



# SUSTAINABILITY REPORT 2023





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# Foreword

For 17 years, PagSeguro Digital has been making the lives of people and businesses easier, democratizing access to financial services in Brazil. Through the innovative work of our more than 7,000 employees, we offer our clients a superior banking and payment experience, thanks to a unique interface and excellence in customer support, which transforms the way people deal with money and unlocks new possibilities for reaching their dreams.

In this fourth sustainability report, we detail the progress and results achieved by the company in 2023, a year in which we not only recorded the highest net income in our history, but also when we succeeded in providing more Brazilians with economic inclusion through new products and innovative programs.

In the following pages, we will look at the actions taken during 2023 to become a company that is increasingly aligned with best practices in online security and fraud prevention, and even more committed to sustainable actions and policies.

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# Highlights from the Year

Progress and results achieved 2023



**11% market share**  
in the payments market

**50% of the Board**  
of Directors is composed of women

**3 million**  
new clients

**7,273 employees**  
across Brazil

**31 million**  
clients

**30+ means**  
of payment available  
to our clients

**R\$ 27.6 billion**  
in deposits

**R\$ 2.5 billion**  
in the loan portfolio

**66% secured**  
credit products



**Score B**  
(Management Level) in the CDP disclosure

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

**brAAA**  
certification for PagBank's certificates of deposit (CD), granted by S&P and Moody's, renowned US financial analysis companies

Awarded the **RA1000 Seal** by Reclame Aqui. The only digital bank in Brazil to receive this recognition



# 1

## Letter from Leadership



# Letter from Leadership

< GRI 2-22 >

2023 was a special year for PagSeguro Digital. We recorded the highest net income in our history (R\$1.8 billion) and advanced in the financial inclusion of an increasing number of Brazilians through new products and innovative programs. We also continued in our quest to be the company that makes sustainable practices a strategic part of its business, increasing our reliability and engaging more and more of our stakeholders with this topic.



We surpassed the 31 million customer mark by the end of 2023, which is equivalent to 13% of the Brazilian population, with the addition of more than 3 million customers throughout the year. This historic milestone was possible by overcoming the challenges brought about by the fluctuations resulting from the Covid-19 pandemic and a cycle of high interest rates over a relatively long period, supported by the strength of our products and the robustness of our technology infrastructure.

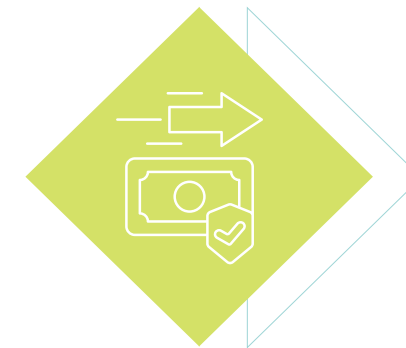
**In payments, we recorded an 11% growth in Total Payment Volume (TPV), reaching R\$394 billion. This was possible thanks to our strategic integration, which uniquely combines financial services and payments.**

We also introduced new solutions for the banking sector, such as the collection platform for commercial establishments, which, in a single place, combines cards, payments, PIX (Brazilian P2P/P2B instant payment rail) and payment slips (boletos), helping clients manage their accounts and receivables in one solution, which can be accessed via tablet, cell phone, or laptop. All this integrated into our three strategic pillars: Payments, Banking and Credit.

## More security and new solutions

With the constant improvement in the levels of use of our application, we have achieved increasingly better evaluations on Reclame Aqui and in the application stores and we have been able to extend our banking offer beyond microentrepreneurs.

Coupled with these advances, our focus on security and fraud prevention has made us one of the first Brazilian companies to launch facial recognition for online payments. Throughout 2023, we invested in expanding our capacity of risk prevention and management, and held 279 awareness and engagement initiatives on this subject for all our stakeholders.



**Around 96% of Pagbank settlements are instantaneous**



# In 2023, we improved the card journey and facilitated access to payroll loans and FGTS advances

For small- and medium-sized enterprises, we launched the possibility of liquidation of different acquirers on a PagBank account. We also created an approval profile and a bank account for multiple users in addition to a payroll management platform, with capacity of up to 2,000 salaries. All these solutions are fully integrated into our ecosystem and available both via the app and the internet banking interface.

Building closer relationships with our clients at all levels is a constant goal, and creating products that support this process is fundamental for PagBank. With this in mind, we've improved our investment platform, offering payroll loans, FGTS Early Prepayment, a complete investment platform with the best CDs on the market in terms of profitability, shares, and government bonds.



## Inclusion via financial education

Along with technology, social inclusion is also an important part of our work for society. Through a management team focused on financial education projects, we promote and disseminate basic knowledge on this subject, helping to knock down the false impression that Brazilians have difficulty talking about and dealing with money and investments.

One of the highlights in this area was the web series *Independência Financeira Feminina*, which highlights the importance of financial independence for women and provides important tools for dealing with this topic on a daily basis.

Launched in 2023, the second season of the web series had over 70,000 views.

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### Advances in sustainability

Since 2019, the company has been working with assured carbon emissions data to ensure transparency and accuracy in reporting to all our stakeholders. One of our main achievements was to reduce direct and indirect emissions related to energy consumption (Scopes 1 and 2).

We also received the gold seal from the Greenhouse Gas Protocol (GHG Protocol), furthering our commitment to develop a science-based plan to reduce emissions. At the CDP, the financial sector's main initiative in relation to climate change mitigation and data disclosure, we rose from a Score F in the first years of assessment to a Score B (Management Level) in the second year of active participation in answering the Climate Change questionnaire. It is worth noting that, in Latin America, less than 20% of companies have achieved this score.

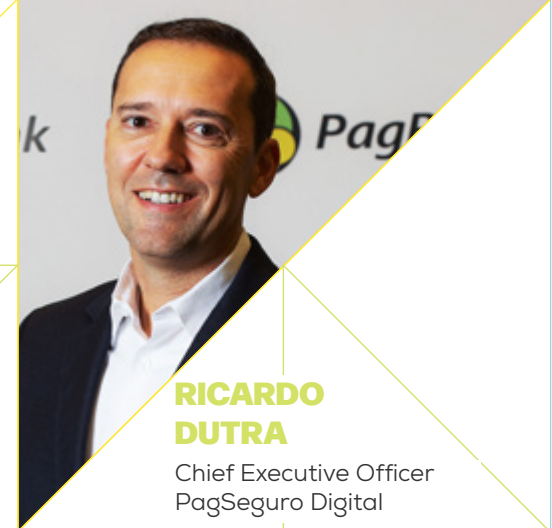
We are also working to increase the share of solar energy in our energy matrix, with the aim of exceeding 80% by the end of 2024.

### Looking to the future

By 2024, PagBank intends to expand the penetration of payments in all segments, combining payments and banking services to achieve an optimum balance between growth and profitability. We are focused on promoting the growth of online payments, both in Brazil and abroad, in order to reach maximum capacity in all our channels.

In addition, our goal is to establish closer ties with our clients by expanding our credit offer for guaranteed products, which pose fewer risks for the company and better returns for the client, and by promoting our high-yield savings accounts in order to expand consumption and diversify the segment.

### Enjoy your reading!



**RICARDO DUTRA**

Chief Executive Officer  
PagSeguro Digital



**ALEXANDRE MAGNANI**

Chief Executive Officer  
PagSeguro Digital



**ARTHUR SCHUNCK**

Chief Financial Officer  
PagSeguro Digital



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# About the Report



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# About the Report

< GRI 2-3, 2-5, 2-14, 2-29, 3-3 >

This is the fourth edition of PagBank's Sustainability Report. In it, we report on the company's main results for 2023 in accordance with the principles of the Global Reporting Initiative (GRI) - GRI Standards 2021, the Sustainability Accounting Standards Board (SASB) Indicators for "Software & It Services - Technology & Communications Sector," as well as the United Nations' Sustainable Development Goals (SDGs).

The indicators reported herein include all companies and businesses under the corporate control of PagSeguro Digital, a publicly traded company listed on the NYSE. The financial data and the information presented in this report have been assured by PwC.

As in the last four years, the Greenhouse Gas Inventory was audited by Instituto Totum. It is important to note that the preparation of the report was monitored and approved by the company's Sustainability Committee. The Report also has a specific section on the implementation of the recommendations of the Task Force on Related Financial Disclosures (TCFD).



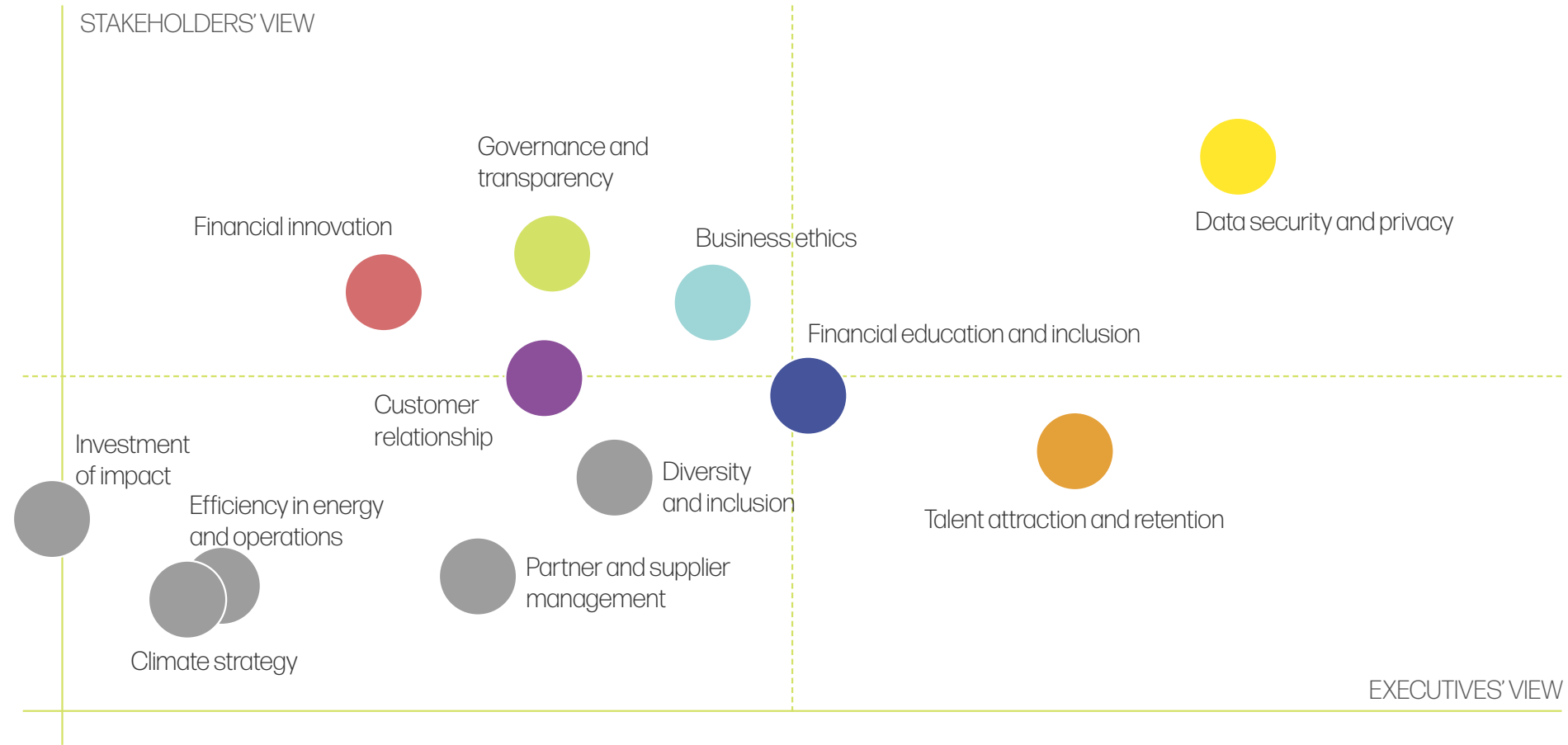


# Material topics

< GRI 3-1, 3-2 >

The current Materiality Matrix was built in 2021, following the guidelines of the GRI Standard, which takes into account the analysis of the context of the organization and identification of relevant topics within the company's operations; identification of potential and actual impacts by analyzing mapped corporate risks and assessing the importance and prioritization of impacts.

The consultation process involved an in-depth analysis of the market and surveys with PagSeguro Digital's main stakeholders, including employees, suppliers, investors, clients (micro and small entrepreneurs, companies, partners, subacquirers, or others), regulatory and self-regulatory bodies, trade associations, and non-governmental organizations with which the company maintains relations. The survey totaled 8,265 consultations, and we received a 5% return from the audience consulted.



Material Topics	Related Indicators
1º Data security and privacy	418-1
2º Talent attraction and retention	2-7, 2-8, 2-19, 2-20, 401-1, 401-2, 401-3, 404-1, 404-2, 404-3
3º Business ethics	2-23, 206-1
4º Governance and transparency	2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-17, 417-1, 417-3
5º Financial education and inclusion	2-6, 203-1, 203-2, 413-1
6º Financial innovation	201-1, 203-1
7º Customer relationship	2-14, 2-16, 2-23, 2-29

Relevant Topics - Non-Material	Related Indicators
8º Diversity and inclusion	405-1, 405-2, 406-1
9º Partner and supplier management	2-6, 2-29, 204-1, 308-1, 308-2, 408-1, 409-1, 414-1
10º Efficiency in energy and operations	302-1, 302-3, 303-5
11º Investment of impact	203-1, 203-2, 204-1, 413-1, 413-2, 415-1
12º Climate strategy	2-6, 203-1, 203-2, 413-1
13º Financial innovation	201-2, 305-1, 305-2, 305-3, 305-5

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# SUSTAINABLE DEVELOPMENT GOALS (SDGS)

After analyzing the material topics identified in the Materiality Matrix, it became clear that they adhere to the Sustainable Development Goals (SDGs), defined by the Member States of the United Nations (UN) in 2015.

The 17 SDG are ambitious, interconnected goals relating to the key 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.

The company has been a signatory to the United Nations Global Compact for over three years. **This initiative, 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, promotes 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, including companies and organizations, distributed along 70 local networks, spanning 160 countries**

Material Themes 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	
	4.3 4.4	4.4	5.5 5.c	5.c	8.2	8.2	8.5	8.5	10.4	10.4	16.B	16.B	17.8	17.8
Data Security and Privacy					8.2								17.8	
Talent attraction and retention	4.3 4.4	4.4	5.5 5.c	5.c	8.5				10.4		16.B			
Business Ethics											16.5			
Governance and transparency											16.6 16.7			
Education and financial inclusion	4.4	4.4	5.a 5.b.1br	5.b.1br	8.3		9.2		10.2					
Financial innovation					8.2 8.3		9.3							
Customer relationship											16.6			



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# About Us



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# About Us

Our purpose is to facilitate the financial lives of people and businesses

< GRI 2-1 >



PagSeguro Digital began operating in the financial market in 2006 and has since consolidated its position as an acquirer and issuer of cards and provided complete solutions for online and in-person payments (via mobile and mPOS devices) with the widest range of payment methods, such as credit, debit and meal cards, and the largest acceptance network in Brazil. Headquartered in the city of São Paulo and operating in 100% of the Brazilian territory, we are present in more than 5,500 Brazilian municipalities.

PagSeguro Digital is a public company listed on the NYSE and regulated by the SEC (Securities and Exchange Commission). Under its control are companies in Brazil and abroad regulated by the Brazilian Central Bank (see organization chart above) that are part of a prudential conglomerate and are licensed financial institutions (multiple bank and securities brokers) and payment institutions (issuers of electronic money, credit cards, and acquirers), having partnerships with the main card brands.

In 2019, the company officially launched its digital banking operation, expanding democratization and financial inclusion beyond means of payment, with three main objectives: to reduce the financial cost of the operation by diversifying sources of funding through deposit-taking; to reduce client churn by increasing the penetration of digital account services; and to diversify revenues beyond intermediation and prepayment of receivables.

In December 2023, the company had 7,273 employees. Through an extremely lean corporate structure compared with other financial institutions, PagBank focuses on innovation, the creation of scalable products, and massive financial inclusion.



## OUR VALUES

### All for the client

We make life easier for our clients: it is for them that we create innovative solutions. Bankocracy? No! Our motivation is finding simple, creative, and efficient ways to meet their needs, exceed their expectations, and improve their financial experiences.

### Protagonism

We take ownership, focus on delivery, and act with a sense of urgency. We work tirelessly and resiliently, assuming the leading role in every step of the way. We tackle the challenges, we are not afraid to dare, to make mistakes, and to challenge ourselves. We carry innovation and pioneering spirit in our DNA and we have the courage to do things differently and go beyond the conventional.

### Reliability

We value the credibility we have earned over the years and the daily trust that clients, partners, and investors place in our business. We are reliable because we deliver on our promises, acting with transparency and integrity in everything we do, developing intelligent solutions without neglecting security.

### Collaboration

We welcome all comers, sharing knowledge, valuing diversity of opinions, and working tirelessly to create value for our clients and investors. At a full-service bank, collaboration is the foundation to driving innovation and achieving exceptional results.

### Simplicity

We know that simplicity is key to providing a positive, seamless, and fast experience. That's why we're always looking for approaches and practices that make our processes, communications, products, and solutions more accessible, intuitive, practical, and functional.

**7,273**  
**professionals in**  
**its workforce**

Our clients are companies of all types and sizes.

We serve 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.

We are also expanding our presence in the business-to-business trade segment, offering specific products for beauty and personal care professionals, self-employed workers, drivers and taxi drivers, lawyers, doctors and dentists, commerce and brick-and-mortar stores, restaurants, bars, and snack bars.



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# Membership associations < GRI 2-28 >

From our beginning, we have been following the main initiatives in the financial and digital payment sector through our membership in the following associations:

- **ABBC** - Brazilian Association of Banks
- **ABECS** - Brazilian Association of Credit Card and Service Companies
- **ABRANET** - Brazilian Internet Association
- **ANBIMA** - Brazilian Association of Financial and Capital Market Institutions
- **APIMEC** - Brazilian Association of Capital Market Analysts and Investment Professionals
- **Camara-e.Net** - Brazilian Chamber of Digital Economy

The company also takes part in actions that encourage women participation in companies, such as the Women on Board (WOB) seal, an independent, non-profit initiative that recognizes companies that have at least two women sitting on their

Board of Directors. We are also signatory to the United Nations Global Compact, the world's largest voluntary corporate sustainability initiative, and to the Women Empowerment Principles (WEP).

*****	
<b>Political Influence</b>	
*****	
<b>Contributions</b>	<b>Value (2023)</b>
Lobbying, advocacy or similar	R\$ 0.00
Local, regional or national political campaigns/candidates	R\$ 0.00
Trade associations and/ or tax-exempt groups (e.g. think tanks)	R\$ 848,733.00
*****	
<b>Total contributions and other expenses</b>	<b>R\$ 848,733.00</b>
*****	

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# Timeline

## Evolution of PagBank and the Brazilian payment system

### 2006

- PagSeguro is created to offer UOL users the option of making online payments. The aim was to become the Brazilian version of PayPal.

### 2009

- PagSeguro reaches more than 100,000 online stores.

### 2010

- End of the exclusivity agreement between Visa/Cielo and Mastercard/Rede.

### 2011

- PagSeguro reaches more than 250,000 online stores and 15 million buyers.

### 2013

- PagSeguro reaches 23 million buyers.
- PagSeguro launches the first POS device (swipe model).
- Brazilian Central Bank (BACEN) creates Regulation for Payment Institutions.

### 2014

- Debit and credit card reader for Android and iOS platforms.

### 2015

- Launch of Moderninha (mPOS).
- Launch of the PagSeguro prepaid card.

### 2016

- Launch of Moderninha in the Pro and Wi-Fi versions.
- PagSeguro Sales app (for point of sale).

### 2017

- Launch of Minizinha.(mPOS).
- PagSeguro Minha Conta App (Digital Account in the app).
- PlugPag - integration with third-party sales systems.
- Pag.ae - payments via social media.

### 2018

- The company's IPO takes place on the New York Stock Exchange (NYSE), resulting in one of the largest capital increases for a Brazilian fintech: US\$2.6 billion
- PagSeguro starts issuing corporate cards. The company starts its credit operation.

### 2019

- PagSeguro launches the PagBank Digital Account.
- For R\$60 million, the company acquires a license to operate as a full-service bank.
- Launch of the Account Card and Credit Card.
- New portfolio of mPOS devices (Minizinhas Chip, Moderninha X, and Moderninha Pro 2).

### 2020

- Initial development of a series of value-added services for merchants.
- PagBank launches its first guaranteed credit product for consumers.
- Launch of PIX (Brazilian P2P/P2B instant payment rail) and the initial phases of Open Banking.
- Launch of the first Certificates of Deposit (CDs).
- Moip/Wirecard is acquired.

### 2021

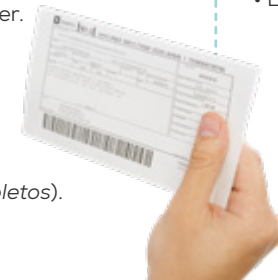
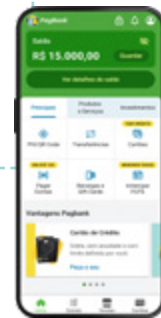
- PagBank develops HUBs across the country.
- Public hearing on new banking regulations.
- Launch of the PagInvest platform with new CDs, investment funds, cryptocurrency fund, and home broker.
- Launch of insurance products (Home, Life, and Mobile).
- Launch of PagBank Payroll Loan.
- Acquisition of Concil, a reconciliation company, and BoletoFlex, which deals with installment payments via payment slips (*boletos*).

### 2022

- Launch of PagBank business account.
- Free credit card linked to Certificates of Deposit.
- Debit card.
- Overdraft protection.
- Launch of *Poupar Automático* (Automatic Savings).
- Launch of PIX protection.
- R\$20 billion in PagBank deposits.
- PagBank launches PagTotem.
- Central Bank issues new capital requirement regulation for payment institutions.

### 2023

- Rebranding to PagBank.
- Tap on Phone.
- Billing platform using QR Code, PIX + payment slips (*boletos*).
- Facial recognition system.
- Payroll solution.
- Direct credit from third-party acquirers.
- Launch of Cofrinho (Piggy Bank).
- Launch of Card protection insurance.



# Awards and Recognition

## 2021



- Latin America Executive Team/Best Investor Relations by Team Institucional Investor July 2021.
- Best acquirer in Brazil, according to the iBest award, one of the most important recognitions in Brazil.
- 3<sup>rd</sup> place among the companies that provided the best services to society in 2021 in the Banking category by Estadão.

## 2022



- 1<sup>st</sup> place in the “Best Experience” category in the ID Summit onboarding ranking in 2022.
- 2<sup>nd</sup> best electronic payment company by Reclame Aqui.
- 2<sup>nd</sup> largest mPOS company in Brazil in 2022, according to a survey by UBS Evidence Lab.

## 2023



- PagBank’s business account was chosen as the best in the country by the iDinheiro portal.
- 5<sup>th</sup> place in 2023 as one of the best banks in Brazil by World’s Best Banks.
- In 2023, 1st place in Folha’s Top of Mind Award in the “mPOS terminal” category for the second consecutive year.

## 2024



- 2<sup>nd</sup> best bank in Brazil, according to the Forbes ranking.
- Ranked 21<sup>st</sup> in Interbrand’s “25 Most Valuable Brazilian Brands” ranking, with a brand value of R\$728 million.
- One of the six most valuable brands in the country’s financial sector according to Brand Finance Brazil 100, ranking 30th among the 100 largest brands in the Brazilian market, according to a ranking prepared by Brand Directory.
- Among the 50 most valuable brands in the country, according to a survey conducted by Kantar BrandZ.
- PagBank was honored for the second time in the ‘World’s Top FinTech Companies’ ranking by CNBC and Statista Inc., the world’s leading statistics portal and provider of industry rankings, a recognition also received in 2023.



