunities were offered in 2022, with the hiring of 63% of socioeconomically vulnerable students.**

#### Young Apprentice Program

PagSeguro Digital's Young Apprentice program provides the opportunity for theoretical and practical learning for young people in their first professional experience, focusing on career development.

A successful highlight in the department is the partnership with SoulCode Academy, a digital inclusion school focused on technological training for socioeco-nomically vulnerable youth who love technology. **In 2022, the company hired 9 employees** who participated in SoulCode's training and are now part of the company's Engineering department.

The company promotes campaigns to inform its employees about health, information security, ethics and conduct, diversity and inclusion, ergonomics, and well-being. Employees also participate in the campaigns, promoting actions that lead to the sharing of videos, photos and testimonials.



PagSeguro Digital also promotes actions to engage employees with the company’s culture, including special dates or to promote innovation and technology, such as:

- **Arraiá do PagBank:** all employees received a kit to organize an *arraia* (typical Brazilian cultural celebration) with their teams to promote more moments of relaxation.
- **Children’s Month:** in October, approximately **2,400 books** donated and personalized were distributed to employees’ children, and there was a raffle for participation in a theater event, which included a children’s theater show and the delivery of goodie kits.
- **Hackathon:** two hackathons were promoted during the year aiming to accelerate new ideas and combine the potential of intelligence with data, bringing together professionals with multidisciplinary knowledge to develop solutions to a business problem. In groups, participants submitted their ideas to a panel of judges made up of directors, and the three winning ideas were awarded. **Of the more than 450 people registered in the events, 120 were selected, totaling 25 projects and more than 100 hours of activities.**

During the year, PagSeguro Digital also participated in the following events:

- 20th FEA USP fair, with approximately 9,000 students
- G10 FAVELAS Employability Fair, with 800 participants from the Paraisópolis low-income community
- Innovation and Technology Fair Jau Summit, with 300 participants from the field of Technology
- TDC technology event, with more than 100 visitors at the company’s booth and viewers on the “Breathing Technology at PagSeguro Digital” program.

- **Year-end party:** annual event to celebrate the end of the year and renew the energy for the new year. The party has shows by artists, open bar and food, activations, and a DJ.

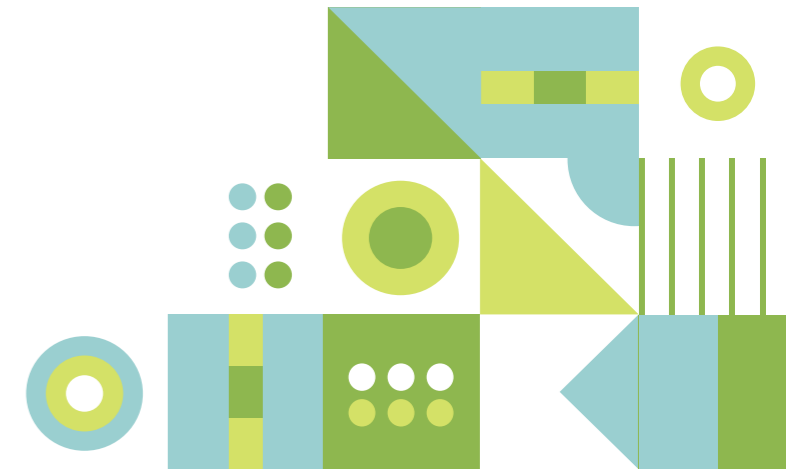
The company also works continuously to retain its best talent, so it invests in courses, training, and joint activities for employees to expand their knowledge and interact with other teams. The main form of education in this respect is the corporate university, UniUOL.

The main purpose of UniUOL is to strengthen intellectual capital, provide new knowledge, and value the employee’s learning moments. It is a corporate education platform that provides an active and continuous learning environment, managing all of the company’s strategic educational actions.

The university was conceived to empower students in their learning process. In order to organically organize the contents, UniUOL is composed of three academies that represent major themes or areas of interest: People Academy, Leadership Academy, and Business Academy.

In 2022, nearly **2,130 professionals participated in face-to-face and distance education courses, with more than 121,000 hours of training**, more than 3,200 unique participations in internal face-to-face training, more than 3,100 internal groups, and roughly 750 external training programs, totaling an investment of more than R\$5.0 million in international training courses and seminars.

		Internship Program	Apprentice Program
Number of employees who joined through the programs	2021	95	7
	2022	124	27



# Diversity and Inclusion

PagSeguro Digital internally encourages diversity and respect for differences, ensuring a healthy, safe, inclusive, and meritocratic work environment that encourages production and professional development. Therefore, sexual harassment, bullying, discrimination, or prejudice of any nature, whether of race, color, religion, gender, are not allowed.

[GRI 3-3; 405-1]

The activities of the PagBank's Diversity and Inclusion Program began by the application of in-depth interviews (by sampling) to map the cultural and qualitative scenario related to the topic, and a Diversity Census, in which everyone in the company was invited to participate. The census will be completed in 2023 and all the answers will be handled in a confidential and anonymous manner, in line with the guidelines of the Brazilian Data Protection Law (LGPD), through a consulting firm specializing in this department. PagSeguro Digital will not have access to individual answers, as all information will be grouped before being analyzed and will help build plans to make the company increasingly inclusive and diverse.

With dedicated teams that help shape a relaxed and open environment that values diversity, 84% of the company's employees are under the age of 39, and 40% are in the 20-29 age group.

[GRI 3-3; 405-1]

Of this total, nearly 41% are women, notably on the Board of Directors\*, where, in a group of six board members, three are women, which earned recognition from the Women on Board (WOB). Nearly 34% of the employees today are Black (the sum of Black and Brown people).

**The purpose of implementing the Diversity and Inclusion Program is to make a diagnosis and map the company's current workforce, as well as to promote leadership and HR training, with direct communication, campaigns, and lectures on this topic for all company employees.**

\*The composition of the board of directors reported refers to the arrangement as of January 2, 2023, whereas in 2022 the composition was: Luis Frias, Eduardo Alcaro, Maria Judith de Brito, Ricardo Dutra da Silva, Noemia Gushiken, Cleveland Prates Teixeira and Marcia Nogueira de Mello.

Some affirmative actions were carried out in 2022 aiming to increasingly strengthen the company's actions in the Diversity and Inclusion department: [GRI 405-1]:

i. Gender	2020	2021	2022
Men	57.0%	57.0%	50.0%
Women	43.0%	43.0%	50.0%

ii. Age group	2020	2021	2022
Under 30 years old	0%	0%	0%
From 30 to 50 years old	71.4%	71.4%	33.0%
Over 50 years old	28.6%	28.6%	67.0%

iii. Race	2020	2021	2022
Asian	14.0%	14.0%	0%
Caucasian	86.0%	86.0%	100.0%
Indigenous	0%	0%	0%
Not informed	0%	0%	0%
Black	0%	0%	0%
Brown	0%	0%	0%

Some affirmative actions were carried out in 2022 aiming to increasingly strengthen the company's actions around Diversity and Inclusion:

[GRI 413-1]

- **+Talentos Program:** with this initiative, People with Disabilities (PWDs) can be referred to all open positions in the company. If the person is hired, the employee who made the referral receives a reward.
- **Technological training for SoulCode youth:** through a partnership with SoulCode Academy, 9 young people were hired for PagSeguro Digital's Engineering department, including 5 women.
- **Vai Na Web:** PagSeguro Digital partnered with the Vai na Web institution, a non-profit technology school that trains talent from social classes C, D, and E in advanced digital programming and socioemotional skills, giving them the skills and training they need to meet the challenges of the digital economy. As a first initiative in this partnership, PagSeguro Digital received an extended squad with two professionals trained at Vai na Web to work with the company's Tech team. One hundred percent of the profit made when companies hire squads is invested by Vai na Web in providing free training to more youth and adults, strengthening the social and digital transformation cycle.
- **Launch of G10 Tech:** aiming to create opportunities that contribute to reducing social inequalities, the company launched G10 Tech, a technology hub in Favela Paraisópolis (low-income community), in the city of São Paulo, which is training 40 socially vulnerable young people. Through this partnership, PagSeguro Digital's IT specialists and Vai na Web designed the training program according to the company's requirements. The company's IT employees are responsible for monitoring the training and teaching the classes. After completing the training, PagSeguro Digital may invite the participants to apply for internal positions.
- **PagTalents internship program:** to contribute to equal opportunities, the 2022 internship program allocated at least 50% of the 76 job openings to socioeconomically vulnerable students.
- **#ElasTech:** launched in the second half of 2022, the program to train women in technology was developed in partnership with Gama Academy. The initiative trained 50 women as junior developers. One hundred and twenty hours of content were provided in a 6-week on-line learning path, completely free of charge, in Java programming language. At the end of the course, PagSeguro Digital hired nine women to work in the software development department.





# Employee Diversity

[GRI 405-1; SASB TC-SI-330a.3]

Employee category by race	2020		2021		2022	
	M	W	M	W	M	W
Asian	1.4%	1.4%	1.9%	2.1%	2.2%	2.1%
Caucasian	66.0%	67.6%	63.0%	64.5%	61.7%	63.1%
Indigenous	0.0%	0.0%	0.1%	0.1%	0.1%	0.2%
Not informed	4.1%	5.1%	2.2%	2.8%	1.3%	1.4%
Black	6.0%	5.7%	7.0%	7.4%	7.4%	7.9%
Brown	22.4%	20.3%	25.7%	23.0%	27.2%	25.3%

Employee category by age group	2020			2021			2022		
	< 30	30 - 50	> 50	< 30	30 - 50	> 50	< 30	30 - 50	> 50
Director	0.0%	1.2%	2.1%	0.0%	0.8%	1.0%	0.0%	0.8%	1.4%
Manager	0.9%	8.0%	13.4%	0.7%	7.9%	7.7%	0.7%	8.5%	7.8%
Coordinator/Specialist	4.1%	12.7%	14.4%	3.5%	11.7%	10.1%	3.6%	12.5%	9.1%
Supervisor	1.8%	5.3%	5.2%	1.7%	5.4%	8.2%	1.6%	5.2%	8.7%
Team	89.5%	72.7%	64.9%	90.2%	74.0%	72.9%	87.7%	72.7%	73.1%
Apprentice	2.4%	0.0%	0.0%	3.4%	0.2%	0.0%	5.2%	0.2%	0.0%
Intern	1.2%	0.0%	0.0%	0.4%	0.0%	0.0%	1.1%	0.0%	0.0%

Employee category by gender	2020		2021		2022	
	M	W	M	W	M	W
Director	1.1%	0.3%	0.7%	0.3%	0.7%	0.3%
Manager	6.3%	5.2%	7.0%	4.1%	7.7%	4.2%
Coordinator/Specialist	11.1%	8.2%	10.7%	7.4%	10.9%	8.3%
Supervisor	4.8%	3.0%	5.4%	3.0%	5.3%	2.8%
Team	75.8%	81.6%	74.9%	84.1%	73.7%	81.9%
Apprentice	0.3%	0.5%	0.0%	0.2%	0.3%	0.4%
Intern	0.6%	1.1%	1.2%	0.9%	1.4%	2.0%



Employee category by race <sup>1</sup>	2020						2021*						2022					
	Asian	Caucasian	Indigenous	Black	Brown	Not informed	Asian	Caucasian	Indigenous	Black	Brown	Not informed	Asian	Caucasian	Indigenous	Black	Brown	Not informed
Director	0.0%	1.0%	0.0%	0.0%	0.4%	1.4%	0.7%	0.8%	0.0%	0.0%	0.2%	0.6%	0.6%	0.9%	0.0%	0.0%	0.1%	0.0%
Manager	6.2%	7.5%	0.0%	1.8%	2.1%	6.2%	4.4%	7.5%	0.0%	1.8%	3.0%	6.0%	9.4%	7.8%	0.0%	2.1%	3.6%	7.9%
Coordinator <sup>2</sup>	13.8%	11.4%	0.0%	8.1%	7.2%	5.3%	12.5%	11.2%	0.0%	6.6%	5.9%	6.0%	11.3%	11.9%	0.0%	6.6%	6.0%	7.9%
Supervisor	3.1%	4.1%	0.0%	4.0%	4.9%	1.9%	2.2%	4.5%	11.1%	4.7%	5.0%	0.6%	3.8%	4.0%	18.2%	4.5%	4.9%	0.0%
Team	76.9%	75.1%	100.0%	85.0%	84.6%	78.5%	77.9%	74.6%	88.9%	85.8%	85.3%	86.2%	73.8%	73.6%	81.8%	83.4%	83.5%	78.2%
Apprentice	0.0%	0.1%	0.0%	0.4%	0.5%	3.8%	0.0%	0.1%	0.0%	0.4%	0.1%	0.0%	0.0%	0.2%	0.0%	1.1%	0.4%	0.0%
Intern	0.0%	0.8%	0.0%	0.7%	0.4%	2.9%	2.2%	1.3%	0.0%	0.6%	0.5%	0.6%	1.3%	1.5%	0.0%	2.3%	1.6%	5.9%

<sup>1</sup> Data reported in the 2021 Sustainability Report did not include interns. [GRI 2-4]

<sup>2</sup> Coordinator and Specialist



The main benefits currently offered to employees are: [GRI 3-3; 401-2; 403-6]

**Meal/food vouchers:** accepted in more than 200,000 establishments (with a consideration by the employee equivalent to 1 day's voucher per month). Employees can choose to receive their credits in both cards (splitting the amount) or choose one of the vouchers to receive the total credit (meal or food voucher).

**Health and Dental:** health insurance with national coverage and no monthly fee for employees and their dependents. Dental assistance is also offered and covers all procedures, including orthodontics and prosthetics, for employees and their dependents, fully covered by PagSeguro Digital.

**Life insurance:** all employees have life insurance fully covered by the company, including natural death of spouses/partners and children.

**Extended maternity leave:** the 180-day maternity leave aims to provide even more time to strengthen the bond between mothers and children. The company also encourages employees to take a vacation following their leave.

**Extended paternity leave:** the company offers paternity leave for 20 consecutive working days.

**Private pension plan:** employees can plan their retirement with an incentive of up to 100% matching contribution by the company (on average).

**Emergency loan:** to support employees in cases of need, the company offers a line of credit in addition to payroll loan.

**Transportation allowance:** provided pursuant to legislation, with a deduction of up to 6% of the salary or the total amount of the transportation allowance (whichever is lower).

[GRI 401-3]

**Parental leave**

Parental leave	2021		2022	
	Men	Women	Men	Women
Total number of employees who took parental leave in the reporting period	49	53	117	79
Total number of employees who took parental leave in the reporting period, and whose leave also ended in the reporting period	44	23	108	52
Total number of employees who took parental leave in the previous year, and whose leave ended in the reporting year	0	8	5	30
<b>Total number of employees expected to return in the reporting period</b>	<b>44</b>	<b>31</b>	<b>113</b>	<b>82</b>
Total number of employees who did return to work after parental leave	44	23	113	75
<b>Return to work rate</b>	<b>100%</b>	<b>74%</b>	<b>100%</b>	<b>91%</b>
	<b>89%</b>		<b>96%</b>	
Total number of employees who returned to work in the previous year and were still employed 12 months after their return to work, ending in the reporting period	24	15	40	17
Total number of employees who returned in the previous year	35	24	44	23
<b>Retention rate</b>	<b>69%</b>	<b>63%</b>	<b>91%</b>	<b>74%</b>
	<b>66%</b>		<b>85%</b>	

**In 2022, the percentage of employees who returned to work after parental leave ended was 96%.**

**Daycare or babysitter allowance:** for employees (women and men) with children under the age of 6.

**Maternity kit:** all employees (fathers or mothers) are given a maternity basket as a gift at birth and adoption of their children up to 6 months of age, including a personalized book to record their child's special moments.

