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## Message from the CEO

The year 2021 represented an important milestone for the Company. Cielo **resumed its results growth trajectory**, while decisively advancing in its transformation process.

The result registered a 98% growth and the volumes processed once again showed expansion, up 11% over 2020. However, just as important as the financial performance were the advances we made in Cielo's transformation process, which allow us to have today a lighter, more responsive and customer-oriented organization, even better prepared to compete in Brazil's dynamic payments industry.

We have progressed in implementing our strategy, which has three main pillars: (i) strengthening of the acquiring (core) position; (ii) innovation in payments; and (iii) expansion of the value chain operation.

Strengthening the core is aimed at improving the quality of service for our 1.2 million merchants. In 2021, we improved

the sales model. I highlight the expansion of our own sales force, improvements in processes, and greater use of technology. As a result, we saw gains in sales productivity, with advances in activation and volume indicators brought in by new customers.

In logistics we implemented a number of changes in the model that allowed us to reduce equipment delivery time. Now, over 80% of POS terminals are delivered within two business days. We have implemented Heroes, a model in which exclusive, uniformed professionals pay visits to customer to install equipment and help solve problems. We want to be closer to the customer so that he/she experiences a more personal relationship at different points of contact with Cielo.

In the innovation in payments and expansion of the value chain operation pillars, I would highlight the launch of transfer operations on WhatsApp, in which Cielo supports Facebook Pay in transaction processing; the announcement of the first investment in value added services startup<sup>1</sup>; and the new urban mobility solutions, which are transforming the payment experience of public transportation and toll station users.

Cielo's entire transformation process has been guided by doing the right thing, in a sustainable manner and in line with the market's best practices. We are very pleased to receive awards and recognition related to our Corporate Governance practices, ESG initiatives and sustainability reports.

We remain committed to our purpose of **simplifying and driving business for all**, aiming to exceed our clients' expectations, consolidate Cielo's leading role in the payments industry and ensure maximum value creation for our shareholders.



**GUSTAVO HENRIQUE  
SANTOS DE SOUSA**  
CEO



[1] Investment made through convertible debentures.

# 2021 HIGHLIGHTS



## Performance

» **R\$ 713.4 billion**  
of raised financial volume  
(increase of 11% over 2020)

» **6.8 billion**  
of transactions captured

» **R\$ 11.6 billion**  
in net revenue

» **R\$ 52.7 billion**  
of term products to retailers and  
entrepreneurs

» **1.2 million**  
customers (December, 2021)



## Operations

» **Over 80%**  
installations carried out within  
2 business days in 4Q21

» Expansion of the Heroes model to  
**153 cities**



## ESG

» Approval of **486**  
suppliers with social and  
environmental criteria

» Over R\$ **3 million**  
in private social investment

» Our 2021 Scope 1 and 2  
emissions were neutralized  
through carbon credits and  
International Renewable  
Energy Certificates (I-REC),  
respectively.



## Personnel

» **4,202**  
own employees

» Launched the **Company's  
Diversity and Inclusion  
Policy** and **Diversity and  
Inclusion Booklet**

» Launch if the  
**representativeness  
goals** (gender and race) by 2025



# AWARDS AND RECOGNITIONS



## ESG Indexes

### ISE B3

For the ninth consecutive year, we are part of B3's Corporate Sustainability Index portfolio.

### Sustainability Yearbook Member 2022 S&P Global

For another year, we have been included in S&P Global's Sustainability Yearbook 2022.

### ICO2 B3

Our presence in the portfolio of B3's Carbon Efficient Index was maintained.

### IGPTWB3

We were selected to be part of the new B3 index in partnership with GPTW, which lists the companies with the best practices in the labor market.



## Recognitions

### Época 360 Award

Champion of the decade in Corporate Governance, achieving first place among all sectors.

### Época Negócios 360 Award

Sustainability Champion in the Financial Sector.

### Melhores & Maiores da Exame

Companies with the best ESG score. Cielo received a score of 9 (financial services sector).

### Estudo Valor Econômico

Most Transparent Companies in Sustainability.

### Valor Inovação 2021 Award

Best Innovative Company in the Financial Services segment.

### Consumidor Moderno Award

1<sup>st</sup> place in the Acquirer Category.

### Great Place to Work

2<sup>nd</sup> best company to work for in the financial sector, in Brazil, in 2021.

### Interbrand

We are the 15<sup>th</sup> most valuable Brazilian brand.