# 4

## Products and Services



# Products and Services

< GRI 2-6 >

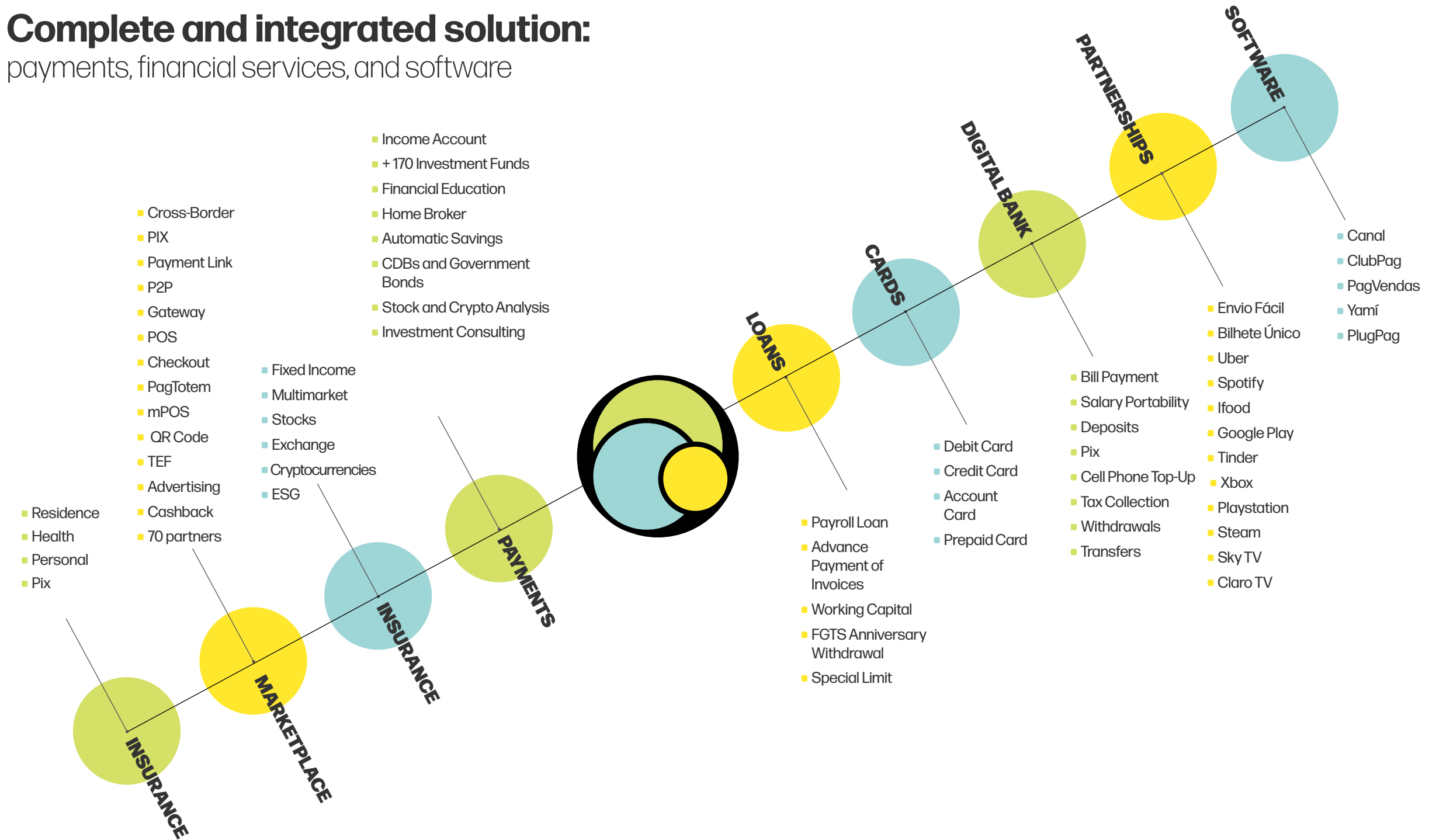


PagSeguro Digital offers its clients the chance to expand their business in a safe, accessible, and simple manner, through a free digital account that centralizes all cash-out options, functionalities, and services in a single ecosystem. This account offers a 100% online onboarding process with no red tape.

In addition, the company sells payment equipment via credit or debit cards, prepaid cards, vouchers and PIX (the main model is the mPOS Moderninha, but there are several other types of card terminals in the portfolio, with a variety of options and advantages).



# Complete and integrated solution: payments, financial services, and software



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## Payment devices (mPOS)



The company became known in 2006 with the launch of its first mPOS terminal. Today, the company has a complete **portfolio for all merchants on the same platform, providing a fully digital and integrated customer service experience.**

Through all options of mPOS terminals, it is possible for clients to make instant payments, providing immediate liquidity. See the options offered by PagBank.

### 1. Minizinha NFC 2

One of the most popular and affordable, it has a larger color screen, accepts proximity payments, offers high technology, and has a reduced pocket size. In addition to receiving payments via credit card, debit card and voucher, it allows sellers to send proof of purchase free of charge by SMS or e-mail to their customers.

### 2. Moderninha Pro 2

This option is the most complete, with no rent and allows small entrepreneurs to receive payments quickly and securely. It is easy to charge and its battery lasts all day, depending on use. Its screen is larger and can be shared with up to six people. It also accepts credit, debit and meal cards, and payments via QR Code.

### 3. Minizinha Chip 3

It has Wi-Fi connection and a SIM card with a free data plan, as well as a larger display and color screen. It accepts the main brands of credit cards, debit cards, meal cards, and NFC payments.

### 4. Moderninha Plus 2

Ideal for micro-enterprises, self-employed workers, and establishments such as beauty salons and personal care clinics, it can be shared with up to six professionals. It also accepts payments via PIX and NFC and comes with a SIM card and free data plan.

### 5. Moderninha Smart 2

Suitable for use at the checkout counter, it accepts credit, debit and, QR Code payments quickly and easily. It has a modern design, Wi-Fi connection, 4G chip and Bluetooth, touch-screen, and integrated camera. It comes with the PagVendas app installed, which is very useful for controlling sales, product inventory, and customer management by merchants.

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## 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, payment 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



## Prepayment of credit card receivables

This feature allows store owners to offer their customers the option of paying in installments via credit card, without the need to compromise their cash flow. Besides generating financial revenue for the company, it is an important source of working capital for merchants, in particular for Micro and Small Merchants and SMEs (Small and Medium Enterprises), especially those who may not have access to capital from traditional banks or financial institutions.

### Advanced integrated functionality and value-added services and features

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



- Customer care center 24/7
- **PagVendas:** A 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
- Immediate 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 eWallet (functionality available on the PagBank platform)
- Bill payments and tax collection

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## Cash-out solutions

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

## Complete set of payment solutions and methods

### Complete portfolio of payment solutions and methods

The company sales strategy includes an online partnership with UOL, which reaches 85% of the internet audience in Brazil. In addition, our sales centers are strategically distributed to cover 100% of the 5,570 Brazilian municipalities.

### Financial structure

With a net cash position of R\$11 billions, the company has a solid financial structure. To maintain this balance, we rely on diversified sources of funding, such as deposits, which results in a structurally lower cost of funding.

### Payments

PagBank offers a complete portfolio of products and services for different profiles of entrepreneurs and merchants, including in-person, online, multichannel, and self-service payments.



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With this, clients can anticipate their card sales automatically and instantly, 24 hours a day and any day of the week, including weekends and public holidays. **Merchants can count on our full-service digital bank, as well as payment solutions.** See below all payment services offered by PagBank.



### In-person payments

Complete portfolio for different vendor profiles, who can choose between mPOS, POS, Smart POS, and PagTotem.

### Online payments

- **Checkout/Gateway:** integrating the shopping cart with the store's e-commerce
- **Payment Link:** quick and easy, without relying on websites or payment terminals
- **Envio Fácil:** safer, quicker, and more affordable shipping service
- **Cross-border:** international payment solution focused on games, software, and digital payments available in Europe and Latin America



### Value-Added Services

- **Concil:** bank reconciliation with cash management and forecast
- **PagVendas:** business management and control software
- **ClubPag:** loyalty program, with an 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

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## Financial services

A broad and constantly evolving portfolio of day-to-day banking services, partnerships that cater from the youngest to the most experienced audience, different types of cards, credit products, an investment platform that is fully integrated with our app, and insurance products from partners.

**Day-to-day Banking:** deposits, withdrawals, transfers, PIX transactions, payment of bills and taxes, prepaid cell phone top-up and control, business account for companies that have more than one partner, and a payroll management tool.

**Partnerships:** our clients can use their account balance to buy credits for services widely used by Brazilians, such as Envio Fácil (Easy Shipping), Bilhete Único (Transportation Card), Uber, Spotify, iFood, Google Play, Tinder, Xbox, Playstation, Steam, Sky TV, and Claro TV.

**Cards:** we have debit, credit, prepaid, and account cards.

**Credit products:** payroll loans for public officials, FGTS Early Prepayment, working capital for merchants, special overdraft protection, and advance receivables of trade notes for suppliers.

**Investment Funds:** with opportunities starting at R\$1.00.

**Analysis:** with morning call, technical analyses, and own content (stocks/cryptocurrencies).

**Investment advisory:** a qualified and motivated team.

**Financial Education:** helping with the financial development of our clients.

## Investments

- **High yield savings account (Conta Rendeira):** a digital account that yields more than the regular savings account
- **Automatic savings:** a solution in which merchants choose a percentage of their sales to be automatically invested in PagBank's CDs
- **Fixed income:** the best CDs on the market issued by PagBank and government bonds
- **Variable income:** shares, real estate funds, and BDRs (Brazilian Depositary Receipts)
- **PIX:** protected transactions, plus access to Coursera and prizes of up to R\$30,000







## Insurance

- **Home:** for homeowners and tenants, with various plans
- **Life:** comprehensive coverage in the event of death and reimbursement of accident expenses
- **Health:** no limit on consultations and up to 4 dependents at no extra cost
- **Protected Card:** prevents losses suffered if the PagBank card is lost or stolen. It gives clients the possibility of making sales, performing banking services, and reconciliation, as well as managing chargebacks and ERP integration

## Software

### PagVendas

A solution in which the client can manage sales and issue invoices, fully integrated with their cell phone or tablet.

### ClubPag

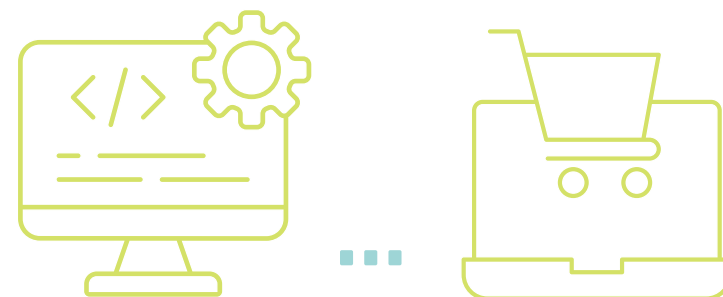
PagBank's loyalty program. It is an important tool for strengthening the relationship between merchants and customers.

### PlugPag

Connects the POS terminal to the merchant's commercial automation software.

### PagSeguro TEF

Option that offers reconciliation, management, and control services for the client's business.



## Cards

### Credit card

Clients can use their credit card limit without having to pay a monthly fee, make installments purchases, and easily pay their bill. The card is guaranteed by CDs and by the available account balance, offering security for both merchants and consumers.

### Debit card

Free of charge, it gives clients greater ease and control in their everyday purchases. It offers the possibility of NFC and withdrawals, without the need for a monthly fee or bill.

### Money card

Use of the available account balance directly with the card. No monthly fee or bill.

### Prepaid card

A practical option to control spending, the prepaid card allows consulting via app, as well as top-ups via balance, direct deposit, or payment slips (*boletos*).

# 5

## Ethics, Compliance and Governance





# Ethics, Compliance and Governance

< GRI 2-9, 2-10, 2-16, 201-2, 408-1, 409-1, 3-3 >

With solid Corporate Governance guiding its operations and strategic planning, PagSeguro Digital has a specific policy in place approved by senior management, based on five pillars:



## EQUITY

Treat all shareholders and stakeholders fairly and equally, respecting their rights and duties



## TRANSPARENCY

Provide relevant information in a clear manner, in addition to the information required by regulations



## CORPORATE GOVERNANCE

Regulate the conduct and management of the company, respecting the relationship between stakeholders



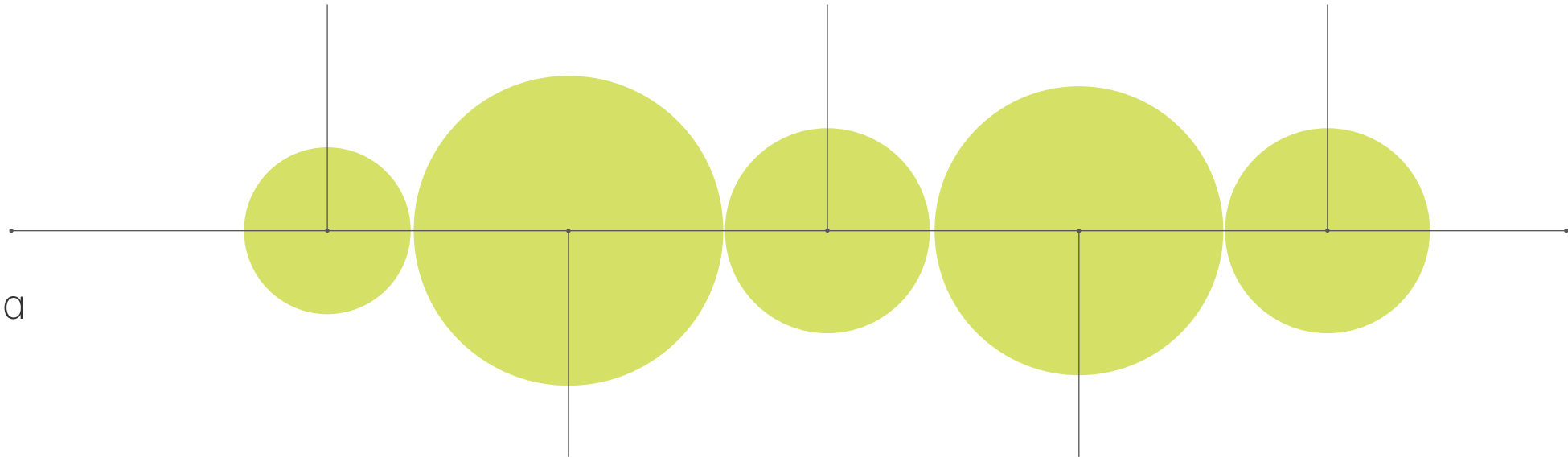
## ACCOUNTABILITY

Share information in a clear and concise manner, assuming the consequences of acts and omissions, and act diligently and responsibly



## CORPORATE RESPONSIBILITY

Ensure the company's economic and financial viability, guaranteeing long-term sustainability, creation of shared value, and benefits for society



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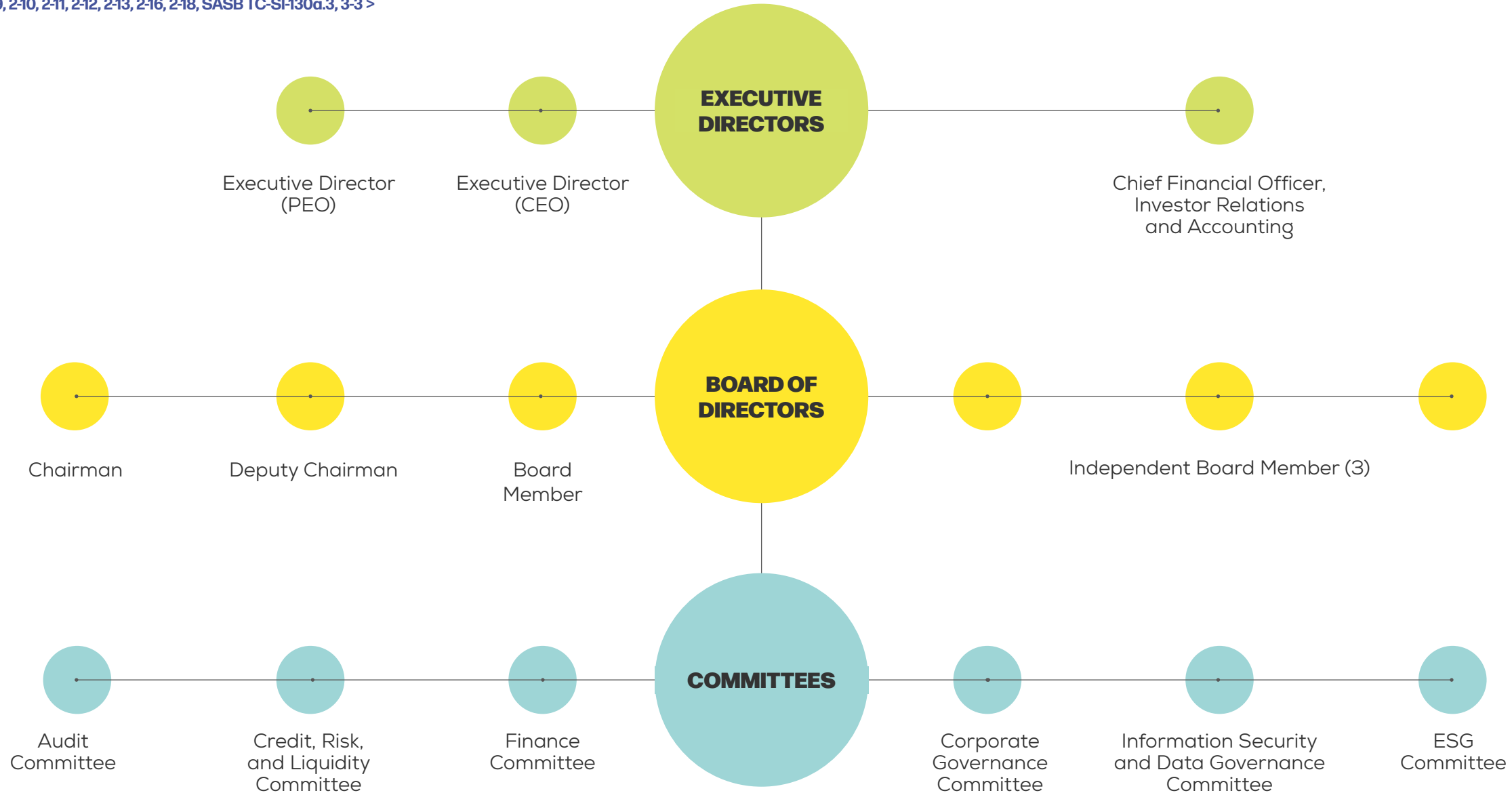
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# Governance Structure

< GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-16, 2-18, SASB TC-SI-130a.3, 3-3 >



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## Board of Directors

Responsible for ensuring general business strategy and policies (including the company’s mission and values), overseeing management, electing and removing directors, appointing independent auditors, among other duties.



The Board is composed of six members, three of whom are independent members according to criteria of the Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE), and three internal members. Each board member holds office until their resignation or removal (or for the term set out by the resolution of the shareholders who appointed them, if any) Therefore, the appointed Board Members remain in office until the next annual general meeting.



Click here to see the composition of our Board of Directors

Luis Frias is the current Chairman of the Board of Directors. The statutory directors of the operating companies do not sit on the Board of Directors. The performance evaluation of the highest governance body, as per Sarbannes Oxley<sup>1</sup> recommendations, is conducted by external audit, internal audit, and internal controls.

In addition, the Board is directly involved in discussions on the company’s Sustainability and ESG study and diagnosis. The company’s main topics and concerns are analyzed at frequent Board meetings, whenever necessary.

In 2020, the Women on Board (WOB), a non-governmental and non-profit organization linked to the United Nations, recognized PAGS for having a diverse Board with more than two women as board members (Maria Judith de Brito, Noemia Gushiken, and Marcia Nogueira de Mello)



<sup>1</sup> US Act enacted in 2002 to curb fraud and errors in corporate financial statements.



## Committees<sup>2</sup>

Complementing the governance structure, the company has executive committees that deal with specific topics in order to ensure that the strategies defined by the company are aligned with the risks identified and the applicable legislation. They all advise the Board of Directors and the Executive Board.



### Audit Committee

Its responsibilities include overseeing accounting processes, financial reporting, and auditing. It is made up of two company members and one independent member.



### Credit, Risk, and Liquidity Committee

This committee helps define and monitor risk policies taking into account the possibility of default by card issuers, who are obliged to pass on to credit and debit card brands the fees charged for transactions made by cardholders, and/or by acquirers, who are used by PagSeguro Digital to approve transactions with issuers. This committee is composed of two members, one of which is the chairman, both from the company.



### Finance Committee

Composed of seven members of the company's senior management, this committee is responsible for advising the Board of Directors on the performance of the company's economic strategy, cash generation, investments, and mitigation of financial risks. It is currently formed by the CEO, the Executive Director of Finance, the CFO, the Strategic Planning Officer, the Finance Planning and Internal Controls Officer, the Treasury Officer, the Controllership Officer, the Vice President of HR, Legal, and Institutional Relations, the Corporate, M&A and Tax Officer, and the Risk and Compliance Manager.

# The Board is directly involved in discussions on Sustainability and ESG

<sup>2</sup> The composition of the board and committees reported considers the configurations as of December 31, 2023.

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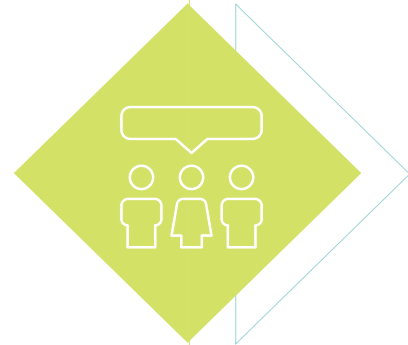
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**Committees help ensure that the company's strategy is aligned with any identified risks**

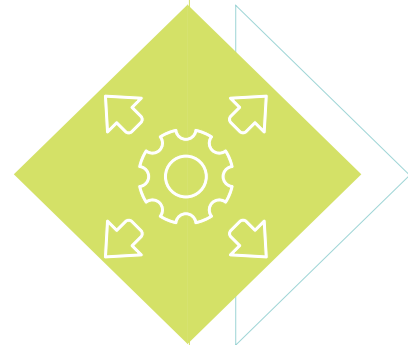


Click here to learn more about the responsibilities and composition of our committees



### Corporate Governance Committee

This committee advises the Board of Directors on the principles of corporate governance, in line with the company's objectives. This year, it is made up of eight members: Vice President of HR, Legal, and Institutional Relations, Chief Risk Officer, CEO, Executive Director of Finance, Executive Director of Corporate, M&A, and Tax, Treasury Officer, Executive Director of Technology, and Risk and Compliance Manager (who is the also coordinator of the committee).



### Information Security and Data Governance Committee

Its duties include identifying and establishing controls over internal and external risks to which the company is exposed in terms of Information Security. This committee is made up of 12 members from different areas of the company, including directors and managers. It is currently made up of the Fraud Prevention Director; the Information Security Manager (who is also the coordinator of the committee); the Executive Director of Technology; the Financial Planning Director; the Strategic Planning Officer; the Executive Director of Finance; the Management Information Manager; the General Manager of Data, the Director of Technology Operations; the Chief Risk Officer, and the General Manager of Information Security.



### ESG Committee

Made up of eight members, this committee convenes every three months. Its members include the Principal; the CEO; the Executive Director of Finance; the Executive Director of Regulatory Affairs; the Chief Human Resources Officer; the Chief Risk Officer; the Chief Legal Officer, and the IR, ESG and Market Intelligence Officer.

# Policies

The policies currently in force at PagSeguro Digital are<sup>3</sup>:

< GRI 2-23, 3-3 >

- Product Approval
- Physical Access Control
- Ongoing Certification
- Technology Incident Management
- Collection
- Research Analysis
- Compliance
- Know your Investment Client
- Remuneration for Banking Agents
- Personal Investment Policy
- Trading in Securities Issued
- BM&FBovespa's Rules and Operating Parameters
- Change Management
- Credit Risk Management
- Liquidity Risk Management
- Fixed Asset Management
- Corporate Governance
- Data Governance
- Anti-Money Laundering and Terrorist Financing Plan
- Distributor Remuneration Rules
- Payment terms for suppliers and third parties
- Ombudsman's Office
- Losses on Intangible Assets - Impairment
- BCP - Business Continuity Plan
- Social, Environmental, and Climate Responsibility
- Information and Cyber Security (unified)
- Fleet
- Resource investments
- Trade Agreements



- Remuneration of Internal Audits, Compliance, and Internal Controls Areas
- Operational Risk, Internal Controls, and Social and Environmental Risk
- Suitability

<sup>3</sup> Only within the scope of PAGS Brazil.



