

The image features a central teal circle with a thin yellow border, set against a background of overlapping teal and light blue circles. The text 'Sustainability Report' is centered in white, with '2022' below it in a yellow script font.

**Sustainability
Report**
2022

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Message from the CEO

GRI 2-22

We are a payment innovation laboratory and we want to build a simpler world, where paying, receiving, consuming and doing business is easy, comfortable and safe.

With this purpose in mind, Cateno is repositioning itself to face continuous market transformations and changes in consumer behavior, particularly in financial services. This ambition is reflected in our Strategic Planning, prepared in 2022 and which has guided, in addition to the search for new revenues, the way we organize ourselves and make our results happen.

We are investing in strengthening our organizational culture, which led us to an internal work of restructuring the organizational model, with the creation of new areas, leading to greater speed and assertiveness in carrying out the work.

This internal review also involved a special look at the teams, including the reformulation of job and salary plans, in addition to attracting new people with a profile aligned with the culture of innovation, creativity, and disruption we seek to boost the strategy and leverage new business.

Cateno's strategic repositioning takes place in a very timely manner for the Company, with the achievement of good operating and financial results, arising from an operating model focused on efficiency and consistency.

In 2022, we had the highest net profit in the historical series, reaching R\$ 1 billion, which represents a 61.2% increase compared to 2021. We also ended the year with the expansion of net revenues, which in turn reached R\$ 3.93 billion, a 21.5% increase compared to the previous year.

Such results give us even more confidence that we have the capacity to go further, supporting the transformation of the payment means industry.



For 2023, we project a continuation of the Company's pace of growth, now, executing a proposal that is more in tune and adherent to our vision of the future and generation of value in the long term, focused on simplifying consumption and carrying out new businesses, ultimately contributing to the economic development of the country.

Luis Felipe Monteiro
Cateno CEO

Cateno

GRI 2-2 / 2-6

We are a joint venture between BB Elo Cartão Participações S.A and Cielo S.A, which holds a 70% interest in the Company. We work in prospecting, creating, operating and managing technological solutions for the payment means industry. Since 2015, we have been processing Banco Brasil credit, debit and multiple cards, the so-called Ourocard arrangement, which has around 40 million users throughout Brazil.

With an eye on opportunities for growth and value creation for our stakeholders and shareholders, we have repositioned ourselves as a **payment innovation laboratory, focused on finding new solutions with agility, disruption and security.**

In a scenario of digital transformation, where the market of payment means continues to expand, mainly with new forms of transferring funds and identifying/validating users, there are multiple opportunities for new products and services. For this reason, we want to be known as a player that connects banks, customers and issuers in a diverse and innovative ecosystem, ensuring efficiency, agility, simplicity, convenience and security.



Our beliefs, purpose and principles



Beliefs

Facilitating the business environment stimulates the development of society.

Payment means are fundamental to doing business.

Paying and receiving should always be a good, simple and safe experience for everyone.



Purpose

Create a simpler world where it's easy to consume and do business.



Principles

Trust – we build trust when we believe in people, when we support each other and when we act with transparency and integrity.

Innovation and efficiency – the longevity of our business depends on constant innovation and operational efficiency, made possible through knowledge and valuing people.

Agility – our agility is the result of integrated and autonomous teams, which seek simplicity, supported by technology.



About this Report

GRI 2-1 / 2-3

This Report was prepared considering the reporting guidelines provided by the Global Reporting Initiative (GRI). Based on the structure of the Integrated Report (IIRC), we present information on the management of the Company's socio-environmental and governance aspects, in addition to information on financial performance.

The information presented covers the period between January 1, 2022 and December 31 of the same year.

Materiality

GRI 2-29 / 3-1 / 3-2 / 3-3

We conduct a materiality process in order to understand what are the most important topics related to Cateno's activities, as well as their impact on society, the environment and people. This process had the following steps:

1. Identification

Mapping of socio-environmental trends through benchmarking in relevant sources for the Company and in market mechanisms

2. Analysis

Convergence of mapped topics with risk management mechanisms and strategic planning.

3. Prioritization and Validation

Discussion, prioritization and validation of the themes identified with senior leadership.

