

cielo

**Sustainability
Report**

2015

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Presentation



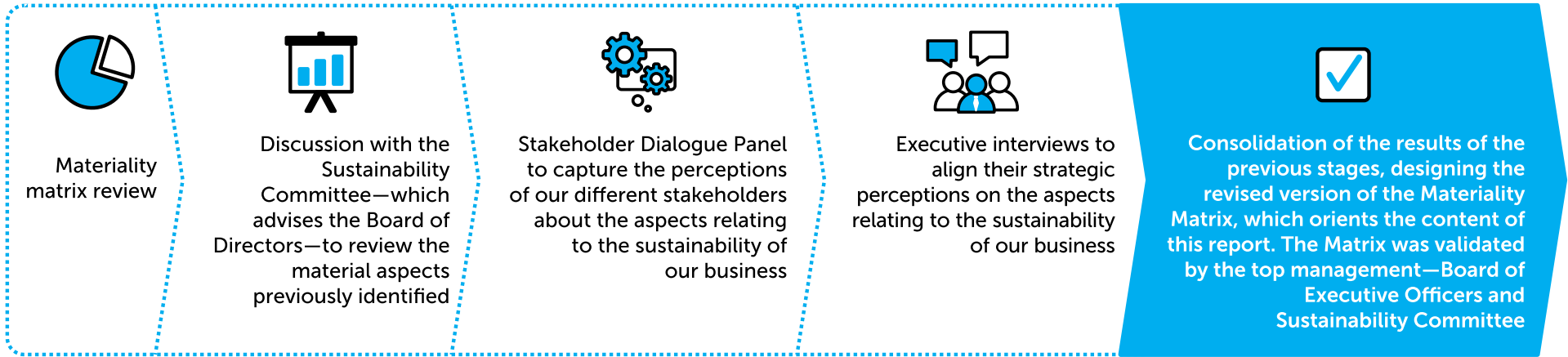
Presentation

G4-18

This is Cielo’s fourth sustainability report, with information about our company’s profile and performance for 2015, prepared in accordance with the Global Reporting Initiative (GRI), version G4, Core option. G4-15

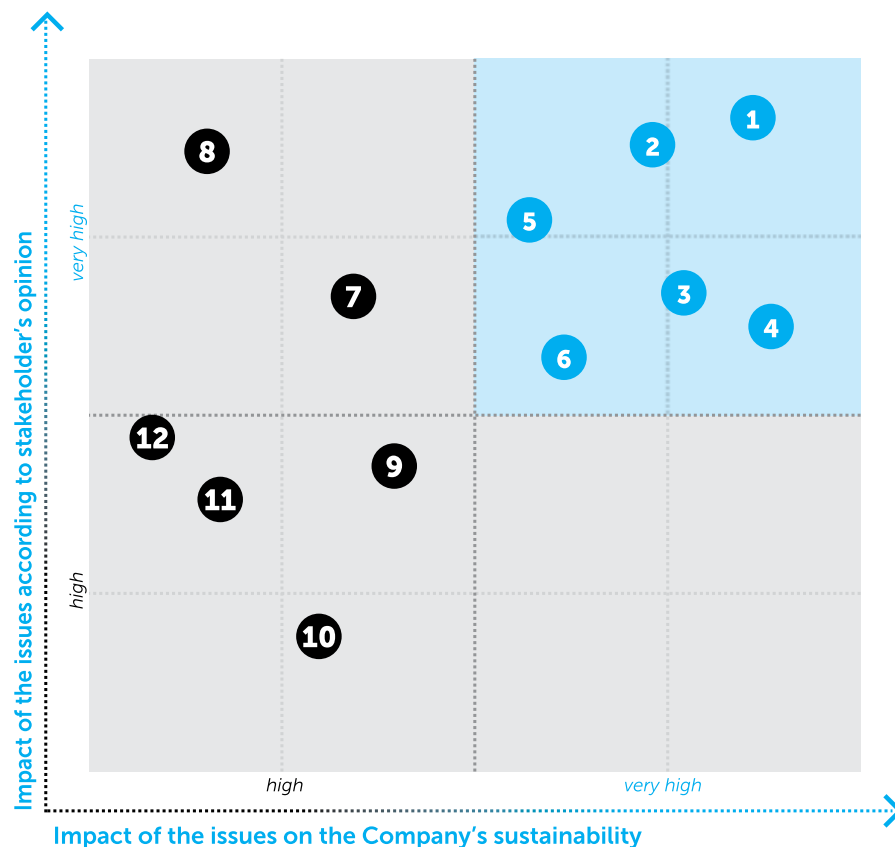
The goal of this publication is to provide information on our performance with regards to the most material aspects for the sustainability of our business and how we manage them, therefore seeking to demonstrate our capacity to create value and ensure our operations are perennial.

We have determined these aspects in a structured dialogue process with Cielo’s stakeholders: business partners, suppliers, employees (including analysts, specialists, managers, officers and executives), representatives of compacts and commitments that we are signatories, communities, the civil society, and users of electronic payment systems. We consult with these stakeholders on a regular basis, and in this reporting period consultation followed these stages:



G4-24, G4-25, G4-26

The materiality assessment process resulted in the ranking of the top priority and materiality aspects for the Company and stakeholders, according to the visual representation below:



The material issues identified in the materiality assessment process are positioned in the matrix aside according to their degree of impact to the Company (horizontal axis) or to the stakeholders (vertical axis). The blue quadrant houses the issues in which both the Company and the stakeholders consider very high priority.

Very high priority issues for both the Company and for its stakeholders

- 1 Operational capacity and availability
- 2 Information security
- 3 Innovation in payment solutions
- 4 Strategic challenges and regulatory risks
- 5 Customer service excellence
- 6 Financial inclusion

Other high-priority issues or very high priority for the Company or its stakeholders

- 7 Ethics, integrity, and corruption
- 8 Environmental impact management
- 9 Employee development and valorization
- 10 Sustainability governance
- 11 Economic performance
- 12 Competition

Through this process, we managed to map the potential impact of the issues for our stakeholders—within and outside our Organization—and report on how we manage these impacts using GRI aspects, according to the table below:

G4-19, G4-20, G4-21, G4-27

Material topics	GRI Aspect	Boundary	Stakeholders
Operational capacity and availability	Compliance (Product responsibility)	Inside and outside	Government, customers, business partners, and civil society
	Indirect economic impacts	Outside	Customers, suppliers, and civil society
Innovation in payment solutions	Labeling of products and services	Inside	Market regulators, employees, and customers
	Product portfolio (Financial services sector disclosure)	Inside and outside	Customers, business partners, and civil society
Information security	Customer privacy	Inside and outside	Customers, employees, market regulators, government, and civil society
	Indirect economic impacts	Outside	Customers, suppliers, and civil society
	Public policies	Inside and outside	Government, customers, employees, and civil society
Financial inclusion	Product portfolio (Financial services sector disclosure)	Inside and outside	Customers, business partners, and civil society
	Community (Financial services sector disclosure)	Inside and outside	Customers, employees, and civil society
	Product and service labeling (Financial services sector disclosure)	Inside and outside	Customers, employees, market regulators, and civil society
Environmental impact management	Materials	Inside and outside	Employees, government, and civil society
	Effluents and waste	Inside and outside	Employees, government, and civil society
	Products and services	Inside and outside	Employees, government, and civil society
	Compliance (Environmental)	Inside and outside	Government, customers, suppliers, and civil society
	Environmental grievance mechanisms	Inside and outside	Customers, civil society, and employees
Economic performance	Economic performance	Inside and outside	Employees, business partners, government, shareholders, investors, customers, and civil society
	Governance structure and its composition	Inside	Employees, shareholders, and investors
	The role of the highest governance body in setting the organization's purpose, values, and strategy	Inside	Employees, shareholders, and investors
Sustainability governance	The competencies and performance evaluation of the highest governance body	Inside	Employees
	The role of the highest governance body in risk management	Inside	Employees, shareholders, and investors

Sustainability governance	The role of the highest governance body in sustainability reporting	Inside and outside	Employees, investors, and civil society
	The role of the highest governance body in evaluating economic, environmental and social performance	Inside	Employees, shareholders, and investors
Strategic challenges and regulatory risks	Product portfolio (Financial services sector disclosure)	Inside and outside	Employees, government, and civil society
	Strategy and analysis	Inside and outside	Employees, market regulators, government, customers, business partners, and civil society
	Labeling of products and services	Inside and outside	Employees, market regulators, customers, and civil society
	Compliance (Product responsibility)	Inside and outside	Government, and employees
	Compliance (Society)	Inside and outside	Government, employees, and civil society
Competition	Anti-competitive behavior	Inside and outside	Customers, suppliers, business partners, employees, and government
Ethics, integrity, and corruption	Anti-corruption	Inside and outside	Employees, government, and customers
	Ethics and Integrity	Inside and outside	Customers, suppliers, business partners, employees, and government
Employee development and valorization	Employment	Inside and outside	Employees, government, and civil society
	Labor relations	Inside and outside	Employees, government, and civil society
	Occupational health and safety	Inside	Employees
	Training and education	Inside and outside	Employees, customers, business partners, and civil society
	Diversity and equal opportunity	Inside and outside	Customers, and civil society
	Equal remuneration for women and men	Inside	Employees
	Labor practices grievance mechanisms	Inside and outside	Employees, suppliers, business partners, and civil society
	Non-discrimination	Inside	Employees
	Freedom of association and collective bargaining	Inside and outside	Employees, suppliers, government, and civil society
	Labeling of products and services	Inside and outside	Market regulators, customers, employees, and civil society
Customer service excellence	Marketing communications	Inside and outside	Customers, employees, and market regulators

These matters will be addressed in detail throughout the report. Please contact us if you have any questions or suggestions at sustentabilidade@cielo.com.br G4-31

ENJOY YOUR READING!

Mission

Delight our customers with the best solutions created by a leading, profitable, and sustainable company, which has passionate employees.

Values

- Employees with attitude, team spirit and passion in everything they do
- Surpassing customer expectations
- Ownership posture
- Ethics in all relationships
- Excellence in execution
- Innovation oriented to results
- Sustainability and Corporate Responsibility



Messages from the leaders

G4-1, G4-EC7, G4-EC8

The year 2015 presented challenges associated with competitiveness in the electronic payment systems industry, along with a complex political and economic scenario. With this in mind, we conducted a business strategy characterized by soundness, ethical relations and concern for people, with our operations aimed at innovation, excellence, ownership attitude and long-term value creation. As a result, Cielo has managed to leverage positive results, with initiatives in line with our vision of the future and with the highest Corporate Governance and Corporate Ethics standards of our company.

We have tirelessly believed and invested, in a consistent manner, in the company's edges so that it stands out in its market, while at the same time we have delivered concrete results. We see a unique scenario in the country's economy, with stronger deceleration than we had anticipated in all sectors. But even in this challenging scenario, we reaffirm our belief in combining operational efficiency, innovation oriented by results, and talent management, which have allowed for us to close the year with the creation of 14,000 direct and indirect jobs, and the generation of nearly R\$3 billion in taxes in the company's whole value chain.

In 2015, we strictly followed our belief: to go beyond electronic payments. It was also the time to look inside our company and rationalize our expenses, while seeking new ways to strengthen our business and diversify our revenue.

Motivated and encouraged by fierce competition in our segment, we explored new paths, diversified our revenue sources, and brought Cielo up to a new level as a company with the creation, in February 2015, of Cateno in a partnership with Banco do Brasil; we hold a 70% stake in the new company. This marks our debut in a new activity in the electronic payments chain. Several other initiatives were equally important to strengthen ourselves as a group. One example was signing documents increasing our interest in Multidisplay—company that controls mobile solutions startup M4U—announced in August, 2015, which now holds 91.44% of its capital, subject to the fulfillment of certain conditions precedent including, but not limited to, obtaining the relevant authorization from the Brazilian Central Bank. With this investment, Cielo aims to consolidate its position as a leader in technology platforms that encourage the adoption of mobile payments in Brazil, whose model makes us more competitive and brings even more agility to the development of new products and services.

That being said, it is clear that the core of the innovations we brought to the market in 2015 was the investment in complete, integrated, customized solutions for each company size and industry, thinking about how to transform customer needs into highly usable services through our solutions.

Small retailers can remotely manage their sales through our mobile app developed specially for this segment. Large retailers can now use our mobile solution integrated to any sales management application that uses and offers payment mobility to customers with no need to stop at the checkout counter, eliminating lines at the stores.

We want to be more and more perceived as partners of our customers in the whole business life cycle, which is why in 2015 we also invested in the development and consolidation of services with important edges that strengthen the businesses of our customers, such as Cielo Big Data, a business intelligence service that stratifies client profiles, maps competition in a consolidated manner, and promotes strategies to generate store flow; and Cielo Promo, which allows for merchants to create and manage customized promotions for consumers using Cielo's terminal, supporting customer loyalty. Moreover, we have developed a solution that delivers an online store ready to use to customers that wish to migrate from physical to online retail.

Thanks to our organic growth, the diversification of revenue sources, and greater operational efficiency, in 2015 we captured R\$548 billion in transactions, equivalent to nearly 10% of the

Brazilian economy, through our devices in the whole country. On the other hand, card use in household consumption is near 30%, showing there is still a lot of room for this type of payment. And we still have a lot to contribute to the development of the country.

We have an experienced team with adequate management capacity, and we will continue to strengthen our strategic human resources plan. We are positive that our commitment to engage, develop and recognize our labor promotes continued growth and adds to the co's sustainable results. National and international recognition in the form of the awards we won in 2015 makes us one of the best companies to work for, one of the most innovative in Brazil, and one of the most valuable Brazilian brands in the market.

We have continued to adhere to sustainability principles, in matters that are key to the good management of our business, such as transparency, ethics, human rights, anti-corruption, child and slave-like labor, and environment protection. Aware of our role in the development of a more sustainable economy, we became a signatory of the United Nation's Global Compact in 2011, for which we reaffirm our commitment to contribute to the promotion of social development and environmental protection through our operations.

As a consequence of our commitment to sustainability, for the third time Cielo has been recognized for its good practices, and is listed in BM&FBOVESPA's Corporate Sustainability Index (ISE)

in 2016. With this listing, we reinforce our presence among distinguished publicly held companies, recognized for the liquidity of their stock and for their good management and governance practices. We are also listed in the Euronext-Vigeo EM70 sustainability index, which gathers 70 companies with high performance in corporate responsibility in emerging markets, launched in 2015 by Vigeo, a leading global rating agency focusing on sustainability.

A very important aspect for the sustainability of our business is our restlessness; we strive for reinventing ourselves every day. This is why we are 100% committed to the quality of what we deliver to our stakeholders: shareholders, customers, suppliers, and civil society. We seek to listen to what our customers want, aligning our strategic agenda to their needs; this is a source of ideas that boost our business. This is our vocation.

For the last seven years, since our IPO, we have made all the necessary moves to make Cielo a profitable and sustainable company, capable of joining the performance, solidity, knowledge, innovation, and boldness of a leading business. This has encouraged us to look beyond our segment, and bring to the Brazilian market the best global trends in finance and technology. Through planning and determination, we will continue to do our best to keep Cielo as a benchmark in technology and quality of service for retailers all over Brazil.

In 2016, we will continue to evolve as a company that has innovation at the core of its brand, that quickly responds to

market trends, and that invests in people and in an ethical and professional relationship towards stakeholders and the environment to which it belongs.

We are sure that we will meet the goals set for 2016, supported by motivated employees and by the trust of our customers and shareholders, renewing our commitment to building the future and the perpetuity of our company with integrity, passion, and competence.

