



2023 Annual
Sustainability Report

stone 

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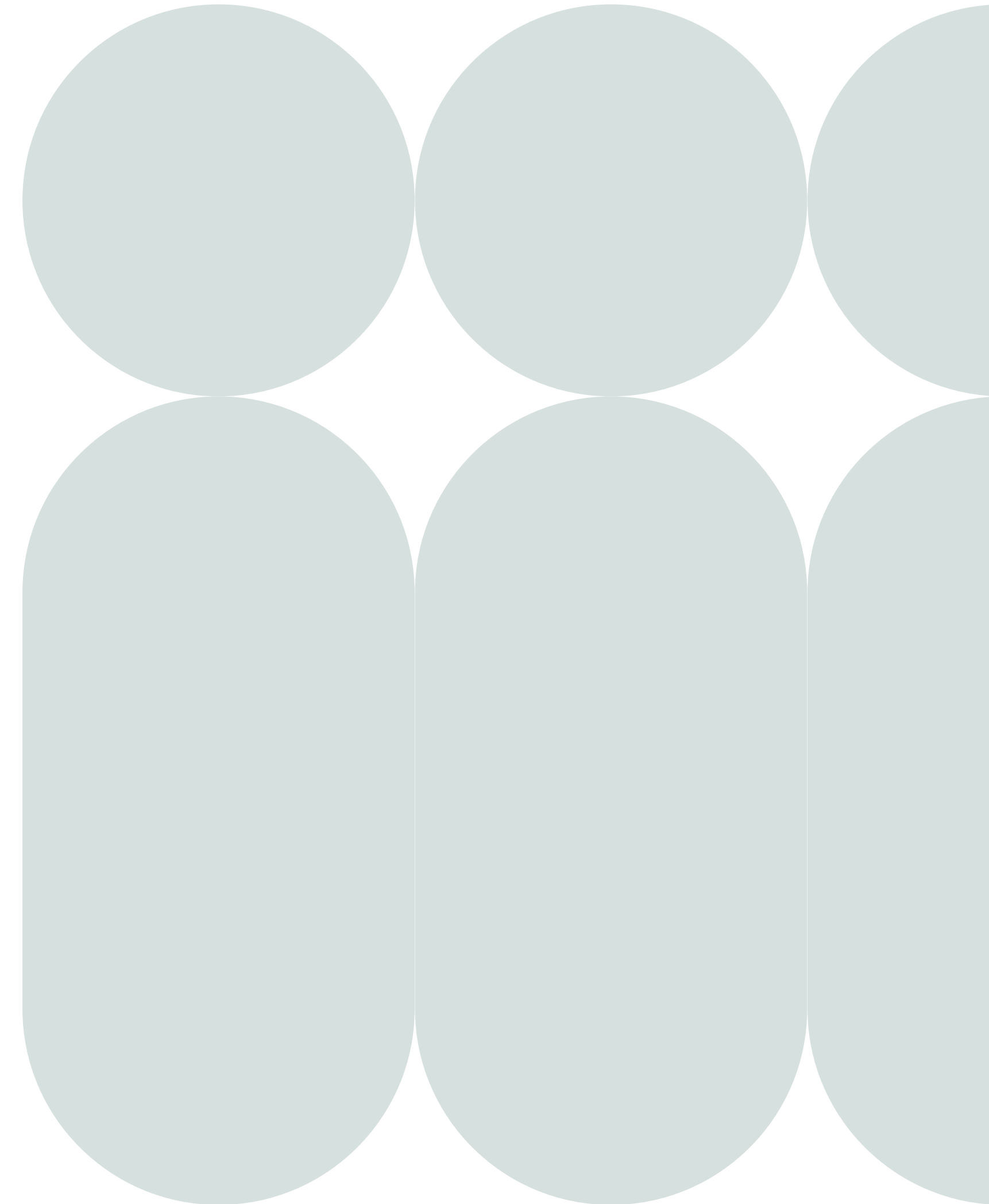
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Pedro Zinner,
CEO Stone Co.

Message from our CEO

[GRI 2-22]

It is a great pleasure to publish the Stone Co. 2023 Sustainability Report, reinforcing our commitment to transparency with our stakeholders on how we responsibly conduct the development of our business. Governance over how we manage and control socio-environmental risks and the search for mechanisms to leverage our ability to generate positive and sustainable social impact are relevant topics for the Company. In 2023, we established the Impact and Sustainability Department with the mission of supporting and strengthening the Company in these efforts. Additionally, we fine-tuned our strategy, our organizational structure, and our teams to work in greater synergy, so we can more effectively fulfill our purpose of serving Brazilian entrepreneurs.

We work to democratize access to financial and enterprise management products and services, making a positive impact on our clients. Focused on empowering them and boosting their businesses, we understand the need to combine banking, payment, and credit services with software tailored to each type of client. This strategy of combining products and services is what we call the **Power of Combining**, which will guide our actions throughout our journey with clients.

 **Power of Combining:** The new Stone way of doing things, blending the best of our Company.

We also made efforts to simplify and consolidate our platforms and thereby offer our multiple products and services to specific retail verticals. We implemented a broad Company-wide cost rationalization action which, through process improvements and automation, enabled us to achieve greater efficiency in our actions and decisions.

To empower Brazilian entrepreneurs and get their businesses running, we feature the Stone Agents, the Enchanters, the Green Angels, and the Brabos from Linx, who work towards ensuring the highest quality and security in our product and service interface. These key parts of our gearbox are responsible, respectively, for sales and customized service at our clients' doorsteps, customer service, logistics, and on-demand support, working synergistically to help entrepreneurs sell more, better manage their businesses, and grow.

Our revenue for 2023 reached R\$ 12.1 billion and adjusted net income grew by 279.4%, totaling R\$ 1,558 million. We closed the year with adjusted net cash of R\$ 5.1 billion, allowing continuous investment in the business and in our strategy. This result is the consequence of a well-aligned team working with energy and passion to tackle challenges.

At Stone Co., we are always guided by ethical and integrity values, and it is important that our people adhere to our Code of Ethics, which establishes the norms for relationships within the Company. Ensuring the security and privacy of data for all our stakeholders is also a constant concern for us. Promoting a culture of cybersecurity, risk management, and specific go-

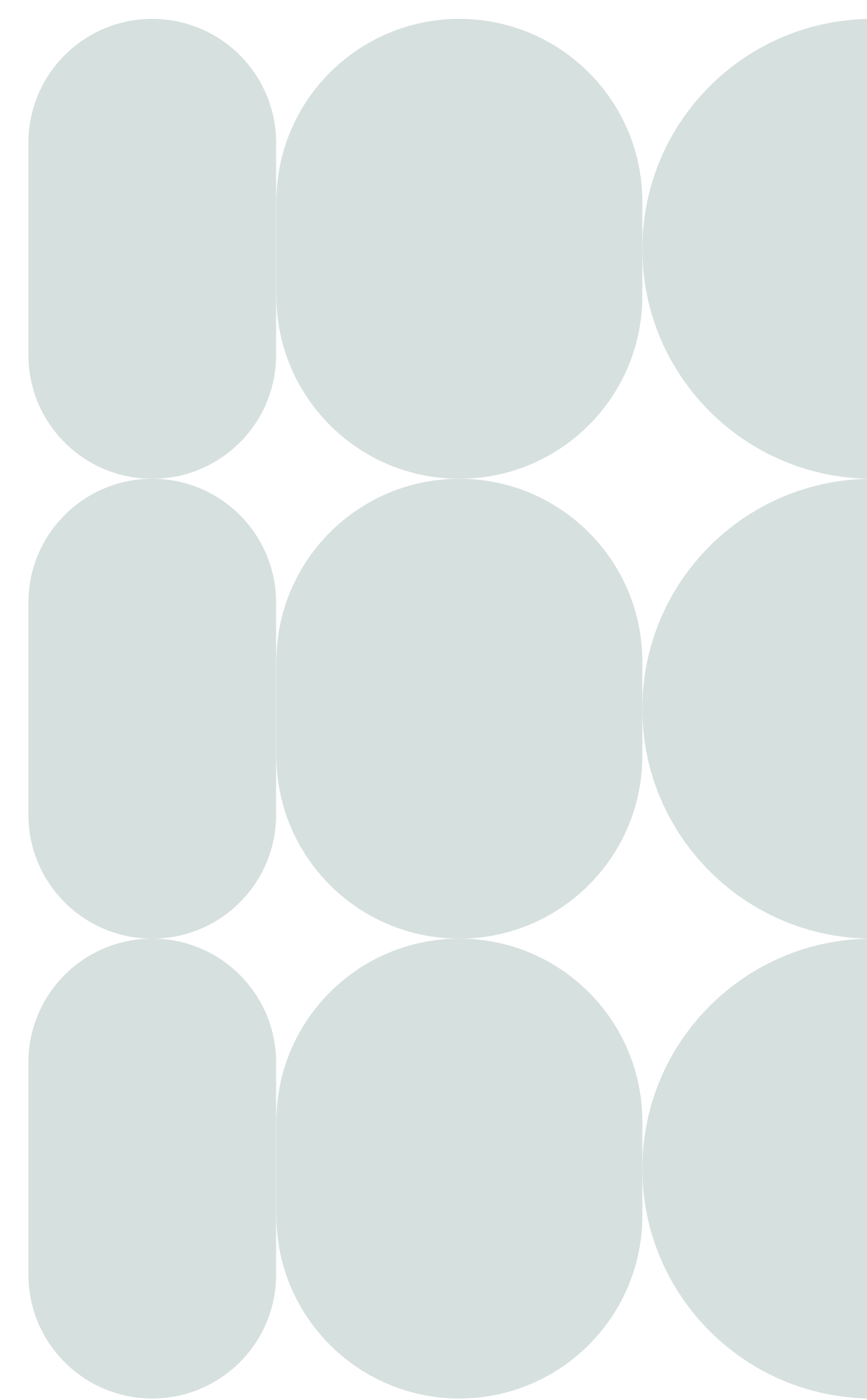
vernance for this important topic, with the General Data Protection Law (LGPD) as a reference, is equally vital.

Our team of protagonists and innovators works to improve the lives of entrepreneurs, but it is essential to take care of our employees, both inside and outside the workplace. By making people our priority, we have established health and safety standards at Stone Co., preserving well-being and offering continuous learning opportunities to achieve our results. The Studa platform brings all of this together, with educational materials and videos.

Plurality at Stone Co. is the result of an environment that values differences. We operate with a conduct of respect for everyone who makes up our team, bringing together people of different races, ethnicities, genders, sexual orientations, ages, people with disabilities, origins, and their distinct perspectives, because we believe this is essential to finding the best solutions.

Guided by our purpose, which serves as the foundation for our actions, we serve our clients by seeking opportunities focused on results and providing a quality mix of products and services. Looking back on the past year, we realize that we underwent significant changes that will allow us to look to the future and reach new heights in 2024.

Pedro Zinner
CEO



Message from the Impact and Sustainability Leadership



Carolina da Costa,
Impact and Sustainability Officer

Since the founding of Stone Co., it's been our ambition to make a positive impact on people's lives by building a more competitive market, with solutions and resources accessible to such a diverse base of entrepreneurs spread all over Brazil. We currently serve more than 3.5 million clients, and we do that thanks to a dedicated team of employees who work for our clients with care and respect. There are 15,000 direct employees and more than 25,000 indirect employees, as well as massive investment in technology and software development, a sector that promotes productivity in Brazil.

The role of the Impact and Sustainability Officer at Stone Co. is to translate and diligently leverage the impact and responsibility encoded in the Company's DNA. Through dedicated governance, we are going to manage and measure our relationship with society, build projects to support the development of the communities we are in and, at the same time, develop our entrepreneurs, while pursuing higher and higher performance levels by international sustainability standards.

We are staunch believers that, by meeting the needs of our clients and helping them realize their dreams, we unleash

the potential of each individual and help them achieve their goals. That way, we contribute to creating more jobs, reducing economic inequality and boosting social, job and financial inclusion.

In April 2024, we took a step forward by creating and launching the Stone Institute, an initiative designed to further strengthen our social actions and projects aimed at education, job inclusion and knowledge production. The Stone Institute will take on the important mission of closely monitoring those initiatives.

Another challenge facing us over the coming years is to boost our impact actions and continue evolving in our sustainability practices to ensure concrete, long-lasting benefits to society and the environment. Our commitment is to build a more inclusive and prosperous future for all of those who are a part of our ecosystem, strengthening our clients' and employees' communities and helping them tackle their economic and social challenges. Let's go together.

Carolina da Costa
Impact and Sustainability Officer

Introduction



Our journey so far

2004

Our journey began before the founding, and we set off on it for one purpose: to make the supply of financial services to Brazilian retailers more just, supporting each of them on their entrepreneurial journey. To accomplish that, we need to bring people together who are aligned with these goals and willing to break new ground.

In 2004 we took the first step toward our dream by founding Braspag, an online payment company, as we then already anticipated growth in the digital marketplace. Braspag was sold in 2009, understanding it had limitations in terms of helping Brazilian entrepreneurs.

2012

It wasn't before 2012, with the regulatory measures taken by the Central Bank to put an end to the duopoly of acquirers and with our acquisition of Mundipagg, an online payment company, that we were actually born. And we were innovating even as we came into the world, diving headfirst into this new market that had opened up. We have cherished that innovative DNA to this day, and it's very important to our culture.

2013

In 2013 we secured our acquirer license, which enabled us to offer our services. That beginning took place at number 199 on Rua Quitanda, with 80 people working in a small office space, but for a major purpose: to be the leading partner to Brazilian small and medium-sized retailers. The following year, we made our first sale of the green payment machine to our client **Mineiro**, and we were able to see with our own eyes the first concrete result of our dream.



Mineiro: *Geraldo Mazela Rodrigues, known as Mineiro, a cheese monger who would often come over to our offices offering his products, was our first client and was there when we were listed on NASDAQ.*

2015

Three goals guided our actions at that time: providing the best service in the market and offering payment capabilities at appealing prices. The first goal also involved us becoming a client relationship benchmark, and to get that job done, we have **Our Agents**, employees with the skills to serve our clients in a speedy and agile way and with a smile on their face.

In 2015, we created our first **hub** in Cabo Frio, State of Rio de Janeiro (RJ), and we have been growing ever since, year in, year out, trying to reach and help not only entrepreneurs located in large cities, but also those in remote corners of Brazil.

In addition to building hubs, we also needed to reach the country's various regions with our payment machines. To that end, in 2016 we set up our own logistics division, which relies on our Green Angels, employees serving our clients at their enterprises, delivering our payment machines to them in record times, which brings proximity and trust right into the relationship.

2017

2017 was a year of achievement for us, as we officially launched Stone Co. as a unique organization. In 2018 we went public in the United States, which included a lot of celebration in New York City and was attended by our first client **Mineiro**.

2019

In 2019 the time had come for us to expand our services, in order to enable us to help Brazilian entrepreneurs even more, so we launched the Stone Account, a proprietary platform built by our team to integrate payment and banking solutions, which also featured a prepaid card product.

2020

Year 2020 was full of new developments, starting with the launch of the Ton brand in partnership with the Globo Group. Ton aims to serve freelancers and micro-entrepreneurs in a simple way and at lower costs, while enhancing the reach of our business through distribution and customer service provided digitally to our clients. The same year saw us launch a credit platform, expanding our range of services, with the ability to help our clients and their business even more. Still in that year, we launched a credit campaign to help our clients cope with the Covid-19 pandemic.



Our Agents: Our employees who delight our clients each time they're deployed.

Hub: An in-person distribution model to serve small and medium-sized retailers.



2021

In 2021, we took an important step towards expanding our services and further empowering Brazilian entrepreneurs. We acquired Linx, a leading company in the retail management software segment. Through that acquisition, we were able to provide our clients with payment, banking, credit and management services, all in one place, helping lots of people with their dreams.

We launched Renda Extra, a program through which entrepreneurs can earn sales commissions by referring potential buyers of Ton payment machines. In addition, we launched the Renda Ton program in 2022 for those wishing to make that commission their main income source.

2022

In 2022, we launched Tap Ton, an app that turns your cell phone into a payment machine, enabling entrepreneurs to accept card payments for their sales. Additionally, we started taking our first steps towards offering Brazilian entrepreneurs our integrated services ecosystem, which takes center stage in our future.

2023

In 2023, we had the evolution of Stone banking, with the Visa debit card to client deposits and offering credit through the working capital as product, while making advancements in the provision of payment services integrated with software products, which made us the most comprehensive company, able to meet all the needs of entrepreneurs.

In line with our purpose, 2023 saw us undergo an organizational restructuring and create the Impact and Sustainability department and the Stone Institute as a way of catalyzing our positive impact and making changes of significance to society.

Since then, we have continued growing, learning and improving more and more, and that's why our story doesn't end here, and we are certain that the future holds much more for us, with the help of each of our clients, investors, employees and suppliers, as well as all of those who are part of our journey.

Our Purpose and Culture

We base our actions and strategies on our purpose, seeking to get business running in Brazil. For 2023, we brought in new strategies to guide the Company into the future.

Our purpose:

**“To serve Brazilian entrepreneurs,
transforming their dreams into results.”**

Values:



Own it

We believe that having an ownership mindset means acting responsibly, with discipline, meritocracy and intelligence. Here, we are all entrepreneurs, and not executives.



No Bullshit

We always do business with simplicity and speed, going straight to the point. We value candor, integrity and leadership.



Teamplay

Here, we value teamwork in a coordinated way. As our motto goes, "if you want to go fast, go alone. If you want to go far, work as a team."



Live the ride

Have energy and passion to tackle the challenges facing us on our journey. We value authenticity at Stone Co.



The reason

The customer is always right are the reason. We must always to what's best for them. We admire and respect each of them, as we were once in their position.

A bit about us

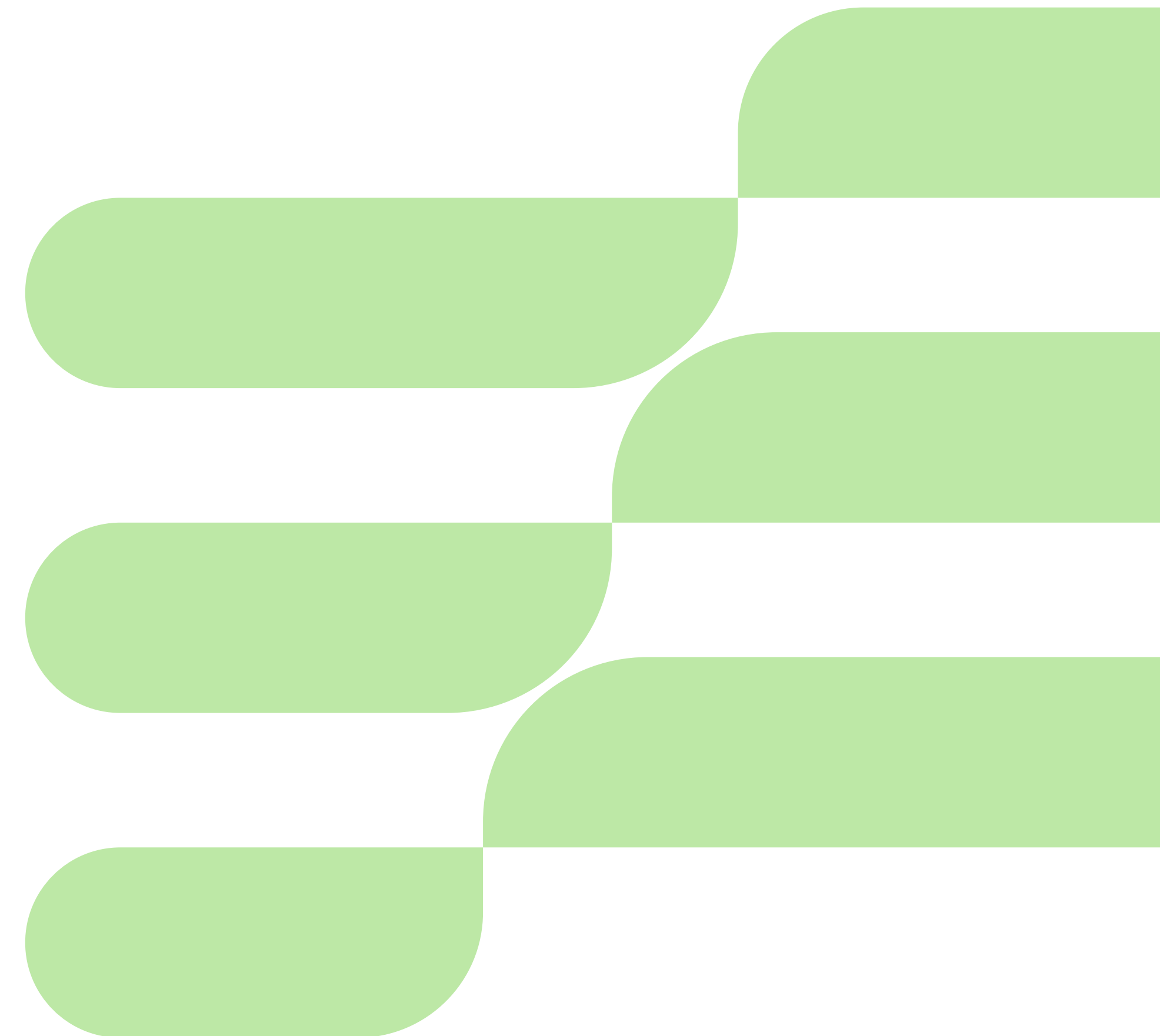
[GRI 2-1]

Stone has come to **democratize access to financial services** and helping Brazilian entrepreneurs turn their dreams into results. At first, we were focused on payment processes. Today, we deliver a lot more through management software, banking and credit services. All so we can bring our clients' goals to fruition.

Operating in Brazil, from the outset, we had an innovative spirit, with the idea of offering payment services in a different way from what was offered on the market. Our customer relationship and logistics model is agile and differentiated. We always encourage our teams to show initiative, intelligence and innovation.

Our customer service is also an important point of difference as we make it a priority that our clients' calls be answered in less than 5 seconds. Thanks to attitudes like these and the care we take of our clients, we consistently come in first in client satisfaction rankings. When we address our relationship with our clients, we will go into detail about the **Stone Agents, Our Agents, the Green Angels, and the Brabos from Linx**, who play key parts in the fulfillment of our purpose.

A payment product mix integrated with software solutions is what we call the "Power of Combining." This concept underpins our actions and our brands, each with its own business model, to boost client engagement with our solutions.



Stone Agents: Our employees who go to visit future clients to introduce them to our products and help them on their entrepreneurial journey.

Brabos from Linx: A team of technical analysts who provide customized services to our software clients.



The Stone and Ton brands are now much more than the little machines you see in stores. They offer payment and financial services in Brazil. [\[GRI 2-2\]](#)

Currently, Stone has more than 3.5 million entrepreneurs as payment clients. Acquired by Stone Co. in 2021, Linx specializes in management software and is the leader in this market, bringing people and technology closer together in the shopping experience. [\[GRI 2-2\]](#)

By combining all these services, we offer solutions to entrepreneurs of all sizes, without leaving aside those small and micro-entrepreneurs that are so important to us and to Brazil.

Markets we serve

[GRI 3-3] Material topic: Financial Education, Innovation and Technology, 2-6

We do business on four major fronts, **payment solutions, banking, credit, and software**, and with those products and services combined, we provide a full package of solutions to our clients

Payment Solutions

They enable our clients to accept various types of payments, including credit and debit cards, payment slips, and Pix payments, among others. We provide other products like split payments, multiple payment processing, split recurring payments for subscriptions, and one-click purchasing functionality. All to bring ease and agility into the lives of clients who use our products, with various means of payment enabled to ensure their sales.

We also provide prepayment services that enable retailers to manage their working capital by settling a card transaction at a discounted rate before its original settlement date.

Banking Solutions

We provide a digital account that can be integrated into PoS (points of sale - our famous payment machines), allowing to receive payments, make payments and carry out various types of transfers. We also offer debit and credit cards, Open Finance and BFM services, as well as securitization services. Our account is integrated with Linx ERPs, making financial management even easier. All of this can be done quickly, easily and quickly.



Credit Solutions

We extend credit to our clients, having the ability to automatically withhold a percentage of their receivables. We continue to evolve in credit, with the inclusion of new products such as credit cards and short-term revolving lines, as well as the possibility of including new types of guarantees in our loans. This service is useful to entrepreneurs who want to expand their business and launch new ventures.

In addition, we promote financial inclusion by providing access to financial resources in a simple and efficient way, allowing more people to participate in the formal economy and reap the rewards of sustainable financial management.