At the end, nine themes were selected and associated with the Company's priority SDG. To continue, processes and actions are being defined, together with the responsible teams, to manage the defined and prioritized material topics.



Information and questions about this report should be submitted to the Communication, Marketing, ESG and Culture area.

[E-mail: marketing@cateno.com.br](mailto:marketing@cateno.com.br)



THEME	AMBITION
Attracting and developing people	Strengthen the attraction, development and retention of employees
Cyber security and data privacy	Be a reference in cybersecurity and data privacy
Technology trends and disruption	Follow and adhere to technological disruption market trends
Equal opportunities, diversity and inclusion	Seek representation of society in Cateno teams
Customized Solutions and Customer Experience	Develop a portfolio of innovative, socially responsible, and profitable products that are desired by customers and users
Education, Citizenship and Financial Inclusion	Be a reference in simple, cheap and secure digital payment solutions
Entrepreneurship	Structure an entrepreneurial culture at Cateno
Ethics, integrity and anti-corruption practices	Be a reference in the market in practices and policies on ethics, integrity and anti-corruption actions
Sustainability applied to products and services	Position Cateno as a protagonist in incentive and investment actions for financial inclusion and education

Seeking to demonstrate the relationship between the material themes and the Company's strategy, they were correlated with the UN Sustainable Development Goals (SDG). This work resulted in an SDG Map, presented below, where the size of the SDG icon represents the degree of importance in the view of the stakeholders engaged in the process.



Corporate Governance

GRI 2-9/ 2-11

As provided for in the Company's Bylaws, our governance structure comprises the Board of Directors, Fiscal Council, Executive Board and the following Advisory Committees: Audit, Finance, Operations, Risks and Transition Committees.

MEMBER	POSITION
Estanislau Mendes Llobatera Bassols – Cielo	Chairman of the Board of Directors
Ricardo Grosvenor Breakwell – Cielo	Member
Sidney Passeri – Cielo	Member
Rodrigo Felipe Afonso – BB	Member
Rodrigo Mulinari - BB	Member

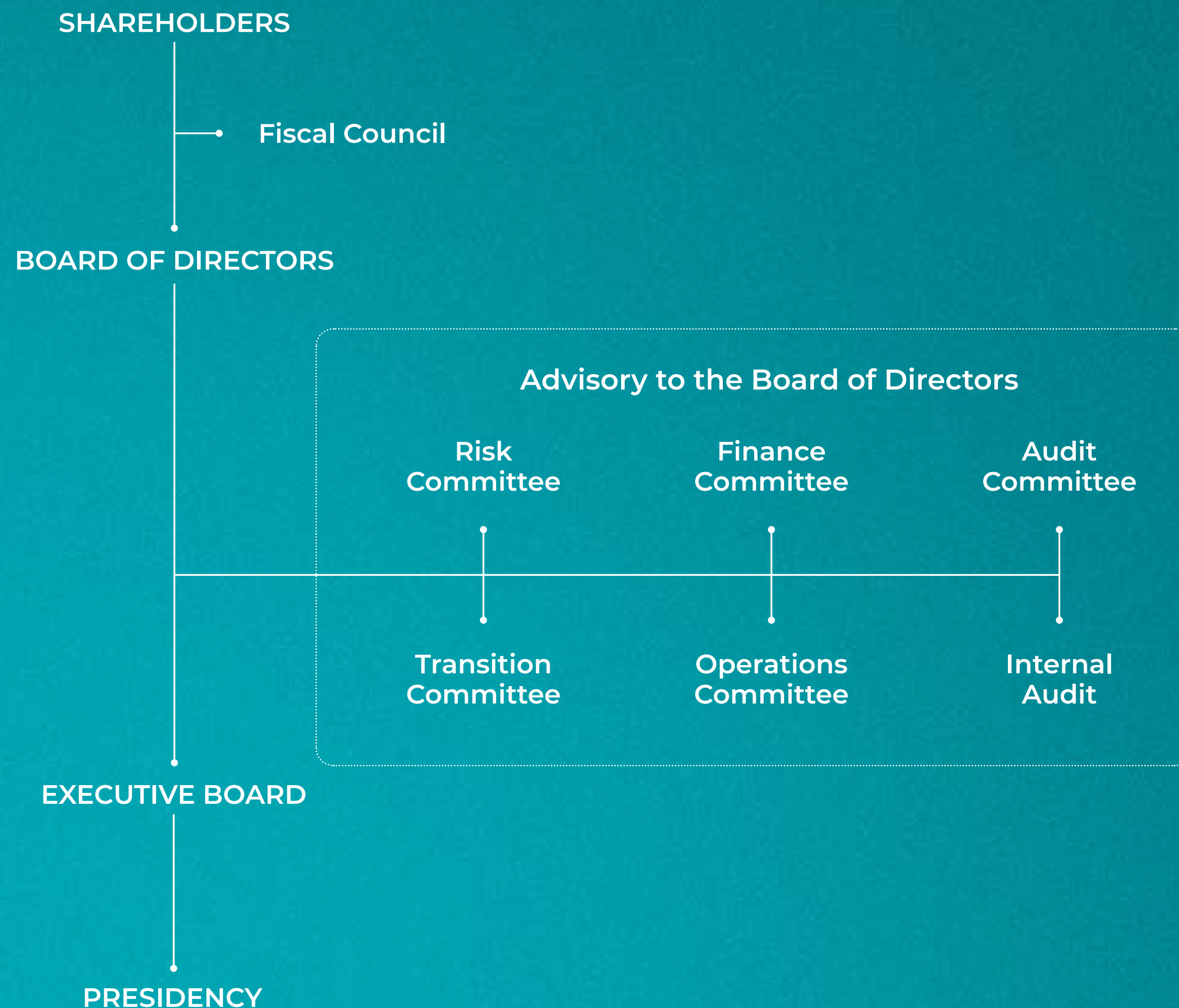
All members of the Board of Directors have a 2-year term.
All members of the Board of Directors are male and white.
No member of the Board of Directors hold an executive role in the Company.
No member of the Board of Directors is considered to be independent.