**Easter:** all employees and interns receive an Easter egg and/or gift card that can be used in stores selling the product.

**Christmas:** the company offers all employees and interns a basket of frozen food and/or a Christmas gift card loaded with funds that can be used in grocery stores and shops.

**Medical emergency:** the company guides its employees on how to respond to emergencies in the workplace, explaining the procedures to be followed to provide emergency care to employees and service providers.

In addition to these benefits, PagSeguro Digital offers to all employees the following conveniences and initiatives in the department of health and well-being:

[GRI 403-6]

**Flexible schedule and working hours:** with flexible working hours, each employee can negotiate the best work schedule with their manager. This flexibility allows employees to make arrangements for other personal commitments or leisure activities and still work efficiently. This model is also beneficial for mothers and fathers with children, allowing them to attend school meetings and take their children to the doctor, for example.

**Home office:** in addition to flexible hours, many office employees can work from home. Certain IT employees, depending on where they live, can opt for remote work every day of the week.

**Dress code:** at PagSeguro Digital, employees can wear whatever they feel comfortable with. It is a casual work environment that respects the style of each employee.

**Work environment:** PagSeguro Digital offers a casual, collaborative, and free work environment. The spaces and offices foster interaction and socialization for co-creation, alignment, and chatting.

**Gym:** to improve the quality of life, the company has partnerships with fitness centers and subsidizes the cost of the employee's membership. The company's main offices also have a dedicated Mobility Space, prepared exclusively to accommodate bicycles or scooters, equipped with power outlets. There is also a locker room for showering before work.

**Physical activity in the workplace:** employees at the main offices of PagSeguro Digital have in-person exercise classes every business day and can also take online classes.

**Massage:** employees have free quick massages up to twice a week. The session takes place in a special room where employees can disconnect for a few minutes from their daily routine.

**Stay Well – Personal Support for Employees:** the company offers employees and their families an online psychological, financial, and legal counseling service, which is totally free and confidential. The service is available 24 hours a day, every day of the week.

**Flu shots:** every year PagSeguro Digital offers free flu shots to its employees. Dependents receive discounts on the price of the vaccine.

**Yellow September, Pink October, and Blue November:** every year, the company promotes campaigns to address issues such as mental health, breast cancer, and prostate cancer. The campaigns include informational materials, lectures by specialists, chats, and interaction with employees.

**Discount on products:** this benefit is offered by UOL Group's companies and partner companies.

**PagCafé:** in this relaxed environment, the employee can have a moment of relaxation, chat, or even a brief meeting.

**Breastfeeding room:** the breastfeeding room provides a comfortable environment for mothers. It is equipped with hygiene items and refrigerators for storing breast milk.

**Snacks and sandwiches:** employees can buy snacks and sandwiches inside the office during office hours without having to leave their desks.

**Pharmacy Card:** card with a pre-loaded amount to be used in several partner pharmacies, deducted from payroll.



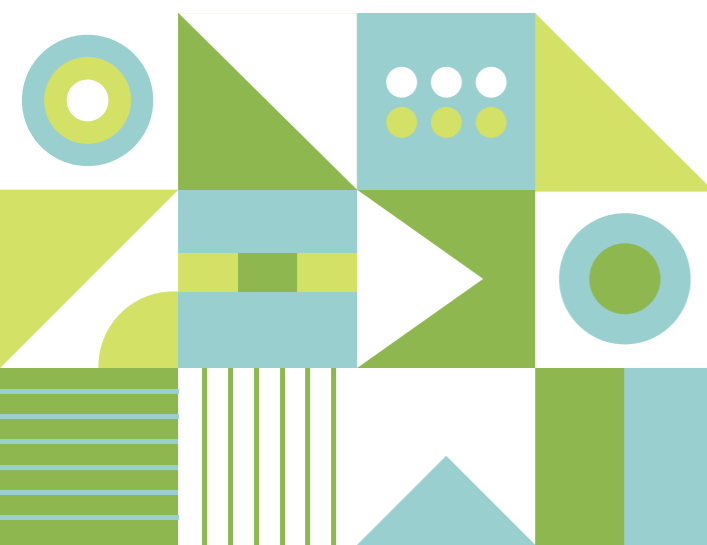


# Training

[GRI 3-3; 404-1; 404-2; 404-3]

With a firm belief in the value of teamwork and the continuity of the results obtained, the company constantly offers courses and training so that employees can expand their knowledge and interact with other areas of the company. Based on meritocracy and skills, people management measures collective results, involving teams and projects.

One of the mandatory training courses offered to employees are the programs on PagSeguro Digital's mission and values to ensure that everyone is in sync and aligned with the organizational culture.



[GRI 404-1]

## Average hours of training in 2022:

I. Gender	2020	2021	2022
Men	06:38:43	21:45:54	28:07:12
Women	06:14:49	22:38:04	26:19:55

II. Employee category			
1. Director	02:28:53	9:05:00	07:44:44
2. Manager	09:08:24	03:19:44	27:43:16
3. Coord/Spec	06:36:35	15:26:33	24:31:21
4. Supervisor	06:15:21	03:24:24	35:27:20
5. Team *	14:28:47	18:00:51	27:50:51
6. Apprentice	02:48:00	26:46:34	11:31:26

\*Includes interns

The company has a policy in place for participation in training, external events (in Brazil or abroad), and interviews to regulate the subsidization of training and external courses to its employees, as well as rules for supervising mandatory training.

The participation of employees in training and external events must always be authorized by the company through the Application Form for Participation in External Events. The authorization is justified by the employee's manager, Director of the department, and the CEO of PagSeguro Digital.

The mandatory training program, available online at UniUOL, features important topics and/or topics required by regulatory agencies regarding the company's business. The deadline for completing the mandatory training program is 15 days after receiving the internal communication.

Revised every year, UniUOL's current program of mandatory courses covers topics related to information security, phishing, operational risk, internal controls and compliance, financial privacy, General Data Protection Law, anti-corruption law, Prevention of Money Laundering and Terrorist Financing, PCI-DSS, and Business Continuity Plan. The HR Department keeps track of these activities and ensures that all employees meet the training requirements. Employees who fail to complete the mandatory courses will be notified by their immediate manager and have their access to the corporate network denied.

The UniUOL platform contains reports on courses and development tracks to monitor the progress of employee courses. In 2022, the main highlights were:

- More than 79,000 courses completed
- More than 665 contents published;
- 2,113 contents available at UniUOL;
- 87 programs developed;
- Total hours of online training: more than 53,000.

### 2022 Highlights:

The main highlights in the department of training during the year were:

- **At least 98% employee adherence to completing mandatory course programs;**
- **99.3% of employees completed at least 1 course in the year;**
- **Average number of courses per employee: 14 ;**
- **Average adherence rate (in face-to-face, distance education, and online courses): 86% ;**
- **Total course hours (face-to-face/ remote and online): 174,369:06.**

UniUOL's premise is that the student is the protagonist of the learning process. The platform is made up of three academies that represent major themes or areas of interest in order to organize the content organically:

- **People Academy:** its content focuses on the development of soft skills. In 2022, more than **2,000 courses** were completed.
- **Business Academy:** with business-specific content, more than 69,000 contents were completed, totaling 50,000 hours of learning.
- **Leadership Academy:** its content and programs are aimed at leadership development.

**In 2022, the second cycle of the *Jeito PAGES de Liderar* (PAGES Way of Leading) Program was also carried out, involving leaders from all areas of the company.**

The program covered topics such as the Role of Leadership, Feedback and Engagement, High-Performance Teams, Inclusive Leadership (Diversity and Inclusion), and Demand Management. **Overall satisfaction** with the program was **96%**, and 715 leaders participated in 283 classes and 13 meetings.

[SASB TC-SI-330a.2]

**Performance Review** [GRI 404-3]

Another highlight of the year was the implementation of the Performance Evaluation program, called GD (acronym in Portuguese for Development Management). In all, 5% of the company's employees participated in at least one of the processes:

- **Checkpoint** allows leader and employees to arrange, identify what is working and what is not, and to be aligned on the best way forward. This will allow employees to better understand which points they have already mastered and which still need improvement. Approximately 16% of the employees completed the process, which involves self-assessment and leadership assessment.

- In the **1:1 process**, leader and employee have open conversations, addressing the points of opportunity for personal and professional development. In this stage, the employee is guided on the next steps to be taken to advance in their career. In all, **5,644 1:1 meetings** were recorded, involving **1,963 employees**.
- With these **insights**, employees can give and receive feedback to and from leaders and peers about their performance in projects, actions, or initiatives in which they have participated, recognizing or guiding other employees. A total of 2,201 insights were shared throughout 2022.

Percentage of employees who received performance reviews, by employee category	2022
Director	59.0%
Manager	61.2%
Coordinator/Specialist	55.8%
Supervisor	80.2%
Team	51.8%
Apprentice	43.6%

Percentage of employees who received performance reviews, by gender	2022
Men	54.0%
Women	53.5%



# Partner and Supplier Management

[3-3; 408-1; 409-1]

In 2022, the procurement department took further steps in assessing PagSeguro Digital's main suppliers. Despite the challenge of the lack of inputs in the electronics market and the difficulties of delivering equipment, the company sought alternatives from new suppliers to minimize this impact, which was still a reflection of the pandemic period.

In the previous year, the company used forms to monitor and gather information about suppliers. Now, it is working to establish sustainability requirements for all suppliers, including specific deadlines for them to make the necessary adjustments.

Reverse Logistics, for example, is a consolidated process within PagSeguro Digital, but the challenge for the coming years is to refine the entire end-to-end procedure to include final destination and to effectively measure what materials are being generated (amount of plastic, electronic circuit boards, copper, etc.).

During 2022, all packaging of POS terminals was developed using biodegradable plastic, which allows for sustainable disposal. In addition, during the year, instruction manuals for the equipment were printed using duly certified paper.

Regarding the disposal or exchange of POS terminals, since 2019 shipping costs for returning the equipment have been borne by the company and a similar terminal is sent back, at no additional cost. Express delivery is available for larger clients, as well as an in-house technician assigned to perform the exchange more quickly and efficiently.

Today, supplier management is carried out by the Procurement department, which follows its own methodology for assessing and controlling risks, in addition to an approval process conducted once a year. Currently, more than 95% of PagSeguro Digital's **577 centralized suppliers** are based in Brazil, and nearly 40% of the suppliers are classified in the Risk C category, the lowest risk category. [GRI 2-6, 2-29]

In 2022, in an educational and collaborative way, the company developed a strong supplier engagement program featuring ESG topics, giving suppliers an even greater understanding of the subject. For next year, the idea is to hold new meetings to assess progress and interact with small and large suppliers.

## Breakdown by Region

[204-1]

Domestic Suppliers: 577 : 96%

Region:

- Southeast: 487 | 84%
- South: 40 | 7%
- Northeast: 11 | 2%
- Midwest: 9 | 2%
- North: 6 | 1%

Note: Result based on orders issued in 2021.



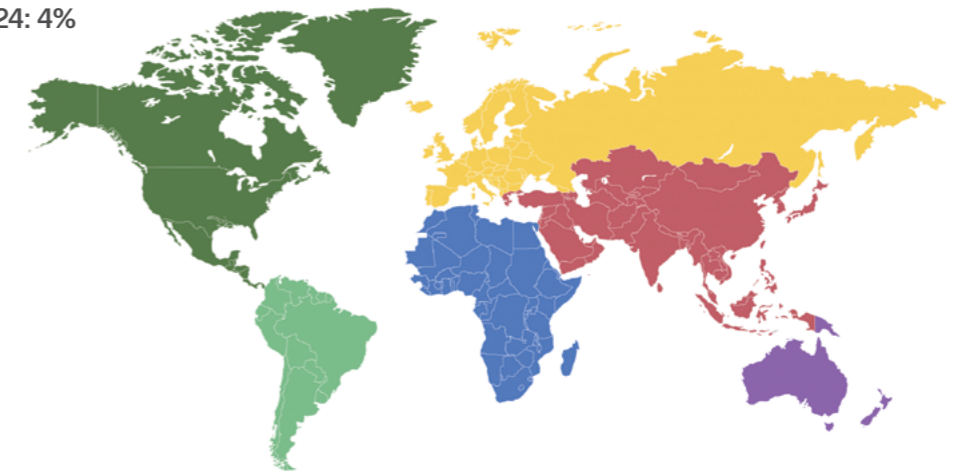
## Breakdown by Region

[204-1]

International Suppliers: 24: 4%

País:

- United States: 22 | 4%
- England: 1 | 0%
- Portugal: 1 | 0%



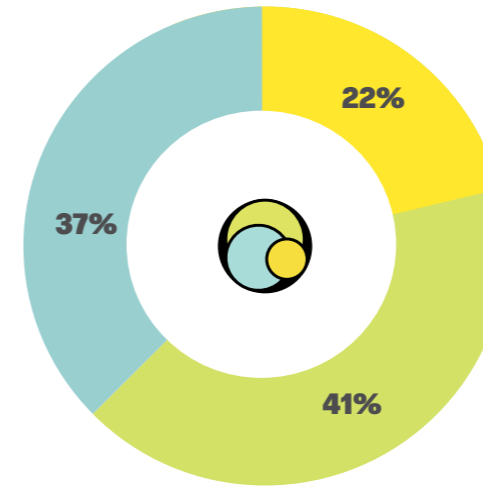
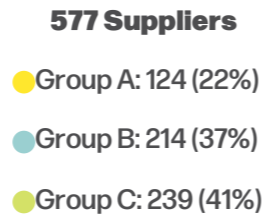
● Africa ● Asia ● Europe ● North America ● Oceania ● South America

Taking into account suppliers that are centralized in the Procurement department, approximately 99% of spending is concentrated on those based in Brazil to supply products and services to PagBank’s operations. Governed by the **Procurement Policy** –guided by the Group’s Codes of Ethics, Conduct, and Compliance and by the Supplier Relationship Policy–procurement practices establish rules and criteria for payments goods and/or services in order to ensure standards of ethical conduct, efficiency, and quality of the related processes and seek cost savings and alignment with the company’s strategic objectives. [GRI 3-3; 414-1; 414-2]

The main procurement goals are to achieve the best terms (price, quality, and lead time), together with the respective CapEx (Capital Expenditures) and OpEx (Operating Expenses) negotiations, and involvement in renegotiating recurring contracts for various materials and services. The entire process is audited on a quarterly basis by Grupo UOL’s Internal Controls and, when necessary, by the SoX PagSeguro Digital Audit Department. [GRI 3-3; 204-1]

Procurement activities are managed by the Group’s Procurement Department, which is composed of two areas for managing the Procurement, Contract, and Supplier processes. The team is divided into Direct and Indirect categories, according

### Breakdown by Risk Group:



to the services, products, and customer service areas. The SAP system controls and reports on the process in conjunction with the SAP Ariba SLP systems for contracting and managing suppliers. In 2022, of the 124 suppliers in Group A, 91% were approved based on social and environmental criteria, these suppliers represent the highest risk and concentrate nearly 82% of PagSeguro Digital’s centralized expenses. [GRI 3-3; 308-1; 414-1]

[GRI 204-1]  
In 2022, the Procurement department provided quarterly training on Procurement Processes and Policies for PagSeguro Digital’s requesting and business areas.