Management Software

We provide PoS (point-of-sale) management software and integrated enterprise management systems (ERP), and we specialize in retail (filling stations, food services and pharmacies). Those systems help companies of all sizes manage their business in an easier and more organized way, allowing retailers to be more knowledgeable about their business and customers, streamlining transactions and increasing security.

We offer an e-commerce platform designed for medium-sized and large businesses, featuring ad management tools and enabling users to reach their customers more successfully.

In addition, we provide an omnichannel platform service (OMS) that enables clients to manage their business both online and offline, bringing convenience for new consumers, increasing their conversion, optimizing logistics and simplifying their tax operations, irrespective of the sales channel.



Our Report

[GRI 2-2]

The 2023 Sustainability Report is out bolstering our commitment to transparency and to the Company's stakeholders. Since this is the second annual report we have released, we indicate the advancements we made on the topics addressed by this report compared to 2022. Additionally, we also show you the strategies we pursued for 2023, even as our eyes are now turned to the future.

The social and environmental information in this report is for all subsidiaries* of the Stone Co. group, as listed in form [20-F](#) (20-F is a form sent to the U.S. Securities and Exchange Commission (SEC) that is used by certain foreign private issuers to provide information).

*Subsidiaries are considered to be all companies over which we have control, that is, existing rights that confer upon us the ability to direct the relevant activities of these companies.



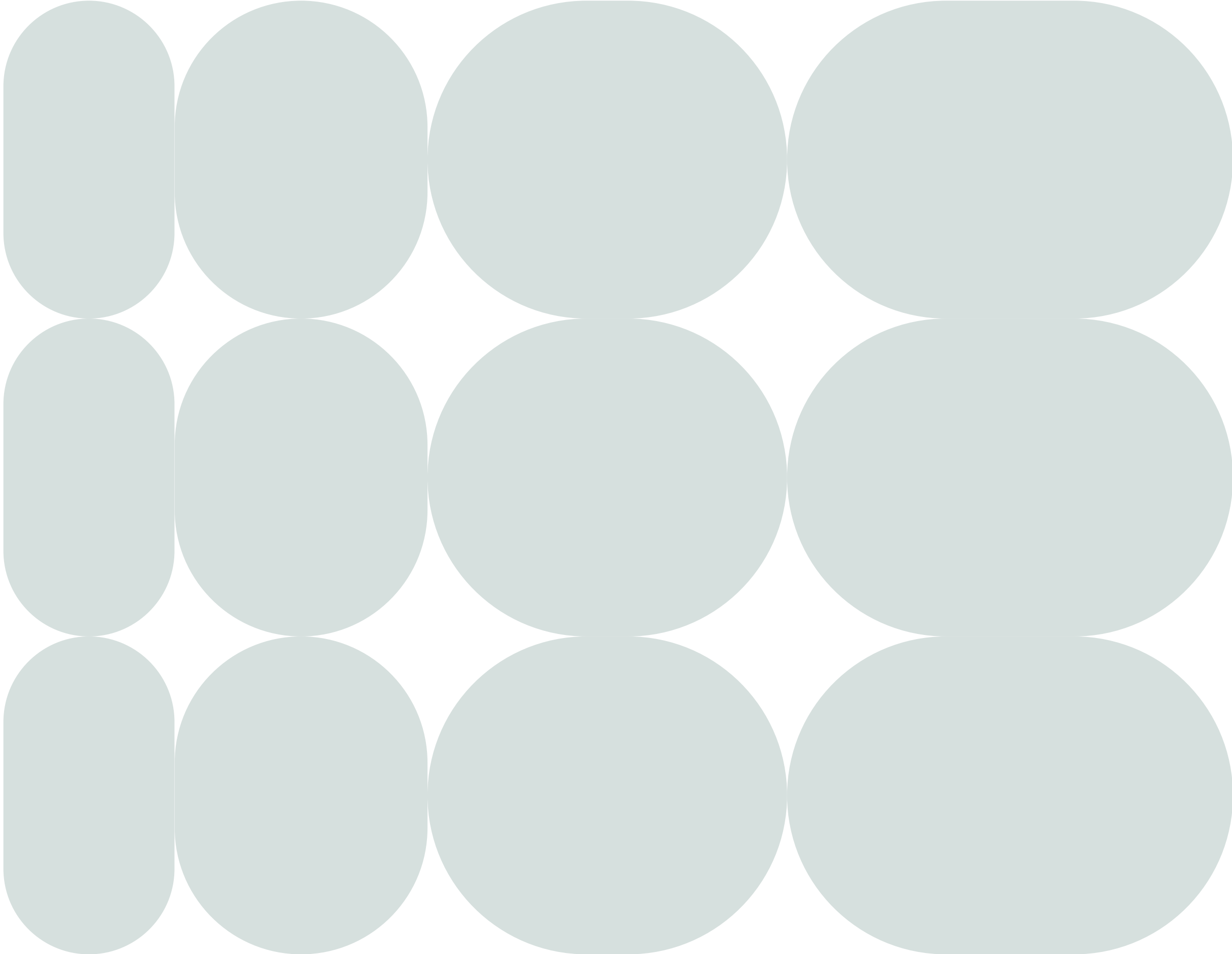
This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards, 2021 version, and, reflecting our ongoing efforts to evolve, our report was, for the first time, put through an external and independent check by Ernst & Young Auditores Independentes S/S Ltda, according to NBC TO 3000 issued by the CFC, and CT 07/2022 issued by the IBRACON, which issued a limited assurance report on the non-financial information contained in the Sustainability Report.

We also started reporting the indicators of the Sustainable Accounting Standards Board (SASB) and conducted a first exercise in reporting our climate information according to the recommendations from the Task Force on Climate Related Financial Disclosures (TCFD). This is because we believe that, in so doing, we can better report and measure our results and actions for 2023, all following the 2022 materiality matrix.

The information provided here is validated by the members of the Executive Board. Their statement can be viewed [here](#). Concerning the internal validation of our sustainability reports, the Executive Board and the Board of Directors play a crucial role in reviewing and approving them, ensuring transparency and reflecting our commitment to sustainability. The materiality study was validated by the company's Executive Board and a representative of the Board of Directors. [\[GRI 2-3; 2-5; 2-14\]](#)

Stone Co. Ltd. is publicly-held Company in the private sector, with shares listed on Nasdaq, and is engaged in the payment, banking, credit and software business, whose products and services are described on pages 30 through 35. [\[GRI 2-1 2-2\]](#)

If you have any questions about the information reported in this document or want to learn more about our ESG management, send us an e-mail to sustentabilidade@stone.com.br. We hope you can enjoy reading and, at the end, feel closer to Stone Co. and all of our team. [\[GRI 2-3\]](#)



Double Materiality

[GRI 3-1]

Materiality is a tool for understanding the Company and its impacts on the planet and society, pervading the report and our strategies. Additionally, it sets up a dialog with stakeholders and aligns corporate efforts with society and the marketplace.

The validation of materiality is the responsibility of the Executive Board, ensuring the addressing and prioritization of the impacts and expectations of stakeholders, employees, the entire internal community, third parties, investors, society, and other individuals.

We did a first exercise in materiality in 2023, according to the double materiality methodology—the concept considers both our social and environmental impacts on the world and the risks and financial impact of our business. This process will be reviewed every two years, and we have kept for this year the same materiality matrix and material topics as in the previous year.

The materiality matrix building process played out in **5 stages**:

● Definition:

Definition of the purpose, scope and tools used.

● Identification:

Identification of stakeholders and specification of list of topics.

● Prioritization:

Survey of the Company's financial prospects and impact in the eyes of executives, stakeholders, specialists and capital providers.

● Analysis:

Analysis of results, plotting of materiality matrix, and production of certain reporting recommendations and strategies.

● Validation:

The results found were validated by the Company's senior leadership.
[GRI 2-12; 2-14, 2-17]

Consultations were made along on the three axes of the materiality matrix:

Social & environmental Impact

- **Topic covered:**
Social and environmental impacts of the business (negative and positive).
- **Investigation by experts**
(Internal and external.)
- **Magnitude assessment**
(Manageability, actual/potential, responsibility, reversibility.)
- **Stakeholders:**
1 interview with an external expert and 5 working meetings with internal experts.

Financial Impact

- **Topic covered:**
Risks and routes of financial impact on the business.
- **Investigation from an expert's perspective**
(Executives and banks.)
- **Risk assessment**
(Probability and magnitude.)
- **Stakeholders:**
9 interviews, 5 replies to the consultation with officers, and 15 replies to the online consultation with banks and investors.

Relevance to Stakeholders

- **Topic covered:**
A general, objective and agnostic description.
- **Investigation from the stakeholders' perspective**
(Relevance.)
- **Consolidated and weighted assessment**
- **Stakeholders:**
3,164 online replies from 976 clients, 1,980 employees, 50 suppliers, 23 card brands, and 135 franchisees.

How we deal with our material topics

[GRI 3-2; 3-3]

Material topics	Correlated GRI indicators
1 Financial education	3-3; 404-1; 404-2
2 Data privacy and security	3-3; 418-1
3 Attracting, developing and retaining employees	3-3; 401-1; 401-2; 401-3; 404-3
4 Ethics, integrity and compliance	3-3
5 Innovation and technology	3-3; 205-1; 205-1; 205-3
6 Product and service quality and safety, and client relations	3-3; 418-1
7 Employee health, safety and well-being	3-3; 403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7; 403-8; 403-9
8 Diversity, inclusion and equity	3-3; 405-1; 405-2; 406-1
9 Democratizing access to services and local development	3-3; 203-1; 203-2; 413-1

1. Financial education

Related GRI indicators: 404-1, 404-2

Related SDGs: SDG 4 (target 4.4) and SDG 8 (target 8.3)

At Stone Co., we address the topic based on [our products and services](#) on the [journey with clients](#), incorporating it into our relationship channels with this audience. We offer guidance and support in the acquisition of our products, giving attention to customers facing financial challenges.

In addition, our impact on society is amplified through the [Stone Institute](#), which focuses on development projects and promoting financial inclusion at the base of the social pyramid. With the [Propague Institute](#) we expand the debate on the financial system in Brazil by producing content on financial citizenship, credit and banking, cryptoassets, green finance, open finance, payments and technology and data.

The Financial Education Policy, which is currently being drawn up, will give transparency to how we approach the subject in the Company, connecting it to our solutions.

We want to support our clients on their financial journey, providing knowledge that helps them in the development process, as well as empowering our team to be the best partner for the business.

2. Data privacy and security

Related GRI indicators: 418-1

Related SDGs: SDG 4 (targets 4.3 and 4.4)

Ensuring our personal data management preserves the [privacy of our stakeholders](#) is an ongoing concern at Stone Co. In this regard, we are continuously at work promoting a strong risk management culture in personal data processing, applicable to transactions on both the app and the payment machines. We are always in compliance with the LGPD and other applicable regulations in force, which guide the entire Personal Data Privacy and Protection team on improving governance actions specifically related to the topic, whose instruments are our policies, rules and procedures.

Keeping our systems ready to minimize risks related to any information security incidents is a constant task for our operation.

3. Attracting, developing and engaging employees

Related GRI indicators: 401-1; 401-2; 401-3; 404-3

Related SDGs: SDG 4 (targets 4.3 and 4.4)

To take care of our people, we have talent attraction, retention and development strategies in place. The continuous development of employees, with the drawing of career pathways, recognition, compensation, benefits, employee engagement and development being actions that foster a productive and a highly engaged environment.

We believe that the most efficient way of impacting people and developing the future is investing. There are people with potential in all corners of Brazil, and we have various initiatives in place to have those talents realize their full potential.





4. Ethics, integrity and compliance

Related GRI indicators: 205-1, 205-2, 205-3

Related SDGs: SDG 16 (target 16.5)

This topic is addressed in a structured manner with a view to ensuring internal processes adhere to our ethical values and the regulations issued by the regulatory agencies overseeing our business. Its management is also based on [policies and internal processes and procedures](#) not only for specialized teams, but also for compliance agents at Stone Co.

5. Innovation and technology

Related SDGs: SDG 8 (target 8.2) and SDG 9 (targets 9.4 and 9.5)

Promoting an innovative culture is something Stone Co. has done since birth, through initiatives and practices that simplify processes and bring about more agility and opportunities for our clients, with resources intended for companies in the [Stone Co. ecosystem](#). The actions carried out by the [Logistics team](#) and by our [Product team](#), are examples of how we encourage that culture.

We develop technologies to keep us ahead of our competitors and, accordingly, we deliver the best solutions to our clients. This is why we keep on seeking innovation in everything we do, through financial management services and management software for priority verticals.

Over and above our clients' business, we boost innovation through [StoneLab](#), supporting technology and education research projects.

6. Product and service quality and security, and client relations

Related GRI indicators: GRI 418-1

Related SDGs: SDG 9 (target 9.1)

In pursuit of our purpose of empowering Brazilian entrepreneurs, turning their dreams into results, Stone Co. possesses key elements to get that job done. The [Stone Agents](#), [Our Agents](#), the [Green Angels](#), and [Brabos from Linx](#) are those elements, ensuring our products and services are the best quality.

Our customer service management and outstanding logistics set us apart through clear, open and transparent communications that always align expectations with our clients to ensure we meet their requirements concerning the services we provide, allowing us to deliver excellence in service at good prices.

7. Employee safety, health and well-being

Related GRI indicators: 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9

Related SDGs: SDG 8 (target 8.8)

We offer an assurance of [health and well-being](#), by managing our organizational environment, as we prize the physical and mental safety and well-being of employees, third parties and their families.

Through the “Health in the Green” program, we take care of our people closely and fully along three axes: health care, quality of life, and mental health; incentives for change of habits and disease prevention; and access to in-depth information.





8. Diversity, inclusion and equity

Related GRI indicators: 405-1, 405-2 e 406-1
Related SDGs: SDG 5 (targets 5.1, 5.5); SDG 8 (target 8.5); SDG 10 (target 10.2)

We understand our responsibility, as a Company, for bringing awareness and educating our people in subjects related not only to our business, but to society as well. We believe in building an environment that **values differences**, ensures equity and promotes inclusion in terms of ethnic and racial identity, gender, sexual orientation, age and origin, as well as people with disabilities. In this plural context we are in, welcoming differences with care and, most importantly, empathy is more than a mission—it is a commitment.

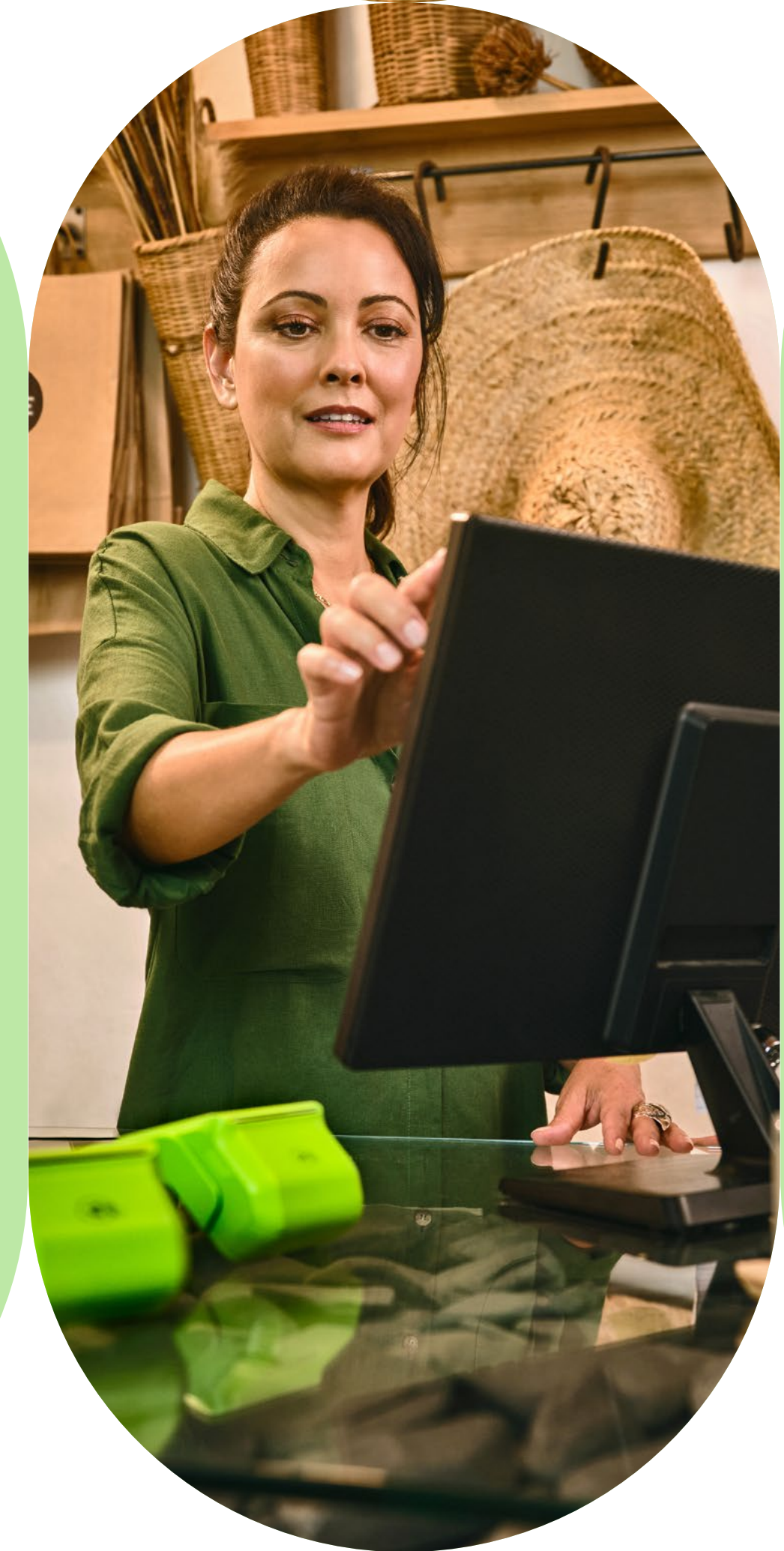
9. Democratizing access to services and local development

Related GRI indicators: 203-1; 203-2 e 413-1
Related SDGs: SDG 8 (target 8.3, 8.10) and SDG 10 (targets 10.1, 10.2, 10.6)

Contributing to a diverse public gaining broad access to products and services, especially focusing on micro, small and medium-sized entrepreneurs, is the foundation for our purpose. It's a task we were born with, and our strategy is focused on achieving this goal.

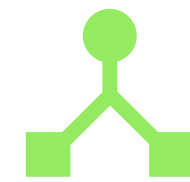
We continue taking on the challenge of being a market benchmark for boosting business, which makes a positive impact and fosters socioeconomic development. That is what motivates us as a business every day: **democratizing access** to financial and enterprise management products and services.

Getting the business running



Key Decisions for 2023

To continue growing and fulfilling our purpose, we made a series of changes in 2023. This is because we believe that among the advantages we provide is our distribution capacity and that our penetration in the country is only possible through technology.



Organizational redesign

An organization fit for purpose to improve our focus on MSMBs.



Cost rationalization

Through process improvement and automation.



Strategic fitness of the software business

Prioritizing strategic verticals.



Simplification and consolidation of technology platforms

Using capital to create the right technology assets for the future.



Strategic priorities of the Stone Co. brands

We divide our strategic priorities into three parts:

1. Win in the MSMB market

Our powerful distribution capability allows us to reach various segments since we are always near our clients while offering the best service in the market. In addition, we are offering more and more attractive opportunities to our software client base through our financial services.

2. Drive engagement

Stone's engagement with our clients should increase, as we will have more levers, such as working capital and other credit solutions to monetize, as well as other bundles (service-product packages), with integration between financial services and software as a differentiator.

3. Scale through platforms

We already have the key assets so that expansion can happen: a strong brand, great distribution and logistics capabilities all over Brazil, and a unified technology platform that can be used for various applications. We're at work on scaling up those key assets, and that job will be done taking low incremental investment.

Highlights of 2023



Stone Recruit: Created in 2014, Recruit is the primary program for joining Stone Co.

- ★ **BBB23:** We participated in our first Big Brother Brazil (BBB) as lead sponsor, which significantly boosted our growth at Ton
- ★ We launched the **Autocred sales channel**
- ★ We ran the **13th edition of Stone Recruit**
- ★ We relaunched the **Working Capital product**
- ★ **We launched the Ton Super Account**
- ★ **We launched** the Stone **Credit Card**
- ★ **We launched** the Stone and Ton **Visa Debit Card**
- ★ We earned our **first excellence stamp from the ABF**
- ★ We hit **2 million active clients** in banking
- ★ We created the **Impact and Sustainability department**
- ★ **We celebrated the 11-year anniversary** of Stone Co.
- ★ We launched our **1st software + financial services bundle offering** (an offer for the gas station vertical)
- ★ **We finished our annual strategic review**, with important definitions concerning our priorities, including that the **software verticals are a priority for integration** with financial services
- ★ We introduced organizational change **that reinforced the client at the center of our decision-making**
- ★ **We held our first Investor Day**, where we were able to communicate to the market our strategy and vision for the future

How we serve our clients

[GRI 3-3] Material topic: Financial education, product and service quality and safety, client relations, and technological innovation



Since the start-up of Stone Co., our clients have always been our compass in our quest for better solutions. Through a multi-solution ecosystem, we continue committed to providing the best of products and services, increasingly simplifying the lives of Brazilian entrepreneurs, so they can sell more, better manage and run their business, turning opportunities into success stories.

With that set of products, services and transactions, 2023 saw us hit **3.5 million active payment clients**, and we are able to help them on all fronts of their business. It's this Power of Combining that is our key to success, as we combine products and services into a comprehensive solution for businesses.

Over the course of our history, we also understood the sheer size of Brazil and the importance of developing a whole operation capable of serving almost 5,500 cities.

Ton and Renda Extra

[GRI 413-1]

In March 2020, we launched Ton, a new brand intended to be the primary partner to micro-entrepreneurs and self-employed entrepreneurs as they take on their growth challenges. Through Ton, we provide affordable payment solutions that make life easier for micro-entrepreneurs. Free of rent or monthly fees and at affordable rates, Ton is born as a secure option, with support 24x7 from our virtual assistant and a specialized team who provide the best service for the segment. The entire management process is run on the app. Also through Ton, we financially include unbanked clients, who can be paid for their sales through a digital account and use prepaid cards.

Also in 2020, we launched Renda Extra, through which entrepreneurs can earn commissions by referring to us potential buyers of Ton payment machines. After 3 valid referrals for the month, access is released to Renda Ton, a program launched in 2022 for consultants opting to make referrals of Ton machine buyers their primary income source.

For these services to arrive at all parts of Brazil, and we need our clients to get the best service on the market as they need it. Our key elements include:



Stone Agents,



Our Agents,



Green Angels



and Brabos from Linx,

each contributing their part of our client relationships.

When we talk about Stone, the **Stone Agents** are those making the first contact with future clients. After chatting with entrepreneurs, they are able to identify each of their specific needs and offer customized solutions. They make up a highly qualified sales and support team who can understand changes in the marketplace and in client requirements, helping retailers as early as their first contact. The point of difference boasted by the Stone brand lies in its proximity to clients and eye-to-eye interactions, which are so important for creating trust and establishing a relationship between us and those we serve. To assist them on that important mission, they can rely on a smart platform that helps them identify what the entrepreneurs' needs are.

In addition to the Stone Agents, our sales group includes a team of experts for medium-sized clients, Stone franchises, inside sales, the Ton salesforce, Linx franchises, and an entire software direct sales team specializing in each Linx retail vertical.

Our Agents are an essential part of who we are and of our client relations. We value each of their time, understanding that availability and problem-solving capacity are essential to Brazilian entrepreneurs. We value the time of each of our clients based on a relationship structure **through which we resolve more than 90% of all client complaints at Stone's service level 1**, requiring no escalation to expert teams. We avoid as much as we can diverting client calls, after all, in the life of an entrepreneur, each second off the counter matters, and very much so.

Through technology, we identify and resolve more than half of our calls on our digital channels. Additionally, we have Our Agents team ready to help our clients with a smiley voice (or fingertips). That is part of the Stone way of getting things done, seeking proximity to our clients and excellence in our service.

Over the course of 2023, we served our clients in service level 1 by telephone in less than 5 seconds, which underscores the importance of being available whenever the client needs help.

For Our Agents to be able to do such an important job, they are provided with specific training that begins as early as the onboarding process, during which they are shown how the Client Relations team operates and how we are here to charm and delight our clients as we solve problems at the root cause.

That's an occasion when call centers are demystified, scripted phrases are left aside, and the Stone way of delighting clients is introduced. In addition to addressing the culture of charming clients, we take the opportunity to get material issues across concerning the team's strategy.