## OUR BUSINESS

Cielo S.A. is a technology and services company for trade of goods and services, operating for 26 years in the Brazilian market.

With a business model driven by the purpose of simplifying and boosting business for everyone, we are leaders in electronic payments in Latin America and in 2021 we transacted 9% of the Brazilian Gross Domestic Product (GDP).

To serve over 1.2 million customers in our active base, our operation relies on a platform of technological solutions for the accreditation, transmission, processing and financial settlement of transactions and capture of the main national and international credit and debit card brands. Moreover, we count on a robust logistics structure and an operational infrastructure that ensures compliance with the strictest security standards and business availability.

**ABOUT CIELO**  
ABOUT CIELO  
ABOUT CIELO

# Strategic planning

Our solutions go far beyond the traditional payment machine. Cielo comprises a portfolio of products and solutions capable of meeting the needs of all business types and of satisfying the needs of our clients, making means of payment increasingly more democratic.

Cielo's strategy aims to value our greatest strengths: **the market's strongest brand, a highly committed employee team, and a valuable customer base.**

In view of this, in 2021 we spared no efforts to bring a fair and competitive price to our base, to improve the deadline for equipment installation, maintenance and replacement, and **to improve our customer service - the latter being the most important of all initiatives,** since it is a crucial link in our strategy.

## Actions taken throughout the year to meet different customer profiles:



» **Small entrepreneurs and customers:** provide autonomy and digitize service;



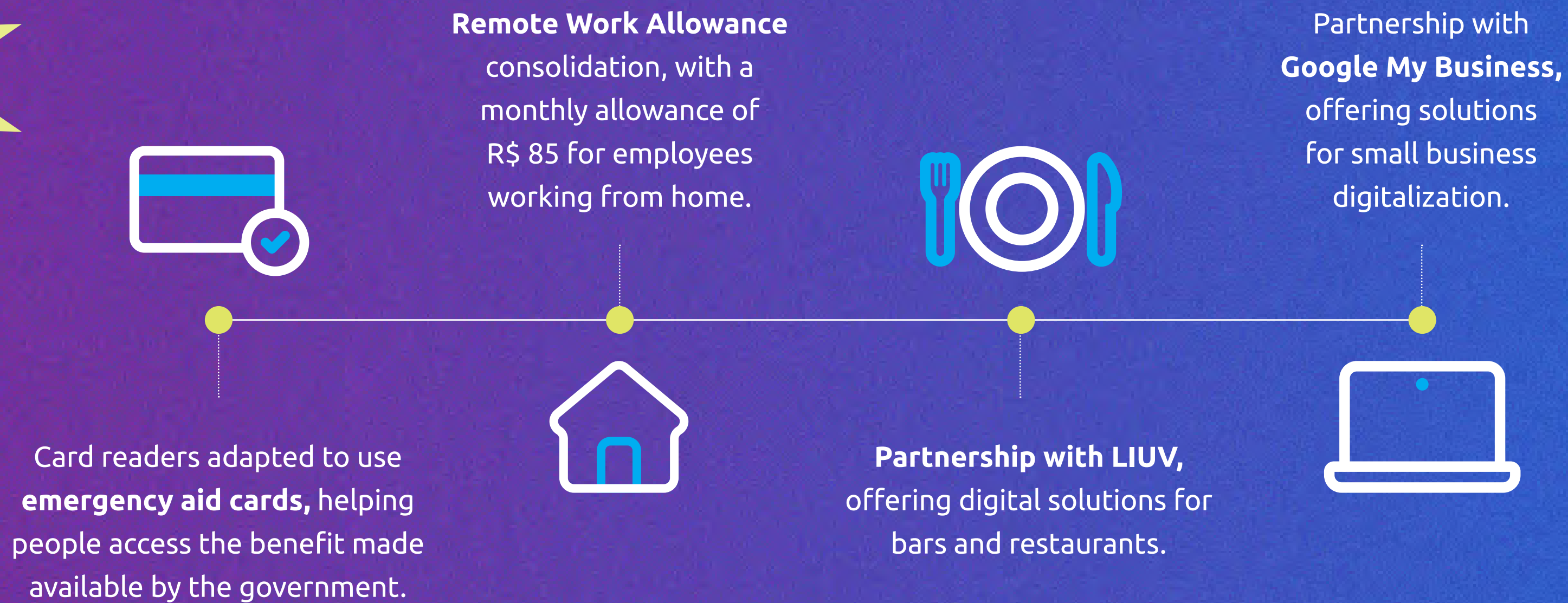
» **Retail:** expand services that promote increase in sales and term products, added to excellence in service and competitive prices;



» **Large accounts:** develop offers customization, so that Cielo can deliver even more personalized solutions and increase the customer satisfaction index. Amidst the fierce competition in the sector, our business model aims to offer products and services that meet the needs of all the Company's customer segments.