# Risk Management and Internal Controls

< GRI 201-2 >

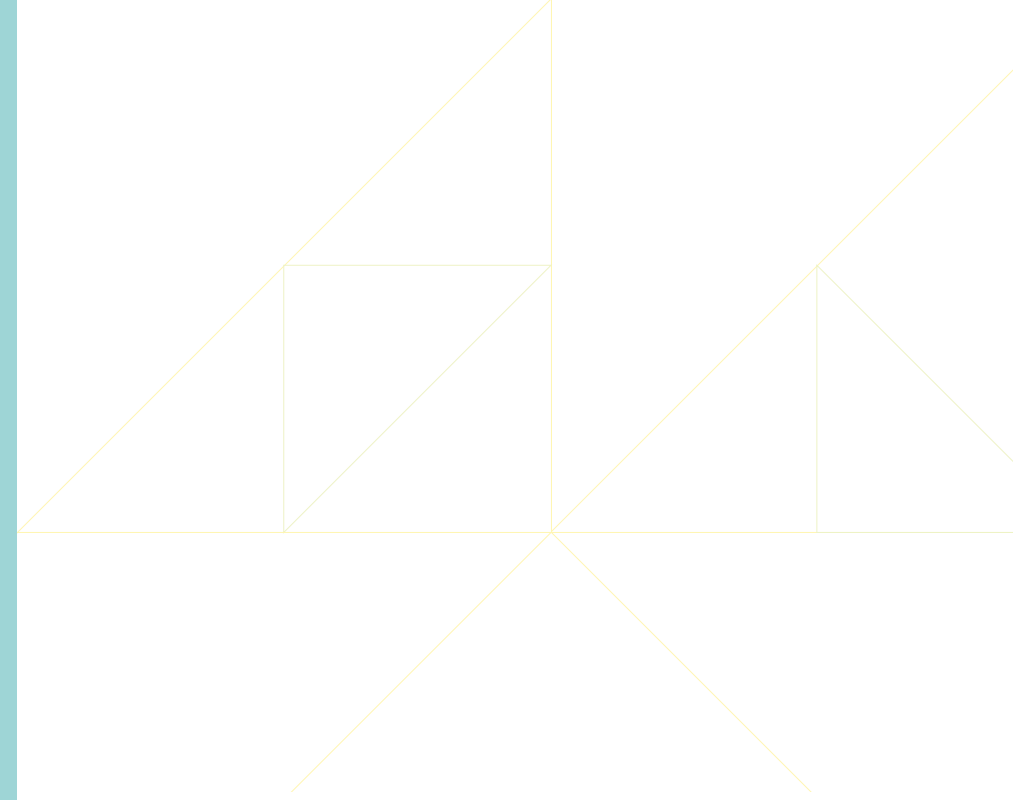
PagSeguro Digital's Risk Management and Internal Controls area is responsible for implementing and maintaining the procedures listed in the Internal Controls and Operational and Social and Environmental Risk Management Policy, which establishes mechanisms for identifying, evaluating, monitoring, controlling, and mitigating risks. It operates independently, but is connected to all sectors of the company.

Its guidelines are based on the norms in effect, including the rules and policies set out by the Brazilian Monetary Council (NMC) and the Brazilian Central Bank (BCB) for regulated institutions - with which the company fully complies. Our operating model was built on the concept of the Three Lines of Defense, in which each hub acts according to its roles and responsibilities.

**1<sup>st</sup> Line of Defense:** analysts and area managers operate in the areas where the process occurs. They are responsible for identifying and implementing controls and managing risks associated with their activities.

**2<sup>nd</sup> Line of Defense:** all professionals from the Operational Risk, Internal Controls, and Compliance areas work on this front and are responsible for assisting the first line of defense in identifying risks and their subsequent mitigation. This line of defense monitors and assesses exposure of processes to risk by analyzing the quality of the control environment, acting in an advisory capacity, suggesting process revisions or new controls.

**3<sup>rd</sup> Line of Defense:** under the responsibility of the Internal Audit area, it assesses the elements of any line of defense, checking the effectiveness of governance, risk management, internal controls, and achievement of the expected goals. To manage operational risk, the company adopted a specific approach that includes the following stages: identification; analysis and evaluation; response and treatment, and monitoring and revision.



In the risk management process, **social and environmental responsibility and commitment to society and the environment are guidelines for all company activities that involve clients, partners, and suppliers.**

For this reason, we are constantly monitoring the risks associated with this front, identifying possibilities of losses arising from social and environmental damage.

**We also have an Operational Risks, Internal Controls, and Social and Environmental Policy, which is reviewed every two years and approved by the Executive Board.** Even without having specific targets, the area continues to map social, environmental, and climate-related risks, identifying opportunities for improvement to reduce the incidence and materialization of risk.

# Ethics and transparency

< GRI 2-15, 2-24, 2-26 >

Essential values for maintaining and growing our business, ethics, and transparency guide all our actions and initiatives. In order to put these values into practice, the company created the Code of Ethics and Conduct and the Compliance Code, which establish guidelines to be followed by all employees in the performance of their duties.

In addition to delving into topics such as transparency, ethics, respect for privacy and information security, these documents define the importance of an inclusive work environment, free from harassment or prejudice of any kind based on race, color, religion, gender, sexual orientation, and others.

In relation to the fight against corruption, the company promotes compliance with the law in all its forms and we work to identify, manage, and mitigate any conflicts of interest that could affect the impartiality of employees involved with the distribution of investment products and other functions.

In order to address any concerns or questions and to analyze possible re-

ports of non-compliance with the Code of Conduct, the company discloses the email of the Whistleblower Channel, with guaranteed anonymity. All complaints are immediately investigated by the HR area, which may assign a qualified professional to assist in the investigation, including legal counselling where necessary.

**Total number of complaints received through the Whistleblower Channel**

	2021	2022	2023
Total number of active employees	6,751	7,223	7,273
Total number of complaints	44	19	49
% of active employees	0.70%	0.30%	0.70%
Total number of legitimate complaints	25	7	26
% of legitimate complaints	56.80%	36.80%	53.10%
Total number of unfounded complaints	19	12	23
% of unfounded complaints	43.20%	63.20%	46.90%



Access the Whistleblower Channel

The company also has a mandatory training program for all employees, which includes the following:

### GENERAL

- Ethics and Compliance
- BCP - Business Continuity Plan
- Brazilian General Data Protection Act (GDPA)
- Operational Risk, Internal Controls, and Compliance

### SECURITY

- Information Security and Phishing
- Phishing

### COMPLIANCE

- Anticorruption Law
- PCI-DSS Data Security Standards
- Banking secrecy
- SOx - PagBank and PagSeguro

### MONEY LAUNDERING PREVENTION

- ML/TF
- Anti-Money Laundering and Terrorist Financing Plan in practice

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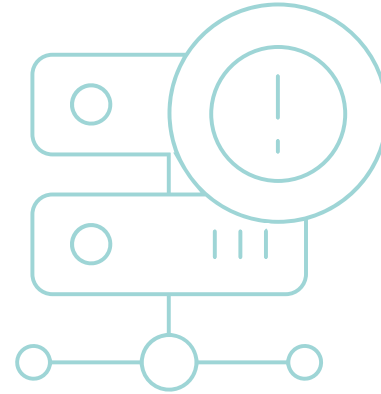
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In addition to these training courses, the company has the UniUOL platform, which offers various courses and content that can be accessed by all PagSeguro Digital employees. This content covers topics such as Financial Education, Career Self-Development, Communication, Management and Productivity, Innovation, Diversity and Inclusion, Emotional Intelligence, and Data Management.



### Prevention of fraud and money laundering

To meet legal and regulatory obligations, we follow guidelines to identify and prevent operations suspected of money laundering and terrorist financing. Some of these guidelines are also listed in the company's Code of Ethics and Conduct.

To further address this topic, the company created a mandatory training program for all employees directly involved in operations, including topics such as Information Security, Anti-Money Laundering and Terrorist Financing Plan, Anti-Corruption, Brazilian General Data Protection Act (GDPA), and Business Continuity Plan (BCP).

Refresher courses are held once a year and must be completed by every employee within 15 days after joining the company. In 2023, 99% of PagSeguro Digital's employees completed the courses on Anti-Money Laundering and Terrorist Financing Plan and Anti-Corruption Law.

Another important precaution in this area is the inclusion of clauses that provide on the subject in contracts with clients and suppliers. We also have frameworks and procedures in place to prevent and combat money laundering and terrorist financing, such as:

- **Customer Identification**  
The Know Your Customer process includes, in addition to registration, proof of customer identification by confirming and updating all relevant information.
- **Customer Profile**  
It is intended to obtain information on income, assets, activity, or nature of business, and to check whether the client is a Politically Exposed Person (PEP), such as people who hold positions in public administration or governments.

### Conflict of interest

The company continuously monitors potential conflicts of interest that may occur among our employees, who are instructed to immediately report to their area manager and/or the Compliance lead any concerns relating to this matter.

Hiring relatives and friends is not allowed, except in specific cases established by the Human Resources department, approved by the Executive Board, and duly communicated to the Compliance lead.

Misconduct by third parties can result in the company and the employees involved receiving punishment for crimes such as bribery, money laundering, and offering and receiving undue advantages.



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# 6

## Operational and Financial Performance



# Operational and Financial Performance

< GRI 2-2, 201-1 >

In 2023, PagSeguro Digital recorded significant results, with its economic and financial performance focused on growing its share of the payments market by consolidating PagBank (financial services unit), reaching 13% penetration among the Brazilian population and on controlling expenses.

The year ended with R\$394 billion in payment volume in acquiring (TPV or Total Payment Volume) and R\$556 billion in financial services (TBV or Total Banking Volume).

Total net revenue reached R\$ 15,948 million, an increase of R\$ 613 million compared to the R\$ 15,335 million in 2022, chiefly due to the growth in volumes processed in payments and financial services and the repricing of prepayment fees and additional PagBank services such as card issuing, credit products, and account day-to-day banking.



The year ended with net revenue of R\$ 15.9 billion

In 2023, PagBank consolidated itself, reaching 13% penetration in Brazil



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Operating costs and expenses (GAAP) totaled R\$ 13,931 million, an increase of R\$ 355 million compared to R\$ 13,576 million in 2022. The increase in the cost of goods and services sold was mainly due to the rise in total processed volumes (TPV), increasing the day-to-day banking costs of card interchange, card issuing, withdrawal costs, among others.

The increase in sales expenses was primarily due to the expansion of the commercial HUB teams and losses (cancellation of transactions and provision for doubtful accounts). The increase in administrative expenses stems from the expansion of headcount. The increase in financial expenses can be primarily explained by the high interest rate in Brazil (average SELIC rate in 2022 of 12.57% and average SELIC

rate in 2023 of 10.41%) and the higher volumes processed in payments (TPV) and digital accounts (TBV).

Operating costs and expenses (Non-GAAP) totaled R\$ 13,758 million, an increase of R\$ 323 million compared with R\$ 13,435 million in the previous year. Net income (GAAP) reached R\$ 1,654 million, an increase of R\$ 149 million compared to R\$ 1,505 million in 2022. Net income (Non-GAAP) reached R\$ 1,500 million.



## Net profit reached R\$ 1.6 billion in 2023, an increase of R\$ 149 million

GAAP   R\$ million	2021	2022	2023
Revenue from Transactions and Other Services	6,784.8	8,906.4	9,027.2
Revenue from Sales	-	-	-
Financial Income	3,514.4	6,252.7	6,653.0
Other Financial Income	149.5	175.8	268.1
<b>Total Net Income</b>	<b>10,448.7</b>	<b>15,334.9</b>	<b>15,948.3</b>
Cost of Goods and Services Sold	(5,775.9)	(7,470.9)	(8,132.6)
Selling Expenses	(1,523.9)	(1,946.1)	(1,429.8)
Administrative Expenses	(877.6)	(668.7)	(732.7)
Financial Expenses	(790.6)	(3,151.6)	(3,269.5)
Other Expenses, Net	7.3	(338.4)	(366.7)
<b>Income Before Income Tax</b>	<b>1,488.0</b>	<b>1,759.3</b>	<b>2,017.1</b>
<b>Income Tax and Social Contribution</b>	<b>(321.7)</b>	<b>(254.5)</b>	<b>(363.4)</b>
Current Income Tax and Social Contribution	(119.8)	(60.7)	(101.9)
Deferred Income Tax and Social Contribution	(201.9)	(193.8)	(261.6)
<b>Net Income   GAAP</b>	<b>1,166.3</b>	<b>1,504.8</b>	<b>1,653.6</b>

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Non-GAAP   R\$ million	2021	2022	2023
Revenue from Transactions and Other Services	6,784.8	8,906.4	9,027.2
Revenue from Sales	-	-	-
Financial Income	3,514.4	6,252.7	6,653.0
Other Financial Income	149.5	175.8	268.1
<b>Total Net Income</b>	<b>10,448.7</b>	<b>15,334.9</b>	<b>15,948.3</b>
Cost of Sales and Services	(5,747.3)	(7,518.3)	(8,115.4)
Selling Expenses	(1,522.6)	(1,945.7)	(1,423.4)
Administrative Expenses	(517.1)	(544.3)	(580.4)
Financial Expenses	(790.6)	(3,151.6)	(3,269.5)
Other Income (Expenses), net	9.3	(275.6)	(369.4)
<b>Income Before Income Tax</b>	<b>1,880.4</b>	<b>1,899.5</b>	<b>2,190</b>
<b>Income Tax and Social Contribution</b>	<b>(455.2)</b>	<b>(302.2)</b>	<b>(422.3)</b>
Current Income Tax and Social Contribution	(119.8)	(59.1)	(101.9)
Deferred Income Tax and Social Contribution	(335.4)	(243.1)	(320.5)
<b>Net Income   Non-GAAP</b>	<b>1,425.2</b>	<b>1,597.3</b>	<b>1,768</b>

R\$ thousand (less EPS)	2021	2022	2023
Net income attributable to:			
Shareholders of the parent company	1,166,102	1,504,768	1,654,000
Non-controlling shareholders	182	-	-
<b>Earnings per Common Share</b>	<b>R\$ 3.53</b>	<b>R\$ 4.60</b>	<b>R\$ 5.14</b>
<b>Diluted Earnings per Common Share</b>	<b>R\$ 3.51</b>	<b>R\$ 4.57</b>	<b>R\$ 5.10</b>



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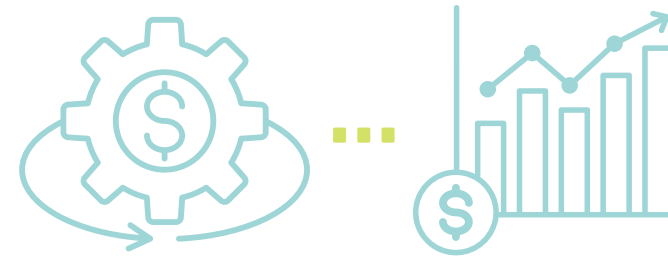
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# Corporate Structure\*

Shareholders	Class A		Class B		Total shares	Percentage (total shares)
	Shares	Percentage	Shares	Percentage		
Universo Online S.A	799,804	0.38%	120,459,508	100%	121,259,312	36.79%
Free Float	190,126,078	90.90%	–	0.00%	190,126,078	57.68%
<b>Subtotal</b>	<b>190,925,882</b>	<b>91.29%</b>	<b>120,459,508</b>	<b>100%</b>	<b>311,385,390</b>	<b>94.47%</b>
Treasury	18,223,034	8.71%	–	0.00%	18,223,034	5.53%
<b>Total</b>	<b>209,148,916</b>	<b>100%</b>	<b>120,459,508</b>	<b>100%</b>	<b>329,608,424</b>	<b>100%</b>

\*Position in October 2024.



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# Data Security and Privacy

< GRI 418-1, 3-3 SASB TC-SI-220a.1, TC-SI-220a.2, TC-SI-230a.2, TC-SI-220a.3, TC-SI-220a.4, TC-SI-230a.1 >



Trust and security are essential goals for success in the digital payments market. Respect for data privacy, protection, and security for users and clients is a crucial value for PagSeguro Digital. Our everyday work focuses on the privacy, protection and security of user and client data through our Information Security department.

One of the company's fundamental tools is the 360° Security, a guideline that permeates all areas to ensure that issues 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 regularly analyzes and scans applications to detect possible vulnerabilities. When a problem is identified, it is reported to the Executive Board and a specific deadline is set for its resolution.

We follow the rules and policies of the Brazilian Monetary Council and the cyber security resolutions of the Brazilian Central Bank (BCB) for regulated institutions. The company also complies with the Payment Card Industry Data Security Standard (PCI-DSS), the Brazilian General Data Protection Act and the Anti-Money Laundering Act.

**Privacy, protection and data security are fundamental values for PagSeguro Digital**

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# Information and Cyber Security Guidelines.

PagSeguro Digital’s Information and Cyber Security guidelines are fully in line with our strategic business objectives in order to ensure compliance with the principles of protecting the information of clients, partners, third parties, employees, or of any institution or person with whom we have a relationship. These guidelines include:

**INFORMATION PROTECTION:** ensuring the confidentiality, integrity, availability, and accuracy of information.

**RISK MITIGATION:** implementation of controls and procedures to reduce vulnerabilities and security incidents.

**CLASSIFICATION AND ACCESS CONTROL:** definition of guidelines for data classification, access restrictions, and processing of confidential information.

**ANTI-DATA LEAKAGE:** use of data leakage prevention mechanisms and protection against malicious codes.

**ACCESS CONTROL:** strict management of access to information and assets.

**CREDENTIAL MAINTENANCE:** secure use of passwords and tokens to protect systems.

**OPERATIONAL CONTINUITY:** execution of plans to ensure business continuity in the event of disasters or failures.

**BUSINESS CONTINUITY:** execution of plans to ensure business continuity in the event of disasters or failures.

**BACKUP AND RECOVERY:** guidelines for maintaining backup copies and retaining information.

**SECURE DEVELOPMENT:** controls for the software lifecycle and use of secure technologies.

**USAGE POLICIES:** prohibition of illegal actions and unauthorized use of technology resources.

**AWARENESS:** ongoing training and security awareness programs.

**RISK MANAGEMENT:** Integrated model for identifying, analyzing, and addressing risks.

**Violation of these guidelines may result in disciplinary measures, in accordance with the laws in force in the country**

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## Data protection tools



**Certification:** PCI certification, the acronym for “Payment Card Industry Data Security Standard.” Data are encrypted and stored in a secure environment so that no one has access.



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



**Risk analysis:** Covers topics such as contracting data processing and storage and cloud computing services, third-party management, information classification, electronic sending and receiving of confidential information, and vulnerability management. Currently, the main internal policies that address this topic are the Privacy and Data Protection Policy, the Data Governance Policy, the Business Continuity Policy, and the Information and Cyber Security Policy.

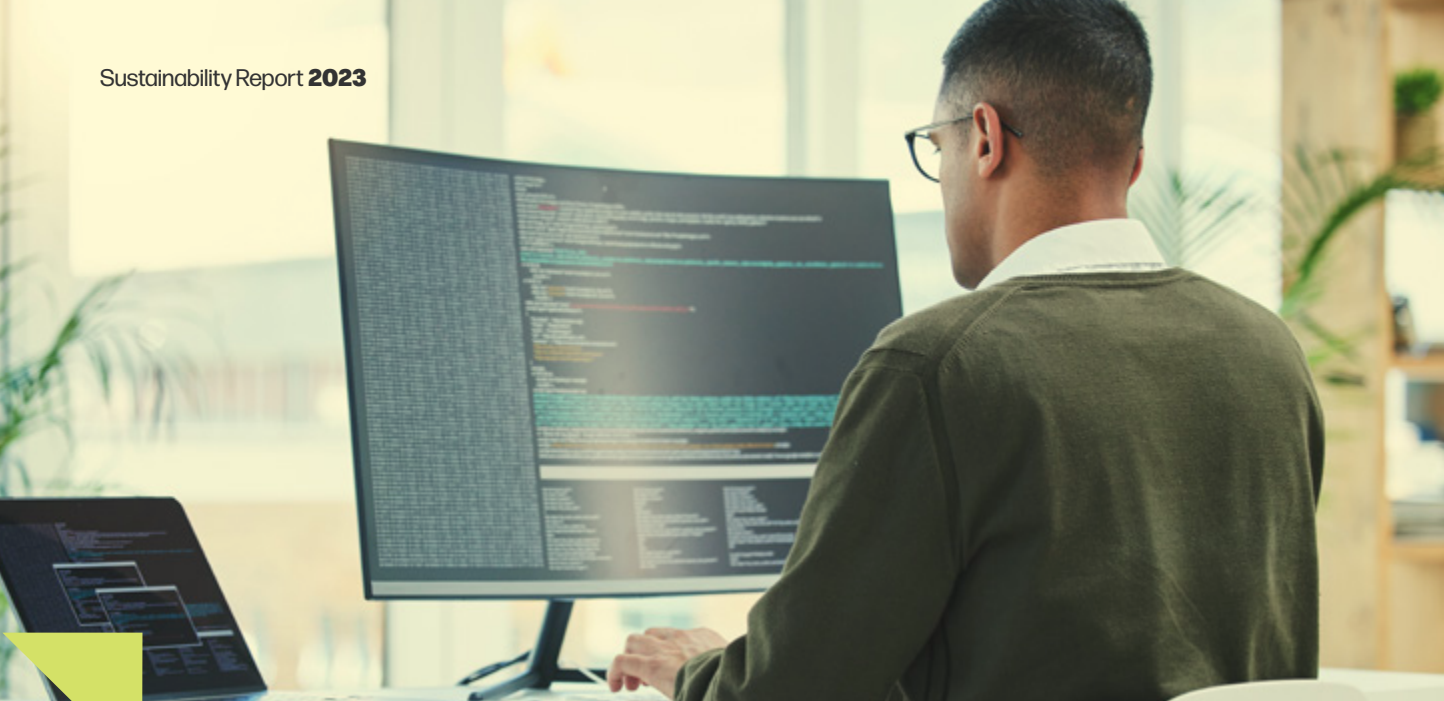
As part of our security processes, we provide employees with a mandatory training program that includes Information Security, PCI, Brazilian General Data Protection Act (GDPA), Business Continuity Plan (BCP), Phishing, Prevention of Money Laundering (PML), and Banking Secrecy.

### Information and Cyber Security guidelines are aligned with the business’s strategic objectives



Based on monthly indicators, we track the number of employees who have completed each of the mandatory training courses. We also created an awareness program that sends out recurring notices on topics related to Information Security, as well as monthly phishing campaigns for the entire company.





# Data Protection

Always prioritizing privacy and security, we developed a project consisting of 11 pillars to comply with the Brazilian General Data Protection Act.

We also implemented a Privacy Program to identify, evaluate, and guarantee the effectiveness of standardized data controls and protection in market frameworks, such as DSG (Data Security Governance) and NIST's Privacy Framework, with a focus on continuous improvement of the program.

Consisting of 9 guidelines and 28 goals effective for the three-year period between 2022 and 2024, the

Information Security Master Plan was recently developed, and its governance follows the controls and indicators of the ISO27000 family.

The plan is revised and approved by the Executive Board and its implementation is monitored by the Information Security and Data Governance Committee, formed by the Executive Director of Technology, the Executive Director of Finance, the Chief Risk Officer, and representatives from the Risk and Compliance, Data Governance, and Information Security areas.



## More complete and diversified training

In 2023, the company achieved 99% completion of training in Information and Cyber Security and related subjects. In addition, e-learning was offered throughout the year, as well as training on the Business Continuity Plan (BCP); PCI-DSS - Data Security Standards; Banking Secrecy and General Data Protection Act (GDPA), among others.

We also implemented the Information Security Awareness Platform, which provides information and training on this topic in a more informal way, with content such as videos, game series, posters, and newsletters.

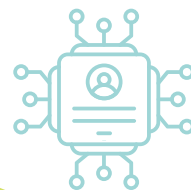
One of the highlights was The Inside Man series, containing security tips and guidelines applicable to our day-to-day lives. Aimed at all company employees, the action awarded prizes to the first three employees who watched all the episodes of the series and got more than 80% of the questions right.





# Information Security and Data Privacy Highlights

- **Implementation** of the ISO 22301 Certification Project.
- **Implementation** of the Information Security Awareness Platform. The platform complements our actions on this front, containing varied content on the subject in an informal, interactive, and competitive manner.
- **Improved** Information Security and Cybersecurity Risk Management through integrations and automations, increasing the detection of new risk cases by 114% compared to the previous year.
- **Implementation** of the Information Security and Cybersecurity Risk Management tool, leading to a reduction in assessment time, improved risk monitoring and documentation, as well as automatic notifications for mapped risks.
- **Start** of the 24/7 SOC monitoring operation.
- **A total of 173** supplier evaluations were conducted, including new hires, contract renewals, and 100% of critical suppliers, representing an increase of 49.14% over the previous year.
- **Expansion of the knowledge base** and collective knowledge (current CERT.br member) to support the incident response process.
- **Continuous expansion** of the responsibility matrix and of the scope of the teams, and workflows and improvement of use cases for correlation in the identification system (SIEM) against business demands.
- **Assessment** of the maturity of critical cybersecurity controls, based on CIS V8.
- **In all, 123** desktop tests were conducted, 13 of which were discontinued or interrupted.
- **Two tabletop tests:** the first simulated a data exfiltration incident, and the second a ransomware attack (a type of malware that blocks the user's personal data and only releases the data in exchange for payment of a ransom).
- **Acquisition of the Breach** and Attack Simulation (BAS) solution, used to simulate attacks in controlled environments to assess, in real time, the effectiveness of security controls, making it possible to improve the company's cybersecurity stance.
- **A total of 67 Disaster Recovery** scenarios were planned and executed, covering 178 (one hundred and seventy-eight) critical scenarios, including PagSeguro, BancoSeguro and PagInvest systems, as well as partner systems, allowing the actions held throughout the year to assess the behavior of applications, databases, and other assets, simulating abnormal conditions.