Our **Green Angels** are the true pillars supporting our Stone logistics, ensuring our products get to the hands of those who need them most, always in an agile and efficient way. Based in more than 200 hubs and 2,000 municipalities spread all over Brazil, they are ready to serve our clients in person, providing the support they need in connection with their payment machines. They don't just deliver terminals and paper rolls, but also perform key part replacements, including chargers and batteries, ensuring our clients' business don't stop for one second. Actually, they do much more than delivering and providing technical support, as they are in charge of the full setup of client machines. That includes not only setting them up, but also providing customized training in their functionalities. From teaching clients how to use the Client Web Portal to track sales to explaining how to receive Pix payments for their sales, the Green Angels play a crucial strategic role, strengthening the relationship between our Company and our clients.



At the outset, we would use the same third-party logistics operators as did other acquirers. However, we realized that, since the workers were not actually employed by any of those companies, customer service was poor quality. For that reason, we decided in 2016 to set up our own logistics operation with the aim of providing to our clients the best service on the market and increasing our operational efficiency.

That way, we became the first financial services Company to have its own logistics operation.

By 2018, we had brought into the house 85% of the customer service calls answered by the Green Angels. In 2020, we decided to keep and strengthen that internalization strategy, taking it to a new level by prioritizing our entire logistics chain. This means we built our own distribution center and transportation operations right across Brazil. That change allowed us not only to enhance quality control in our processes, but also to obtain greater operational efficiency. In 2023, we reached our highest historical level both in terms of financial efficiency indicators and in service levels (customer service).

We added to our relationship with clients innovative technologies, including artificial intelligence, that tracks the entire history of client calls we handled, allowing issues to be quickly identified and calls to be answered by chatbots, which happens 24x7 for the Ton brand as well as the Stone brand. All that care and effort reflect in our client satisfaction levels.

Super Conta Ton

[GRI 3-3] Material Topic: Democratizing access to services and local development

The launch of **Super Conta Ton** marks an important step forward in democratizing access to financial services for the low-income population. Developed to serve micro-entrepreneurs and self-employed workers, the Ton Super Account has a user-friendly interface and features that make it easier to control sales and manage money. With this account, users can monitor transactions in real time, manage cash flow effectively and access detailed reports on their financial movements, promoting more precise and strategic management of their businesses.

In addition to its operational advantages, Super Conta Ton stands out for promoting financial inclusion. By eliminating traditional barriers, such as high fees and requirements to prove a high income, the account becomes accessible to many Brazilians who were previously on the margins of the banking system. This makes it easier to organize personal and business finances, contributing to the reduction of informality and the creation of a fairer and healthier economic environment. Super Conta Ton, therefore, represents an innovation that transforms the way financial services are offered and used, making financial control an accessible reality for everyone.

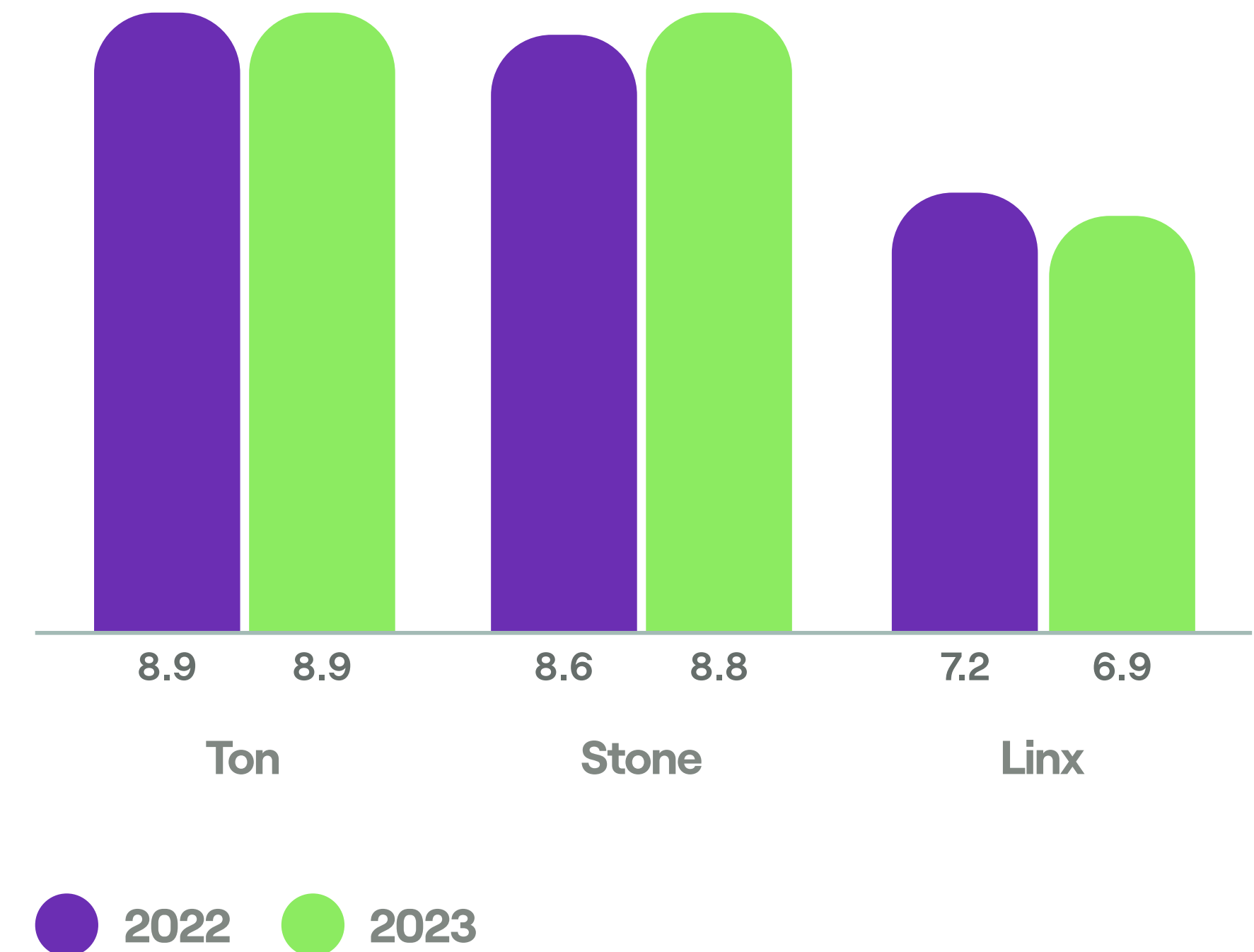
At Linx, in turn, we have the **Brabos**. When it comes to software, clients need a more technical service. In many cases, our analysts need to remotely access our clients' environments to provide a customized service and understand the specificities of each client. That puts the focus of the Linx client relations team on solving our clients' problems as fast as possible, which is why the indicator driving the customer service team here is solution time. For 2023, the solution time for calls received by the client relations team was 5.3 business days, and when there is no need to involve the development team, the solution time falls down to 2.2 days.

In addition to technical support, our operations team also includes our implementation team, the cornerstone of Linx. That team is responsible for installing our software products at our clients', taking training and development programs so our solutions are always utilized to their full potential, and introducing use cases of other clients that can yield improvements in both processes and results for our clients to be able to manage their business as efficiently as possible. Speaking of software installs, our most important indicator in this area is implementation time, which was 92 days for 2022, and 77 days for 2023.

As for our Reclame Aqui complaint channel, we achieved average scores of 8.8 and 8.9 for the Stone and Ton brands, respectively, and we earned the RA 1000 Seal for excellence.

At Linx, we now have a 6.9 score, which is slightly below our 2022 performance. For 2023, the number of calls we received on Linx's Reclame Aqui channel decreased by 16% compared to 2022, and we improved all our scores on the webpage (clients who would bring their business back to us, average resolution time, and resolution rate according to consumers), but our response rate fell from 98% to 93%, impacting our final score. In addition, we saw a substantial increase, from 17% to 52%, in complaints about commercial issues. While it is lawful to charge clients a penalty, and our agreements include penalty and prior notice provisions, when our clients cancel their use of our products, they don't accept to pay that penalty and use *Reclame Aqui* as a tool of attempting to negotiate, which will not succeed when the penalty is due, and since those customers give us very low scores, they end up compromising our total result.

Evolution of Complaint Channel Scores





Service quality and rating

- To ensure service quality, we have entry and refresher training policies in place for our employees involved in that job, including a training program that introduces our entire customer service process and best practices.
- To track our clients' quality perception of our relationship with them, we conduct two surveys: (1) the NPS survey, where the client answers how likely they would be to refer a friend or colleague to us, showing their perception of the Company; and (2) the Customer Service Score (CSAT) survey, which is conducted at the end of each call to learn how well that specific call scored.
- At Linx, our NPS went up 8 points looking at 2023 against 2022, and our CSAT remains above 90%. To deal with detracting clients according to both surveys, we have the Client Guardian team, who arrange a solution to each problem themselves, involving all of the Company's departments.
- For the most part, we track indicators to assess our service quality and time, and we also devise action plans to turn around results below expectation, while people at all leadership levels are assigned quantitative targets related to their job.

Highlighted below are three initiatives launched by us to value the work of Brazilian entrepreneurs and to provide information and inspiration:



Stone 5-Star Client Stamp

This stamp was created to put the spotlight on our partners who provide an outstanding consumer experience and as a way of recognizing Brazilian entrepreneurs.



"The Retail Podcast" (Podcast do Varejo, or PDV)

We created this videocast with the goal of helping retailers keep up with the market in a fast and dynamic way. Episodes feature retail giants telling viewers about their experiences and lessons learned.



Brasil with an S

The "Brasil with an S" (Brasil com S) series was created in 2022 and continues doing its job of presenting success stories from entrepreneurs around Brazil, telling their stories and how they turned their dreams into reality. You can find the series through this link:

[VIEW NOW](#)



Investor Relations

Our investors are fundamental to us and are always considered as we plot our strategies and actions at Stone Co. Having close, well-established relationships with our entire business ecosystem is essential to us being able to fulfill our purpose and achieve our goals.

In 2023, on November 15, five years after our IPO, we held our first **Investor Day** event at Nasdaq, in Nova York City, where we were able to introduce our strategy to the Company's investors and stakeholders.



Financial results

Our 2023 indicators are highlighted below:

R\$ **12,055** million

in annual Net Revenue

R\$ **5,053** million

in adjusted net Cash

3,522.1 thou

active payment Clients*

R\$ **6,119.5** million

in Deposits by banking clients

R\$ **1,558** million

in adjusted Net Income

R\$ **309.4** million

in credit portfolio for 2023**

R\$ **408.3** billion

in TPV, up 11.2% relative to 2022

16.4%

adjusted EBITDA margin from software,
up 1.9 p.p. relative to 2022

*For MSMBs and key accounts. It considers clients having performed at least one transaction in the past 90 days, except for active clients for Ton products, for which those considered are clients having performed one transaction in the past 12 months.

**The working capital portfolio is gross of provisions for losses, but net of amortizations.



Supplier Relations

Here at Stone Co., we are careful about choosing our suppliers, as we regard them as essential partners for us to fulfill our purpose and meet our targets. Our partnerships are based on proportional earnings and alignment of methods and goals. The supply chain includes operations and logistics, technology services and customer service. It also includes consultancies in different areas, audits, marketing, among others. [\[GRI 2-6\]](#)

Finding those partners is a process that begins by ensuring all prospective suppliers compete on a level playing field, where the Company offering the best service and cost will be the chosen one. All supplier selection processes are conducted fairly and ethically, according to professional criteria. To make sure they play out that way, we follow our **Procurement Policy**.

After suppliers are chosen, they go into the certification process, in which they are checked for compliance with laws and other applicable regulations, considering labor, criminal, regulatory, tax, anti-money laundering and counter-terrorism financing issues, social and environmental factors, and any records of environmental licenses and/or offenses with the environmental agency IBAMA, as well as checks for any records of compulsory labor. **We evaluate 100% of our suppliers concerning environmental, social and governance issues as part of the certification process.**

It's really important to us for our partners to be aligned with our ethical principles and to always aim for the best for our clients, as well as for us. For this process, we use our **Supplier Certification Policy**.

All of our suppliers are advised of our Code of Ethics, in which we have stipulated standard forms, clauses concerning social, environmental and climate risks, and our Anti-Money Laundering and Counter-Terrorism Financing Policy. All our supplier contract processes are compliant with Central Bank of Brazil (BCB) Resolution No. 85/2021, which concerns data protection.



Relations with businesses in the Stone Co. ecosystem

[GRI 3-3] Material topic: Innovation and Technology

At Stone Co., we also dedicate a lot of attention to the **businesses in our ecosystem**, which are experts in technology for retail and services. We've always been concerned with Brazilian entrepreneurs, and those businesses are no exception. To collaborate with them, we have our Entrepreneur Program set up along four axes: **Talents, Stone Co. Experience, Education, and Partnerships**. Along each of these axes, entrepreneurs learn more about us, while also interacting with each other, exchanging experiences and lessons learned.


Through the Entrepreneur Program, participants gain access to the best recruitment tools on the market and improve their chances of attracting talents using our brand. We also provide unique experiences, with an immersion of participants in our organization culture, including an open-doors policy for them to meet the shareholders, leaders and APIs.

We also give them exclusive access to our partners, prioritizing such topics as cost cuts, lessons learned for the team or custom support, which helps enable entrepreneurs to improve their organization and receive assistance with their needs.

We value the educational processes involving those entrepreneurs, providing mentorship and training, holding job development and inspirational events, and providing access to content pathways specifically related to entrepreneurship, as well as benchmark trips.

The whole program and related workshops are rated by participants, and we have received positive feedback from them. Here are a few figures showing the importance of this program:

- **20 businesses**
- **67 active entrepreneurs**
- **756 people impacted**
- **NPS 89**

 **Businesses in the Stone Co. ecosystem:** These are our investees, businesses in which we don't hold a majority stake and/or operational control, but are part of our conglomerate.



Franchise relations

The model to serve with excellence entrepreneurs in Brazil's countryside

Stone franchises have played a crucial role in transforming the cities and towns where they are present, making **positive impacts on both local communities and franchisees**.

Franchisees are carefully selected to serve Stone's clients. They must provide extraordinary service to entrepreneurs in the region, distributing products and services that will help clients sell more and better manage their businesses.

Our extensive and strict selection process has a very low approval rate. Less than 1% of those interested manage to be approved as franchisees. It just won't do if we fail to be demanding when selecting the best people to take care of our clients. We have the great responsibility to choose franchisees who will operate with excellence and within the standards required by the franchisor for them to serve clients with distinction.

A series of requirements are imposed on franchisees. They must live in the city where their franchise is located and be present daily on the street, at the retailers' counters, to ensure proximity to the clients. We want a franchisee that is seen and known by the clients in the region. We expect them to perform excellent routines with quality. We have a series of procedures and training to ensure excellence and quality in the distribution of our products and services. That's a non-negotiable part of our method.

Average face-to-face service time: - 1 working day

Our franchises usher into the most remote regions of Brazil an extraordinary level of service. Even with the whole challenge in terms of the logistics to serve clients in the most distant of municipalities in Brazil, our franchises boast **an average service time of less than 1 business day to meet all client demands in person.**

There are more than 3,000 Brazilian municipalities being served by this business model that offers an unparalleled level of service to local clientele. From north to south, all over Brazil, various franchisees are constantly awarded at events held by local associations and communities for providing the best service in town.

We believe in building long-lasting relationships with our clients, based on eye-to-eye interactions at the retailers' counters and strengthened by the time of service and the credibility of our operators. Our service is humanized, and our sales are relational. More than 1,000 municipalities in Brazil have each had the same franchisee operating in their region for at least 5 years. This provides a concrete reference for clients and increases our credibility in the region.

The franchise network creates thousands of direct and indirect jobs, contributing to reducing unemployment and strengthening local economies. They are responsible for attracting and hiring people in their cities or towns, developing them, and ensuring the team's satisfaction. We expect a franchisee to be able develop their team. Ours is a very people-intensive business. We need franchisees to actively participate in all routines with their employees.

Stone continuously keeps track of all its franchises, ensuring the quality and agility of their services to our clients and always keeping clients at the center of our operations. That control ranges from technical support to the development of customized action plans per franchise, ensuring that each franchisee has the necessary tools to serve clients well.





ABF Seal of Excellence for two consecutive years

Stone also invests heavily in training for its franchisees. Various training programs have been set up to help franchisees. We believe in providing continued education through the most effective methods of training a sales team. We periodically and thoroughly track training success indicators.

We launched a new excellence program we call MEGA FRANCHISES and created a series of manuals and policies to formalize, consolidate and disseminate the guidelines and behaviors franchisees should follow in order to operate with excellence. We invested in strengthening and expanding our audit and compliance structure.

Furthermore, Stone continually invests in innovation and improvement of its services, always seeking to offer solutions that meet the needs of its franchisees. We want to provide full support to franchisees, serving each of them as best we can. We were also proactive in forming partnerships to help our franchise network better serve their teams and our clients. We negotiate to offer medical plans with national coverage and vehicle rental on very competitive terms. That helps franchisees be better employers, retain talents and reduce turnover.

To strengthen the connection and promote the exchange of experiences between our franchisees, we held the **Stone Day** event with the theme **“My Land has Stone.”** That event, which brought together 393 attendees, was essential to fostering Stone’s culture of serving.

Stone’s commitment to the success of its franchisees is reflected in our obtaining the **Excellence in Franchising seal from the Brazilian Franchising Association (ABF) for two years in row – 2022 and 2023.** This recognition is concrete proof of our pursuit of excellence in caring for Stone franchisees.

Communication and Relationship Channels

[GRI 2-29]

We are also constantly in touch with our stakeholders and believe having ways of engaging with them is a core requirement for our business, so we maintain close, give-and-take relationships. The purpose of engaging with stakeholders is understanding their needs, building trust and fostering sustainability, with significant engagement ensured by transparent communications, regular consultations, and responsiveness to their concerns.

Stakeholders	Forms of Engagement
Staff	We conduct mood surveys and other internal surveys, we hold department, team and other meetings, HR business, chats, the Stone Camp, workshop with leadership, Stonews, Good Morning, Hub/Distribution Center, Strada, Spande, internal social network, associations and unions, and a whistleblower channel included.
Clients	We have a client relations team, a customer service score (CSAT) survey, chats, social media (Instagram, LinkedIn, Facebook, etc.), the Stone blog, communication channels specifically designed to address each client's challenges and requirements, as well as their feedback.
Stone & Linx Franchisees	We use corporate e-mail, chats; NPS (Net Promoter Score) surveys, Green Mail (a weekly newspaper posted on the network), channels like Yammer and WhatsApp (high performance), the daily publications Yungas and Alo Franqueado (franchisee service platforms), questionnaires and internal social network environment, website, monthly live chats with the entire franchisee chain; for Linx franchisees, we also have Linx News (weekly), Monthly Franchise Meetings, or RMFs (monthly and quarterly), and the Franchise Committee (quarterly); the Stone Day (an annual engagement and cultural event); the Franchise Convention (annual).
Analysts, shareholders and investors	The actions for these audiences are centered around the Investor Relations department. We release the Company's earnings and material fact notices, we make data available on the Company's Investor Relations website, we hold in-person and virtual meetings, attend conferences and the Non-Deal Roadshow (NDR), with support via e-mail.
Providers of capital	Our Treasury, responsible for managing, raising and controlling financial resources, has relationships with local and international institutions, multilateral agencies and foment agencies, cooperatives, credit agencies and other market players. Relationship channels are corporate e-mail, telephone calls, in-person and virtual meetings, conferences and roadshows.
Society/Community	Social investment projects, the Stone Institute and Instituto Propague, meetings, and website. [GRI 413-1]

Membership of associations

[GRI 2-28]

To keep up our representativity, Stone Co. is a member of the following associations:

- **ABECS** (Brazilian Association of Credit Card and Service Companies)
- **ABCD** (Brazilian Association of Digital Credit)
- **Camara-e.net** (Brazilian Chamber of Digital Economy)
- **ABRASCA** (Brazilian Association of Listed Companies)
- **AFRAC** (Brazilian Commercial and Services Technology Association)
- **ABES** (Brazilian Association of Software Companies)
- **ABIPAG** (Brazilian Association of Payment Institutions)
- **IBRAC** (Brazilian Institute of Competition Studies)
- **ABBC** (Brazilian Banking Association)
- **BRASSCOM** (Association of Information and Communication Technology Companies and Digital Technologies)
- **ABF** (Brazilian Franchising Association)

Our managing style



Our management model

Material topic: Ethics, integrity and compliance
GRI 2-9; 2-10; 2-16; 2-17; 3-3

We believe that Stone Co. has an active part to play in building the future we want, and we are always mindful of society's demands, doing business with transparency and adding value to the business through long-term strategies with our stakeholders.

Stone Co. has a governance structure consisting of the following bodies: Shareholders' Meeting, Board of Directors, Executive Board (Officers), and Advisory Committees of the Board of Directors (Audit Committee, People and Compensation Committee, Risk Committee, Finance Committee).

The members of the Board are appointed by the Board itself and by the management of Stone Co. In line with the Board's Internal Regulations, the appointments also favor a diversity of experiences and opinions, in order to broaden the internal vision and enrich the discussions.

The Board of Directors plays a key role in providing oversight of Stone Co.'s activities and strategic guidance, as well as appointing and removing members of the Executive Board and its own independent directors. For decision-making, the Board of Directors receives information from the Executive Board and from its own Advisory Committees on an ongoing basis, keeping a comprehensive view of the activities performed by the Company.

Additionally, the members of our Board of Directors and Executive Board attend industry forums and events to expand their knowledge of economic, environmental and social issues, with a view to staying up to date on emerging issues in the market and society.

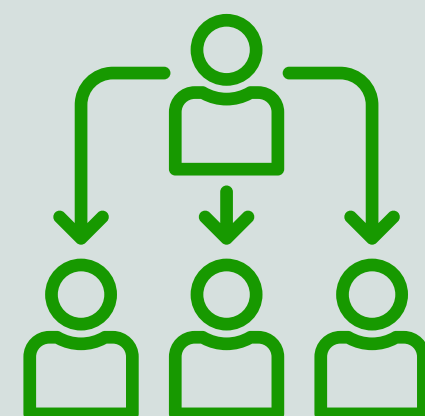
Learn more about our structure and corporate governance competencies through the [link](#) or in our Form [20-F](#).



Corporate governance structure:



Board of Directors



Board



Board of Directors' Advisory Committees Executive



Board of Directors¹

Our Board of Directors is composed of 7 members, 6 of whom are independent, and none holds any executive position at the Company. Each director holds the office for the term set out in Stone Co.'s bylaws, extending until the Annual Shareholders' Meeting subsequent to their election, and is allowed to be reelected. [\[GRI 2-11\]](#)

In 2023 and 2024, we made a few changes to the composition of our Board of Directors, which currently consists of the following members:

- **Mauricio Luis Luchetti** | Chairman*
- **Gilberto Caldart** | Vice Chairman*
- **Diego Fresco Gutierrez***
- **José Alexandre Scheinkman***
- **Luciana Ibiapina Lira Aguiar***
- **Silvio José Morais***
- **Thiago dos Santos Piau**

¹ 1 Composition as of the base date 04/30/2024

* Independent member.

For more information, see our [Form 20F](#)

Executive Board

Stone Co.'s Executive Board consists of 14 executive officers appointed by the Board of Directors. Stone Co.'s CEO and the entire Executive Board are directly committed to representing the Company for excellence in management. They are appointed by the Board of Directors and will remain in their positions until the next annual shareholder meeting, there being no retirement age requirement in our bylaws. [\[GRI 2-11\]](#)

Diversity in the senior management

Diversity in governance bodies and employees [GRI 405-1]	Board of Directors		Executive Board	
	Total	%	Total	%
By gender				
Male	6	85.7%	11	78.6%
Female	1	14.3%	3	21.4%
By age group				
Up to 30 years old	0	0%	2	14.3%
30 to 50 years old	2	28.6%	8	57.1%
Older than 50	5	71.4%	4	28.6%

Our Executive Board consists of:

- **Pedro Zinner**, Chief Executive Officer
- **André Monteiro D'Almeida Monteiro**, Chief Risk Officer
- **Maria Carolina Sanchez da Costa**, Impact and Sustainability Officer
- **Diego Ventura Salgado**, Treasury Officer
- **Fabio Vieira Kapitanovas**, Chief People and Operations Officer
- **João Lourenço Vivan Bernartt**, Chief Product and Innovation Officer
- **Lia Machado de Matos**, Chief Strategy Officer and Chief Marketing Officer
- **Marcus Felipe Montenegro Carvalho da Fontoura**, Chief Technology Officer
- **Mateus Costa Biselli**, Small and Medium-Sized Business Officer
- **Mateus Scherer Schwening**, Chief Financial and Investor Relations Officer
- **Sandro de Oliveira Bassili**, Chief Software Operations Officer
- **Tatiana Malamud**, Chief Legal and Compliance Officer
- **Victor Vieira Lino**, Micro-Business Officer
- **Vinicius do Nascimento Carrasco**, Chief Economic and Regulatory Affairs Officer.