Training is a form of awareness and alignment, reinforcing the company’s procurement governance model and practices when contracting suppliers, and can mitigate risks to avoid deviations in the processes. [GRI 3-3; 204-1]

During this period, online meetings were held with the main centralized suppliers, and a survey was conducted using a specific form, aiming to address ESG issues as a way of engaging and mapping the performance of partner suppliers in this department. The survey also identified the level of maturity of each of them, providing the supplier ecosystem with a collaborative environment of best practices.

As part of the annual supplier approval process, the Procurement department performs an environmental and social assessment of centralized suppliers. The entire process is conducted by the Supplier Management team and Indicators of the Procurement Department. [GRI 3-3; 308-1; 308-2]

In 2022, there were no significant risks of cases of child labor and/or young workers exposed to hazardous work or forced or bonded labor during the approval process of centralized suppliers. [GRI 408-1; 409-1]

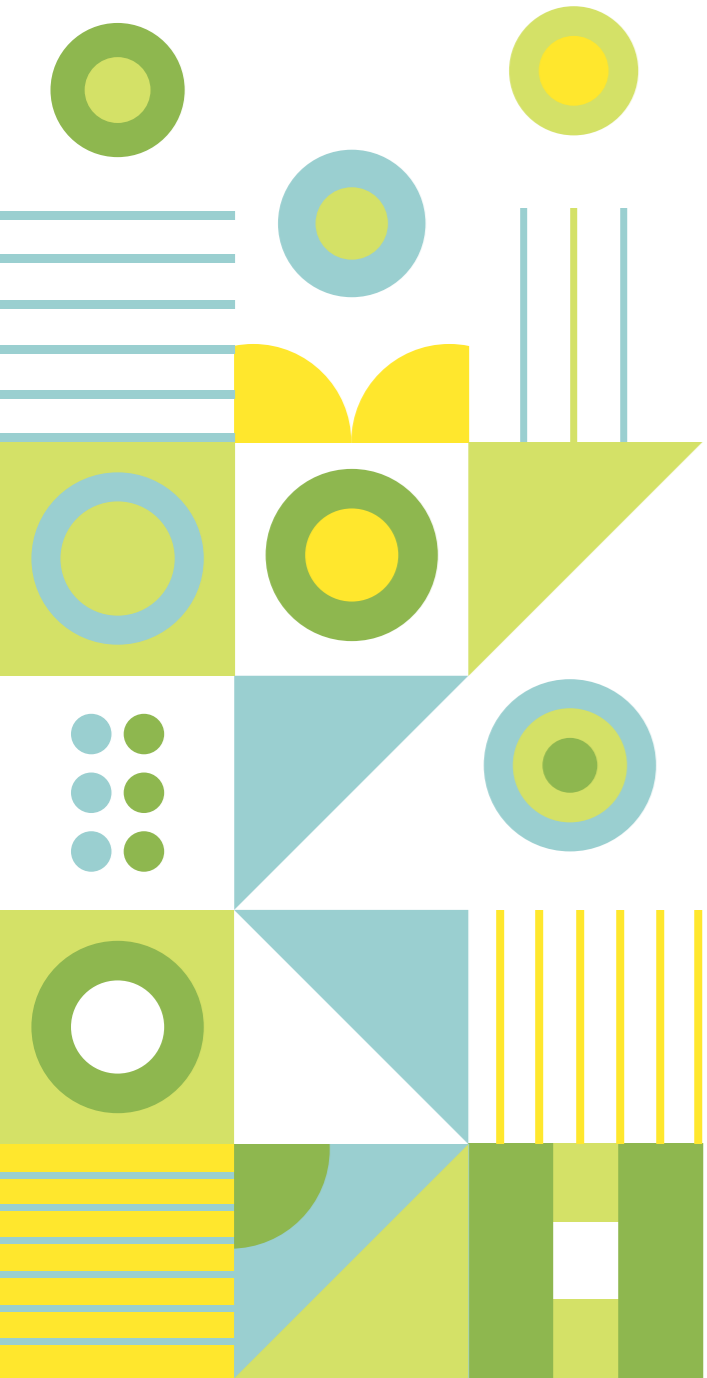
Environmental and social assessment is an integral part of the annual approval process for centralized suppliers. The main criteria for this assessment are whether suppliers have the following: an Operating License issued by an environmental or local agency; Federal Technical Registry of Potential Polluting Activities at IBAMA; Environmental Risk Prevention Program (PPRA) and whether it is in place and up to date; certification of a System for Managing Quality, Environment, Health, Safety, Social Responsibility, and others (ISO 9001; ISO 14001, OHSAS 18001, SA 8000, ISO 17025, etc.), and any type of control program for items related to the environment, such as Waste Sorting, Environmental Training, etc. [GRI 308-2; 414-2]





## 8. Natural Capital





# Climate Strategy

[GRI 3-3; 305-1; 305-2; 305-3; 305-5]

Continuous identification and assessment of climate-related risks and opportunities as well as monitoring of the financial impacts of climate change - including natural disasters, floods, or environmental incidents - are part of PagBank's Climate Strategy. These events could cause material harm to business and lead to temporary closure of operating facilities, which would impair operations and results.

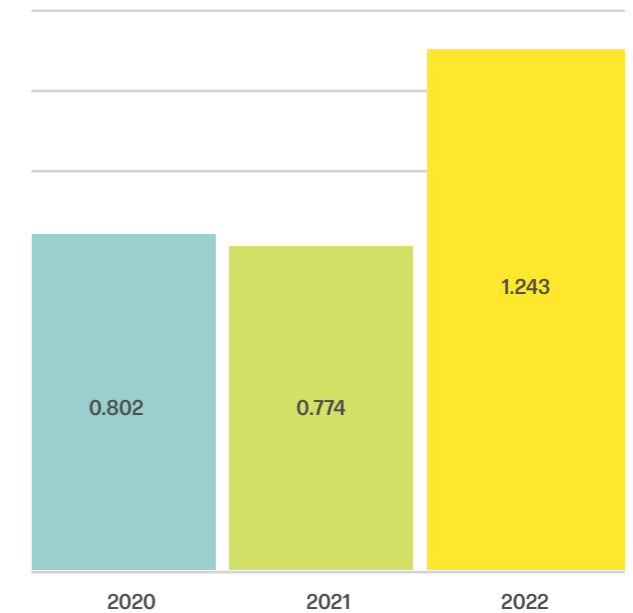
Furthermore, there could be a significant reduction in net sales and interruption of operations if a natural disaster were to adversely affect the economy of Brazil or other locations where the company operates. Based on a corporate policy, the Risk Management department has a process in place to regularly analyze operational risks and assess potential risks and climate impacts. This assessment follows a specific methodology based on the definitions of the TCFD (Task Force on Climate-Related Financial Disclosures) - more information can be found in the item at the end of this section.

In addition to being responsible for measuring climate risk in current or potential clients, partners, and suppliers, the priority of the company's Climate Risk Management is to minimize the possible negative effects from approved operations and create opportunities to disseminate a culture of sustainability among clients.

Through a robust sustainability program, aligned with management guidelines that seek to ensure sustainable and ethical development in its business, PagSeguro Digital only works with partners and suppliers that have good social, environmental, climate, and ethical conduct and that encourage the adoption of good practices, and does not condone practices that are not in compliance with the law.

Enhanced during 2022, the Greenhouse Gas (GHG) emissions inventory helps the company outline specific strategies to tackle climate change and establish actions to reduce, mitigate, and offset emissions. In this sense, the role of the ESG Committee was fundamental in guiding and positioning PagSeguro Digital in this matter.

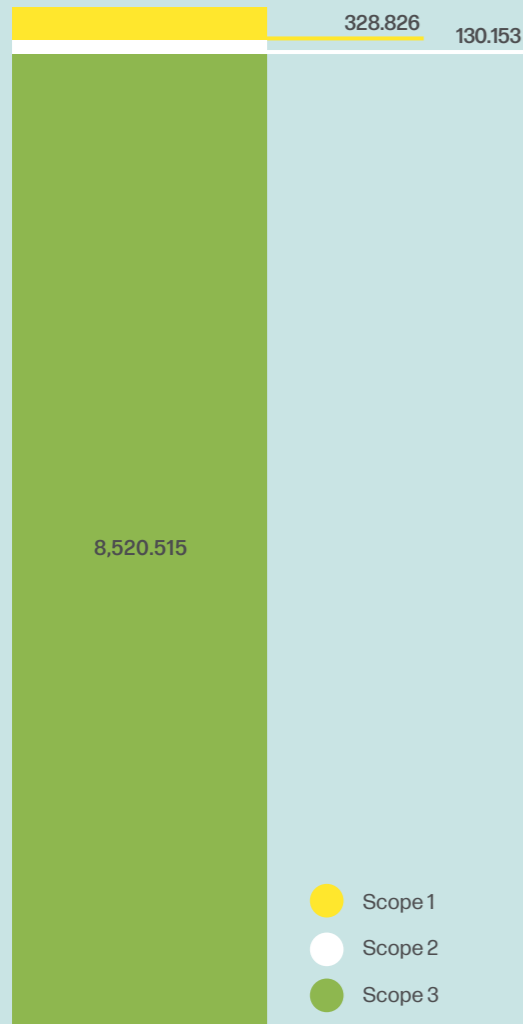
**Emissions intensity**  
(tCO2e per employee)



As a first step, the company calculated and independently verified its Greenhouse Gas (GHG) inventories for 2019, 2020, 2021, and 2022 and conducted a climate risk assessment.

**Total GHG emissions in 2022:  
8,979.494 tCO<sub>2</sub>e\***

Total GHG emissions in 2022



\*\*Tons of CO<sub>2</sub> equivalent = tCO<sub>2</sub>e

The purpose of the GHG inventory is to quantify the direct and indirect emissions of greenhouse gases from a given production process or company. It is divided into three scopes: Scope 1 (direct emissions), Scope 2 (indirect emissions related to consumption and acquisition of electricity), and Scope 3 (indirect emissions).

Therefore, the company currently conducts a Greenhouse Gas Inventory of its activities, develops and analyzes external benchmarks against organizations in the same sector (total emissions, emissions per employee, carbon offset, climate risks and strategy) in order to guide its actions and the management and decision-making process.

The inventories for the years 2019, 2020, 2021, and 2022 are available for consultation in the Public Registry tool of the Brazil GHG Protocol Program, which gave the company the Gold Seal for the years 2020, 2021, and 2022. Also, for the second time PagSeguro Digital answered the Carbon Disclosure Project (CDP) climate questionnaire, which is available to the public on the project's platform.



View our Public Registry of the Brazilian GHG Protocol Program



Go to our CDP questionnaire



The company also administers a social, environmental, and climate questionnaire to its credit clients, which are prioritized by category. The purpose of the questionnaire is to identify possible social, environmental, and climate risks and opportunities. Regarding supplier contracting, there is an approval process, in the group of priority suppliers, which analyzes financial, labor, tax and social and environmental aspects.

Each year, in partnership with a specialized external consultancy, the company performs an analysis of the systems used for controlling and accounting for the data that feed the GHG inventory. The idea is to continuously improve the quality and accuracy of data and its collection, storage, and reporting processes. The result of this analysis is the production of a report that is shared with the relevant internal areas in order to guide the implementation of improvements and good practices.



## Greenhouse Gas Inventory (tons of CO2 equivalent)

Direct (Scope 1) emissions [GRI 305-1] Categories	2020	2021	2022
		(tCO2e)	
Stationary combustion	0.370	0.206	0.888
Mobile combustion	35.315	303.985	112.198
Fugitive emissions	139.022	3.064	215.739
<b>Total</b>	<b>174.708</b>	<b>307.255</b>	<b>328.825</b>

Direct (Scope 2) emissions [GRI 305-2] Categories	2020	2021	2022
		(tCO2e)	
Electricity consumption (location-based)	191.800	470.146	202.735
Electricity consumption (market-based)*	N/A	N/A	130.153

\*Given the acquisition of 1,704 MWh of I-REC-certified renewable energy and combined energy efficiency initiatives, Scope 2 emissions in 2022 decreased by 72.3% compared to 2021. [GRI 305-5]

Indirect (Scope 3) emissions [GRI 305-3] Categories	2020	2021	2022
		(tCO2e)	
Transportation and distribution (upstream)	0	0	1,926.992
Waste generated in operations	0	0	81.818
Business travel	679.685	822.983	4,920.310
Employee commuting (home-work)	786.066	1,430.063	1,591.395
Transportation and distribution (downstream)*	1,865.955	2,194.009	0
<b>Total</b>	<b>3,331.706</b>	<b>4,447.055</b>	<b>8,520.515</b>

\*Due to a revision of the methodology, Scope 3 emissions disclosed in downstream transportation and distribution in the previous year were reallocated to upstream transportation and distribution.

Biogenic emissions [GRI 305-1; 305-3] Categories	2020	2021	2022
		Biogenic CO2	
Scope 1	8.649	74.5270	27.542
Scope 3	933.639	1,166.029	1,833.208
<b>Total</b>	<b>942.288</b>	<b>1,240.556</b>	<b>1,860.750</b>





## Climate Targets and Emissions Offsetting

Aiming to become a carbon-neutral company, PagSeguro Digital offset 100% of its Scope 1, Scope 2, and Scope 3 emissions for the years 2019, 2020, 2021 and 2022 by purchasing carbon credits from forestry (REED+) and biogas projects. Credit certification can be verified, respectively, on the Verra and UNFCCC (United Nations Framework Convention on Climate Change) platforms.

PagSeguro Digital also included the full annual offsetting of its GHG emissions as a corporate target, with impact on the variable pay of all company employees.

and executives. In 2023, the company will also conduct studies to establish emission reduction targets, preferably aligned with the Paris Agreement and climate target frameworks based on scientific guidelines. These results will be the basis for updating the Climate Strategy, which will guide efforts to assess its forecast of emissions in order to develop new initiatives to reduce, mitigate and/or offset climate-related impacts.

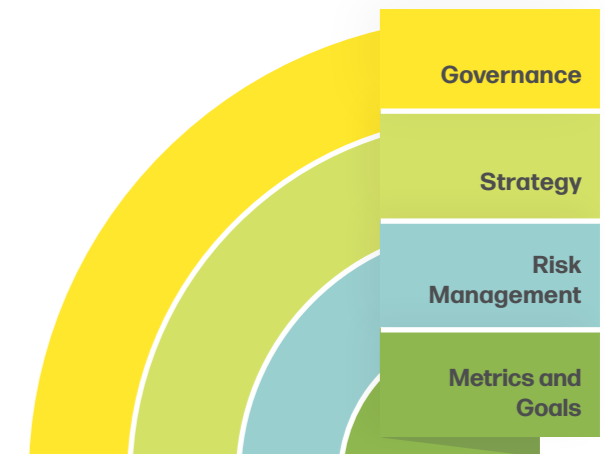
## Task Force on Climate-Related Financial Disclosures - TCFD

Aligned with the Financial Stability Board (FSB), the operational arm for financial matters of the group of leaders of the G20 countries, and with the recent demands of the Brazilian Central Bank (BCB), PagSeguro Digital adopted the methodology of the Task Force on Climate-Related Financial Disclosures (TCFD), an international initiative that provides guidelines for the disclosure and analysis of climate-related risks and opportunities. This methodology allows for greater integration of these risks and opportunities into **PagSeguro Digital's** risk management processes and sub-processes.