Within the scope of the Advisory Committees, there are consultative and technical discussions on the Company's financial, economic, environmental and social themes, in order to assist the Board of Directors in decision-making.

In 2022, we implemented a new organizational structure to support the Company's long-term strategy. As a result, the Presidency now has four executive assistants, created to enforce the Company's new positioning on a day-to-day basis, helping to leverage new business fronts.



Administration Structure



Ethical Principles

GRI 2-15 / 2-23 / 2-24

We believe that only with a culture based on ethical principles and values can we fully achieve our objectives, contributing to the value creation for our stakeholders and preserving the Company's image.

In order to guide day-to-day behavior in the business, we have a Code of Ethical Conduct, approved by the Board of Directors, containing all the guidelines on the attitudes expected of Senior Management and our employees in work, personal and commercial relationships.

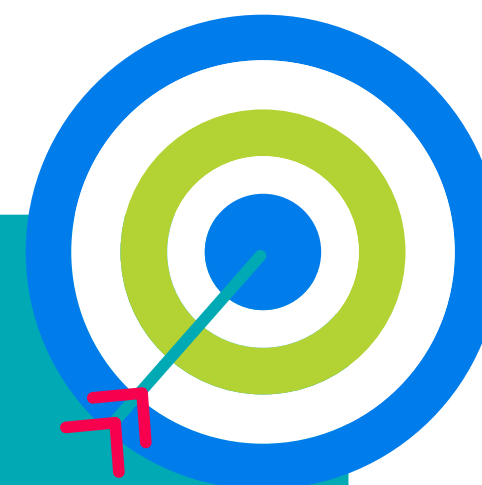
The Code was drawn up based on the Universal Declaration of Human Rights, the United Nations Global Compact Goals, the International Labor Organization (ILO) conventions and the 2030 Agenda for the Sustainable Development Goals (SDG).



Access [here](#) the Code of Ethical Conduct

Its content addresses themes such as conflicts of interest, fighting corruption, party contributions and affiliations, fraud prevention, prevention of money laundering and financing of terrorism and competitive practices. The document also provides for our commitment to curbing slave labor and promoting a healthy and safe work environment for everyone, always acting with due management of business-related environmental aspects.