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# Security risk management

Management of Information Security risks is intended to address the issue based 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 area, offer a common and integrated risk model and procedure for the company.

The Information and Cyber Security risk management system is composed of processes from various sources, whether these are 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 assessed by a committee. Risks are managed using a specific tool, with automations for monitoring, inquiring, and escalating, when necessary.

**People, Processes and Technology are the pillars of the Business Continuity Management System (BCMS)**



## Business Continuity Plan

< TC-SI-550a.2 >



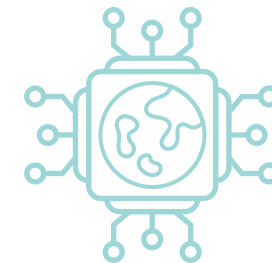
The Business Continuity Management System (BCMS) is based on three main pillars: People, Processes, and Technology. The purpose of the first pillar is to make sure that all stakeholders are prepared to execute the Continuity Plan and document execution methods, ensuring that all employees understand their responsibilities. The second defines and documents actions, activities, and models that are essential for the effective execution of the plan, while the third mitigates the consequences of business interruption by means of remote access or geographical distribution of technology. In 2023, the company was certified in ISO 22301, an international standard that establishes requirements for business continuity management.



## Main commitments

- To meet legal and regulatory requirements by complying with all rules and regulations relating to business continuity.
- To increase response and recovery capacity, strengthening the organization to face and efficiently recover from adverse situations.
- To define a crisis management structure by establishing a clear framework for responding to incidents and managing crises effectively.
- To develop testing and response procedures to create and maintain an efficient process for testing and reacting to disruptions.
- To strengthen teamwork, encouraging collaboration and crisis preparedness among our employees.
- To protect essential resources, ensuring that critical resources are secure for the operation of the organization.
- To guarantee efficient recovery measures, ensuring that such measures are effective and readily available.
- To proactively identify and mitigate risks.
- To improve relations and communication, enhancing relationships with organizations, regulatory bodies, and emergency services.

**Minimize impacts and protect products and services by reducing the impact of interruptions and protecting the company's main products and services**





In order to ensure the continuity of operations, we have implemented the NBR ISO 22301:2019 Standard in the BCMS, which sets out requirements for establishing, executing, maintaining, and improving a continuity management system, and focuses on ensuring that the organization can maintain and resume its essential operations during and after a disruption.

In April 2024, the company received the Quality Manager Systems (QMS) certification for the scope “Acquiring payment solution that includes the processes of capturing, authorizing and settling payment transactions via gift card,” in addition to other related support processes, such as Business Continuity Management (BCM); Internal Controls and Compliance; Human Resources; Procurement-Building Administration; Purchasing; Finance; Operations; Customer Service; and CRM Service and CRM Communication.

Another important area that deals with these situations is the Business Continuity Management (BCM) area, which identifies and monitors critical suppliers and partners, ensuring effective risk management. It also tracks critical processes for the operation, assesses the impact of possible disruptions, and implements constant process improvements, including monitoring and reporting to management on training and awareness actions, such as the mandatory training program for all employees. BCM also lays down the guidelines for the development of all documents and conducts internal audits of the Management System.

The most significant incidents may relate to suppliers, business, systems, processes, infrastructure, supply chain, environment, and people. For this reason, the plan establishes strategies and actions to guarantee the operation and availability of the company's essential services during such incidents until they are properly restored to normal.

## In 2024, the company received Quality Manager Systems (QMS) certification



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### Monitoring and evaluation

Our Continuity Management process follows the principles of NBR ISO 22301 and is based on a set of 12 work instructions that cover all phases of the continuity process, from identifying impacts to conducting tests and continuously monitoring the BCMS. These instructions define frequency, methods, duties, and reports, and are essential for ensuring the effectiveness of the system.

As with all documentation pertaining to Continuity, impact analyses are reviewed and updated at least once a year. **During the development of the Business Impact Analysis (BIA), the identification of social, environmental, and climate impacts is a critical step, which seeks to understand and document how disruptions can affect different dimensions of the operation.** This process is key to ensuring that the BCMS meets continuity requirements and contributes to the organization's social and environmental responsibility.

In 2023, PagSeguro Digital also conducted a number of impact analyses that follow ISO 22301 recommendations. The main activities include 79 impact analyses,

## In 2023, we reached 100% of the target for tabletop testing and Disaster Recovery exercises

involving 89 processes, 368 sub-processes, and 29 areas. In all, 136 desktop tests and 67 Disaster Recovery scenarios were carried out, covering 178 systems. The gaps identified during the tests were dealt with via the preparation and release of action plans, which were implemented by the areas responsible for remedying the deficiencies and improving continuity processes.

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# ISO 22301 Certification

In July 2023, the company began the process for obtaining ISO 22301 certification, with the active support of senior management. The definition of the scope considered strategic aspects of the business, operational boundaries, and critical areas that should be covered to ensure organizational resilience, improve risk management, and meet client and regulatory requirements. This process was key to enhancing PagSeguro Digital's ability to recover and adapt to crises and disruptions, establishing a framework for continuous improvement and resilience of business processes.

The company also conducts internal audits and works to improve the trust of its clients and partners, enabling internal teams to continue performing critical activities efficiently, taking into account the effort and investment for the business and the interests of key stakeholders.

**In terms of legal and regulatory compliance, the company worked on efficient controls to minimize the risks of penalties and litigation related to service disruptions.** During disruptions, we maintained a well-structured internal and external communication through a communication plan that kept all stakeholders informed, ensuring rapid responses to incidents.

Identifying and mitigating operational risks was also critical for the certification process. In addition to these measures, employee engagement and training included programs that raised awareness of a business continuity culture among the teams.



## In 2024, we complete the ISO 22301 certification process

We made efforts to preserve the company's image and reputation by eliminating the causes of discrepancies associated with the implementation and operation of the Business Continuity Management System (BCMS) and preventing their recurrence. In this regard, measures were also taken to ensure that our clients received continuous support and uninterrupted services during possible disruptions.

**The certification process was completed in April 2024. The company is preparing for the next important steps in its business continuity journey, which will be essential for maintaining ISO 22301 and exploring additional opportunities for improvement and expansion.**



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# System Availability

< TC-SI-550a.1 >

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

To this end, we use compensatory controls with various instant protections. One example is the implementation of solu-

tions 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 application security. The failures detected are recorded on a centralized platform and notified to those responsible for their immediate correction.

In 2023, unavailability rates were calculated in minutes, as well as the percentage of time the system was operational and available and the number of events affecting availability each year. During the year, there were 12 events in which the system was operational for an average of 99.84% of the time. None of them resulted in any repair that destabilized the system for more than 13 hours.

The vulnerabilities identified include instability in server-related events—such as the impact of the Brazilian Central Bank (BACEN) system on the generation of PIX in our products—and instability in the app, which affected our merchant clients' ability to issue payment slips (boletos). All vulnerabilities were reported and recorded for proper monitoring by the risk area's Security team.

## Availability data

Year	System	% of time available	Number of events	Unavailability (minutes)	Average unavailability (minutes)	Maximum unavailability (minutes)
2023	In-person payments	99.95%	4	286	72	121
	Cards	99.82%	4	956	239	430
	PagBank	99.67%	10	1,721	172	634
2022	In-person 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-person payments	100.00%	0	0	0	0
	Cards	99.99%	2	56	28	30
	PagBank	99.20%	42	6,374	151	1,045

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## Sustainable Strategy





# Sustainable Strategy

< GRI 305-1, 305-2, 305-3, 305-5 >



Since 2019, the company has been working with assured data on carbon emissions to ensure transparency and accuracy. **One of our main achievements is that our carbon emissions are 10 times lower than those of a traditional bank.** PagSeguro Digital fully offset its carbon emission since 2019, covering all scopes. In 2023, the company managed to reduce its Scope 2 by 83% by using renewable energy.

Together with this achievement, we received the gold seal from the GHG Protocol and we continue with our commitment to design an emissions reduction plan that is linked to science-based targets. In the CDP (Carbon Disclosure Project), the company went from an F score in its first report to a B score in its second and current report.

**Leadership engagement is crucial to the success of ESG (Environmental, Social, and Governance) initiatives.** Our ESG committee holds monthly meetings, ensuring that all areas of the company are integrated and aligned with the strategy.

## Greenhouse Gas Emissions (tCO<sub>2</sub>eq)

	2021	2022	2023
<b>Scope 1</b>			
Stationary combustion	0.206	0.888	1.020
Mobile combustion	303.985	112.198	-
Fugitive emissions	3.064	215.739	84.401
<b>Total</b>	<b>307.255</b>	<b>328.825</b>	<b>85.421</b>
<b>Scope 2</b>			
Location-based approach	470.146	202.735	94.210
Purchase-based approach	-	130.153	21.542
<b>Total</b>	<b>470.146</b>	<b>130.153</b>	<b>21.542</b>
<b>Scope 3</b>			
Transportation and distribution (upstream)	-	1,926.992	1,492.479
Transportation and distribution (downstream)*	2,194.009	-	-
Waste generated in operations	-	81.818	53.452
Business travel	822.983	4,920.310	6,334.693
Worker commuting	1,430.063	1,591.395	1,799.729
<b>Total</b>	<b>4,447.055</b>	<b>8,520.515</b>	<b>9,680.353</b>
<b>TOTAL</b>	<b>5.224.456</b>	<b>8,979.493</b>	<b>9,787.316</b>
<b>Emissions intensity (per worker)</b>	<b>0.77</b>	<b>1.24</b>	<b>1.35</b>

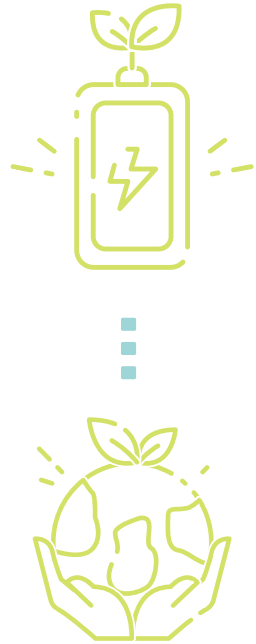
## Biogenic emissions (biogenic tCO<sub>2</sub>)

Scope 1	74.527	27.542	0.120
Scope 3	1,166.029	1,833.209	4,951.629
<b>TOTAL</b>	<b>1,240.556</b>	<b>1,860.751</b>	<b>4,951.749</b>

\* In 2021, emissions related to 'Transportation and distribution (upstream)' were incorrectly classified as 'Transportation and distribution (downstream)' due to a methodological error.



# Climate Targets and Offsetting of Emissions



In line with the Financial Stability Board (FSB)—the operational arm for financial affairs of the group of leaders of the G20 countries—and with the Brazilian Central Bank's (BCB) sustainability regulatory agenda for the modernization of the National Financial System (SFN), PagBank, in addition to integrating practices from the Carbon Disclosure Project (CDP), uses the methodology of the Task Force on Climate-related Financial Disclosures (TCFD), an international initiative that provides guidelines for the transparent disclosure and robust analysis of climate change risks and opportunities.

## PagBank adopted the methodology of the **Task Force on Climate-Related Financial Disclosures (TCFD)**

This methodology allows for greater integration of these risks and opportunities into the business's risk management processes and sub-processes. **By adopting the TCFD methodology and integrating CDP practices, the ability to assess and mitigate climate risks, identify opportunities for sustainable innovation, and promote more effective and responsible corporate management is greatly increased.**

This integration demonstrates the company's commitment to sustainability and its adaptation to global best practices, leaving it better prepared to face future climate-related challenges and leverage emerging opportunities in the sustainable market.

One example is the Brazilian Monetary Council (CMN) resolution No. 4,943, of September 15, 2021, and all related regulatory framework of the CMN and the Central Bank, 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 transition 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, in line with the recommendations of the TCFD, which became mandatory in 2023.**

And even though the disclosure of metrics and opportunities is optional, PagSeguro Digital is already proposing to improve its internal climate governance standards, which reinforces our commitments to investors, regulators, and stakeholders who value sustainable and transparent practices. The TCFD methodology adopted by PagBank includes four core elements:

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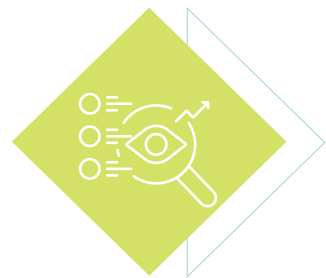
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# Governance

The Board of Directors is advised by the ESG Committee on topics related to Strategic Sustainability Planning, which includes the company's climate strategy. One of the members of the Board of Directors also serves as chairman of the ESG Committee, whose role is to oversee the process of discussing, monitoring, supporting, and deliberating on climate practices, initiatives, processes, policies, strategy and governance and report to the Board of Directors.

The Investor Relations (IR), ESG, Market Intelligence, and Macroeconomic Research Departments are responsible for preparing,



**Relevant social, environmental and climate risks are monitored quarterly**

executing, and monitoring the climate strategy. The Director reports on the topic to the ESG Committee, which, in turn, reports to the Board of Directors.

The Risk Committee, whose composition includes senior management, discusses and monitors the relevant social, environmental, and climate risks on a quarterly basis. **The issues discussed and the decisions made in the respective Committees and the Board of Directors are formalized in the minutes, which are signed by those involved.** Regarding climate risks, when deemed relevant, the respective Committees act to support them in the approval and review processes of the items.

**Using a methodology for implementing, monitoring, evaluating, and verifying the adequacy of and compliance with social, environmental, and climate guidelines, the Chief Risk Officer and the General Risk and Compliance Area are responsible for interacting with regulatory and self-regulatory agencies, monitoring applicable laws and regulations, and verifying the adequacy of internal rules.**

Risks	Related to climate change	Possible financial impacts
Political and legal	Increased pricing of GHG emissions (Carbon Credits).	Increased operating costs for purchasing and retiring carbon credits.
	Improvement of disclosure obligations by regulatory agencies (Brazilian Central Bank and Securities and Exchange Commission).	Increased operating and/or human capital costs for climate compliance.
Technology	Replacement of existing services with low-emission options.	Reduced demand for acquiring the company's mPOS devices.
	Costs for transitioning to low-emission technologies.	Spending on research and development (R&D) of new and alternative technologies.  Operational and/or human capital costs for adopting/implementing new practices and processes.
Market	Change in client behavior using mPOS devices.	Reduced demand for mPOS devices due to changes in consumer preferences.
	Increased cost of raw materials for mPOS devices.	Increased CapEx costs for the acquisition of mPOS devices.

Physical	Related to climate change	Possible financial impacts
Acute	Increased severity of extreme weather events, such as floods, decreasing purchasing power, and a downturn in local economic activity.	Reduced income due to a downturn in economic activity.
	Changes in rainfall patterns and extreme variability in climate patterns.	Increased operating costs of logistics processes.
Chronic	Rising average temperatures.	Reduced revenue due to a downturn in sales and economic activity.
	Rising sea levels.	Increased insurance premiums (home, life, cell phone) and possible reduction in the insurance availability for assets in "high risk" locations.

In addition to the risks, the analysis also assessed the following opportunities for the company in the area of sustainability: resource efficiency; changes in energy sources; products and services, markets, and resilience.



	Opportunities related to climate change	Possible financial impacts
<b>Resource efficiency</b>	Use of more efficient distribution processes in logistics.	Reduced operating costs as a result of efficiency gains.
<b>Energy sources</b>	Use of low-emission energy sources.	Reduced exposure to future increases in fossil fuel prices.
	Participation in the carbon market and increase in the percentage acquired.	Reduced exposure to GHG emissions, leading to less sensitivity to changes in carbon costs.
	Shift to decentralized energy generation.	Return on investment in low-emission technology.
<b>Products and services</b>	Development of new low-emission digital products and services.	Increased revenue through demand for low-emission digital products and services.
	Change in consumer preferences from physical bank branches to digital banks.	Increased revenue through better competitive positioning to reflect changing consumer preferences.
<b>Markets</b>	Use of green financing mechanisms.	Greater diversification of financial assets such as green bonds.
<b>Resilience</b>	Participation in renewable energy programs and adoption of energy efficiency measures.	Reduced operating costs for energy.
	Replacement of mPOS devices with 100% digital payment systems.	Increased revenue through new products and services related to guaranteed resilience and/or reduced CapEx costs.

## Risk Management

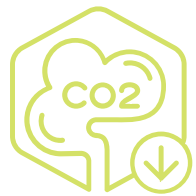
Risks related to climate change are identified, assessed, monitored, and reported together with the corporate risk matrix process, including climate risks, as well as social and environmental risks correlated to each organizational process and sub-process, and are classified (catastrophic, significant, important, necessary, non-critical) to prioritize climate actions.

## Metrics and Targets

As of 2023, employees and directors have had targets linked to climate criteria. Achievement of the climate target is directly linked to a percentage of the annual bonus. This incentive contributes to the implementation of the organization's climate commitments in order to make climate change management financially and operationally viable.



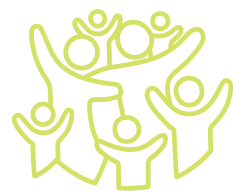
# Partnerships that transform



Project reduced emissions by **414,000 tCO<sub>2</sub>**



Prevented deforestation of **30,000 hectares**



Benefited **30 traditional families**



To generate positive economic, climate, and social impacts in developing communities, **PagSeguro Digital partnered with a company specialized in Nature Based Solutions (NBS). This collaboration led to the REDD+ project, carried out in Reserva Extrativista Rio Preto-Jacundá, in the municipality of Machadinho d'Oeste, state of Rondônia, together with Asmorex (the Reserve's Residents Association), and was awarded the Gold Community Seal through Verra's CCBS certification.**

Through the trading of carbon credits, which are invested in improvements for families in this community, the initiative aims to improve—through inclusion and training—the lives of the residents, traditionally linked to rubber extraction. Some of the achievements include the construction of a community complex with various facilities (such



as an office, restrooms, and a telecenter), increased access to health and education, and the installation of clean energy.

Covering 95,000 hectares, the project has already reduced emissions by 414,000 tCO<sub>2</sub>, prevented the deforestation of 30,000 hectares, and benefited 30 traditional families. The initiatives contribute directly to the UN's Sustainable Development Goals, focusing on quality education, gender equality, clean energy, and sustainable infrastructure while also promoting the responsible use of natural resources.



## Life Plan and women's emancipation

Asmorex is responsible for implementing a project called Plano de Vida (Life Plan), aimed at improving the quality of life of families in the reserve. **The plan addresses eight central topics: health; social organization; education; the local economy; communication; empowering women and young people; the environment; and infrastructure. A new study was conducted after 10 years and will lead to adjustments to the project's targets and, consequently, new advances.**

Led by female leadership, Asmorex helps to strengthen and inspire other women to develop new projects in the community and be active voices in the search for a more just, supportive and sustainable planet.

# Energy and operational efficiency

<GRI 3-3, 302-1, 302-3, SASB TC-SI-130a.1, 302-3>

To ensure the efficient use of resources, PagSeguro Digital has a system for monitoring energy consumption and emissions, which provides a detailed overview of each facility and ensures the efficient distribution of energy. **Since 2022, the company has adopted processes for water reuse and is conducting a study for the use of photovoltaic energy from the Free Energy Market in all facilities.**

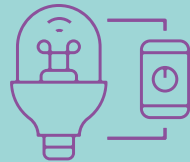
## Energy management tools

Last year and in the first half of 2024, the company managed to monitor 100% of its electric energy consumption and installed LED light bulbs in all offices, as well as energy-efficient air conditioning units. Today, 77% of PagSeguro Digital's overall consumption comes from renewable sources, which positively impacts the GHG emissions index.



### Air-conditioning monitoring and control sensor

Intelligently sets the temperature according to the actual heat load in the room. It also regulates cooling.



### Power monitoring sensor




Monitors the electricity consumption parameters of a given space, providing real-time information and comparisons between periods. This makes it possible to monitor possible deviations and offenders in energy consumption.



### CO<sub>2</sub> monitoring sensor

Responsible for generating data to calculate CO<sub>2</sub> emissions related to energy consumption.

## Total energy consumed (MWh)

	2021	2022	2023
 Consumption of certified renewable energy	--	1,704.00	1,887.00
 Overall energy consumption	1,649.78	681.15	559.40
 Renewable energy consumption	0%	71%	77%
<b>Total</b>	<b>1,649.78</b>	<b>2,385.15</b>	<b>2,446.40</b>

# Environmental Management

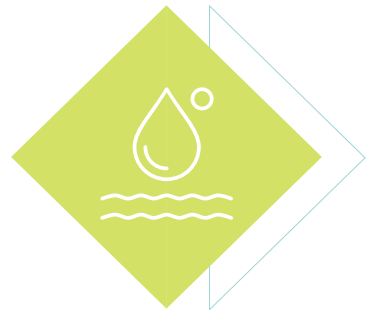
## Environmental indicators

< GRI 3-3, 302-1, 302-3, 303-5, 3-3, 306-3, 306-4, 3-3, 306-3, 306-4, SASB TC-SI-130a.2 >

With a view to making efficient use of natural resources and reducing environmental impacts, the company has internal measures in place to save water and energy and treat waste.

Regarding water and effluents, the company has indicators that monitor consumption every month and processes in place to reduce water consumption.

Waste sorting at the offices is carried out by a specialized company that issues monthly certificates attesting to the proper disposal of the materials collected, recycled and with a proper destination. Internally, we use an indicator to monitor costs and weigh waste on a monthly basis, showing the amount of waste produced and recycled each month, including a certificate of destination issued by Amlurb.



In 2023, total water consumption was **6,639 m³** (considering only the Faria Lima and Mário Garneiro units)

### Total waste generated\* <GRI 306-3; 306-4>

Waste generated (kg)	2021	2022	2023
Waste sent for recycling**	4,578	11,019	16,354
General waste	14,600	22,800	26,050
Solid waste from construction	0	590	3,570
<b>TOTAL</b>	<b>19,178</b>	<b>34,409</b>	<b>45,974</b>

\* Data referring to the headquarters.

\*\* Includes cardboard, white paper, mixed paper, plastic and metal scrap.

A specialized team collects, transports, and disposes of organic and recyclable waste. Organic waste is sent to landfills and the rest is sent for recycling. There are also totems in the offices for disposing of batteries. Additionally, some totems for disposing of batteries are also available in the offices.

Additionally, some totems for disposing of batteries are also available in the offices, as shown in the table below:

Point installed	Number of receiving points
Headquarters - Faria Lima	2
Mário Garneiro	6
Barão de Limeira 425	4
<b>Total number of points</b>	<b>12</b>

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# Reverse Logistics

To ensure that the life cycle of the mPOS devices is used to the fullest, avoiding premature disposal, we reuse equipment that comes in for exchange and return and make the necessary repairs. Products that are obsolete or beyond repair and return in reverse logistics, are sent for sustainable disposal through a contracted and certified company.

In the case of disposal, the product is de-characterized by removing labels, disassembling the equipment, and sorting by type of material, such as plastic, copper, rubber, etc. In the next phase, the materials are shredded and, finally, a report is issued certifying the disposal of the batch.



In line with this commitment to good practices, we fully cover the costs of exchanges or returns and monitor indicators such as exchanges by model, manufacturer and length of use, thus ensuring a good experience for end clients. The company also has a traceability process in place throughout the logistics chain for exchanging and returning devices.

The Laboratory Management area is responsible for controlling devices being sorted, repaired, and disposed of. This process is monitored on a monthly basis by Accounting, Internal Controls, and External Audit. The devices are sent to a certified partner company for disposal, which provides evidence of the entire device defragmentation process through photos and documentation of the entire process.



In addition to the devices, materials such as manuals, folders, envelopes, forms, and packaging are also sent to PagSeguro Digital's reverse logistics processes. Furthermore, the volume of printed materials sent to customers along with each shipment has also been reduced. This process is approved by the Forest Stewardship Council (FSC).

# Partner and Supplier Management

< GRI 2-6, 2-29, 204-1, 308-1, 308-2, 408-1, 409-1, 412.2, 414-1, 3-3 >



In 2023, the procurement area advanced in mapping PagSeguro Digital's main suppliers. Even with the end of the pandemic and an apparent normalization of the market, the lack of components in the electronics market and difficulties in delivering equipment persisted. The company therefore sought to do business with new partners to minimize any impact.

In previous years, the company had already started to collect information and monitor suppliers through forms. Today, it is working to establish sustainability parameters for all suppliers, including specific deadlines for them to make the necessary adjustments in this area.

As a consolidated process within PagSeguro Digital, Reverse Logistics is an example of a process whose procedures will be revised from end to end over the next few years, including the final destination and effectively measuring its results in terms of materials, such as the amount of plastic, electronic circuits, copper, etc.