A good example is the National Monetary Council (NMC) resolution No. 4,943, of September 15, 2021, and all related regulatory framework of the NMC and the Brazilian Central Bank (BCB), which defines physical risks as those related to losses caused by frequent or extreme events resulting from changes in climate patterns, and transition risks as those related to losses caused by events resulting from the process of transitioning to a low-carbon economy.

**PagSeguro Digital's** transparency in this matter also encompasses the publication of the Report on Social, Environmental, and Climate Risks and Opportunities (GRSAC), in line with the recommendations of the TCFD.

The **TCFD** methodology adopted by **PagSeguro** includes four core elements: **Governance, Strategy, Risk Management, and Metrics and Targets.**



## Governance

**Board Oversight:** PagSeguro Digital's Board of Directors is advised by the ESG Committee on topics related to Strategic Sustainability Planning, which include, among others, **PagSeguro Digital's** climate strategy. The Board of Directors reviews and discusses **PagSeguro Digital's** actions related to climate issues.

The ESG Committee's role is to oversee the discussion process of the members of the Board of Directors also chairs the ESG Committee, whose role is to oversee the discussion, monitoring, support, and deliberation process on PagSeguro Digital's climate practices, initiatives, processes, policies, strategy, and governance, to report to the Board of Directors.

**Management Oversight:** the IR, ESG, Market Intelligence, and Macroeconomic Research Department, through the Sustainability department, is responsible for preparing, executing, and monitoring PagSeguro Digital's climate strategy. The Director reports the topic to the ESG Committee, which, in turn, informs the Board of Directors.

The Risk Committee, whose composition includes C-level executives, discusses and monitors the relevant social, environmental, and climate risks on a quarterly basis.

The issues discussed and the decisions agreed upon by the respective Committees and the Board of Directors are duly formalized in the minutes, containing the topics covered and the signatures of those involved. With regard to climate risks, when identified as relevant, the respective Committees act to assure them in the processes of approval and review of the items mentioned in the question.

### **CRO (Chief Risk Officer) - General Risk and Compliance Department:**

responsible for governance using a methodology to implement, monitor, evaluate, and verify the adequacy of and compliance with social, environmental, and climate guidelines; The CRO is also responsible for interacting with regulatory and self-regulatory agencies and monitoring applicable laws and regulations, as well as verifying the suitability of internal standards.

The company also has technical forums, whose purpose is to advise the Executive Committees on recurring technical and operational initiatives related to day-to-day activities, from a more detailed and specific standpoint.

## Strategy

**PagSeguro Digital** conducted a study to assess climate change risks and opportunities. The study includes scenarios of impacts to the business and the probability of occurrence according to the risks and opportunities identified. This strategy aims at prevention and precaution against the worst-case scenario. The risks assessed include:

### **Climate Risk Legislation:**

a) change in legislation, regulation, or actions by government bodies, associated with the transition to a low-carbon economy, which negatively impacts the institution.

### **Technological:**

b) technological innovation associated with the transition to a low-carbon economy, which negatively impacts the institution.

c) change in supply or demand for products and services, associated with the transition to a low-carbon economy, which negatively impacts the institution.

### **Reputational:**

d) negative perception of clients, the financial market, or society at large that negatively impacts the institution's reputation regarding its level of contribution to the transition to a low-carbon economy.

### **Disaster or similar event:**

e) extreme weather events, including droughts, floods, storms, cyclones, frosts, and forest fires, and

### **Market Risk:**

f) permanent environmental change, including sea level rise, scarcity of natural resources, desertification, and change in rainfall or temperature pattern.

## Risk Management

At PagSeguro Digital, the identification, assessment, monitoring, and reporting of climate change-related risks are integrated into the corporate risk matrix process, including climate, social, and environmental risks correlated to each organizational process and sub-process, and are classified as catastrophic, significant, important, necessary, non-critical, in order to prioritize climate actions.

## Metrics and Targets

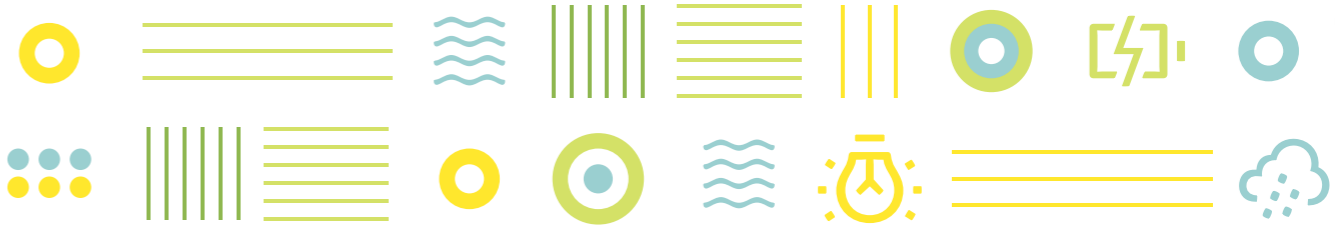
As of 2023, the targets of professionals and directors have been linked to climate criteria. The achievement of the climate-related target is directly linked to a percentage of the annual bonus. This incentive contributes to the implementation of the organization's climate commitments to make climate change management financially and operationally viable.

# Energy and Operations Efficiency

[GRI 3-3; 302-1; 302-3; SASB TC-SI-130a.1]

Through an integrated system for monitoring energy consumption and CO2 emissions, PagSeguro Digital has a detailed overview to understand the behavior of each facility in a given period, efficiently distributing energy to different locations.

In 2022, the company managed to monitor 100% of its energy consumption and installed LED light bulbs in all offices, as well as energy-efficient air conditioning units. Today, **71% of PagBank's overall consumption comes from renewable sources, which positively impacts the GHG emissions index.**



**In 2022, PagSeguro acquired 1,704 MWh of I-REC-certified renewable energy and implemented combined energy efficiency initiatives, reducing Scope 2 emissions by 72.3%.**

Currently, PagSeguro has the following energy management tools [GRI 302-3]:

### Air-conditioning monitoring and control sensor

This is a smart sensor that sets the temperature according to the actual heat load of the space and regulates the equipment's set point for proper cooling.

### Power monitoring sensor

This sensor monitors the electricity consumption parameters of a given space, providing real-time information and comparisons between periods. This makes it possible to monitor the behavior of the installations to identify possible deviations and consumers of energy.

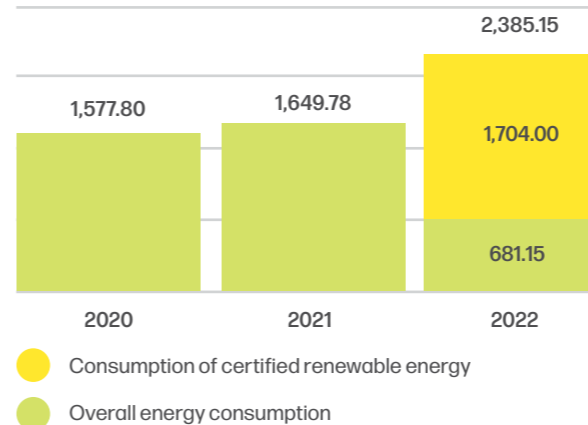
### Sensor for monitoring CO<sub>2</sub> emissions

The energy monitoring sensor is also responsible for generating data to calculate CO<sub>2</sub> consumption. In 2022, the company initiated a study to reuse water and another to use photovoltaic energy from the Free Energy Market in all its facilities. Additionally, in recent years, the company has adopted waste sorting in its offices

In 2022, the company implemented a water reuse process and conducted a study for using photovoltaic energy from the free energy market in all its facilities. In addition, a waste sorting program has been in place in its offices in recent years.

Despite not having specific targets or a policy that regulates the topic of energy, the company participates in the free energy market and has purchased energy until December 2023. In addition, the company has established that when consumption is lower than the energy purchased, it will sell the surplus in the free energy market. [GRI 3-3; 302-1; 302-3]

### Total energy consumption (MWh)\*



\*The energy consumption for all the years presented in this report differs slightly from that used to calculate the GHG Inventory, as well as that reported on the CDP platforms of the Public Emissions Register of the Brazilian GHG Protocol Program. The difference is due to the double calculation of energy traffic counted as consumption for three administrative buildings.

# Environmental Management - Environmental Indicators

To ensure the efficient use of natural resources and reduce environmental impacts, PagSeguro Digital has internal measures in place to save water and energy and to treat waste. In 2022, the main initiatives in this department were the adaptation of the close-coupled toilets to the DUO flush system—dosing water flows to 3 liters for liquid waste and 6 liters for solid waste—and 2,924 sqm expansion of the corporate office, implementing the same devices used today in the bathrooms and kitchens (timer taps, close-coupled toilet, etc.). [GRI 3-3; 302-1; 302-3; 303-5]

Today, the company does not have an internal policy for Water and Effluents; however, processes and indicators are in place to monitor water consumption on a monthly basis. [GRI 3-3; 303-5]

Regarding waste management, the company does not cause any significant impacts because it has a waste sorting program in its offices (only urban solid waste). Managed by a specialized company, the process of collecting and properly disposing of the waste receives a monthly certificate attesting to its destination. [GRI 3-3; 306-3; 306-4]

Despite not having a specific policy or a team responsible for the topic of Waste, the company has a monthly indicator to determine the costs and weight of the waste. This indicator shows the volume of waste produced and recycled each month, including a disposal certification issued by Amlurb. [GRI 3-3; 306-3; 306-4]

## Total waste generated\* [GRI 306-3]

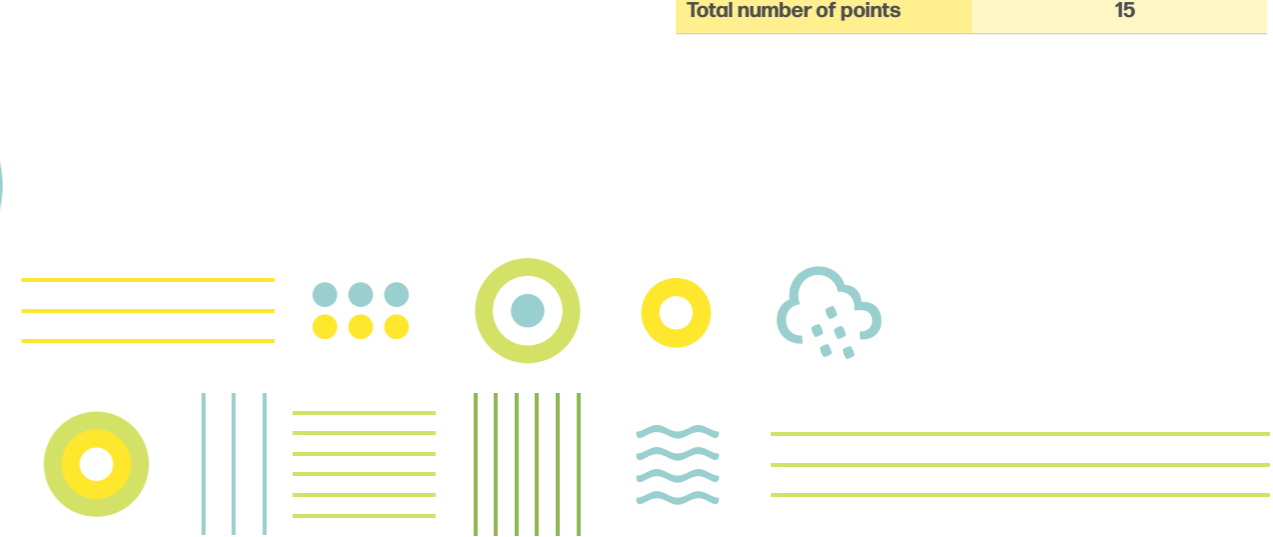
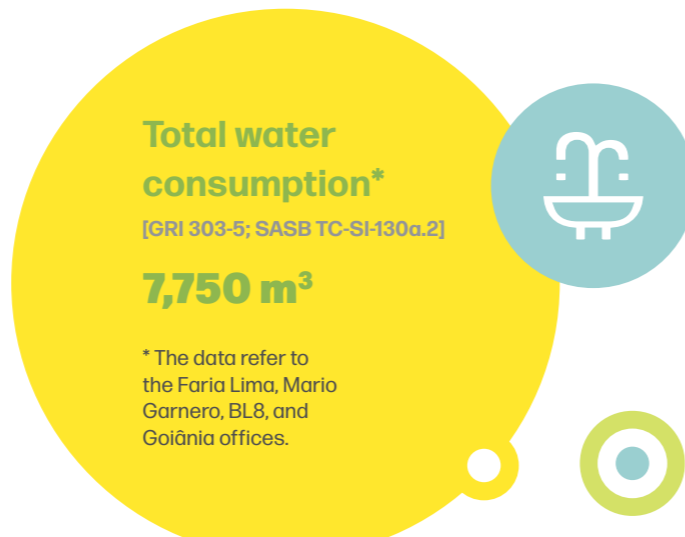
Waste generated (Kg)	2020	2021	2022
Cardboard	681	553	2,807
White paper	2,660	27	36
Mixed paper	691	2,611	4,958
Plastic	1,885	1,385	3,112
Scrap metal	20	2	106
General waste	18,450	14,600	22,800
Solid waste from construction	0	0	590
<b>Total</b>	<b>24,387</b>	<b>19,178</b>	<b>34,409</b>

\* The data provided refer to the head office.

Of the total waste generated, a specialized team collects, transports, and disposes of organic and recyclable waste. Organic waste is sent to landfills and recyclables are sent for recycling. [GRI 306-4].

Totems are also available in the offices for disposal of batteries, as shown in the following table:

Point installed	Number of receiving points
Headquarters - Faria Lima	2
Mario Garnero	6
Pedra Grande	2
Barão de Limeira 458	1
Barão de Limeira 425	4
<b>Total number of points</b>	<b>15</b>





## Reverse Logistics

Directly influencing the achievement of sustainable business results, innovation and development of new technologies consistently permeate the activities at PagSeguro Digital which was created with these pillars in its DNA.

In 2022, the company continued with its standard reverse logistics process, i.e., products, such as faulty POS terminals were exchanged, which also included the use of environmentally friendly packaging for its products.

The concept of reverse logistics consists in reusing equipment that has been exchanged or returned, performing the necessary sorting or repair to fully reach the product's lifecycle, avoiding early disposal. Products that are obsolete or beyond repair and are returned through reverse logistics are sent for sustainable disposal through a contracted and certified company.

