

Company and Sector Performance

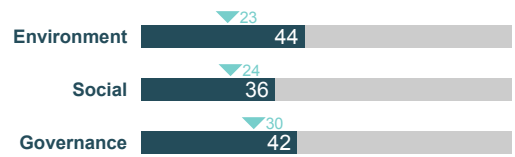
ESG OVERALL SCORE



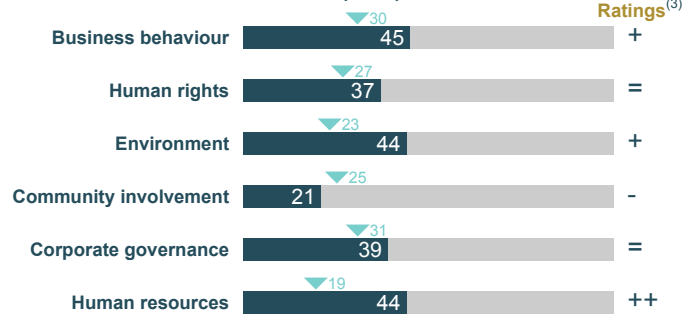
Information rate	65%
sector average	49%
Cooperation level ⁽²⁾	Not responsive
High severity controversies	No
Rank in Sector	3/38
Rank in Region	86/890
Rank in Universe	811/4453



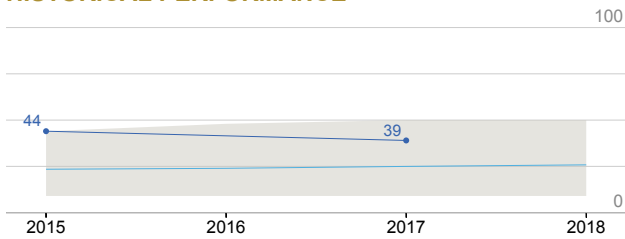
ESG PERFORMANCE (/100)



6 DOMAINS PERFORMANCE (/100)



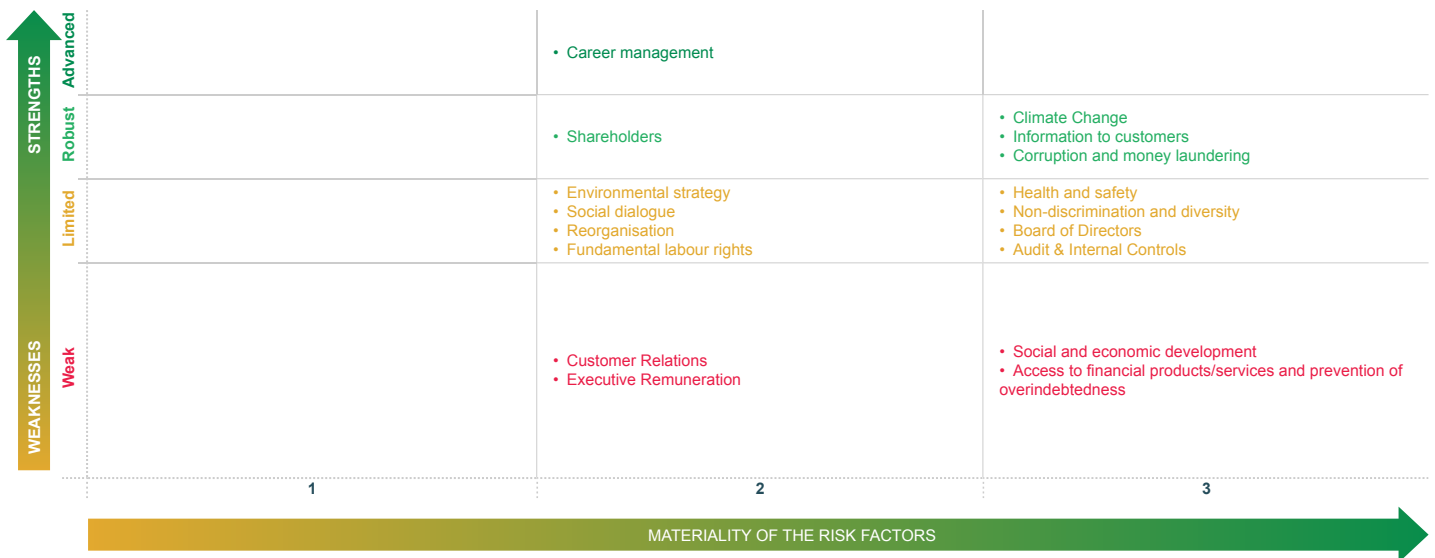
HISTORICAL PERFORMANCE



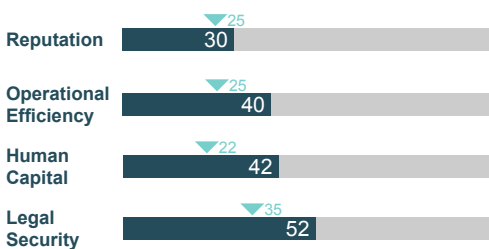
Company inclusion in Vigeo Eiris indices⁽⁴⁾: No

Management of risks and opportunities

MATERIALITY & PERFORMANCE MATRIX



RISK MITIGATION INDEX (/100)



ANALYST FOCUS

Analyst Focus is not available at this time

Carbon Footprint and Energy Transition*

"The Carbon Footprint & Energy Transition research provides an assessment of a company's carbon footprint combined with the strategy to manage risks and opportunities related to the transition to a low carbon economy. NI (No Info) is used to indicate that the information is not available."

CARBON FOOTPRINT



SCALE	EMISSIONS (T CO2 EQ)	CATEGORIES
A	<100 000	Moderate
B	>= 100 000 and <1 000 000	Significant
C	>= 1 000 000 and <10 000 000	High
D	>= 10 000 000	Intense

ENERGY TRANSITION SCORE



ENERGY TRANSITION SCORE	CATEGORIES
60-100	Advanced
50-59	Robust
30-49	Limited
0-29	Weak

Goods and services contributing to sustainable development*

"Sustainable Goods & Services research provides a positive screening on companies to identify business activities devoted to sustainable solutions."



INVOLVEMENT	CATEGORIES
>=50%	Major
20-49%	Significant
0-19%	Minor
0%	None

Involvement in controversial activities*

"The Controversial Activities research provides screening on companies to identify involvement in business activities that are subject to philosophical or moral beliefs."

Involvement in controversial activities: Not available in this version

Screened Areas:

- Alcohol
- Animal welfare
- Chemicals of concern
- Civilian firearms
- Fossil fuels
- Gambling
- Genetic engineering
- High interest rate lending
- Military
- Nuclear power
- Pornography
- Reproductive medicine
- Tobacco

For more information please contact us at customer.service@vigeo-eiris.com

(1) Performance level: weak (0-29/100), limited (30-49/100), robust (50-59/100), advanced (60-100/100)
 (2) Cooperation level on a 4-level scale: proactive, responsive, partially responsive, not responsive
 (3) Ratings outline companies' benchmarked domain performance within a sector, on a 5-level scale: "-", "=", "+", "++", "+++" (4) Indices: based on the most recent indices at the date of publication. More details on vigeo-eiris.com.