## Iniciatives to tackle Covid-19

In 2021, the Covid-19 pandemic continued to impact the Brazilian population's health and the national economy, although to a lesser extent than in the previous year. Given this scenario, we maintained our attention and efforts to continue our business and simultaneously help our customers and employees overcome this moment of adversity.



## Sustainability management

We have a Cielo's Strategic Sustainability Planning for the period 2021-2025, where we establish the guidelines and the strategic themes for the Company's sustainability, which are structuring for our strategy of building shared value.

Based on these themes we developed initiatives that will be implemented in our business in the period 2021 - 2025. By doing so, we seek to provide greater clarity regarding the direction of initiatives on environmental, social, diversity, and corporate governance themes, creating value in each of the strategic objectives established.



Access our Integrated Annual Report 2021 by [clicking here](#) and learn, on pages 21 and 22, about Cielo's Strategic Guidelines for Sustainability and Strategic Themes for Sustainability.

# STRATEGIC THEMES FOR SUSTAINABILITY

## ACTIONS CARRIED OUT IN 2021

### ESG Governance & Reporting

- » 31<sup>st</sup> place in the Abrasca award, which rewards the best Annual Reports.
- » Listed on the Corporate Sustainability Index (ISE B3) and in the Sustainability Yearbook 2022 of S&P Global.

### Socio-environmental Risk Management

- » Process structuring for environmental, social and climate risk assessment in products and services.
- » Approval of **486** suppliers with social and environmental criteria.

### Impact Innovation & Entrepreneurship

- » **50%** of the startups selected by the Cielo Mentoring Program in 2021 had female partners, founders or cofounders.
- » We carried out the Empreenda Natal program, offering training, mentoring and a virtual store to **50** women entrepreneurs who are, or have family members who are, PwD.

### Climate Change & Eco-efficiency

- » Internalization of recommendations from Task Force on Climate related Financial Disclosures (TCFD).
- » Creation of the Cielo Energia Limpa (Clean Energy) project, which provides discounts on our customers' electricity bills.

### Diversity & Inclusion

- » Learn about all our [Diversity & Inclusion Commitments on page 18](#).

### Social Responsibility

- » **R\$ 756 thousand** in donations to projects and social causes, including donations of R\$500,000 in staples for the Brasileiros pelo Brasil project, in partnership with the Banco do Brasil Foundation.
- » Volunteer program: Movimento do Bem, with the engagement of **91** employees in 2021.

# CORPORATE GOVERNANCE

CORPORATE  
GOVERNANCE  
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GOVERNANCE




## Corporate governance

Our corporate governance system has as guiding principles ethics, transparency, equity, accountability and corporate responsibility, which when converted into corporate governance practices, allow the improvement of management, the harmonization of interests, the business sustainability and the generation of value aimed at the Company's longevity, always aligned with the market's best practices.

As set forth in the Company's Bylaws, Cielo is managed by the Board of Directors, composed of twelve members, four of whom are independent, and by the Executive Board, currently composed of eight members.


Aiming to increase the quality and efficiency of the performance of the Company's management bodies, the governance system is also composed of Advisory Committees and Forums, which provide advisory and technical support to the Board of Directors and the Executive Board.

 In 2021, Cielo was chosen as the company champion of the decade in Corporate Governance by Época 360 Award. Learn more by [clicking here](#).

# Risk management

Cielo has a **Corporate Risk Management Policy and Internal Controls**, besides processes in place to identify, assess, monitor, report and mitigate risks. These processes aim to prevent Cielo and its direct and indirect clients from being harmed by operational failures, illegal practices (including fraud) and failure to deliver the products and services offered by the Company.

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 **Access [here](#) the full version of our Integrated Annual Report 2021 and learn more about our Risk Management and theme highlights in 2021!**

## Risks associated with products and services

Cielo has a Products and Services Forum, which is responsible for evaluating the risks and impacts arising from the launch of new products and services or changes to existing ones.

The risks are identified through the evaluation of the "opinionist" areas that are members of the Forum, which, in turn, has the purpose of advising the Executive Board on the assessment of the risks involved in the launch or change of products and services, in line with the strategic objectives and the principles of corporate governance practices.