During the disposal process, the product is de-characterized by removing labels, disassembling the equipment, and sorting by type of material, such as plastic, copper, rubber, and others. In a subsequent step, the materials are crushed and finally a report is issued attesting to the complete disposal of the batch.

**A total of 90% was recovered and 10% was sent for recycling.**



Committed to adopting good practices, optimizing the life cycle of equipment, assessing the need for new acquisitions, and reusing reversed equipment in the supply chain, the company adopts several KPIs, such as rate of exchange by model, manufacturer, aging of the machine park in the field, in addition to providing a good experience to end customer, fully covering the expenses for exchange or return.

Currently, the company has reverse logistics processes in place, especially regarding the replacement and return of POS terminals, with systemic registration and traceability throughout the logistics chain.

**In 2022, the department obtained a customer service re-placement indicator of '96% on time.** Every month a report is issued to Accounting regarding the pieces of equipment being repaired. This control is monitored by the Internal Controls and External Audit areas.

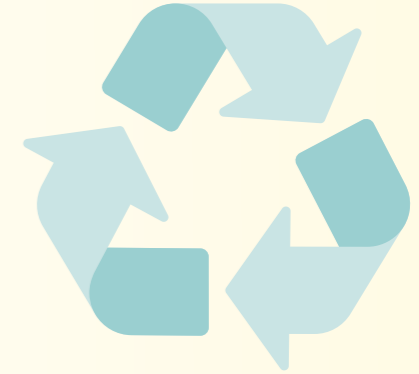
The topic is handled by the Laboratory Management cell, responsible for controlling the POS terminals being sorted/repared and sent for disposal, using the SAP system. Partner suppliers - that hold several certifications, such as CETESB Registration, ART (Technical Responsibility Annotation), IBAMA, ISO 14001 and 9001, Fire

Department Inspection Report, among others - send the POS terminal shredding certificate with photos and proof of the entire process.

PagSeguro Digital all also performs the following activities:

- **Replacement of materials with more sustainable versions.** For example: the packaging of the equipment (*envelope*) became 100% biodegradable in 2022
- **Graphic materials (manuals and folders) are produced by a supplier that has the FSC seal** (International Certification granted to companies that promote the responsible use of natural resources, with environmental conservation and sustainable development of the world's forests)
- **External painting of the casing of equipment with little damage,** not requiring a new casing

## Recycling of machines, manuals, folders, and envelopes



Printed Materials



SP Graf

Reduction of extra information material that accompanied each shipment to the customer.

Forest Stewardship Council

Plastic Packaging



EP - EnveloPack

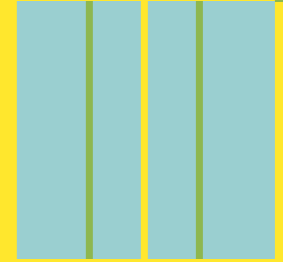
**d<sub>2</sub>w** is an oxo-biodegradable additive certified by ABNT in accordance with the environmental quality program accredited by INMETRO.





# 9.

## Social and Relationship Capital



## Customer Relations

[GRI 2-25]

As a fundamental topic in its strategic planning, PagSeguro Digital continuously manages the positive social impacts generated by its activities, thinking not only about Financial Education, but also of Education in Sustainability!

The company encourages financial inclusion and entrepreneurship in its operations and projects by enabling the transactions of products and services for millions of small, nano, and micro entrepreneurs who operate throughout the country and in various sectors of the economy.

In addition to the many informal entrepreneurs in its portfolio, PagSeguro Digital has a strong participation of Individual Microentrepreneurs (MEIs). More than 1.8 million active clients, is in this category.

In recent years, the company has also increased its presence throughout the country. Since 2020, PagSeguro Digital has been operating in 100% of the country's municipalities, with active clients in the more than 5,500 Brazilian cities.

Between 2018 and 2022 the customer base with access to banking and financial services increased via PagBank's business model, whose pillars are digitalization and low cost. More than 1 million new impact clients were added to the company's base in the period.

The company promotes several engagement actions for its **28 million clients - 16 million of whom are active clients**. Communication with this audience includes a number of options for engagement, according to their life cycle, covering all of the company's product verticals and making it a priority for clients to have a better experience with products and services, whether financial or means of payment. Customer engagement is regularly measured to increasingly improve the process to manage and communicate with this base. [GRI 2-29]

To assist clients, the company provides several customer service channels, such as **telephone, email, chat, WhatsApp, social media**, and the **Reclame Aqui** website, in addition to the **Ombudsman**, who is responsible for handling demands received by external bodies, such as the Brazilian Central Bank of Brazil (BCB, the Brazilian Securities and Exchange





Commission (CVM), Consumidor.Gov, and Consumer Protection Offices (PROCONS).

Through these channels, the company seeks to identify and address complaints by forwarding them to scalable service levels. The complaints are handled according to their level of complexity, and the solution can be provided by service level 1 to service level 3. The higher the level, the greater the level of expertise and authority to apply the solution.

In addition to regular meetings with all the company's directors and C-level executives, during which improvement plans are established for the main issues reported, PagSeguro Digital also submits qualitative and quantitative information to the main areas involved in customer demands. Focus groups were held in 2022 between the company's management and invited clients to gather their insights and information.

Currently, the company has the following ecosystem to communicate with clients:

- 1) receives demands
- 2) registers and processes demands
- 3) suggests the best possible solution for each situation
- 4) establishes an internal product improvement plan, when necessary
- 5) improves processes and enhances customer experience

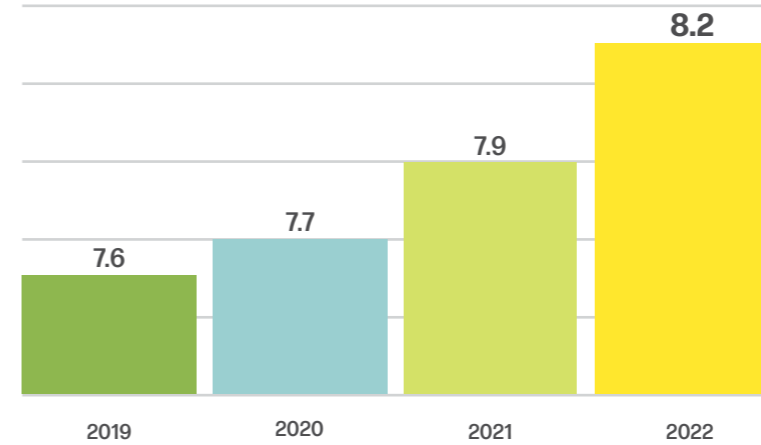
6) monitors the impact of the actions on the reduction in the number of complaints and on better evaluation in stakeholder feedback in relation to the demand submitted [GRI 2-25]

PagSeguro Digital also attentive to frequently measuring the level of service satisfaction, seeking to further improve quality indicators. This commitment has resulted in positive scores on the Reclame Aqui website in recent years: 2019 (score 7.6), 2020 (score 7.7), 2021 (score 7.9), and 2022 (score 8.2).

Quantitative surveys are an important initiative to improve customer engagement. In 2022, a total of 58 surveys were conducted, including 11 recurring surveys (6 for products and services in the digital account and 5 for products and services in the payments business) and 47 one-off surveys (33 for products and services in the digital account and 14 for products and services in the payments business). These surveys allowed us to find key points for improving the customer journey and services, as well as to identify drivers of churn (a metric that monitors losses) of the company's products and services.

The company measures customer satisfaction every month through the NPS survey. Like other surveys, it provides inputs and insights to assist in the company's strategic actions and decisions.

PagSeguro Digital's score on Reclame Aqui



# Community Investment

[GRI 3-3; 203-1; 203-2; 413-1; 413-2]

One of PagBank's main pillars of action, considering ESG (Environmental, Social, and Corporate Governance), is the social sphere, with several actions to support projects in the communities, especially through tax incentive laws, such as the Rouanet Act. Currently, the focus of the social investment department is to allocate the entire tax incentive budget to entities that foster health and education and contribute to improving the living conditions of vulnerable populations.

In 2022, for example, the company contributed with significant donations to non-profit entities. One highlight is the partnership with the *Vai na Web* institution, which trains vulnerable young people in low-income communities to develop skills in the field of technology. The project was also implemented in the low-income community of Paraisópolis, São Paulo, providing specific training for young people to work in the company's Technology department.

Currently, PagBank's activities in the communities are divided into three areas (with their respective commitments and targets):

- **Investments linked to tax incentive laws:** the Marketing department seeks out entities with projects approved at the federal, state and municipal levels, and selects those most in line with the company's philosophy, based on the monetary value available for investment. The investments are approved by Corporate Executive Board together with PagBank's Executive Board. The entities selected are those that foster health and education and contribute to improving the living conditions of socially vulnerable populations. The target is met in full every year.
- **Affirmative actions:** these are proposed by Grupo UOL's HR Department and approved by Grupo UOL's Corporate Executive Board and by PagBank's Executive Board. Based on the company's people budget, the HR Department proposes affirmative targets to promote diversity and social inclusion. The target is met in full every year.

**Culture Incentive Act:**  
**R\$ 640,000**

**FUMCAD: R\$ 177,000**

**Sports: R\$ 177,000**

**Elderly: R\$ 177,000**

- **Donations:** the entities receiving the donations are selected from the list of participants of the *Empreendedor Social* (Social Entrepreneur) Award, an initiative of the *Folha de São Paulo* newspaper. The entities selected are approved by Grupo UOL's Corporate Executive Board and by PagBank's Executive Board. The budget can be defined on an emergency basis, according to the circumstances at the time, as occurred during the different phases of the COVID-19 pandemic.

In 2022, UOL Group invested R\$ 1,171,000 to support projects through Tax Incentive Laws. Of this total, 32% refers to investments made by PagSeguro Digital.

## FUMCAD Act - Child and Adolescent Fund

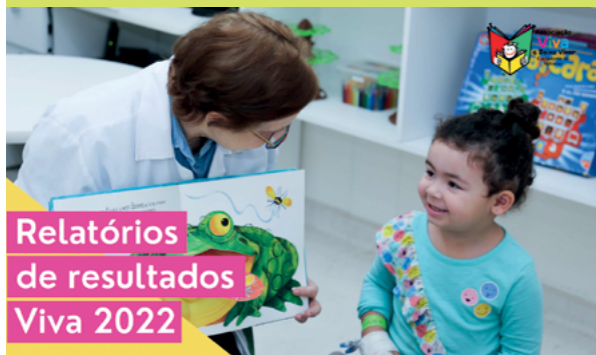
**Childhood 360:** geared toward the needs of patients, this action optimizes the patient experience in the Angelina Caron Hospital. It offers training for the multidisciplinary team and state-of-the-art infrastructure with cutting-edge equipment to assist pediatric patients with serious diagnoses. More than 400,000 patients are assisted per year.

## Sports Incentive Act

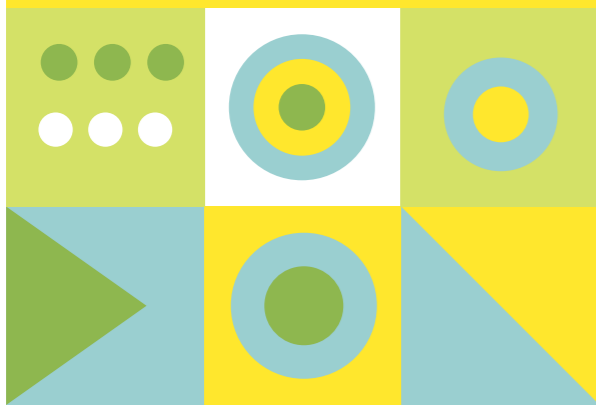
**Instituto Rugby Para Todos:** the idea is to teach Rugby, its fundamentals and rules, and hold regular weekly classes in order to develop understanding and physical aptitude in the game, as well as individual and social skills among the students, creating a space for transdisciplinary work using an exclusive methodology. The project is run by a team of employees from the areas of social work, psychology, physiotherapy, teaching, physical education, and nutrition who assist 200 children and adolescents from public schools between the ages of 7 and 18 (primarily) and/or in highly vulnerable social situations.

**Instituto Futuros Craques:** a social center for 200 children between the ages of 10 and 18 that teaches the basics of soccer. Social actions and visits to charitable organizations are also made. Professionals are trained to provide guidance and practices, aiming at the good performance of these children in sports classes.





Relatórios  
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Viva 2022



## Culture Incentive Act

**Associação Fernanda Bianchini:** it consists of planning, organizing, and providing cultural dance for children, adolescents, and the general public, including the elderly, who have some type of visual impairment. In all, more than 450 visually impaired people participate in the Ballet for the Blind.

**Associação Viva e Deixe Viver:** promotes literature for children and adolescents and the art of storytelling in public and private hospitals. The educational activities help hospitalized babies, children, and adolescents and provide support to family members and medical teams. With 1,282 volunteers, the actions promoted by Viva e Deixe Viver have impacted nearly 240,000 people in six Brazilian states.

**Maré do Amanhã:** the art and social development project offers free and professional courses on classical music, promoting the inclusion of children and young adults of the low-income community of Favela da Maré, in Rio de Janeiro. The project teaches music to more than 4,000 people and holds free educational concerts throughout Brazil in public spaces, directly impacting nearly 35,000 children per year.

**Smiles at CEUs:** Performing Arts presentation with free sessions for theater plays, skit group, humor, clowns, mime show, ventriloquist, and joke tellers. This initiative takes place in 15 CEUs (Unified Educational Centers), located in the outskirts of the city of São Paulo.

## Elderly Act

**Support for the Elderly:** it provides comprehensive care for patients over 60 years of age at the Hospital de Amor units. It covers the costs related to treatment and multidisciplinary activities developed on an ongoing basis. More than 167 elderly people have already been assisted by the project, with approximately 1,141 procedures, 45 chemotherapy sessions, and an average of 55,000 outpatient consultations. At Angelina Caron Hospital, more than 400,000 patients are treated every year, with a focus on quality of care and quality of life.

Angelina Caron Hospital also held a program to raise awareness about Pink October and Blue November, addressing Women's and Men's Health, prevention, routine care, among others.

As in the Storyteller Training Course offered by the Viva e Deixe Viver project, the **Volunteer Program** encourages volunteers—based on human values such as empathy, ethics, affection, and solidarity—to better manage their time by having playful

experiences and discussions about mourning and how to deal with loss. The work is carried out not only in institutions, but also in hospitals.

Through a specific committee, during the year PagSeguro Digital also curated projects, including supporting socially vulnerable people and contributing for children, youth, and adults to have access to health, education, and development and promoting culture and job creation in society.

## Other partner initiatives:

**Ação da Cidadania:** founded almost 30 years ago by sociologist Betinho, it is a reference in the fight against hunger.

**Gastromotiva:** provides professional and community training in gastronomy. During the pandemic, it mobilized its network of professionals to prepare and distribute lunchboxes.

**Família Apoia Família (Family Supports Family) Project:** platform that connects those who can help with NGOs that need support to bring basic supplies to needy families.

**Paraisópolis Residents' Association:** provides ongoing support for the more than 100,000 residents of the second largest slum in São Paulo and 10 other low-income communities in Brazil through G10 Favelas.



## Financial Education and Inclusion

[GRI 3-3; 203-1; 203-2]

Financial Education is in PagBank's DNA, which is why it permeates all operations and activities and directly impacts all clients. Seeking to offer more learning opportunities on this subject, bringing benefits to the entire Brazilian society, the company holds several initiatives in this area.