Domingos Figueiredo de Abreu

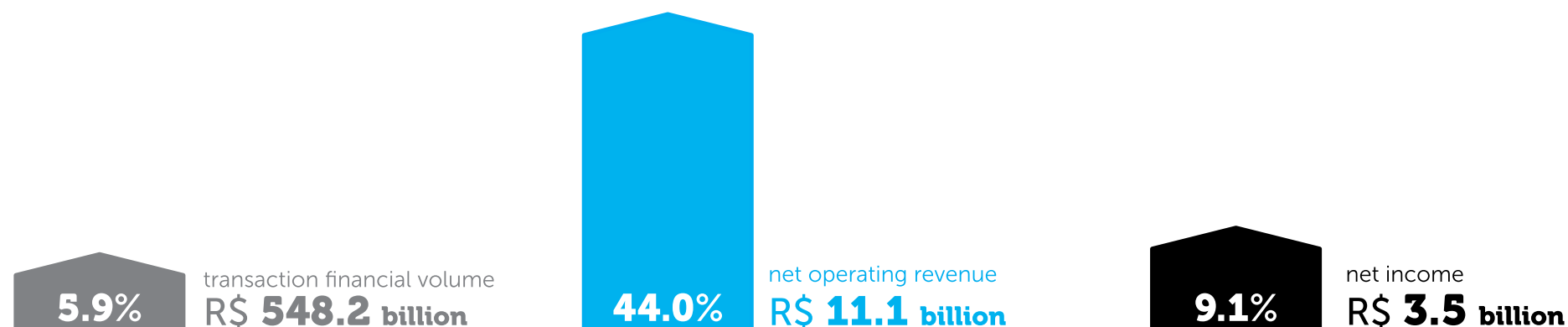
Chairman of the Board of Directors

Rômulo de Mello Dias

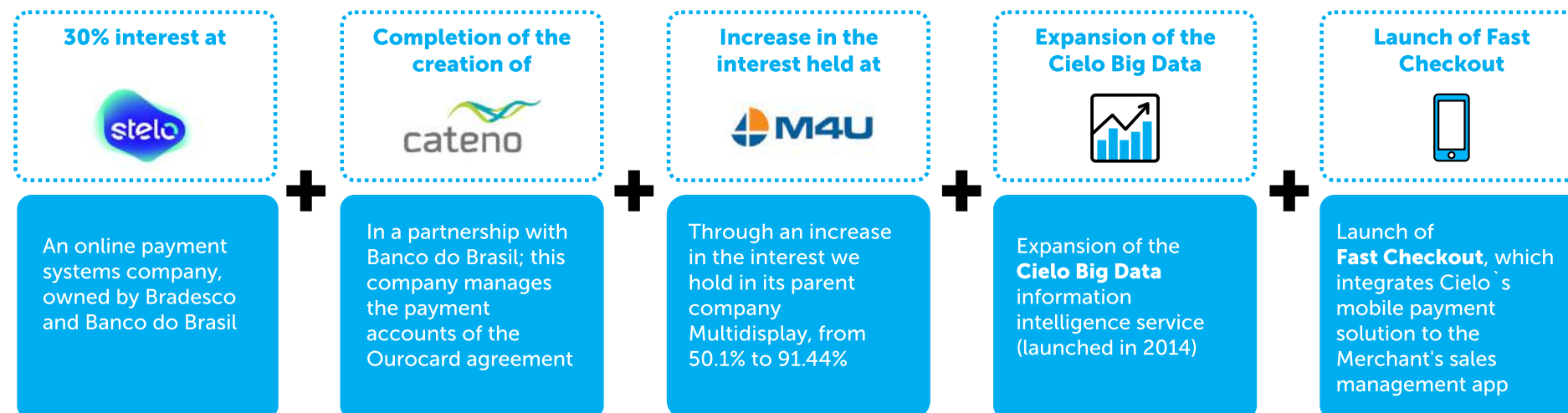
CEO

2015 Highlights

Operating and financial results higher than in the previous year:

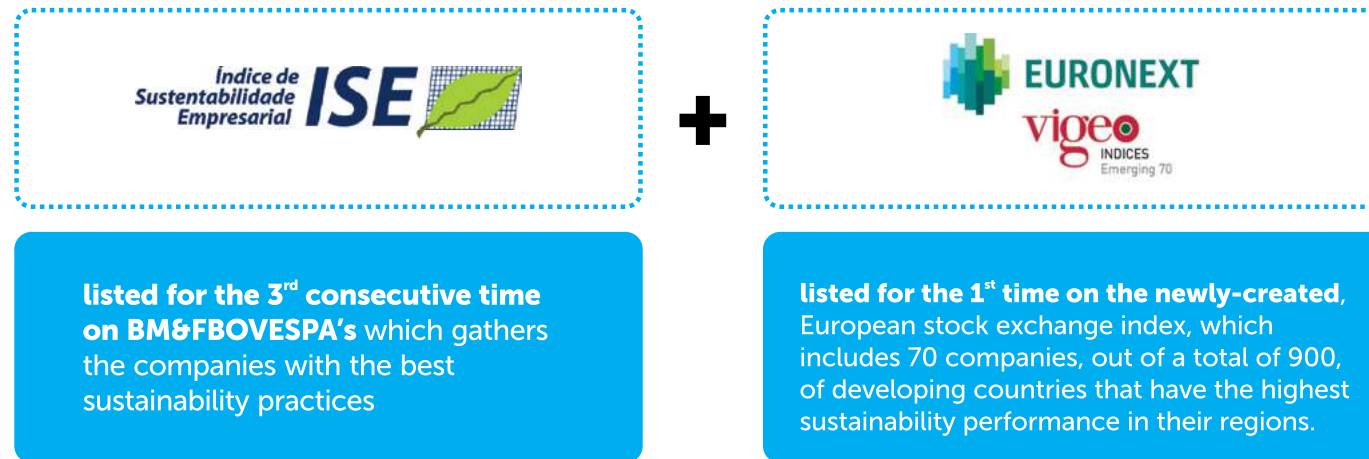


We expanded our operations and areas of operation:



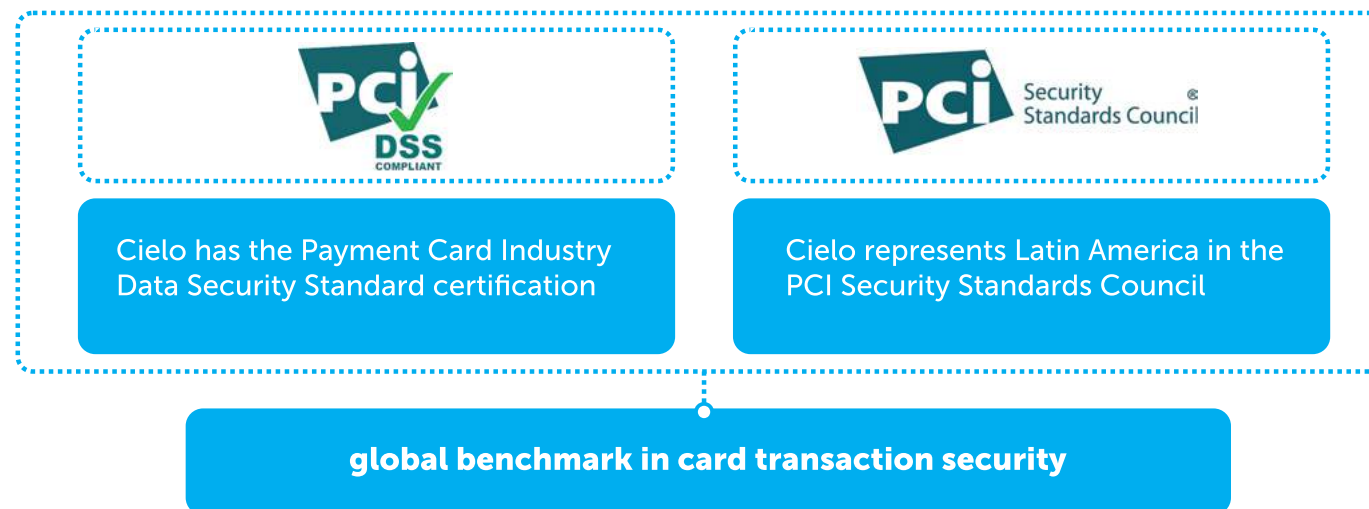
G4-13

Recognition of the consistency of our sustainable management in our business:



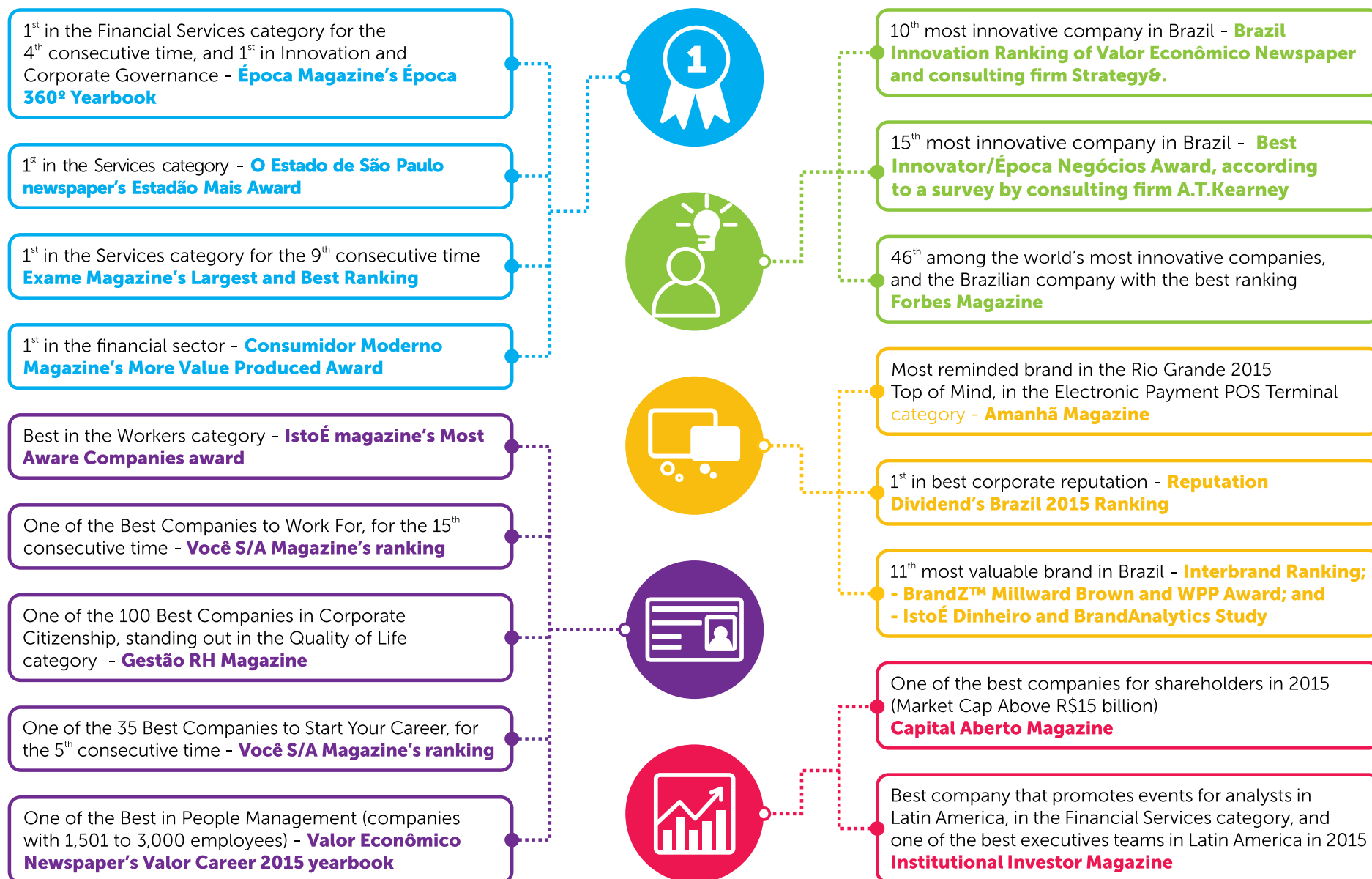
G4-15

We maintained our information security at a high level, in line with the best global practices:



G4-16

Main awards and recognition for different aspects of our business:



Corporate profile



About Cielo

G4-4

Cielo S.A. is the leader in electronic payment industry in Latin America, and one of the largest in the world. G4-3

Our operations are responsible for merchant acquiring for card payment processing, in addition to the transmission, processing, and financial settlement of transactions, and capturing of the main Brazilian and international brands.

In a multi-service, multi-label, and multi-channel strategy—with a point-of-sale, mobile, or e-commerce presence—Cielo operates in the whole national territory and in nearly all segments of the economy, with a portfolio of products and solutions that boost our customers' businesses (from small to large retailers, independent professionals, and freelancers).

Cielo is present in more than 1.8 million active points of sale in Brazil. In 2015, our channels accounted for 6.2 billion transactions, up 9.5% year-over-year.

G4-8, G4-9



Products and services

G4-4, G4-9, G4-EC7, G4-EC8

We strive for offering a portfolio that boosts the businesses of our customers, with services that support their results, strategy, and gains of efficiency in their whole life cycle.

[Learn more about the key products and services offered by Cielo for customers...](#)

...to manage their businesses more efficiently

Online Store: an integrated do-it-yourself e-commerce solution. This service provides small and medium-sized retailers with the necessary structure to easily open an online store, in a secure and convenient manner, gathering development, electronic payments, and anti-fraud system in a single solution.

Sales report: at “My Account” section of Cielo’s website, customers have different choices for visualizing their sales reports, making it easier to manage their business and reconcile financial events of their stores.

Cielo App: this is a channel that allows for users to quickly access our products and services, with the simplicity enabled by mobile technologies. In the app, Cielo’s customers can easily access the core tools for their business: check sales and payment information, buy the Acquisition of Receivables service in one click, find answers to the most common questions and access the list of useful phone numbers, and check and redeem points in our loyalty program. Learn more at:

<https://www.cielo.com.br/aplicativo-cielo>

...to be present in different channels to increase their sales and offer convenience to their clients

Cielo POS (Point-of-Sales) terminal: electronic terminal to authorize and capture payment and prepaid mobile phone recharge transactions, in addition to offering promotions and services. Available in the GPRS (General Packet Radio Services, mobile), and dial-up and Ethernet (landline) communication technologies, with high availability and processing capacity.


Cielo TEF (Electronic Funds Transfer): solution for medium-sized and large customers and/or customers that must issue receipts. This solution integrates customers’ cashier, inventory control and financial systems, allowing for better management of the business, with high availability and processing capacity.

Cielo Mobile: mobile payment solution for independent professionals, small entrepreneurs, and door-to-door salespeople. This mobile solution accepts all types of payment: debit cards, vouchers, and the “Crediário” function for payment in up to 48 installments, in addition to spot credit or in installments, using a card reader with chip and pin connected to a mobile phone via bluetooth.

Webservice Solution: allows for customers to fully customize their online purchasing process in a secure and practical manner, without leaving the online store environment, and also enables payments using credit and debit cards.

Fast Checkout: integrates Cielo's mobile payment solution to any sales management application available to the merchant. With such integration, store sales can be initiated and set by the salesperson directly on a mobile phone, with no need for clients to stop at the checkout counter, therefore making the purchase experience more agile and efficient, with no lines.

Checkout Cielo: Cielo's payment solution in a secure environment for customers that already have an online store and want to accept debit and credit cards, in addition to bank direct debit and payment slips.



Customers also have the Cielo Loyalty Program, and accumulate points for sales made using Cielo, which can be later redeemed as prizes.



Payment using mobile number: merchants can offer consumers the choice to pay using their mobile numbers, both at the physical and online stores, or even make remote purchases via Cielo's devices. Payment using mobile number is a secure technology, and payment is only completed after consumer authorizes it using a pin.

Safety Services Package: Cielo has anti-fraud tools for all market segments. In particular, Key Account clients serving goods and services networks, have a specific set of products that increase the security of in-store and online transactions, reduce losses for fraud and disputes, and increase the level of adherence to good international information security practices.

These benefits and goals are achieved through a basket of security services consisting of several items such as: testing and certification of the physical and logical security of the customer's environment, monitoring transactions using neural systems, preventive alerts for fraud, and tools to support the defense in disputes. These services are offered by specialized consulting firms, which help us orient our actions and prepare trend diagnoses and market comparisons relating to fraud and electronic transaction disputes.

...to increase their revenue

Prepaid mobile phone recharge: customers are remunerated for each mobile recharge made by a consumer using a Cielo terminal.

Foreign currency card payment: foreign tourists can pay for their purchases using a credit card in their domestic currency on Cielo's terminal, with automatic and real-time translation into more than one hundred currencies.

...to gain client loyalty and offer them benefits

Cielo Promo: merchants can create and manage customized promotions automatically, directly on Cielo's terminal, and the campaigns' communication is made on the receipts; customers can create the message to be displayed.

Partnerships with loyalty programs: end consumers paying using one of Cielo's devices accumulate points for Smiles and Dotz loyalty programs.