Regarding the disposal or exchange of mPOS devices, since 2019 shipping costs for returning the equipment have been borne by the company and

a similar device is sent back, at no additional cost. Certain clients are offered an express exchange service, and a company technician will be sent to complete the process more quickly and efficiently.

Supplier management is carried out by the Procurement area, which follows its own methodology for assessing and controlling risks, in addition to an approval process conducted every year. In 2023, 97% of PagSeguro Digital's centralized suppliers were based in Brazil.

In recent years, the company has developed a consistent approach to engaging with suppliers on ESG-related topics, further expanding their understanding of the subject in an educational and collaborative manner.

## Reverse logistics is a consolidated process in the company

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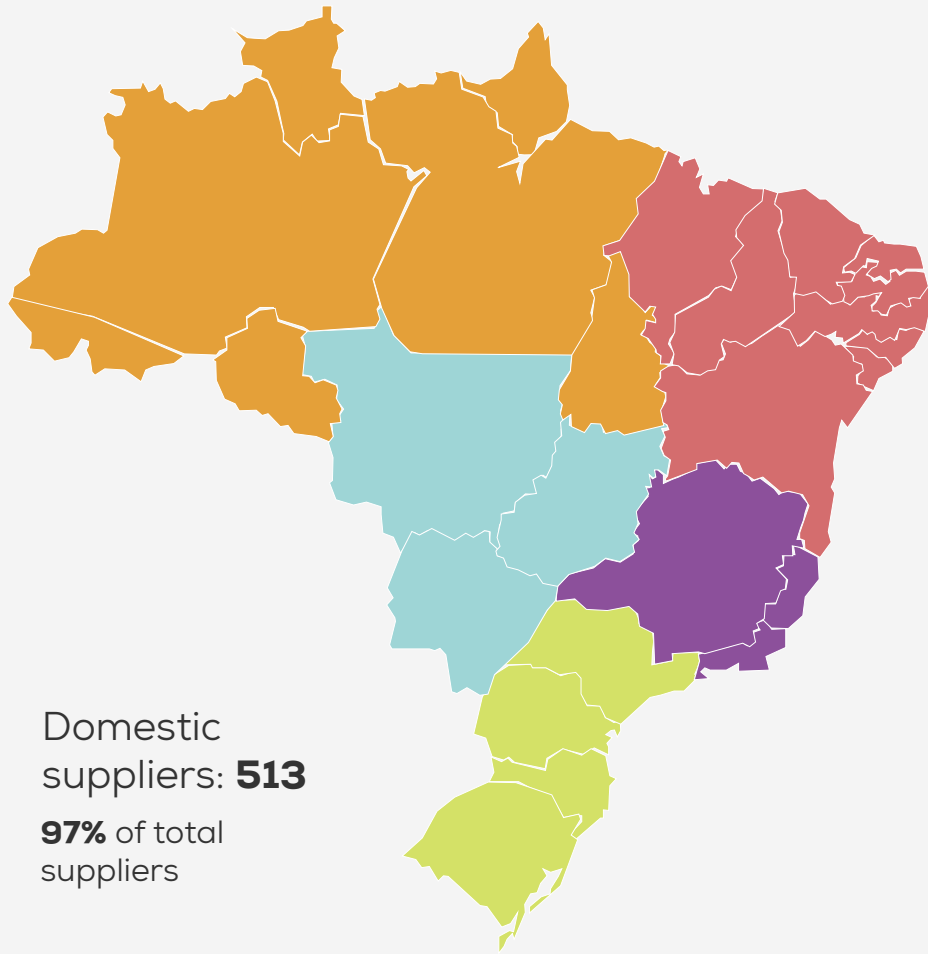
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## Supplier distribution by region <GRI 204-1>

Domestic suppliers / total suppliers

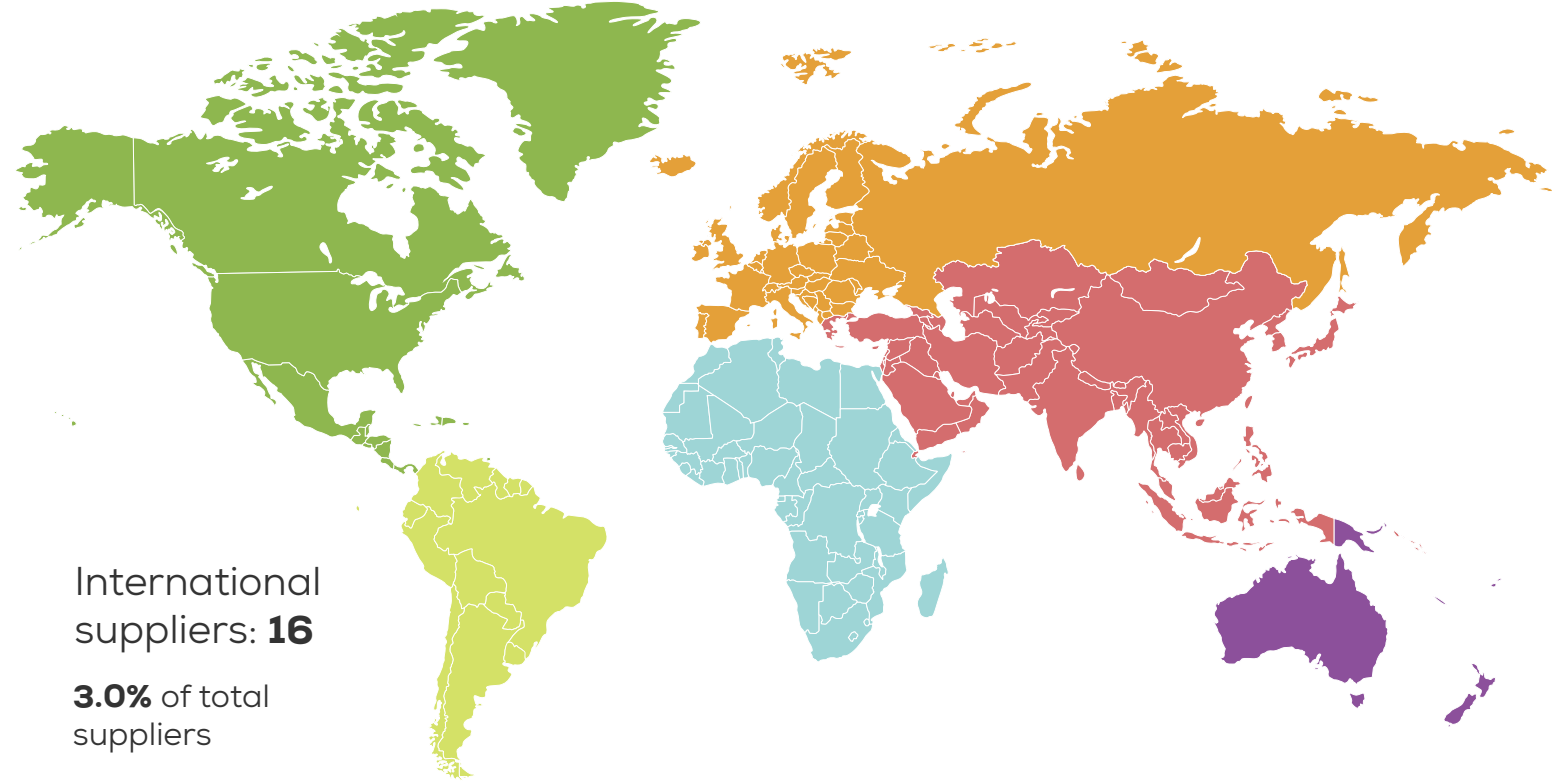


**40 / 7.8%**   **456 / 88.9%**   **7 / 1.4%**   **7 / 1.4%**   **3 / 0.6%**

**SOUTH**   **SOUTHEAST**   **MIDWEST**   **NORTHEAST**   **NORTH**

## Distribution by region <GRI 204-1>

International suppliers / total suppliers



UNITED STATES  
**13 / 2.5%**

ENGLAND  
**1 / 0.2%**

ESTONIA  
**1 / 0.2%**

CHINA  
**1 / 0.2%**

**NORTH AMERICA**   **SOUTH AMERICA**   **EUROPE**   **AFRICA**   **ASIA**   **OCEANIA**

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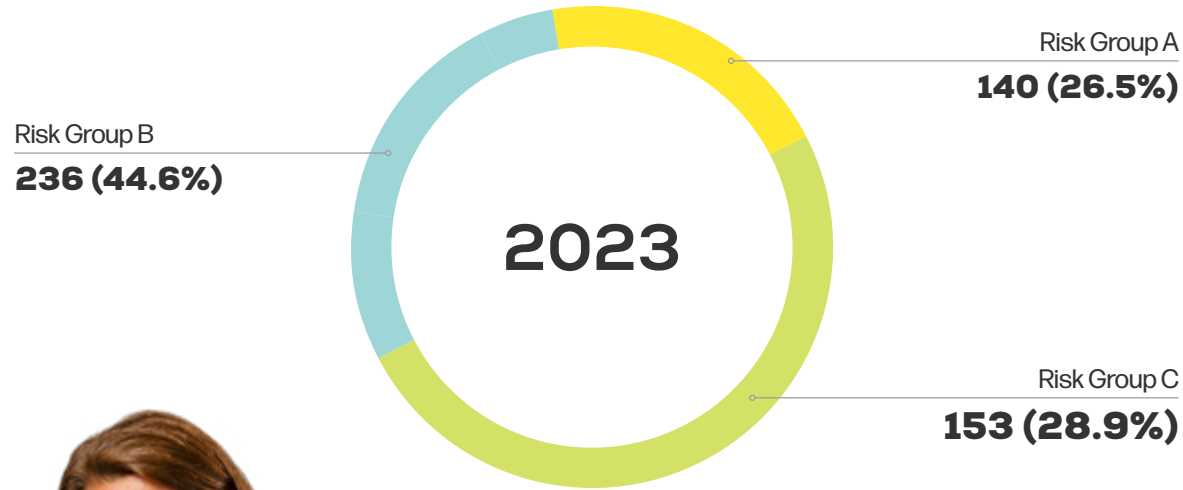
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## Distribution by risk groups



Taking into account suppliers that are centralized in the Procurement department, approximately 97% of spending is concentrated on those based in Brazil to supply products and services for PagSeguro Digital's operations. These relationships are governed by the Procurement Policy, based on the Group's Codes of Ethics, Conduct, and Compliance and on the Supplier Relationship Policy.

Procurement practices follow rules and criteria for the acquisition of goods and/or services, guaranteeing standards of ethical conduct, efficiency, and quality of the related processes, as well as constantly seeking cost savings and alignment with the company's strategic objectives.

The main procurement goals are to achieve the best terms (price, quality, and lead time), together with the respective CapEx and OpEx negotiations, and involvement in renegotiating recurring contracts for various materials and services. Grupo UOL's Internal Controls area audits this entire process, which is also certified by the SoX PagSeguro Digital audit area whenever necessary.

Procurement activities are managed by the Group's Procurement Department, which is composed of two areas that manage the Procurement, Contract, and Supplier processes. **The team is divided into Direct and Indirect categories, according 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 2023, 40% of the 140 suppliers in Group A, which represent the greatest risk and concentrate around 97.2% of the company's centralized spending, were approved.

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In that same year, we offered 2 quarterly training courses on Procurement Processes and Policies for PagSeguro Digital's requesting and business areas. These training courses are 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.

In 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 area. The survey also identified their level of maturity, suggesting a collaborative environment for best practices.

As part of the annual supplier approval process, the Procurement area performs an environmental and social assessment of centralized suppliers. The entire process is conducted by the Supplier Management team and using Indicators of the Procurement Department.

In 2023, there were no significant risks of cases of child labor and/or young workers exposed to hazardous work, or of forced or bonded labor during

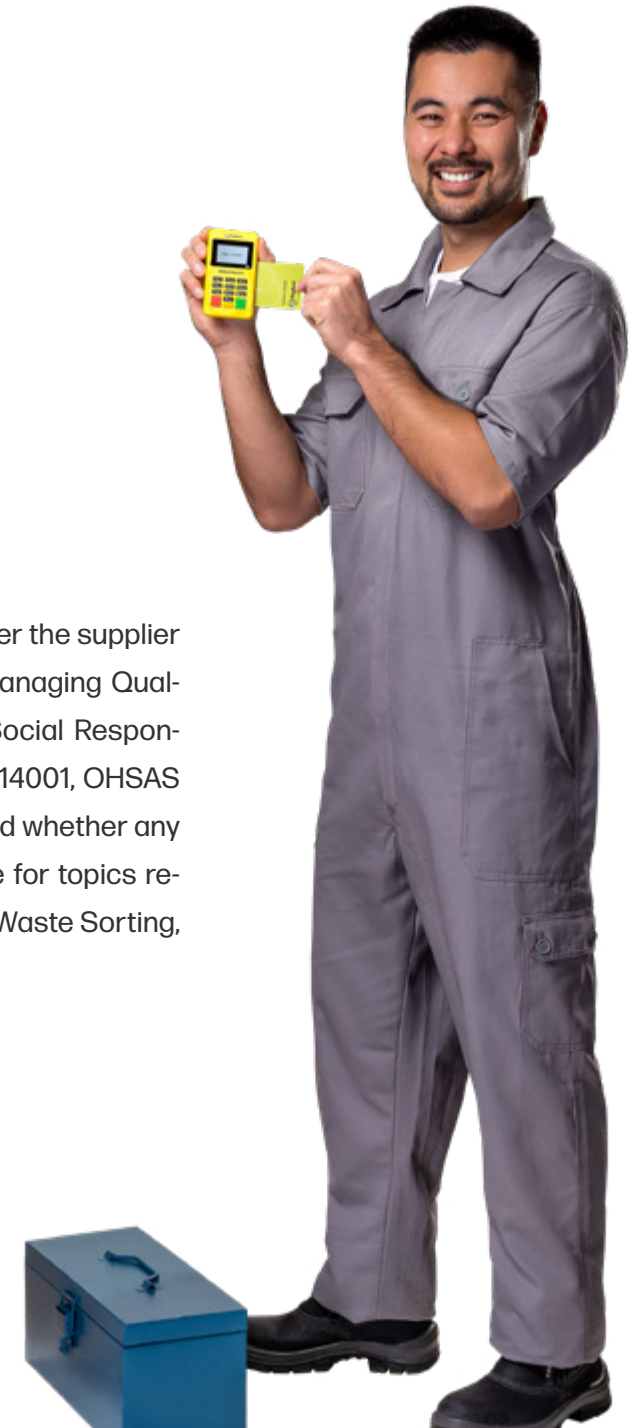


## Environmental and social assessment is an integral part of the annual supplier approval process

the approval process of centralized suppliers. This process was carried out manually and in a timely manner. For 2024, a system is expected to be contracted for automated assessment of labor violations related to child labor and slave labor in the approval process of all centralized suppliers.

Environmental and social assessment is also an integral part of the annual process for approving centralized suppliers. The main requirements are the Operating Permit issued by an environmental or local agency; the Federal Technical Registry of Potential Polluting Activities issued by IBAMA; the Environmental Risk Prevention Program (PPRA), and whether it is in place and up to date.

Another important factor is whether the supplier is certified under a System for Managing Quality, Environment, Health, Safety, Social Responsibility, and others (ISO 9001, ISO 14001, OHSAS 18001, SA 8000, ISO 17025, etc.) and whether any kind of control program is in place for topics related to the environment, such as Waste Sorting, Environmental Training, etc.



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# Employees



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# Talent management

< GRI 2-20, 3-3, 2-19, 2-7, 401-1, 403-2, SASB TC-SI-330a.1, TC-SI-330a.2 >

To ensure that PagSeguro Digital's employees can work in a healthy environment that values their differences and individualities, contributing to the company's prosperity and success, we have a number of initiatives in place aimed at personal development and promoting diversity and in-



clusion. We are also constantly conducting initiatives to combat any form of sexual or moral harassment, discrimination, or prejudice based on race, color, religion, or gender.

At the end of 2023, PagSeguro Digital had 7,273 employees. In recent years, this number has grown exponentially, especially in the area of technology, one of the most important within the company. The company has become known as a breeding ground for new talent, investing heavily in training and education, increasingly fostering career ownership and offering attractive and competitive benefits for all.

## 2023 Highlights

- 2,900+ positions filled between January and December 2023.
- 60 women selected for the #ElasTech program, which attracts and trains women who wish to work in technology.
- 28 PagTalents participants hired.
- 3,911 employee interactions with Management and Development (MD).
- 172,949 courses completed through UniUOL.
- More than 5,000 hours of training in the Pags Way of Leading program.
- Consolidation of the Development & Inclusion (D&I) program, which has gained even more traction in the company.
- Between January and December 2023, 20% of our employees were promoted or received salary increases.
- 99% employee adherence to the mandatory course program.

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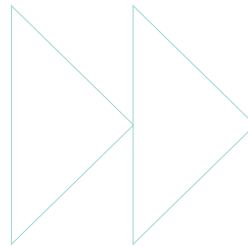
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# Remuneration and hiring

< GRI 401-1, 2-19, 2-20 >

PagSeguro Digital offers fixed and variable pay, including performance-based pay in the form of shares and bonuses, according to the company's results in the period. It also offers signing bonuses or recruitment incentive payments (hiring bonuses). The targets of the Annual Short- and Long-Term Variable Plan (known as PPR - profit sharing) are linked to the company's economic, environmental, and social topics and measured in a collective manner, grouped by teams and projects.

The competitiveness of the attraction package is market-oriented based on surveys conducted by independent consultancies specializing in the topic, the specific knowledge and skills of the employee, the relevance and impact on the business, salary positioning, and financial results. These rules are clear to all company employees, and meritocracy is the parameter used to give recognition and manage the remuneration package.



For this to happen, the company's managers recognize their teams, and each department has the autonomy and flexibility to plan and implement such recognition, always with a focus on retaining talent. Since 2022, the company has been using a new evaluation model, with feedback recorded on the Development Management platform. Today, 53% of the company's employees work in a structured way to develop their careers using these tools and methodology.

PagSeguro Digital also has an Internal Recruitment Policy, which encourages internal opportunities and expands career development possibilities for all professionals. It also establishes

Between January and December 2023, more than 20% of our employees were promoted or received salary increases

partnerships with universities to attract talent, especially those that offer information technology courses.

For young people seeking their first professional experience, the company offers the Young Apprentice program, which provides the opportunity for theoretical and practical learning in their first professional experience, with a focus on career development.



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## Engagement actions

During 2023, there were various activities to engage professionals with the company's culture, including commemorative dates or dates to promote innovation and technology:

- **Breakfast with the CEO:** every month, our CEO receives employees from all over Brazil to have breakfast at the company's headquarters in São Paulo. Participants are chosen by area managers, as a form of recognition. Topics relating to business, alignments, and processes, as well as day-to-day experiences, are discussed during the event. The goal of the meeting is to increase synergy between the teams and create opportunities for new ideas and meaningful discussions.



- **Arraiá do Pags:** all employees received a kit of typical treats and were invited to take part in Elogio Elegante, through which it was possible to submit compliments to coworkers as a way of recognizing project ideas, behaviors, or other contributions to day-to-day life.
- **Children's Month:** to celebrate the date, we held a competition called A childhood photo that takes me back in time. Employees were invited to submit a photo of their first contact with technology, money, and financial education. More than 200 photos were submitted and the employees who received the most 'likes' for their photos won a Playstation 5.
- **Hacka Dados:** an initiative to share knowledge and experiences in the search for ever better solutions, products, and services for our clients. In 2023, the event had 70 participants from 10 states and resulted in 10 projects: with real solutions for the business.



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- **Launch of the Culture:** a meeting of the company's senior management around the company's culture, with more than 14 hours of contributions. This resulted in the development of the PagBank Digital Culture Book, a document that contains the purpose, values, behaviors, and guidelines of the company's culture. In addition, in order to engage the employees, we launched videos and content via newsletters and handed out more than 6,000 T-shirts. Professional photographers took over 3,000 photos and 2,000 brigadeiros (a popular chocolate sweet in Brazil) were distributed in the São Paulo offices.

- **Leaders Meeting:** 370 leaders got together to align strategic goals, reinforce the culture, highlight projects, and engage leaders in multiplying the messages to the teams.

- **Year-end party:** an annual event to celebrate the year that has just ended and to renew the energy for the new year. The event includes concerts by artists, open bar and open food, activations, and a DJ.



- **Internal campaigns:** throughout the year, employees were impacted by information campaigns on topics such as health, information security, ethics and conduct, ergonomic care, and well-being. Our employees also participated in the activations, promoting actions that resulted in the sharing of videos, photos, testimonials, etc.

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## HR systems

PagSeguro Digital uses technology and artificial intelligence to improve the experience of its employees and, consequently, enhance the experience of its millions of clients. They are:

- **Gupy:** a digital platform used for online monitoring of the selection process stages, the status of the job openings, and scheduling interviews. Artificial intelligence is used in these processes.
- **Único:** a digital platform for validating documents and data—online and using AI—eliminating the need to provide physical documents. Its use simplifies the process for candidates and streamlines the hiring process for the company.
- **SAP:** all areas of the company are managed by this system, increasing transparency and controlling financial and human resources.
- **SuccessFactory:** a platform that allows interaction between HR, employees, and managers regarding the flow of HR processes and requests. All this is done in a fast and transparent manner.
- **Atena:** digital training and development platform. It manages online training programs and supports the company’s corporate university.
- **Intranet (SharePoint):** through this online communication platform, employees have access to policies, internal updates, campaigns, a calendar of the month’s birthdays, video lessons on workplace exercises, among other content. Through this platform, it is also possible to schedule quick message sessions and routine examinations, among other activities.
- **Culture.Rocks:** a web and mobile platform used in the Development Management (DM) process. The platform offers 1:1 tools, instant feedback, public praise, goal setting and monitoring, and Individual Development Plans (IDP).
- **Binds.co:** a SaaS platform used to monitor the reasons why employees leave the company. This is done through automated and personalized surveys.



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### Retaining talent

PagSeguro Digital is always working to retain talent by investing in courses, training, and joint activities for employees to expand their knowledge and interact with other teams.

In this regard, UniUOL, the company's corporate university, is the main form of education. The purpose of the platform

is to strengthen intellectual capital, provide new knowledge, and value the employee's learning moments.

The university was conceived based on the idea of the student as the protagonist of their learning process. To organically organize the content, the platform consists of three areas that

represent major topics or areas of interest: People Academy, Leadership Academy, and Business Academy.

In 2023, UniUOL offered 74,323 e-learning hours, 7 hours per company employee. A total of 165,183 courses were completed, available in 139 different learning paths.



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## Attraction and retention: benefits for employees, the company, and clients

PagSeguro Digital wants to attract the best people, with the best experience and knowledge, who are committed to promoting innovative solutions in financial services and means of payment for an increasing number of people in Brazil.



The company seeks innovative and driven people, owners of their careers, with a sense of urgency and entrepreneurship aligned with PagSeguro Digital's objectives. Employees with teamwork skills and a proactive profile and who can collaboratively achieve and exceed results.

To identify these candidates, the company offers a positive experience throughout the selection process, acting with transparency and providing feedback at every stage of the process. Between January and December 2023, a total of 2,900 employees were hired through channels such as LinkedIn, consultancies, fairs, and events at universities and social media.

Also, throughout 2023, the company promoted various events to attract and recruit new talent, in addition to strengthening its brand. PagSeguro Digital took part in Emprega Comunidades - G10 Favelas and in the TDC and Feira do Empreendedor, all of them held in São Paulo.

## Internal Communication and Engagement

We communicate with our teams in a transparent and clear manner, using the following tools:

**Internal newsletters:** daily communication regarding company updates, guidelines, and positioning.

**Intranet:** newsletters, campaigns, code of ethics, policies, procedures, and updates about the products. This channel gives employees all the information disclosed internally.

**Open Space:** open and shared spaces facilitate communication, promote integration, and increase productivity and collaboration between teams.

**Pags Chat:** a quarterly meeting between directors and their teams to discuss ongoing projects and product launches. This space is also used to share results and celebrate achievements. In 2023, the event was held in a hybrid format and consisted of six meetings, which were broadcast to all employees. Five of these meetings discussed results, and one was about culture.

# Diversity and Inclusion

< GRI 3-3, 401-2, 403-6, 405-1, 413-1, SASB TC-SI-330a.3 >



PagSeguro Digital encourages diversity and respect for differences and promotes a healthy, safe, inclusive, and meritocratic workplace that encourages production and professional development. The company does not condone sexual or moral harassment, discrimination or prejudice based on race, color, religion, or gender.

In 2022, we defined the activities of PagSeguro Digital's Diversity and Inclusion Program, with the contribution of all employees. The census was completed in 2023 and the answers were handled in a confidential and anonymous manner, in line with the guidelines of the Brazilian Data Protection Act (LGPD), through a consulting firm specializing in this area.