In 2021, eight initiatives passed through the Forum's scrutiny. The Sustainability Management also participates in the Product Forum, analyzing environmental, social and climate risks inherent to products and services, from their development to their final disposal. In 2021, four risks and seven recommendations related to environmental, social or climate aspects were identified, determining five action plans.

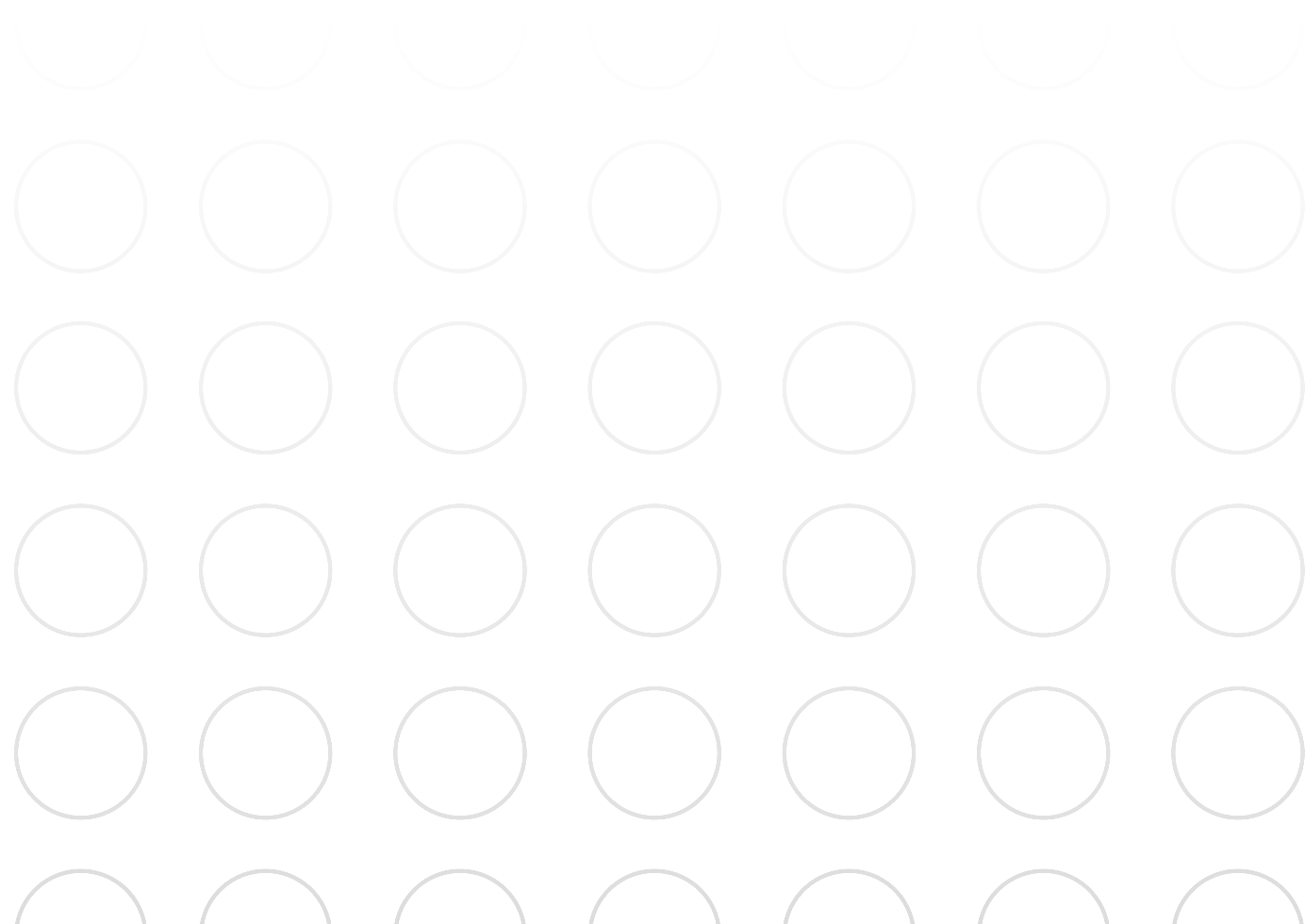
## Alignment with TCFD

In 2021, we moved forward with the internalization of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), an initiative that seeks the development and implementation of recommendations for disclosure and analysis of risks and opportunities related to climate issues.