...to strengthen their cash

Acquisition of receivables: allows for customers to receive in advance their sales, improving their cash flow. Customers can contract this service out directly on the terminal.

...to improve their strategy and decision making

Big Data: top highlight among products and services in 2015, Cielo Big Data is a business intelligence tool. Because of the magnitude of our operation—in 2015, Cielo processed R\$548 billion (nearly 10% of the Brazilian GDP)—we own a large database and now offer our customers analytical intelligence products for monitoring business performance, monitoring the competition (aggregate data), and consumer behavior to support our customers' strategies and decision making.

You can learn more about the Cielo Big Data products at:

<https://goo.gl/ltojDb>

Conducting our businesses

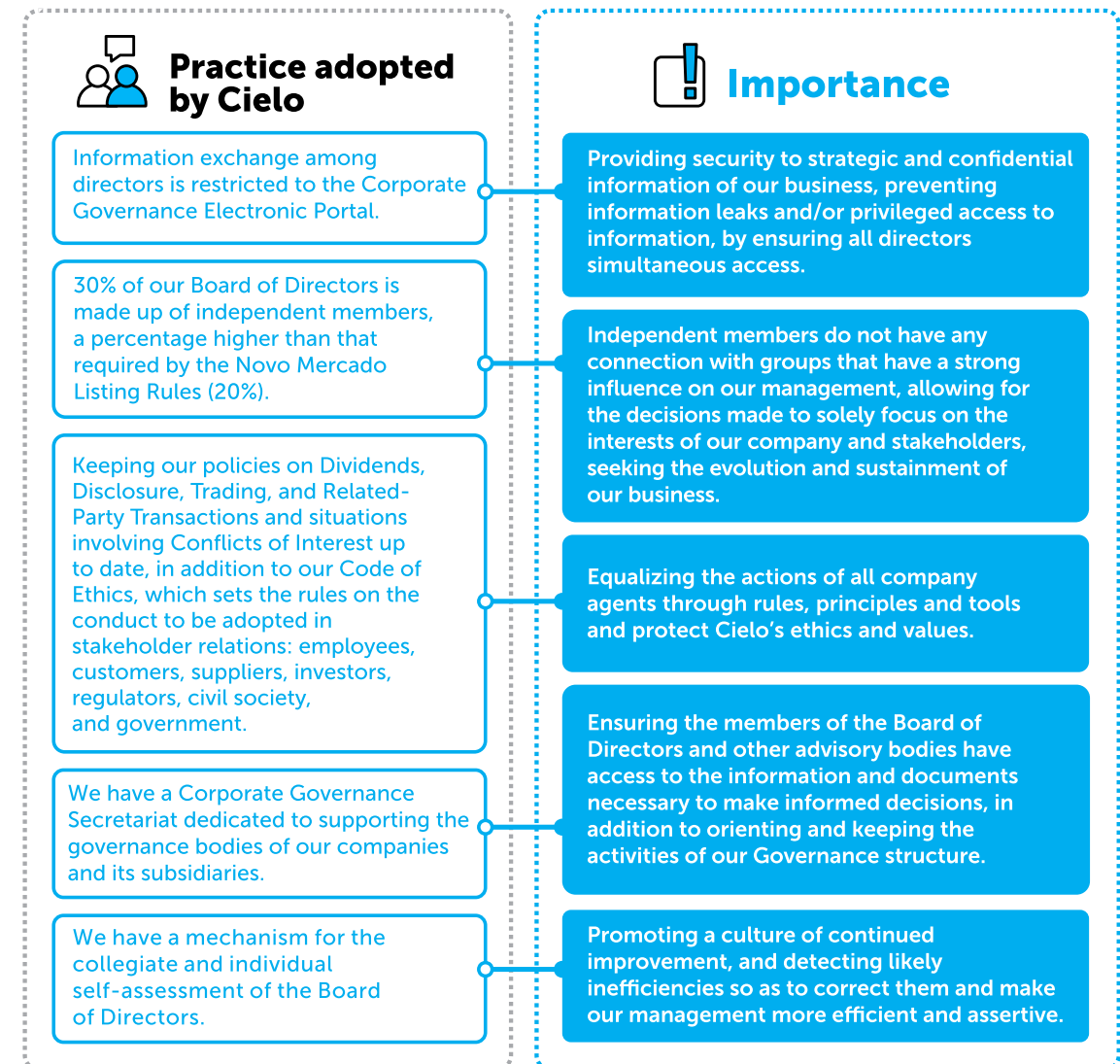


Corporate governance

For Cielo, corporate governance is a value. Therefore, we seek to adopt the best practices and constantly perfect them in order to preserve our and our stakeholders' interests, creating value in the long term and minimizing likely risks and impacts based on principles like transparency, equality, and corporate responsibility.

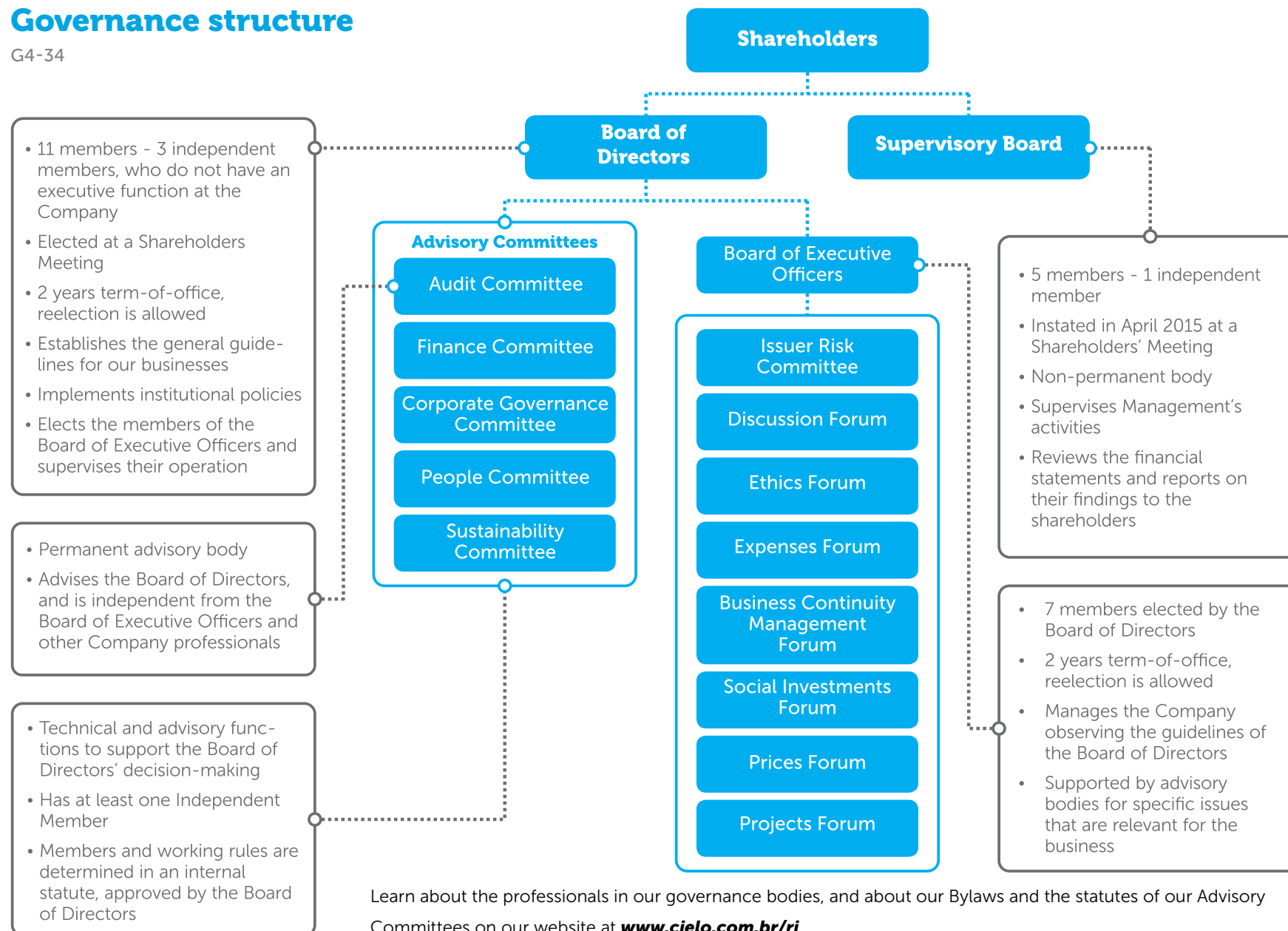
Because Cielo is a publicly held company—its shares have been traded on BM&FBOVESPA (CIEL3) and on the OTCQX International over-the-counter market (CIOXY) since 2009—it observes the key existing governance parameters and guidelines. The company is committed to voluntarily adopting corporate governance and shareholder rights practices that go beyond those required by the Novo Mercado (BM&FBOVESPA's listing segment where the company's stock is traded), always observing an ethical and sustainable conduct, which are nonnegotiable values for Cielo.

Best corporate governance practices and edges adopted by Cielo

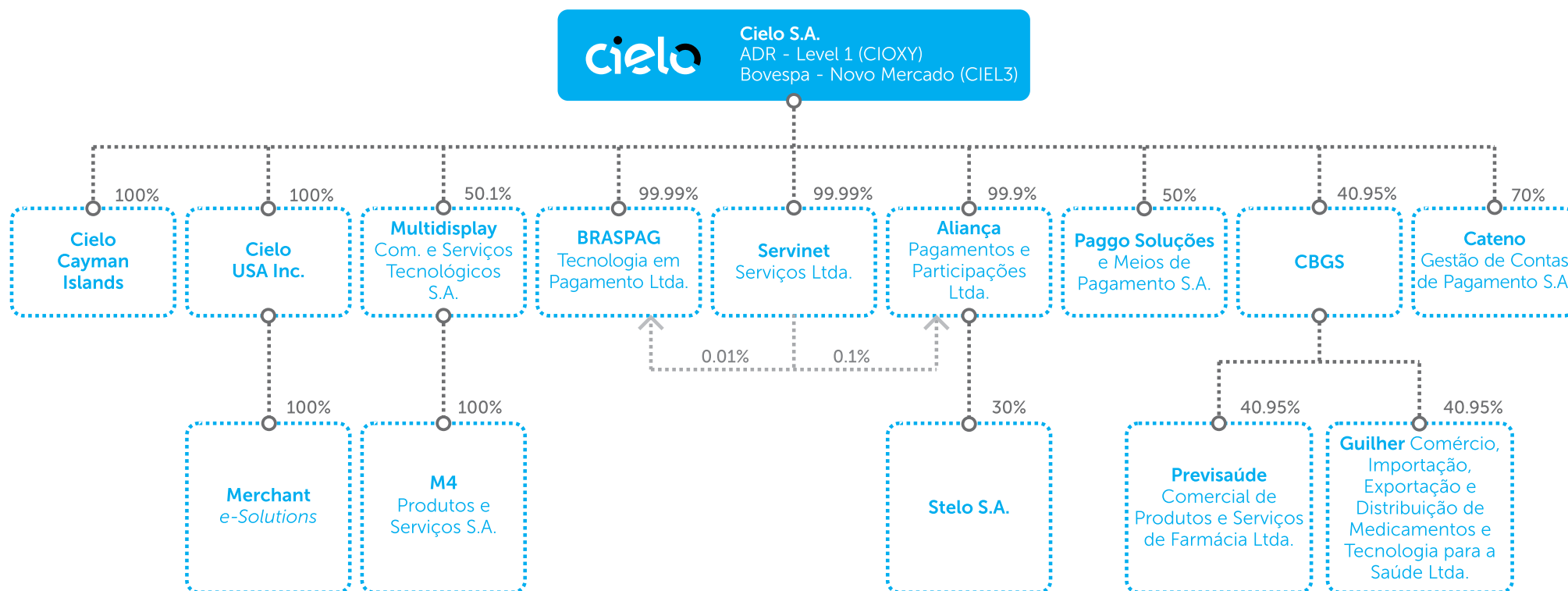


Governance structure

G4-34



Corporate structure



We strictly follow our related party transaction policy, which mandates that our controlling shareholders do not participate in decisions they can benefit from. An example was that the resolution on Cielo's minority interest in Stelo was made solely by independent members of the Board, without participation of members representing Cielo's controlling shareholders—namely Banco do Brasil and Bradesco—, which also control Stelo. Following the same principle, only independent members and Bradesco representatives voted on the creation of Cateno, after the association between Cielo and Banco do Brasil announced in November 2014.

Shareholding structure

Cielo's shareholders' equity is composed of 1,886,677,126 shares, which represented R\$ 63.4 billion by the end of 2015, making it one of the ten largest market caps of Ibovespa.

Shareholding as at 12/31/2015

Shareholders	Shares held	% of total
Controlling shareholders	1,107,609,717	58.71
Banco Bradesco	567,109,680	30.06
<i>Columbus Holding S.A.</i>	540,499,920	28.65
<i>Tempo Serviços LTDA</i>	26,609,760	1.41
Banco do Brasil	540,500,037	28.65
Treasury	4,846,312	0.26
Outstanding	774,221,097	41.03
Total	1,886,677,126	100

These shares are included in the theoretical portfolio of the following indices:

- Special Corporate Governance Stock Index (IGC)
- Special Tag-Along Stock Index (ITAG)
- Corporate Sustainability Index (ISE)
- Brazil Index (IBrX)
- Brazil 50 Index (IBrX-50)
- Financial Index (IFNC)

- Carbon Efficient Index (ICO2)
- Valor BM&FBOVESPA Index (IVBX 2)
- Mid-Large Cap Index (MLCX)
- Corporate Governance Trade Index (IGCT)
- Brazil Broad-Based Index (IBrA)
- Novo Mercado Corporate Governance Equity Index (IGC-NM)
- Euronext-Vigeo EM70 Sustainability Index

Cielo has a specific channel for communication with investors and shareholders (www.cielo.com.br/ri), where it consolidates all market disclosures, and provides a structured communication service (our Investor Relations area keeps a schedule of meetings with analysts and investors).

In 2015, over 220 interactions were made with these stakeholders, in addition to roadshows with analysts, investors and capital market professionals in São Paulo, Belo Horizonte, Brasília, and Porto Alegre in a partnership with the Capital Market Professionals and Investors Association (APIMEC). We also made two editions of our Cielo Day (Investor's Day) in 2015—one in Brazil at the company's headquarters in Barueri (São Paulo), and one in New York (United States)—with presentations from different business areas of our company.

Ethics and integrity

G4-56

The company's decisions are guided by an ethical conduct in all its relations with stakeholders, preserving the sustainability of our business. Therefore, ethics guides all our activities, and our detailed Code of Ethics helps to disseminate this value among everyone that participates in our business routine.

Our Code of Ethics prohibits the company from donating to political parties or campaigns, and from participating in events that promote and support political parties.

G4-SO6



Since 2009, this document gathers our principles and the conduct expected from everyone that acts on behalf of Cielo regarding the following issues:

- Fighting harassment, discrimination and prejudice, child pornography, conflicts of interest, corruption and trust formation, money laundering, slave work, child work, and child sexual abuse.
- Rules for accepting gifts, favors, and services.
- Principles for information preservation, environment protection, respect for union association and collective bargaining, and use of company resources.
- Stakeholder conduct: class entities, issuing banks, clients, employees, community and civil society, competitors, suppliers, government, press, investors, card holders.

All employees must attend the training on our Code of Ethics every year. Moreover, they must state that they know about and comply with our Code by signing a statement. Also, all our stakeholders can contact us regarding this matter using our Ethics Channel at www.canaldeetica.com.br/cielo or 0800.775.0808.

All grievances filed with the Ethics Channel are forwarded to the Internal Audit Office, which reports on a monthly basis to the Audit Committee and every six months to the Board of Directors on all activities relating to grievances received, and monitor each case up to closure.

In 2015, 44 grievances about noncompliance with the Code of Ethics were filed, all of which were reviewed by Internal Audit and six were found to have grounds.

The measures adopted in these cases included: guidance on how to treat situations of conflict with customers; firing employees that defraud the medical reimbursement process; guidance on irregularities in the process for supplier homologation; guidance on affiliation services irregularly offered on behalf of Cielo on social networks; legal actions were taken referring to the misuse of Cielo's privileged information. G4-SO5

In 2012, we published a Suppliers' Code of Ethics and Conduct specifically for these stakeholders (read more about it on the Suppliers section, page 39).