To reinforce the culture of compliance with the Code of Ethical Conduct and spread the values and principles that are part of the way we act, UniCateno, our corporate university, offers training to all the people on our team. As for service providers, we demand compliance with the guidelines established in the document through contractual clauses.



Corporate Policies

GRI 2-12

In addition to the Code of Conduct, we also have a set of corporate policies that define commitments to responsible business conduct:

[Anti-Corruption Policy](#)

[Supplier Relationship Policy](#)

[Compliance Policy](#)

[Related Party Transaction Policy](#)

The policies are approved by the Executive Board and the Board of Directors. Depending on the subject matter, they may also be evaluated by Advisory Committees.

Whistleblowing Channel

GRI 2-26

We have a Whistleblowing Channel for reporting any type of violation of the provisions of the Code or current legislation. The channel ensures communication, if desired, anonymous. Information on the complaints is received by an independent and specialized company, thus guaranteeing absolute secrecy and the appropriate approach of each situation by the Ethics Forum, made up of Cateno's Compliance, Legal, IR and HR areas.



The Whistleblowing Channel can be accessed [here](#).

Reports can also be made by calling 0800 377 8008.

Intellectual Capital

Strategy

In line with our ambition to position ourselves as a **laboratory for new business in payment means**, we have defined six strategic initiatives as our priorities for action. Together, they support us in expanding the portfolio, towards formatting a diverse offer of aggregate payment services.

This ambition to provide new services is part of the Company's new positioning. In the medium run, we want to attract new processes to the business, while trying to integrate all service providers contracted to support the Ourocard Arrangement management, leveraging more quickly the offer of services with greater added value for the end customer.



Sustainability

Governance

GRI 2-12 / 2-13 / 2-23

To guide the implementation of an ESG agenda at the Company, we have a Sustainability Policy, based on the Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights.

Its purpose is to reaffirm the Company's commitment to sustainable development, establishing the guidelines for including social, environmental and governance aspects into the business.

Since 2022, the Executive Board has decided to transfer sustainability management responsibilities to the Special Communication, Marketing, Organizational Culture and ESG Adviser, directly linked to the company's Presidency.

With this decision, the management of sustainability-related issues started to be dealt with and monitored more closely by the Presidency, even allowing actions of this nature to be discussed and implemented in a more strategic and diffused way across the Company.



Learn more about the Sustainability Policy by clicking [here](#)



Financial Capital

Operational and Financial Performance

GRI 201-1

We ended 2022 with substantial results, which demonstrates our ability to conduct business efficiently and optimize costs.

Factors contributing to this performance include reductions in losses as a result of fraud prevention, savings in the purchase of inputs and efficiency with card brands' expenses. Additionally, we were able to achieve more than planned in the execution of projects, which also ensured greater operational efficiency.

Among the highlights, we achieved the highest net profit in the historical series, reaching R\$ 1 billion, which represents a 61.2% increase compared to 2021.



This result is mainly due to greater control of expenses and the expansion of net revenues, which, in turn, reached R\$ 3.93 billion, a 21.5% growth in comparison with the previous year. The amount was mainly driven by increased volumes and a more favorable mix of transactions.

INCOME STATEMENT FOR THE YEAR (R\$ MILLION)

	2020	2021	2022
Net operating revenue	2,622.4	3,237.9	3,934.3
EBITDA	1,031.8	1,298.8	1,811.3
EBITDA Margin	39.3%	40.1%	46%
Financial result	63.3	48.0	111.5
Income tax and social contribution	(241.4)	(326.6)	(523.6)
Net profit	464.3	626.8	1,010.7

*The financial statements are presented in thousands of Reais (R\$ thousand), in accordance with the Accounting Plan for Institutions of the National Financial System (COSIF) and accounting practices adopted in Brazil. For more details on Financial Information, access the Results Center [here](#).



Human Capital

GRI 2-7 / 2-8 / 401-1 / 405-2

Our entire People Management strategy is focused on promoting a corporate culture targeted towards ethics, integrity, excellence and productivity.