Company performance in all the Sustainability Drivers

Weight		Overall score 39/100				Trend	Score	Leadership	Implementation	Results
		Environment				↘	44	47	50	22
E	ENV2.2	3	Climate Change		↘	50	30	83	37	
E	ENV1.1	2	Environmental strategy		↘	36	72	0	N/A	
		Human Resources				→	44	33	42	56
S	HRS3.2	3	Health and safety		↘	42	42	62	22	
S	HRS1.1	2	Social dialogue		↗	39	21	8	88	
S	HRS2.3	2	Reorganisation		→	32	0	30	65	
S	HRS2.4	2	Career management		→	62	63	58	65	
		Human Rights				↘	37	51	18	43
S	HRT2.4	3	Non-discrimination and diversity		↘	36	51	30	28	
S	HRT2.1	2	Fundamental labour rights		→	39	51	0	65	
		Community Involvement				↘	21	11	8	44
S	CIN1.1	3	Social and economic development		↘	29	21	15	52	
S	CIN2.1	3	Access to financial products/services and prevention of overindebtedness		→	12	0	0	35	
		Business Behaviour (C&S)				↘	45	54	29	53
S	C&S1.2	3	Information to customers		→	50	65	21	65	
G	C&S3.1	3	Corruption and money laundering		↘	53	65	42	53	
S	C&S1.3	2	Customer Relations		↗	26	21	21	35	
		Corporate Governance				→	39	35	35	46
G	CGV1.1	3	Board of Directors		↗	45	30	45	60	
G	CGV2.1	3	Audit & Internal Controls		↗	45	36	33	65	
G	CGV3.1	2	Shareholders		→	54	75	60	26	
G	CGV4.1	2	Executive Remuneration		↘	5	0	0	16	

■ Weak (0-29/100)
 ■ Limited (30-49/100)
 ■ Robust (50-59/100)
 ■ Advanced (60-100/100)



Involvement in allegations



Involvement in allegations with evidence of corrective measures

Benchmark

Position versus sector peers

Position versus sector peers		Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance	Overall Score
TW0002881000	Fubon Financial Holdings	++	+	+	=	=	++	50
ZAE000081949	Investec (South Africa)	++	+	++	++	+	++	49
BRBVMFACNOR3	B3	=	=	=	-	+	+	39
BRCIELACNOR3	Cielo	+	++	=	-	+	=	39
TW0002885001	Yuanta Financial Holding	=	=	=	=	=	=	36
TRSAHOL91Q5	Sabanci Holding	=	=	+	++	=	-	35
KR7016360000	Samsung Securities	=	=	=	=	+	=	35
ZAE000066304	FirstRand	+	-	+	-	-	=	34
PEP104001008	AFP INTEGRA (Peru)	++	++	+	+	+	=	31
KYG202881093	Chalease Holding	+	+	+	=	=	+	31
ZAE000047353	Coronation Fund Managers	+	=	+	++	+	=	31
KR7006800007	Mirae Asset Daewoo	+	=	+	+	+	=	31
RU000A0JR4A1	Moscow Exchange	=	=	-	=	=	+	29
MYL101500006	AMMB Holdings	-	-	-	-	+	=	28
INE134E01011	Power Finance	=	=	+	++	=	=	28
ZAE000024501	RMB Holdings	=	-	=	=	-	=	28
HK0000077468	Far East Horizon	+	=	=	-	-	+	26
INE721A01013	Shriram Transport Finance	=	-	=	+	=	=	26
LU0011857645	Brait	=	-	=	+	=	=	25
HK0165000859	China Everbright	=	=	=	+	=	=	25
CNE1000016V2	CITIC Securities	=	=	=	+	=	=	25
PHY603051020	Metro Pacific Investments Corporation	=	=	=	++	=	=	25
COW19PA00012	Protección	+	+	-	=	+	=	25
CNE100001TQ9	GF Securities Co	-	-	-	-	-	=	22
KR7004940003	Korea Exchange Bank	-	=	-	+	-	--	22
COT29PA00058	Grupo Aval	=	=	-	+	=	=	21
ZAE000013017	PSG GROUP	-	-	=	++	-	=	21
CNE100001QS1	China Cinda Asset Management	=	-	-	=	-	=	20
HK0000065869	Guotai Junan International Holdings	-	-	--	-	-	-	19
COJ12PA00048	Corporacion Financiera Colombiana	=	+	=	=	=	-	18
BRINTLACNOR8	Haitong Brasil	=	-	-	-	+	-	17
CNE1000019K9	Haitong Securities	-	-	-	-	-	=	16

Position versus sector peers		Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance	Overall Score
MA0000011744	Salafin	-	+	-	--	+	-	16
MA0000010357	Eqdom	-	-	-	-	=	-	13
KR7071050009	Korea Investment Holdings	-	-	-	-	--	-	12
KR7005940002	NH Investment & Securities	-	-	-	=	-	--	12
KR7029780004	Samsung Card	-	-	-	-	-	-	12
KR7037620002	Mirae Asset Securities Co. Ltd.	-	-	-	-	-	--	9

General information

Cielo SA is an electronic payment solutions company based in Brazil. The Company is responsible for accreditation of commercial establishments, capture,

transmission, processing and settlement of transactions made with credit cards and debit cards as well as network management services.

Selected financial data

Key data	Revenues	EBIT	Employees
2016	BRL 12.3bn	BRL 4.8bn	2,279
2015	BRL 11.1bn	BRL 4.3bn	2,052
2014	BRL 3.2bn	BRL (1.3)bn	1,999
2012	BRL 2.3bn	BRL (0.8)bn	1,417
2011	BRL 1.8bn	BRL (0.6)bn	1,470

Main shareholders		2016
Banco Bradesco SA		30.1%
Banco do Brasil SA		28.6%
Lazard Asset Management LLC		5.1%

Geographical Breakdown	Turnover 2016	Employees
Brazil	100%	100%

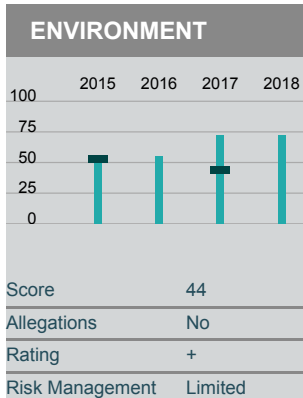
Main economic segment	Turnover 2016
Credit cards	60.4%
Debit cards	39.6%

Selected ESG Indicators

	2016	2015
Non-executive Board member(s) responsible for CSR issues	No	No
Executive remuneration linked to CSR performance	No	No
3-year energy consumption trend (normalised to number of employees)	↗	↗
Ratio of payments to employees vs. shareholders (3-year trend)	N/A	N/A
Percentage of independent Board members	40	27
Percentage of women on Board	0	0
Percentage of women in Executive team	N/A	N/A
Percentage of women in workforce	42	42
Transparency on lobbying budget	No	No
Percentage of employees covered by collective agreements on working conditions	N/A	N/A
3 year trend for safety at work	N/A	N/A
Involvement in armament	No	No
Transparency on payment of tax	Insufficient	Insufficient

CSR performance per domain

■ Sector performance
■ Company performance
Rating : min- / max ++



Key issues

Pure Retail financial services providers (with no investment activities at all):

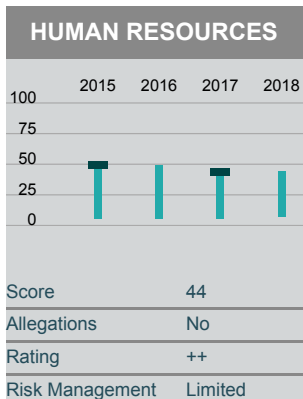
Environmental direct impacts of financial services general companies can be considered moderate compared to indirect impacts (ENV 1.1). In this respect, financial services providers of consumer credits can raise awareness among customers by offering green lending products (ENV 1.3). Companies' management of their climate footprint (ENV2.2) is the main direct impact evaluated for this sector.

Company performance

-The Company's performance in the Environment domain is limited in absolute terms which is a deterioration compared to the previous review.

-This decrease is mainly due to insufficient reporting on environmental measures newly assessed under the current review. Environmental commitments cover all issues at stake but means allocated to environmental management are not sufficient. Cielo has set advanced energy efficiency measures including the use of renewable energy. The Company's energy consumption per employee have increased over the past three years while CO2 emissions per employee have decreased.

-Overall, the Company ranks above its peers.



Key issues

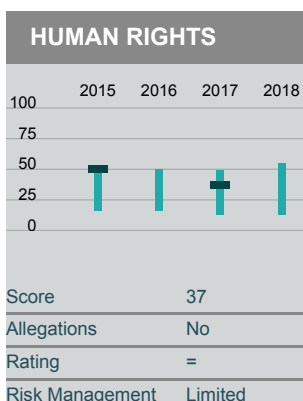
Sub-sectors composing financial services general have suffered, at different extent, of the financial and economic crisis. As a consequence, the mitigation of work-related stress (HRS3.2) that arise from job insecurity and increased competition is a key issue. The responsible management of restructurings (HRS 2.3) and investments in training and employability (HRS 2.4) are also relevant issues as the companies are operating in a complex and rapidly changing environment.

Company performance

-The Company's performance in the Human Resources domain is limited in absolute terms which is a deterioration compared to the previous review.