These members are elected by Stone Co.'s Board of Directors for undetermined terms and are not subject to any age and/or retirement requirements under the bylaws of Stone Co.



Board of Directors' Advisory Committees

○ Risk Committee

Consisting of three independent members, this Committee assists in risk management, including operational and financial risks. It is tasked with advising and proposing to the Executive Board recommendations concerning the management and monitoring of operational risks. Their meetings are held on a quarterly basis or whenever necessary.

○ Audit Committee

Consisting of three independent members, this Committee is in charge of supervising our financial statements and internal controls to ensure quality and compliance. The Audit Committee also monitors compliance with ethical standards, policies, plans and processes, while helping with the reports required by the U.S. Securities and Exchange Commission (SEC). In addition, they are responsible for reviewing and approving related-party transactions. The Committee meets monthly, according to Stone Co.'s Related-Party Transactions Policy.

○ Financial Committee

The Financial Committee assists in making decisions related to our exposure to financial risk, capital allocation and capital allocation strategies, capital structure, investments and returns, indebtedness, debts, transactions in the capital market and targets related to Stone Co.'s financial position. It is composed of three members, who meet on a quarterly basis or whenever necessary.

○ People and Compensation Committee

Composed of three members, the People and Compensation Committee assists the Board of Directors in reviewing and approving the compensation framework, and is responsible for approving the goals and targets applicable to the Executive Board and the senior leadership. They meet on quarterly basis or whenever necessary



Ethical Relationships

[GRI 3-3] Material topic: Ethics, Integrity and Compliance; 2-23; 2-24; 2-25; 2-26

At Stone Co., we are constantly concerned with our commitments to ethics and integrity in our actions. To us, it is important for our people to be aligned with Stone's way of getting things done, always according to our [Code of Ethics](#). It provides that ethics and integrity are to pervade all of our relationships inside the Company. To make sure that happens, we have an Ethics Forum, which is made up of members of the Executive Board and is held monthly. Its main duties are as follows:

Supervising the quality and compliance of the Company's business to ensure compliance with our Code of Ethics;

Supervising and resolving on the course of action to be taken by the Company in any cases of deviation from or breach of our Code of Ethics on the part of any staffers, suppliers or partners.

To enable all of our team to be familiar with them, the Company's policies are kept available to all employees through **Studa**. All employees undergo the onboarding process, and that's when they first come in touch with the policies of Stone Co., including the Code of Ethics, the Anticorruption Policy and the Anti-Money Laundering and Counter-Terrorism Financing Policy. Concerning partners/suppliers, at the time of certification, they need to formally agree to the principles set out in our Code of Ethics, as well as our Anticorruption Policy and Information Security Policy.

We are always ready and available to receive any reports of deviation from or breach of our Code of Ethics, whether or not on condition of anonymity, at the whistleblower's discretion, through "All Ears" (Orelhão, in the original Portuguese), the Company's whistleblower channel. Such situations can always be reported to the whistleblower's line manager or to a representative of the People team or the Compliance team. Any reports recorded on the whistleblower channel are captured by an independent specialized firm to ensure absolute secrecy for the whistleblower and the first handling of their report. That way, we provide a transparent and safe working environment to all.

Each case captured through All Ears receive an unbiased, confidential and appropriate treatment from the compliance team and, if applicable, the senior leadership and the Ethics Forum, as well as senior management, and careful analysis and handling, without any conflicts of interest or any sort of retaliation. [\[GRI 2-15\]](#)

After a complaint is made, Stone adopts a structured process to address the identified negative impacts. The report is assessed and categorized based on its nature, impact, and type of deviation. An investigation plan is then developed to gather information and validate the allegations. The investigation is conducted with the help of third parties or other teams to determine the credibility of the allegations. Finally, appropriate measures to remedy the substantiated allegations are recommended in collaboration with Leadership. Every registered complaint receives a formal response directly on the Orelhão platform upon conclusion of the investigation, ensuring transparency and keeping the complainants informed about the status and actions taken. [\[GRI 2-25\]](#)



Studa: Our official educational platform, on which mandatory and technical training in the business, management, leadership, interpersonal skills, strategy and other topics is available for access.



Orelhão

Whistleblower Channel

 canalconfidencial.com.br

 0800.591.0579



Ombudsman [GRI 413-1]

(exclusive for clients)

 ouvidoria@stone.com.br

 0800.942.2174

[\[GRI 2-26\]](#)

The STNE* Commitment

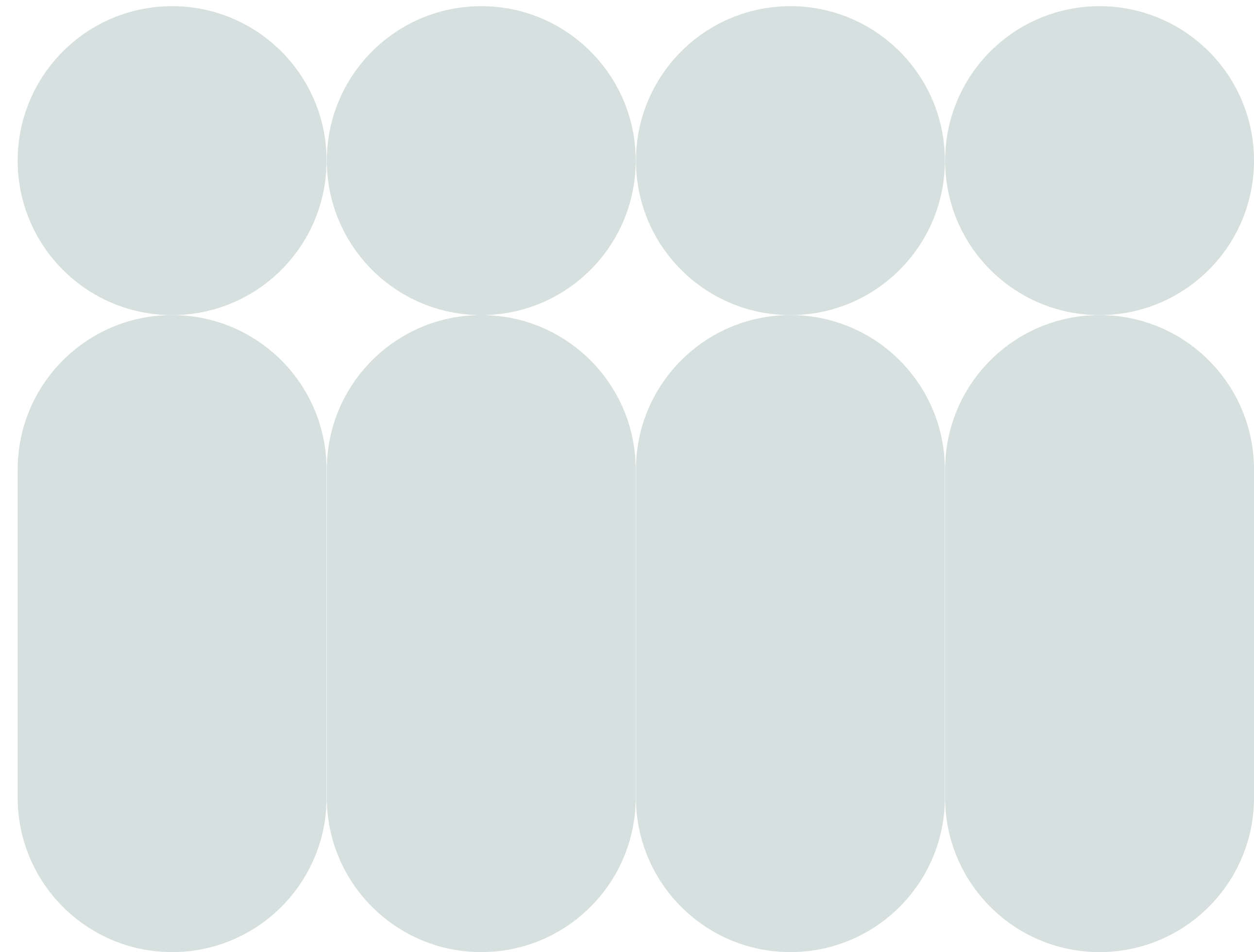
[GRI 3-3] Material topic: Ethics, Integrity and Compliance

For us to keep our ethical and integrity commitment, our teams are given the STNE Commitment, a set of mandatory training programs that ensure our Company's commitment to ethics, integrity in our business, and compliance with the laws and regulations applicable to the industry. Through the STNE Commitment, we compile contents and train our employees in ethical practices.

The STNE Commitment comprises a series of dynamic videos that are available on our Studa and Linx Academy educational platforms, accessible all the time.

Following their onboarding, our employees are expected to annually take the STNE Commitment mandatory training programs, whose contents are about Anti-Money Laundering and Counter-Terrorism Financing, Compliance, Confidentiality, the Whistleblower Channel, and the General Personal Data Protection Law. Compliance manages that training and keeps track of employees taking it. [GRI 2-25]

*STNE = Stone



Action on Human Rights

[GRI 3-3 Material topic: Ethics, Integrity and Compliance; GRI 2-23]

The topic of human rights is a fundamental part of our [Code of Ethics](#) and [Social, Environmental e Climatic Responsibility Policy](#), while being one of the pillars supporting our actions on sustainability, in line with the international initiatives and standards of the UN Guiding Principles on Companies and Human Rights and the Performance Standards of the International Financial Corporation (IFC).

For us, it is essential that all employees, customers and suppliers are treated with respect and dignity. We do not allow discrimination based on race, color, origin, gender, personal appearance, physical, mental or psychological conditions, nationality, religion, sex, age, marital status, sexual orientation, social position, opinion, political preference or any other form of differentiation individual. Furthermore, Stone Co. respects the freedom of religious and party choice of its employees, customers and suppliers, with its main premise in this matter being respect for religious and political diversity.

Also among our actions is the mapping of the Company's social, environmental and climatic risks, through which we assess the exposure of our client base and suppliers to child labor, compulsory work, sexual exploitation, etc.

With respect to suppliers, we look into the issue during their [certification process](#), in conjunction with an outside partner, and we won't register any suppliers who fail to meet our requirements.

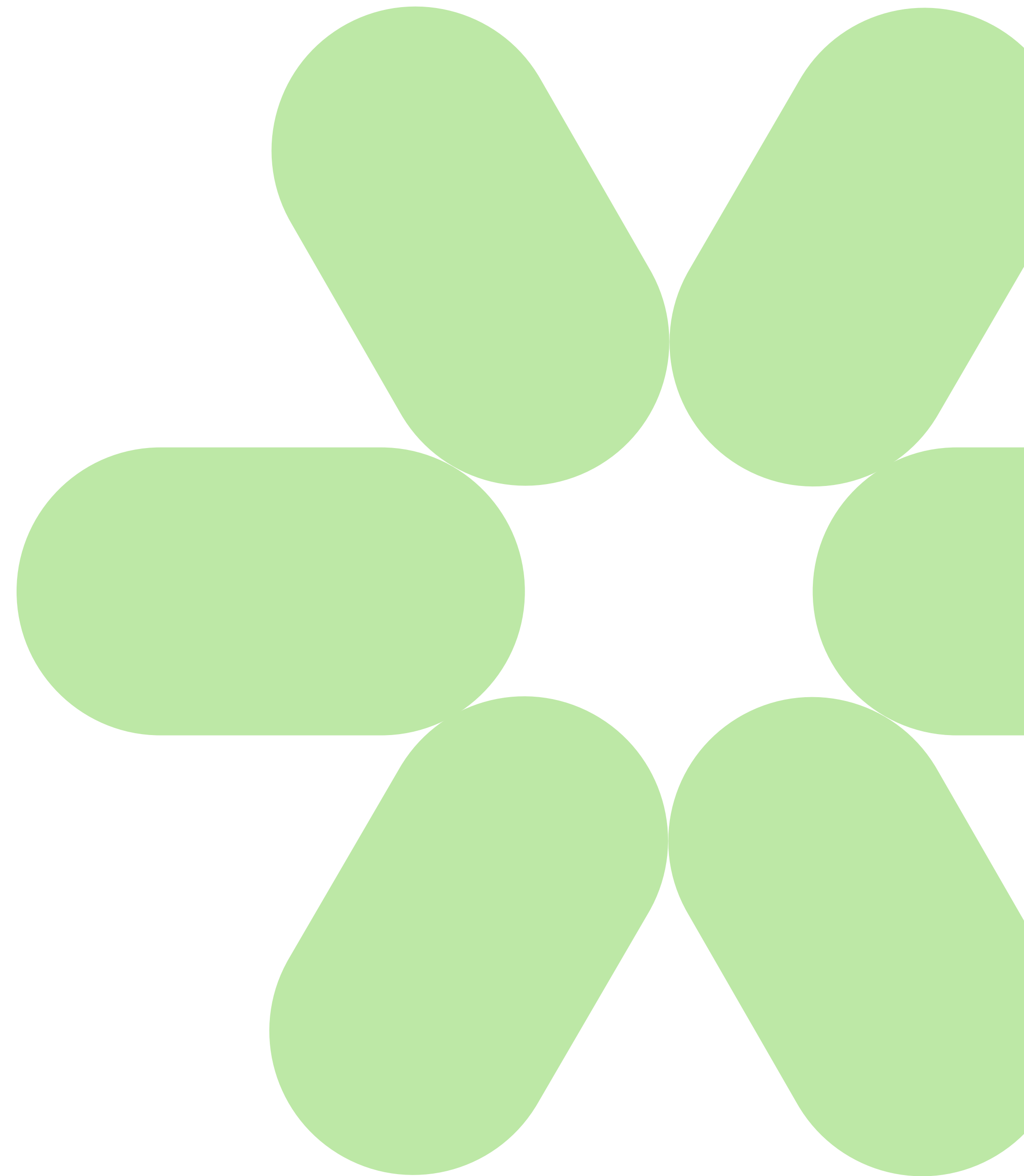


Anticorruption Policy and Anti-Money Laundering Policy

For us to have relationships based on integrity and ethical principles, we also have policies in place and provide training in anticorruption and counter-terrorism financing issues. The **Anti-Money Laundering and Counter-Terrorism Financing Policy** is in compliance with Central Bank Circular Letter 3,978/2020, which went into effect in October 2020. All of our team are provided with mandatory training, and any unusual transactional behaviors are monitored, assessed and reported to the Council on Control of Financial Activities (COAF). For 2023, we did not commit any administrative or legal offenses due to noncompliance with anti-money laundering laws or regulations or to any cases of corruption. [\[GRI 205-3\]](#)

Our anticorruption training aims to enable our people to detect, fight or avoid any situations that could be in conflict with the **Anticorruption Policy** or otherwise in conflict with or breach of any national or international anticorruption laws applicable to our business.

All our employees must report conflict of interest situations, when applicable, so that the internal conflict mitigation department can take action. The parties involved are informed of the status and actions taken to resolve the situation. Furthermore, the reporting and investigation process provides transparency for shareholders and the market, ensuring alignment with the company's interests. To avoid these situations involving our leadership, the Audit Committee reviews and approves related-party transactions, which are reported according to the regulations of the U.S. Securities and Exchange Commission (SEC) and our **Related-Party Transactions Policy**. [\[GRI 2-15\]](#)



Privacy and Security

[GRI 3-3] Material topic: Data Privacy and Security; SASB TC-SI-220a.1

Stone Co. has an active commitment to data privacy and security—which is a fundamental part of our operations. For that reason, we dedicate thorough attention to information security and personal data protection, implementing strict policies and procedures that are subject to constant monitoring.

When it comes to Personal Data Privacy and Protection, for example, our rules and procedures include:

- Information Security and Cybersecurity Policy
- External Cybersecurity Policy
- Personal Data Privacy and Protection Governance Policy
- Information Security and Privacy Incident Management Guideline
- Privacy Notice for Clients
- Cookies Notice

We also work with leading market frameworks related to information security and privacy, and we are certified under the PCI DSS (Payment Card Industry - Data Security Standard) and ISO 27.001 for the technology scope of our acquiring services. We do business in accordance with the applicable controls, while meeting the Sarbanes-Oxley (SOX) requirements. [\[SASB-TC-SI 220a.5\]](#)

Furthermore, we work preventively on information security technical control and governance practices, which reflects in our vulnerability control, patches according to criticality, periodic penetration and security tests, patch updates, firewall controls, internet access controls, access and credentials management, and systems and backup availability management, as well as our management of regulations and their applications.

We constantly improve our information security and privacy incident mitigation and handling ecosystem, according to internal regulations, with specified SLAs, investigation and contingency provisioning, as well as tactical actions to respond to and remedy any incidents. For these tasks, we have a specific team running the entire incident management cycle, including analysis and dissemination of lessons learned.

During 2023, no complaints were issued by any regulatory agencies or similar governmental authorities to any of the Stone Co. companies in connection with any data breaches or any requests for user information from such authorities. There were no sanctions, nor were any relevant monetary losses identified in connection with any privacy-related lawsuits. [\[GRI 418-1, SASB-TC-SI-220a.3, 220a.4, 230a.1\]](#)



*For the purposes of this Report, "Data Breach" means any confirmed Information Security Incident involving Personal Data that, following a technical and legal assessment, was rated as relevant and reportable to Regulators (e.g. ANPD). "Information Security Incident" means any breach of Confidentiality, Integrity or Availability.

Impact and Sustainability

[GRI 2-16, 203-2]

We are a Company inspired by the power of entrepreneurs. We move the country's economy in a responsible manner by creating opportunities and narrowing social gaps. For this reason, we believe sustainability is key, not only to mitigating risks and protecting the environment, but also to boosting inclusive economic growth and long-term prosperity.

We believe that when we impact a life, we transform the lives around them. A community, a city, an entire country. We want our impact to cause each effort to turn into an achievement, each dream to become reality, which is why in 2023 we reinforced what we believe in by setting up a department to take charge of our impact and sustainability.

Sustainability management is under the purview of the Impact and Sustainability department, which reports directly to the CEO, with the Risk Committee as a governance body that monitors and makes decisions on our agenda for social, environmental and climatic risks. This body is responsible for addressing and monitoring the issue within Stone Co. and our value chain, boosting the positive impact we make, mitigating our negative impacts, and managing our social investment.

The Company's Social, Environmental and Climatic Responsibility Policy and Sustainability Policy provide guidelines for our relationship with stakeholders and for issues considered relevant to our business.

Based on our [materiality](#) matrix, we decided to take action on four fronts:

- **Democratizing access to services and entrepreneurship:** Empowering today's and tomorrow's entrepreneurs to make their dreams a reality.
- **Governance and risks:** Setting up policies and procedures to ensure all interactions are conducted with integrity and responsibility.
- **People management:** Supporting each person on our team so they can turn their potentials into powers.
- **Environment:** Continuously reducing our impact on the environment.

Sustainability Journey:

Our story began in 2012, and our impact has expanded ever since.

2015 – 2019

- Donations through our shareholders

2020

- Institutional donations and actions to support those who suffered from Covid-19

2021

- Institutional donations
- Investments in productive and entrepreneurial inclusion begin (Brazil)

2022

- Expertise allocation. BOT (Build, Operate and Transfer) program for the development of internal projects at supported organizations
- Our volunteering/mentorship actions begin for city periphery micro-entrepreneurs

2023

- Creation of the Impact and Sustainability department
- Stone Institute set up, launched in April 2024
- Publication of our first sustainability report
- Our first Greenhouse Gas (GHG) Emissions Inventory was taken
- Social projects continued with 3,179 entrepreneurs trained and 1,292 students with tuitions financed



Boosting the impact with entrepreneurs

[GRI 3-3] Material Topic: Democratizing access to services and local development

Since the start of our journey, we've had the goal and motivation to turn the dreams of entrepreneurs into results. Through our products and services, we make many businesses easier to run and impact the lives of many people.

We believe that we make our biggest impact by serving our clients, contributing to boosting the potential of people around Brazil, and it's those people who will help us in the future. Offering the best services at the best rates also boosts the economies of regions more distant from the large urban centers of this continent-sized country.

As we democratize the access to financial services, such as accounts, cards and credit, we include more and more people and families in the Brazilian supply chain, turning the wheels of our economy and allowing more people to access better living conditions. The impacts of this democratization are even bigger on small and medium-sized businesses (SMBs).

In 2022, we conducted an impact assessment to better understand the effects we have on the lives of entrepreneurs. The job was done by the economists Sergio Firpo, Clarice Martins, and Thaline do Prado and organized by the sustainability and economic research teams of Stone and Instituto Propague. This study helped us improve our perception of our role in Brazilian society. [\[GRI 413-1\]](#)

The study also showed Stone Co.'s entry in the market accounted not only for an increase in total payment value (TPV), which represents the total payment transactions processed by the payment institution in a given month, for entrepreneurs, but also for a faster pace of business in municipalities displaying a lower human development index (HDI). The selected sample allows us to evaluate how our operations might impact the various communities where we are present.



For those same clients, sales grew more rapidly the longer their relationship with Stone Co., demonstrating the **Company's positive impact on the lives of entrepreneurs** over the course of their time as our clients. In addition, the assessment reveals that we grew in the poorest, lowest-HDI regions and cities, increasing our impact on that market.

That assessment shows the extent to which we impact the domestic economy and the life of each entrepreneur, fulfilling our purpose and helping those who are the reason we exist.

Sustainable Finance

Stone has secured a financing commitment for USD 467.5 million (equivalent to BRL 2.3 billion) from the United States International Development Finance Corporation (DFC). The funds, raised in 2024, are used to provide advances on receivables, with focus on micro, small and medium-sized enterprises (MSMEs) led by women or based in low-income regions.

Accordingly, we seek to give support to small companies through advancements on receivables, as we know those populations have had historical difficulties obtaining credit.



Stone Institute

Set up in 2023 and launched in April 2024, the Stone Institute is responsible for the **social investment** made by Stone Co. It is aligned with our purpose and works at the pillars of talent education, one of Stone's priorities since its founding, and of productive and entrepreneurial inclusion and knowledge production, always with the aim of building the future of Brazil.

The Stone Institute was organized with the shareholders of the Stone Co. group, boasting solid governance, with an advisory board and an audit committee, and using impact thesis rules, project selection criteria (Institutional Fit and Quality) and breakthrough techniques for monitoring results and impacts.

The amount invested on a philanthropic basis for 2023, out of the institute's own funds, was R\$7,678,693.87, with another R\$2,485,549.00 contributed under incentive laws, adding up to R\$10,164,242.87, involving 1,292 entrepreneurs and 3,179 supported young talents.

Talent Education

Productive and Entrepreneurial Inclusion

Knowledge Production

Smart Philanthropy

Investments for the Future

[GRI 3-3] Material Topic: Financial Education
and Democratizing access to services and local
development, 413-1

Talent Education

○ Instituto Alpha Lumen – *Projeto Escola*

Projeto Escola (“Project School”) works with youths and children to educate transformative leaders who can impact their surroundings. Those young talents stand out in various robotics tournaments and Knowledge Olympics.

○ Alpha EdTech

Alpha EdTech is a tuition-free code training academy boasting speed and excellence that hires and compensates talents as aspiring developers in direct connection with the job market. The program ranges from 6 to 12 months in length and is customized to the needs of each organization.

○ Alpha Online

Alpha Online provides support for high-skill children, adolescents and youths in the public school system all over Brazil who are in social vulnerability situations, starting from the sixth year of elementary school. It also assists teachers through an open platform (a virtual school, with curriculum-enriching activities outside school hours).



○ **Novo Ensino Suplementar (NES)**

“New Supplemental Education” (Novo Ensino Suplementar, or NES) has the mission of creating a center for excellence in training talents in mathematics, artificial intelligence and data science, bringing together the best students from low-income families in Brazil outside their high school hours. Those outlier students can continue their studies in the world’s best universities or become major entrepreneurs and make an impact on their local communities going forward.

3,179
young talents supported

1,292
entrepreneurs trained

R\$ 10,164,242.87
invested for 2023



○ **Instituto Apontar – Programa A+**

This is a program developed by Instituto Apontar, in partnership with the Rio de Janeiro Municipal Department of Education, with the aim of boosting the full development of children and adolescents with high skills in mathematics, literature and English, as well as socioemotional skills.