Recommendations are structured into four dimensions, which reflect the Company's integrated management in relation to: Governance, Strategy, Risk management and Metrics and goals. In the chart on the side, we summarize the correlation between the actions taken by Cielo and the TCFD pillars.

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 **Access [here](#) the full version of our Integrated Annual Report 2021 and learn more about the Company's alignment to the TCFD on pages 43 and 112.**



# Ethics and compliance

In our view, the existence of an integrity structure, with guidelines and responsibilities previously defined and disseminated among employees supports ethical behavior and integrity, as well as the fight against corruption.

To this end, we have policies, actions and initiatives aimed at educating and engaging employees in relation to ethical behaviors and compliance. As of December 31, 2021, 96.72% of Cielo's employees had completed the Regulatory Training Track.

To further reinforce our commitment to ethical behavior and integrity, Cielo enhanced its Code of Ethical Conduct in November 2021 and incorporated into its content the elements of the former Supplier Code of Ethics and Conduct.



Get to know Cielo's [Code of Ethical Conduct](#).

## Ethics Channel

We have an Ethics Channel available to all Cielo employees, suppliers, service providers, partners and other stakeholders.

Through this channel, it is possible to report, anonymously or identified, any deviations from the guidelines of the Code of Ethical Conduct or the legislation in force and monitor its progress.

Starting in 2021, the Channel began to allow the specific categorization of complaints regarding Diversity aspects, ensuring that the reports related to the topic are addressed and treated appropriately, reinforcing Cielo's commitment to promoting Diversity and Inclusion.



Access our Ethics Channel at <https://canalconfidencial.com.br/cielo/#home> or call 0800 775 0808.

## Prevention, money laundering and terrorist financing

Regarding fraud prevention, money laundering and terrorist financing, we have in place several mechanisms to know our customers, suppliers and business partners, as well as to identify fraud and illegal activities in our operation. These procedures are supported by systems that allow the analysis of all transactions in real time and make use of automated learning technologies, allowing the rules to be adapted to the profile of each transaction and generating greater assertiveness in detecting suspicious situations.



# PERFORMANCE

PERFORMANCE  
PERFORMANCE  
PERFORMANCE



In this section we present Cielo's performance in the year through the Integrated Reporting Capitals, connecting the resources and actions performed in each Capital to the Impacts and Values Generated for society and our stakeholders.



# Financial Capital: Performance

## The year 2021

The business transformation and the evolution of the Company's culture have been translating into better financial performance. We reached a net income of R\$970,5 million in 2021, a 98% growth over the previous year. There was an improvement of results in all business lines: Cielo Brasil, Cateno and other subsidiaries.

One of the enablers of the transformation that has been implemented at Cielo is the focus on its core competencies and strategic priorities.

Even with the sector's challenges, we made important operational advances in commercial performance, logistics, and customer service. We reviewed our sales model, expanding, equipping with technology and training the team, in order to improve customer attraction and retention, prioritizing a more personal and closer relationship with the retailer.

## RESOURCES

- » Diversified Portfolio.
- » Solutions that allow customers to anticipate their receivables flows (Term Products).

## KEY IMPACTS

- » Optimized financial resources.
- » Results on a recovery path.
- » Strong spending discipline.

## VALUE CREATION

- » **R\$ 970.5 million** Net income.
- » **R\$ 2,676.6 million** EBITDA.
- » **R\$ 52.7 billion** of term products to retailers and entrepreneurs in 2021.
- » **6.76 billion** transactions captured.
- » **R\$ 713.4 billion** raised financial volume.





# Intellectual Capital: Leadership and innovation

## The year 2021

In the short term, the main objective of our innovation is to solve our customers' pains, involving the commercial and product areas to increase what Cielo already has expertise in. In the medium- and long-term perspective, the focus of innovation is to prepare the way for new technologies and opportunities, expanding our participation in other ecosystems, so that in the future we can bring the value-added solutions developed for the customer.

The Garagem, our innovation hub, aims to foster and simplify business, encouraging creative thinking through trends and solutions, strengthening our culture of innovation and positioning us as a reference in innovation and technology.

Our digital transformation has three main goals:



**1** Making the payment journey simpler and faster - while ensuring security.



**2** Incorporate new digital payment technologies.



**3** Providing excellent services to this digital ecosystem.

## RESOURCES

- » Garagem: our innovation hub.
- » Working model in multidisciplinary teams (squads) using agile methodologies.