The idea is to democratize access to financial services by teaching Brazilians how to save and invest. In doing this, the company directs its financial education efforts to the audiences aged between 20 and 40, people who most likely support their families financially (classes C and D).

In 2022, PagBank introduced a number of initiatives to provide financial education, including blog posts, video series, podcasts, training, and free courses. Below we present the main numbers for the year:

**Eu Me Banco Channel** - Participation of PagBank's Director of Investments, André Souza, in the *Eu Me Cast #126* program, of the Eu Me Banco channel, with 1,200 views.

**Blog** - 176 texts posted and 393,000 new users.

**UOL Economia** - 62 texts posted (average of 2 texts per week and 305,912 readers).

**Internal training** - 3,560 employees participated in a total of 48 hours of training. The training programs were: UniUOL - Financial Education and Investments Trail; Financial Education; Investment Products; CDs + Card, approach according to behavioral profile; Automatic Savings, approach according to behavioral profile; and PagTalents - Financial Education and Investments, multipliers of financial education.

**Saúde do Bolso** - 4 editions and 7,000 employees per edition (covering topics on financial education and investments for UOL Group employees). The project was discontinued in May 2022.



**Papo que rende** – With 16 editions to date, the monthly newsletter features content focused on investments and is aimed at the PagBank audience. In all, 5.146 million people were impacted at each edition.

**External lectures** – Approximately 6,000 people were directly impacted in seven and a half hours of free lectures for the external community.

**Digital board game (Yield Trail)** – An educational game that teaches how to make more coherent and conscious financial choices in order to create and maintain an emergency fund. Along the board (a digital board), emotionally impactful decision-making situations are presented in a context that includes concepts such as inflation, CDs, and SELIC rate. In 2022, the game was downloaded 159,000 times and 108,000 games were started.

**Free interactive courses (World of Investments Journey)** – Courses with gamified methodology that introduce the main economic topics and products that make up the world of investments, in partnership with the Brazilian Stock Exchange. In 2022, a total of 3,660 people enrolled and 1,026 completed the courses.

**Financial independence for women** – A series of four livestreams on YouTube PagBank Investimentos discussing the importance of financial independence for women. In all, there were 4h31 of recording, with 3,300 views and more than 3,070 subscribers to the channel (an increase of 219%).

**Money without taboo (Season 1)** – A series of recorded videos and livestreams on YouTube PagBank Investimentos addressing taboos and beliefs about money, which limit people's development both psychologically and financially. In all, there were 2h08 of recording, with 61,000 views and more than 2,630 subscribers to the channel (an increase of 16.4%).

**Money without taboo (Season 2)** – A series of videos and livestreams on YouTube PagBank Investimentos discussing the representativeness of money in family relationships in the different stages of life. In all, there were 2h56 of recording, with 9,700 views.

**Rende Mais (Season 1)** – A series that highlights the importance of investments in building a personal future and preparing people for their financial freedom. Thus far, the project has had

one hour of recording and 5,900 views. The Rende Mais podcast, with one hour of recording, was downloaded 6,600 times.

The internal training courses held in the year impacted 3,560 professionals, divided into 23 classes, with 48 hours of face-to-face and online content. These training courses covered topics such as investments, investment products, differences between products, and regulatory issues. Employees were also trained to become multipliers of knowledge at the time of sale.

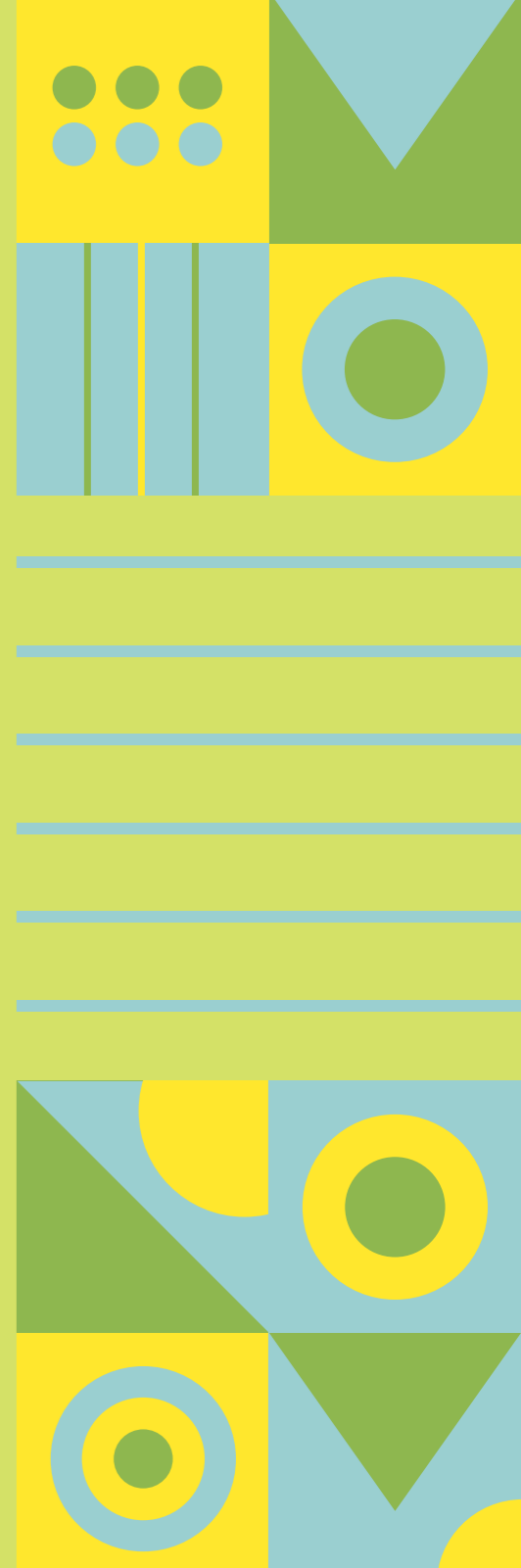
The Internship Program, managed by HR, is another example of multiplying knowledge. Through this program, the company intends to develop a specific financial education module to transform the financial behavior of interns, so that they can replicate what they learn in their communities.

The free courses, which are based on two knowledge tracks—financial education and investments—were made available to the external audience through a public notice awarded in 2021. The activities were developed in 2022 with the launch of in-app courses starting in the second half of the year.





## 10. GRI Content Index



**Statement of use  
GRI 1 used**

PagSeguro Digital reported the information cited in this GRI content summary for the period from January 1st to December 31st, 2022, with reference to the GRI Standards.  
GRI 1: Foundation 2021

GRI Standard	Disclosure	Location (Page)	Omission			Basis of Preparation Assumptions and criteria	
			Requirements omitted	Reason	Explanation		
GRI 2: General Disclosures 2021	2-1 Organizational details	After a corporate reorganization, which took place in January 2021, the Group's subsidiaries were set up as follows: • PagSeguro Brasil's subsidiaries are PagSeguro Biva Securitizadora de Créditos Financeiros S.A. ("Biva Sec"), Fundo de Investimento em Direitos Creditórios - PagSeguro ("FIDC"), RegistraSeguro S.A. ("RegistraSeguro"), Wirecard Brazil Instituição de Pagamento S.A. (formerly Wirecard Brazil S.A.) ("MOIP"), and Concil Inteligência em Negociação S.A. ("Concil"). PagSeguro Brasil acquired 100% of the shares issued by Concil on August 12, 2021, as detailed in Note 10. • PagSeg Participações Ltda.'s subsidiaries are Net+Phone Telecomunicações Ltda. ("Net+Phone"), Boa Compra Tecnologia Ltda. ("Boa Compra"), BCPS Online Services Ltda. ("BCPS"), CDS Serviços Financeiros LTDA. ("CDS"), PagSeguro Biva Serviços Financeiros Ltda ("Biva Serviços"), and PagBank. • PagBank's subsidiaries are Tilix Digital Ltda. ("TILIX"), YAMÍ Software & Inovação Ltda. ("YAMÍ"), and Zygo Serviços de Tecnologia S.A. ("ZYGO"). • PSHC's subsidiaries are PagSeguro Chile, PagSeguro Colômbia, PagSeguro Peru, and PSGP México. • BS Holding's subsidiary is Banco Seguro S.A. ("Bancoseguro"). BS Holding also holds a stake in PINV (Paginvest CTVM Ltda). • Biva Serviços's subsidiary is PagSeguro Biva Correspondente Bancário Ltda ("Biva Corban").					
	2-2 Entities included in the organization's sustainability reporting	p.7 and 9					
	2-3 Reporting period, frequency and contact point	p. 92					
	2-4 Restatements of information	p.50					
	2-5 External assurance*	p.89, 90 and 91					
	<b>Activities and workers</b>						
	2-6 Activities, value chain and other business relationships	p.6, 7, 27,55				"Relevant business relationships" are all those that have the potential to generate significant operational and financial impacts (those that affect the company to the point of influencing business, financial, and operational decision-making).  We use the description adopted by the GRI to define significant changes: "these are changes in activities such as new units, termination of activities, expansions, changes in the structure of the supply chain or in its relationships with suppliers, including selection and termination; or changes in the location of its suppliers."	
	2-7 Employees*	p. 42				Permanent and full-time employees were considered to be those with an open-ended contract of 8 hours a day (as per the Consolidation of Labor Laws - CLT); directors, managers, coordinators, specialists, supervisors, and staff. Temporary and part-time employees are employees with a contract for a limited period and from 6 to 8 hours a day; apprentices.  "Non-guaranteed hours employees" refers to employees who are not guaranteed a minimum or fixed number of working hours per day. The organization does not have this type of employee.  "Significant fluctuations" were considered to be any result in the current year that differed from the historical pattern, well above the historical average or the main market peers.	
	2-8 Workers who are not employees*			Data on workers who are not employees (third parties)	Confidentiality constraints	Up to the publication of this report, demographic information of workers who are not employees (third parties) was not available.	
	<b>Governance</b>						
2-9 Governance structure and composition	p.22 and 23				Our Board of Directors is composed of six members. Board Members serve for a term, if any, established by the shareholders that appointed them or, if no term is established at the time of their appointment, they shall serve up to their death, resignation or removal from office.  As for the Committees, each member serves for an indefinite term, considering changes up to their death, resignation or removal from office.  Both the Board and the Committees have full members and no alternates.		

(\*) Indicators that have been subjected to limited assurance by PwC Brazil.

GRI Standard	Disclosure	Location (Page)	Omission			Basis of Preparation	
			Requirements omitted	Reason	Explanation		
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	p.23					
	2-11 Chair of the highest governance body	p.22					
	2-12 Role of the highest governance body in overseeing the management of impacts*	p.22					
	2-13 Delegation of responsibility for managing impacts*	p.22					
	2-14 Role of the highest governance body in sustainability reporting*	p.17					
	2-15 Conflicts of interest*	p.29, 30 and 31				For "conflict of interest," the organization adopts the definition used by the GRI: situation where an individual is confronted with choosing between the requirements of their function in the organization and their other personal or professional interests or responsibilities.	
	2-16 Communication of critical concerns*	p.23 e 29				We consider critical concerns to be the most relevant situations, given their potential impact and the macroeconomic context, as well as the number of substantiated reports.	
	2-17 Collective knowledge of the highest governance body*	p.30					
	2-18 Evaluation of the performance of the highest governance body*	p.25					
	2-19 Remuneration policies*	p.45					
	2-20 Process to determine remuneration*	p.45				"Remuneration" is considered to be fixed remuneration, both for members of governance bodies and for employees.	
	2-21 Annual total compensation ratio*			Annual total compensation ratio	Confidentiality constraints	Up to the publication of this report, this was considered confidential information and we did not have the annual total compensation ratio..	
	<b>Strategy, policies and practices</b>						
	2-22 Statement on sustainable development strategy	p. 3					
	2-23 Policy commitments	p. 27 and 29				The precautionary principle was introduced by the United Nations in Principle 15 of the "Rio Declaration on Environment and Development", according to which: "In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation."	
	2-24 Embedding policy commitments	p.22, 25 and 30					
	2-25 Processes to remediate negative impacts*	p.69					
	2-26 Mechanisms for seeking advice and raising concerns*	p.29					
	2-27 Compliance with laws and regulations*	p.38 There are no cases of non-compliance with laws and regulations. Significant cases of non-compliance are those whose impact could affect the continuity of the company's operations.					
	2-28 Membership associations	p.7					
	<b>Stakeholder</b>						
2-29 Approach to stakeholder engagement	p.19, 55 and 68						
2-30 Collective bargaining agreements	100% of PagBank's employees are covered by collective bargaining agreements.				"Employees" are all those with whom PagBank has a working relationship, with the exception of interns and contractors. They are: directors, managers, coordinators, specialists, supervisors, staff, and apprentices."		

(\*) Indicators that have been subjected to limited assurance by PwC Brazil.



GRI Standard	Disclosure	Location (Page)	Omission			Basis of Preparation Assumptions and criteria
			Requirements omitted	Reason	Explanation	
<b>Material Topics</b>						
GRI 3: Material Topics 2021	3-1 Process to determine material topics*	p.19				
	3-2 List of material topics*	p.19				
	3-3 Management of material topics	p. 36				
<b>Data Security and Privacy</b>						
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data*	p.36, 37 and 38 Number of users whose information is used for secondary purposes: The company's Privacy Policy ( <a href="http://www.grupoal.com.br/politica-privacidade">http://www.grupoal.com.br/politica-privacidade</a> ) describes the purposes for which the company uses user data and information. Total amount of monetary losses as a result of lawsuits associated with user privacy: There was no monetary loss as a result of lawsuits associated with user privacy. Number of law enforcement requests for customer information: Considering only PagSeguro Internet Instituição de Pagamento S.A., the number of requests for registration data, made by the civil, labor, and criminal courts, were as follows: - 2019: 1,175 requests (470 administrative and 696 judicial) - 2020: 3,867 requests (1,420 administrative and 2,447 judicial) - 2021: 7,717 requests (4,350 administrative and 3,367 judicial) - 2022: 9,581 requests (4,478 administrative and 5,103 judicial).				We consider "substantiated complaints" to be those that have been evaluated and materialized in accordance with the Brazilian General Data Protection Law (LGPD), which establishes the premises for leaks, thefts, or exposure of personal data, as well as the definition of "violation of privacy." "Significant" means large variations (+50%) compared to what was reported in 2021.
<b>Talent Attraction and Retention</b>						
GRI 2: General Disclosures 2021	2-7 Employees*	p. 42				Permanent and full-time employees were considered to be those with an open-ended contract of 8 hours a day (as per the Consolidation of Labor Laws - CLT): directors, managers, coordinators, specialists, supervisors, and staff. Temporary and part-time employees are employees with a contract for a limited period and from 6 to 8 hours a day; apprentices.  "Non-guaranteed hours employees" refers to employees who are not guaranteed a minimum or fixed number of working hours per day. The organization does not have this type of employee.  "Significant fluctuations" were considered to be any result in the current year that differed from the historical pattern, well above the historical average or the main market peers.
	2-8 Workers who are not employees*		Data on workers who are not employees (third parties)	Confidentiality constraints	Up to the publication of this report, demographic information of workers who are not employees (third parties) was not available.	
	2-19 Remuneration policies*	p.45				
	2-20 Process to determine remuneration*	p.45				"Remuneration" is considered to be fixed remuneration, both for members of governance bodies and for employees.
GRI 3: Material Topics 2021	3-3 Management of material topics	p.41 and 50				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover*	p.41, 43, and 44				The rate of new hires considers the breakdown of employees hired by gender, region, and age group in 2022 over the total number of employees hired in 2022.  The turnover rate considers the total number of terminations in 2022 over the total number of employees in 2022.  The calculation considers "employees" to be all the professionals reported in indicator 2-7: directors, managers, coordinators and specialists, supervisors, staff, and apprentices.

