.....

Portobello

Portobello

TABLE OF Contents

1.1. Letter from the Chairman of the Board of Directors1.2. The Report1.3. Portobello Timeline1.4. 40 Years Old

BRAND ESSENCE

2.1. Mission
2.2. Portobello Design
2.3. Purpose
2.4. Belief
2.5. Vision
2.6. Principles of Management
2.7. Portobello's Way of Being and Doing

GOVERNANCE

3.1. Profile and Governance3.2. Board of Directors3.3. Statutory Board3.4. Audit Committee3.5. Code of Ethics

STRATEGY

4. Strategy
4.1. Integrated and Pull-Based Retail
4.1.1. Portobello Shop and Corporate Stores
4.1.2. Digital Transformation
4.2. Internationalization
4.3. Pointer Consolidation
4.4. Slabs Project

3	OUR BRANDS		6.2.4. Events	50
	5. Our Brands	26	6.2.5. People and Management	52
4	5.1. Corporate Advantages	26	6.2.5.1. Portobello Competencies	52
5	5.2. Business Advantages	26	6.2.5.2. Meritocracy	53
7	5.3. Portobello Multichannel Model	27	6.2.5.3. Training	54
	5.4. Foreign Market	27	J. J	
	5.5. The Innovation Cycle	28	OUR PRODUCT	
9	5.6. Portobello +Architecture	31	6.3. Our Product	56
9	5.7. Main Events	32	6.3.1. Ceramic Material Highlights	57
9			6.3.2. Large Formats	59
9	SUSTAINABILITY		6.3.3. Environmental Eco-efficiency	60
9	6.1. Concept	34	6.3.3.1. Deposits and Biodiversity	60
10	6.1.1. Materiality	35	6.3.3.2. Energy	61
11	6.1.2. Sustainability Guidelines	36	6.3.3.3. Water	62
	6.1.3. Social Highlights	37	6.3.3.4. Waste	63
	6.1.4. Environmental Highlights	38	6.3.3.5. Packaging	63
13	6.1.5. Economic Highlights	39	6.3.4. Pointer Highlights	64
13			6.3.5. Eco-efficiency Highlights	65
13	OUR PEOPLE			
13	6.2. Our People	41	OUR BUSINESS	
15	6.2.1. Employees Profile	42	6.4. Our Business	67
15	6.2.2. Health and Safety	43	6.4.1. Value Added	68
	6.2.2.1. Health and Safety Committees	44	6.4.2. Investment	68
17	6.2.2.2. SIPAT	45	6.4.3. Customer Satisfaction	69
17	6.2.2.3. Promotion of Health and Well-Being	46	6.4.4. Recognition	70
19	6.2.2.4. Health and Safety Rates	46		
20	6.2.3. Social Programs	47	GRI Summary	
21	6.2.3.1. Crescer – Growing Up Program	47	7. GRI Summary	72
22	6.2.3.2. Anjos Luz Choir	47		
23 24	6.2.3.3. Volunteer Program	48		
24	6.2.3.4. Projects Promoted Via Incentive Laws	49		

Portobello

PRESIDENT'S **SPEECH**

The external context of 2019 showed important advances – below forecasts and expectations, but with the structuring of more solid bases for the resumption of growth.

In this year, when Portobello celebrated 40 years of operation, we made progress in consolidating our strategic priorities and we took important steps to reinforce our design and innovation position.

The start of the Slabs Project, with important industrial investments, boosts the company competitive advantages and enhances our advances in retail, which increasingly demands complete solutions and reiterates our leadership in innovation.

The process of consolidating ourselves as a retail brand also involves management challenges and, at the end of 2019, continuing the process of professionalizing the company, I will now be the Chairman of the Board of Directors and Mauro do Valle Pereira, the Business Vice-President, takes over the executive command of the company. The new organizational model also includes the consolidation of independent business units, aiming at greater agility and efficiency for the company growth.

The integration between the Board of Directors and the new executive command supports the continuity of the company strategy – one of the objectives of the new governance.

I am grateful for the commitment of all employees and partners in building a better and more sustainable environment during the year. Invite you to continue growing together in 2020 and reinforce my trust in the company new management.