## KEY IMPACTS

- » Support for the Brazilian innovation environment.
- » Innovation and efficiency in internal processes.
- » Quick delivery of new products.

## VALUE CREATION

- » **10 startups** participated in our Mentoring Program.
- » Productivity gain of **40%**.
- » **60 employees** were invited to the Lean Six Sigma Program.





# Social And Relationship Capital: Positive Social Impact

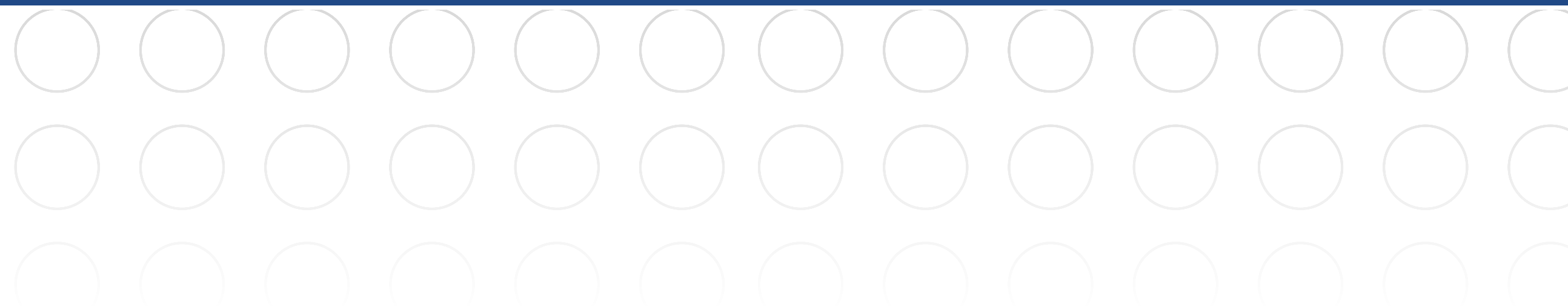
## The year 2021

In 2021, we worked towards evolving from the current acquiring strategy to offer a robust ecosystem of services and solutions to our customers, in order to create a more comprehensive link and relationship, creating new revenue avenues.

A major highlight of the year was the restructuring of our service model through the Heroes project, which allowed the percentage of machine installations within 2 business days to exceed 80% in 4Q21.

Our efforts to improve our customers' experience with our products, services, and customer care are translated into the NPS (Net Promoter Score) survey conducted annually. In 2021, 78% of customers evaluated us with scores between seven and ten.

Our social initiatives are carried out through investments in social projects and donations, as well as through a responsible and close relationship with over 800 active suppliers in our base.



### RESOURCES

- » **1,2 million** customers.
- » **R\$ 3 million** invested in social projects, via incentive laws.
- » **R\$ 756 thousand** in donations to social projects and causes.
- » Over **800** active suppliers.
- » Compliance with the General Data Protection Law (LGPD).

### KEY IMPACTS

- » Contribution to job creation in the country.
- » Support for social development and small business.
- » Robustness in identifying and mitigating cyber risks and in measures aimed at privacy and data protection.

### VALUE CREATION

- » **~ 9%** of GDP is captured by Cielo.
- » Customer Satisfaction Index **78%**.
- » **790** people impacted by incentivized social projects.
- » **486** suppliers evaluated in social and environmental criteria.
- » No substantiated complaints regarding breaches of privacy and loss of customer data in 2021.



# Human Capital: People and Management

## The year 2021

Throughout our 26 years, the work of each of our employees has been essential for us to become a reference in the payments industry in Brazil.

We rely on a team dedicated to People Analytics, with the objective of monitoring indicators related to employees. In the Experience Survey (eNPS), conducted in December 2021, we had the participation of 80.6% of our employees, reaching a total score of +76 (representing a 9-point increase over the December 2020 survey).

Still in 2021, we redesigned our Cielo University (UC), making it more modern and interactive. The new platform, called edUCa, uses artificial intelligence as its main tool to customize learning for users. Offering over 250 thousand contents available, the collection includes tracks for business consultants, soft skills, data lake, agile methodologies, accounting, storytelling and much more.



## RESOURCES

» **4,202** own employees in 12/31/2021.

» Cielo University, with over **250 thousand** in content.

» Program to promote health, well-being and quality of life (De Bem com a Vida).

» Occupational health and safety management system.