-The Company's commitments on health and safety are general, supported by significant means including stress support instruments, but performance indicators are not disclosed. The Company's communication on social dialogue seem limited to general references to collective bargaining agreements. The Company displays a convincing career management framework where all employees are supported by trainings, performance evaluations .

-Overall, the company ranks well above with its peers.



Key issues

The financial services sector is characterized by a high-qualified workforce, with a high proportion of men in managerial positions and significant gender pay disparities. As a consequence, non-discrimination (HRT2.4) is a relevant issue for the sector. In addition, workers' fundamental rights (HRT 2.1) such as freedom of association and collective bargaining must be respected by all employers. Finally, financial companies have to ensure that human and social rights are adequately addressed in their ESG strategies and avoid any indirect exposure in potential violations (HRT 1.1).

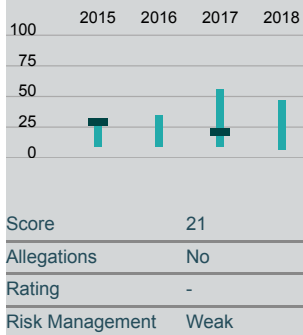
Company performance

-The Company's performance in the Human Rights domain is limited in absolute terms which is a deterioration compared to the previous review.

-This decrease is mainly on account of insufficient reporting on diversity related measures newly assessed in the current reporting. Diversity KPIs such as the share of women in management and employees with disabilities are also not updated. The Company still formally commits to promote labour rights, and remain unclear on measures deployed to this end.

-Overall, the Company ranks in line with its sector peers.

COMMUNITY INVOLVEMENT



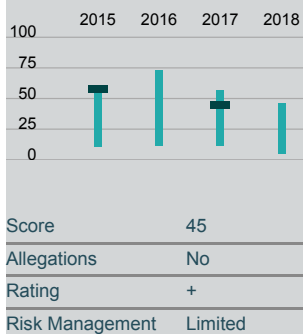
Key issues

Financial companies serving retail customers, micro-businesses, or SMEs can play a significant role to support local development by easing the access of their products and services to vulnerable customers and small businesses and by helping to avoid situation of over indebtedness and supporting customers in financial difficulties (CIN 2.1). Financial companies can enhance the social and economic development by supporting the real economy (CIN 1.1). As tax revenues are key for sustainable development, companies have the responsibility to ensure fairness and transparency in their tax strategies (CIN 1.1).

Company performance

- The Company's performance in the Community Involvement domain is weak in absolute terms and slightly decreased compared to the past review.
- Cielo is still not transparent on efforts to ensure financial inclusion. On the promotion of social and economic development, the Company's disclosure remains vague and does not cover its responsibility to implement a responsible tax strategy. On a positive note, Cielo reports significantly on taxes paid, and investments to support social and environmental projects in Brazil have increased over the past five years.
- Overall, the Company ranks below its peers.

BUSINESS BEHAVIOUR (C&S)



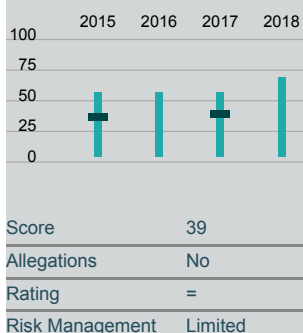
Key issues

Financial companies have the responsibility to provide comprehensive advice to their customers regarding the products they are selling and associated risks and characteristics (C&S 1.2), as well as to support clients by respecting contractual clauses, preventing abuses, provide necessary assistance after sales and manage their complaints (C&S 1.3). Disclosure on efforts aimed at preventing risks related to business ethics and money laundering (C&S 3.1) is also crucial in a sector that could be affected at every stage of the hierarchical scale.

Company performance

- The Company's performance in the Business Behaviour domain is limited in absolute terms and has decreased since the last review.
- This decrease is mainly on account of insufficient reporting on issues newly assessed in the current review. The Company formally commits to provide customers with accurate information about its products and services but disclosure on associated measures and results remain insufficient. Reporting on responsible customer relations is poor and does not cover cyber security risks. On a positive note, the Company's approach to prevent risks of corruption and money laundering is convincing thanks to formalised policies and permanent measures deployed in this respect.
- Overall, the Company ranks above sector peers.

CORPORATE GOVERNANCE



Key issues

Sound corporate governance is required to oversee a company's strategic direction, including the CSR strategy. Vigeo Eiris' framework has been adapted to capture the level of integration of CSR topics at Board-level, supplementing traditional signals on efficient governance practices. Directors are notably evaluated on their level of diversity and experience with operational, financial, and CSR topics (CGV1.1). The audit and internal controls system is examined regarding the efficiency and reach of its risk management (CGV2.1). Shareholders are expected to have fair voting rights and access to all relevant information on material CSR issues (CGV3.1). Executive remuneration is assessed for transparency and alignment with the interests of company's shareholders and other stakeholders (CGV4.1)

Company performance

- The Company's performance in the Corporate Governance domain is limited in absolute terms and remained almost stable since the last review.
- The Board of Directors is regularly elected and CSR issues are discussed at board level. 40% of the Board members are independent which is less than the recommended level. An audit committee is in place, which monitors and covers the internal control system. However, there is limited visibility of management of CSR risks, which do not go beyond reporting to the board and trainings on CSR issues. The Company is not fully transparent on its executives remuneration. No restrictions have been identified on shareholders' voting rights.
- Overall, the Company ranks in line with its peers.

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CSR performance per criterion

Detailed Analysis

Environment		10
ENV1.1	Environmental strategy	10
ENV1.3	Development of green products and services	12
ENV2.2	Minimising environmental impacts from energy use	13
Human resources		15
HRS1.1	Promotion of labour relations	15
HRS2.3	Responsible management of restructurings	17
HRS2.4	Career management and promotion of employability	18
HRS3.2	Improvement of health and safety conditions	20
Human rights		22
HRT1.1	Respect for human rights standards and prevention of violations	22
HRT2.1	Respect for freedom of association and the right to collective bargaining	23
HRT2.4	Non-discrimination	25
Community involvement		27
CIN1.1	Promotion of the social and economic development	27
CIN2.1	Promotion of financial inclusion	29
CIN2.2	Contribution to general interest causes	31
Business behaviour (C&S)		32
C&S1.2	Information to customers	32
C&S1.3	Responsible Customer Relations	34
C&S3.1	Prevention of corruption and money laundering	36
Corporate governance		39
CGV1.1	Board of Directors	39
CGV2.1	Audit & Internal Controls	41
CGV3.1	Shareholders	43
CGV4.1	Executive Remuneration	44

Environment

Score: 44

ENV1.1 Environmental strategy

(score: 36, weight: 2)



Visibility of commitment to environmental issues

Cielo has issued a formalised commitment to environmental protection in its Sustainability Policy. Moreover, the company is a signatory of the Global Compact and communicates on this principle.

Relevance of environmental strategy

The company commits to all its responsibilities in terms of environmental protection:

- Minimising environmental impacts from energy use
- Measure and monitor its direct environmental impacts
- Development of green products and services
- Integration of environmental and social considerations in the company's investment policies
- Promotion of ESG practices through listing requirements and other products

-Minimising environmental impacts from energy use: the company commits to use of electric energy at headquarters, offices, and physical stores based on information provided by electric utilities.

-Measure and monitor its direct environmental impacts: the company commits to evaluate impacts, its reduction of emissions, offsetting unavoidable GHG emissions, and a structuring of and commitment to transparency towards direct emissions.

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

The Sustainability and Corporate Responsibility Management is in charge of this commitment.

Means allocated to environmental management

Information obtained from company and public sources regarding resources dedicated to environmental management is insufficient.

- Environmental manual specifying procedures and responsibilities
- Internal audits that assess the effectiveness of the EMS
- Management review of the EMS (at Executive Level)
- Environmental performance measured against targets
- External verification of reporting on environmental performance

Cielo monitors and communicates on its direct and indirect greenhouse gas emissions, direct and indirect energy consumption and waste disposal. Also, the company provides training and awareness raising programmes on environmental issues to its employees and service providers.'

Coverage of certified environmental management systems

None of the company's sites/offices have a certified environmental management system.

In 2015, the company reported to Vigeo Eiris that non of its the company's sites have a certified environmental management system. The company reports that none of its sites is certified ISO 14001.