Cesar Gomes Junior President





The Sustainability Report is an instrument of communication and transparency with all stakeholders that brings the main information and results of the company from January 1, 2019 to December 31, 2019.

Based on its social, environmental and economic performance, the business achievements, advances and challenges will be presented from the sustainability perspective, highlighting the production units of Tijucas (State of Santa Catarina) and Marechal Deodoro (State of Alagoas).

Drawn annually and based on the Global Reporting Initiative (GRI) guidelines – a globally recognized set of standards for reporting sustainability information – this content has been developed in accordance with the Core option.

Portobello

PORTOBELLO TIMELINE



Portobello



Portobello

40 YEARS OLD

Since 1979, Portobello has been an innovation-oriented company. A journey that began with the responsibility of transforming Tijucas and its region, with the purpose of offering design to the largest number of people.

Portobello is today the leading brand in the tiling retail market and we believe that our vision of an agile, integrated and pull system model is the right path to take. The challenge is to be the protagonist on digital transformation, evolving in the internationalization and consolidation of the democratic design brand Pointer, always with a strong sense of purpose and aiming at the company's sustainability.

Employees and partners, engaged in offering the best design experience to their customers, are our main asset.



Opening of Portobello Plant on June 16, 1979



Opening of the Slabs Plant on June 16, 2019

02 BRAND ESSENCE

02 BRAND ESSENCE

MISSION

The environment we live in is the essence of our business.

We believe that design is the competence that makes us unique and innovative, transforms people's lives and is manifested in our products, environments and experiences with the Brand.

Our business environment is global, but the design must reflect the local context. Our culture, strategy and management should enable the design creation and distribution.

Portobello generating value for all audiences through both our integrated and pull system model and profit-oriented operational efficiency.

PORTOBELLO DESIGN

Natural design. Unique design. Frame of the eye. Limits that expand. Welcoming spaces. Design from the outside in, from the inside out. Portobello Design

PURPOSE

Living the Design. Transform environments and thrill people.

BELIEF Life with design is smarter, more beautiful and safer.

VISION

Be the Brazilian leader and global protagonist in floor tile solutions for environments through design and innovation.



PRINCIPLES OF **MANAGEMENT**

Values and assets that reflect the Brand's vision and guide the company's planning and decisions.

INNOVATION AND DESIGN Competence that makes us unique and innovative

RELIABILITY AND INTEGRITY Close and caring relationships.

AGILITY AND SIMPLICITY Always simplify to speed up everything.

SUSTAINABILITY Search for positive economic, social and environmental impact.

GROWING TOGETHER Virtuous circle of opportunities. INTEGRATED AND PULL SYSTEM MODEL Market-driven model focused on the customer.

DIGITAL TRANSFORMATION Cultural evolution to become the protagonist of the process.

PROFIT Measurement of our operational efficiency and capacity to generate value.

MERITOCRACY We recognize as much as we deliver.

GLOBAL Strategy that strengthens the business sustainability.









02 ESSÊNCIA DA MARCA

PORTOBELLO'S WAY OF BEING AND DOING

BLUE BOX

The Way of Being and Doing is within a Blue Box, a playful way of representing something that is unique: the Brand's personality.

The Design expresses our way of being.

It is a continuous process of building knowledge in the essential areas of our business. Innovation and authenticity through inspiration and much perspiration.

Our Design is expressed in our products, environments and people's experiences with the Brand.

Our product portfolio is a toolbox, our own blue box, at the service of the architecture.

The Integrated and Pull System Model is our way of doing.

The customer knows what they want, but they also want what they don't know. We look at the world through the eyes of the customer and add our culture and expertise in order to always innovate and surprise. This is what drives us, guides us – this is our target.

In order to achieve it with agility and efficiency, we must integrate ourselves to form a whole!

An organization where each piece is fundamental for the whole to work. We are part of a living, interdependent company.

Living the Design. That's how we are. Integrated and Pulled towards innovation. That's how we do it.

This is our universe. Our Own Blue Box.





03 GOVERNANCE

03 GOVERNANCE

Portobello

GOVERNANCE **PROFILE**

102-18

Portobello has been part of the Novo Mercado Bovespa listing segment since April 2008, taking part in a market segment with companies that voluntarily commit to comply with the most demanding Corporate Governance standards, which set more requirements than the ones required by the Brazilian corporate law.