The Ethics Channel is managed by an independent firm, which ensures the grievances remain confidential and anonymous. The channel is available 24/7 to receive and solve doubts or conduct grievances, or likely noncompliance with the Code of Ethics or other company policies. This way, Cielo's stakeholders have the power to oversee corporate practices, strengthening our governance.

Learn more about the Code and all of our institutional policies at www.cielo.com.br/ri



Risk management

G4-2, G4-FS2

We adopt a methodology that helps our executive areas identify, review, respond to, monitor, and report on risks, so as to maintain them within the levels accepted by the Organization.

The Risks and Compliance Department works closely to the executive areas, independently reviewing the management of risks:

- Offers methodological guidance on risk management.
- Supports the implementation of effective risk management practices by the executive areas.
- Monitors and certifies that internal controls are adequate and effective, considering the company's appetite for risk.

In line with good corporate governance practices, risks and controls are periodically reported in relevant forums and monitored by the senior management.



Anti-corruption training and policies

G4-SO3, G4-SO4

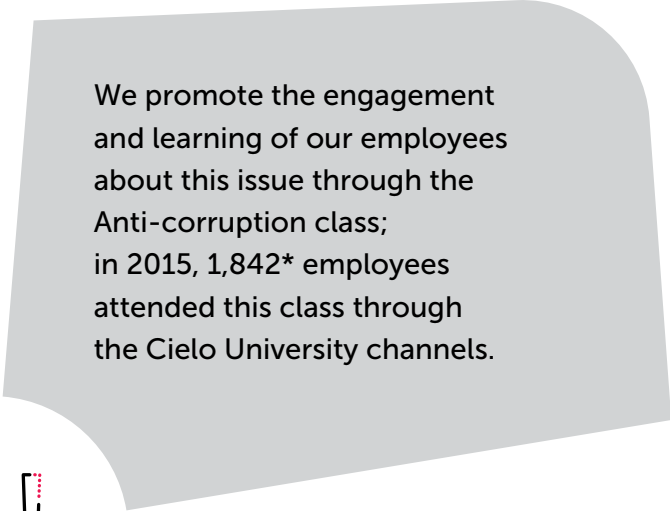
Not accepting any form of corruption, which is an important factor for ensuring an ethical conduct, is permanently reaffirmed at Cielo. Under the current legislation (Anti-corruption Law No. 12,846 of 8/1/2013), Cielo reaffirms its positioning of firmly rejecting corruption and of fighting it, and it has tools in place to prevent the company from (actively or passively) getting involved in situations that characterize any form of corruption.

We also provide guidance on grievances, treatment of each case, and punishment.

Our customers are also reviewed on a monthly basis to ensure compliance with the Anti-money Laundering and Prevention Law No. 12,683, of 7/9/2012. In this review, we use specific methodology, which includes comparison among customer groups to identify atypical financial behaviors and to assess the concentration of transactions by customers. All commercial areas responsible for the clients are informed of these results and proceed to ratify which transactions are actually suspicious of money laundering, reporting them to the Brazilian Council for Financial Activity Control (COAF).

We also offer annual online training, mandatory for all employees, on money laundering prevention. In 2015, 2,082* employees completed this training program by Cielo University.

In addition to fraud in the medical reimbursement process, mentioned on the previous page 26, we did not identify any other case of corruption in our operations in 2015. G4-SO5



We promote the engagement and learning of our employees about this issue through the Anti-corruption class; in 2015, 1,842* employees attended this class through the Cielo University channels.

 * Includes training for interns.

Nonetheless, we reinforce our processes and proceedings aimed at preventing and fighting corruption by disseminating good practices and guiding our employees and suppliers in actions such as the following:

- An anti-corruption policy in line with the law;
- Addressing the anti-corruption issue in our Code of Ethics;
- All employees of Cielo, of our subsidiaries, and of our affiliates must sign a statement of compliance with our anti-corruption policy;
- Anti-corruption training via e-learning given by the Cielo University to all employees with its content being made available to subsidiaries and affiliates; and
- Our suppliers are informed about our anti-corruption policy, and must sign a statement of compliance.

Communication about anti-corruption policies and proceedings in 2015

Stakeholder	% of people that signed the statement of compliance with our anti-corruption policy
Business partners (suppliers)	99%
Company employees	100%
Members of the Board of Directors and Board of Executive Officers	100%

Regulation

Under Law No. 12,865, of October 9, 2013, Cielo is now subject to regulation by the Central Bank of Brazil (BACEN), according to guidance by the Brazilian Monetary Council and rules published by BACEN.

We have already filed a Request for Authorization with BACEN, and we will be subject to compliance with rules that include, among others, risk management, minimum shareholders' equity level, and other requirements to be determined by BACEN.

Management is taking every necessary action so that our company fully complies with regulation as soon as BACEN grants us authorization.

Strategy and edges



Our strategic planning gathers our business guidelines and determines our targets, so that we meet our commitment of creating value for shareholders, customers, employees and civil society in the long run.

The Board of Executive Officers and Board of Directors set our targets based on studies on the behavior of economy and our industry, and details the paths for us to meet our main goal of positioning our company as a service provider that offers complete solutions for the life cycle of our customers' businesses.

- With that in mind, we implement our strategy based on ethical relations and principles that ensure our company's perpetuity and its leading position in the market: innovation oriented to results, execution excellence, and Best customer support.




Innovation oriented to results

G4-2

Being able to rapidly innovate is paramount for our business, since the electronic payment market has quickly evolved for the past few decades.

Innovation has become more and more of an edge when the sector's regulation sets operational standards and rules that make this market more competitive, making the creation of products, services, and technologies a key aspect in it.

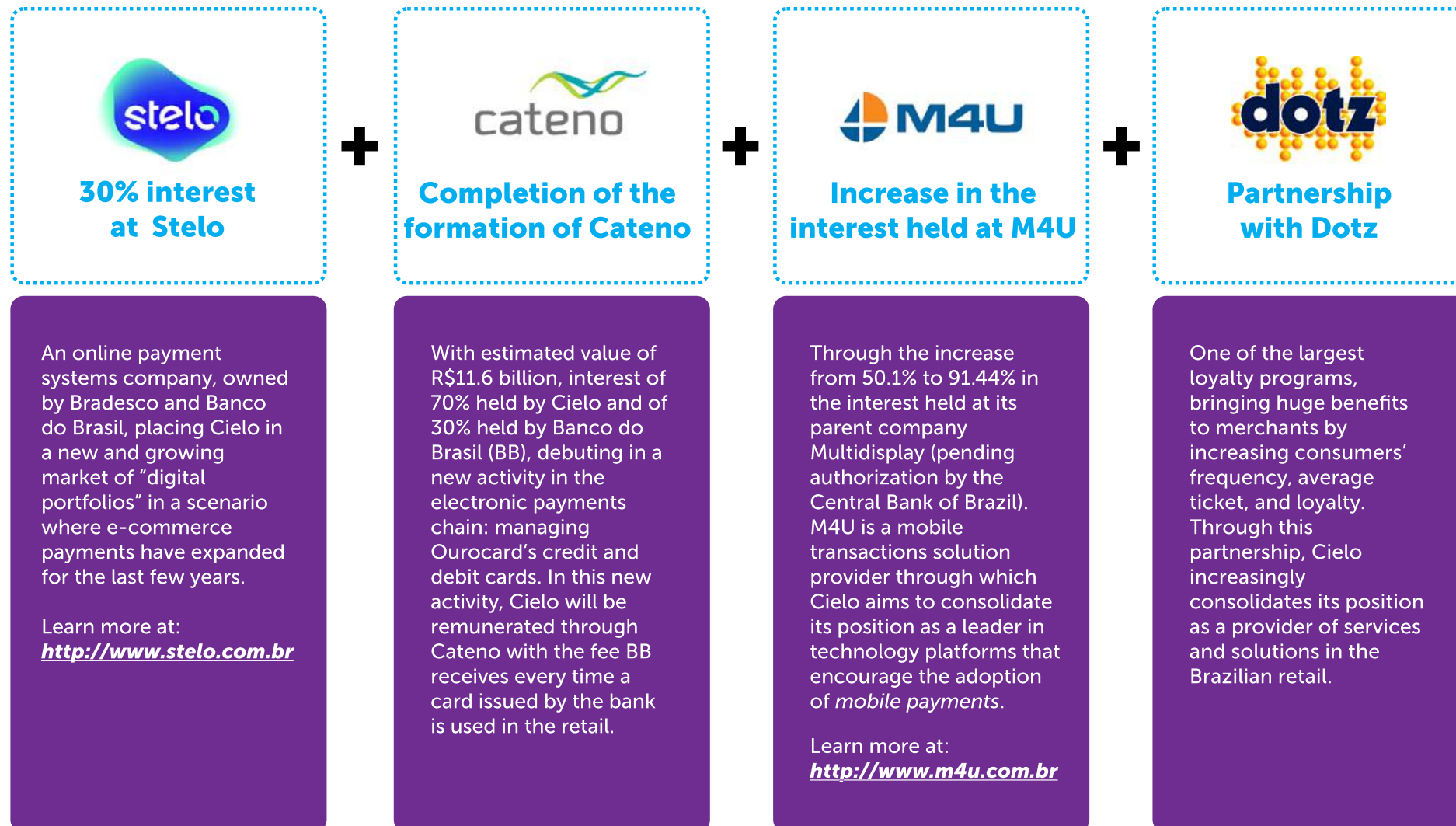
 **This is why innovation oriented to results is one of our values, and cannot be dissociated from our way of thinking and conducting our businesses.**

A few years ago it would take decades for an innovation in our industry to become robust enough to change any product or how to make it. Today, things are much faster.

In this scenario, we have teams dedicated to innovation with their own methodologies, and an innovation lab dedicated to thinking, developing, and implementing new products and services that are capable of boosting our customers' businesses, bringing to the Brazilian retail the top global trends in the industry.

Cielo's top innovation bases in 2015

New Businesses



New products and services

Through its database of 1.8 million active points-of-sale and over 6.2 billion transactions per year, in 2015 we consolidated our Big Data products for large customers, and also developed solutions for the whole retail market, regardless of company size, adding value to our customers' decision-making and strategic planning.

Cielo Big Data Answers



What is the pace of the **Retail** sector?



What are the most **accurate** and **recent** Brazilian figures, considering different **sectors** and **regions**?



How is **my sector** doing, according to the key metrics?



How is my competitor performing?



Why is my store located in city/district X **not performing well**? Is it the manager or the region?



What is my store's **customer profile**? Why am I losing customers? What can I do to **bring them back**?



What is the **micro-region with the greatest income potential** that I have not explored to date? At what location should I **open my next store**?

Big Data Products

ICVA



Benchmark



Expansion



Sector



Shopping Malls



E-commerce



Promo + Big Data



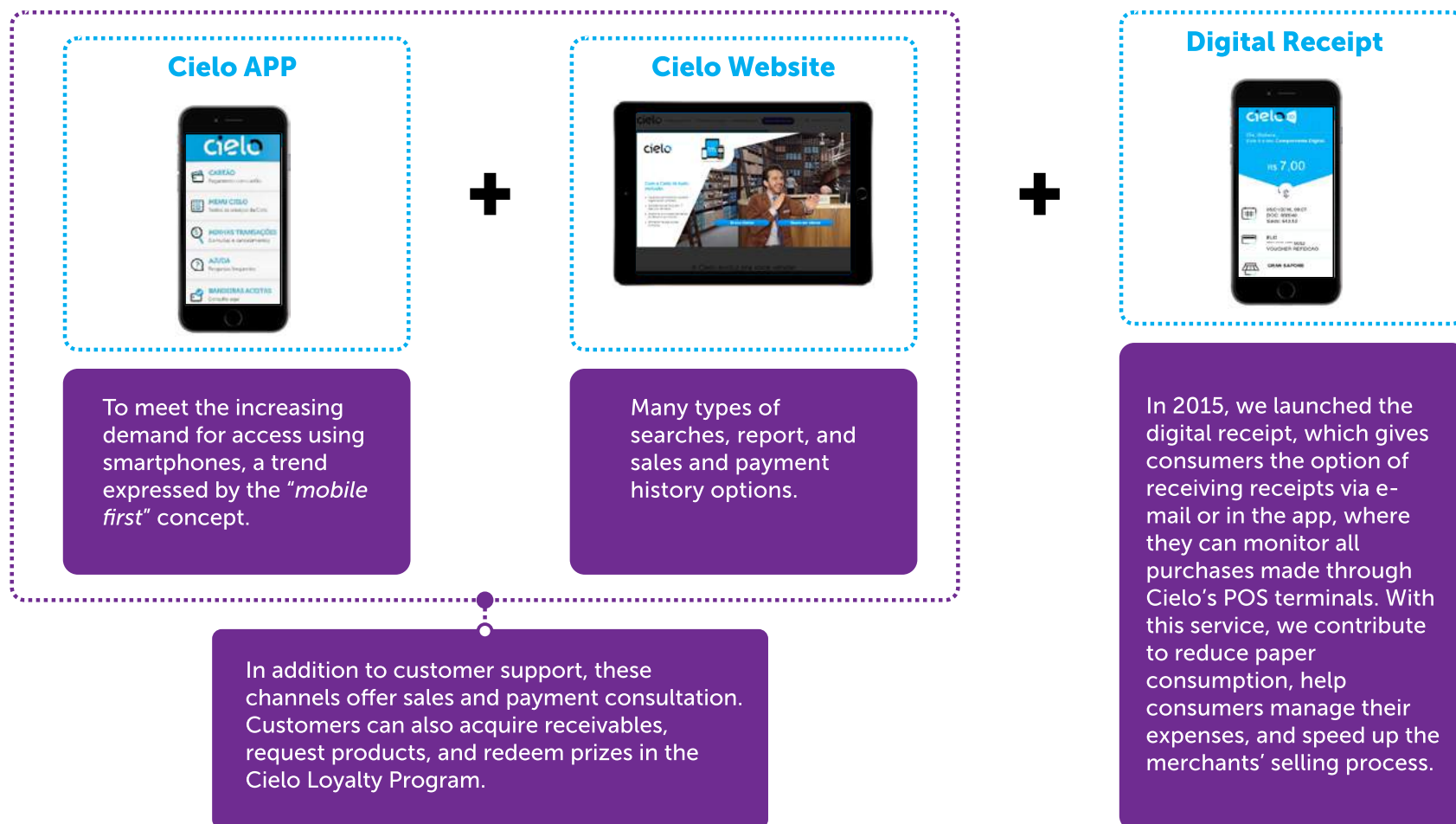
On-demand



Cielo Benchmark was an important highlight in 2015, allowing for customers and other companies (such as manufacturers, class associations, etc.) to monitor their performance and compare aggregated market data, including by districts, shopping malls, etc. This product, together with other Big Data products, results from our constantly expanding our information services offer, since the creation of the Cielo Extended Retail Index (ICVA), launched in 2014 and already consolidated in the market.

Digital Channels

Digital Channels are an important gateway for new customers and 21% of new customers captured by Cielo in 2015 have done the affiliation process online.



Execution excellence

For us, excellence in execution means offering our customers what is best in terms of electronic payments and the broadest offer of solutions for the retail market, customized for each company size and activity.


Information security

G4-2, G4-SO3

We adopt a proactive approach to information security, and we have specialized teams and top-notch systems working to detect incidents that may put customer data at risk. This has proven to be very efficient, since in 2015 we recorded no grievance with grounds regarding privacy violation and customer data loss.

G4-PR8

In that regard, we invest in employee, supplier, and third-party awareness. For suppliers, there is a contractual clause mandating that annual training on information security be given to all personnel directly working with Cielo. For outsourced call center service providers we offer training in a partnership with these service providers.

 We monitor our traditional controls processes (firewalls, malwares, etc.) 24/7 for possible external attacks, making intrusion tests and code analysis—a service provided by companies specializing in Information Security—focusing on preventing new threats.

We also monitor the POS terminals connected to the merchants' network, and invest in these devices' update in order to keep them in compliance with the Payment Card Industry PIN Transaction Security (PCI PTS) and the standards of the Brazilian Association of Credit Card Companies and Services (ABECS).