Leadership	72
Visibility	65
Relevance	100
Ownership	30

Implementation	0
Means & resources	0
Coverage	0

ENV1.3 Development of green products and services
(deactivated)

This driver is not analysed for Credit Card Providers and is therefore not activated for Cielo.

ENV2.2 Minimising environmental impacts from energy use

(score: 50, weight: 3)



Relevance of the company's commitment in terms of reducing its energy consumption

The company's commitment to reduce its energy consumption is general. Cielo aims to reduce electricity consumption by 1% per person from 2015 to 2016.

Relevance of the company's commitment in terms of reducing its energy-related emissions

The company's commitment to reduce its energy consumption is general. Cielo aims to reduce indirect emissions of greenhouse gases by 1%, from 2015 to 2016.

Means allocated.

The company has set up monitoring systems for its energy consumption and has adopted technical means to improve energy efficiency, such as:

- Lighting retrofits: the company has installed motion sensors on all the basement floors, in the cyber cafés and bathrooms, to provide an automatic switching of lighting loads to save energy. In addition, Cielo has implemented LED lamps in its offices.
- Efficient air conditioning: the company states that an alteration in the time the air conditioning equipment is turned off has been performed to gain more efficiency. Also, the new air conditioning system VRV modulates the temperature as needed.
- Use of renewable energy installations: the company reports in its answers to Vigeo's questions that most of the electrical energy consumed by its operations comes from the national grid that's is mainly hydropower.
- Energy efficient equipments: the company states that all computer monitors have been changed for more efficient ones.

Coverage

The company has taken such measures throughout the company.
Cielo reports that these measures are applied in 100% of its sites.

Energy consumption

The company's energy consumption, normalised to the number of employees, has increased over the past three years by 14.5% from 4.62 MWh per employee in 2014 to 5.29 MWh per employee in 2016.

CO2 emissions linked to energy consumption (direct AND indirect, when applicable)

The company's CO2 emissions linked to energy consumption, normalised to Number of employees/Office Area, have decreased but not continuously over the past three years.

The company's CO2 emissions linked to energy consumption, normalised to the number of employees, have decreased by 10.5% from 0.19 tone per employee in 2014 to 0.17 tone per employee in 2016.

Stakeholders' feedback

As of 12/2017, Cielo did not appear to be involved in any controversy related to this sustainability driver.

Leadership	30	Implementation	83	Results	37
Relevance	30	Means & resources	65	Performance	65
		Coverage	100	Trends	15

Human resources

Score: 44

HRS1.1 Promotion of labour relations

(score: 39, weight: 2)



Visibility of commitment

The company has made references to labour relations in its:
The company has made references to labour relations in its Annual Report.

Relevance of commitment

The company's commitment to promote labour relations is general.
The company commits to promote labour relations, but does not disclose further details on the commitment or any long term plans associated with it.

Ownership of commitment

It is unclear who is responsible for the company's commitment or to which parts of the company it applies.

Coverage of employee representative bodies

Information obtained from company and public sources regarding the percentage of sites where employee representation structures are in place is insufficient.

Subjects covered by collective bargaining

Collective bargaining between the company and employee representatives deals with subjects related to working conditions, including:

- health & safety
- CSR issues
- remuneration
- working hours
- training
- career development
- work time flexibility
- employability/life long learning
- stress management
- equal opportunities

Stakeholders' feedback

As of 12/2017, Cielo did not appear to be involved in any controversy related to this sustainability driver.

Coverage of collective agreements on working conditions

Collective agreements on working conditions cover more than 75% of its employees.

The Company states that all eligible employees are covered by collective

bargaining agreements.

Leadership	21
Visibility	30
Relevance	30
Ownership	0

Implementation	8
Scope	30
Coverage	0

Results	88
Performance	88

HRS2.3 Responsible management of restructurings

(score: 32, weight: 2)



Relevance of commitment to manage reorganisations responsibly The company does not disclose any commitment to manage reorganisations responsibly.

Involvement with employee representatives The company does not disclose any commitment to inform and consult employee representatives on reorganisations.

Means allocated to prevent and manage reorganisations *The company has allocated basic measures to limit the impacts of reorganisations: - outplacement services: Cielo has set up programmes such as outplacement services to support its employees.*

Coverage *There is no evidence that this measure is being implemented for the majority of its employees.*

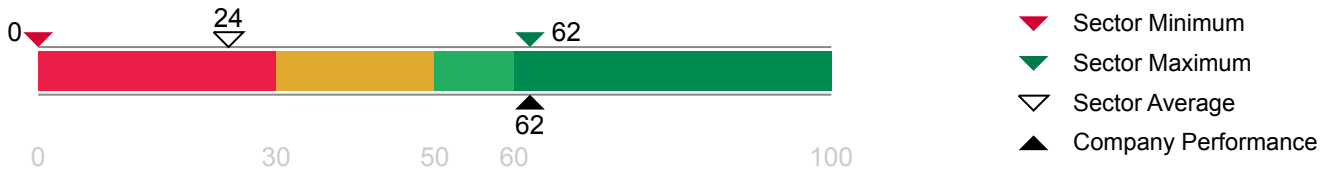
Stakeholders' feedback *As of 12/2017, Cielo did not appear to be involved in any controversy related to this sustainability driver.*

Result of the company's commitment to manage reorganisations responsibly The company has been able to avoid layoffs or dismissals. *The number of employees increased over the past three years by 14% from 1,999 in 2014 to 2,279 in 2016.*

Leadership	0	Implementation	30	Results	65
Relevance	0	Means & resources	30	Performance	65
Ownership	0	Coverage	30		

HRS2.4 Career management and promotion of employability

(score: 62, weight: 2)



Visibility of commitment

The company has issued a formal commitment to promote career management and training, but it is not published publicly.

Relevance of commitment

The company's commitment to promoting career management and training addresses all of its responsibilities:

- Anticipate short and long-term employment needs and skill requirements
- Adapt employees' skill sets to their career paths
- Enable the progressive improvement in employees' qualification levels
- Put in place a concerted career management framework, which is transparent and individualized

Ownership of commitment

It is unclear whether the Head of HR is part of the company's Board or Executive Committee and/or whether line managers are evaluated on their performance in terms of HR management.

Career management systems

The company has set up an internal job opportunity marketplace. Cielo publishes weekly on the "Opportunities Board" on the intranet all vacant positions before the company starts a market search. Moreover employees have annual performance assessment interviews. The analysis is undertaken by the employee and immediate manager, ensuring two levels of analysis and approval.

Coverage of career management systems

These career management systems cover all of the company's employees.

The company reports that since 2011, 100% of its employees receive individualized evaluations followed by the leaders' feedback every year.

Types of training provided to non-managers

The training programmes are aimed at adapting employees' skills to the requirements of their current position and also enable them to develop additional skills.

All the more, Cielo offers its employees up to 60% subsidy to undergraduate degrees, graduate degrees and foreign language courses.

Means allocated to training for all employees

Information disclosed on performance indicators related to training per employee is insufficient.

Mobility / turnover

The company's employee turnover rate decreased but not continuously over the past three years by 6.2 percentage points from 31% in 2014 to 24.8% in 2016.

Training delivered during the year under review

The majority of the company's employees received training during the year under review.

The company reports that 92% of its workforce received training in the ethics code.

Leadership	63
Visibility	65
Relevance	100
Ownership	0

Implementation	58
Means & resources	32
Scope	65
Coverage	100

Results	65
Performance	65

HRS3.2 Improvement of health and safety conditions

(score: 42, weight: 3)



Visibility of health & safety commitments

The company has made references to health and safety issues in its Sustainability Report.

Relevance of commitment

The company's commitment only addresses part of its responsibilities:

- ensure awareness about health and safety issues
- reduce the number of work accidents and their severity
- prevent occupational disease
- reduce stress/promote well-being
- improving ergonomics

-Prevent occupational disease: educational and preventive presentations, ergonomic "blitzes" at workstations, massage section, dermatologic station, halitosis measurement, and bioimpedance are conducted by the company in a majority of sites.

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, responsibility for commitments is allocated to a dedicated structure or local managers are held accountable.

Responsibility for commitments is allocated to the Health and Safety department and the Internal Accident Prevention Committee.