R\$ 7,678,693.87
in private social investment

R\$ 5,345,432.37
in talent education

R\$ 1,785,269.50
in productive inclusion



○ **Brazilian Mathematics Olympics Association (AOBM)**

The Brazilian Mathematics Olympics Association is a non-profit that contributes to improving mathematics education in Brazil.

R\$ 2,485,549.00
in investment under
incentive laws



Productive and entrepreneurial inclusion

Banco da Providência - (Re)conquista

Idealized and built in conjunction with Banco da Providência and Instituto Phi, (Re)conquista is a nationwide program aimed at training third-sector organizations, with focus on productive inclusion via entrepreneurship.

Empreende Aí - Despertando o Empreendedor

In partnership with Empreende Aí, the program offers 30 hours worth of training, all online and free of charge, for entrepreneurs in peripheral communities, offering access to rewards linked to seed capital and a 6-month mentorship cycle with Stone Co. leadership.

Other supported projects:

Fundação Estudar - Tech Fellow

The Tech Fellow scholarship program aims to help youths who want to enter a U.S. university. In addition to providing scholarship grants for students who pass their university entry exam, Tech Fellow also offers mentorship, customized individual support, access to exclusive courses and events, and a community of technology professionals.

Instituto Compartilhar - Sports Incentive Law

Instituto Compartilhar supports children and adolescents ages 9 to 15. Since 2003, it has supported more than 30,000 public school students in five Brazilian states (Minas Gerais, Paraná, Rio de Janeiro, Rio Grande do Norte, and São Paulo) through its "Volleyball in Schools" project. Founded by volleyball coach Bernardo Rezende, the institute uses a methodology that brings the practice of sports to everybody and stimulates the development of socioemotional skills.

Hospital do Amor - Elderly Law

The "Love Hospital" (Hospital de Amor) aims to promote health by providing quality medical and hospital care to cancer patients in Brazil's Unified Health System (SUS), in a humanized way and nationwide, based on prevention, learning and research programs.

Knowledge Production

[GRI 3-3] Material topic: Innovation and Technology

StoneLab

StoneLab is an initiative emerging from a collaboration between Stone Co. and the Pontifical Catholic University of Rio de Janeiro (PUC-RJ), together with the Stone Institute. This strategic partnership between university and Company, combined with the Stone Institute's commitment to promote education and innovation, is the foundation upon which the laboratory is built.

Planned over the past two years and opened in April 2024, StoneLab is a space for fomenting studies in technology and education, having the mission of not only producing knowledge, but also applying it to solving urgent challenges facing society. Upon a public notice being published in August 2023, projects were received covering a wide range of topics, from software engineering and data science to innovative approaches.

Additionally, StoneLab also positions itself as an active agent in the search for solutions to the impacts caused by emerging environmental problems by funding two projects addressing these issues. The first project is aimed at adapting for and mitigating climate change by developing microencapsulated materials for low-cost heat insulation, which reduces the energy costs of air-conditioning systems and increases thermal comfort in low-cost housing. The second product uses A.I. to forecast deforestation, seeking not only to spot areas in imminent risk of deforestation more effectively, but also to enable preventive actions that may help to preserve our precious natural resources.

Accordingly, StoneLab not only represents a new investment opportunity, it also reflects our commitment to foment science in order to ensure a more sustainable and resilient future for all.



Financial Education

GRI 3-3 Material topic: Financial Education; 203-2]

By integrating financial education into our products and services, we believe that our clients will be better informed to make decisions and turn their dreams into results. We recognize that over-indebtedness is one of the potential negative impacts of our operations; to that end, we work towards incorporating financial education into our client journey, offering our products and services in a transparent and ethical manner, through clear and simple information.

Through our client relations channels, we provide ethical and responsible guidance on products, as well as support to clients on the entrepreneurial journey and, especially, clients facing financial challenges.

During a client's journey, we give financial planning tips and send alerts on effective money management. We make it easier for the client to understand what they bought, how many payments they have to make, and what interest rate is applied to their purchase. In addition, the X-Ray app enables financial management, where entrepreneurs can control the consolidated cash flow of all their machines in a single place, as well as daily sales and receipts figures, plus intelligence about their business, such as peak sales times, average ticket, frequent buyers, among others.

"Ton Income" (Renda Ton) provides benefits and incentives that vary depending on the level of the advisor on the pathway, with the number of referrals made in one month determining the level for the next month. Throughout the journey, our partners have

access to disclosure materials and referral manuals. Additionally, the education platform, available to Renda Ton partners, offers in-depth contents on sales and **financial education** strategies. This is yet another way to make a difference found through Ton, a product from the Stone Co. group that came about to be the best **partner to Brazilian freelance professionals** and continuously seek innovations.

Now we are taking one more step as part of our commitment to support and empower Brazilian micro-entrepreneurs. The **"Got Ton, got it all"** campaign reinforces some of our main brand messages, such as offering our clients the most varied of options to receive payments, control their funds and boost the growth of their business.



We firmly believe these principles to be fundamental to guiding people towards making more educated and assertive decisions on their finances.

In this scenario, we see an opportunity to make a difference in the lives of Brazilian entrepreneurs, which is why our Company was born with the mission of transforming the way in which retailers use financial products and management software to grow their business, improve their productivity and sell more, both out of brick-and-mortar stores and online.

We also offer business owners a comprehensive range of products that assist with financial and operational management tasks, such as **personal and family budget planning, building savings and financial resilience, and preventing defaults in transactions and over-indebtedness**. All that while featuring a new service standard, combining cutting-edge technology with a humanized, close-contact service.



Financial management:

- "X-Ray" (or Raio X) app
- Reserva Stone



Advice on use of funds:

- Renda Extra & Ton Renda: Training pathway
- Instituto Propague channel



Instituto Propague

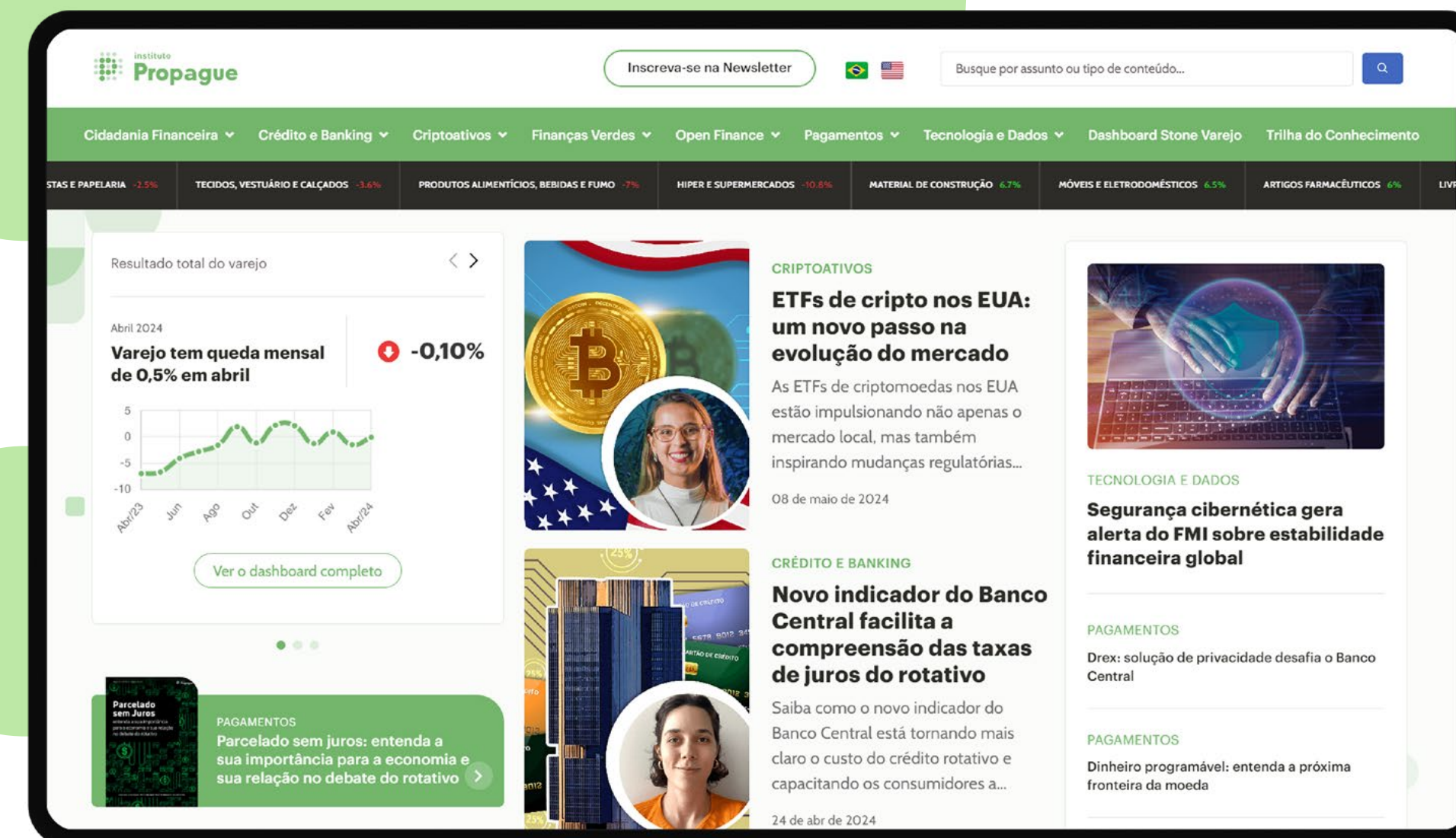
We support Instituto Propague, which was born in 2019 as a hub for knowledge of the financial system, with the goal of connecting experts and interested agents to encourage the study and disseminate the discussion of knowledge in a simpler, more accessible way. Every month, the institute launches several pieces of content related to financial citizenship, credit and banking, crypto assets, green finance, open finance, payments and data technology, such as videos, articles, research papers and events.

In 2023, the work done by Propague stood on 3 pillars: information, education, and innovation. On the information front, it seeks to be at the frontier of discussions by producing research and promoting interactions with experts and interested agents. On the education front, it develops our clients by offering the best of contents on the financial system. And on the innovation front, it brings up-to-date information about the financial system in a simple and educational manner.

Propague published several products in 2023, such as the White Papers, the Propague Letters, the “In Data” reports, Giro Varejo, and “Stone Retail,” the latter three in partnership with Stone Co.

The “In Data” products are reports periodically published on the Propague website containing industry analyses conducted in partnership with the Stone’s Economic Research team. “The Payment Market in Data” is a quarterly publication, whereas “The Credit Market in Data” is published every six months.

As part of a partnership between Linx and Instituto Propague, we published in 2023 the first issue of Giro Verde, a report where we provide insights into market and consumer behavior trends, while highlighting commemorative dates.



11 issues of the “Stone Retail Economic Activity Index” were also published on the Propague website in 2023, providing important information on the industry on a monthly basis. The product aims to convey a comprehensive view of the retail market in Brazil and help entrepreneurs understand the domestic market, including industry-specific movements and fluctuations in examined segments.

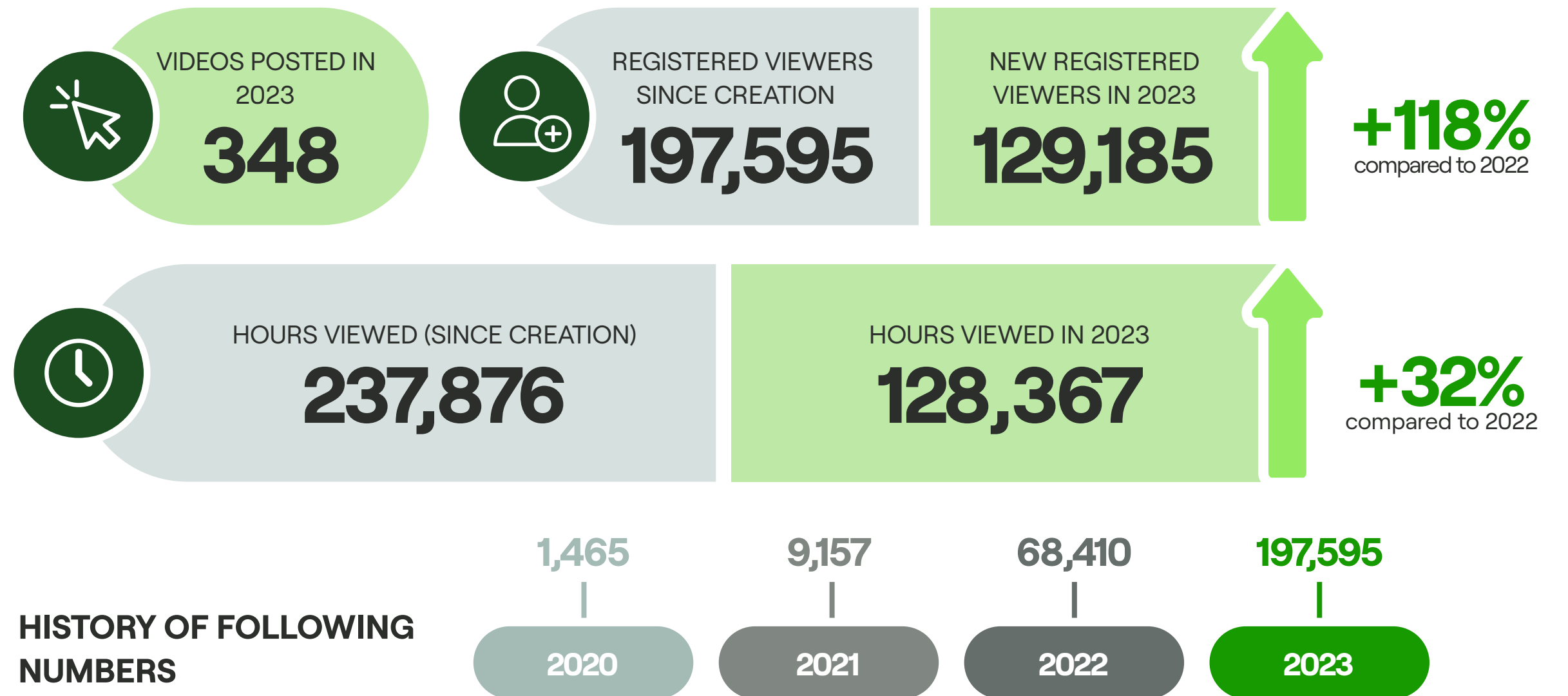
The index report provides monthly data on retail activities, as well as indicators by region and by segment. In the past few issues, it began to report on the evolution of a study that includes the amount of sales for payment by Pix and vouchers among the means of payment considered in the monthly indicator. In addition, since the 2nd issue of the report, a dashboard has been available on the website combining all of the data to assist researchers and students in analyzing and comparing different regions and segments, providing easy access and valuable insights.

Over the course of 2023, Instituto Propague reached many people who take an interest on the topics addressed, helping to promote financial education for various audiences. To accomplish that, they have been broadcasting on YouTube, the Propague website, and other social networks.

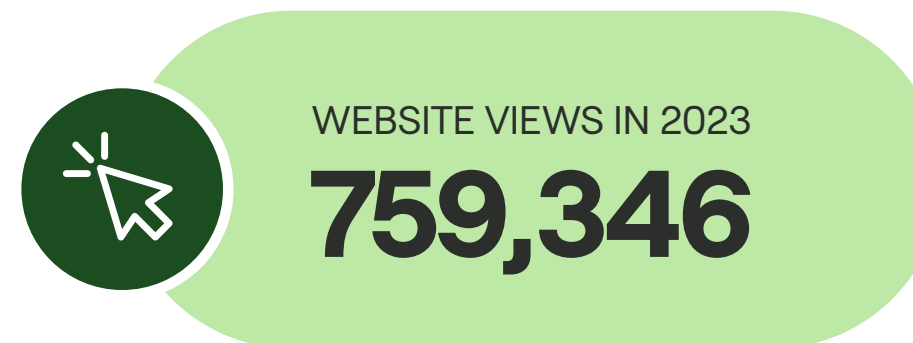
[VIEW DASHBOARD](#)

Having reached nearly 200,000 registered viewers in 2023, the Propague channel on YouTube meets one of the 4 requirements of Announcement 34,201 from the Central Bank, which sets out principles for the promotion of financial education by financial institutions and other institutions authorized to operate by the Central Bank of Brazil (BCB).

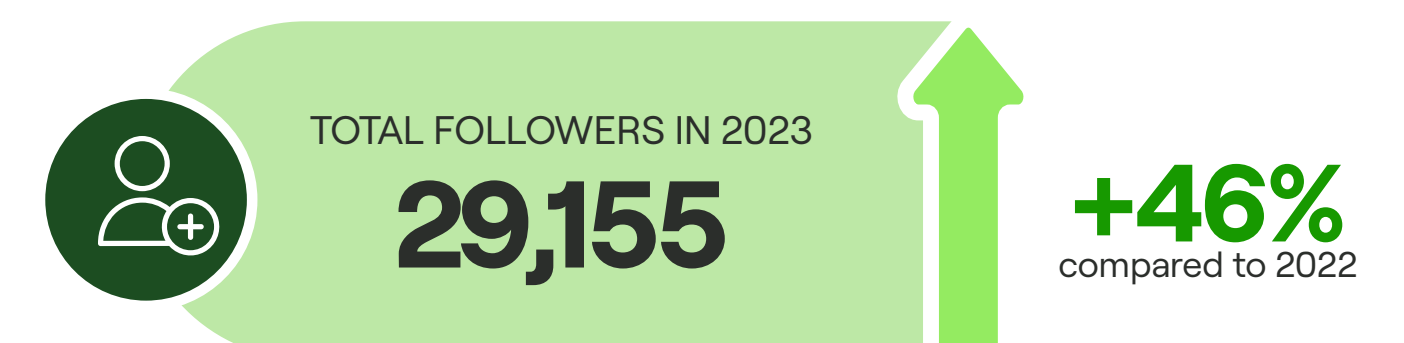
Youtube



Website



Social Media



Turning potential into power





The Stone Team

[GRI 404-2; 405-1; 405-2]

Here at Stone, we are a team of **protagonists** who seek, through hard work, to improve the lives of entrepreneurs. We know that the client is the reason we exist and that we should deliver our services with a smile on our face, or a smiley voice, and that is the Stone way.

Our culture pervades the Company, and **we live our purpose every day**, valuing the journey and the collaborative work that is so important for us to achieve our results. At Stone Co., the people are at the center, whether they're employees, partners or clients.

You probably can already tell from the language and contents of this report that we are not an ordinary Company. Our people don't just use technical and corporate speak. We prize our freedom to talk and act in a unique way.

For all of that to happen, it's very important that our employees be well received and learn the way we are from the outset, which is why everybody **goes through the boarding process and takes training on the Studa platform** (on which we will elaborate under "Transformative Education"). In addition, we invest in training and capacity-building so our team develop and also realize their dreams.

We are always evolving in our relationship with our people, and we are currently focused on building and launching a People Web Portal, on which career pathways within the Company will be posted. We now have 73% of our team leveled out by career pathways, and we have a 90% target for 2024.

Today, our team comprises 15,459 employees¹, 59.9% of whom are men, and 40.1% women. In 2023, we saw our team grow due to an increase in the sales force for SMB (Small and Midsize Businesses) and in the back-office staff, as the Risk team were set up.

We comply with the Brazilian Labor Code (CLT), and 100% of our employees are covered by collective bargaining and/or union agreements. [\[GRI 2-30\]](#)

1 - The total number of employees reported here corresponds to all of Stone Co's subsidiary companies of Stone Co, and does not include associated companies (in which Stone does not have a majority stake). For this reason the number differs from that reported in our 20-F report.

Employees by gender and region <small>[GRI 2-7]</small>	2022			2023		
	Female	Male	Total by region	Female	Male	Total by region
North	70	171	241	74	171	245
Northeast	458	950	1,408	447	1,057	1,504
Midwest	146	343	489	182	403	585
Southeast	4,504	5,985	10,489	4,630	6,041	10,671
South	759	1,413	2,172	871	1,583	2,454
Total by gender	5,937	8,862	14,799	6,204	9,255	15,459

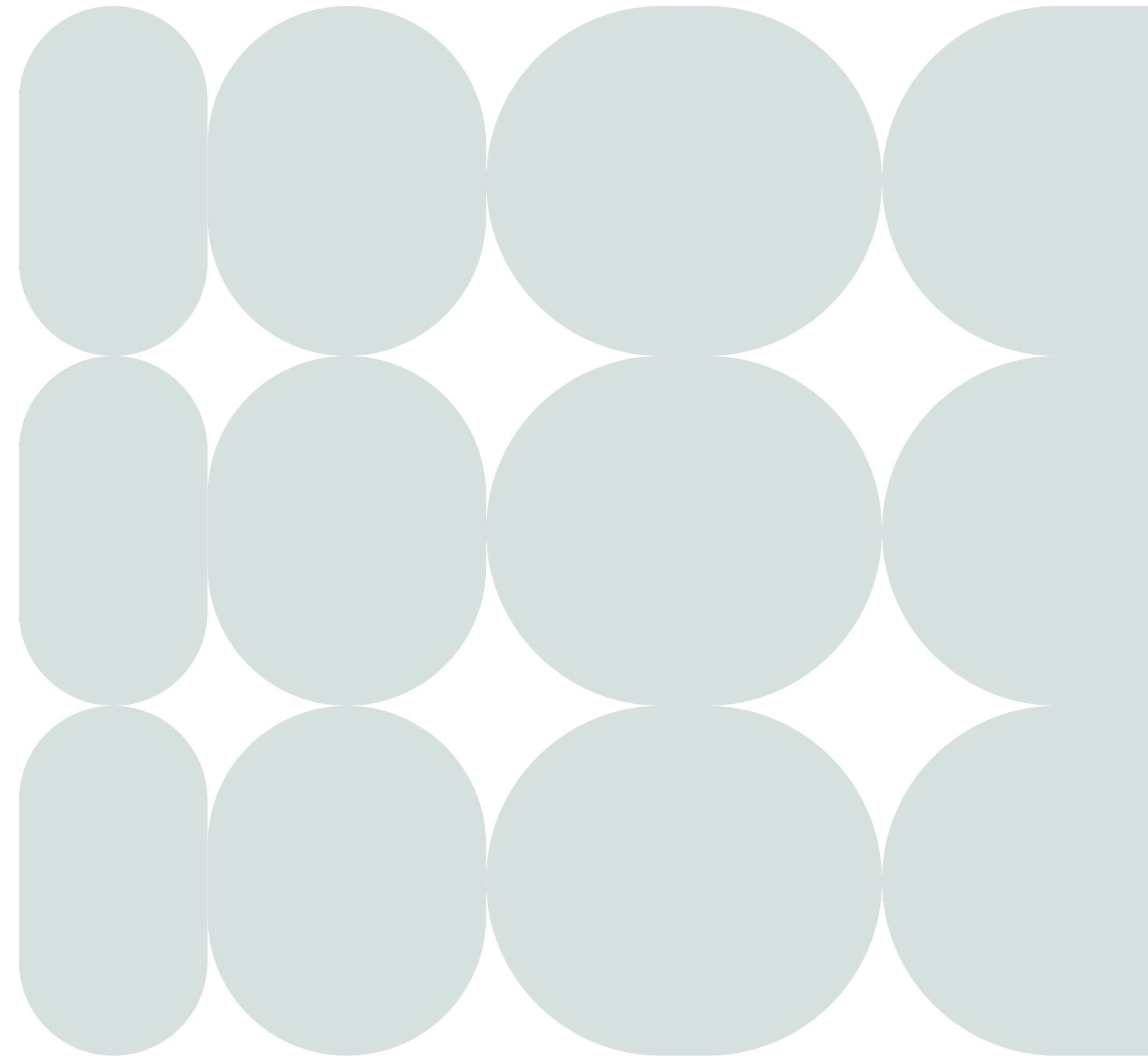
Colaboradores por tipo de contrato, gênero e região <small>[GRI 2-7]</small>	2023			
	Employees		Part-time*	
	Female	Male	Female	Male
North	72	170	2	1
Northeast	446	1,056	1	1
Midwest	181	403	1	-
Southeast	4,517	5,966	113	75
South	864	1,575	7	8
Total	15,250		209	

*Among the temporary employees, 137 are apprentices, 57 are trainees and 15 are contracted by the CLT for a fixed term.