Its main guidelines are included in our People Management Policy, which, among other aspects, addresses the adherence to commitments with the International Labor Organization (ILO) conventions and with the defense and protection of Human Rights and Children's Rights. See the Policy in full by , [clicking here](#).

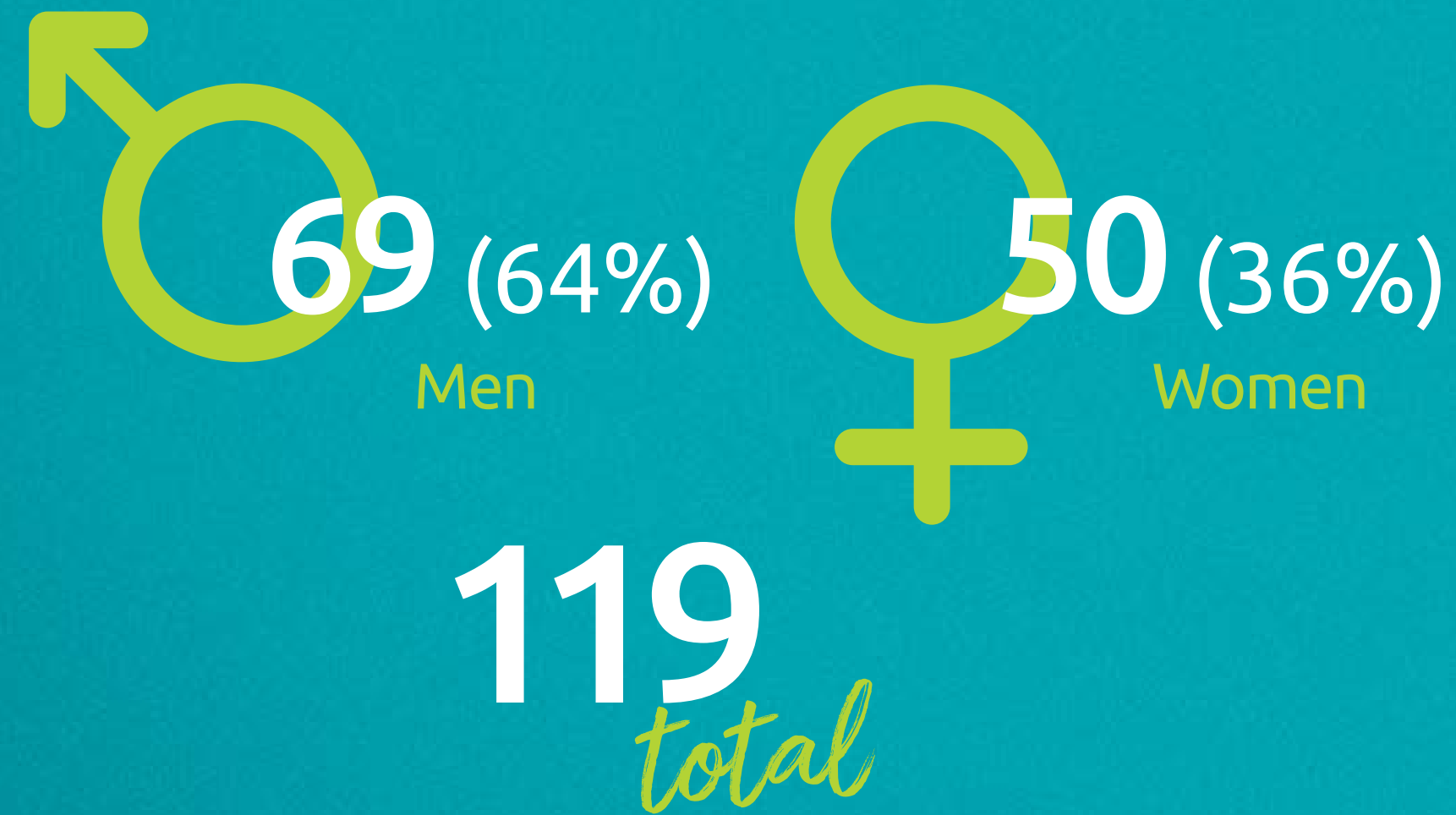
We ended 2022 with 119 own employees, covered by collective bargaining agreements and working full time.