Means allocated to health and safety

The company has allocated means to address health and safety issues, including:

- training/awareness raising programmes
- internal monitoring
- risk assessments
- internal H&S audits
- remuneration based on H&S performance
- OHSAS 18001 certifications

The company has allocated means to address health and safety issues, including:
 -Training and awareness raising programmes: every year the occupational health and safety department and the internal accident Prevention Committee organize a Health/ Occupational Accident Prevention Week (SIPAT), that broaches the issue of workplace risks, accident prevention and active health promotion. In addition, Cielo conducts training to employees in order to create a Fire Brigade.

-Risk assessments: The company has established the "Medical Checkups and Occupational Health programme" and the "Risk Prevention at Work programme" for its employees.

The company has allocated significant means to address stress at work, including:

- monitoring of absenteeism/rate of occupational disease
- job redesign (work organisation)
- assessment of stress through analysis of internal H&S data
- monitoring of stress through opinion surveys
- awareness raising for employees
- identification of stress sources
- stress support instruments (hotline, counselling service, employee assistance programme, etc)
- training on stress for employees
- training on stress for managers
- measures to improve ergonomics/ ergonomic design of workplaces

Means allocated to reduce stress at work

The company has allocated basic means to address stress at work, including:
-Awareness raising for employees: the company has launched the 'Feel Good about Life' programme to encourage employees to adopt healthy habits. Cielo has conducted a health mapping, in order to study issues related to physical and emotional health of employees.
-Monitoring of stress through opinion surveys: the company has a programme, which has seven pillars in the health: physical, social, financial, spiritual, emotional, intellectual and professional. Such pillars were created based on the results collected through a survey of Life Style and Health responded by employees and are treated in a specific action plan.
-Stress support instruments: The "Comtato Channel" is an advisory and personal support service for employees, in which they can talk about issues related to social and psychological services.
-Measures to improve ergonomics: The company provides to its employees footrest and headsets.

Coverage of means allocated to address mental health

The measures allocated to address mental health cover all of the company's employees.
Cielo reports that 100% of its employees benefit from these programmes.

Accident frequency rate

The company does not disclose quantitative data on accident frequency rates.

Other health and safety indicators

The company does not disclose quantitative data on occupational disease rates.

Stakeholders' feedback

As of 12/2017, Cielo did not appear to be involved in any controversy related to this sustainability driver.

Leadership	42
Visibility	30
Relevance	30
Ownership	65

Implementation	62
Means & resources	52
Coverage	100

Results	22
Performance	22

Human rights

Score: 37

HRT1.1 **Respect for human rights standards and prevention of violations**

(deactivated)

This driver is not analysed for Credit Card providers and is therefore not activated for Cielo.

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HRT2.1 Respect for freedom of association and the right to collective bargaining

(score: 39, weight: 2)



Visibility of commitment

The company has issued a formalised commitment to freedom of association and the right to collective bargaining in its Human Resources Management Policy available on its corporate website. Moreover, Cielo is a signatory of the Global Compact and communicates on this principle and is committed to the conventions of the International Labor Organization (ILO), defense and protection of human rights and the rights of children, in addition to compliance with applicable legal requirements, rules and conventions related to the workplace

Relevance of commitment

The company's commitment addresses its main responsibilities:

- protection of freedom of association and the right to organize
- respect of the right to collective bargaining
- respect and protection of workers' representatives

-Protection of freedom of association and the right to organize: under the code of ethics, all workers are guaranteed freedom of association and the right to organize.
 -Respect of the right to collective bargaining: Cielo states that all employees are covered by collective bargaining agreements. This group and their dependents are eligible for a set of benefits. These benefits can vary depending on hierarchical level, meeting best practices prevailing in the Brazilian market.

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

The company's Executive Vice President of Organizational Development has responsibility for the Human Resources Management Policy.

Monitoring

It is not clear what steps the company takes to ensure that freedom of association is respected throughout the company's operations (e.g.: through external verification, risk mapping, audits, etc.).

Promotion of collective bargaining

Information obtained from company and public sources regarding measures in place to inform employees about their trade union rights is insufficient.

Coverage

Stakeholders' feedback

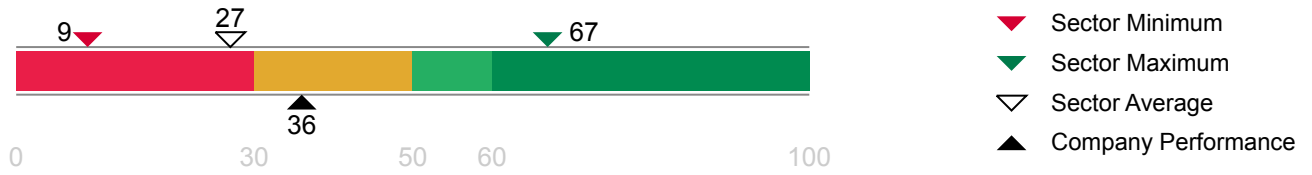
As of 12/2017, Cielo did not appear to be involved in any controversy related to this sustainability driver.

Leadership		Implementation		Results	
Leadership	51	Implementation	0	Results	65
Visibility	65	Means & resources	0	Performance	65
Relevance	65	Coverage	0		
Ownership	30				

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HRT2.4 Non-discrimination

(score: 36, weight: 3)



Visibility of commitment

The company has issued a formalised commitment to non-discrimination in its Code of Ethics. Moreover, Cielo is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

The company's commitment to non-discrimination explicitly defines most of the categories covered:

- gender
- sensitive medical conditions
- trade union membership or activities
- other (please define)
- race / ethnicity / nationality
- social background
- religion
- sexual orientation
- family responsibilities (including pregnancy)
- disabilities
- political opinion
- age

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

The Executive Vice President of Organizational Development is in charge of this commitment.

Means allocated

The company has set up basic measures to prevent discrimination and promote diversity:

- awareness raising
- maternity pay (greater than the statutory requirement)
- paternity pay (greater than the statutory requirement)
- job sharing initiatives
- monitoring of salary disparities
- training
- monitoring
- confidential reporting system / grievance procedures
- disciplinary procedures / corrective measures
- affirmative action programmes
- flexitime initiatives
- child care facilities/child care subsidies

career break opportunities

-Awareness raising: through the diffusion of the code of ethics and conducts to all employees the company raises awareness regarding the promotion of diversity and non-discrimination.

- Training: Cielo provides e-learnings that are held annually.

- Confidential reporting system and grievance procedures: the company's Ethics Channel allows employees and other Stakeholders to report suspected breaches of the Code of Ethics.

- Corrective measures: all incidents are managed by the internal audit area. This area is responsible for assigning professionals to track the investigation of reports and the conclusion of each case. the process also involves the ethics Committee and, in determined cases, the audit Committee and the Board of Directors. The audit Committee receives a summary of reports on a monthly basis.

Coverage

The company does not disclose the exact percentage of employees to which these measures apply.

Results in terms of gender distribution

Information disclosed on performance indicators such as the share of women in management positions is insufficient to determine a trend.

The percentage of women in management has increased continuously by 11 percentage points from 30% in 2010 to 41% in 2014. However, updated data is not disclosed.

Results in terms of employment of disabled persons

Information disclosed on performance indicators such as the share of employees with disabilities in the total workforce is insufficient to determine a trend.

The share of employees with disabilities in the total workforce has increased continuously by 1.4 percentage points 3.6% in 2012 to 5% in 201; however, updated data is not disclosed.

Stakeholders' feedback

As of 12/2017, Cielo did not appear to be involved in any controversy related to this sustainability driver.

Leadership	51	Implementation	30	Results	28
Visibility	65	Means & resources	30	Performance	65
Relevance	65	Coverage	30	Trends	0
Ownership	30				

Community involvement

Score: 21

CIN1.1 Promotion of the social and economic development

(score: 29, weight: 3)



Contribution to Social and economic development (visibility of the policy)

The company makes references to promote local social and economic development in its Sustainability Report. However, the visibility of this policy is lowered by its absence of formalisation. The company makes reference to community support through initiatives engaging in trainings, awareness raising campaigns, initiatives to support the elderly and enagement with NGOs. However, no further information beyond engaging with specific groups is disclosed.