Quality of our offer and service

- The quality of our offer and of our dedicated service help us reach a high customer satisfaction standard



Customer service available through multiple channels

Customers have multiple channels they can use to communicate with Cielo:

- Specialized call center (4002 5472 in capitals and metropolitan areas, 0800 570 8472 in other regions) working Mon-Sat from 8 a.m. to 10 p.m.; and 24/7 tech support (4002 9111 in capitals and metropolitan areas, and 0800 570 0111 in other regions).
- Website www.cielo.com.br/atendimento, including a self-service channel and a channel for contacting an agent.
- Social network pages, such as on Facebook and Twitter.
- The Cielo POS terminal, where customers can request products and services.
- Cielo stores in São Paulo, one located in the Ibirapuera shopping mall and the other inaugurated in early 2016, in the neighborhood of Brás, a traditional commercial district in the city. The customer can leave the store with a working POS terminal, and it also offers other services such as enabling new Cielo services, sales acquisition and tech support.
- Ombudsman available for suggestions, complaints, grievances and compliments from Monday through Friday, from 8 a.m. to 6 p.m., at 0800 570 2288, or www.cielo.com.br/portal/cielo/fale-conosco/ouvidoria.

Best customer support

Our customer base consists of 1.8 million points-of-sale merchant, companies of different sizes and sectors, in all Brazilian regions.

Our sales force and customer care professionals who manage the relationship with customers, count on different actions with the goal of ensuring a high standard service:

- **Smart tool:** sales management application developed by Cielo that optimizes the work of our sales force, contributing to the quality of the service provided, making visitations more efficient and agile, in addition to identifying the needs of each customer in a more assertive manner. The application also reduces paper consumption, reducing the use of printed forms.
- **Periodic training:** Our sales force is continually trained through programs offered by the Cielo University, which are based on the results of customer satisfaction surveys. This makes our sales force more specialized, acting in a consulting manner.
- **Customer satisfaction survey:** It measures customer satisfaction with the service provided and the products and services offered by Cielo. The survey has been carried out every year since 1999; starting in 2013, surveys have become more frequent (up to three times a year). The survey uses a quantitative methodology, which consists on phone interviews by sampling, representing the whole universe of our customers and the different company sizes in all Brazilian regions.

In 2015, nearly 80% of the customers that reviewed our services and customer care gave us scores ranging from 7 to 10. This indicates the quality of customer relations and customer care, terminal maintenance services, comprehensiveness of our card brands portfolio, commercial conditions we offer and other factors are perceived by our customers and ensure a high satisfaction level and their intention of keeping a relationship with Cielo, which is the leading acquirer in the market. [G4-PR5](#)

In addition to the general customer satisfaction survey, in 2015 we also made surveys focusing on measuring the satisfaction level of customers that have recently interacted with our company using the following channels: affiliation, sales representatives' visits, Customer Care, Tech Support, Maintenance, and Ombudsman.

Based on the results of these surveys—which are discussed in forums dedicated to improving customer experience and that are part of our annual targets—we design action plans for continued improvement, which are executed by specific groups.

Supply chain management

G4-12, G4-EC8

In 2015, we had 939 suppliers of different sizes, industries, and regions. 40 of those concentrate most of our overall expenses with suppliers, which totaled R\$2.3 billion in 2015.

Given their share in our operations, both in economic, social and environmental terms, 17 suppliers are considered strategic and critical from a sustainability perspective. These are large companies operating in the logistics, call center, and technology fields, and in addition to providing other services and products, they serve our clients in the whole country. These suppliers are audited on site to verify the practices that are reported in a social-environmental questionnaire, which they are required to answer in order to govern their actions.

In addition to auditing our critical suppliers so as to make sure their own supply chain is in compliance with our values and high excellence standard, we promote other supplier relations actions, such as the following:

All suppliers must state compliance with and respect our Code of Ethics and Conduct for Suppliers, and our Anti-Corruption Policy. We also have a suppliers management system that reviews likely noncompliance and fraud, mitigating this risk.

Every year, we make the Face to Face with Suppliers, a meeting where we recognize the suppliers that stood out in terms of quality, speed, competitive attitude, and sustainability.

Aligning the conduct

Encouraging excellence

Ensuring good practices

Dialogue and proximity

Contracting suppliers is conditioned upon the homologation process - made upon the registration of the supplier and then every year - that analyzes financial, labor, fiscal, and social-environmental aspects. Contracts provide for respect to the law and good practices relating to these issues.

We have a specific *website* for suppliers: <https://www.cielo.com.br/fornecedores> which includes a dedicated contact channel for ethical, operational, social, and environmental issues, among others.

At our annual meeting with suppliers, which is held since 2010, we also reinforce our ethical principles in core issues, such as the prohibition of slave/child work, discrimination, diversity and harassment (moral, sexual, religious, political, and organizational), fair competition, among others.

Employee qualification

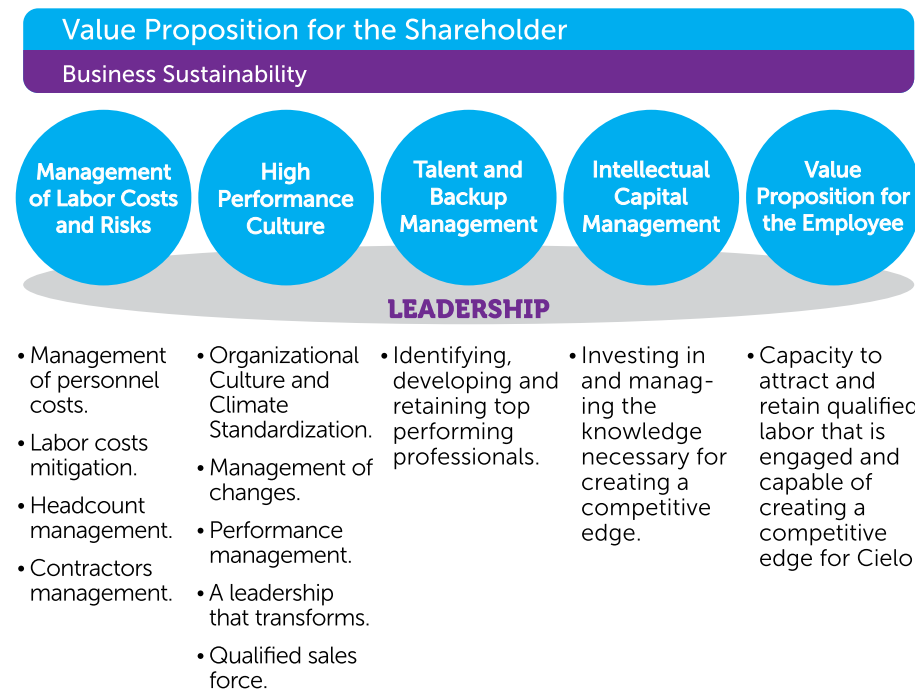
G4-LA12

Our governance model determines that strategic issues referring to people management be discussed by the Board of Executive Officers, formed by the CEO and the other officers, and that depending on the case they also be discussed by the People Committee and the Board of Directors.

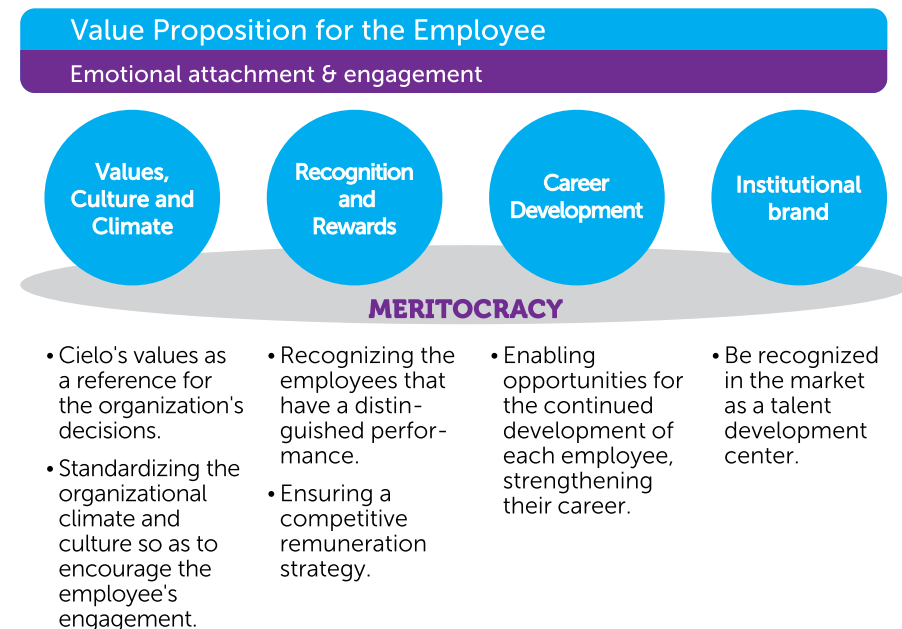
The People Committee is a forum formed by board members and other shareholder representatives, and the Organizational Development Vice-President. The role of this committee is to advise

the Board of Directors in decisions regarding strategic people management issues. Such governance demonstrates how important people management is for Cielo.

The Organizational Development Vice-President is a permanent member of the Board of Executive Officers, reports to the CEO, and is responsible for setting and implementing our human resources management strategy, summed up in two Value Propositions shown next:



It determines that the optimal management of our human resources is paramount for the sustainability of our business, and that the leaders play a key role in this process. This proposition translates into actions that are segmented in five pillars, according to the picture above.



It determines that we must offer each employee the opportunity to have an emotional attachment to work and the organization. Meritocracy is a premise that orients all proposed actions, and translates into four pillars, according to the picture above.

This strategy has made us a benchmark in people management, recognized by different awards won in 2015 and past years (learn more about it on page 13).

□ **All the pillars in both proposals have success indicators that are monitored in a regular basis, in order to ensure the management of our performance in each of them.**

One of the strategic indicators of success of our Human Resources (HR) strategy targets is retaining the talents identified in the Talent Management Forum (FGT). This indicator influences the annual bonus of part of our leaders, and in 2015 it revealed that 97% of the talents remained at Cielo.

Another relevant indicator is the favorability index (78%) recorded in our “Speak Your Mind!” survey. This survey was made by an independent consulting firm and 95% of our employees participated in it. This result places us in the P90 ranking, which gathers 10% of the companies with the best results among those surveyed by the consulting firm, and that involve over 1.5 million Brazilian workers.

A third important indicator is the one that measures the organizational entropy index, related to the Values, Culture, and Work Environment pillar. Entropy, in this context, is defined as the energy wasted due to factors that limit the culture and modus operandi of the organization (bureaucracy, lack of team spirit, noncompliance with organizational values, lack of focus, etc.). This index reached 16%; according to the methodology used, which means that the organization is very close to the entropy index considered ideal (below 10%).

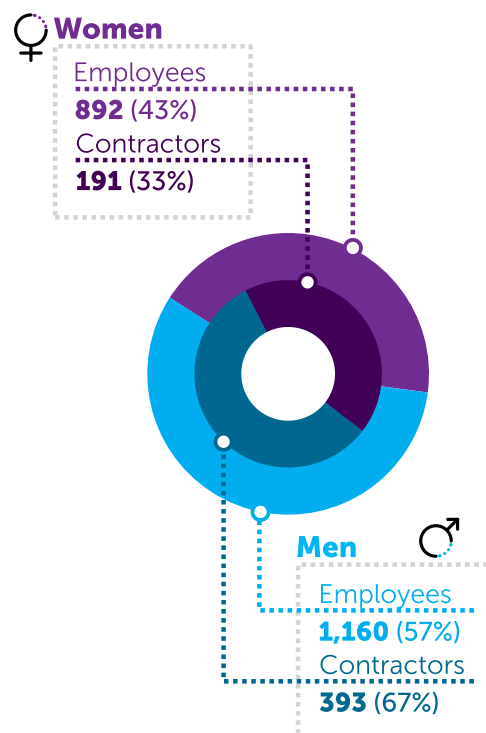
G4-10, G4-LA12

In 2015, we had 2,052 employees, all of them formally employed under the Brazilian Labor Law (CLT) with a work contract of indeterminate duration, and 584 contractors doing back-office, building maintenance, security, cleaning and conservation work, among other services.

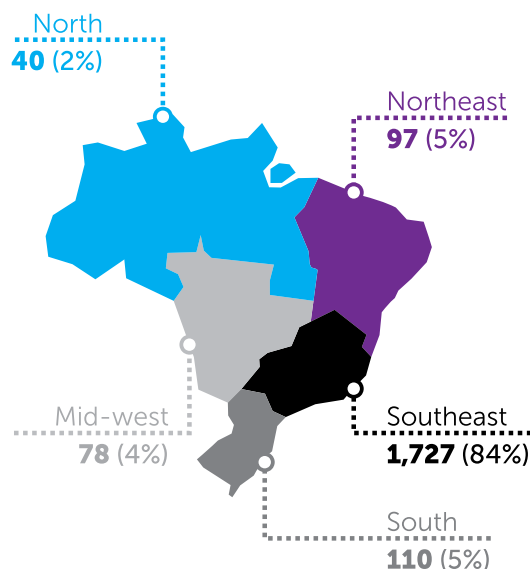
We strive for being a benchmark in people management, and we have been recognized and awarded by the market for our best Human Resources practices (learn more about it from pages 43 to 47).

Profile of Cielo's staff in 2015

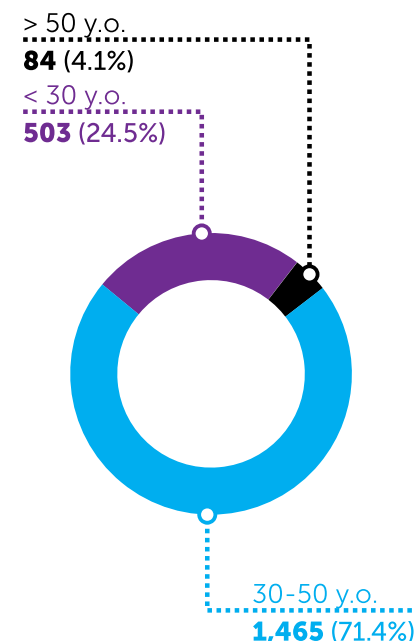
By gender



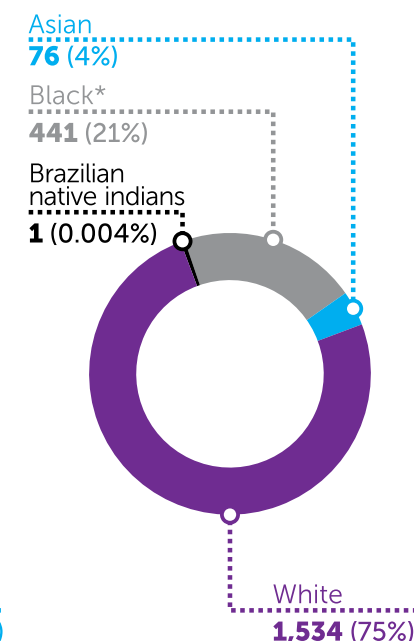
By region



By age



By race



*Black includes black and mixed white and black people.

G4-9, G4-10

Below you will find the key aspects of our people management that contribute to the development and qualification of our employees so as to create a healthy work environment, and encourage engagement and connection with our company, maintaining Cielo's high excellence standard.

We promote different initiatives to attract and retain talents, which make Cielo a company recognized for the management of its human resources. The main actions are the following:

- **Jovem Aprendiz Program (apprenticeship):** This program allows for young people coming from low income households to learn a profession. Their ages range from 14 to 24, and they must be attending primary or secondary education. This program lasts 15 months.
- **Jovens de Futuro Program ("Young People of the Future"):** This program allows for young people coming from the apprenticeship program to continue working at Cielo until they sign a work contract. To enter this program, the apprentice must be accepted at a university, and have an exemplary performance. The internship lasts up to 24 months. The intern with the best performance in their area of interest gains a work contract. We have a set of specific job positions for this program to ensure these young people are hired.
- **Internship Program:** The goal of this program is to be a source of talents for the organization. Interns participate in specific learning programs referring to their areas, and also in corporate programs where they learn more generic aspects, such as communication, negotiation, team work, etc.
- **Trainee Program:** Lasting 24 months, this program trains candidates for managing top performance teams using a meritocratic people management model that favors the strengthening of our culture, work environment, and team work, focusing on expected results and the changes proposed by the organization. In 2015, 15,000 young people applied for this program.
- **ComTato:** This is a personal guidance and support service in different areas, offered to all employees. This service is available 24/7 via phone call, free of charge and fully confidential.
- **De Bem com a Vida ("Feeling Good About Life"):** This quality-of-life program encourages employees to have a healthy attitude towards life, physically, emotionally, financially, professionally, intellectually, socially and spiritually speaking.