The increase in the number of employees, in the order of 30%, complies with the new Strategic Planning (learn more on page 16) which required a reinforcement of the teams with new hires.



Our team in numbers

Own employees, broken down
by gender



SOUTHEAST REGION

All 118 employees have a permanent employment contract.
One employee has a temporary employment contract.

HIRING RATE EVOLUTION

	TOTAL NUMBER		HIRING RATE (%)	
	2021	2022	2021	2022
Age group				
Under 30 years old	7	4	54%	24%
Between 30 and 50 years old	24	14	38%	22%
Over 50 years old	5	15	26%	38%
Gender				
Male	21	19	38%	28%
Female	15	14	38%	28%
Region				
Southeast	36	33	38%	28%

The hiring rate is calculated based on the ratio between the total number of people hired in each category and the total number of people in each category. The percentage shows the evolution of each category in the year under review. In 2022, there was a slowdown in the hiring rate, when observing each of the categories, with the exception of the age group above 50 years old.

TURNOVER RATE EVOLUTION

	TOTAL NUMBER		TURNOVER RATE (%)	
	2021	2022	2021	2022
Age group				
Under 30 years old	7	0	54%	12%
Between 30 and 50 years old	23	11	37%	20%
Over 50 years old	4	3	21%	23%
Gender				
Male	18	10	33%	21%
Female	16	4	40%	18%
Region				
Southeast*	34	14	29%	20%

* In 2022, the Company showed an improvement in the turnover rate, when each of the categories is analyzed, with the exception of the age group over 50, which showed an increase compared to the previous year.

RATIO BETWEEN SALARY AND COMPENSATION OF WOMEN AND MEN

FUNCTIONAL CATEGORY	RATIO BETWEEN BASE SALARY OF WOMEN AND MEN	RATIO BETWEEN THE COMPENSATION OF WOMEN AND MEN
CEOs/Board Members**	-	-
Executive Manager**	-	-
Advisor	1.06	1.54
Managers	0.81	0.86
Specialists/Executive Secretariat	0.85	0.87
Analysts / Assistants	0.97	0.97

** We have no female Directors or Executive Managers.

Organizational Model

In 2022, we guided the work with the teams to carry out initiatives. The objective was to prepare the Company for the execution of the new strategy, contributing to improve customer experience, activate operational efficiency levers and boost innovation fronts, to test concepts and develop new solutions and fronts of business.

Program leadership

Responsible for program strategy and direction

VALUE STREAMS



Customer experience

Encourage the customer to use BB payment methods



Experience and operational excellence

Seek and activate operational efficiency levers



Innovation & Business

Try and validate hypotheses and innovation

Training and development

GRI 404-1

In order to support our team's professional development, we have UniCateno, our Corporate University, a platform responsible for providing mandatory training on the Corporate Training Track.

One of the actions that boosted corporate training hours in 2022 was specific training on payment methods, offered to new employees, in addition to refresher courses for employees who are already part of our team. These trainings totaled 1,531 hours, about 22% of the total training hours carried out.



AVERAGE TRAINING HOURS

AVERAGE TRAINING HOURS, BROKEN DOWN BY GENDER

Male	54
Female	65
Total	59

AVERAGE TRAINING HOURS, BROKEN DOWN BY FUNCTIONAL CATEGORY

CEOs/Board Members	127
Executive Manager	63
Advisor	11
Managers	38
Specialists/Executive Secretariat	48
Total Average	59

INVESTMENT IN TRAINING

	2021	2022
UniCateno	R\$ 42,555.33	R\$ 14,076.00
Specific Training	R\$ 50,268.00	R\$ 532,546.41
Corporate Training	R\$ 9,262.50	R\$ 42,793.05
Continuing Education	R\$ 126,435.00	R\$ 27,893.12
Total	R\$ 228,520.83	R\$ 617,308.58



Social and Relationship Capital

GRI 2-6

With the new strategy, we want to increase the focus on our business partners, improving their experience with us, in addition to increasing retention in our base. For this purpose, our priority is to make relationships longer and more solid, offering a personalized and efficient service experience.