Leadership involvement in D&I issues is instrumental if we are to continue along a path of equity, acceptance, creativity, and generation of opportunities. The 'Inclusive Leadership' module was held within the Diversity division of the Jeito Pags de Liderar (Pags Way of Leading) program. During the event, the leaders learned and reflected on how to practice an inclusive way of leading and to recognize and understand certain unconscious biases in everyday life.

## Diversity and Inclusion Program

The program was consolidated and developed a number of literacy initiatives for teams and leaders, as well as engagement campaigns based on four pillars:

**#PorElas** – focused on gender equity.

**#OrgulhoDeSerEu** – concerning LGBTQIA+ people.

**#SemBarreiras** – aimed at people with disabilities (PWDs).

**#Raízes** – Black and Brown people.

To raise awareness among the teams and keep them informed, we continue with *Pilulas de Conhecimento* (Knowledge Pills), a monthly content series that deals with subjects related to the D&I calendar.

The topics in 2023 included the National Day for the Visibility of Trans and Transvestite People; World Down Syndrome Day; National Day for the Fight Against Racism; the Day when Women Won the Right to Vote in Brazil, among others.

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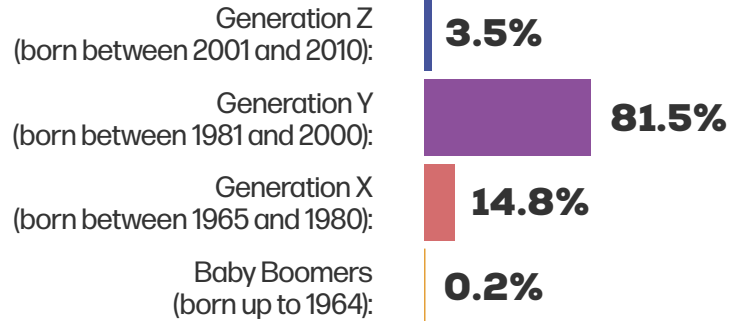
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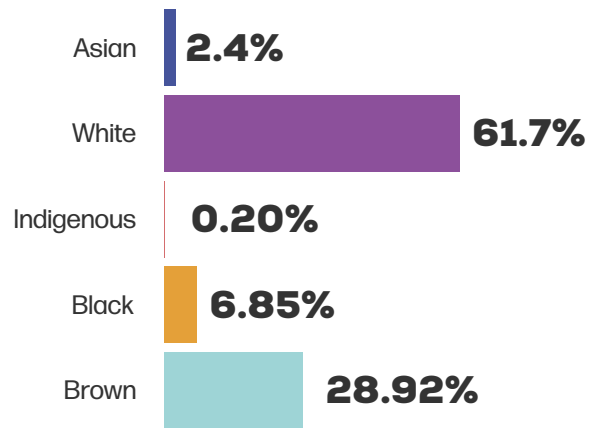
# Censo 2023

Multigenerational



The average age of the company's employees is **35**

Multi-ethnic



## Affirmative actions in the area of Diversity and Inclusion in 2023:

- **#Talentos Program:** an initiative in which employees can refer People with Disabilities (PWDs) to all open positions in the company. If hired, the employee responsible for the referral is rewarded.
- **PagTalents:** an internship program designed to provide equal opportunities. Of the 96 positions that opened in 2023, 50% were earmarked for socioeconomically vulnerable students.
- **#ElaTech:** women's training in technology continued last year and, once again, showed excellent results. Developed in partnership with Soul Code, the 2023 edition received more than 4,000 applications, with an online training program free of charge in Java Script language for 60 women. At the end of the course, PagSeguro Digital hired 10 women to work in software development, one of them internally.

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# Benefits

< GRI 3-3, 401, 403-6 >

Taking care of our employees is one of the investments that PagSeguro Digital values most. The well-being, health, and safety of our teams contribute to a more welcoming and productive environment. In 2023, the main benefits offered by the company were:

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

**Health and dental:** with national coverage and no monthly fee, a health plan is offered to employees and their dependents. Dental care is also available and includes all procedures for employees and their dependents.

**Life insurance:** all employees are entitled to life insurance 100% paid for by the company, which also covers the natural death of spouses/partners and their children.

**Extended maternity leave:** to strengthen the bond between mothers and their children, the company offers extended maternity leave of 180 days (six months). The company also encourages female employees to take vacation following their leave.

**Extended paternity leave:** the company offers fathers paternity leave of 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:** in case of need, the company offers a line of credit in addition to payroll loan.

**Commuter benefits:** according to current legislation, this benefit is offered with a deduction of up to 6% of the salary or the total amount of the commuter benefit (whichever is lower).



The company also offers its employees health and well-being facilities and initiatives:

**Flexible working hours:** employees can negotiate with their managers the best time for them to work. This allows them to make arrangements that suit them best, keeping up with their deliveries efficiently and, at the same time, sticking to their commitments or personal and leisure activities.

**Home office:** certain IT employees, depending on where they live, can opt to work remotely every day of the week.

**Dress code:** employees can dress however they feel most comfortable to work.

**Workplace:** we offer a casual, collaborative, and free work environment. Our lounges and common areas encourage interactivity and socializing for co-creation, alignments, and chatting.

**Gym:** the company has partnerships with fitness centers and subsidizes the cost of the employee's membership. There is also a Mobility Space, located in the company's main offices, designed exclusively for bicycles or scooters, with power outlets and a changing room for showering before the working day.

**Physical activity in the workplace:** employees working in the main offices take on-site workout classes every working day and can also access the classes online.

**Massage:** quick massage is offered free of charge up to twice a week. The sessions take place in a special room, set up so that the employees can relax and disconnect from their routine.

**Stay Well - Personal Support for Employees:** online psychological, financial, and legal guidance for employees and their families, completely free of charge and confidential. This service is available 24 hours a day, every day of the week.

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

**Maternity kit:** upon the birth and adoption of children up to six months of age, mothers and fathers receive a maternity kit.

**Easter:** employees and interns are given an Easter egg and/or gift card, which can be used in accredited stores that sell the product.

**Christmas:** the company offers 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 that must be followed to provide emergency care to employees and service providers.



**Flu vaccination:** every year, PagSeguro Digital offers this protection at no cost 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. Information materials, talks with specialists, chats, and interaction with the employees are all part of the campaign.

**Discount on products:** this benefit is offered by Grupo UOL companies and partner companies.



## In 2023, 85% of the employees returned to work after parental leave

**PagCafé:** a moment to relax, chat, or even hold a brief meeting in a dedicated company space.

**Breastfeeding room:** equipped with hygiene items and refrigerators for storing breast milk, it is a comfortable space for mothers.

**Snacks and refreshments:** professionals can buy snacks and refreshments in the office during working hours, without having to leave their desks.

**Pharmacy Card:** this card can be used in several partner pharmacies, with a payroll deduction.

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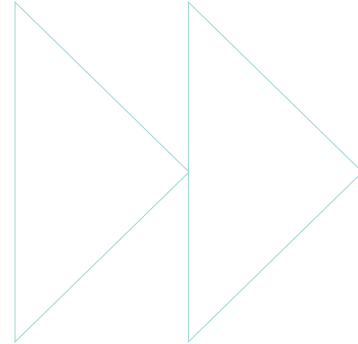
Corporate Credits



# Training and education



< GRI 3-3, 404-1, 404-2, 404-3 >

We believe in the value of teamwork and in developing the knowledge of our employees. **Therefore, in addition to compulsory training, we offer various courses so that everyone can broaden their skills and interact with other areas of the company.**



## Average hours of training

< GRI 404-1 >

Gender	2021	2022	2023
	21:45:54	28:07:12	29:22:55
	22:38:04	26:19:55	26:46:22
Employee category			
Director	9:05:00	07:44:44	10:19:21
Manager	03:19:44	27:43:16	19:14:03
Coordinator/Specialist	15:26:33	24:31:21	18:32:09
Supervisor	03:24:24	35:27:20	26:57:53
Team*	18:00:51	27:50:51	30:22:10
Apprentice	26:46:34	11:31:26	9:40:15

\*Interns not included.



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

The company must always authorize the employee's participation in training and external events, by filling out a form. The authorization must be justified by the employee's manager, the director of the area, and the CEO of the company.

These activities are monitored by the HR department, which ensures that all employees complete the required training. **If the employee does not complete the mandatory courses (related to topics such as the Brazilian General Data Protection Act, anti-corruption law, PMLTF, PCI-DSS and BCP, for example), their immediate manager will be notified, and their access to the corporate network may be blocked. < GRI 2-17 >**

The UniUOL platform provides reports on courses and development tracks to monitor the progress of employees. In 2023, the platform offered 2,858 pieces of content and more than 165,000 courses were completed by the employees. Also, 139 new development tracks were built, totaling more than 63,000 hours of online training.

### Focus on development

By the end of 2023, PagBank's professionals had participated in the following training courses:

#### Synchronous courses

- + 18,737 participations in face-to-face and remote training
- + 141,832 hours of face-to-face and remote training
- + 11,382 participations in internal training
- + 535 internal classes
- + 2,5M invested in general training and programs

#### Asynchronous courses

- + 165,590 e-learning courses delivered
- + 65,322 hours of e-learning courses
- + 155,679 visits to the UniUOL platform
- + 21,999 video views
- + 7,765 downloads of content from the library
- + 6,944 mandatory courses completed on topics such as Information Security, PCI, Operational Risk, Prevention of Money Laundering and Terrorist Financing (PMLTF), (99% of the target audience).

## #ElasTech

This is a technology training program aimed exclusively at women over the age of 18. Conducted in conjunction with SoulCode Academy, an inclusive school that educates and trains people in technology, it held its second edition in January and February 2024.

This initiative offers women who are taking or have completed a degree the opportunity to transition their careers into back-end programming, one of the most valued professions today. This is a 12-week training course, with over 300 hours of content, 100% online and free of charge.

At the end of the course, female students will be able to take part in PagBank Digital's selection processes and have the opportunity to join the company's Engineering team. In the 1st edition of #ElasTech, in 2022, the program trained 38 women, nine of whom were hired to work in the company's technology area as software engineers.

## Onboarding Training and Development

PagSeguro Digital offers a strategic immersion program, which introduces new hires to the essence of the company during the onboarding process. Through this program, new employees are introduced to the company's history and culture, products and business priorities, while mastering the tools, policies and training that will be instrumental to their success.

In their first 60 days, new employees will take part in meetings to explore the company's strategy, processes, and rituals. A mentor will offer support on their new journey and make their start at the company more welcoming.

Last year, the participants' average satisfaction score was 4.9, on a scale of 1 to 5. The average participation rate was 96%.

## Investing in the future: Pag Talents Program

It is the starting point for talent in the company, where essential skills for a successful career are developed and improved. Throughout the journey, the goal is to develop technical and behavioral skills and provide knowledge about financial education and experiential skills that are aligned with the company's values.

In 2023, the Development Journey had a 75% participation rate, with 1,627 hours of training. Of the participants, 28 were hired.







**Current and future leaders**

In 2023, there was another cycle of the *Jeito Pags de Liderar* (Pags Way of Leading) program, aimed at leaders from all areas of PagBank. The company promoted two events: one focused on retail leaders and the other on other leaderships. The purpose of the program is to:

- Develop leadership skills in People Management
- Align expectations for the company's leadership and establish a common set of practices
- Promote continuous learning through curation, mentoring, webinars, etc.

Throughout 2023, the topics covered included the Role of Leadership, Feedback and Engagement, Diversity & Inclusion, Attention to the Team, Great Results, Acting Like an Owner, Engagement in Challenging Contexts, and Climate and Results.

**Of the 5,747 thousand hours of training in 2023, 712 leaders participated, divided into 217 classes.**



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# Performance Evaluation

< GRI 404-3, 3-3, 414-1, 414-2 >

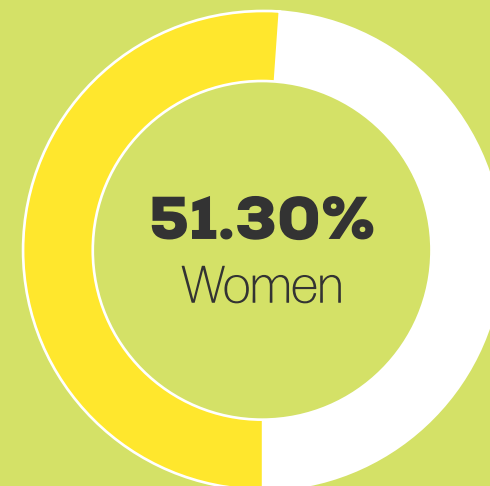
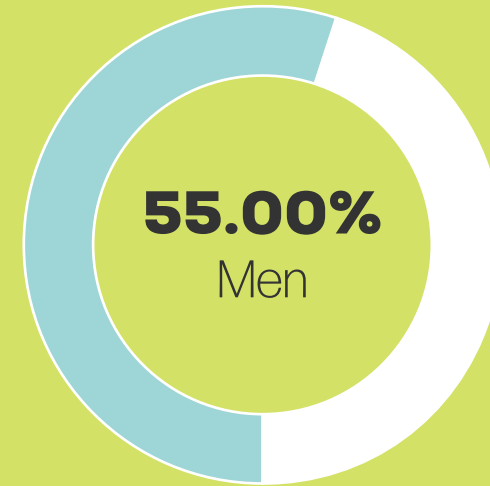
Since 2022, the company has had three different processes in place to evaluate the performance and guide the development of our employees.

■ Through **Checkpoint**, leaders and their employees make agreements and discuss the best way forward. In this way, employees can recognize their greatest strengths, where there are still opportunities for improvement. Approximately 16% of the employees completed the process, which involves self-evaluation and leadership evaluation.

■ In the **1:1 process**, leaders and employees have open conversations, addressing the points of opportunity for personal and professional development. At this stage, employees receive guidance on career development. A total of 15,695 meetings were recorded in 2023, involving 2,142 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 11,539 talks took place over the course of 2023.

Percentage of employees receiving regular performance and career development reviews by gender in 2023



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# Clients and Society





# Customer relations

< GRI 2-25, 2-29 >

A fundamental topic in PagSeguro Digital's strategic planning is the ongoing management of the positive social impacts generated by its activities, with a view not only to Financial Education, but also to Sustainability Education.

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 Micro entrepreneurs (MEIs).**

In recent years, the company has also increased its presence throughout the country. Since 2020, it has been operat-

ing in 100% of the country's municipalities, with active clients in the more than 5,570 Brazilian cities.

The company promotes several engagement actions for its 31 million clients, 16.7 million of whom are active. In terms of communication with this audience, interaction is measured on a regular basis so that it can be constantly improved.

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 (BCB), the Brazilian Securities and Exchange Commission (CVM), Consumidor.Gov, and Consumer Protection Offices (PROCONS).



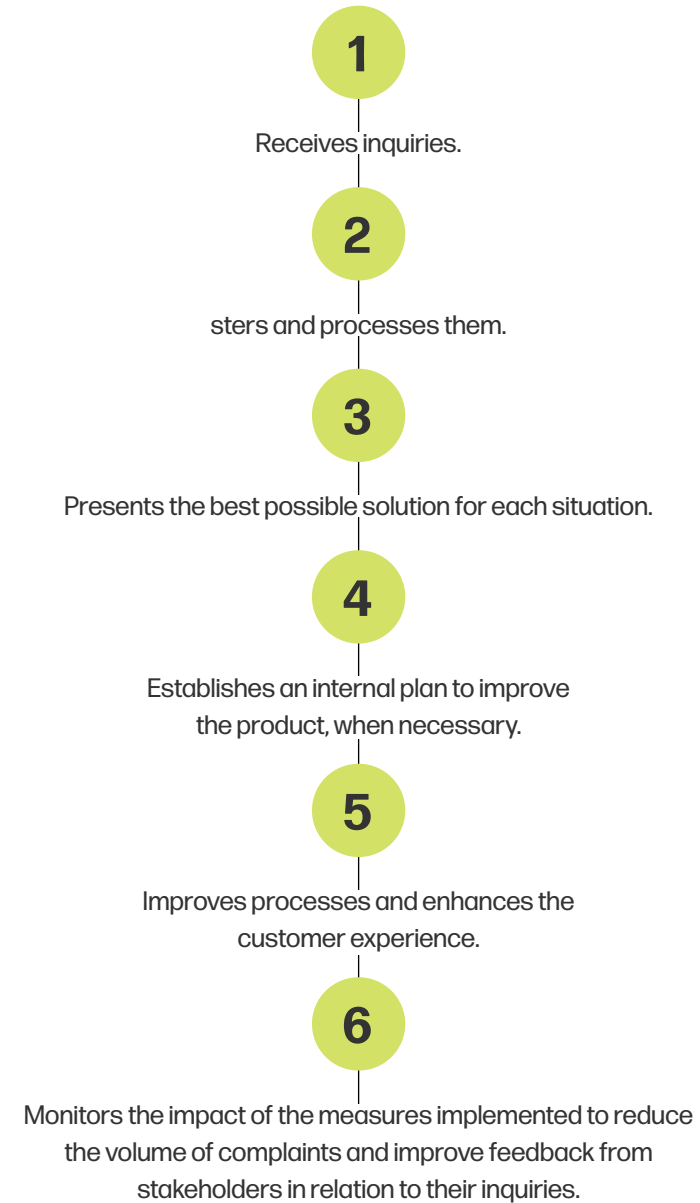
**PagBank encourages financial inclusion and entrepreneurship in its operations and projects**

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 through 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 executive directors, during which improvement plans are established for the main issues reported, the company submits qualitative and quantitative information to the main areas involved in customer demands. In 2023, focus groups were held between the company's management and invited clients in order to gather and understand their insights and information.



**Currently, the company has the following system to communicate with clients:**



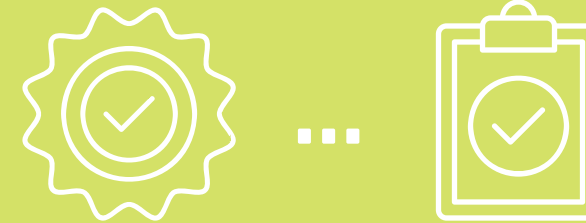


# Good reviews on Reclame Aqui

## ReclameAQUI

This year, we achieved a score of **8.6 on Reclame Aqui**, as well as the **RA1000 seal**. We are the only digital bank in Brazil to receive this recognition

Customer satisfaction is one of our main assets. For this reason, PagSeguro Digital is always working to improve it by frequently measuring customer satisfaction and seeking to improve its quality indicators. As in previous years, we improved our score on the Reclame Aqui, one of the most important platforms for monitoring customer satisfaction.



This year, we achieved a score of 8.6 on Reclame Aqui, as well as the RA1000 seal. We are the only digital bank in Brazil to receive this recognition.

In 2023, a total of 63 surveys were conducted, including 11 recurring surveys (5 for products and services in the digital account and 6 for products and services in the acquiring business) and 52 one-off surveys (40 for products and services in the digital account and 11 for products and services in the acquiring business).

These surveys allowed us to identify key points for improving the customer journey and services and to identify the churn rate (a metric that monitors losses) of the company's products and services.

Every month, the company measures customer satisfaction through the Net Promoter Score (NPS) survey. Like other surveys, it provides inputs and insights to assist in the company's strategic actions and decisions.

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# Social investment

< GRI 203-1, 203-2, 413-2 >

When it comes to ESG strategies, one of PagSeguro's main pillars of action is the social sphere, with a number of initiatives to support projects in low-income communities, especially through tax incentive laws, such as the Rouanet Act. Currently, the focus of the social investment area is on entities that foster health and education and contribute to improving the living conditions of vulnerable populations.

In 2023, the company made significant donations to non-profit organizations, most notably through its partnership with Associação Viva e Deixe Viver, which provides care for vulnerable children and adolescents through storytelling, training facilitators to work on this front. Another highlight was the Futuros Craques Institute, which, through sports, seeks the inclusion of young people living in vulnerable areas of the city of São Paulo.

**The social pillar is one of PagSeguro Digital's main ESG action themes**



## Our work is divided into three areas, each with its own 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 Grupo UOL's Corporate Executive Board in conjunction with PagSeguro Digital's Executive Board. The entities chosen are those that foster health and education and contribute to improving the living conditions of vulnerable populations. The target is met in full every year.



■ **Affirmative actions:** these are proposed by Grupo UOL's Human Resources (HR) Department and approved by Grupo UOL's Corporate Executive Board, in conjunction with PagSeguro Digital's Executive Board. Based on the company's budget, the HR Department proposes affirmative targets to promote diversity and social inclusion. The target is met in full every year.



■ **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. Last year, the company donated Easter eggs and Christmas kits to G10 Favelas, helping socially vulnerable families.

# Partnerships related to the main Tax Incentive Laws entered into by the company over the past year:



## SPORTS INCENTIVE ACT

### Instituto Futuros Craques

Consists of a social center for children and adolescents between the ages of 10 and 18 that teaches the basics of soccer. It also conducts social actions and visits to charitable organizations. The professionals are trained to provide guidance and practices, aiming at the good performance of these children in sports classes.

## FUMCAD ACT

### Assistance to Children and Adolescents with Cancer in the GRAACC ICU

Provides children and adolescents suffering from cancer with advanced nursing care in the hospitalization sectors, through highly trained nurses and nursing technicians, in an institution that is a reference in the treatment of cancer in children and adolescents.



In 2023, PagBank invested **R\$2,363,000.00** in supporting projects through Tax Incentive Laws



## CULTURE INCENTIVE ACT

### 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.

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# Financial Education and Financial Inclusion

Allocated in the Investments area, PagSeguro Digital's financial education department is responsible for promoting and disseminating knowledge about this traditionally difficult subject for most of the Brazilian population.

To this end, it has adopted the concept of financial education from the Organisation for Economic Co-operation and Development (OECD), which defines it as the process where individuals and societies improve their understanding of financial concepts and products, so that they can develop the values and skills needed to become more aware of the opportunities and risks involved and make well-informed choices, know where to seek help and take other actions that improve their well-being.

In order to provide high-quality content for all our client types, we provide various courses, workshops, web series and podcasts, as well as articles published every two weeks on the UOL portal. All these materials are carefully prepared by the Financial Education team, based on neurolinguistics, psychology, and storytelling, and in a language that attracts and engages clients, whoever they may be.

Some of the topics covered are: how to invest and each of its modalities, financial planning for their family or company, how to change their mindset to stop being a debtor and become an investor, among others. In 2023, the platform was accessed 87,750 times.

One of the highlights of the area was the web series Financial Independence for Women, created, presented, and conducted by and for women to show the importance of financial independence. The first season, held in 2022, focused on self-knowledge.

The 2023 season was dedicated to helping women transform from debtors into investors, with the participation of Mari Ferreira, author of the book Tostão Furado - Do Zero à Liberdade Financeira and Content Creator at Tostão Furado (Instagram and LinkedIn); Jennifer Rodrigues, psychologist and founder of the social business Empreende Aí, and Ana Buchaim, Managing Director of People, Marketing, Communication, and Sustainability at B3.

**PagSeguro Digital's financial education management promotes and disseminates knowledge on the topic on different platforms**



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## Other highlights in the area in 2023:

### Troco ao Topo Training Program

A platform of courses using a gamified methodology, organized into learning journeys and made available at no cost via the PagBank app. In 2023, the program was accessed 87,750 times on the platform, with 17,444 registrations.

Launched in January 2023, **Jornada dos Investimentos (Investment Journey)** aims to provide customers with a basic and accessible explanation of the world of investments, regardless of their level of knowledge in the area.

The most accessed course in its first year of existence was **Criptoativos - Bem-vindo ao futuro (Cryptoassets - Welcome to the future)**, with 3,705 people enrolled, 1,801 of whom completed it.

Another highlight is the **Jornada Mentalidade da Riqueza (Wealth Mindset Journey)**, which began in October and consists of six courses. The most popular, **Invista Hoje e Garanta seu Futuro (Invest Today and Secure Your Future)**, was attended by 520 students, 301 of whom completed it.



### Youtube

Throughout the year, the web series aired 32 episodes, which had 87,613 views and resulted in 8,980 subscribers to the channel. Launched in January 2023, the **Rende Mais** project was created to answer the main questions of novice investors. It had 5,903 views in 2023.

Launched the following month, the **Rende com a Gente** web series translated the main concepts and terminology of the world of investments. As it covers topics such as inflation and the SELIC rate, the content is also aimed at those who have small businesses or are interested in becoming entrepreneurs. It had 8,000 views last year.

### Podcast

Launched in January 2023, the project, made up of 14 episodes of up to four minutes each, aims to answer the main questions of potential or novice investors. The episodes were downloaded 66,000 times in 2023.

**All these materials are carefully prepared by PagSeguro Digital's Financial Education team**

### Training

The Financial Education area also conducted internal and external training during the year. The courses were attended by 600 people in the company and 670 partners and clients. Some of the highlights were the events attended by the company's new interns (PagTalents), the Financial Health Workshop, a journey of four meetings for the company Justa (a PagBank Digital client), and the lecture on Financial Health given to Grupo Folha.