Professional and career development

G4-LA9, G4-LA10

We aim at expanding our human capital, transparency, and freedom for everyone to be able to express their opinions and contribute to the continual improvement of our organization and its whole value chain.

We believe our employees should play the leading role in their professional and career development, sustained by different concepts and important tools that are offered to our entire workforce. The Cielo University, through its four schools, offers training for all employees and in all areas:

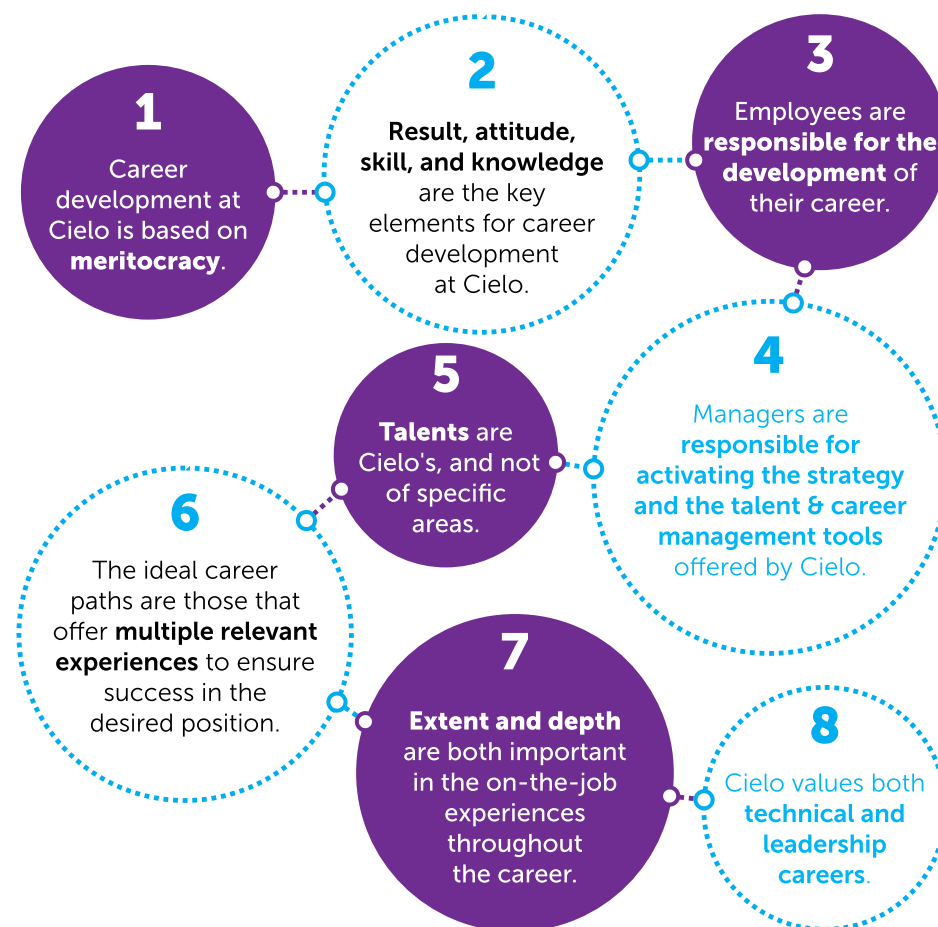
- I. Sustainability School
- II. Leadership Development School
- III. Execution excellence School
- IV. Business School

We promote intense communication so as to make sure that investing in individual professional improvement and offering career opportunities become a routine and a strong characteristic of our culture.



Below, get to know the professional development resources and career offerings at Cielo:

1. **Cielo's 8 Career Principles:**



2. **Development & Career Guidelines, which govern our career management based on the 8 Principles.**
3. **Opportunities Panel, where the open jobs available at our company are published via intranet for employees to apply if they are interested.**
4. **Annual survey, made during the performance assessment, on the following topic: "What do you want for your career in the next three years?"**
5. **A formal annual performance assessment: Performance and Development Management (GDD).**
6. **Formal, annual and collegiate process to identify talents: talent Management Forum (FGT).**
7. **Feedback is always encouraged, and we have two formal feedback processes right after the GDD and FGT.**
8. **Individual Development Plan.**
9. **Succession plan.**
10. **Investment in education sponsorship, ranging from specific, technical or language programs to MBA, Masters or Doctorate.**

In 2015, we invested R\$10.6 million in the Cielo University, which offered 187,000 hours of training during the year, an average of 91.24 hours of educational actions per employee. Additionally, the business areas invested R\$490,146.46 in the external training of 116 employees to meet specific demands. Of this total, 46% were invested in training women. G4-LA9, G4-LA10

Our continued investment, year after year, has helped 42% of our employees to earn a graduate degree or MBA, and 99% of our employees to complete their undergraduate studies.

In 2015, nearly 50% of our employees participated in the Odisseia program, a career workshop where all concepts and tools relating to development and career are discussed in depth.

Training in 2015

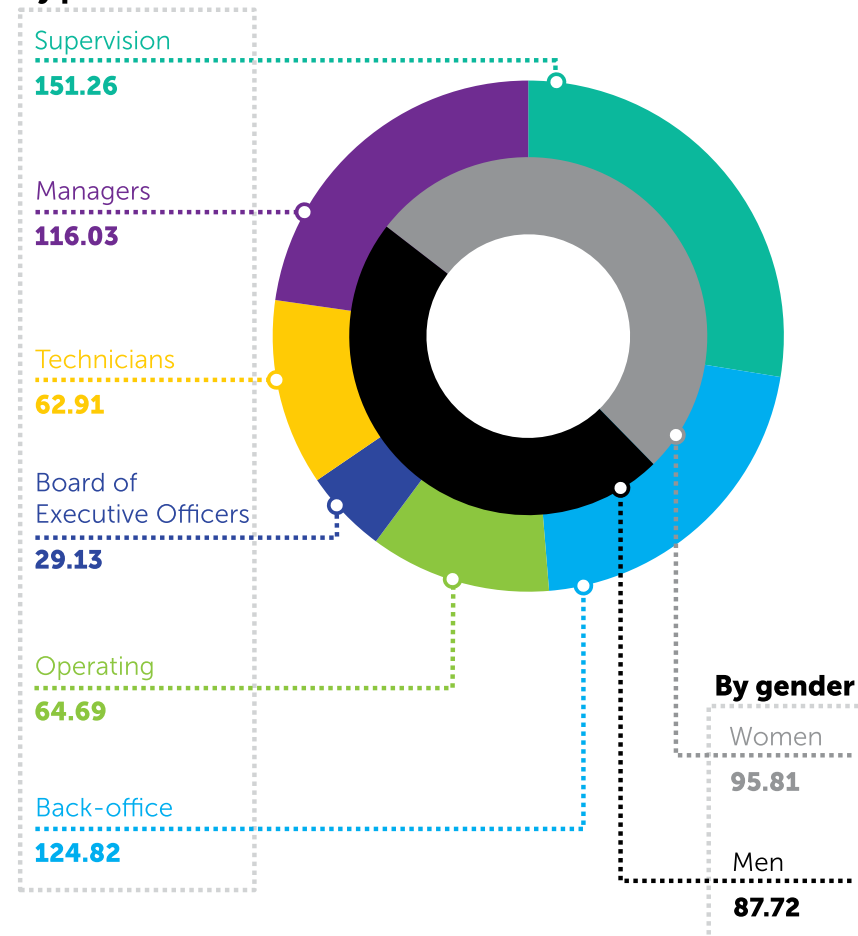
	Participant	Investment (R\$ million)	Average amount invested by participant
Corporate training*	2,384	6.8	R\$ 2,857.33
Specific training	532	1.9	R\$ 3,679.95
Formal and continued education	325	1.9	R\$ 5,975.13

The results achieved in 2015 are in line with Cielo University's mission of serving its entire value chain. The expansion began with initiatives addressed to the affiliates of the group, with the objective of, in 2016, to expand its operations to customers and the civil society.

*Includes training for interns and Cielo group affiliates.

Average hours of training in 2015

By position



Meritocracy and professional evolution

Guaranteeing the practice of meritocracy is a key factor in our decision making. This is why every year our employees undergo two performance assessment processes—Performance and Development Management (GDD) and Talent Management Forum (FGT)—which identify those employees that stand out, their strengths and learning, development, and career opportunities.

Since 2011, professionals in all functions have been assessed and received feedback from their leaders, and the result of this assessment determines how much they will receive in the Profit-Sharing Plan (PPR). G4-LA11

The amount each employee receives in the Profit-Sharing Plan (PPR) is directly connected to the GDD assessment. The results obtained in the FGT identify the employees eligible for merits, promotions and other recognition programs at our company. These results also identify the potential successors for critical positions and are the source of inspiration and guidance for Cielo University schools' development actions.

Since 2010, employees have also counted on, Cielo Coaching, a program where a senior leader or contracted coach provides guidance on the coachee's career. In all, this program has already supported over 150 employees, and 67 senior managers have been trained to be coaches. In 2015, 18 senior managers completed the program to become coaches, and 72 employees underwent the coaching process.

In 2015, for the first time we made a survey to monitor the quality of the feedback received by the employee. Participation in the survey is optional, and 45% of our employees participated in it, giving an average score of 8.3 for feedback quality and 8.7 for contribution to the development of the employee.

Getting ready for retirement

Cielo offers all employees a private pension plan from the first day of employment, so that they can get ready financially for their retirement. Additionally, we offer outplacement programs for employees close to their retirement date so that they can be prepared emotionally for this time of their lives.

Outplacement is also offered to managers that have had their employment terminated for any reason that does not violate our Code of Ethics. In this case, the program's goal is to support these professionals in the continuation of their careers.

Financial performance



Financial results

The net revenue of the Company totaled R\$ 11,122.3 million, an increase of 44.0% when compared to 2014.

□ The increase in net revenue substantially relates to the startup of operations of Cateno consolidated as from February 27 2015 to the continued expansion of Cielo's operations and of its subsidiaries, as well as the exchange rate appreciation in US-generated revenues, of the subsidiary Merchant e-Solutions.

EBITDA totaled R\$ 5.2 billion in 2015, up 36.3% compared to 2014. EBITDA margin was 47.1%, down 2.6 percentage points from the previous year. G4-9

Operating expenses were up 17.1% to R\$ 1,479.9 million in 2015 *vis-à-vis* R\$ 1,263.5 million in 2014. This result includes payroll; general and administrative; sales and marketing; equity; and other net operating expenses.

In 2015, the financial result totaled R\$ 1,103.1 million, down 21% compared to 2014, which reflects the performance of the following items:

- Financial revenue increased R\$ 124.7 million, from R\$ 19.8 million in 2014 to R\$ 144.5 million in 2015.
- Financial expenses increased R\$ 1,041.4 million, from R\$ 132.1 million in 2014 to R\$ 1,173.5 million in 2015. The growth is due to an increase in average third-party debt, significantly represented by the issuance of public and private debentures in 2015, whose proceeds were directed for the incorporation of subsidiary company Cateno under the partnership agreement with Banco do Brasil.
- The result from the acquisition of receivables appropriated on a *pro rata temporis* basis, net of third-party funding and tax costs - Social Integration Program (PIS) and Contribution to Social Security Financing (Cofins) - grew R\$ 621.2 million or 41.2% to R\$ 2,129.8 million in 2015, *vis-à-vis* R\$ 1,508.6 million in 2014. This increase is mainly due to higher trading volume of purchased receivables plus the continuous expansion of the product, in addition to an increased average spread in the year, given the successive increases of the Interbank Deposit (DI) rate (interest rate on transactions involving bank and corporate securities, such as the debentures) and lower third-party funding costs.

Fiscal benefits

G4-EC4

In 2015, as a result of the high amount of taxes collected, Cielo used up R\$ 79.2 million in tax benefits - R\$ 45.4 million in tax incentives (Lei do Bem, Lei Rouanet, Lei Desportiva, FDCA, Pronon) (learn more about the supported projects at pages 61 and 62) - and R\$ 33.8 million on benefits received from Financiamento de Máquinas e Equipamentos (FINAME), Banco Nacional de Desenvolvimento Econômico e Social (BNDES) and Financiadora de Estudos e Projetos (FINEP), which offers a tiered interest system.

Value Added Statement (VAS)

G4-EC1, G4-EC8

The total value added distributed by Cielo and its subsidiaries topped R\$ 8.5 billion, up 31.3% compared to 2014, whose highest portion was destined to government and society (taxes), followed by third-party capital remuneration (interest and rent), shareholders and payroll.

Value added distribution (R\$ million)

	2013	2014	2015
Shareholders (equity capital remuneration)	1,802	1,833	1,066
Payroll (remuneration, benefits and labor costs)	358	479	605
Government (taxes, fees and contributions)	2,093	2,412	3,030
Remuneration on third-party capital (interest and rent)	284	397	1,403

NOTE: Earned income in the periods was not include in the table above because they haven't been distributed. Evidence can be seen in the consolidated VAS within the Standardized Financial Statements (DFP), published on the Securities and Exchange Commission of Brazil - CVM website on February 1st, 2016.

Pension plan G4-EC3

In addition to remuneration, the proceeds destined to payroll also include costs with the optional membership private pension plan. In 2015, pension plan investments topped R\$ 11.6 million, complemented by a total R\$ 9.6 million contribution paid in by the plan members, who are 70% of the total headcount.

Stock performance

In 2015, as Ibovespa dropped 13.3%, Cielo's stock (adjusted for remuneration) depreciated 1.5%. On December 30 2015, CIEL3 shares were quoted at R\$ 33.59/share, bringing the Company's market cap to R\$ 63.4 billion.

The average daily trading volume in the period between January and December 2015 totaled 4.2 million shares, an average daily volume of R\$ 168.3 million, representing 0.7% of the free float.

Since the IPO, the average daily trading volume has been 2.4 million shares with an average daily trading volume of R\$ 101.5 million or 0.4% of the free float.

Dividends

Cielo's dividend and interest policy ensures the minimum dividend distribution of 30% of profits earned after the legal reserve of 5% of the year's net income up to the limit of 20% of the share capital.

Dividends and interest on equity are paid twice a year in March and September. Regarding 2015, at the Ordinary and Extraordinary General Meeting held on April 8, 2016, the Board of Directors approved the distribution of approximately 31.6% of the net income for the 2015 fiscal year, or R\$ 1,065,723,127.81 billion.

Operating result

In 2015 Cielo captured 6.2 billion transactions, up 9.5% year-on-year. The volume of financial transactions amounted to R\$ 548 billion, equivalent to 10% of the country's economy (figure that considers both GDP and financial volume accrued up to September), up 5.9% year-on-year.

Specifically regarding credit cards, the financial volume of transactions processed totaled R\$ 320.5 billion in 2015, up 2.5% year-on-year. As for debit cards, the financial volume of transactions processed totaled R\$ 227.7 billion, an 11.1% increase in the period.

Investment in POS and Chip & PIN Terminals

A total of R\$ 370.2 million was invested in the acquisition of new terminals in 2015, partly funded through a BNDES-FINAME facility.

Environmental performance



Structured as a services company, Cielo's business has low environmental footprint when compared to other industries highly dependent on natural resources, such as manufacture and agriculture.

At the same time, the Company monitors the environmental footprint of its operations and manages and mitigates those impacts.