Contribution to Social and economic development (relevance of the policy)

The company's commitment to promote local social and economic development addresses only part of its responsibilities:

- Promote local development
- Support community investments
- Promote development through the support to SMEs and start-ups
- Mitigate the negative social effects of activities (commodity market speculation)
- Implement a responsible tax strategy

Ownership of commitment

It is unclear who is responsible for the company's commitment or to which parts of the company it applies.

Means allocated

The company has not allocated significant means to address social and economic development.

- Support local development through investee companies
- Support to SMEs and/or business start-ups
- Support to public and/or community development/investments
- Cooperation with NGOs on local development
- Support to micro-finance providers (through, for ex. dedicated investment vehicles)

Geographical coverage

It is unclear if these measures are in place in the majority of the company activity.

Performance trend

The company's normalised indicators on social and economic development have shown improvement continuously over the past three years. Cielo's investments to support social and environmental projects in Brazil have increased over the past five years by 55% from BRL 1.2 million in 2012 to BRL 21.7 million in 2016.

Transparency of tax reporting

The Company reports significantly on taxes paid. Reporting covers:

- taxes paid in some countries of operations
- taxes paid in some regions of operations
- taxes paid in key regions of operations
- taxes paid in key countries of operations
- sales per zone
- operating profit per zone
- number of employees per zone
- ratio between tax paid and headline corporate tax rate per zone
- explanation for significant differences between tax rate actually paid and expected tax rate

The company operates in Brazil only and reports its respective revenues, operating profit, taxes, and number of employees.

Presence in IMF 'offshore financial centers' and/ or in jurisdictions considered by the OECD as not compliant enough with tax transparency rules

The Company operates in IMF 'offshore financial centres' and/ or in jurisdictions considered by the OECD as not compliant enough on tax transparency rules, with no justification for this presence.

Cielo operates in the Cayman Islands.

Stakeholders' feedback

As of 12/2017, Cielo did not appear to be involved in any controversy related to this sustainability driver.

Leadership		Implementation		Results	
Leadership	21	Implementation	15	Results	52
Visibility	30	Means & resources	0	Performance	47
Relevance	30	Coverage	30	Trends	65
Ownership	0				

CIN2.1 Promotion of financial inclusion

(score: 12, weight: 3)



Visibility of the company's policy regarding the accessibility of financial products and services and the prevention of overindebtedness

The company does not disclose any commitment with regard to the accessibility of financial products and services and the prevention of overindebtedness.

Relevance of commitment regarding the accessibility of financial products and services and the prevention of overindebtedness

The company does not disclose any commitment to address the accessibility of financial products and services and the prevention of overindebtedness.

- Promote access to basic banking services for weaker customers
- Promote access to credit for weaker customers, SMEs and start-up
- Prevent overindebtedness
- Support customers in financial distress

Ownership of commitment

The company does not disclose any commitment to promote the economic and social development through financial services and products.

Measures to favour the accessibility of financial products and services

Information obtained from the company and public sources regarding measures allocated to promote the accessibility of financial products and services is insufficient

- Access to basic banking services
- Access to credit
- Financial education (to community at large)
- Avoid banning customers based on social or economic conditions (low income)
- Specific training for sales personnel
- Cooperation with stakeholders

Programs to support customers in financial distress

Information obtained from company and public sources regarding programs to support customers in financial distress is insufficient.

- Monitoring of weaker customers (early warning system)
- Specific training for personnel
- Awareness raising programs (education programs) on overindebtedness for customers
- Support programs in case of financial distress (debt restructuring)
- Specialised departments/business units

Information obtained from company and public sources regarding programs to support customers in financial distress is insufficient.

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Geographical Coverage

Information obtained from company and public sources regarding the percentage of the company covered by such efforts is insufficient.

Trend

The company does not disclose indicators related to the accessibility of its products and services the accessibility of financial products and services and the support to financial distress.

Stakeholders' feedback

As of 12/2017, Cielo did not appear to be involved in any controversy related to this sustainability driver.

Leadership	0
Visibility	0
Relevance	0
Ownership	0

Implementation	0
Means & resources	0
Coverage	0

Results	35
Performance	65
Trends	0

CIN2.2 Contribution to general interest causes
(deactivated)

This driver is not analysed for Credit Card Providers and is therefore not activated for Cielo.

Business behaviour (C&S)

Score: 45

C&S1.2 Information to customers

(score: 50, weight: 3)



Visibility of commitment to adequately informing customers about products and services

The company has issued a formalised commitment to adequately inform customers about its financial products and services in its Relationships with Clients Policy. In addition, Cielo has joined to the National Council of Advertising Self-Regulation in Brazil (Conar)

Relevance of commitment

The company's commitment addresses its main responsibilities:

- provide customers with detailed information about product risks/benefits
- use appropriate marketing techniques
- prevent unfair commercial practices

- Provide customers with detailed information about product benefits: the company is committed to provide customers with transparent information about the products and services provided.
- use appropriate marketing techniques.

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

The products and services policy sets responsibilities at the levels of managers and the product business vice presidency.
The Marketing department is responsible for the company's commitment to inform clients properly.

Systems to provide information to customers

The company has set up a basic system to ensure customers are informed properly:

- set up of dedicated channels through which clients can receive information on products/services
- publication of internal studies on new or potential product concerns
- clients' risk profile procedures
- training or awareness-raising initiatives for customers
- procedures to approve marketing or contracts material internally
- external verification of marketing/commercial communications

-Set up of dedicated channels through which clients can receive information on products and services: Cielo has established relationship channels that are considered as means through which the company exchange information with its customers, such as service centers, social media, the sales department, the ombudsman and the ethics channel.

Dissemination of an internal culture on responsible commercial practices

The company does not have systems in place to ensure responsible marketing and commercial practices amongst its staff.

Coverage

There is no evidence that such systems are in place in a majority of sites.

Stakeholders' feedback

As of 12/2017, Cielo did not appear to be involved in any controversy related to this sustainability driver.

Leadership	65
Visibility	65
Relevance	65
Ownership	65

Implementation	21
Means & resources	17
Coverage	30

Results	65
Performance	65

C&S1.3 Responsible Customer Relations

(score: 26, weight: 2)



Visibility of commitment to responsible customer relations

The company refers to responsible customer relations in its Annual Report.

Relevance of commitment

The company's commitment to responsible customer relations is general.

- fair treatment of clients
- handling clients' complaints
- prevent abusive contract clauses
- respect contractual clauses
- assisting clients during the entire duration of the contract
- protect clients' information assets

Cielo commits to listen to its customers, anticipating needs and introducing innovative solutions in its segment of the market.

Ownership of commitment

It is unclear who is responsible for the company's commitment or to which parts of the company it applies.

Means allocated to ensure responsible customer relations

The company has set up one or two measures:

- training of sales staff/ project leaders
- sales evaluation based on client satisfaction indicators
- information on customer rights and on company duties towards customers
- monitoring of service quality indicators (customer satisfaction, complaints, etc.)
- participation to stakeholder association/forum on the topics

Complaints management system

There is a formalised and accessible system to handle complaints.

Cielo has an online complaint managemnet system.

Coverage

There is no evidence that such systems are in place in a majority of sites.

Means allocated to address cyber security and to protect key information assets

Information obtained from company and public sources is insufficient

- There is a chief information security officer (CISO) that sets the security strategy and initiatives
- The CISO has a direct reporting relationship with the CEO

- The CISO regularly briefs the board on cybersecurity strategy
- An incident management plan (including disaster recovery and business continuity) is established
- There is security team and a dedicated security budget
- Effective communication/ training of security requirements is provided to all employees

Results

Information disclosed on performance indicators such as client satisfaction or client retention is insufficient.

Stakeholders' feedback

As of 12/2017, Cielo did not appear to be involved in any controversy related to this sustainability driver.