(\*) Indicators that have been subjected to limited assurance by PwC Brazil.

GRI Standard	Disclosure	Location (Page)	Omission			Basis of Preparation
			Requirements omitted	Reason	Explanation	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	p.50				"Employees" are all those with whom PagBank has a working relationship, with the exception of interns and contractors. They are: directors, managers, coordinators, specialists, supervisors, staff, and apprentices.
	401-3 Parental leave	p.51				"Employees" are all those with whom PagBank has a working relationship, with the exception of interns and contractors. They are: directors, managers, coordinators, specialists, supervisors, staff, and apprentices.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee*	p.53				The average number of hours of training is per employee. Training activities include courses, education programs, classes and others. The average number of hours was obtained based on the actual time spent and recorded on training activities.  The concept of employees adopted for this indicator considers all those with whom PagBank has a working relationship, including interns, and does not include contractors.  Employment categories were broken down into the following levels: Director, Manager, Coordinator and Specialist, Supervisor, Team (including interns) and Apprentice.
	404-2 Programs for upgrading employee skills and transition assistance programs	p.45 and 53				
		The company does not have programs in place for end-of-career management involving retirement and terminations.				
	404-3 Percentage of employees receiving regular performance and career development reviews	p.54				The activities that were considered in the "regular performance and career development review" process were those related to the performance of the activities assigned to employees at each of the levels, roles, and specific areas.  The concept of employees adopted for this indicator considers all those with whom PagBank has a working relationship, including interns, and does not include contractors.  Employment categories were broken down into the following levels: Director, Manager, Coordinator and Specialist, Supervisor, Team (including interns) and Apprentice.
<b>Business Ethics</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.50				
GRI 2: General Disclosures 2021	2-23 Policy commitments	p. 27 and 29				The precautionary principle was introduced by the United Nations in Principle 15 of the "Rio Declaration on Environment and Development", according to which: "In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation."
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices*	The company has no legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of antitrust and monopoly legislation. This topic is mediated by the Code of Compliance and Competition Law and is also covered in specific compliance training programs. The company also has a Regulatory department specialized in competition defense, with the possibility of internal and external auditing.				

(\*) Indicators that have been subjected to limited assurance by PwC Brazil.

GRI Standard	Disclosure	Location (Page)	Omission			Basis of Preparation	
			Requirements omitted	Reason	Explanation		
GRI 3: Material Topics 2021	3-3 Management of material topics	The company has no legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of antitrust and monopoly legislation. This topic is mediated by the Code of Compliance and Competition Law and is also covered in specific compliance training programs.					
	2-9 Governance structure and composition	p.22 and 23				Our Board of Directors is composed of six members. Board Members serve for a term, if any, established by the shareholders that appointed them or, if no term is established at the time of their appointment, they shall serve up to their death, resignation or removal from office. Directors appointed by the Board of Directors remain in office until the next annual general meeting. According to our Articles of Association, there is no retirement age requirement for our directors. Board members are full members and there are no alternates.	
	2-10 Nomination and selection of the highest governance body	p.23					
	2-11 Chair of the highest governance body	p.22					
	GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts*	p.22				
		2-13 Delegation of responsibility for managing impacts*	p.22				
		2-14 Role of the highest governance body in sustainability reporting*	p.17				
		2-15 Conflicts of interest*	p.29, 30 and 31				For "conflict of interest," the organization adopts the definition used by the GRI: situation where an individual is confronted with choosing between the requirements of their function in the organization and their other personal or professional interests or responsibilities.
	2-17 Collective knowledge of the highest governance body*	p.30					
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling*		Significant categories and the rationale for calculating the percentage of products or services that are covered by the organization's procedures and assessed for compliance with such procedures.	Confidentiality constraints	We do not publicly report the significant categories and the rationale for calculating the percentage of products or services that are covered by the organization's procedures and assessed for compliance with such procedures, since this is considered strategic information. The company is considering the possibility of disclosing this information in the coming years.	Reporting on which substances could have a social or environmental impact takes into account the assumptions of regulatory bodies and Brazilian legislation for each category in the product portfolio.  The company adopts the criteria of regulatory bodies and Brazilian legislation for each category in the product portfolio and information from manufacturers to determine the safe use of products and services, and disposal of its products.  The criteria used to determine the significant categories were based on the regulations of the regulatory bodies and Brazilian legislation.	
	417-3 Incidents of non-compliance concerning marketing communications*		Incidents of non-compliance concerning marketing communications	"Information unavailable/incomplete"	Information on incidents of non-compliance concerning marketing communication was not available up to the completion of this report. The company is considering the possibility of disclosing this information in the coming years.		
<b>Financial Education and Inclusion</b>							
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	p.6, 7, 27, 55				Relevant business relationships" are all those that have the potential to generate significant operational and financial impacts (those that affect the company to the point of influencing business, financial, and operational decision-making).  We use the description adopted by the GRI to evaluate the term: "these are changes in activities such as new units, termination of activities, expansions, changes in the structure of the supply chain or in its relationships with suppliers, including selection and termination; or changes in the location of its suppliers.	

(\*) Indicators that have been subjected to limited assurance by PwC Brazil.

GRI Standard	Disclosure	Location (Page)	Omission			Basis of Preparation
			Requirements omitted	Reason	Explanation	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported*	p.70 and 72				"Significant" investments are those made in infrastructure and services that go beyond the scope of the company's own operations (social, environmental, educational, and other investments). Positive impacts are those that directly benefit communities, without directly fulfilling a commercial purpose. "Relevant" impacts are all impacts that could affect the company's operations. On the other hand, "negative impacts" are those that can affect production or the communities surrounding the operations.
	203-2 Significant indirect economic impacts*	p.34, 70 and 72				The organization considers "significant indirect economic impacts" to be the resources (own or through incentives) invested in social and environmental projects and programs, the availability of products and services for the low-income population and the economic impacts resulting from the use of products and services, such as the democratization of access to financial services, teaching Brazilians to save and invest.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	p.48 and 70				See line 413-1 as shown on page 84.
<b>Financial Innovation</b>						
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed*	p.33				The SVA has been prepared following the format set out in the Consolidated Financial Statements and in CPC 09 - Statement of Value Added (SVA).  The SVA presented in the 2022 Sustainability Report considers the same companies included in the SVA of the Financial Statements, which can be found in section 4. Consolidation of subsidiaries, of the document Consolidated Financial Statements 2022 ( <a href="https://api.mziq.com/mzfilemanager/v2/d/d1c190f7-52c1-4663-aa9f-0e0141aa5e3c/101eacbd-3fb6-16e4-0926-b73baabd61f4?origin=1">https://api.mziq.com/mzfilemanager/v2/d/d1c190f7-52c1-4663-aa9f-0e0141aa5e3c/101eacbd-3fb6-16e4-0926-b73baabd61f4?origin=1</a> ).
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported*	p.70 and 72				"Significant" investments are those made in infrastructure and services that go beyond the scope of the company's own operations (social, environmental, educational, and other investments). Positive impacts are those that directly benefit communities, without directly fulfilling a commercial purpose. "Relevant" impacts are all impacts that could affect the company's operations. On the other hand, "negative impacts" are those that can affect production or the communities surrounding the operations.
<b>Customer Relations</b>						
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting*	p.17				
	2-16 Communication of critical concerns*	p.23 and 29				We consider critical concerns to be the most relevant situations, given their potential impact and the macroeconomic context, as well as the number of substantiated reports.
	2-23 Policy commitments	p. 27 and 29				The precautionary principle was introduced by the United Nations in Principle 15 of the "Rio Declaration on Environment and Development", according to which: "In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation."
	2-29 Approach to stakeholder engagement	p.19, 55 and 68				

(\*) Indicators that have been subjected to limited assurance by PwC Brazil.



GRI Standard	Disclosure	Location (Page)	Omission			Basis of Preparation
			Requirements omitted	Reason	Explanation	Assumptions and criteria
<b>Relevant Topics – Not Material</b>						
<b>Diversity and Inclusion</b>						
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees*	p.47 and 49				The concept of employees adopted for this indicator considers all those with whom PagBank has a working relationship, including interns, and does not include contractors.  Employment categories were broken down into the following levels: Director, Manager, Coordinator and Specialist, Supervisor, Team, and Apprentice
	405-2 Ratio of basic salary and remuneration of women to men*		Ratio of basic salary and remuneration of women to men	Confidentiality constraints	We do not publicly report the ration of basic salary and remuneration of women to men, since this is considered strategic information. The company is considering the possibility of disclosing this information in the coming years.	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		Incidents of discrimination and corrective actions taken	Confidentiality constraints	We do not publicly report incidents of discrimination and corrective measures taken, since this is considered strategic information. The company is considering the possibility of disclosing this information in the coming years.	
<b>Partner and Supplier Management</b>						
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	p.6, 7, 27, 55				"Relevant business relationships" are all those that have the potential to generate significant operational and financial impacts (those that affect the company to the point of influencing business, financial, and operational decision-making).  We use the description adopted by the GRI to evaluate the term: "these are changes in activities such as new units, termination of activities, expansions, changes in the structure of the supply chain or in its relationships with suppliers, including selection and termination; or changes in the location of its suppliers."
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	p.19, 55 and 68				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	p.55 and 56	Budget spent on local suppliers.	Confidentiality constraints	We do not publicly report the budget spent on local suppliers, since this is considered strategic information. The company is considering the possibility of disclosing this information in the coming years.	The percentage of local suppliers is calculated as follows: total number of local suppliers of products and services/total number of suppliers of products and services. This ratio yields the percentage of local suppliers. "Local" was defined as suppliers of products and services based in Brazil.  No supplier category was excluded from the calculation above.
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	p.56				"New suppliers" were considered to be those approved in 2022 and which are assessed as having the highest level of risk and which together account for approximately 98% of centralized spending (Group A). Centralized spending means spending managed directly by the Purchase/Procurement area.  For "environmental criteria" the following are considered: documentary qualification, assessment of compliance with the environmental issues assessed in the supplier registration and approval process (environmental permitting, registration with IBAMA, PPRA, ISO 14001 and waste management and recycling programs).  The calculation of the percentage reported took into account: / New suppliers (Group A) screened using environmental criteria / New suppliers (Group A).

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GRI Standard	Disclosure	Location (Page)	Omission			Basis of Preparation
			Requirements omitted	Reason	Explanation	Assumptions and criteria
<b>GRI 308: Supplier Environmental Assessment</b>	308-2 Negative environmental impacts in the supply chain and actions taken	p.56				<p>The supplier base considered in the report is made up of direct suppliers of raw materials active during the year.</p> <p>The environmental assessment of centralized suppliers is an integral part of the annual supplier approval process, which is managed by the Procurement area.</p> <p>We consider "actual and potential negative environmental impacts" to be those caused in whole or in part by the company, or directly associated with our activities, products or services as a result of the relationship with a given supplier, as described in the Glossary of the GRI Standards.</p> <p>We consider "significant negative impacts" to be the direct or indirect impacts generated or identified by our suppliers that could impact a large number of stakeholders due to social, environmental, and climate-related impacts.</p>
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor*	p.27 and 56				<p>The definitions of "child labor" and "young workers" comply with Brazilian legislation.</p> <p>"Hazardous work" refers to work situations that do not comply with Brazilian legislation.</p> <p>All administrative and sales operations are assessed for significant risk of child labor or young workers being exposed to hazardous work.</p> <p>Contracts with suppliers contain mandatory clauses to ensure that child labor is not used.</p> <p>The company considers that those operations and suppliers that have a proven history of risk related to child labor and/or that are blacklisted pose a "significant risk."</p> <p>No countries or geographies have operations or suppliers considered to be at risk of employing child labor.</p>
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor*	p.27 and 56				<p>The definitions of "forced or compulsory labor" comply with Brazilian legislation, which is based on Convention No. 29 of the International Labor Organization (ILO).</p> <p>All our operations in Brazil are assessed and only critical suppliers at a national level are assessed for significant risk of incidents of forced or compulsory labor.</p> <p>The company considers that those operations and suppliers that have a proven history of risk related to forced or compulsory labor and/or that are blacklisted pose a "significant risk."</p>
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	p.56				<p>"New suppliers" were considered to be those approved in 2022 and which are assessed as having the highest level of risk and which together account for approximately 98% of centralized spending (Group A).</p> <p>Centralized spending means spending managed directly by the Purchase/ Procurement area.</p> <p>Calculation log = New suppliers (Group A) screened using social criteria / New suppliers (Group A).</p> <p>The social criteria considered are: compliance with legal obligations (Social Security, Government Severance Fund), Occupational Health Medical Control Program (PCMSO), Health and Safety Certifications, safety and community development initiatives.</p>

(\*) Indicators that have been subjected to limited assurance by PwC Brazil.

GRI Standard	Disclosure	Location (Page)	Omission			Basis of Preparation
			Requirements omitted	Reason	Explanation	
<b>Energy and Operations Efficiency</b>						
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p. 63 and 64 The company does not sell electricity, heating, cooling, and steam, nor does it purchase steam, heating, and cooling.	Consumption of renewable and non-renewable fuel	"Information unavailable/incomplete"	Information on consumption of renewable and non-renewable fuels was not disclosed in the 2022 report due to an operational failure, but it is included in the GHG inventories (Scope 1 Mobile Combustion and Stationary Combustion). The Company will disclose this information in the next reporting period.	To measure the energy consumption within the organization, the company's own units and administrative sites were considered, whether owned or rented office suites or floors.  The company considered energy consumption within the organization to be its electricity consumption, which was calculated using information from electric utility bills and from the free energy market.
	302-3: Energy intensity	P63 and 64				
GRI 303: Water and Effluents 2018	303-5 Water consumption	P.64				Given the organization's activities and their low impact on water consumption, the organization does not monitor areas with water stress.  Since the organization does not store water, we understand that there is no significant impact associated with this activity.
	203-1 Infrastructure investments and services supported*	p.70 and 72				"Significant" investments are those made in infrastructure and services that go beyond the scope of the company's own operations (social, environmental, educational, and other investments). Positive impacts are those that directly benefit communities, without directly fulfilling a commercial purpose. "Relevant" impacts are all impacts that could affect the company's operations. On the other hand, "negative impacts" are those that can affect production or the communities surrounding the operations.
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts*	p.34, 70 and 72				The percentage of local suppliers is calculated as follows: total number of local suppliers of products and services/total number of suppliers of products and services. This ratio yields the percentage of local suppliers. "Local" was defined as suppliers of products and services based in Brazil.  No supplier category was excluded from the calculation above.
	204-1 Proportion of spending on local suppliers	p.55 and 56	Budget spent on local suppliers.	Confidentiality constraints	We do not publicly report the budget spent on local suppliers, since this is considered strategic information. The company is considering the possibility of disclosing this information in the coming years.	The percentage of local suppliers is calculated as follows: total number of local suppliers of products and services/total number of suppliers of products and services. This ratio yields the percentage of local suppliers. "Local" was defined as suppliers of products and services based in Brazil.  No supplier category was excluded from the calculation above.