In 2015, Cielo moved in to its new offices in Barueri (São Paulo) equipped with the latest technology, complying with the most demanding sustainability requirements. In the new head office, Cielo invested in equipment and materials with the highest environmental efficiency grade. A total R\$ 14.1 million was invested in smart air conditioning system, certified reforested wood furniture, low consumption light bulbs and movable office ceiling tiles and carpeting that can be reused in case of future expansion. G4-13, G4-EN31



Energy consumption

The Company monitors the consumption of energy at its head office and at 17 branches and the consumption of diesel fuel used to power a generator at the head office. In 2015, the Company consumed 3,030,131 KW/h and 3,150 liters of diesel fuel. G4-EN3

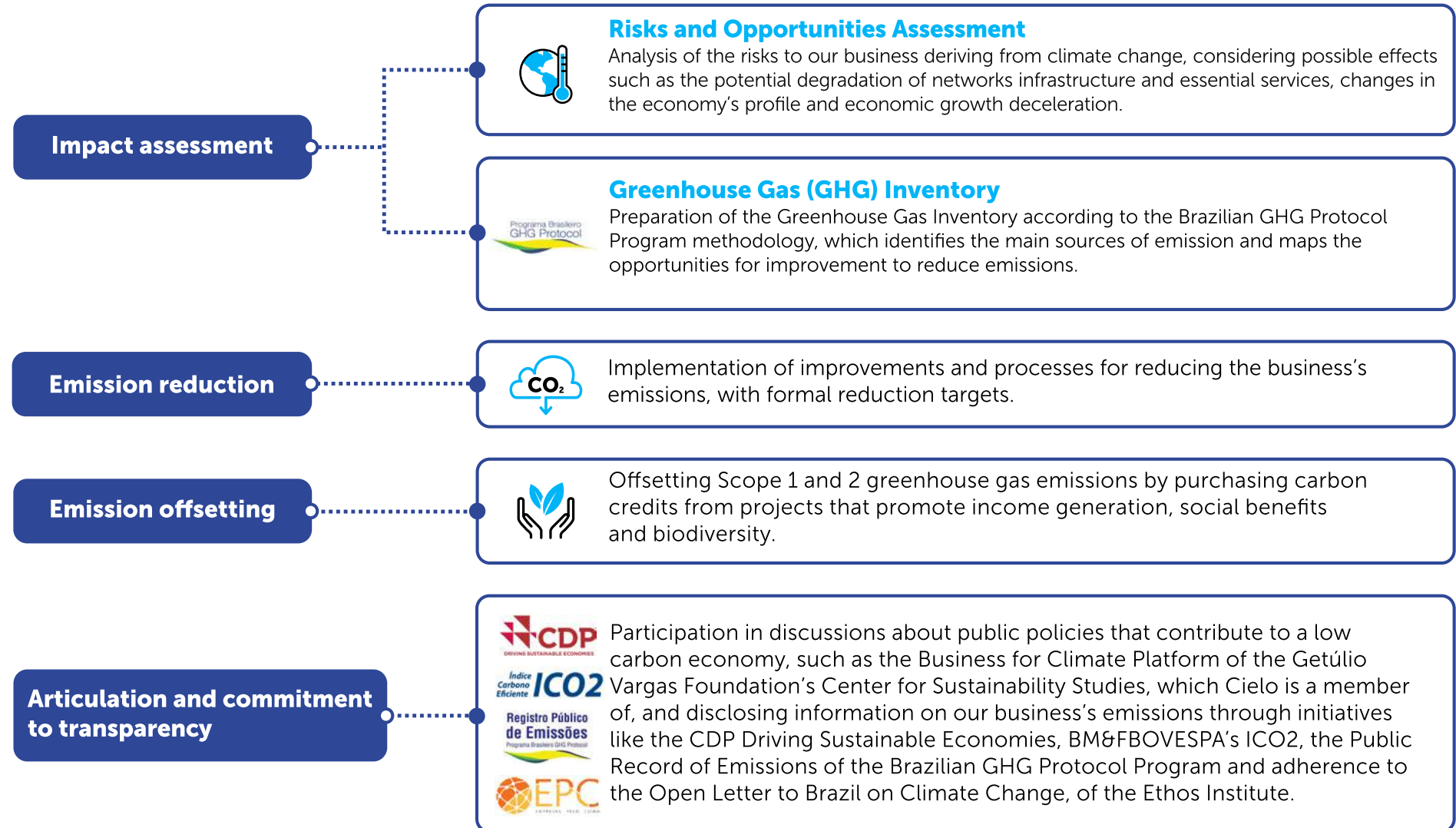
Direct and indirect energy consumption (GJ)

Direct Energy	2015	2014	2013
Diesel Fuel	111.84	181.08	45.09
Gasoline	42,631.38	33,044.87	24,827.30
Total Non-Renewable Energy	42,743.22	33,225.95	24,872.39
Indirect Energy	2015	2014	2013
Electricity*	10,908.47	10,210.70	8,915.61

* The total energy purchased by Cielo comes from utilities concessionaires.

Emissions and climate change

Cielo works toward reducing its impact on climate change and cooperate to building a low-carbon economy from a climate governance strategy point of view based on four pillars:



In line with this strategy, Cielo took its fifth consecutive Greenhouse Gases (GHGs) inventory, on 2015 emissions, based on the best global practices, which has been audited by an independent auditor and will be published in the Brazilian GHG Public Emissions Registry website (www.registropublicodeemissoes.com.br) and also in the Carbon Disclosure Project (CDP). G4-15

As a result of the monitoring of Logistic processes in 2015, revisions and improvements in accounting entries, the indirect greenhouse gas emissions (Scope 3) were reduced by 38%, in the Transport and Distribution (upstream) category, therefore influencing the Scope 3 total, as shown on the table aside.

 **To offset the Company's emissions in the country in 2014, Cielo supported a project to promote renewable energy sources at Usina Elétrica de Salto Pilão, located in Alto Vale do Itajaí, in the state of Santa Catarina. It is one of the largest underground power stations in Brazil and the most efficient in the Itajaí-Açu River.**

In terms of emissions in 2015, the total recorded in scopes 1 and 2 will be offset by carbon credits in the second half of 2016, continuing with the practice adopted in previous years.

G4-EN15, G4-EN16, G4-EN17

Emissions by category (in tCO₂e)

Scope 1	2014	2015
Stationary combustion	12.74	7.87
Mobile combustion	1,848.60	2,495.63
Fugitive emissions	0.56	1,274.98 ⁽¹⁾
Total Scope 1	1,861.90	3,778.48
Scope 2	2014	2015
Acquisition of electricity	499.52	498.07
Total Scope 2	499.52	498.07
Scope 3	2014	2015
Upstream transportation and distribution	11,465.55	7,123.93 ⁽²⁾
Waste generated in operations ⁽³⁾	0	60.37
Business travel	1,129.90	1,208.62
"Employee commuting (home-work)"	2,166.05	2,652.33
Total Scope 3	14,761.49	11,045.26
GHG Inventory Scope	Cielo, Servinet, Braspag, and Multidisplay	Cielo S.A., Servinet Serviços Ltda., Cateno, Braspag, M4U

⁽¹⁾Increase in fugitive emissions is due to the substitution of gas R-22 by R-410a in cooling systems at the head office.

⁽²⁾Review of logistics processes.

⁽³⁾The methane generated is removed and burned.

In the year, the Company has outlined and achieved its goal of reducing by 4% indirect GHG emissions from the delivery of thermal paper rolls vis-à-vis 2014. The result was attained as a result of initiatives such as the optimization of deliveries routes (19% reduction in the total kilometers traveled by installed equipment), reduction of thermal paper roll weight and the incentive to use digital receipt instead of the printed one.

In 2016, the Company has as goal to carry on the strategic climate management of its footprint and reduce its consumption of energy and its GHG emissions:

Reduce its direct GHG emissions by 3%

Scope 1 (base year 2014)

Reduce the consumption of electricity per person at the head office by 1%

(base year 2014)

Reduce its indirect GHG emissions by 1%

Scope 2 (base year 2014)

Reduce the indirect GHG emissions from POS terminal and thermal paper roll delivery by 5%

Scope 3 (base year 2014)

To meet the environmental goals, a few initiatives have already been set in place, such as the use of LED light bulbs and smart air conditioning system at the new head office.

In 2015, Cielo took its first Greenhouse Gas (GHG) Inventory ever at the subsidiary Merchant e-Solutions, based in the United States. The inventory followed the guidelines of the Green House Gas Protocol (GHG Protocol), was audited by an independent auditor. The 2016 goal is to continue the management and annual preparation of the international inventory.

G4-13, G4-EN31



Waste management

The disposal of waste generated by Cielo adopts the best environmental management practices. The main types of waste generated and disposed of are obsolete terminals, marketing publications, cabling and headphones, and organic waste.

Waste collected in 2015

Waste type	Weight (kg)	Disposal method
POS terminals	174,210	Co-processing (incineration)
Marketing publications	4,460	Co-processing (incineration)
IT supplies (cabling and power adapters)	139,802	Recycling
Organic waste	114,265	Landfill

G4-EN23

It is worth noting that in accordance with the Brazilian Policy on Solid Waste, batteries used in mobile POS terminals (such as General Packet Radio Services - GPRS) are returned to the manufacturer for adequate disposal.

The disposal of POS terminals and marketing publications cost R\$ 791,700 in 2015, and the sale of recyclables (cables and power adapters) totaled R\$ 91,300. G4-EN31

Water consumption

Cielo used 15,428 liters of water¹, purchased from a utility concessionaire. That amount is 5.8% lower when compared to 2014.

All the water used in the company head office is treated at a wastewater treatment plant (WWTP) for wastewater recycling and reuse.

For 2016, the established objective was to reduce by 2% the water consumption per person at the head office when compared to that recorded in the base year 2014. So far the goal is accomplished, but it will remain being monitored until the end of 2016, ensuring its effectiveness. G4-EN8

⁽¹⁾Cielo branches are located in office condominiums, therefore it is unfeasible to read water meters individually.

Social performance



G4-EC7, G4-EC8, G4-FS13

Socio-economic development

The multi-channel strategy at Cielo allows for its nationwide reach across Brazil. The Company operates through accredited retailers or individuals in 99.99% of all 5,570 municipalities in Brazil (IBGE 2014 data), 98% of which have active customers. Only six municipalities, all with less than 15,000 inhabitants in the states of Bahia, Amapá, Maranhão and Piauí, have no affiliated customers.

That said the presence of Cielo's service infrastructure boosts commerce and local businesses, and contributes to social development; it also drives economy by creating new markets, promoting financial inclusion and reducing theft and delinquency rates by replacing cash and checks with electronic payments.



Supported projects

In addition to the socio-economic development brought about by its operations, Cielo aims at further developing society and promoting social transformations through its business and also awareness programs that are coherent with the needs of the communities served by them programs.

That is why the Company supports social projects in the following areas of action:

Accessibility for people with visual, hearing or physical disabilities.

Apprenticeship programs.

Health programs aimed at reducing children and adolescent mortality rates.

Research, treatment and prevention of cancer.

Sports or arts programs that can improve the education of children and adolescents.

The investments made by the Company in social programs increased 452% since 2013, a significant figure that reflects the strong sense of corporate social responsibility at Cielo.



These investments are mostly supported by incentive laws, such as:

- Lei Rouanet (cultural projects)
- Lei Federal de Incentivo ao Esporte (sports projects)
- Fundo da Infância e Adolescência (FIA, children and adolescents fund)
- Programa Nacional de Apoio à Atenção Oncológica (PRONON, cancer research and treatment)
- Programa Nacional de Apoio à Atenção da Saúde da Pessoa com Deficiência (PRONAS, health of people with disabilities)

All projects are submitted to a Social Investment Forum that advises the Board of Executive Officers on those topics. The purpose of the Forum is to make sure the initiatives by Cielo have the adequate focus and find the optimal relationship between investment and socio-cultural impact.



In 2015, Cielo invested R\$ 13.3 million, including self-funding and tax incentive benefits, totaling 39 social projects selected.

Learn more about the main projects supported by the Company and their scope:



R\$3.2 million invested in health, including R\$950,000 in 5 cancer research, treatment and prevention projects, and R\$2.3 million in 6 projects for the promotion of health of children and teenagers.

Highlight of the year

Cielo supported, through the Rouanet Law, the TUCCA Music for Healing Project, 2015 Season, developed by the Association of Children and Adolescents with Cancer (TUCCA).

The project promoted 8 "Maestro Apprentice" performances for kids, and 6 concerts featuring international artists, to raise funds to be fully invested in the treatment of children and adolescents with cancer supported by the TUCCA, in a partnership with the Santa Marcelina Hospital in São Paulo, and represented 65% of the Association's net revenue.

The performances reached over 22,000 spectators in 2015, and the project helped 475 patients, made 10,000 chemotherapy sessions, and 15,684 doctor's appointments, recording healing levels of nearly 80%, which is 60% above the Brazilian average.

Highlight of the year

Through the Rouanet Law, Cielo was the sole supporter of the 2015 History Mornings Project, developed by the Tomie Ohtake Institute, which offers a playful experience for blind and not blind children with exhibitions and artists showing at the institute's Cultural Center in São Paulo.

This project's goal was to promote equal access to art and culture, the audience's cognitive development, and tolerance and diversity through coexistence, in addition to bringing these kids and their families together and create interactions among them in the exhibition's space, building a playful environment.

This project reached 2,563 people in one year of exhibitions.



R\$2.6 million invested in 7 visual, hearing, and physical accessibility



R\$6.4 million invested in 16 education, sports, and/or cultural projects

Highlights of the year

Cielo exclusively supported the Sports in the City Year 6 Project (Esporte na Cidade Ano VI), developed by the De Peito Aberto Association, through the Federal Law for Sports Incentive.

This project's goal is to offer, between September 2015 and August 2016, free beginner sports classes (court soccer, handball, volleyball, basketball, and judo) to 200 kids ages 7 to 17, who are regularly attending school in the cities of Terra Santa (Pará) and Candeias (Bahia).

Since its inception, the project has had an average of 127 kids in Terra Santa, where 100% of the kids in the program come from public schools, and 85 in Candeias, where 89% of the kids come from public schools.

Cielo supported the "2015 Northeast Tour - Castro Alves Orchestra," developed by the Ação Social Pela Música Institute (IASPM), through the Rouanet Law, for Bahia's Teenagers' and Children's Orchestras State Centers (NEOJIBA).

The Castro Alves Orchestra is made up of young musicians from ages 12 to 26, in a beginners formation stage, and it went on tour to seven capitals in the Northeast (Caruaru, Maceió, Recife, João Pessoa, Natal, Fortaleza, and Salvador), promoting quality concerts at popular prices for more than 3,200 people.

NEOJIBA promotes social integration through the collective practice of excellence in music.

Highlight of the year

We supported the Midiacom Project, developed by the Advanced Technological and Vocational Institute (ITEVA), through the Childhood and Adolescence Fund Law.

This project offers professional training in Information and Communication Technologies (ICT) for low income teenagers from public schools in Aquiraz (Ceará), with the goal of promoting their inclusion in the labor market through jobs in companies, by helping them start their own businesses, or even organizing them in a productive process in a digital technology cooperative after the social project.

With a new cycle started in July 2015 that will last one year, this project has already had 19 teenagers in the Digital Arts class, 16 in the Illustration class, 24 in the Maintenance, Networks and Internet class, 40 in the English class, and 50 teachers.



R\$933,000 invested in 5 projects for kids' training for the labor market.

Volunteering

Aligned with its values and principles in promoting social development, the Company encourages its employees to personally support social causes through Movimento do Bem, its corporate volunteering program in two fronts of action:

Social campaigns


On this front of action, employees can suggest and organize campaigns to support social institutions and initiatives, in addition to institutional campaigns (winter clothing drive, Christmas, etc) carried out by the Company.

In 2015 a total of seven campaigns were organized and engaged employees and contributed to different institutions promoting social development, education and health actions:

- The Christmas campaign promoted Desafio do Bem which collected 10 tons of non-perishable food and toys drive campaign for Amigos do Bem (www.amigosdobem.org), a non-governmental, not for profit organization focused on eradicating hunger and extreme poverty in northeastern Brazil.
- Winter clothing drive that collected 1,100 items of clothing for Fundo de Solidariedade Social in Barueri, a social investment fund entity.
- National Breast Cancer Awareness Month (Outubro Rosa, Pink October), a campaign in partnership with Hospital Santa Paula in São Paulo, received the donation of 477 scarves/kerchiefs for women undergoing chemotherapy.
- In partnership with the IPEPO (Instituto Paulista de Estudos e Pesquisas em Oftalmologia), Cielo destined 600 pairs of reading glasses for Campanha da Visão (eyesight campaign) promoted by Lions Club of Santa Catarina.
- Advertising of the campaign Doe Letras (donate letters) by the Ayrton Senna Institute on Cielo's social media channels and among its employees.
- Support GRAACC (Support Group for Adolescents and Children with Cancer) by selling 1,634 McDia Feliz campaign tickets, whose total amount collected is then donated to 58 institutions that care for children and adolescents with cancer.
- Bazar do Bem fundraiser that sells products at the Company's head office from three partner institutions: Amigos do Bem, Fundação Dorina Nowill and GRAACC.