Leadership	21
Visibility	30
Relevance	30
Ownership	0

Implementation	21
Means & resources	19
Coverage	30

Results	35
Performance	35

C&S3.1 Prevention of corruption and money laundering

(score: 53, weight: 3)



Visibility of commitment on business ethics and money laundering

The company has issued a formalised commitment to preventing business ethics risks in its Anti-Corruption Policy. In addition, the company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

The company's commitment addresses its main responsibilities:

- giving / receiving bribes
- restriction of facilitation payments
- funds derived from suspicious activities
- gifts and invitations
- extortion
- fraud
- embezzlement
- money laundering
- conflicts of interest
- illegal financing of political parties
- prohibition of facilitation payments

The company's commitment addresses its main responsibilities:

- giving / receiving bribes
- gifts and invitations
- extortion
- fraud
- embezzlement
- money laundering
- conflicts of interest

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

In line with the anti-corruption policy, managers and the operational risk control board are involved and the Department of Internal Controls are involved.

Involvement of employees on business ethics and money laundering

The company has instituted formal training programmes for relevant employees on business ethics risks prevention and management.

The company reports that employees receive annual e-learning courses in corruption prevention.

Means allocated (business ethics)

The company has set up reporting systems to prevent business ethics risks that include:

- approval procedures for gifts, etc. by an independent department

- the possibility to contact internal audit, legal or compliance departments directly & confidentially
- a dedicated confidential hotline or email address
- internal audits (internal verification of compliance with the company's code of conduct etc.)
- external audits (by an independent, external specialised organisation)
- external investigations of allegations
- risk assessment of company vulnerability

-A dedicated confidential hotline or email address: all staff can report suspicious practices or acts that may constitute a violation of the Code of Ethics or to the legislation in force should preferably be made through the Ethics Channel, without excluding any medium or channel available to the complainant facing inability to access that channel.

-Internal audits (internal verification of compliance with the company's code of conduct etc): The Internal Audit area considers the risk of exposure to fraud and corruption in the checks it performs periodically in the processes of procurement, sales, changes in client charges, investments, sponsorships and incentives.

Coverage

The measures implemented cover all significant parts of the company.

The company has set up permanent measures to prevent money laundering, including a confidential reporting system:

- measures to establish the identity of its clients and identify the customers whose circumstances warrant additional diligence (e.g. PEPs identification)
- procedures for identification of and follow up on unusual or suspicious activities
- internal audits (internal verification of compliance with the company's code of conduct etc.)
- the possibility to contact internal audit, legal or compliance departments directly & confidentially
- a dedicated confidential hotline or email address
- external audits/ investigations
- enhanced due diligence that assess also risk countries AND risk sectors.

Means allocated on money laundering prevention

measures to establish the identity of its clients and identify the customers whose circumstances warrant additional diligence (e.g. PEPs identification): to prevent money laundering, Cielo follows the 'Know Your Customer' process that consists in analyzing a series of items to identify potential inconsistencies. During the merchant life cycle, the company performs monitoring on a monthly basis to detect financial irregularities based on establishing the transactions' history and making comparisons with other merchants in the sector.

-Procedures for identification and follow up of unusual or suspicious activities: to prevent money laundering, Cielo follows the 'Know Your Customer' process that consists in analyzing a series of items to identify potential inconsistencies. During the merchant life cycle, the company performs monitoring on a monthly basis to detect financial irregularities based on establishing the transactions' history and making comparisons with other merchants in the sector.

-A dedicated confidential hotline: through the Ethics Channel, the stakeholders have the possibility to leave a confidential report, which will reach monthly to the Audit Committee. This Ethics Channel is managed by an independent company

Coverage of means on money laundering prevention The measures implemented cover the main parts of the company.

Reporting on corruption and money laundering

The company discloses quantitative data on the corruption and / or money laundering incidents reported internally. The company explicitly states that no incident of corruption and money laundering was reported internally in the last

financial year (2016).

Stakeholders' feedback

As of 12/2017, Cielo did not appear to be involved in any controversy related to this sustainability driver.

Leadership	65
Visibility	65
Relevance	65
Ownership	65

Implementation	42
Means & resources	40
Coverage	48

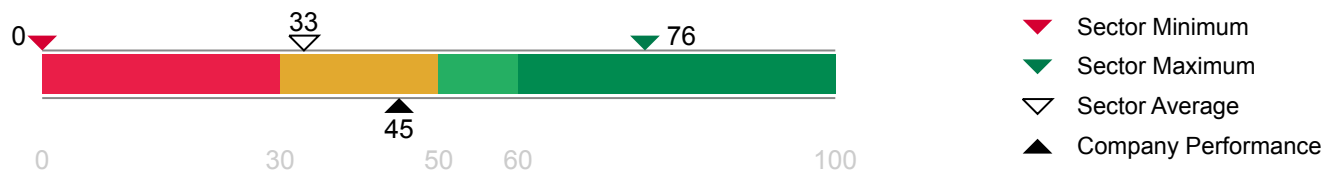
Results	53
Performance	53

Corporate governance

Score: 39

CGV1.1 Board of Directors

(score: 45, weight: 3)



[LISTED COMPANIES] Existence and independence of Nomination Committee No specific committee is in charge of director nomination, which might raise concerns.

Independence of the Board Chairman The roles of Chairman and CEO are separated, and the Chairman is considered independent.

Responsibility allocated over CSR issues No responsibilities are allocated over CSR issues.

Share of independent shareholder-elected Board members [LISTED COMPANIES] The Board is between 34 and 50% independent, which is less than the recommended level.
Four members of the ten-member Board are considered independent.

Diversity of the skills and backgrounds of the Board The Board of Directors diversity appears to be partial:

- At least 30% of directors are women
- At least 40% of directors are women
- Employee representative(s) sitting on the Board
- Board members with demonstrated professional experience in the company's sector of activities
- Board members with demonstrated expertise on CSR issues

Training and expertise provided to board members No training is provided.
The company reports that no training programs were conducted for members of the Board of Directors, its Committees and Fiscal Council in 2016.

Regular election of Board members [LISTED COMPANIES] Board members are elected at least every three years and these elections are not staggered.
Board members are eligible for re-election following 2-year terms.

Evaluation of Board's functioning and performance Performance is evaluated regularly by a third party.

The Board of Directors yearly is submitted to a formal performance evaluation, as a joint committee and an individual Self-evaluation in compliance with the good corporate governance practices and pursuing the body's continued improvement. In addition, the Company's senior management (members of the Board of Directors and Board of Executive Officers) is submitted to an external periodic evaluation ("External Evaluation"), led by an external consulting firm.

Review of CSR issues at Board meeting

Some of the relevant CSR issues are discussed at Board level.

- Business ethics
- Human capital
- Responsible customers relations
- Climate change

The strategic focus of the Board; understanding and information on business; independence and decision-making process of the Board; operation of meetings and committees of the Board; and motivation and alignment of interests are discussed at board level

Regularity of and attendance at Board meetings

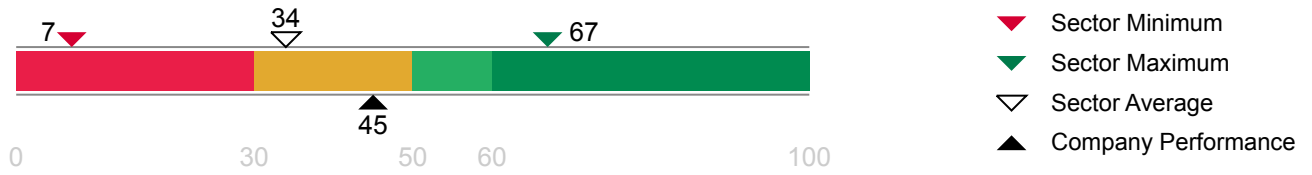
Regular meetings are held, but no attendance rates are disclosed.

25 Board meetings were held during the last fiscal year.

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	> 9 years on Board	Stock options	Paid>1/2 executive salary	Represent>3% company's shares	Other	Independency
Marcelo Augusto D. L	Chairman		X											X
Marcelo de Araújo No	Vice-Chairman		X											X
Vinicius Urias Favar		X												
Antonio Mauricio Mau		X												
Cesario Narihito Nak		X												
Francisco Augusto da			X											X
Gilberto Mifano			X			X								X
Alberto Monteiro de		X												
Rogério Magno Panca		X												
Rômulo de Mello Dias		X												

CGV2.1 Audit & Internal Controls

(score: 45, weight: 3)



[LISTED COMPANIES] Existence and independence of Audit Committee

No executive is a member of the committee, but half or fewer are independent.
 One member of the three-member Audit Committee is considered independent.
 The other two members are not part of the Board.