» Diversity Program: commitments to practice and promote Diversity & Inclusion at Cielo.

## KEY IMPACTS

» Attracting and retaining talent.

» Employee Experience.

» Diversity and inclusion in representation and culture.

» Compensation and benefits in line with the best market practices.

## VALUE CREATION

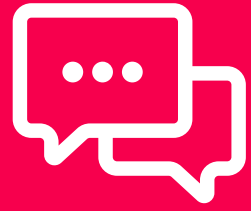
» **89,039** hours of training.

» **R\$ 2,08 million** invested in training.

» Score of **+76** in the Employee Experience Survey (eNPS).

» Census taking (PWD and Racial) and LGBTQIA+ demographic research.

» Four affinity groups to discuss diversity issues and open an agenda for positive transformation.



## Diversity & Inclusion initiatives carried out during the year

Cielo believes that promoting a diverse, inclusive and non-discriminatory environment, where all its employees feel comfortable to be exactly who they are, is a vital path to growth and innovation within the Company.

In 2021, we continued to manage the **six commitments** to practice and promote Diversity & Inclusion within the Company. Take a look at some of the highlights below:

Our Diversity and Inclusion Policy has as its main objective to establish guidelines and governance to increase the representation of minority groups in the workforce as well as to promote a culture of inclusion. Get to know it by [clicking here](#).



### Inclusive Leadership Goals completed in 2021

- » Launch of Diversity & Inclusion Manifesto and six official commitments to 2030.
- » Hiring of the consulting company Guia de Rodas for a structural accessibility project with training for leadership on "Accessible Attitude".



### Inclusive Culture Goals completed in 2021

- » Creation of a D&I training track in the Corporate University.
- » Implementation of a fixed monthly agenda with conversation rounds about the theme with external guests.



### Representativeness Goals completed in 2021

- » Conducting a Census (PWD and Racial) and LGBTQIA+ demographic research (anonymous).
- » Definition of hiring goals for gender and race by 2025.



### Stakeholder Orientation Goals completed in 2021

- » Implementation of accessibility questionnaire and information related to Diversity when launching new products.
- » Inclusion of D&I aspects in the supplier approval process.



### Career Development Goals completed in 2021

- » Carrying out an exclusive program for training and hiring PWD - People with Disabilities, in the sales force.
- » Racial quotas in the MBA program at Cielo University with additional allowance for black (self-declared black and brown) employees).