**Permanent employees are full-time and temporary employees are part-time.

Diversity in employees [GRI 405-1] / SASB TC-SI-330a.3	2022				2023			
	Men	%	Women	%	Men	%	Women	%
Officers and Heads	63	90.0%	7	10.0%	62	84,9%	11	15.1%
Management	282	73.6%	101	26.4%	256	72.9%	95	27.1%
Coordination*	1,402	73.4%	509	26.6%	1,469	72.9%	545	27.1%
Analysts	3,358	64.9%	1,809	35.0%	2,114	63.5%	1,212	36.4%
Operational	3,757	51.7%	3,511	48.3%	5,354	55.2%	4,341	44.8%
Total	8,862	59,8 %	5,937	40,1%	9,255	59,8%	6,204	40,1%

*For 2023, we considered 'coordination' as 'coordination + experts' due to an internal recategorization. [\[GRI 2-4\]](#)



Third-party employees

In addition to our own employees, our team is reinforced by 3,303 third-party employees, who complement our teams and provide support on various fronts at Stone Co.

Those professionals work on facilities maintenance, technology, client relations and sales, assisting in specific projects and supporting the team with day-to-day routines. In logistics, they are responsible for services like installs, machine replacements and disconnections, and delivering supplies like paper rolls. The contribution made by these third-party employees is key to the efficiency and success of our operations.

Total workers not employed by gender* [GRI 2-8]	2023	
	Per gender	%
Male	3,015	91.3%
Female	288	8.7%
Total	3,303	100%



*The data presented was not available in the previous reporting period.

*The data presented is the total number of contractors at the end of the reporting period and does not include the Customer Relationship area due to the unavailability of this information.

Performance assessment, compensation and engagement

[GRI 3-3] Attracting, developing and retaining employees; 404-3

We believe in the intrinsic relationship between evaluating, valuing, and developing, pillars that sustain our performance evaluation model.

We value not only the results but also how they are achieved. Our goal is to ensure alignment with organizational goals, providing a fair and meritocratic evaluation that facilitates decision-making and helps our employees reach their maximum potential.

Our model adopts a continuous approach throughout the year, with an annual cycle that includes quarterly checkpoints, semiannual leadership evaluations, and an annual 360° evaluation. We encourage recurring feedback and the creation of Individual Development Plans (IDPs) to provide effective and personalized follow-up.

Periodically, we hold People meetings to discuss the next professional steps for our leaders, talents, and critical positions. This ensures continuous dialogue about business continuity and the best configuration to achieve our strategic objectives.



Percentage of employees who received performance and career development evaluations by gender* [GRI 404-3]	2022	2023
	%	%
Male	96.0%	99.0%
Female	95.6%	98.9%
Total	96.3%	99.0%

Percentage of employees who received performance and career development evaluations by gender* [GRI 404-3]	2022	2023
	%	%
Officers and Heads	88.6%	98.8%
Management	94.0%	97.3%
Coordination**	93.5%	98.4%
Experts	96.7%	-
Analysts	91.4%	99.3%
Operational	98.7%	99.0%
Total	96.3%	99.0%

*People ineligible for the performance appraisal process (those hired in the last 3 months of 2023 and on sick leave or accident at work) were excluded from the calculation base.

**In 2023, we consider 'coordination' as 'coordination + specialists', due to the reclassification of the categories internally. [GRI 2-4]





Compensation

Our compensation thesis aims to stimulate performance and enhance our attractiveness, thereby contributing to the competitiveness and prosperity of the Company. To determine monthly compensation, our plan considers the responsibility and readiness for challenges. In addition to these factors, total compensation may include Profit Sharing (PLR), bonuses, and awards depending on individual, team, and Company performance during the period. This approach ensures our collective results and maintains our culture where intelligence, energy, and integrity are fundamental pillars. [\[GRI 2-19; 2-20\]](#)

Hiring and Engagement

[GRI 3-3] Attracting, developing and retaining employees

To check how our people are doing and monitor their careers, we carry out a climate survey that measures employee satisfaction in 12 dimensions, including the career dimension. Based on the results, we define improvement plans to accompany and promote continuous development.

Our relationship with our people is thought out to increase engagement, and we have succeeded in doing that. The base initiatives in people management carried out by the core members of the People team and the direct actions of business partners, who aligned the People team with our strategies, were fundamental. They addressed each business unit's specific challenges and, coupled with the Company's targets process, allowed for greater governance and control over our indicators.

The fall in our turnover rate to 27.1% for 2023, compared to 38.6% for 2022, is a testament to the efforts put into improving our working conditions. This advancement shows we are becoming an employer brand.

In addition, 2023 had a total 13% of all job vacancies filled by internal promotions, amounting to 363 job changes, which demonstrate our commitment to value our team.



Total number and rate of new hires [GRI 401-1; 405-1]	2022		2023	
	Number	Rate**	Number	Rate*
By gender				
Male	3,209	36.0%	2,660	28.7%
Female	2,088	35.0%	1,943	31.3%
By region				
North	114	47.0%	102	41.6%
Northeast	666	47.0%	449	29.9%
Midwest	232	47.0%	220	37.6%
Southeast	3,532	33.0%	3,086	28.9%
South	753	35.0%	746	30.4%
By age group				
Under 30 years old	3,015	41.0%	2,525	35.2%
30 to 50 years old	2,211	31.0%	2,015	25.3%
Older than 50	71	22.0%	63	19.8%
Total	5,297	36.0%	4,603	29.8%

**Number of Hires / Total Number of Employees.

Total number and rate of terminations [GRI 401-1]	2022		2023	
	Number	Rate**	Number	Rate*
By gender				
Male	3,490	39.0%	2,388	25.8%
Female	2,407	40.0%	1,809	29.2%
By region				
North	138	57.0%	78	31.8%
Northeast	520	37.0%	402	26.7%
Midwest	245	50.0%	157	26.8%
Southeast	4,128	39.0%	2,911	27.3%
South	841	39.0%	649	26.4%
By age group				
Under 30 years old	2,917	40.0%	2,065	28.8%
30 to 50 years old	2,819	40.0%	2,053	25.8%
Older than 50	136	42.0%	79	24.8%
Total	5,897	38.6%	4,197	27.1%

*Number of Terminations / Total Number of Employees.

Total turnover rate	2022*	2023
Total turnover rate	38.6%	27.1%
Voluntary turnover rate	19.5%	12.1%

*The 2022 rate has been reviewed and adjusted. [GRI 2-4]

Attracting the best talents

To take care of our people, we have attraction and development strategies. At Stone Co., we take pride in attracting people with great potential, and have various programs in place seeking to attract the best people. We are always looking for innovative and entrepreneurial people to work with us. In December 2023, our eNPS (Employee Net Promoter Score) of 59, placing us in the quality zone. [SASB TC-SI-330a.2](#)

To search for and attract those talents, we have programs in place aimed at finding people like us:



Stone Recruit

Stone Recruit is our main cultural ritual, an initiative that has existed since 2014 and has become one of the most significant events for us. In this program, we aim to share our purpose and values, identifying individuals aligned with our mission to support entrepreneurs in Brazil. Moreover, over 300 employees dedicate themselves to recognizing the potential of each candidate. Over the years, we've had over 500,000 registrations to participate in this process. To date, we've hired 4,500 talents through this initiative, including Recruits and other candidates who have gone through the process. In 2023, we held the 17th edition of Recruit, which had 13,000 registrations.

Summer Stone International

We hire Brazilian students who are going to prestigious foreign universities for three-month internships during the summer break.

Talent Acquisition

Our leadership actively participates in the recruitment and selection process, focusing on attracting the best talents aligned with our culture. For the hired talents, we monitor engagement metrics, leadership quality indicators, and satisfaction with the experience as part of the Stone Co. Throughout the year 2023, we had over 1 million applicants in our overall selection processes.

Internal Recruitment

We make job openings and selection processes at the Company an opportunity for the people to try and take new challenges inside. We've had almost 4,000 applicants and 363 people changing jobs internally through our program since its creation.

Young Apprentices Program

We look for youths aged 16 to 22 who either are going to or have graduated from high school. We invest in training and retention from onboarding to the end to the end of the program, reaching an NPS of 82 in the program and 84% high and medium performance in our performance assessment cycle.

Education as a transformation leverage

[GRI 404-2]

We are an innovative, ever-evolving Company, and we believe that so should our people. To that end, we provide various opportunities for our employees to be always studying and developing.

Our education process begins as early as onboarding, where we share knowledge with our new people. Over the three-day program, they gain in-depth knowledge of our history, who our clients are, our strategy, and our ambitions for the future, and we take that opportunity to share our values with those arriving. The aim is to help our new employees get over the initial learning curve. For technical jobs, we provide an immersive experience involving more specific learning so our new hires are able to do their new job.

Our **onboarding process consists of three stages: Welcome, Operations Onboarding, and Team-Specific Onboarding**. The Welcome stage is experienced by all the people joining the Company and covers mainly the history and culture of Stone. Thereupon, we go into Operations Onboarding, for which we narrow down the contents and direct learning to the dynamics of the Company's operations teams: Client Relations, Sales, and Logistics.

After that process, we have certain initiatives set up so our employees carry on with their studies. For our operations teams, we have continuous development initiatives extending throughout the career pathways. These initiatives can be utilized through our online pathways, as well as live-streamed workshops, so employees can develop their job skills.



For our back-office and technology teams, development initiatives take place through educational policies that enable employees to take short-length courses to improve the skills expected for their jobs.

In addition, all of our people have access to Studa, our free-access educational digital platform that provides mandatory and technical training in the business, management, leadership, interpersonal skills and strategy, among other topics. Courses can be organized into pathways and customized, according to the interests of each user. At Linx, we've had the corporate university Linx Academy at work since 2019. Consisting of centers for specialized knowledge of all lines of retail, it is staffed with professional educators tracking each of the Company's business units, offering personalized development plans and preparing high-performance professionals to help tackle the challenges facing retailers.

Linx Academy was organized into 14 categories with 3 levels. We follow the education 4.0 model, based on education for adults that values their autonomy, making students the lead player in their own learning and providing solutions that combine technology and learning.

We have the Stone Co. Library, a space with books that contribute to the daily journey of learning from short-format video lessons.

Average hours of development course taken by the organization's employees by gender [GRI 404-1]

2023

average hours

Men **32.2**

Women **30.4**

Total **31,5**

Average hours of development course taken by the organization's employees by job category [GRI 404-1]

2023

average hours

Officers and Heads **27.1**

Management **31.8**

Coordination* **16.7**

Analysts **62.2**

Operational **24.1**

Total **31.5**

* For 2023, we considered 'coordination' as 'coordination + experts' due to an internal recategorization. [GRI 2-4]

Leadership training programs

[GRI 404-2]

In the course of 2023, we implemented leadership development initiatives through an academy, which is integrated with career initiatives. The basis on which the academy was built was the definition of three profiles that follow the “leadership pipeline” concept. From that framework, two development initiatives were put together with specific strategies for those profiles. For a fair process, and one that looks like us, who fits in which profile is determined by position, in line with the Career Pathways. For each profile, a scope of responsibilities has been specified and a description of skills is provided based on six leadership skills.

Among the training programs, we can mention, for example: the Lab.Líder is a Leadership Development Program designed in partnership, focusing on the core principles of People Management. The initiative aims to develop leaders from operational teams who have recently been promoted to their roles and are facing the challenge of their first leadership position, empowering them to become inspiring leaders for their teams. Throughout 2023, more than 100 new leaders participated in the program.

In addition, other leaders participated in the 'Corporate Finance' initiative, which addressed the topic of Corporate Finance in partnership with Harvard Business School, involving over 80 leaders.



Lab.Líder

Audiences	NPS	People impacted	Certified
Hub, Logistics, Inside Sales	87	113 leaders (hub owners, board leaders, LMP, etc.)	64 (68%)

Corporate Finance

Audiences	NPS	People impacted	Certified
Stone Co. Leadership	83	94	59 (63%)

Diversity: Our green is for people of all colors

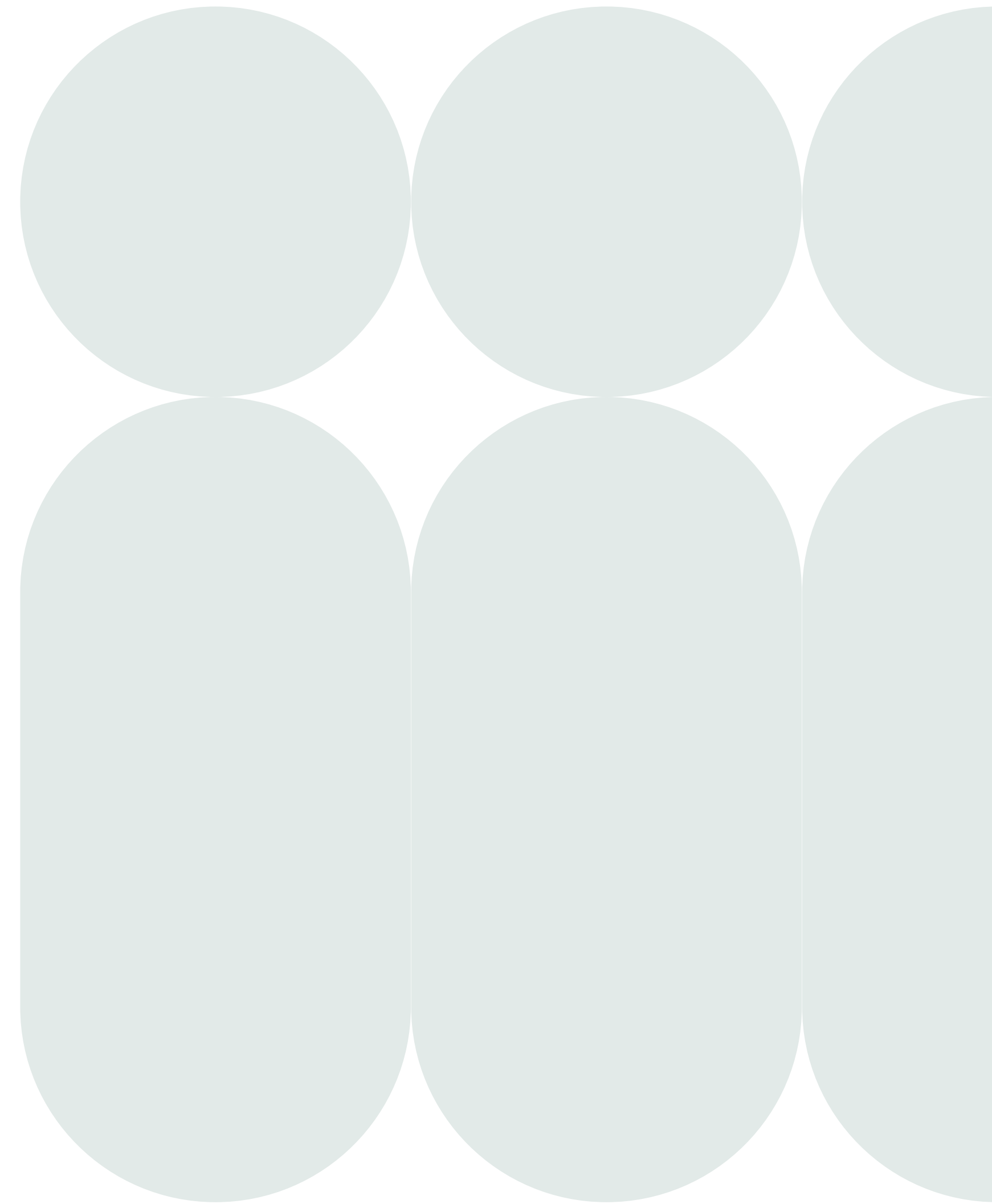
[GRI 3-3] Material topics: Diversity, inclusion and equity

Here at Stone Co., we seek to build a free environment where differences are valued. We always stress the importance of “being who you are.” It’s in our very essence. Through respect for all of those making up our team, we bring together individuals with different perspectives and backgrounds because we believe that to be essential to finding the best solutions.

Respecting diversity is part of our culture. So is treating others with respect, care and empathy. Whether they are a client or a friend from work. We welcome the diversity that is inherent in a Company of our size, with a presence in a third of all municipalities in Brazil.

We look for talents no matter their color, gender, religion, origin, physical ability, socioeconomic context or sexual orientation. But we know certain groups of people have their access denied or hindered precisely because they are who they are, and that’s why...

... in 2023 we created the Culture & Diversity team, whose goal is to enhance the Company’s performance in this regard.



That team started out by doing the strategic planning for their department, which involved focus groups and more than 120 internal interviews.

We also expanded our actions towards having an even more diverse and inclusive environment and, to that end, we continue applying an actions agenda for a culture of diversity and inclusion.

Still in 2023, we made preparations to conduct our first Stone Co. census, which launched in January 2024 to map our demographics and inclusive culture. It's based on its results that we are devising actions for each of our audiences.

We are always on the lookout to prevent discriminatory acts inside Stone Co. During the year, we recorded 57 discrimination complaints, which were investigated by the Integrity team and resulted in 33 complaints validated, and 10 partially validated. All complaints were concluded throughout the year, with the application of appropriate disciplinary measures and the development of specific action plans to prevent recurrence of these cases. [\[GRI 406-1\]](#)

Considering the size of our operations, we believe that the number of cases submitted primarily reflects the Company's encouragement of our employees to turn to the channels available to report any situations they may have experienced or witnessed inside the Company. Our goal is to foster a trust and openness environment where everyone feels comfortable sharing their concerns.



Preparing our team

In 2023, we carried on with our diversity and inclusion training for our ecosystem, attended by more than 347 leaders who were taught about history, unconscious biases and inclusive leadership. They were also taught by the leadership about technology, people, recruiters and BPs. In addition, we provided, in partnership with external consultancy Div.A, the **Flying Women** mentorship program and adapted our selection process to make more inclusive.



Affinity Groups

At Linx, for 2023, we had our Affinity Groups continue to play their role as safe spaces for deeper discussions about diversity and inclusion.

Diversity and inclusion highlights:



Out of all the employees we hired in 2023, 30.4% were women.



We provided training in coding to people with disabilities in partnership with Gama Academy.



We made spaces and tools accessible according to the needs of our employees with disabilities, and we created affirmative parking spaces for people with disabilities.



We offer financial aid for medical appointments and medications to parents of children with disabilities.



We participate in the Citizen Company Program, providing six months' maternal leave and 20 days' paternal leave, including one-parent couples. We also provide care packages to parents when a new baby is born.



We publicize and reinforce LGBTI+ and Ethnic-Racial good practice guides and we also launched the Guide to Inclusion of People with Disabilities for all areas of the Company.

Communication actions:

We understand our responsibility as a Company for raising awareness and educating our people in diversity issues, which is why, on commemorative dates, we launched the Women's Day, LGBTQIAPN+ Pride and Black Awareness campaigns, and, for the first time this year, we observed the International Day of People with Disabilities and issued our position statement on the women's World Cup.

Our actions revolved around the campaign motto: Being Stone Co. is being yourself.

Benefits for our people

[GRI 401-2]

Here at Stone, we always keep an eye on the quality of life of our people. With this in mind, we offer all employees, including trainees, apprentices and fixed-term employees, the possibility of putting together their benefits package according to their needs or preferences. That way, they have much more autonomy and flexibility to use services that make a difference in their day-to-day lives. Every employee is entitled to a certain amount of points, which they can apportion among the items on a benefits menu, in a half-yearly process that we call "Election." In practice, people can use part of their points that would be allocated to food products to pay for a gym membership, top a multi-benefit card or invest in their next trip, for example.



Our benefit options:

- **LIFE INSURANCE:** Insurance for 24 times the insured's fixed salary, plus funeral aid.
- **HEALTH PLAN AND PHARMACY:** Health plan with employee co-payment and partnership with a pharmacy.
- **FOOD/MEALS:** Meal voucher and food voucher cards.
- **NANNY OR DAYCARE AID:** Aid for employees with children up to 6 years old.
- **REMOTE WORK AID:** Employees working from home get a monthly aid.
- **EXTENDED PARENTAL LEAVE:** Citizen Company Program, 6 months' maternity leave and 20 days' paternity leave, including one-parent couples, and care packages for the parents.
- **PHYSICAL WELL-BEING PROGRAM:** Plans with gyms, mindfulness aids, and nutritional support.
- **DECOMPRESSION AREAS:** We have spaces for resting, getting a massage and decompressing in some of our units.



- **SET-UP AID:** It helps employees hired for remote work set up their workstations.
- **HEALTH:** Online hospital services with various specialties.
- **TRAVEL:** Travel benefit with accommodation options in Brazil and abroad for employees and their families.
- **CARE:** A telephone line available 24x7 and ready to provide guidance and support with psychological, social, legal and financial issues, as well as problems with pensions or pets.
- **PET:** Exclusive health plans for our dogs and cats.
- **MULTI-BENEFIT CARD:** A branded card that can be used to pay health care, education, mobility and cultural expenses.

Occupational health & safety

[GRI 3-3] Employee Safety, Health and Well-being, [GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9]

Our concern with the quality of life of our people doesn't end with the benefits we offer. We need to look after our employees' health and safety at work. To that end, we strive to ensure everybody has a safe and welcoming environment so they can work and develop.

Through the Studa platform, we provide videos featuring experts on how to have a healthy routine, and we have a weekly talk at our operating units on safety in their activities. In cases of accidents or incidents, actions are taken to keep them down in numbers, and we provide mandatory training based on regulatory standards (NR-16) that teach our employees how to identify dangerous situations and assess risks. Additionally, there are actions discussed through the Internal Committee for Accident Prevention (CIPA).

In our logistics operation, we have developed a comprehensive safety program designed for our Green Angels, prioritizing the protection of their physical integrity as they ride daily on streets and highways right across Brazil to serve our clients. This program covers everything from making available a fleet of vehicles and personal protective equipment (PPE), to offering specialized defensive driving training during the onboarding process, to providing refresher training sessions for those having committed traffic violations. In addition, we carry out recognition campaigns to put the spotlight on those who stand out as role models in safe and responsible conduct.



We have important programs in place to promote the health and well-being of our employees. Our programs, such as “Health Medical Control” (PCMSO) and the Risk Management Program (PGR) for our activities, occupational ergonomics analyses, occupational examinations and evaluations, adhere to formal agreements with unions. Training in occupational safety, as well as specific examination requirements, are determined according to the occupational risks of the activities in question. In general, the jobs done at Stone Co. don’t require specific training in this regard, and there are ambulatory care units for employees at our workplaces.

Our company ensures the quality and accessibility of healthcare services for our employees through a range of comprehensive initiatives. We provide health insurance plans that cover consultations, tests, and high-quality treatments, and promote wellness and occupational health programs, such as regular check-ups, vaccination campaigns, and educational seminars. We offer an online scheduling system and telemedicine services to facilitate access to doctors and specialists without the need for travel, and we have established partnerships with renowned clinics and hospitals to ensure prompt and efficient care.

To promote the health of our people, Stone has a system available to employees through which they can get digital hospital care, covering various medical specialties and conducting mental, dietary and other health actions. The campaign entitled “Stone in the Green” was designed to promote health in various ways among the teams working at our brick-and-mortar offices. For Linx employees, in addition to medical and health services, we carry out various actions with focus on health and well-being. In both cases, our employees’ information is kept confidential, as required by the General Personal Data Protection Law (LGPD). These actions reflect our commitment to caring for the health and well-being of our employees, ensuring that they have access to the best health services available.

Our occupational health and safety management actions comply with applicable standards (PGR - NR01 and PCMSO - NR07) and follow best management practices. These actions cover all Company operations and direct employees. However, currently, our outsourced employees are not included in the occupational health and safety management system, as centralized management for these workers has not yet been implemented.