Skills and backgrounds of Audit Committee members

Members appear to have financial and/or audit experience AND relevant operational experience.

Operational and CSR risks covered by the company's internal controls system

The internal control system covers the standard issues related to financial, operational, and legal risks. In addition, the system covers some of the CSR risks inherent to the company's business operations.

- ESG/ SRI policies
- Corruption and money laundering (Business ethics)
- Human Capital
- Societal impacts
- Carbon risks

-Corruption and money laundering: the company's internal control system transversally considers the anti-corruption policy ensuring compliance with such policy and, if so deemed necessary, use the Operational Risk Control Board for consultation on situations involving conflict with this Policy or upon the occurrence of situations described therein.

Governance of risks

Information disclosed on this subject is insufficient or not relevant.

- No executive is part of the Board Risk Committee
- The Board Risk Committee is composed by a majority of independent members
- The Chairman of the Audit Committee is a member of the Risk Committee
- The Chief Risk Officer (CRO) is at par level of Chief Financial Officer (CFO)
- The CRO has direct access to the Board Risk Committee (including attending committee meetings)

The risk management is under the responsibility of the Risk and Compliance Executive Board, which directly reports to the Chief Executive Officer (CEO), the organization's top executive level who in turn reports to the Board of Directors, thus, ensuring independence in relation to lines of businesses, assessment and report of the Company's risks.

Role of the Audit Committee in overseeing internal and external controls

The Audit Committee has a comprehensive role that includes:

- Oversee internal audit and internal controls

- Review accounting policies and be responsible for updates
- Nominate the statutory auditor
- Oversee the work of the external auditor
- Approve the type of audit and non-audit services provided and fees paid to the external auditor

Management of the CSR risks

Limited processes dedicated to management of CSR risks appear to be in place:

- Balanced scorecard
- Risk-related training
- Monitoring of key risk indicators
- Reporting system to the Board
- Risk mapping/materiality assessment
- A board committee (with no executive part of it) overseeing CSR risks

Independence of the firm's external auditors

The audit firm receives non-audit fees, but these represent only 25% or less of total fees.

Non-audit fees represented 21% of total fees paid to KPMG in 2016.

Supervision of risk-taking staff

Information disclosed on this subject is insufficient or not relevant.

Inclusion of CSR issues in the company's reporting

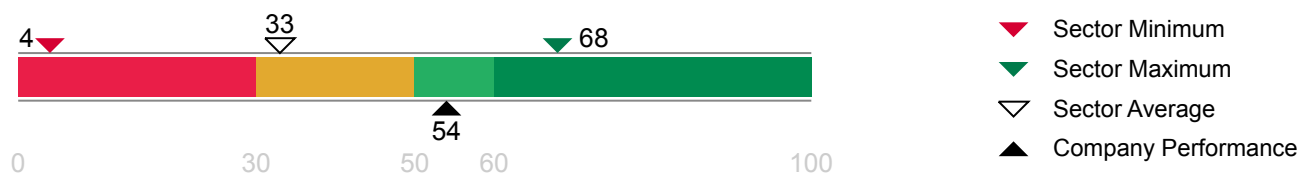
The company publishes significant CSR reporting on key material issues, with an KPMG assessment of the reliability of key performance indicators, with limited level of the assurance.

Stakeholders' feedback

As of 12/2017, Cielo did not appear to be involved in any controversy related to this sustainability driver.

CGV3.1 Shareholders

(score: 54, weight: 2)



Nonexistence of voting rights restrictions

The company respects the "one share - one vote" principle.

Nonexistence of anti-takeover devices

There is no reference to anti-takeover devices in the company's reporting.

Safeguards on transactions with major shareholder(s)

No safeguards appear to be in place, which might raise concerns with regard to the fairness of any such transaction.

Ability to add items to the agenda of the AGM and to convene an EGM

No major restrictions have been identified.

Access to voting at General Meetings

There are no major restrictions on shareholders' ability to vote, and it is possible to vote using online services.

Ability to vote on relevant issues in separate resolutions at AGM

Not all major items are put to a shareholder vote.

Presentation of CSR strategy to shareholders and investors

Information disclosed from the entity and public sources regarding the presentation of CSR strategy to shareholders and investors is insufficient.

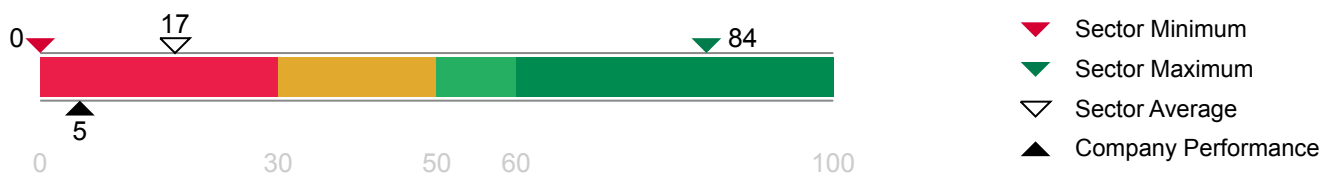
- Climate change
- Human capital

Stakeholders' feedback

As of 12/2017, Cielo did not appear to be involved in any controversy related to this sustainability driver.

CGV4.1 Executive Remuneration

(score: 5, weight: 2)



[LISTED COMPANIES] Existence and independence of Remuneration Committee No specific committee is in charge of executive remuneration, which might raise concerns.

Disclosure of senior executives' individual remuneration Disclosure of individual executive remuneration data for senior executives is insufficient.

Link between Short Term Incentive Plans and the performance of the company Bonuses are said to be linked to predetermined economic and/or operational performance indicators, but these are not disclosed.

Link between the main Long Term Incentive Plan and the performance of the company Information on the rules and performance conditions guiding the allocation of long-term incentives to senior executives is insufficient.
The company reports that the amount distributed to each executive is based on his global result, but the right to exercise is only attached to his remaining at the company when the options get vested, in Cielo's case, 50% after 24 months and 100% after 36 months. However, performance indicators are not disclosed.

Link between variable remuneration and CSR performance of the company There is no disclosure on the links between variable remuneration of executive and the CSR performance of the company.

- Development of green products and services
- Social and economic development / Financial inclusion
- Customer satisfaction
- Human resources development

Severance pay for senior executives Information obtained from company and public sources regarding severance pay for senior executives is insufficient.

Risk alignment of remuneration of top senior executives Information on risk adjustments of remuneration is insufficient or not relevant.

Evolution of CEO-to-employee compensation ratio Information obtained from company and public sources regarding the compensation of CEO and the average employee salary is insufficient.

The CEO's salary is not disclosed.

Stakeholders' feedback

As of 12/2017, Cielo did not appear to be involved in any controversy related to this sustainability driver.

Detailed Scores and Ratings

CURRENT AND PREVIOUS RATINGS

Period	Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance
2017/12	+	++	=	-	+	=
2015/12	++	++	++	++	++	=
2014/07	+	++	++	+	++	=

SCORES PER DOMAIN

Domain	Average Score	Leadership	Implementation	Results
Environment	44	47	50	22
Human resources	44	33	42	56
Human rights	37	51	18	43
Community involvement	21	11	8	44
Business behaviour (C&S)	45	54	29	53
Corporate governance	39	35	35	46

SCORES PER CRITERIA

Sub-domain	Criterion	Score
Environment 1	1	36
	3	N/A
Environment 2	2	50

Sub-domain	Criterion	Score
Human resources 1	1	39
Human resources 2	3	32
	4	62
Human resources 3	2	42

Sub-domain	Criterion	Score
Human rights 1	1	N/A
Human rights 2	1	39
	4	36

Sub-domain	Criterion	Score
Community involvement 1	1	29
	1	12
Community involvement 2	2	N/A

Sub-domain	Criterion	Score
Business behaviour (C&S) 1	2	50
	3	26
Business behaviour (C&S) 3	1	53

Sub-domain	Criterion	Score
Corporate governance 1	1	45
Corporate governance 2	1	45
Corporate governance 3	1	54
Corporate governance 4	1	5

Contacts

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Overview of the latest updates

Date of the latest update	Information updated
2018/07	Carbon & Energy Transition
2018/02	Sustainable Goods & Services
2017/12	Full ESG profile