(\*) Indicators that have been subjected to limited assurance by PwC Brazil.

GRI Standard	Disclosure	Location (Page)	Omission			Basis of Preparation
			Requirements omitted	Reason	Explanation	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	p.48 and 70				<p>We consider "Operations" to be all the organization's sites and locations where the organization operates.</p> <p>The actions that determine social impacts are measured according to the investment or expenditure and their operating results (such as number of people trained, engaged, impacted, etc.).</p> <p>Environmental impact is assessed by the Social Investment and ESG areas according to the nature and materiality of the community projects in which the company invests (whether or not they have a positive or negative environmental impact). The company monitors the impacts for as long as it supports the projects.</p> <p>The company identifies the needs of local communities and defines the criteria for addressing these needs through development programs by cross-referencing the social investment strategy with the needs presented by the proponents of the projects.</p> <p>The criteria used to map stakeholders consider those who are directly and indirectly impacted by the company's social investment actions, as well as its direct clients.</p> <p>The consultation processes for determining vulnerable groups take into account family income, schooling, geographic region, gender and race of the populations assisted and/or impacted, considering public data from various government bodies, data from non-governmental organizations and/or the company's own survey.</p> <p>The company considers "local community engagement" to be non-commercial actions conducted by the company and/or its partners to generate positive impacts or mitigate negative social and environmental impacts, which require the active participation of the communities affected.</p>
	413-2 Operations with significant actual and potential negative impacts on local communities	p.70				<p>We consider "Operations" to be all the organization's sites and locations where the organization operates.</p> <p>"Significant actual and potential negative impacts" are identified using social and environmental criteria and monitored by the Social Investment area. Social and environmental criteria include: income, employability, demographics and diversity, greenhouse gas emissions, polluting activities, and energy and fuel consumption, among others.</p> <p>The company defines "local communities" as the cities in which it has administrative and commercial operations.</p>
GRI 415: Public Policy 2016	415-1 Political contributions*	"As per internal policy (Grupo UOL, the controlling shareholder, also has a media unit that is committed to nonpartisanship the company does not contribute to political parties, candidates, or political institutions, nor does it have lobbying offices or contact with the Legislative and Executive branches. When the company needs to contact authorities, it does so directly or through a trade association, either through the regulatory agency, the Brazilian Central Bank (BCB), or through ANBIMA, CVM, or other self-regulators (for example, BSM). The company contributes to ABRANET, ABBC, ABECS, and ANBIMA. For political contributions among third parties using PagBank's services, public rules and policies concerning PEPs (Politically Exposed Persons anti-corruption policies, etc. apply."				The company does not disclose information on contributions of any nature other than political contributions.
<b>Climate Strategy</b>						
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change*	p.27				<p>"Significant changes" are those that have the potential to materially affect the company's operations or finances.</p> <p>The costs of actions taken to manage climate-related risks and opportunities relate to the total spent on risk management. The time frame to manage climate-related risks and opportunities is: short term (0-3 years), medium term (4-6 years), and long term (7-10 years). The financial implications of climate-related risks and/or opportunities are being assessed; therefore, it is not yet possible to describe the amounts for the present and the future.</p>

(\*) Indicators that have been subjected to limited assurance by PwC Brazil.



GRI Standard	Disclosure	Location (Page)	Omission			Basis of Preparation
			Requirements omitted	Reason	Explanation	Assumptions and criteria
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p.58, 59 and 60				Emissions were calculated following the methodology and assumptions defined by the Brazilian GHG Protocol Program.
	305-2 Energy indirect (Scope 2) GHG emissions from the acquisition of energy	p.58, 59 and 60				Emissions were calculated following the methodology and assumptions defined by the Brazilian GHG Protocol Program
	305-3 Other indirect (Scope 3) GHG emissions	p.58, 59 and 60				We follow the assumptions of the Brazilian GHG Protocol Program. We consider "significant changes" to be major changes in the final value of the inventory (more than 40%) compared to the previous year.
	305-5 Reduction of GHG emissions	p.58, 59 and 60				Emissions were calculated following the methodology and assumptions defined by the Brazilian GHG Protocol Program. "Primary associated effects" are defined as eco-efficiency processes in the operation. Since the reduction recorded in 2022 was identified in the operation, there are no "associated secondary effects."
<b>Indicadores aplicáveis não relacionados aos temas materiais</b>						
GRI 306: Waste 2020	306-3 Waste generated	p.64				The information on waste took into account only waste generated and disposed of by the company's headquarters. Data was compiled based on the information contained in the technical reports on waste management and recycling issued by the service provider approved and hired for this purpose.
	306-4 Waste diverted from disposal	p.64				The information on waste took into account only waste generated and disposed of by the company's headquarters. Data was compiled based on the information contained in the technical reports on waste management and recycling issued by the service provider approved and hired for this purpose.
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	p.51				"Employees" are all those with whom PagBank has a working relationship, with the exception of interns and contractors. They are: directors, managers, coordinators, specialists, supervisors, staff, and apprentices.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor*	p.27 and 56				See line 409-1 as shown on page 82.
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	p.56	% of suppliers with which relationships were terminated as a result of significant negative social impacts	Confidentiality constraints	We do not publicly report the % of suppliers with which relationships were terminated as a result of significant negative social impacts. The company is considering the possibility of disclosing this information in the coming years.	The company considers "negative social impacts" associated with suppliers to be any non-compliance with Brazilian legislation related to labor, childhood and adolescence, gender, race, sexual orientation, and other social issues. The concept adopted by the organization for "actual and potential significant social impacts" are the risks of non-compliance with standards and fines related to labor issues, childhood and adolescence, gender, race, sexual orientation, and other social issues.  The company determines which negative social impacts - actual and potential - are significant through an assessment made via the annual approval registration questionnaire, submission of documentation, and other supplier surveys.  The social criteria considered in the approval process are: compliance with legal obligations (Social Security, Government Severance Fund), Occupational Health Medical Control Program (PCMSO), Health and Safety Certifications, safety and community development initiatives.
<b>(*) Indicators that have been subjected to limited assurance by PwC Brazil.</b>						

SASB CONTENT INDEX		
TECHNOLOGY & COMMUNICATIONS SECTOR		
SOFTWARE & IT SERVICES		
SASB	DISCLOSURE	LOCATION (PAGE) / COMMENTS
<b>Environmental Footprint of Hardware Infrastructure</b>	TC-SI-130a.1 - (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	p.63
	TC-SI-130a.2 - (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	p.64
	TC-SI-130a.3 - Discussion of the integration of environmental considerations into strategic planning for data center needs	p.22
<b>Data Privacy &amp; Freedom of Expression</b>	TC-SI-220a.1 - Description of policies and practices relating to behavioral advertising and user privacy	p.36
	TC-SI-220a.2 - Number of users whose information is used for secondary purposes	p.77
	TC-SI-220a.3 - Total amount of monetary losses as a result of legal proceedings associated with user privacy	p.77
	TC-SI-220a.4 - (1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	p.77
	TC-SI-220a.5 - List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	Brazil
<b>Data Security</b>	TC-SI-230a.1 - (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	p.77
	TC-SI-230a.2 - Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	p.36
<b>Recruiting &amp; Managing a Global, Diverse &amp; Skilled Workforce</b>	TC-SI-330a.1 - Percentage of employees that are (1) foreign nationals and (2) located offshore	p.42
	TC-SI-330a.2 - Employee engagement as a percentage	p.54
	TC-SI-330a.3 - Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	p.49
<b>Intellectual Property Protection &amp; Competitive Behavior</b>	TC-SI-520a.1 - Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	p.78
<b>Managing Systemic Risks from Technology Disruptions</b>	TC-SI-550a.1 - Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	p.39
	TC-SI-550a.2 - Description of business continuity risks related to disruptions of operations	p.39

## ATTACHMENTS

### Forward-looking statements

This presentation, prepared by PagSeguro Digital Ltd. (“we” or the “Company”), is for informational purposes only. The information in this presentation does not constitute or form part of, and should not be construed as, an offer or invitation to subscribe for, underwrite or otherwise acquire, any securities of the Company or any subsidiary or affiliate of the Company, nor should it or any part of it form the basis of, or be relied on in connection with any contract to purchase or subscribe for any securities of the Company or any of its subsidiaries or affiliates nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

This presentation may contain forward-looking statements relating to matters such as continued growth prospects for the Company, industry trends and product and technology initiatives.

These statements are based on currently available information and our current assumptions, expectations and projections about future events. While we believe that our assumptions, expectations and projections are reasonable in view of currently available information, you are cautioned not to place undue reliance on these forward-looking statements.

Our actual results may differ materially from those included in this presentation, for a variety of reasons, including those described in the forward-looking statements and risk factor sections of our most recent Annual Report on Form 20-F (File No. 001-38353) and other filings with the **Securities and Exchange Commission (“SEC”)**, which are available on our investor relations website and on the **SEC’s website**.

All the information in this presentation considers December 31, 2022 as the base date.. Except as may be required by applicable law, we assume no obligation to publicly update or revise our statements.

## Non-GAAP financial measures

This presentation includes the following financial measures defined as “non-GAAP financial measures” by the SEC: Non-GAAP Net Income, non-GAAP Total Costs and Expenses, non-GAAP Administrative Expenses and Adjusted EBITDA. We present non-GAAP measures when we believe that the additional information is useful and meaningful to investors. These non-GAAP measures are provided to enhance investors’ overall understanding of our current financial performance and our prospects for the future. Specifically, we believe the non-GAAP measures provide useful information to both management and investors by excluding certain expenses, gains and losses, as the case may be, that may not be indicative of our core operating results and business outlook.

These measures may be different from non-GAAP financial measures used by other companies. The presentation of this non-GAAP financial information, which is not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation of, or as a substitute for, the financial information prepared and presented in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. Non-GAAP measures have limitations in that they do not reflect all the amounts associated with our results of operations as determined in accordance with IFRS. These measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures.

For more information on financial measures, refer to the document [Webcast Presentation 4Q22](#)



# Independent auditor's limited assurance report on the non-financial information included in the 2022 Sustainability Report



## To the Board of Directors and Stockholders

PagSeguro Digital Ltd. - PagSeguro  
São Paulo - SP

[A free translation of the original in Portuguese]

## Introduction

We have been engaged by PagSeguro Digital Ltd. - PagSeguro ("Company" or "PagSeguro") to present our limited assurance report on the non-financial information included in the 2022 Sustainability Report of PagSeguro for the year ended December 31, 2022.

Our limited assurance does not cover prior-period information, or any other information disclosed together with the 2022 Sustainability Report, including any incorporated images, audio files or videos.

## Responsibilities of the management of PagSeguro

The management of PagSeguro is responsible for:

- selecting or establishing adequate criteria for the preparation and presentation of the information included in the 2022 Sustainability Report;
- preparing the information in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI-Standards), and with the basis of preparation developed by the Company;
- designing, implementing and maintaining internal controls over the significant information for the preparation of the information included in the 2022 Sustainability Report, which is free from material misstatement, whether due to fraud or error.

## Independent auditor's responsibility

Our responsibility is to express a conclusion on the non-financial information included in the 2022 Sustainability Report, based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01 - Issuance of Assurance Reports related to Sustainability and Social Responsibility, issued by the Federal Accounting Council (CFC), based on the Brazilian standard NBC TO 3000, "Assurance Engagements Other than Audit and Review", also issued by the CFC, which is equivalent to the international standard ISAE 3000, "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that the auditor complies with ethical requirements, independence requirements, and other responsibilities of these standards,



including those regarding the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures on the compliance with ethical requirements, professional standards and relevant legal and regulatory requirements.

Moreover, the aforementioned standards require that the work be planned and performed to obtain limited assurance that the non-financial information included in the 2022 Sustainability Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with the Brazilian standard NBC TO 3000 and ISAE 3000 mainly consists of making inquiries of management and other professionals of PagSeguro involved in the preparation of the information, as well as applying analytical procedures to obtain evidence that allows us to issue a limited assurance conclusion on the information, taken as a whole. A limited assurance engagement

also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the information disclosed in the 2022 Sustainability Report taken as a whole might present significant misstatements.

The procedures selected are based on our understanding of the aspects related to the compilation, materiality, and presentation of the information included in the 2022 Sustainability Report, other circumstances of the engagement and our analysis of the activities and processes associated with the significant information disclosed in the 2022 Sustainability Report, in which significant misstatements might exist. The procedures comprised, among others:

(a) planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information included in the 2022 Sustainability Report;

(b) understanding the calculation methodology and the procedures adopted for the compilation of indicators through inquiries of the managers responsible for the preparation of the information;

(c) applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the 2022 Sustainability Report; and

(d) when non-financial data relate to financial indicators, comparing these indicators with the financial statements and/or accounting records.

The limited assurance engagement also included the analysis of the compliance with the guidelines and criteria of the Global Reporting Initiative (GRI-Standards), and the provisions established in the basis of preparation developed by the Company.

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

## Scope and limitations

The procedures applied in a limited assurance engagement vary in nature and timing and are less detailed than those applied in a reasonable assurance. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level that would be obtained in a reasonable assurance engagement. If we had performed a reasonable assurance engagement, we might have identified other matters and possible misstatements in the information included in the 2022 Sustainability Report. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate and estimate these data. Qualitative interpretations of the relevance, materiality, and accuracy of the data are subject to individual

assumptions and judgments. Furthermore, we did not consider in our engagement the data reported for prior periods nor future projections and goals.

The preparation and presentation of non-financial information and indicators followed the definitions of the basis of preparation developed by the Company and the guidelines of the Global Reporting Initiative (GRI-Standards) and, therefore, the information included in the 2022 Sustainability Report does not have the objective of providing assurance with regard to the compliance with social, economic, environmental or engineering laws and regulations. However, the aforementioned standards establish the presentation and disclosure of possible cases of non-compliance with such regulations when sanctions or significant fines are applied. Our limited assurance report should be read and understood in this context, inherent to the criteria selected and previously mentioned in this paragraph.

## Conclusion

Based on these procedures performed, described herein, and on the evidence obtained, no matter has come to our attention that causes us to believe that the non-financial information included in the 2022 Sustainability Report of PagSeguro has not been prepared, in all material respects, in accordance with the criteria of the basis of preparation and guidelines of the Global Reporting Initiative (GRI-Standards).



São Paulo, October 17, 2023  
PricewaterhouseCoopers  
Auditores Independentes Ltda.  
CRC 2SP000160/O-5

**Maurício Colombari**  
**Contador CRC 1SP195838/O-3**

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For more information about the  
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## Credits

This third Sustainability Report is the result of  
the effort of the entire PagSeguro Digital team.

We thank everyone for their participation and  
engage-ment, including the collection of  
information and the ESG commitment shown in  
performing the activities throughout the year.