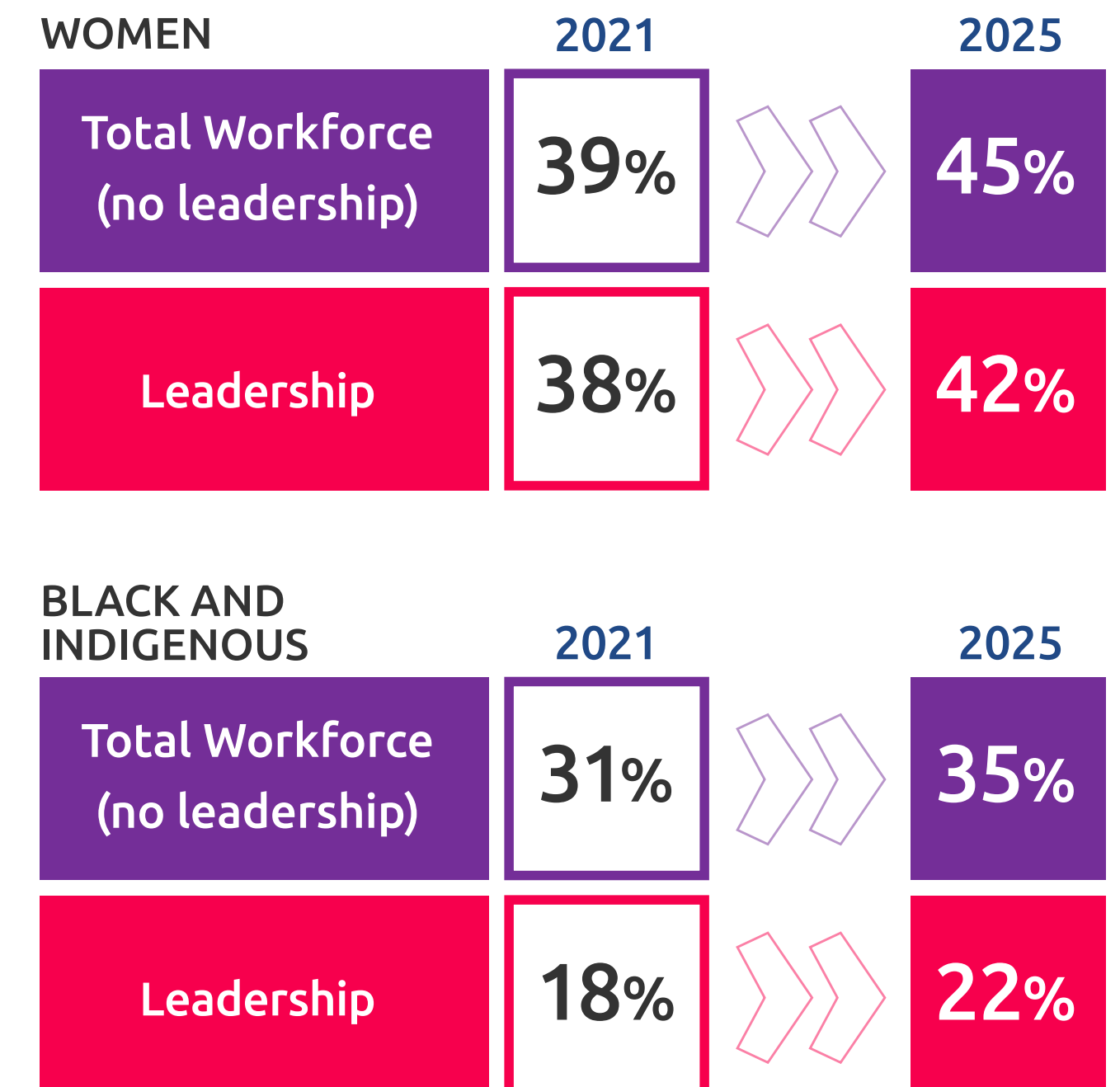


### Internal Structure Goals completed in 2021

- » Review of the Diversity Forum Charter.
- » Categorization with insertion of Diversity aspects in the Reporting Channel.
- » Publication of the Diversity and Inclusion Policy.



Cielo has defined representativeness goals that aim to make our workforce more diverse and representative by 2025.





# Natural Capital: Eco-Efficiency and Climate Change

## The year 2021

Cielo holds an Environmental Management System (EMS) certified by the ISO 14.001 standard, which establishes the frequent monitoring of the impacts generated by the Company's activities in compliance with legal requirements and others applicable to environmental issues. In 2021, the Company went through a follow-up audit and its certification was maintained.

We make responsible and sustainable use of natural resources, and we have a system for reusing the payment machines, which recovers those that are in good condition, and disposes of them properly to qualified companies, when it is no longer possible to reuse them.

We have a Climate Strategy and present information about our climate change management in the Carbon Disclosure Project (CDP). Our 2021 greenhouse gas emissions have been neutralized (scopes 1 and 2).

In line with the focus on Cielo's core competencies and strategic priorities, we reviewed the scope and sources of the input data for our greenhouse gas inventory in order to reflect the Company's new organizational structure, as well as the new management processes and controls implemented in 2021. This work resulted in greater control, traceability and precision of environmental data.

## RESOURCES

- » Environmental Management System (EMS) certified by the ISO 14.001 standard.
- » Cielo Energia Limpa: program that provides discounts on our clients' electric bills.
- » Structured management for reverse logistics and recycling of electronic equipment.

## KEY IMPACTS

- » In tune with the main sustainability guidelines.
- » Reuse of materials whenever possible.
- » Physical and transitional impacts from climate change.

## VALUE CREATION

- » Internalization of recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- » Neutralization of emissions (scopes 1 and 2) with carbon credits and in international renewable energy certificates (I-REC), respectively.
- » Availability of 94.24 MWh of electricity generated from renewable sources for our customers through Cielo Energia Limpa.
- » **259.7** tons of electronic waste disposed of responsibly.



# Credits

## Corporate information

GRI 102-3 | 102-53

### Cielo Head Office:

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CEP: 06455-030 – Barueri (SP) – Brazil

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## Coordination

Sustainability, Diversity and Corporate  
Responsibility Management

The preparation and presentation of this Integrated  
Annual Report was based on collective thinking

## Consulting for gathering disclosures according to the GRI Standard guidelines, materiality review, writing, design, translation and review

Ricca Sustentabilidade

## Photos

Cielo Image Bank, Adobe Stock and Freepik

## Audit

KPMG

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