Customers

We have a **Customer Relationship Policy**, which provides for the guidelines our employees and managers must follow in order to strengthen ties and ensure ethics, responsibility, transparency and diligence in all contacts .

Customer relationship guidelines



Innovate to conquer new markets and maintain current relationships.



Maintain a transparent, honest, clear and ethical relationship.



Ensure excellence in payment account management.



Adopt measures to prevent fraud and financial losses for our customers.



Ensure the quality and agility in services provision.



Stimulate customer communication with the Company, providing relationship channels for easy access.



Disseminate the Code of Conduct to guide our relationships.

Suppliers

We also have a Supplier Relationship Policy, which guides us on how to establish an ethical, honest and transparent relationship with this audience. In this way, we do not relate to suppliers involved with forced labor, child labor, or environmentally harmful activities.

Our supply chain



IT Service Providers



Advisory services



Systems suppliers

230 suppliers
(on December 2022)

+ R\$ 69 million
spent in 2022

An underwater photograph of a vibrant coral reef. The water is clear and blue. In the foreground, there are large, rounded coral structures. Several yellow butterflyfish with black markings are swimming around the coral. The background shows more coral and smaller fish in the distance.

Natural Capital

In our [Sustainability Policy](#), we are committed to implementing environmental management focused on seeking compliance with legal requirements and implementing the best available practices, acting to mitigate potential risks arising from our operations, products and services.

Cateno's scope 1 and 2 emissions are offset through carbon credits and renewable energy certificates, respectively. This volume is accounted for with the credits acquired by Cielo.

Emissions

GRI 305-1 / 305-2 / 305-3

We follow the guidelines of the Brazilian GHG Protocol Program for the accountability of the Company's greenhouse gas (GHG) emissions. In 2022, we evolved with our management and controls, which resulted in greater traceability of data input, and consequently, a greater volume of emissions. The return of activities to the face-to-face model also contributed to the growth of emissions, especially scope 3.

The approach for the consolidation of greenhouse gas emissions was operational control. The emissions are calculated using an automated tool, made available by a specialized consulting firm, a reference in the subject.

	2020	2021	2022
Scope 1 (tCO₂e)*			
Mobile fuel	0.9	0.3	67.5
Fugitive emissions	-	0.04	0.01
TOTAL	0.9	0.3	67.5
Scope 2 (tCO₂e)			
Electricity purchase	1.8	2.3	8.1
TOTAL	1.8	2.3	8.1
Scope 3 (tCO₂e)			
Employee Displacement (home-work)	15.8	14.7	128.8
Transport and distribution (upstream)	0.05	0.2	0.1
Business travel	16.1	3.0	46.0
TOTAL	32.0	17.9	174.84

* We follow the GHG Protocol standards and the emission factors and global warming potential (GWP) made available by the Calculation Tool of the Brazilian GHG Protocol Program.

GRI Content Index

GRI ASPECT	INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
GENERAL DISCLOSURES			
Organizational profile	2-1	Organization details	Page 6
	2-2	Entities included in the organization's sustainability reports	Pages 3 and 4
	2-3	Reporting period, frequency and point of contact	Cateno reported in accordance with the GRI Standards for the period January 1, 2022 to December 31, 2022.
	2-4	Information reformulations	There were no reformulations of information reported in previous periods
	2-5	External verification	A sample of the indicators presented in Cateno's Sustainability Report was verified by an independent third party in the scope of the assurance of Cielo's Integrated Annual Report. For more information access: https://cielosustentabilidade.com.br/downloads/
Activities and Employees	2-6	Activities, value chain and other business relationships	Page 04 Means of payment issuers, processors and companies that offer solutions for the market are examples of organizations that work between Cateno and its customers.
	2-7	Employees	Page 15
	2-8	Workers who are not employees	Additionally, we ended the year with 41 third-party employees, 4 of whom are dedicated to cleaning and reception activities and another 37 performing operational activities in our boards and managements.