Workers covered by an occupational health and safety management system [GRI 403-8]

	2022	2023
Total number of individuals	14,799	15,459
Individuals covered by an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines	14,799	15,459
Individuals covered by an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines that was internally and externally audited	14,799	15,459
Percentage	100%	100%

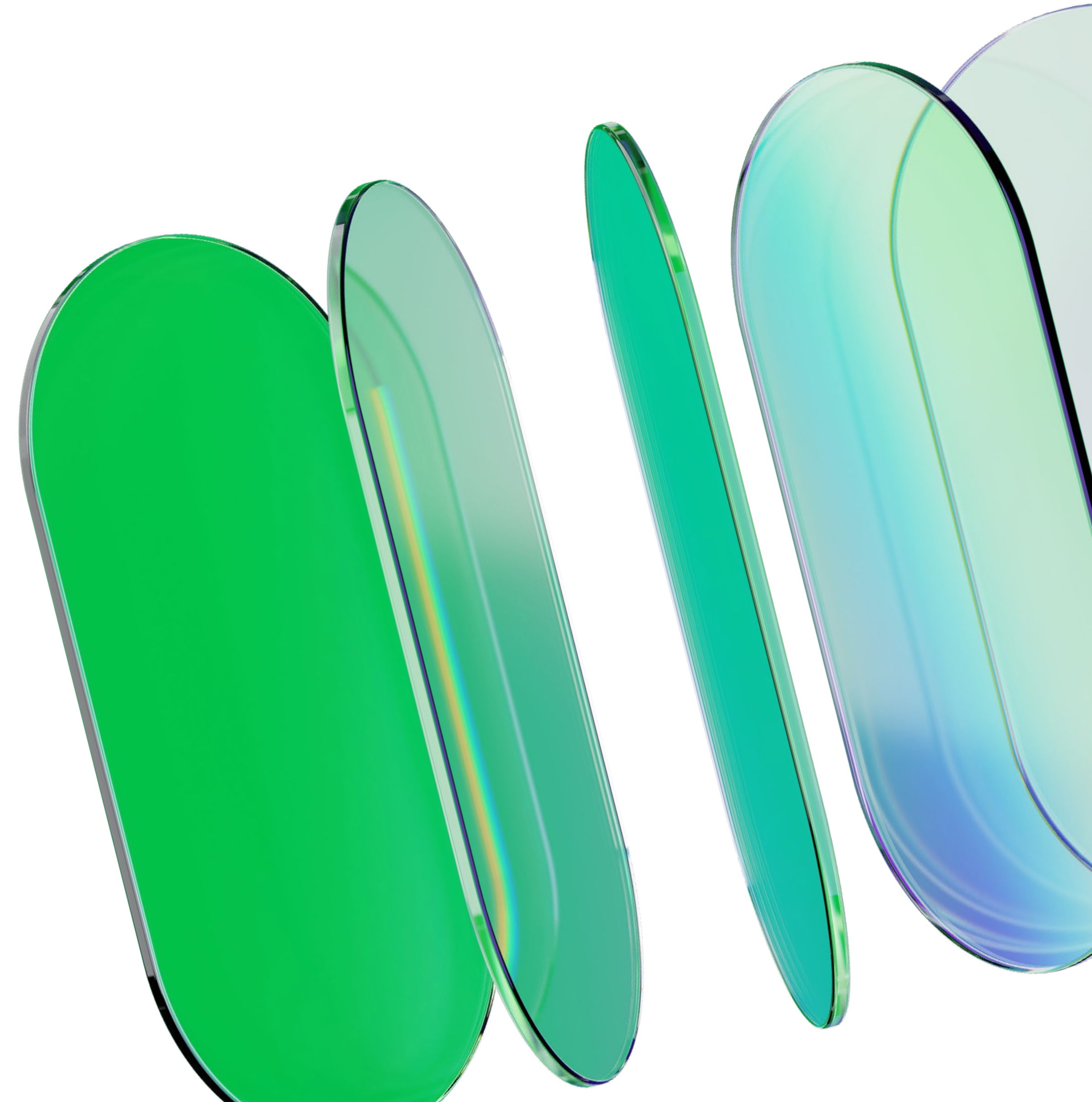
Work accidents for all employees [GRI 403-9]

	2022*	2023
	Number	Number
Deaths resulting from work accidents	0	0
Work accidents with serious consequences (except death)	13	13
Reportable work accidents	156	130**
Main types of work accident	"Typical accidents; collision, distension, falls or sprains"	"Typical accidents; collision, distension, falls or sprains"

*The total number of accidents for 2022 has been revised and adjusted according to the conclusion of the cases [GRI 2-4]. In the total number of accidents for 2023, one case is being considered which is under analysis by the labor law department.

**One of the accidents that occurred in 2023 was notified in 2024 and is still being analyzed by the labor department.

Caring for the environment



Our responsibility is to mitigate climate risks

Climate change represents one of the biggest global challenges, directly affecting all sectors of the economy and people's lives.

We believe that, for small and medium-sized entrepreneurs, understanding and adapting for climate change is of paramount importance not only to the sustainability of their business, but also to the resilience of the communities in which they operate. By adopting sustainable practices, those entrepreneurs not only protect their business, but also contribute to the resilience and well-being of those communities. For this reason, we carried out the Clean Energy Subscription Program aimed at mitigating environmental impacts and fostering a more balanced socioeconomic development.

That way, we are contributing not only to the environment, but also to the social and economic empowerment of communities. Together, we can build a greener, more resilient and prosperous future for all.

As part of our commitment to transparency and the assessment of our impacts, for this report, we have adhered to the recommendations from the **Task Force on Climate-related Financial Disclosures (TCFD)**, an international initiative that provides guidance on the disclosure and analysis of risks and opportunities associated with climate issues. Additionally, we answered the questionnaire of the **Carbon Disclosure Project (CDP)**, contributing to increasing transparency and responsibility towards our climate initiatives and management.

Clean Energy Subscription Project

This project connects electricity generation companies with our entrepreneurs in order to facilitate their access to clean energy, as they increase their use of renewable energy and reduce costs for their customers.

Clean Energy Subscription emerged from our concern about the use of electricity and its impacts on the planet. In addition, we found an opportunity to help entrepreneurs cut down their energy costs. We know that electricity currently has an up to 20% impact on the costs of businesses and that, by reducing those costs, we are aligning ourselves with our purpose of supporting entrepreneurs.

The subscription is done via **Stone App**, and upon registration, consumers start earning credits that are offset on their electric bills.



Stone App: Our complete application to support clients throughout their entrepreneurial journey.

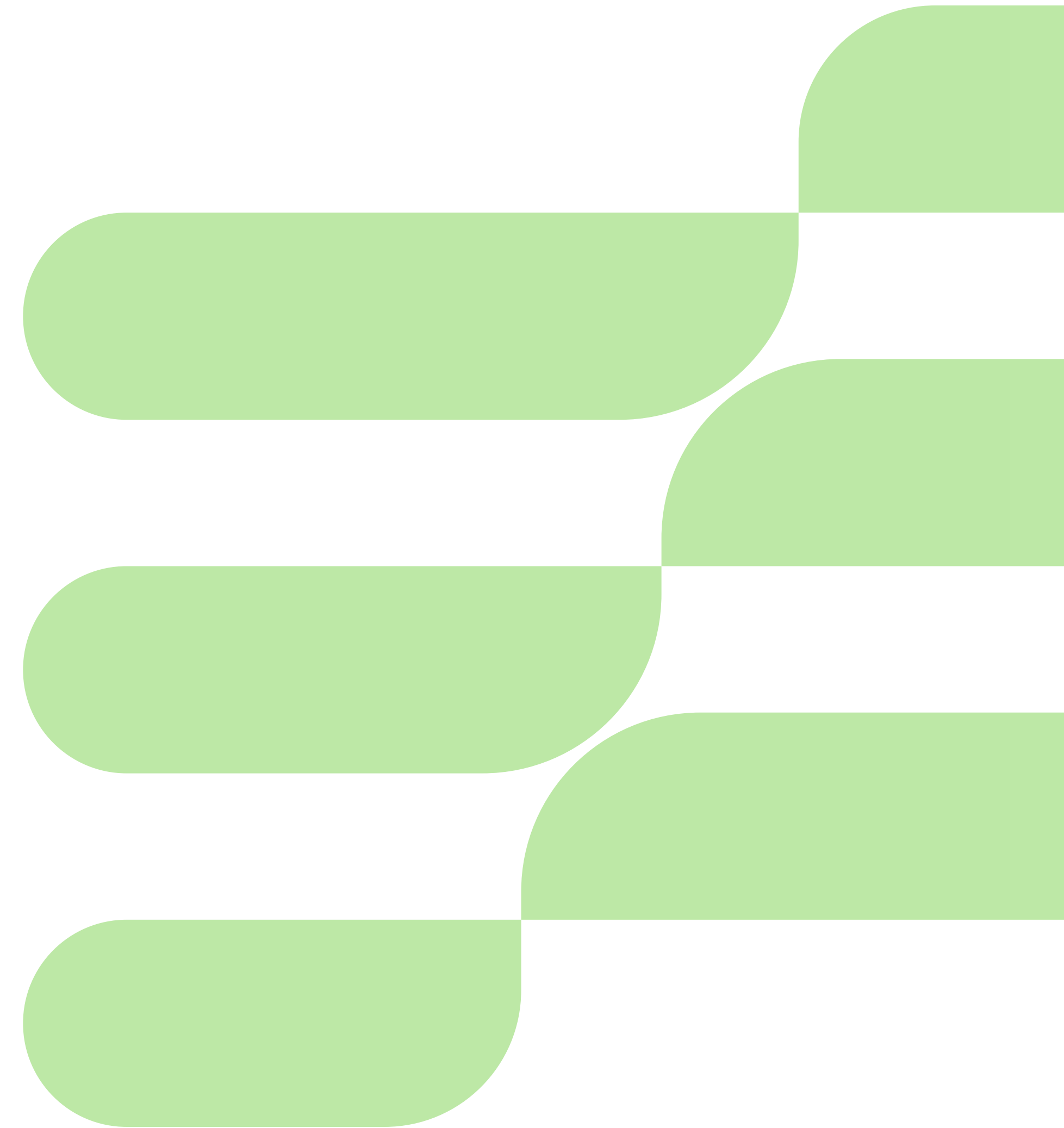
Climate Strategy

We acknowledge the existence and importance of the climate risk and seek to integrate it into the other risks managed by the Company.

In 2023, we drafted and publicized our [Social, Environmental and Climate Responsibility Policy \(PRSAC\)](#), marking the first step in our process of assessing climate change risks to our business. This policy was conceived to guide the management of social, environmental and climate risks and aligned with the interests of our stakeholders, making for value creation and ensuring compliance with legal and regulatory requirements. To ensure our adherence to our Social, Environmental and Climate Risk Policy, the Operational Risks team and the Sustainability team play a critical role in identifying, assessing and measuring climate risks.

Due to the nature of our activities, the Company is primarily affected by physical risks and indirect transition risk, through the impacts of those risks on our clients. In this context, the Company seeks to develop its capabilities to identify, assess, measure, monitor, report and mitigate any potential effects of social, environmental and climate risks associated with our products, services, activities and priority processes, following the principles of relevance and proportionality. The Company's current view is that its business model and principal products should not be significantly affected by the transition to a low-carbon economy. However, climate issues can increase uncertainty in the estimates and assumptions used in our financial statements. While climate risks may not have a significant impact at this time, the Company is closely monitoring relevant changes and developments, such as new, climate-related laws.

Financial assets can be indirectly affected by climate-related issues, particularly loans and credit cards. The cash flows of clients dealing with climate risks, such as a transition to a green economy or extreme weather events, can be impacted. However, that risk is mitigated by the diversification and breadth of our client base, with clients engaged in various industries and located in different geographic regions of Brazil, and by the relatively short length of credit transaction. Extreme weather events can affect more significantly specific cities or geographic areas.





Climate Governance

[GRI 2-12, 2-13]

The Internal Risks Committee is an advisory body to the Executive Board, whose purpose is to report on the main risks and other relevant issues. Whenever necessary, the internal risk committee informs the Executive Board about Social, Environmental and Climate Risks, providing a comprehensive view of the Company's exposure to SAC risks, allowing for more assertive decision-making on the subject.

For the management of social, environmental and climate risks, the Executive Board is responsible for approving the Social, Environmental and Climate Responsibility Policy and for the management structure for those risks. That ensures any risks to which the Company is exposed are identified, measured, assessed, monitored and mitigated.

The Impact & Sustainability Department is responsible for devising and executing the Company's climate strategy, as well as creating ESG policies and procedures. The responsibility for risks is shared with the Risks department, which lays out risk management strategies and methodologies, while monitoring those risks in products, services and activities. The Risks and Impact & Sustainability Departments periodically update the Internal Risks Committee, which in turn, notifies the Board of Directors.

Climate Risk Management

To manage social, environmental and climate risks, Stone Co. has guidelines, systems, routines and procedures in place to identify, assess, measure, monitor and mitigate their effects. These actions are guided by the principles of relevance and proportionality.

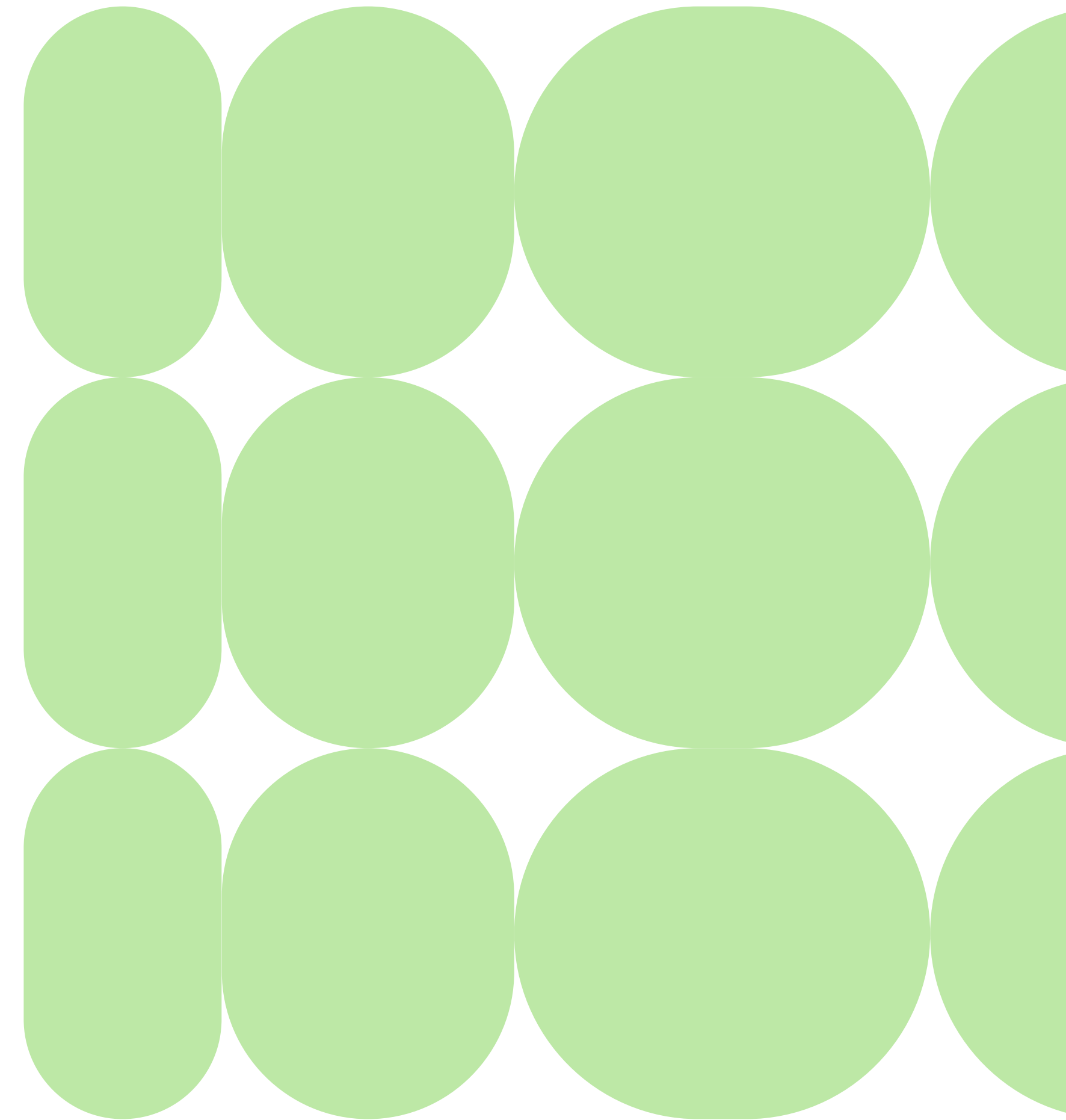
Every two months, we gather all records of materialized risks and measure the losses and damages arising from those risks. In addition, we seek to make conscious and responsible decisions in our value chain, balancing business opportunities and social, environmental and climate responsibility and thereby contributing to sustainable development in the regions where we do business.

Our climate risk management is consistent with the Company's risk management policies and is integrated into the guidelines set out in our Social, Environmental and Climate Responsibility Policy.

Climate Goals and Metrics

In 2023, we met an important corporate target: to follow the rules of social, environmental and climate risk management. Not only did our strategic vision prioritize compliance, it also took the lead on key issues, such as the management of such risks. That initiative was integrated into our strategic planning and discussed in the relevant follow-up forum.

In addition, we set ESG targets linked to the profit sharing-based variable compensation for ESG officers, managers and analysts. Six targets are set to each position, including the materiality matrix, the Sustainability Report, and the Social, Environmental and Climate Responsibility Policy, as well as the delivery of the Company's first greenhouse gas emissions inventory. All of these targets were met.



Greenhouse gas emissions inventory

[GRI 305-1, 305-2, 305-3]

To track our performance and decide our actions, we took the Company's greenhouse gas (GHG) emissions inventory, following the guidelines of the GHG Protocol Brazilian Program, and the document was audited by an independent third party for the first year.

2023 GHG emissions by scope and category (tCO₂e)

Scope	Category	Emissions (tCO ₂ e)	Representativity (%)
Scope 1	Representativeness	6.242	0.03%
	Mobile combustion	8,627.751	42.47%
	Fugitive emissions	132.574	0.50%
Total Scope 1		8,766.567	43.20%
Scope 2	Electricity - location	250.256	---
	Electricity - purchase	182.989	0.90%
Scope 3	Goods and services purchased	359.605	1.77%
	Transportation and distribution (upstream)	1,156.145	5.69%
	Waste and effluents	233.127	1.15%
	Business travel	3,084.587	15.18%
	Commuting emissions	6,453.792	31.77%
	Franchises	78.788	0.39%
Total Scope 3		11,366.044	55.90%
Total emissions - location		20,382.867	---
Total emissions - purchase		20,315.600	100.00%

Direct emissions

Scope 1

Our scope 1 emissions for 2023 totaled 8,766.567 tCO₂ eq. The main source of scope 1 emissions is mobile combustion, from the fuel used by our equipment and automobiles, which represents 98.4% of our scope 1 emissions.

Scope 1 (tCO ₂ e)	2022	2023
Stationary combustion	10.09	6.24
Mobile combustion	7,459.53	8,627.75
Fugitive emissions	52.6	132.57
TOTAL	7,522.21	8,766.56

Indirect emissions

Scope 2

Our energy purchasing totaled 6,524,868.8 kWh for 2023. Emissions from electricity purchased by location (Scope 2) amounted to 250.256 tCO₂e.

If we consider only scope 2 emissions for 2023, through the purchase of **I-RECs**, the emissions from electricity used decreased by 26.88% (from 250.256 to 182.989 tCO₂e).

Scope 2 (tCO ₂ e)	2022	2023
By purchase	231.92	182.98
By location	146.50	250.25



I-RECs: I-RECs (International Renewable Energy Certificates) are certificates proving the origin of renewable energy used for tracking and trading electricity generated from renewable sources.

Indirect emissions

Scope 3

Our scope 3 indirect emissions totaled 11,366.044 tCO₂ eq. The increase relative to 2022 is mostly due to the addition of new categories of scope 3 emissions to the emissions inventory relative to that for the previous year.

Scope 3 (tCO ₂ e)	2022	2023
Goods and services purchased	17.68	359.60
Transportation and distribution (upstream)	724.29	1,156.14
Waste and effluents	51.28	233.12
Business travel	4,093.22	3,084.58
Commuting emissions	-	6,453.79
Franchises	-	78.78
TOTAL	4,886.47	11,366.04

Biogenic Emissions

In 2023, there were 4,356.581 tons of CO₂e emissions from renewable sources* relative to the use of ethanol, the biodiesel fraction used in diesel fuels, and anhydrous ethanol fraction in commercial gasoline.

Biogenic GHG emissions by scope and category (tCO₂e)

Scope	Category	Emissions (tCO ₂ e)	Representativity (%)
Scope 1	Stationary combustion	0.754	0.02%
	Mobile combustion	2,930.030	67.26%
Total Scope 1		2,930.784	67.27%
Scope 3	Transportation and distribution (upstream)	48.065	1.10%
	Business travel	47.088	1.08%
	Commuting emissions	1,330.644	30.54%
Total Scope 3		1,425.797	32.73%
Total biogenic emissions		4,356.581	100.00%



*These include CO₂ emissions from the use of electricity generated from biomass from renewable sources. This study used the definition of renewable biomass phrased by the Executive Committee of the Clean Development Mechanism of the United Nations Framework Convention on Climate Change (EB 23, Exhibit 18). This kind of emission does not contribute to increasing the long-term concentration of CO₂ in the atmosphere.

Energy and water

At Stone Co., we are always looking at the future and finding innovative ways to manage our environmental impact. To that end, we carry out energy-saving, recycling and circular economy actions.

Our main office location in São Paulo and the building of our Rio de Janeiro headquarters are certified with a LEED Gold seal (for sustainable buildings).

To save electricity in our offices, we turn off the lights and air conditioning at 10 p.m. and turn them back on at 5 a.m. We also have presence sensors fitted to our restroom lights. These actions yield savings to our operations.

As regards water use, we had pressure reducers and timers fitted to our faucets, which reduces our costs while promoting a more conscious use of this essential resource for our planet.

All the water used in the Company's offices is for human consumption purposes, and is supplied by municipal water companies or other fresh water companies, used in our administrative operations. Our main offices and distribution centers are not located in water-stressed regions, based on the [Integrated Drought Index \(IIS6\) from the National Center for Monitoring and Natural Disaster Alerts](#) of the Federal Government of Brazil for 2023.

Total water withdrawal* [GRI 303-3; SASB TC-SI-130a.2]	Total (ML)
Third-party water	13.25

*All the water collected is fresh and for municipal supply. The hubs, DCs (Jaboatão, Manaus and Curitiba) and branches (POA II, Recife, Birmann and Faria Lima) are not included in the report. A survey of units in water-stressed areas has not been carried out.

Total energy consumed [GRI 302-1; SASB TC-SI-130a.1]	L	GJ
Non-renewable fuel		
Diesel oil*	156,820.27	6,053.26
Gasoline*	4,609,692.37	157,651.48
GNV*	30,345.26	758.63
Renewable fuel		
Ethanol*	677,622.53	14,297.84
Total	5,474,480.43	178,761.21
Electricity**		
Non-renewable	4,770,553.60	17,173.99
Renewable***	1,754,315.20	6,315.53
Total	6,524,868.80	23,489.53
Total	202,250.74	

*Conversion factors used Diesel Oil 1L = 38.6 MJ; Petrol 1L = 34.2 MJ/L; CNG 1L= 25 MJ/L; Ethanol 1L = 21.1 MJ. Available from the International Energy Agency (IEA) (<https://iea.blob.core.windows.net/assets/86ede39e-4436-42d7-ba2a-edf61467e070/WorldEnergyOutlook2023.pdf>). Energy conversion factor 1GJ = 0.0036KWh.
 **The energy consumption of the poles (1,760,476.74 KWh) was estimated based on the invoices available and the average energy tariff (0.731 R\$/KWh) available on Enel's website (<https://portalrelatorios.aneel.gov.br/luznatarifa/rankingtarifas#!>).
 ***Acquisition of I-RECs that prove the origin of renewable energy.

Waste Management

Concerning waste management, we carry out selective waste collection, contributing not only to waste reduction, but also to a more responsible management of our environmental impact.

We are committed to good practices in reverse logistics and recycling of our equipment and waste generated in our operations. This issue is managed in our logistics chain and administrative offices, with the aim of mitigating damage related to our products and services related.

Reverse Logistics of Machines (POS)

Reverse Logistics of Machines **POS Hunters** team, who contact our clients looking for damaged or inactive payment machines. Our Green Angles are responsible for picking up damaged or inactive machines at our clients and taking them to distribution centers. In these operations, there are analysis and sorting procedures carried out so the devices are reused to the fullest, together with their accessories (such as charges and batteries). After sorting, the machines are shipped out to specialized repair shops, according to the requirements of each machine, and following the repair, the pieces are returned to our clients with their life cycle extended. When the damage to a device is severe, we have it shipped to the manufacturer in an attempt to repair it, so it can be used again by one of our clients. If a device is diagnosed as unfit for use, then we have it disposed of by partner companies that ensure that is done properly and its components are recycled. Thus, 98.6% of the POS machines picked up by our reverse logistics are repaired and returned to our logistics chain.



POS Hunters: Our team who pick up inactive machines directly from our clients.



Recycling Our Generated Waste

Regarding waste management, we conduct selective waste collection in our administrative offices, contributing not only to reduction but also to a more responsible management of our environmental impact. Additionally, we properly dispose of our corporate electronic equipment, ensuring the correct and safe disposal of these materials. Our distribution center is also actively involved in this commitment by recycling cardboard and plastic from generated packaging.