**600 people in the company and 670 for partners and customers participated in financial education training in 2023**

### Weekly texts on UOL Economia

In 2023, a total of 50 texts from our Financial Education team were published on the UOL Economia website. Results were quite significant, with an average of 12,600 readers per text and 630,000 views.

One of the highlights is the Journey to Success in Variable Income, aimed at those who want to learn how to invest in this area, which is considered one of the most profitable, but also one of the riskiest. The goal is to demystify this idea, showing that it is a simple and accessible possibility.



## Financial Inclusion

The Brazilian Central Bank, through its 2022 Banking Economy Report (REB), provided members of credit unions with a calculation of the savings obtained compared to using the same credit services and deposits at a commercial bank.

In the document, the Central Bank outlines the main differences between credit unions and commercial banks, reinforcing the benefits of the former due to their non-profit nature, social and governance structure, and member participation. It also points out that the main objective of commercial banks is to maximize value creation for shareholders, while that of the unions is to offer advantageous services to members.

The Total Economic Benefit (BET) and the Methodological Proposal for calculation are presented as indicators for calculating the economic benefits generated. The Central Bank establishes the Total Economic Benefit (BET) as a composite of three indicators of benefit generated: the Economic Benefit from Credit (BEC), the Economic Benefit from Deposits (BED), and the Economic Benefits of the Fiscal Period (BEE).

Credit unions differ from conventional banks in that they are not-for-profit entities, where the main clients are also the members, who have an active participation in both management and results.

PagSeguro Digital is not a credit union. However, due to its business model focused on financial services and means of payment and with the aim of transforming and democratizing access to financial services and payment solutions in Brazil, it calculated the economic benefits generated by the company in comparison with those of the Brazilian Financial System (SFN).



Access the Banking Economy Report (REB) 2022





### Net economic benefit

The net economic benefit generated for our clients consists of three main components, as shown in the table below.

**Economic Benefit from Credit (BEC):** calculated by the difference between the interest rates charged by PagSeguro Digital and the banks of the Brazilian Financial System (SFN) on various types of credit, multiplied by the balance of the union's credit operations.

## Total Economic Benefit (BET) is the sum of BEC, BED and BEE

**Economic Benefit from Deposits (BED):** calculated by the difference between the interest rates paid by PagSeguro Digital and the banks of the Brazilian National Financial System (SFN) on deposits multiplied by the balances of these deposits in the unions.

**Economic Benefit of the Fiscal Period (BEE):** includes net surpluses distributed to members, allocations to the Fund for Technical, Educational and Social Assistance (FATES) and the payment of interest on stockholders' equity. Not applicable to PagSeguro Digital's business model.

### TOTAL ECONOMIC BENEFIT (BET) | R\$ MILLION

PAGS	2021	2022	2023
<b>Total Economic Benefit (BET)</b>	<b>12.7</b>	<b>878.2</b>	<b>1,720.8</b>
Economic Benefit from Credit (BEC)*	(46.9)	332.7	655.2
Economic Benefit from Deposits (BED)**	59.6	545.6	1,065.6
Economic Benefit of the Fiscal Period (BEE)***	N/A	N/A	N/A
Number of clients - Central Bank CCS   In millions	21.9	27.7	31.1

<b>BET per client</b>	<b>0.6</b>	<b>31.7</b>	<b>55.3</b>
BEC per client	(2.1)	12.0	21.1
BED per client	2.7	19.7	34.3
BEE per client	-	-	-

\*Measures savings on credit operations through lower average rates compared to institutions in the Brazilian Financial System.

\*\*Shows the additional gain with deposit through higher remuneration.

\*\*\*Interest on the stockholders' equity, dividends, and allocation via the Fund for Technical, Educational and Social Assistance (FATES).

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Statement of use: PagSeguro Digital has reported in accordance with the GRI Standards for the period of 1st of January to 31st of December 2023.

## GRI 1 used: GRI 1: Foundation 2021

GRI Standard	Disclosure	Page/ comment	Omission		Prep base
			Requirements omitted	Reason	Explanation
<b>GENERAL DISCLOSURES</b>					
	2-1: Organizational details	14			
	2-2: Entities included in the organization's sustainability reporting*	39			
	2-3: Reporting period, frequency and contact point	10, 129			
	2-4: Restatements of information*	There wasn't			
	2-5: External assurance*	10, 126			
GRI 2: General Disclosures 2021	2-6: Activities, value chain and other business relationships	20			<p>"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 GRI description to define what is significant: "changes in activity such as new units, closure 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.</p>
	2-9: Governance structure and composition	29, 30			<p>The Board of Directors is composed of six members. Each Director holds office for the term, if any, set by the resolution of the shareholders who appointed him or her or, if no term is set in the appointment of the Director, until the first day of his or her death, resignation or dismissal. With regard to the Committees, each member holds office without any defined term, considering changes until the first day of his or her death, resignation or dismissal. Both the Board and the committees have full members and there are no alternates.</p>

\* Disclosures that have been subjected to limited assurance by PwC Brazil.

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GRI Standard	Disclosure	Page/ comment	Omission		Prep base		
			Requirements omitted	Reason	Explanation	Premises and criteria	
<b>GENERAL DISCLOSURES</b>							
GRI 2: General Disclosures 2021	2-18: Evaluation of the performance of the highest governance body	30					
	2-22: Statement on sustainable development strategy	6					
	2-24: Embedding policy commitments	36					
	2-25: Processes to remediate negative impacts*	86					
	2-26: Mechanisms for seeking advice and raising concerns*	36					
	2-27: Compliance with laws and regulations*		There are no cases of non-compliance with laws and regulations. Significant cases of non-compliance are those whose impact may affect the continuity of the company's operations.				
	2-28: Membership associations	16					
	2-30: Collective bargaining agreements		100% of PagBank professionals are covered by collective bargaining agreements.		All people with whom PagBank maintains employment relationships, with the exception of interns and outsourced workers, were considered "employees". They are: directors, managers, coordinators, specialists, supervisors, staff and apprentices.		
<b>MATERIAL TOPICS</b>							
GRI 3: Material Topics 2021	3-1: Process to determine material topics*	11					
	3-2: List of material topics*	11					

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GRI Standard	Disclosure	Page/ comment	Omission			Prep base
			Requirements omitted	Reason	Explanation	Premises and criteria
<b>MATERIAL TOPICS</b>						
<b>Data security and privacy</b>						
GRI 3: Material Topics 2021	3-3: Management of material topics	43				
GRI 418: Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data*	43				We consider “proven complaints” to be those that have been evaluated and that have materialized as provided for in the General Data Protection Law (LGPD), which defines premises for leaks, thefts or personal data, as well as the definition of “privacy violation”. We consider large variations in comparison to what was reported in 2022 to be “significant”.
<b>Talent attraction and retention</b>						
GRI 3: Material Topics 2021	3-3: Management of material topics	68				
GRI 2: General Disclosures 2021	2-7: Employees*	68, 103, 117, 118				All individuals with employment relationships with the company were considered “employees”, except interns and outsourced workers. They are: directors, managers, coordinators, specialists, supervisors, staff and apprentices. For “permanent” and “full-time” employees, those with an indefinite-term contract and 8 hours per day (according to the CLT) were considered: directors, managers, coordinators, specialists, supervisors and staff. For “temporary” and “part-time” employees, employees with a contract for a limited period and 6 to 8 hours per day: apprentices. For “employees with non-guaranteed hours”, those who are not guaranteed a minimum or fixed number of working hours per day were considered: there are no such employees in the organization. Any result for the current year that diverged from the historical pattern presented were considered “significant fluctuations”.

\* Disclosures that have been subjected to limited assurance by PwC Brazil.

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GRI Standard	Disclosure	Page/ comment	Omission		Prep base
			Requirements omitted	Reason	Explanation
<b>MATERIAL TOPICS</b>					
<b>Talent attraction and retention</b>					
GRI 2: General Disclosures 2021	2-8: Workers who are not employees*	106	Data from workers who are not employees (third parties).	Confidentiality restrictions.	Until the moment of publication of this report, we have not opened the demographic information about workers who are not employees (third parties).
	2-19: Remuneration policies*	68, 69			
	2-20: Process to determine remuneration*	68, 69			"Remuneration" is considered to be fixed remuneration, both for members of the governance body and for employees.
	2-21: Annual total compensation ratio*		Proportion of total annual remuneration.	Confidentiality restrictions.	At the time of publishing this report, we consider it confidential and do not disclose information on the proportion of total annual compensation.
GRI 401: Employment 2016	401-1: New employee hires and employee turnover*	68, 69, 119, 120			Layoffs = Number of layoffs (voluntary and involuntary) at the end of December of each year.  Turnover = Total layoffs in the year/ Total number of employees in December  All employees reported in indicator 2-7 were considered "employees": Directors, managers, coordinators and specialists, supervisor, team and apprentices.
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	75			All people with whom PagBank maintains employment relationships, with the exception of interns and outsourced workers, were considered "employees". They are: directors, managers, coordinators and specialists, supervisors, staff and apprentices.
	401-3: Parental leave	125			

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<b>MATERIAL TOPICS</b>						
<b>Talent attraction and retention</b>						
GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee*	80				The average refers to the average hours of training per employee in courses, training, qualifications, classes and others. All full-time employees reported in indicator 2-7 were considered “employees”: directors, managers, coordinators and specialists, supervisor and team. The stratification was carried out at the following levels: director, manager, coordinator/specialist, supervisor, team (includes interns) and apprentice.
	404-2: Programs for upgrading employee skills and transition assistance programs	80				The activities considered in the “regular performance and career development assessment” process were those related to the performance of activities assigned to employees at each level, function and specific area. The concept of employees adopted for this indicator considers all people with whom PagBank maintains working relationships, including interns, and disregards outsourced employees. The stratification of functional categories was carried out at the following levels: Director, Manager, Coordinator and Specialist, Supervisor, Team (includes interns) and Apprentice.
	404-3: Percentage of employees receiving regular performance and career development reviews	80, 84	Percentage of employees who received a performance evaluation, by functional category.	Confidentiality restrictions.	Until the moment of publication of this report, we consider it confidential and we do not open the information on the proportion of total annual remuneration.	
<b>Business ethics</b>						
GRI 3: Material Topics 2021	3-3: Management of material topics	34				
GRI 2: General Disclosures 2021	2-23: Policy commitments	34				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 principle should be fully observed by States, according to their capabilities. When there is a threat of serious or irreversible damage, the lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.”

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<b>MATERIAL TOPICS</b>						
<b>Business ethics</b>						
GRI 206: Anti-competitive Behavior 2016	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices*	The company has no pending or concluded lawsuits during the period covered by the report regarding unfair competition and violations of antitrust and antimonopoly laws. The topic is mediated by the Compliance and Competition Legislation Code and is also included in specific compliance training. It also has a Regulatory area specialized in competition defense, with the possibility of internal and external audits.				Indicator not reported by the organization.
<b>Governance and transparency</b>						
GRI 3: Material Topics 2021	3-3: Management of material topics	10, 29				
	2-10: Nomination and selection of the highest governance body	29, 30				
GRI 2: General Disclosures 2021	2-11: Chair of the highest governance body	30				
	2-12: Role of the highest governance body in overseeing the management of impacts	30				
	2-13: Delegation of responsibility for managing impacts	30				
	2-14: Role of the highest governance body in sustainability reporting*	10				

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<b>MATERIAL TOPICS</b>						
<b>Governance and transparency</b>						
GRI 2: General Disclosures 2021	2-15: Conflicts of interest*	36				The organization understands “conflict of interest” as the definition used by GRI: “a situation in which an individual needs to choose between the demands of their role in the organization and their own personal or professional interests or responsibilities”.
	2-17: Collective knowledge of the highest governance body	77				
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 those procedures.	Confidentiality restrictions.	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 these procedures, as the information is considered strategic. The Company is evaluating the possibility of opening the data in the coming years.	
GRI 417: Marketing and Labeling 2016	417-3: Incidents of non-compliance concerning marketing communications		Cases of non-compliance in relation to marketing communication.	Information unavailable/incomplete.	Information on cases of non-compliance in relation to marketing communications was not available at the time of completion of this report. The company is evaluating the possibility of opening the data in the coming years.	

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<b>MATERIAL TOPICS</b>					
<b>Education and financial inclusion</b>					
GRI 3: Material Topics 2021	3-3: Management of material topics	20, 75, 94			
GRI 2: General Disclosures 2021	2-6: Activities, value chain and other business relationships	20			“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 GRI description to assess the term: “changes in activity such as new units, closure 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 203: Indirect Economic Impacts 2016	203-1: Infrastructure investments and services supported	94			Investments in infrastructure and services that go beyond the scope of the company’s own operations (social, environmental, educational and other investments) are considered “significant”. Impacts that directly benefit communities without directly fulfilling a commercial purpose are considered positive. We consider “relevant” impacts to be all impacts that could affect the company’s operations. On the other hand, “negative impacts” are impacts that could affect production or the communities surrounding the operations.
GRI 203: Indirect Economic Impacts 2016	203-2: Significant indirect economic impacts	94			The organization considers “significant indirect economic impacts” to be the resources (own or incentivized) invested in social and environmental projects and programs, the availability of products and services for low-income people 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	75			

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GRI Standard	Disclosure	Page/ comment	Omission		Prep base
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<b>MATERIAL TOPICS</b>					
<b>Inovação financeira</b>					
GRI 3: Material Topics 2021	3-3: Management of material topics	39, 89			
GRI 201: Economic Performance 2016	201-1: Direct economic value generated and distributed*	39			The DVA is being presented in accordance with the format provided for in the Consolidated Financial Statements and in CPC 09 - Statement of Added Value (DVA). The DVA presented in the 2023 Sustainability Report considers the same companies included in the DVA of the Financial Statements, which can be accessed in section 4. Consolidation of subsidiaries, do documento Consolidated Financial Statements 2023 ( <a href="https://api.mziq.com/mzfile-manager/v2/d/d1c190f7-52c1-4663-aa9f-0e0141aa5e3c/cc0e7f73-0bd3-e6b1-4dc6-3627d8c579d8?origin=1">https://api.mziq.com/mzfile-manager/v2/d/d1c190f7-52c1-4663-aa9f-0e0141aa5e3c/cc0e7f73-0bd3-e6b1-4dc6-3627d8c579d8?origin=1</a> )
GRI 203: Indirect Economic Impacts 2016	203-1: Infrastructure investments and services supported	89			Investments in infrastructure and services that go beyond the scope of the company's own operations (social, environmental, educational and other investments) are considered "significant". Impacts that directly benefit communities without directly fulfilling a commercial purpose are considered positive. We consider "relevant" impacts to be all impacts that may affect the company's operations. On the other hand, "negative impacts" are impacts that may affect production or the communities surrounding the operations.
<b>Customer relationship</b>					
GRI 3: Material Topics 2021	3-3: Management of material topics	10			
GRI 2: General Disclosures 2021	2-14: Role of the highest governance body in sustainability reporting*	10			

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<b>MATERIAL TOPICS</b>						
<b>Customer relationship</b>						
GRI 2: General Disclosures 2021	2-16: Communication of critical concerns*	29, 30				We consider crucial questions about the most relevant situations, given their potential impact and the macroeconomic context, in addition to the number of substantiated complaints.
	2-23: Policy commitments	34				The precautionary principle was introduced by the United Nations in Principle 15 of the Rio Declaration on Environment and Development, which states: "In order to protect the environment, the precautionary principle should be fully observed by States, according to their capabilities. When there is a threat of serious or irreversible damage, the 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	10				
<b>RELEVANT TOPICS - NON-MATERIAL</b>						
<b>Diversity and inclusion</b>						
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees*	75, 121, 122, 123, 124				All employees of the organization reported in indicators 2-7 were considered "employees", stratified into the following functional categories: Directors, managers, coordinators and specialists, supervisor and team, apprentices and interns.
	405-2: Ratio of basic salary and remuneration of women to men*		Ratio between the base salary and remuneration received by women and those received by men.	Confidentiality restrictions.	We do not publicly report the ratio of base salary and compensation received by women to that received by men, as this information is considered strategic. The company is evaluating the possibility of opening the data in the coming years.	

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<b>RELEVANT TOPICS – NON-MATERIAL</b>					
<b>Diversity and inclusion</b>					
GRI 406: Non-discrimination 2016	406-1: Incidents of discrimination and corrective actions taken		Cases of discrimination and corrective measures taken.	Confidentiality restrictions.	We do not publicly report cases of discrimination and corrective measures taken, as the information is considered strategic. The company is evaluating the possibility of opening the data in the coming years.
<b>Partner and supplier management</b>					
GRI 2: General Disclosures 2021	2-6: Activities, value chain and other business relationships	20			"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 GRI description to assess the term: "changes in activity such as new units, closure 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".
	2-29: Approach to stakeholder engagement	10			
GRI 204: Procurement Practices 2016	204-1: Proportion of spending on local suppliers		Proportion of spending on local suppliers.	Confidentiality restrictions.	We do not publicly report the budget spent on local suppliers, as this information is considered strategic. The Company is evaluating the possibility of opening up the data in the coming years.

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<b>RELEVANT TOPICS – NON-MATERIAL</b>						
<b>Partner and supplier management</b>						
GRI 308: Supplier Environmental Assessment 2016	308-1: New suppliers that were screened using environmental criteria	63				<p>“New suppliers” were considered to be those approved in 2023 and assessed as having the highest risk and which together account for approximately 97% of centralized spending (Group A). Centralized spending is managed directly by the Purchasing/Supplies area. For “environmental criteria”, we considered: documentary qualification, assessment of the environmental issues assessed in the supplier registration and approval process (environmental licensing, registration with IBAMA, PPRA, ISO 14001 and waste management and recycling programs). To calculate the reported percentage, we considered: / New suppliers (Group A) selected based on environmental criteria / New suppliers (Group A).</p>
	308-2: Negative environmental impacts in the supply chain and actions taken	63				<p>The supplier base considered in the report is made up of direct suppliers of raw materials active during the year. The environmental assessment of centralized suppliers is an integral part of the annual supplier approval process, and the Procurement area manages it. 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 supplier, as described in the GRI Standards Glossary. We consider “significant negative impacts” to be the direct or indirect impacts generated or identified by our suppliers that may impact a wide range of stakeholders, due to social, environmental and climate impacts.</p>

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<b>RELEVANT TOPICS – NON-MATERIAL</b>					
<b>Partner and supplier management</b>					
GRI 408: Child Labor 2016	408-1: Operations and suppliers at significant risk for incidents of child labor*	63			<p>The definitions of “child labor” and “young workers” follow the context of Brazilian legislation. “Hazardous work” refers to work situations that are not in accordance with Brazilian legislation. All administrative and sales operations are assessed in relation to the significant risk of child labor or young workers exposed to hazardous work. For suppliers, measures that ensure the non-use of child labor are provided for in mandatory contract clauses. The company considers that those operations and suppliers that have a proven history of risk related to child labor, and/or that are included in restrictive lists, present a “significant risk of occurrence”. There are no countries or geographic areas with operations and suppliers considered to be at risk with regard to the issue of child labor.”</p>
GRI 409: Forced or Compulsory Labor 2016	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor*	63			<p>The definitions of “Forced or compulsory labor” follow the context of Brazilian legislation, which is Convention No. 29 of the International Labor Organization (ILO). All operations in Brazil are assessed and only critical suppliers, at the national level, are assessed for the significant risk of occurrence of forced or compulsory labor. 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 included in restrictive lists, present a “significant risk of occurrence”.</p>

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<b>RELEVANT TOPICS – NON-MATERIAL</b>						
<b>Partner and supplier management</b>						
GRI 414: Supplier Social Assessment 2016	414-1: New suppliers that were screened using social criteria	63				“New suppliers” were considered to be those approved in 2023 and assessed as having the highest risk and which together account for approximately 97% of centralized spending (Group A). Centralized spending is managed directly by the Purchasing/Supplies area. Calculation report = New suppliers (Group A) selected based on social criteria / New suppliers (Group A) The social criteria considered are: compliance with legal obligations (INSS, FGTS), PCMSO, Health and Safety Certifications, safety actions and community development.
<b>Energy and operations efficiency</b>						
GRI 302: Energy 2016	302-1: Energy consumption within the organization*	60				To quantify the energy consumed within the organization, the organization’s own units and administrative sites, whether owned or rented, were considered. The company considered its electricity consumption as energy consumed within the organization, which was compiled from information on invoices from electricity providers and the free energy market.
	302-3: Energy intensity	60				
GRI 303: Water and Effluents 2018	303-5: Water consumption	61				Due to the organization's activities and its low impact on the issue, the organization does not monitor areas with water stress. Since the organization does not store water, it is understood that there is no significant impact related to this activity.

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<b>RELEVANT TOPICS – NON-MATERIAL</b>						
<b>Impact investing</b>						
GRI 203: Indirect Economic Impacts 2016	203-1: Infrastructure investments and services supported	89				Investments in infrastructure and services that go beyond the scope of the company's own operations (social, environmental, educational and other investments) are considered "significant". Impacts that directly benefit communities without directly fulfilling a commercial purpose are considered positive. We consider "relevant" impacts to be all impacts that could affect the company's operations. On the other hand, "negative impacts" are impacts that could affect production or the communities surrounding the operations.
	203-2: Significant indirect economic impacts	89				The organization considers "significant indirect economic impacts" to be the resources (own or incentivized) invested in social and environmental projects and programs, the availability of products and services for low-income people 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 204: Procurement Practices 2016	204-1: Proportion of spending on local suppliers	66				The percentage of local suppliers follows the following calculation rationale: total number of local suppliers for the supply of products and services/total number of suppliers for the supply of products and services. This fraction results in the percentage of local suppliers. The definition of "local" was used considering suppliers based in Brazil, for the supply of products and services. No supplier category was excluded from the calculation above.

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<b>RELEVANT TOPICS – NON-MATERIAL</b>					
<b>Impact investing</b>					
GRI 413: Local Communities 2016	413-1: Operations with local community engagement, impact assessments, and development programs	75			<p>We consider “Operations” to be all of the organization’s sites and all locations where the organization operates. The measurement of actions that determine social impacts is carried out according to the investment or expenditure made and their operational results (such as people trained, engaged, impacted, etc.). Environmental impact assessments are carried out by the Social Investment and ESG areas according to the eventual nature and materiality of the community projects invested in (if they have an inherent positive or negative environmental impact). Continuous monitoring is maintained while the company supports the eventual projects. The company determines the needs of local communities and the criteria to reflect this in development programs based on the intersection of the social investment strategy and the needs brought by the project proponents. The criteria for mapping stakeholders are to consider those who are directly and indirectly impacted by the company’s social investment actions, in addition to its direct customers.</p> <p>The consultation processes for determining vulnerable groups consider family income, education, geographic region, gender and race of the populations assisted and/or impacted, considering public data issued by different government bodies, data from non-governmental organizations and/or own research.</p>
	413-2: Operations with significant actual and potential negative impacts on local communities	89			<p>We consider “Operations” to be all of the organization’s sites and all locations where the organization operates. “Significant actual and potential negative impacts” are identified based on socio-environmental criteria, monitored by the Social Investment area. Examples of socio-environmental criteria include: income, employability, demographics and diversity, greenhouse gas emissions, polluting activities, energy and fuel consumption, among others. The company understands “local communities” to be the cities where it has administrative and commercial operations.</p>

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<b>RELEVANT TOPICS – NON-MATERIAL</b>						
<b>Impact investing</b>						
GRI 415: Public Policy 2016	415-1: Political contributions*	Due to internal policy (the UOL Group, the controlling company, also has a media unit committed to nonpartisanship), the company does not contribute to political parties, candidates or political institutions. It also does not have lobbying offices or contact offices with the Legislative and Executive branches. When it is necessary to contact authorities, the company does so directly or through a trade association, whether with the regulatory body, the Central Bank of Brazil or with ANBIMA, CVM or other self-regulators (for example, BSM). The company contributes to Abranet, ABBC, Abecs and ANBIMA. For political contributions between third parties that use PagBank services, the public rules and policies regarding PEPs (Politically Exposed Persons), anti-corruption policies, etc., apply.				Not applicable. No contributions of any other nature were reported.