GRI ASPECT	INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
Governance	2-9	Governance structure and composition	Page 8
	2-10	Appointment and selection of the highest governance body	The process is carried out on the recommendation of the controlling shareholders.
	2-11	Chairman of the highest governance body	Page 8
	2-12	Role of the highest governance body in overseeing impacts management	Pages 10 and 12
	2-13	Delegation of responsibility for managing impacts	Page 12
	2-14	Role played by the highest governance body in sustainability reporting	All information reported herein was subject to analysis and approval, ultimately, by the members of the Executive Board.
	2-15	Conflicts of interest	Page 09. Subject addressed via the Code of Ethical Conduct.
	2-16	Communication of critical concerns	The process of communicating critical concerns to the Board of Directors is carried out through reports presented during meetings. In 2022, no critical concerns about the organization's potential and actual negative impacts on stakeholders raised through grievance mechanisms and other processes were reported to the Board of Directors.

GRI ASPECT	INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
Governance	2-17	Collective knowledge of the highest governance body	In 2022, we did not carry out actions to develop collective knowledge, skills and experience of the highest governance body on sustainable development.
	2-18	Performance assessment of the highest governance body	The Company does not have established processes for the Board of Directors members' performance evaluation.
	2-19	Compensation policies	We do not have a formal remuneration policy for members of the Board of Directors and the Executive Board. Each case is handled individually with the shareholders. Bonuses are paid according to the performance achieved by members, in addition to complying with the terms of each contract.
	2-20	Process for determining compensation	The Company has not defined specific processes to determine the compensation of the Board of Directors and Executive Board.
	2-21	Ratio of total annual compensation	The ratio between the total annual compensation of the organization's highest paid individual and the average total annual compensation of all Company employees (excluding the highest paid one) is 3.5 times. The calculation considered salary, bonus, profit sharing, vacations and other benefits.

GRI ASPECT	INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
Strategies, policies and practices	2-22	Declaration on the sustainable development strategy	Page 3
	2-23	Commitment policies	Pages 9 and 12
	2-24	Incorporating commitment policies	Page 9
	2-25	Processes to remedy negative impacts	All employees can head to the Ethics Forum, an advisory body to the General Board and the Board of Directors, to report situations of non-compliance with the company's conduct rules. It is up to the Ethics Forum to investigate complaints involving employees up to the management level.
	2-26	Mechanisms to seek advice and raise concerns	Page 10
	2-27	Compliance with laws and regulations	The Company was not subject to fines or non-monetary sanctions during the reporting period.
	2-28	Participation in associations	The Company does not participate in any association.
Stakeholder Engagement	2-29	Approach to stakeholder engagement	Page 6
	2-30	Collective bargaining agreements	100% of employees are covered by collective bargaining agreements.

GRI ASPECT	INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
Material topics	3-1	Process for determining material topics	Page 6
	3-2	List of material topics	Page 6
	3-3	Management of material topics	Page 6
SPECIFIC RULES			
ECONOMIC DISCLOSURES			
Economic Performance	201-1	Direct economic value generated and distributed	Page 13
ENVIRONMENTAL CONTENTS			
Emissions	305-1	Energy consumption within the organization	Page 23
	305-2	Direct greenhouse gas (GHG) emissions (Scope 1)	Page 23
	305-3	Indirect Greenhouse Gas (GHG) Emissions (Scope 2)	Page 23

GRI ASPECT	INDICATOR	DESCRIPTION	LOCATION / OMISSION / EXPLANATION
SOCIAL DISCLOSURES			
Employment	401-1	Total and rates of new employee hires and turnover by age group, gender and region	Page 15
Training and Education	404-1	Average training hours per year, per employee, broken down by gender and functional category	Page 18
Diversity and equal opportunities	405-2	Mathematical ration between the salary and compensation of women and men, broken down by functional category and relevant operating units	Page 15

Credits

Corporate Information

Head Office - São Paulo

Avenida Dra. Ruth Cardoso, 7221,
Edifício Birmann 21, 23º Andar

Execution

Cielo

Sustainability, Diversity and Corporate
Responsibility Management

Cateno

Special Communication, Marketing,
Organizational Culture and ESG Adviser

Consultancy for the collection of indicators, writing and design

Ricca Sustentabilidade

Consultancy for materiality

Baanko

Photos

Unsplash, Pixel, Adobe Stock and Freepik

Audit

KPMG

Publication date

05/31/2022