Social projects

Employees can also refer social projects to receive financial support from Cielo. One mandatory requirement is that referring employee should be to volunteer at the institution.

 **By referring a project, which should be aligned with the Company's social investment strategy and entitled to receiving tax incentives, the employee becomes a sponsor and in charge of monitoring the evolution of the projects and how funds are being used by the institution.**

In 2015, the Company invested more than R\$ 800,000 in five projects:

- The Eye Cancer Center Project (Projeto Centro de Oncologia Ocular) by IPEPO (Instituto Paulista de Estudos e Pesquisas em Oftalmologia), which provides support to eye cancer patients across Brazil.
- Acquisition of a linear accelerator for external-beam radiation therapy at UOPECCAN (União Oeste Paranaense de Estudos e Combate ao Câncer) in Cascavel, Paraná.
- Acquisition of equipment and maintenance of Casa Aura to help AURA (Associação Unificada de Recuperação e Apoio) expand its physical structure and increase the number of people served in Belo Horizonte, Minas Gerais.
- Acquisition of equipment and materials for the augmentative and alternative communication (AAC) project at APAE (Associação de Pais e Amigos de Excepcionais) in Itauna (Minas Gerais), providing patients with more independent life.
- Project Ginga by Instituição De Peito Aberto Incentivo ao Esporte, Cultura e Lazer, which promotes capoeira programs at city schools in Salvador (Bahia).

GRI index

G4-32

Below are the GRI indicators reported with their corresponding page reference or corresponding response in the GRI index.

The penultimate column in the table below displays the relationship between GRI indicators and the principles of the United Nations (UN) Global Compact.

The last column brings UN Sustainable Development Goals (SDGs), showing that the information reported in such indicator contributes to achieving the SDGs.

Below are the principles of the Global Compact and the SDGs that will show up across the GRI index.

Global Compact Principles



Respect

and support internationally recognized human rights in your area of influence



Ensure

that your company does not participate in any way in the violation of human rights



Support

freedom of association and recognize to open collective bargaining



Eliminate

all forms of forced or compulsory labor



Erradicate

all forms of child labor in your productive chain



Stimulate

all practices that eliminate any form of discrimination at the workplace



Assume

a responsible, preventive and proactive posture towards environmental challenges



Develop

initiatives and practices to promote and divulge socio environmental responsibility



Promote

the development and dissemination of environmentally responsible technologies



Fight

corruption in all of its forms, including extortion and bribery

Sustainable Development Goals



No poverty

End poverty in all its forms everywhere



Zero hunger

End hunger, achieve food security and improved nutrition and promote sustainable agriculture



Good health and well-being

Ensure healthy lives and promote well-being for all at all ages



Quality education

Ensure inclusive and quality education for all and promote lifelong learning



Gender equality

Achieve gender equality and empower all women and girls



Clean water and sanitation

Ensure access to water and sanitation for all



Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy for all



Decent work and economic growth

Promote inclusive and sustainable economic growth, employment and decent work for all



Industry, innovation and infrastructure

Build resilient infrastructure, promote sustainable industrialization and foster innovation



Reduced inequalities

Reduce inequality within and among countries



Sustainable cities and communities

Make cities inclusive, safe, resilient and sustainable



Responsible consumption and production

Ensure sustainable consumption and production patterns



Climate action

Take urgent action to combat climate change and its impacts



Life below water

Conserve and sustainably use the oceans, seas and marine resources



Life on land

Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss



Peace, justice and strong institutions

Promote just, peaceful and inclusive societies



Partnerships for the goals

Revitalize the global partnership for sustainable development





General standard indicators













Standard indicator	Page/response	Linkage to UN Global Compact Principles	Linkage to SDG
<i>Strategy and Analysis</i>			
G4-1 Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	8		
G4-2 Description of key impacts, risks, and opportunities.	27, 32 and 36		
<i>Organizational Profile</i>			
G4-3 Name of the organization.	Cielo S.A.		
G4-4 Primary brands, products and/or services.	15 and 16		
G4-5 Location of organization's headquarters.	Barueri, SP		
G4-6 Number of countries where the organization operates.	The Company operates mostly in Brazil and has a 100% stake of the capital of American company Merchant e-Solutions.		
G4-7 Nature of ownership and legal form.	Cielo is a publicly traded company.		
G4-8 Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	15		
G4-9 Scale of the organization.	15, 16, 42 and 49		
G4-10 Workforce profile.	One employee (occupational physician) works part-time (4h), all others work full-time (8 hours). Learn more about the profile of employees on page 42.		
G4-11 Percentage of total employees covered by collective bargaining agreements.	100% of our employees are covered by collective bargaining agreements.		
G4-12 Description of the organization's supply chain.	39		
G4-13 Significant changes during the reporting period regarding the organization's structure.	11, 53 and 56		















Standard indicator	Page/response	Linkage to UN Global Compact Principles	Linkage to SDG
G4-14 Whether and how the precautionary approach or principle is addressed by the organization.	Cielo's operations do not generate significant environmental impact. So the Company does not adopt a precautionary approach as it specifically addresses environmental impacts in scenarios of "serious and irreversible damage" and therefore not related to the business.		
G4-15 List of externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Cielo subscribes to the United Nations Global Compact (UN; Empresas pelo Clima - EPC (Centro de Estudos em Sustentabilidade da FGV); to the Open Letter to Brazil on Climate Change - Ethos Institute; Sustainability Index Euronext Vigeo, Emerging Market 70; the company has completed its greenhouse gases (GHGs) inventory; disclosed the sustainability report as per the guidelines of the Global Reporting Initiative (GRI); and participation is listed in the Corporate Sustainability Index (ISE) of the São Paulo Stock Exchange.		
G4-16 Memberships of associations and/or national/ international advocacy organizations.	The company is a member of the Brazilian Institute of Corporate Governance (IBGC), a non-profit organization that is the main reference in Brazil for the promotion of best practices in corporate governance.		
Identified Material Aspects and Boundaries			
G4-17 Entities included in the organization's consolidated financial statements or equivalent documents.	The Company's financial statements include all companies in which Cielo has interest, as per the accounting consolidation rules. Results have been fully consolidated for companies Servinet, Cielo USA (indirect subsidiary Merchant e-Solutions), Braspag, Multidisplay (and indirect subsidiary M4 Produtos), Cateno and Aliança. As for Paggo, Orizon and Stelo, results have been recorded in the equity line.		
G4-18 Explain the process for defining the report content and the aspect boundaries.	Social and environmental data presented in the Report include Cielo S.A., which represents more than 75% of the group's business operations.		
G4-19 List all the material aspects identified in the process for defining report content.	5		












Standard indicator		Page/response	Linkage to UN Global Compact Principles	Linkage to SDG
G4-20	For each material aspect, report the aspect boundary within the organization.	5		
G4-21	For each material aspect, report the aspect boundary outside the organization.	5		
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	No re-statements of information from previous reporting periods have been recorded.		
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries.	The aspects reported in this report, as from 2015, now include the Company's interest in Stello, in Cateno, and a larger interest in subsidiary M4U (pending authorization with the Brazilian Central Bank).		
Stakeholder Engagement				
G4-24	List of stakeholder groups engaged by the organization.	Commercial partners (banks) suppliers, employees (including analysts, experts, managers, directors and executives), covenants and commitments, communities and civil society, payment solution user.		
G4-25	Basis for identification and selection of stakeholders with whom to engage.	3		
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement.	3		
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns.	5		
Report Profile				
G4-28	Reporting period	January 1 st through to December 31 st 2015		
G4-29	Date of most recent previous report.	2014		
G4-30	Reporting cycle.	Annual.		






Standard indicator	Page/response	Linkage to UN Global Compact Principles	Linkage to SDG
G4-31 Contact point for questions regarding the report or its contents.	6		
G4-32 GRI guidelines option chosen and location of the GRI table.	The chosen option is core and the GRI index begins on page 65.		
<i>Assurance</i>			
G4-33 Organization's policy and current practice with regard to seeking external assurance for the report.	Since its first report published in 2013 (ref. 2012), Cielo adopts the best practices on preparing its sustainability reports, including external verification of all information disclosed. All data in this report are audited by an independent auditor.		
<i>Governance</i>			
G4-34 The governance structure of the organization.	22		
<i>Ethics and Integrity</i>			
G4-56 The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	25		

Performance indicators

Standard indicator	Page/response	Linkage to UN Global Compact Principles	Linkage to SDG
ECONOMIC PERFORMANCE			
<i>Disclosures on management approach - 48 to 51</i>			
EC1 Direct economic value generated and distributed.	50		
EC3 Coverage of the organization's defined benefit plan obligations.	50		
EC4 Significant financial assistance received from government.	50		
<i>Indirect economic impacts Disclosures on management approach - 8, 16, 39, 50 and 59</i>			
EC7 Development and impact of infrastructure investments and services supported.	8, 16 and 59		 
EC8 Significant indirect economic impacts, including the extent of impacts.	8, 16, 39, 50 and 59		  
ENVIRONMENTAL PERFORMANCE			
<i>Energy Disclosures on management approach - 53</i>			
G4-EN3 Energy consumption within the organization.	53	 	
<i>Water Disclosures on management approach - 57</i>			
G4-EN8 Total water withdrawal by source.	57	 	

Standard indicator	Page/response	Linkage to UN Global Compact Principles	Linkage to SDG
<i>Emissions Disclosures on management approach - 55</i>			
G4-EN15 Direct greenhouse gas (GHG) emissions.	55		
G4-EN16 Indirect greenhouse gas (GHG) emissions.	55		
G4-EN17 Other greenhouse gas (GHG) emissions.	55		
<i>Effluents and Waste Disclosures on management approach - 57</i>			
G4-EN23 Total weight of waste by type and disposal method.	57		
G4-EN25 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel convention, annex I, II, III and VIII, and percentage of transported waste shipped internationally.	Materials collected from clients (POS terminals and supplies) are not considered hazardous. The main non-hazardous waste generated are provided on page 57.		
<i>Compliance Disclosures on management approach - 53 to 57</i>			
G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	No process, procedure or even penalties of any kind related to non-compliance with environmental laws and regulations were recorded in 2015.		
<i>Overall Disclosures on management approach - 53 to 57</i>			
G4-EN31 Total environmental protection expenditures and investments by type.	53, 56 and 57		

Standard indicator	Page/response	Linkage to UN Global Compact Principles	Linkage to SDG
SOCIAL PERFORMANCE - LABOR PRACTICES AND DECENT WORK			
<i>Training and Education Disclosures on management approach - 44 to 47</i>			
G4-LA9 Average hours of training per year per employee by gender, and by employee category.	44 and 46		
G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	44 and 46		
G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	47		
<i>Diversity and Equal Opportunities Disclosures on management approach - 73</i>			
G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Cielo's Board of Directors has 11 members, 58% in the 30-50 age group and 42% over 50 years old. Cielo's Board of Executive Officers has 7 members, 43% in the 30-50 age group and 57% over 50 years old. As for gender and ethnic diversity, the Board of Directors has one female member and one mixed-race member, and the Board of Executive Officers has one female member.		
SOCIAL PERFORMANCE – SOCIETY			
<i>Anti-Corruption Disclosures on management approach - 25, 26, 28, 29 and 36</i>			
G4-SO3 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	28 and 36		
G4-SO4 Communication and training on anti-corruption policies and procedures.	28		

Standard indicator		Page/response	Linkage to UN Global Compact Principles	Linkage to SDG
G4-SO5	Confirmed incidents of corruption and actions taken.	26 and 28		
Public Policy Disclosures on management approach - 25				
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	25		
Anti-competitive behavior Disclosures on management approach - 74				
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	In 2014 the Goods, Services and Tourism Trade Federation (FECOMÉRCIO) of Santa Catarina and State of Santa Catarina Trade Unions filed a public civil action against companies operating in the same industry as Cielo. The legal action, in which the Company was included in 2015, claims, among other issues, that acquirers are abusive especially in terms of setting rates and fees paid for their services, which harms its affiliated merchants. This lawsuit still awaits trial, however, injunctions sought by FECOMÉRCIO have not been granted by both the trial judge and also lower court ruling at the Santa Catarina Court of Justice. FECOMÉRCIO abandoned the appeal against the lower court ruling that denies the injunction.		
SOCIAL PERFORMANCE - PRODUCT RESPONSIBILITY				
Product and Service Labeling Disclosures on management approach - 38				
G4-PR5	Results of surveys measuring customer satisfaction.	38		
Customer Privacy Disclosures on management approach - 36				
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	In 2015 the Company did not receive any proven breach of privacy and loss of customer data claims through the Ethics Channel, available on Cielo's website or through any other channel.		
Sector Supplement - Financial System Disclosures on management approach - 27 and 59				
G4-FS2	Procedures for assessing and screening environmental and social risks in business lines.	27		
G4-FS13	Access points in low-populated or economically disadvantaged areas by type.	59		

Independent auditor's report

G4-33

The report has been audited by an independent auditor who assessed samples of the general standard disclosures, performance indicators and disclosures on management approach, among the following indicators:

- General Standard Disclosures – G4-3 to G4-34 and G4-56
- Performance Indicators – EC1, EC4, EN3, EN8, EN15, EN16, EN17, EN23, EN25, LA9, LA11, SO5, SO7, PR5, PR8, FS2, FS13
- Disclosures on management approach - customer service excellence, energy consumption outside the organization, labor relations, and innovation in payment solutions.

Below is the independent auditor's review report about the verification process of this report.



Assurance report



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Limited assurance report issued by independent auditors

To the Board of Directors, Shareholders and Stakeholders
Cielo S.A
Barueri - SP

Introduction

We have been engaged by Cielo S.A (Cielo or "Company") to apply limited assurance procedures on the sustainability information disclosed in Cielo's 2015 Sustainability Report, related to the year ended December 31st, 2015.

Responsibilities of Cielo's Management

The Management of Cielo is responsible for adequately preparing and presenting the sustainability information in the 2015 Sustainability Report in accordance with the *Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (GRI-G4)*, as well as the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

Independent auditors' responsibility

Our responsibility is to express a conclusion about the information in the 2015 Sustainability Report based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared based on NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC and equivalent to international standard ISAE 3000, issued by the International Federation of Accountants and applicable to Non-Financial Historical Information. These standards require compliance with ethical requirements, including independence ones, and the engagement is also conducted to provide limited assurance that the information disclosed in the Cielo's 2015 Sustainability Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of questions and interviews with the Management of Cielo and other professionals of the Company involved in the preparation of the information disclosed in the 2015 Sustainability Report and use of analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues, which may lead them to believe that the information disclosed in the 2015 Sustainability Report taken as a whole, could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the 2015 Sustainability Report, on other engagement circumstances and also on our considerations regarding areas and processes associated with material sustainability information disclosed where relevant misstatement could exist. The procedures consisted of:

- (a) Engagement planning: considering the material aspects for Cielo's activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the Cielo's 2015 Sustainability Report. This analysis defined the indicators to be checked in details;
- (b) Understanding and analysis of disclosed information related to material aspects management;
- (c) Analysis of preparation processes of the 2015 Sustainability Report and its structure and content, based on the *Principles for Defining Report Content and Quality of the Global Reporting Initiative - GRI (GRI-G4)*;
- (d) Evaluation of non-financial indicators selected:
 - Understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
 - Application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the 2015 Sustainability Report;
 - Analysis of evidence supporting the disclosed information;
 - Visits to Cielo's office for application of these procedures, and items (b) and (c);
- (e) Analysis of whether the performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the Company.
- (f) Comparison of financial indicators with the financial statements and/or accounting records.

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

Scope and limitations

The procedures applied to a limited assurance engagement are substantially less extensive than those applied to a reasonable assurance engagement. Therefore, we cannot provide reasonable assurance that we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the 2015 Sustainability Report. Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretation of the data's materiality, relevance and accuracy are subject to individual assumptions and judgments. Additionally, we have not examined data related to prior periods, to evaluate the adequacy of policies, practices and sustainability performance, nor future projections.

Conclusion

Based on the procedures carried out, described earlier in this report, we have not identified any relevant information that leads us to believe that the information in Cielo's 2015 Sustainability Report is not fairly stated in all material aspects in accordance with the *Global Reporting Initiative - GRI (GRI- G4)*, as well as its source records and files.

São Paulo, April 29th, 2016

KPMG Financial Risk & Actuarial Services Ltda.


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Corporate Information and Editorial

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