Total volume of waste generated in tons in 2023* [GRI 306-3, 306-4 e 306-5]	Total	"Recycled and Reused"	Landfill
Hazardous	24.36	24.36	-
POS electronics	20.96	20.96	-
Electronic equipment	3.34	3.34	-
Light bulbs, batteries ²	0.06	0.06	-
Não perigoso	55.50	47.96	7.54
Common ²	7.54	-	7.54
Mixed recyclates ²	0.72	0.72	-
Glass ²	0.02	0.02	-
Metal ²	0.01	0.01	-
Paper and cardboard ^{1 2}	46.27	46.27	-
Plastic ^{1 2}	0.86	0.86	-
Fabric (Stone uniforms)	0.09	0.09	-
TOTAL	79.85	72.32	7.54

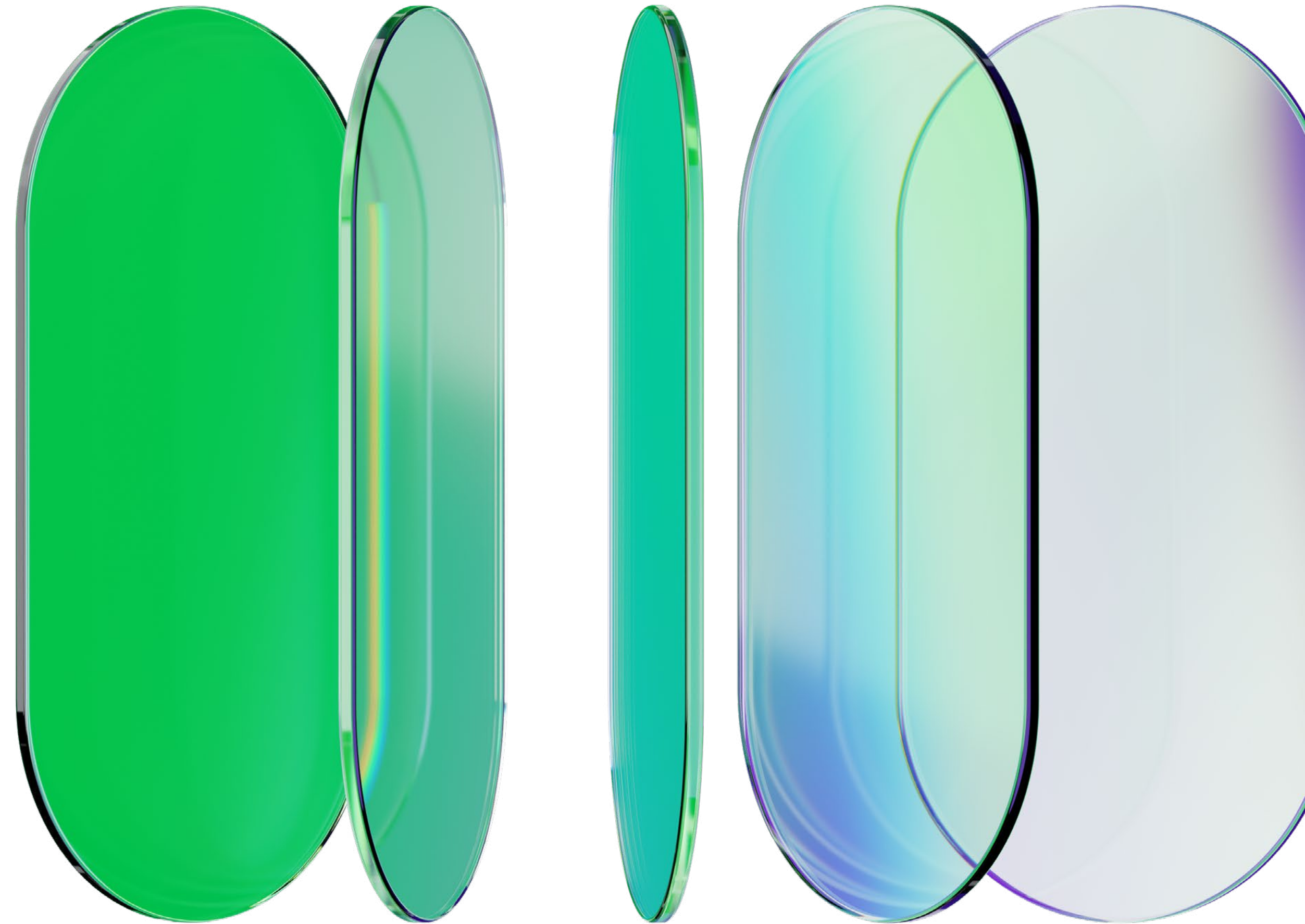
*All waste is disposed of outside the organization.
1 - Barueri CD data
2 - Data regarding the main administrative office (Passeio-RJ)

Reuse of Stone Uniforms: Making Disposal Have a Positive Impact

In 2023, Stone launched a circular economy project that changed the fate of uniforms that would otherwise become waste. Instead of disposing of uniforms at our hubs, we use them to make beautiful necessaires, which are fashioned by women on the outskirts of Rio de Janeiro. Not only does this project promote social inclusion and women’s empowerment, it has also contributed to sustainability by keeping that material from ending up in a landfill.

The results of that effort were handed out as exclusive gifts at Stone Camp, our leadership meet, demonstrating our commitment to social and environmental responsibility.

GRI content index



Statement of Use: Stone Co. has reported in accordance with GRI standards for the period from January 2023 to December 2023

GRI 1 used – GRI 1: Foundation 2021

GRI Standard – Content		Location/Answer	Omission		
			Requirement Omitted	Reason	Explanation
2-1	Organizational details	13, 18, 119 – d. Brazil			
2-2	Entities included in the organization’s sustainability reporting	<p>14, 17, 18 – We considered all businesses in which Stone Co. holds a 50% or greater equity interest to be subsidiaries, which are listed in section 4.1.2 of form 20-F, while this Report includes only the subsidiaries.</p> <p>Form 20-F includes all subsidiaries and associates (subsidiaries are considered to be companies in which we have a majority stake, and associates to companies in which we do not have a majority stake), while the Sustainability Report includes only subsidiaries.</p>			
2-3	Reporting period, frequency and contact point	<p>18 – a and b. The report is annual and the information contained herein refers to the period from January to December 2023, as well as our financial statements.</p> <p>c. July 2024</p>			
2-4	Restatements of information	72, 75, 81, 89			
2-5	External assurance	18			

GRI Standard – Content		Location/Answer	Omission		
			Requirement Omitted	Reason	Explanation
2-6	Activities, value chain and other business relationships	<p>15 – There were no significant changes in our value chain compared to the previous year.</p> <p>The downstream entities of the organization include franchisees and end customers, as mentioned on pages 30 and 40.</p>			
2-7	Employees	<p>71 – All active personnel appearing on the payroll at the end of December 2023 are considered employees.</p> <p>We classify them as: – “Employees,” for permanent, full-time workers; – “Apprentices;” “Interns,” e “Specified Employment Term,” for temporary, part-time employees.</p>			
2-8	Workers who are not employees	73	2-8. c.	Information not available	<p><u>It was not possible to identify significant fluctuations in the number of non-employee workers between reporting periods, as the data was not available in the previous report. For the next report, we will continue monitoring and reporting data for 2024.</u></p>

GRI Standard – Content		Location/Answer	Omission		
			Requirement Omitted	Reason	Explanation
2-9	Governance structure and composition	45	2-9 c. viii.	Information not available	Information partly omitted, with data by stakeholder not provided. As a management improvement, over the next 2 years, we will carry out an analysis of the capacity to collect data for inclusion in our reports.
2-10	Nomination and selection of the highest governance body	45			
2-11	Chair of the highest governance body	46, 47 – The Chairman of the Board of Directors does not exercise the role of the organization's highest executive, this being performed by another executive.			
2-12	Role performed by highest governance body in overseeing impact management	19, 93			
2-13	Delegation of responsibility for managing impacts	93			
2-14	Highest governance body's role in sustainability reporting	18, 19			
2-15	Conflicts of interest	50, 53			

GRI Standard – Content		Location/Answer	Omission		
			Requirement Omitted	Reason	Explanation
2-16	Communicating critical concerns	45, 56	2-16. b.	Information not available	Crucial concerns are communicated to the Board of Directors, but are not accounted for. To improve our processes, throughout 2024, the number of concerns communicated to the Board of Directors will be assessed.
2-17	Collective knowledge of the highest governance body	19, 45			
2-18	Evaluation of the performance of the highest body	74	2-18	Confidentiality restrictions	Information omitted for being deemed strategic to the Company.
2-19	Compensation policies	76 – Our directors, executives and administrators receive remuneration made up of fixed and variable components, as well as benefits in line with market practices in Brazil. Fixed remuneration is set according to market conditions and is adjusted annually. Variable remuneration includes share-based compensation (covering awards settled in both shares and cash) and a certain annual cash portion, which is linked to performance.			

GRI Standard – Content		Location/Answer	Omission		
			Requirement Omitted	Reason	Explanation
2-20	Process for determining compensation	<p>76 – We carry out market research in the main segments in which we operate, and use this analysis to determine the appropriate remuneration for each position, with final validation by the remuneration committee.</p> <p>Salary scales are reviewed and approved annually by the remuneration committee and the board of directors. Salary adjustments take place twice a year, with the possibility of adjusting salary discrepancies through informal feedback collected from company leaders. In addition, we receive continuous feedback from Business Partners and recruiters throughout the year when making new job offers.</p> <p>b. Not applicable; StoneCo does not have a remuneration policy.</p>			
2-21	Annual total compensation ratio		2-21	Confidentiality restrictions	Information omitted for being deemed strategic to the Company.
2-22	Statement on sustainable development strategy	4			
2-23	Policy commitments	49, 52			

GRI Standard – Content		Location/Answer	Omission		
			Requirement Omitted	Reason	Explanation
2-24	Embedding policy commitments	49			
2-25	Process to remediate negative impacts	49, 50, 51			
2-26	Mechanisms for seeking advice and raising concerns	49, 50 – We encourage all employees to seek advice on the implementation of our organization's policies and practices to ensure responsible business conduct through our Code of Ethics and Whistleblowing Channel (Orelhão), available for guidance and reporting of misconduct.			
2-27	Compliance with laws and regulations	Stone Co. does business in compliance with the regulations issued by the Central Bank, the Brazilian Securities Commission, and the National Data Protection Authority, among others. To be in compliance, we set up lines of defense involving the compliance, risks and internal audit teams. The relevant changes to the regulatory framework over 2023 were monitored by the Regulatory Compliance team, and there were neither significant sanctions nor sanctions that could otherwise impact the business from a financial or reputational standpoint identified. Such events, irrespective of their impact, are taken extremely seriously by Stone Co., and adjustment is the priority.			
2-28	Membership of associations	43			

GRI Standard – Content		Location/Answer	Omission		
			Requirement Omitted	Reason	Explanation
2-29	Approach to stakeholder engagement	43			
2-30	Collective bargaining agreements	71 - We consider the collective bargaining agreement signed by the Company with the workers' union. The collective wage agreement, in turn, is an agreement signed by two unions, i.e. an agreement concluded between the workers' union and the industry association. By this rationale, 100% of our employees are covered by collective bargaining or collective agreements.			

GRI Standard/Other source		Location/Answer	Omission		
			Requirement Omitted	Reason	Explanation
3-1	Process to determine material topics	19			
3-2	List of material topics	21			
3-3	Management of material topics	21			
Material topic: Financial education					
3-3	Management of material topics [Financial education]	15, 21, 30, 61, 65			

GRI Standard/Other source		Location/Answer	Omission		
			Requirement Omitted	Reason	Explanation
404-1	Average hours of training per year per employee	81			
404-2	Programs for upgrading employee skills and transition assistance programs	70, 80, 82	404-2 b	Confidentiality restrictions	Information partially omitted as it is considered strategic for the Company.
Material topic: Data privacy and security					
3-3	Management of material topics [Data privacy and security]	22, 54			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	22, 24, 55			
Material topic: Attracting, developing and retaining employees					
3-3	Management of material topics [Attracting, developing and retaining employees]	22, 74			
401-1	New employee hires and employee turnover	78			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	86			

GRI Standard/Other source		Location/Answer			Omission																												
					Requirement Omitted	Reason	Explanation																										
401-3	Parental leave	<table border="1"> <thead> <tr> <th rowspan="2">Parental leave</th> <th colspan="2">2023</th> </tr> <tr> <th>Men</th> <th>Women</th> </tr> </thead> <tbody> <tr> <td>All employees are entitled to take maternity/paternity leave.</td> <td>11,643</td> <td>8,013</td> </tr> <tr> <td>All employees who went out on parental leave for the current year</td> <td>334</td> <td>207</td> </tr> <tr> <td>Total employees who returned to work after the end for their parental leave.</td> <td>340</td> <td>207</td> </tr> <tr> <td>Rate of return</td> <td>100%</td> <td>100%</td> </tr> <tr> <td>Total employees who returned to work in the previous year and remained employed for another 12-month period ended in the current year</td> <td>148</td> <td>111</td> </tr> <tr> <td>Total employees who returned in the previous year</td> <td>200</td> <td>182</td> </tr> <tr> <td>Retention rate*</td> <td>74%</td> <td>61%</td> </tr> </tbody> </table> <p>*The retention rate was calculated considering the number of employees who remained for another 12 months upon returned from leave over the number of employees who should return from leave in the previous period.</p>			Parental leave	2023		Men	Women	All employees are entitled to take maternity/paternity leave.	11,643	8,013	All employees who went out on parental leave for the current year	334	207	Total employees who returned to work after the end for their parental leave.	340	207	Rate of return	100%	100%	Total employees who returned to work in the previous year and remained employed for another 12-month period ended in the current year	148	111	Total employees who returned in the previous year	200	182	Retention rate*	74%	61%			
		Parental leave	2023																														
Men	Women																																
All employees are entitled to take maternity/paternity leave.	11,643	8,013																															
All employees who went out on parental leave for the current year	334	207																															
Total employees who returned to work after the end for their parental leave.	340	207																															
Rate of return	100%	100%																															
Total employees who returned to work in the previous year and remained employed for another 12-month period ended in the current year	148	111																															
Total employees who returned in the previous year	200	182																															
Retention rate*	74%	61%																															
404-3	Percentage of employees receiving regular performance and career development reviews	75																															
Material topic: Ethics, integrity and compliance																																	
3-3	Management of material topics [Ethics, integrity and compliance]	23, 45, 49																															

GRI Standard/Other source	Location/Answer	Omission			
		Requirement Omitted	Reason	Explanation	
205-1	Operations assessed for risks related to corruption	Stone conducts a comprehensive risk analysis, including, but not limited to, of exposure to corruption risks. The integrated management process for risks follows the methodology used across the board by 100% of our operations, enabling such risks to be assessed, monitored and handled. The significant risks related to corruption identified by the risk assessment can be found in our form 20-f (https://investors.stone.co/node/9331/html).			
205-2	Communication and training about anti-corruption policies and procedures	23	205-2	Information not available	Information not available in time to be published in the report. As an action plan, we will ensure that the data is collected in the reporting period for the next report.
205-3	Confirmed incidents of corruption and actions taken	We had no conformed incidents of corruption in the reported period.			
Material topic: Innovation and technology					
3-3	Management of material topics [Innovation and technology]	15, 23, 30, 39			
Material topic: Product and service quality and safety, and customer relations					
3-3	Management of material topics [Product and service quality and safety, and customer relations]	24, 30			

GRI Standard/Other source		Location/Answer	Omission		
			Requirement Omitted	Reason	Explanation
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	22, 24, 55			
Material topic: Employee safety, health and well-being					
3-3	Management of material topics [Employee safety, health and well-being]	24, 88			
403-1	Occupational health and safety management system	88			
403-2	Hazard identification, risk assessment, and incident investigation	88	403-2	Information not available	We do not monitor the data as proposed by the GRI methodology. The management processes for the topic will be reviewed to seek opportunities for improvement and to meet the requirements. The forecast is to meet the requirements in 2025.
403-3	Occupational health services	88			
403-4	Worker participation, consultation, and communication on occupational health and safety	88	403-4	Information not available	We do not monitor the data as proposed by the GRI methodology. The management processes for the topic will be reviewed to seek opportunities for improvement and to meet the requirements. The forecast is to meet the requirements in 2025.

GRI Standard/Other source		Location/Answer	Omission		
			Requirement Omitted	Reason	Explanation
403-5	Worker training on occupational health and safety	88			
403-6	Promotion of worker health	88			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	88			
403-8	Workers covered by an occupational health and safety management system	88, 89			
403-9	Work-related injuries	88, 89 – Our occupational health and safety management system does not include outsourced employees, and we do not manage their accident data.	403-9. a. v. 403-9. c. 403-9. d. 403-9. e.	Information not available	We do not monitor the data as proposed by the GRI methodology. As a management improvement, in 2024 impact indicators will be defined to measure work accidents, in accordance with best market practices.
Material topic: Diversity, inclusion and equity					
3-3	Management of material topics [Diversity, inclusion and equity]	25, 83			
405-1	Diversity of governance bodies and employees	47, 72, 78	405-1. b.	Information not available	Stratification of the percentage of new employees by job category not available. As an action plan, we will ensure that the data is collected in the reporting period for the next report.

GRI Standard/Other source		Location/Answer	Omission		
			Requirement Omitted	Reason	Explanation
405-2	Ratio of basic salary and compensation of women to men		405-2	Confidentiality restrictions	Information omitted for being deemed strategic to the Company.
406-1	Incidents of discrimination and corrective actions taken	84			

Material topic: Democratizing access to services and local development

3-3	Management of material topics [Democratizing access to services and local development]	25, 61			
203-2	Significant indirect economic impacts	56, 65			
413-1	Operations with local community engagement, impact assessments, and development programs	30, 43, 50, 58, 61	413-1	Incomplete information	It was not possible to determine a percentage of engaged operations due to the nature of our business. As a process improvement, the metrication of the % of operations for which we have development programs will be implemented. The requirement is expected to be met in 2025.

Other indicators reported

302-1	Energy consumption with the organization	98			
303-3	Water withdrawal	98 i. Surface water; - Not applicable ii. Groundwater; - Not applicable iii. Sea water; - Not applicable iv. Produced water; - Not applicable			

GRI Standard/Other source		Location/Answer	Omission		
			Requirement Omitted	Reason	Explanation
305-1	Direct (Scope 1) GHG emissions	95 – b. Gases included in the calculation: CO2, CH4, N2O and HFCs. There were no significant changes in emissions that generated the need for new emissions calculations in the base year.			
305-2	Indirect (Scope 2) GHG emissions from energy purchase	f. The results consider consolidated data from companies over which we have operational control, Linx and Stone.			
305-3	Other indirect (Scope 3) GHG emissions	e. and g. We follow the GHG Protocol standards and the emissions and global warming potential (GWP) factors made available by the Brazilian GHG Protocol Program Calculation Tool.			
306-3	Waste generated	100			
306-4	Waste not intended for final disposal	100			
306-5	Waste destined for final disposal disposal	100			

SASB Standard		Location/Answer
TC-SI-130a.1	(1) Total energy used, (2) percentage of the power grid, (3) renewable percentage.	98
TC-SI-130a.2	(1) Total water withdrawn, (2) total water used, percentage of each in High or Extremely High water stress areas	98

SASB Standard		Location/Answer
TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	54
TC-SI-220a.2	Number of users whose information is used for secondary purposes	The information collected by Stone Co. serve the purposes indicated in the relevant agreements and/or set out in the applicable rules and regulations. Moreover, we were not notified that our activities fit the concept of “secondary purposes.”
TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	55
TC-SI-220a.4	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	55
TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering or censoring.	55
TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected.	55
TC-SI-330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	Stone Co. has 24 persons, with either a permanent visa or a temporary one, representing 0.15% of all active employees.
TC-SI-330a.2	Employee engagement as a percentage	79
TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	72



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Independent auditors' limited assurance report on the non-financial information contained in the Annual Sustainability Report

To
 Shareholders, Directors and Management of
 StoneCo Ltd

Introduction

We have been engaged by StoneCo Ltd ("Stone") to present our limited assurance report on the non-financial information included in Stone's 2023 Annual Sustainability Report ("2023 Report"), for the year ended December 31, 2023.

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

Responsibilities of Stone's management

Stone's management is responsible for:

- selecting and establishing criteria that are appropriate for the preparation of the information included in the 2023 Report;
- preparing the information in accordance with the criteria and guidelines of the Global Reporting Initiative ("GRI Standards");
- designing, implementing and maintaining internal control over information relevant to the preparation of the information included in the 2023 Report that is free from material misstatement, whether due to fraud or error.

Responsibility of the independent auditors

Our responsibility is to express a conclusion on the non-financial information included in the 2023 Report, based on the limited assurance engagements conducted in accordance with the Communication CTO 07 - Limited Assurance Engagements regarding the non-financial information contained in the Integrated Report issued by Brazil's National Association of State Boards of Accountancy (CFC), and based on NBC TO 3000 *Assurance Engagements other than Audits or Reviews* also issued by the CFC, which is equivalent to the international standard ISAE 3000 *Assurance engagements other than audits or reviews of historical financial information* issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that the auditor to comply with ethical and independence requirements, and other responsibilities related thereto, including as regards the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures on Compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Moreover, the aforementioned standards require that the work be planned and performed to obtain limited assurance that the non-financial information included in the 2023 Report as a whole is free from material misstatement.

EY 1 / 3



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A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists primarily of making inquiries of Stone's management and other professionals of Stone involved in the preparation of the information, as well as applying analytical procedures to obtain evidence that enables us to issue a limited assurance conclusion on the information as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that might lead the auditor to believe that the information disclosed in the 2023 Report as a whole might be materially misstated.

The procedures selected are based on our understanding of the aspects relating to the compilation, materiality and presentation of the information included in the 2023 Report, other circumstances of the engagement and our consideration of areas and processes associated with the material information disclosed in the 2023 Report, which could contain material misstatements. The procedures included, among others:

- a) planning the work, considering 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 2023 Report;
- b) understanding the calculation methodology and the procedures for compiling the indicators through inquiries of the managers responsible for preparing 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 2023 Report;
- 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 compliance with the guidelines and criteria of the GRI Standards applicable to the preparation of the information contained in the 2023 Report.

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

Scope and limitations

The procedures applied in 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. Had we performed reasonable assurance engagement, we might have identified other matters and possible misstatements in the information included in the 2023 Report. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, due to the nature and diversity of methods used to determine, calculate or estimate these data. Qualitative interpretations of materiality, relevance and accuracy of the data are subject to individual assumptions and judgments. Furthermore, we did not consider in our work the data reported for prior periods, nor on future projections and goals.

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A free translation from Portuguese into English of auditors' limited assurance report on non-financial statements originally prepared in Portuguese.

The preparation and presentation of sustainability indicators followed the criteria of the GRI Standards and, therefore, their objective is not to provide assurance with regard to compliance with social, economic, environmental, or engineering laws and regulations. Those standards establish, however, the presentation and disclosure of any non-compliance with such regulations when significant sanctions or fines occur. Our assurance report should be read and understood in this context, inherent to the selected criteria (GRI Standards).

Conclusion

Based on the procedures performed, described in this report and on the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial information included in Stone's Annual Sustainability Report for the year ended December 31, 2023, are not prepared, in all material respects, in accordance with the criteria and guidelines of the Global Reporting Initiative – GRI (GRI Standards).

São Paulo, July 29th, 2024.

ERNST & YOUNG
 Auditores Independentes S/S Ltda.
 CRC - SP - 034519/O

Wanderley Fernandes de Carvalho Neto
 Contador CRC - SP300534/O

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Verification of Greenhouse Gas (GHG) Inventory

Totum Institute declares that
STONECO LTD.

Located on the Av. Dra. Ruth Cardoso, 7221 - Pinheiros - São Paulo - SP

Had its GHG inventory verified and it complies to
**Specifications of the Brazilian GHG
Protocol Program**

Verification Standard : Brazilian Program Verification Specifications GHG Protocol –
Edition 2011 and ABNT NBR ISO 14064-3

Process Number: 722-23
Inventory Year: 2023
Confidence Level: Reasonable

Detailed Information: Verification Statement Nº 722-23 attached to this certificate

São Paulo, 09th June 2024

INSTITUTO TOTUM
Fernando Giachini Lopes – Diretor Técnico
Av. Paulista, 2439 – 13º andar – Cj. 132
Consolação – São Paulo/SP - Brazil



FM.REL.116.01 To check the authenticity of this certificate, visit www.institutototum.com.br

Corporate Information

[GRI 2-1; 2-7]

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