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<b>RELEVANT TOPICS – NON-MATERIAL</b>							
<b>Strategy</b>							
GRI 201: Economic Performance 2016	201-2: Financial implications and other risks and opportunities due to climate change	29, 35				“Substantial changes” are those that have the potential to significantly affect the company operationally or financially. The costs of measures taken to manage climate-related risks and opportunities refer to amounts realized for risk management. The time horizon considered in the management of 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 risks and/or opportunities are in the process of being assessed, therefore, it is not yet possible to describe the value rates for the present and future.	
	305-1: Direct (Scope 1) GHG emissions*	55				Emissions were calculated following the methodology and assumptions defined by the Brazilian GHG Protocol Program.	
	305-2: Energy indirect (Scope 2) GHG emissions*	55				Emissions were calculated following the methodology and assumptions defined by the Brazilian GHG Protocol Program.	
	GRI 305: Emissions 2016	305-3: Other indirect (Scope 3) GHG emissions	55				We follow the premises of the Brazilian GHG Protocol Program. We consider as “significant changes” large changes in the final inventory value (more than 40%), compared to the previous year.
		305-5: Reduction of GHG emissions	55				Emissions were calculated following the methodology and assumptions defined by the Brazilian GHG Protocol Program. The definition of “associated primary effects” is that of eco-efficiency processes in the operation itself. Since the reduction noted in 2023 was identified in the operation itself, we do not have “associated secondary effects”
<b>Applicable indicators not related to material topics</b>							
GRI 306: Waste 2020	306-3: Waste generated	61				Waste information was compiled considering only data on waste generated and disposed of from the company’s headquarters. The data was compiled based on the information contained in the technical reports on waste management and recycling from the approved supplier and contract for this purpose.	

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<b>RELEVANT TOPICS – NON-MATERIAL</b>					
<b>Applicable indicators not related to material topics</b>					
GRI 306: Waste 2020	306-4: Waste diverted from disposal	61			Waste information was compiled considering only data on waste generated and disposed of from the company's headquarters. The data was compiled based on the information contained in the technical reports on waste management and recycling from the approved supplier and contract for this purpose.
GRI 403: Occupational Health and Safety 2018	403-6: Promotion of worker health	75, 77			All people with whom PagBank maintains employment relationships, with the exception of interns and outsourced workers, were considered "employees". They are: directors, managers, coordinators and 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*	29			
GRI 414: Supplier Social Assessment 2016	414-2: Negative social impacts in the supply chain and actions taken	84			The Company understands "negative social impacts" linked to suppliers as any non-compliance with Brazilian legislation related to issues of labor, childhood and adolescence, gender, race, sexual orientation and other social issues. The concept adopted by the organization for "significant real and potential social impacts" are the risks of non-compliance with standards and fines related to issues of labor, childhood and adolescence, gender, race, sexual orientation and other social issues. The company determines which negative social impacts - real and potential - are significant, based on the assessment carried out through the annual approval registration questionnaire, submission of documentation, in addition to other surveys on suppliers. The social criteria considered in the approval are: compliance with legal obligations (INSS, FGTS), PCMSO, Health and Safety Certifications, safety actions and community development.

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Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1 - (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	60
	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	61
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Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1 - Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	The company has no pending or closed lawsuits during the period covered by the report regarding unfair competition and violations of antitrust and antimonopoly laws.
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.1 - Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	53
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# Attachments

## Employees by gender\*

< GRI 2-7; SASB TC-SI-330a.1 >

	2021		2022		2023	
	Total	%	Total	%	Total	%
Men	4,170	61.8%	4,287	59.4%	4,314	59.3%
Women	2,581	38.2%	2,936	40.6%	2,959	40.7%
<b>Total</b>	<b>6,751</b>	<b>100%</b>	<b>7,223</b>	<b>100%</b>	<b>7,273</b>	<b>100%</b>

\*Interns not included.

## Employees by region\*

	2021		2022		2023	
	Total	%	Total	%	Total	%
Midwest	265	3.9%	257	3.6%	284	3.9%
Northeast	454	6.7%	451	6.2%	570	7.8%
North	93	1.4%	100	1.4%	147	2.0%
Southeast	5,260	77.9%	5,754	79.7%	5,575	76.7%
South	667	9.9%	651	9.0%	689	9.5%
Abroad	12	0.2%	10	0.1%	8	0.1%
<b>Total</b>	<b>6,751</b>	<b>100%</b>	<b>7,223</b>	<b>100%</b>	<b>7,273</b>	<b>100%</b>

\*Interns not included.

## Employees by race\*

	2021		2022		2023	
	Total	%	Total	%	Total	%
Asian	133	2.0%	158	2.2%	158	2.2%
Caucasian	4,283	63.4%	4,503	62.3%	4,354	59.9%
Indigenous	9	0.1%	11	0.2%	14	0.2%
Not informed	166	2.5%	95	1.3%	226	3.1%
Black	484	7.2%	547	7.6%	483	6.6%
Brown	1,676	24.8%	1,909	26.4%	2,038	28.0%
<b>Total</b>	<b>6,751</b>	<b>100%</b>	<b>7,223</b>	<b>100%</b>	<b>7,273</b>	<b>100%</b>

\*Interns not included.

## Employees by functional category\*

Functional category	2021		2022		2023	
	Total	%	Total	%	Total	%
Director	39	0.6%	42	0.6%	46	0.6%
Manager	403	6.0%	461	6.4%	455	6.2%
Coordinator/ Specialist	645	9.6%	726	10.1%	709	9.7%
Supervisor	308	4.6%	313	4.3%	319	4.3%
Team	5,349	79.2%	5,657	78.3%	5,711	78.5%
Apprentice	18	0.4%	7	0.1%	33	0.4%
<b>Total</b>	<b>6,751</b>	<b>100%</b>	<b>7,223</b>	<b>100%</b>	<b>7,273</b>	<b>100%</b>

\*Interns not included.

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Fixed-term employees, by gender <GRI 2-7>

By gender	2021		2022		2023	
	Total	%	Total	%	Total	%
	51	64.60%	74	50.70%	36	43.37%
	28	35.40%	72	49.30%	47	56.63%
Other	0	0.00%	0	0.00%	---	0.00%
Not informed	0	0.00%	0	0.00%	---	0.00%
<b>Total</b>	<b>79</b>	<b>100%</b>	<b>146</b>	<b>100%</b>	<b>83</b>	<b>100%</b>

Temporary employees

	2021	2022	2023
Interns 	72	122	50



Fixed-term employees, by race <GRI 2-7>

By race	2021		2022		2023	
	Total	%	Total	%	Total	%
Asian	3	3.80%	2	1.40%	1	1.21%
Caucasian	60	75.90%	81	55.50%	44	53.01%
Indigenous	0	0.00%	0	0.00%	0	0.00%
Not informed	1	1.30%	6	4.10%	5	6.02%
Black	5	6.30%	19	13.00%	6	7.23%
Brown	10	12.70%	38	26.00%	27	32.53%
<b>Total</b>	<b>79</b>	<b>100%</b>	<b>146</b>	<b>100%</b>	<b>83</b>	<b>100%</b>



### New hires\*

< GRI 401-1 >

By gender	2021		2022		2023	
	Total	%	Total	%	Total	%
	2,808	61.4%	1,753	55.6%	1,663	57.0%
	1,767	38.6%	1,402	44.4%	1,254	43.0%
<b>Total</b>	<b>4,575</b>	<b>100%</b>	<b>3,155</b>	<b>100%</b>	<b>2,917</b>	<b>100%</b>

\*Interns not included.

### New hires by region\*

	2021		2022		2023	
	Total	%	Total	%	Total	%
Midwest	253	5.5%	113	3.6%	178	6.1%
Northeast	569	12.4%	336	10.6%	299	10.3%
North	179	3.9%	88	2.8%	100	3.4%
Southeast	2,981	65.2%	2,266	71.8%	1,939	66.5%
South	583	12.7%	342	10.8%	401	13.7%
Abroad	10	0.2%	10	0.3%	—	0.0%
<b>Total</b>	<b>4,575</b>	<b>100%</b>	<b>3,155</b>	<b>100%</b>	<b>2,917</b>	<b>100%</b>

\*Interns not included.

### New hires by job category\*

	2021		2022		2023	
	Total	%	Total	%	Total	%
Director	4	0.1%	4	0.1%	7	0.2%
Manager	81	1.8%	59	1.9%	49	1.7%
Coordinator/ Specialist	218	4.8%	148	4.7%	55	1.9%
Supervisor	135	3.0%	57	1.8%	20	0.7%
Team	4,131	90.3%	2,860	90.6%	2,755	94.4%
Apprentice	6	0.1%	27	0.9%	31	1.1%
<b>Total</b>	<b>4,575</b>	<b>100%</b>	<b>3,155</b>	<b>100%</b>	<b>2,917</b>	<b>100%</b>

\*Interns not included.

### New hires by age group\*

	2021		2022		2023	
	Total	%	Total	%	Total	%
Under 30 years old	1,479	32.3%	1,207	38.3%	875	30.0%
30-50 years old	2,986	65.3%	1,900	60.2%	1,934	66.3%
Over 50 year old	110	2.4%	48	1.5%	108	3.7%
<b>Total</b>	<b>4,575</b>	<b>100.0%</b>	<b>3,155</b>	<b>100.0%</b>	<b>2,917</b>	<b>100.0%</b>

\*Interns not included.

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## Turnover and layoffs\*

Turnover\*

2021  
**38%**

2022  
**36,9%**

2023  
**40,10%**

\*Interns not included.

## Dismissals by gender

By gender	2021		2022		2023	
	Total	%	Total	%	Total	%
	1,639	63.9%	1,627	61.0%	1,667	57.2%
	924	36.1%	1,040	39.0%	1,247	42.8%
<b>Total</b>	<b>2,563</b>	<b>100%</b>	<b>2,667</b>	<b>100%</b>	<b>2,914</b>	<b>100%</b>

\*Interns not included.

## Dismissals by region\*

	2021		2022		2023	
	Total	%	Total	%	Total	%
Midwest	137	5.3%	99	3.7%	143	4.9%
Northeast	303	11.8%	172	6.4%	186	6.4%
North	106	4.1%	53	2.0%	55	1.9%
Southeast	1,695	66.1%	1,976	74.1%	2,182	74.9%
South	313	12.2%	367	13.8%	348	11.9%
Abroad	9	0.4%	0	0.0%	---	0.0%
<b>Total</b>	<b>2,563</b>	<b>100%</b>	<b>2,667</b>	<b>100%</b>	<b>2,914</b>	<b>100%</b>

\*Interns not included.

## Dismissals by age group\*

	2021		2022		2023	
	Total	%	Total	%	Total	%
Under 30 years old	732	28.6%	754	28.3%	671	23.0%
30-50 years old	1,767	68.9%	1,844	69.1%	2,134	73.2%
Over 50 year old	64	2.5%	69	2.6%	109	3.7%
<b>Total</b>	<b>2,563</b>	<b>100.0%</b>	<b>2,667</b>	<b>100.0%</b>	<b>2,914</b>	<b>100.0%</b>

\*Interns not included.

## Dismissals by functional category\*

	2021		2022		2023	
	Total	%	Total	%	Total	%
Director	8	0.3%	9	0.3%	11	0.4%
Manager	91	3.6%	114	4.3%	110	3.8%
Coordinator/ Specialist	127	5.0%	161	6.0%	154	5.3%
Supervisor	129	5.0%	105	3.9%	131	4.5%
Team	2,190	85.4%	2,268	85.0%	2,480	85.1%
Apprentice	18	0.7%	10	0.4%	28	1.0%
<b>Total</b>	<b>2,563</b>	<b>100%</b>	<b>2,667</b>	<b>100%</b>	<b>2,914</b>	<b>100%</b>

\*Interns not included.

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**Percentage of individuals within the organization’s governance bodies in each of the following diversity categories**

< GRI 405-1 >







Gender	2021		2022		2023	
	57.0%		50.0%		50.0%	
	43.0%		50.0%		50.0%	

Race	2021	2022	2023
Asian	14.0%	0.0%	0.0%
Caucasian	86.0%	100%	100%
Indigenous	0.0%	0.0%	0.0%
Black	0.0%	0.0%	0.0%
Brown	0.0%	0.0%	0.0%

Age group	2021		2022		2023	
	Number	%	Number	%	Number	%
Under 30 years old	--	0.00%	--	0.00%	--	0.00%
30-50 years old	5	71.40%	--	33.0%	--	0.00%
Over 50 year old	2	28.60%	6	67.0%	6	100%
<b>Total</b>	<b>7</b>	<b>100%</b>	<b>6</b>	<b>100%</b>	<b>6</b>	<b>100%</b>

**Diversity of employees**

< GRI 405-1; SASB TC-SI-330a.3 >

Race by gender	2021		2022		2023	
						
Asian	2%	2%	2%	2%	2%	2%
Caucasian	63%	65%	62%	63%	59%	60%
Indigenous	0%	0%	0%	0%	1%	0%
Not informed	2%	3%	1%	1%	3%	3%
Black	7%	7%	7%	8%	7%	7%
Brown	26%	23%	27%	25%	28%	28%

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Diversity - Employee category by age group	2021			2022			2023		
	< 30	30-50	< 50	< 30	30-50	< 50	< 30	30-50	< 50
Director	0%	1%	1%	0%	1%	1%	0%	1%	5%
Manager	1%	8%	8%	1%	9%	8%	1%	8%	7%
Coordinator/Specialist	4%	12%	10%	4%	13%	9%	4%	12%	8%
Supervisor	2%	5%	8%	2%	5%	9%	2%	5%	6%
Team	90%	74%	73%	88%	73%	73%	89%	74%	77%
Apprentice	3%	0%	0%	5%	0%	0%	2%	0%	0%
Intern	0%	0%	0%	1%	0%	0%	2%	0%	0%

Diversity - Employee category by gender	2021		2022		2023	
	M	W	M	W	M	W
Director	0.7%	0.3%	0.7%	0.3%	1.0%	1.0%
Manager	7.0%	4.1%	7.7%	4.2%	7.0%	5.0%
Coordinator/Specialist	10.7%	7.4%	10.9%	8.3%	10.0%	7.0%
Supervisor	5.4%	3.0%	5.3%	2.8%	5.0%	3.0%
Team	74.9%	84.1%	73.7%	81.9%	76.0%	82.0%
Apprentice	0.0%	0.2%	0.3%	0.4%	0.0%	1.0%
Intern	1.2%	0.9%	1.4%	2.0%	1.0%	1.0%

Diversity - Employee category by race	2021						2022						2023					
	Asian	Caucasian	Indigenous	Black	Brown	N\ *	Asian	Caucasian	Indigenous	Black	Brown	N\	Asian	Caucasian	Indigenous	Black	Brown	N\
Director	1%	1%	0%	0%	0%	1%	1%	1%	0%	0%	0%	0%	1%	1%	0%	0%	0%	0%
Manager	4%	8%	0%	2%	3%	6%	9%	8%	0%	2%	4%	8%	11%	8%	0%	3%	3%	4%
Coordinator/Specialist	13%	11%	0%	7%	6%	6%	11%	12%	0%	7%	6%	8%	13%	11%	0%	7%	7%	4%
Supervisor	2%	5%	11%	5%	5%	1%	4%	4%	18%	4%	5%	0%	4%	4%	21%	5%	5%	1%
Team	78%	75%	89%	86%	85%	86%	74%	74%	82%	83%	83%	78%	70%	75%	79%	84%	83%	89%
Apprentice	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	1%	0%	0%	0%	1%	1%
Intern	2%	1%	0%	1%	1%	1%	1%	2%	0%	2%	2%	6%	0%	1%	0%	1%	1%	1%

\*Not informed.

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### Employees by race and gender

	2021						2022						2023					
	Men	%	Women	%	Total	%	Men	%	Women	%	Total	%	Men	%	Women	%	Total	%
Asian	81	60%	55	40%	136	100%	97	61%	63	39%	160	100%	89	56%	69	44%	158	100%
Caucasian	2,659	61%	1,680	39%	4,339	100%	2,684	59%	1,889	41%	4,573	100%	2,575	59%	1,806	41%	4,381	100%
Indigenous	6	67%	3	33%	9	100%	6	55%	5	45%	11	100%	10	71%	4	29%	14	100%
Not informed	94	56%	73	44%	167	100%	58	57%	43	43%	101	100%	144	63%	84	37%	228	100%
Black	294	60%	193	40%	487	100%	322	58%	238	43%	560	100%	290	60%	197	40%	487	100%
Brown	1,085	64%	600	36%	1,685	100%	1,183	61%	757	39%	1,940	100%	1,230	60%	825	40%	2,055	100%

### Employees by job category and gender

	2021						2022						2023					
	Men	%	Women	%	Total	%	Men	%	Women	%	Total	%	Men	%	Women	%	Total	%
Director	31	79%	8	21%	39	100%	32	76%	10	24%	42	100%	33	72%	13	28%	46	100%
Manager	296	73%	107	27%	403	100%	335	73%	126	27%	461	100%	315	69%	140	31%	455	100%
Coordinator/ Specialist	452	70%	193	30%	645	100%	476	66%	250	34%	726	100%	462	65%	247	35%	709	100%
Supervisor	229	74%	79	26%	308	100%	229	73%	84	27%	313	100%	223	70%	96	30%	319	100%
Team	3,160	59%	2,189	41%	5,349	100%	3,204	57%	2,453	43%	5,657	100%	3,269	57%	2,442	43%	5,711	100%
Apprentice	2	29%	5	71%	7	100%	11	46%	13	54%	24	100%	12	36%	21	64%	33	100%
Intern	49	68%	23	32%	72	100%	63	52%	59	48%	122	100%	24	48%	26	52%	50	100%

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## Employees by job category and race <GRI 405-1>

### 2021

	Asian	%	Caucasian	%	Indigenous	%	Black	%	Brown	%	N/I	%	Total	%
Director	1	2.6%	33	84.6%	0	0.0%	0	0.0%	4	10.3%	1	3%	39	100.0%
Manager	6	1.5%	327	81.1%	0	0.0%	9	2.2%	51	12.7%	10	2%	403	100.0%
Coordinator/Specialist	17	2.6%	487	75.5%	0	0.0%	32	5.0%	99	15.3%	10	2%	645	100.0%
Supervisor	3	1.0%	196	63.6%	1	0.3%	23	7.5%	84	27.3%	1	0%	308	100.0%
Team	106	2.0%	3,236	60.5%	8	0.1%	418	7.8%	1,437	26.9%	144	3%	5,349	100.0%
Apprentice	0	0.0%	4	57.1%	0	0.0%	2	28.6%	1	14.3%	0	0%	7	100.0%
Intern	3	4.2%	56	77.8%	0	0.0%	3	4.2%	9	12.5%	1	1%	72	100.0%

### 2022

	Asian	%	Caucasian	%	Indigenous	%	Black	%	Brown	%	N/I	%	Total	%
Director	1	2.4%	39	92.9%	0	0.0%	0	0.0%	2	4.8%	0	0.0%	42	100.0%
Manager	15	3.3%	357	77.4%	0	0.0%	12	2.6%	69	15.0%	8	1.7%	461	100.0%
Coordinator/Specialist	18	2.5%	546	75.2%	0	0.0%	37	5.1%	117	16.1%	8	1.1%	726	100.0%
Supervisor	6	1.9%	185	59.1%	2	0.6%	25	8.0%	95	30.4%	0	0.0%	313	100.0%
Team	118	2.1%	3,365	59.5%	9	0.2%	467	8.3%	1,619	28.6%	79	1.4%	5,657	100.0%
Apprentice	0	0.0%	11	45.8%	0	0.0%	6	25.0%	7	29.2%	0	0.0%	24	100.0%
Intern	2	1.6%	70	57.4%	0	0.0%	13	10.7%	31	25.4%	6	4.9%	122	100.0%

### 2023

	Asian	%	Caucasian	%	Indigenous	%	Black	%	Brown	%	N/I	%	Total	%
Director	2	4.3%	41	89.1%	0	0.0%	0	0.0%	3	6.5%	0	0.0%	46	100.0%
Manager	18	4.0%	351	77.1%	0	0.0%	15	3.3%	62	13.6%	9	2.0%	455	100.0%
Coordinator/Specialist	21	3.0%	498	70.2%	0	0.0%	34	4.8%	147	20.7%	9	1.3%	709	100.0%
Supervisor	6	1.9%	182	57.1%	3	0.9%	23	7.2%	102	32.0%	3	0.9%	319	100.0%
Team	110	1.9%	3,265	57.2%	11	0.2%	409	7.2%	1,714	30.0%	202	3.5%	5,711	100.0%
Apprentice	1	3.0%	17	51.5%	0	0.0%	2	6.1%	10	30.3%	3	9.1%	33	100.0%
Intern	0	0.0%	27	54.0%	0	0.0%	4	8.0%	17	34.0%	2	4.0%	50	100.0%

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## Maternity and paternity leave

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Parental leave	2021			2022			2023		
	M	W	Other	M	W	Other	M	W	Other
Total number of employees who took parental leave in the reporting period	49	53	0	117	79	0	218	140	0
Total number of employees who took parental leave in the reporting period, and whose leave also ended in the reporting period	44	23	0	108	52	0	113	106	0
Total number of employees who took parental leave in the previous year, and whose leave ended in the reporting year	0	8	0	5	30	0	9	27	0
<b>Total number of employees expected to return in the reporting period</b>	<b>44</b>	<b>31</b>	<b>0</b>	<b>113</b>	<b>82</b>	<b>0</b>	<b>122</b>	<b>133</b>	<b>0</b>
Total number of employees who did return to work after parental leave	44	23	0	113	75	0	113	105	0
<b>Return to work rate</b>	<b>100%</b>	<b>74%</b>	<b>0%</b>	<b>100%</b>	<b>91%</b>	<b>0%</b>	<b>93%</b>	<b>79%</b>	<b>0%</b>
	<b>89%</b>			<b>96%</b>			<b>85%</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	0	40	17	0	101	45	0
Total number of employees who returned in the previous year	35	24	0	44	23	0	113	75	0
<b>Retention rate</b>	<b>69%</b>	<b>63%</b>	<b>0%</b>	<b>91%</b>	<b>74%</b>	<b>0%</b>	<b>89%</b>	<b>60%</b>	<b>0%</b>
	<b>66%</b>			<b>85%</b>			<b>78%</b>		

## 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 4Q23.

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# Independent auditor’s limited assurance report on the non-financial information included in the Sustainability Report 2023



To the Board of Directors and Stockholders  
PagSeguro Digital Ltd. - PagSeguro  
São Paulo - SP

## 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 Sustainability Report 2023 of PagSeguro for the year ended December 31, 2023.

Our limited assurance does not cover prior-period information, or any other information disclosed together with the Sustainability Report 2023, including any images, audio files or videos.

## Responsibilities of PagSeguro’s management

The management of PagSeguro is responsible for:

- selecting or establishing adequate criteria for the preparation and presentation of the information included in the Sustainability Report 2023;
- preparing the information in accordance with the GRI Standards and with the basis of preparation developed by the Company;
- designing, implementing and maintaining internal controls over the significant information used in the preparation of the Sustainability Report 2023, which is free from material misstatement, whether due to fraud or error.

## Our independence and quality control

We comply with the independence and other ethical requirements of the Federal Accounting Council (CFC) in NBCs PG 100 and 200 and NBC PA 291, which are based on the principles of integrity, objectivity and professional competence, and which also consider the confidentiality and behavior of professionals.

We apply the Brazilian and international quality control standards established in NBC PA 01, issued by the CFC, and thus maintain an appropriate quality control system that includes policies and procedures related to compliance with ethical requirements, professional standards, legal requirements and regulatory requirements.

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**Independent auditor’s responsibility**

Our responsibility is to express a conclusion on the non-financial information included in the Sustainability Report 2023, based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01, “Issuance of an Assurance Report 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 we comply with ethical requirements, including 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 regarding 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 Sustainability Report 2023, 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 Sustainability Report 2023 taken as a whole might present material misstatements.

The procedures selected are based on our understanding of the aspects related to the compilation, materiality, and presentation of the in-

formation included in the Sustainability Report 2023, other circumstances of the engagement and our analysis of the activities and processes associated with the material information disclosed in the Sustainability Report 2023 in which significant misstatements might exist. The procedures comprised:

- (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 Sustainability Report 2023;
- (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 Sustainability Report 2023; 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 GRI Standards and the criteria established in the basis of preparation developed by the Company.

Our procedures did not include assessing the adequacy of the design or operating effectiveness of the controls, testing the data on which the estimates are based or separately developing our own estimate to compare with PagSeguro’s estimate.

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 engagement. 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 Sustainability Report 2023. 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 GRI Standards, and, therefore, the information included in the Sustainability Report 2023 does not aim to provide 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 assurance report should be read and understood in this context, inherent to the criteria selected and previously mentioned in this paragraph.

The absence of a significant set of established practices on which to base the evaluation and measurement of non-financial information allows for different but acceptable evaluation and measurement techniques, which can affect comparability between entities and over time.

The contents included in the scope of this assurance engagement are presented in the GRI Summary of the Sustainability Report 2023.

### Conclusion

Based on the 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 Sustainability Report 2023 of PagSeguro has not been prepared, in all material respects, in accordance with the criteria established in the basis of preparation and with the GRI Standards

São Paulo, December 20, 2024  
PricewaterhouseCoopers  
Auditores Independentes Ltda.  
CRC 2SP000160/O-5

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



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For more information about the contents  
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 [investors.pagbank.com](https://investors.pagbank.com)

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This fourth Sustainability Report is the re-  
sult of the effort of the entire PagSeguro  
Digital team.

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



***PagBank***