Portobello is managed by a Board of Directors and a Statutory Board, in accordance with the Corporate Laws, the Novo Mercado Bovespa and the Company's Articles of Incorporation.

The company has a permanent and independent Audit Committee that provides the company with information and analysis in the fiscal area, ensuring greater control and contributing to good governance practices.

At the end of 2019, continuing the process of professionalizing the company's management, the then President, Cesar Gomes Junior, became Chairman of the Board of Directors and passed on the executive command to Mauro do Valle Pereira, the Business Vice-President.

Cláudio Ávila Silva will assume the position of Vice-Chairman of the Board of Directors.

BOARD OF DIRECTORS 2020	
Cesar Bastos Gomes	Honorary Board Member
Cesar Gomes Junior	President
Claudio Ávila Silva	Vice President
Nilton Torres de Bastos Filho	Board Member
Geraldo Luciano Mattos Junior Independent	Board Member
Walter Roberto de Oliveira Longo Independent	Board Member
Glauco José Corte Independent	Board Member
Marcos Gouvêa de Souza Independent	Board Member

STATUTORY BOARD 2020

Mauro do Valle Pereira	CEO
Cláudio Ávila de la Silva Corporate	Vice President
Edson Luiz Mees Stringari Investor Relations	Vice President
Cesar Gomes Junior Operations	Vice President

	AUDIT COMMITTEE 2020
l	Jorge Muller
ļ	Maro Marcos Hadlich Filho
l	Peter Edward Mr Wilson

03 GOVERNANCE Portobello

GOVERNANCE PROFILE



Cesar Bastos Gomes Founder of Portobello



Conselho de Administração From the left: Marcos Gouvêa de Souza, Walter Roberto de Oliveira Longo, Cláudio Ávila da Silva, Glauco José Côrte, Geraldo Luciano Mattos Júnior, Nilton Torres de Bastos Filho, Cesar Bastos Gomes, and Cesar Gomes Junior



Grupo Controlador



CODE OF ETHICS

102-18

The company has a Code of Ethics, shared with the internal audience, that guides and ensures transparency to the relationships with the Brand. An Ethics Committee supports the company's governance in the application and enforcement of ethical principles.

04 Strategy

04 STRATEGY

Portobello

STRATEGY

In 2019 Portobello restructured its business into four Strategic Units:



Portobello, responsible for the Home Center, Major Projects and Export markets, traditional distribution channels in this sector.



Portobello Shop, which aims to develop the Brand's retail through its corporate stores and franchises.



Portobello America, which represents the Brand in the United States, the main market in the company's internationalization strategy.

Pointer, the group's democratic design brand, with regional operations in the Northeast of the country and starting the process of nationalizing the operation.

Portobello

04 Estratégia

STRATEGY

The strategic priorities, defined in the company's 5-Year Planning, are followed by the Business Units as enabling the Group's vision of the future.

Integrated and Pull-Based Retail, Internationalization, and Pointer's Consolidation guide the company's long-term vision.



João Henrique Sampaio Oliveira Diretor Geral Portobello Tijucas



Luciano de Liz Barboza Diretor Geral Varejo



Luiz Felipe Lenz Brito Presidente Portobello América



Diogenes Ghellere Diretor Geral Pointer

04 STRATEGY

INTEGRATED AND **PULL-BASED RETAIL**

102-1; 102-5; 102-9

The evolution of the company's core business reflects the contemporary changes in consumer behavior, caused mainly by digital transformations.

The new consumer, who is a more empowered and connected protagonist in the purchasing process, demands more novelties, more customization possibilities, through physical and digital channels, in an easy and simple way, without compromising sustainability and having the best experience with the Brand.

Portobello, who masters the supply chain, from raw materials to retail, has reoriented its business model from a plant with a store chain to a vision of a store chain integrated with a plant. This new vision, of an Integrated and Pull-Based Retail, places the end of the chain – the market and the customer – as the prow of the business, driving the decisions and guiding the company management.

> Customers being served at the Portobello Shop Balneário Camboriú (SC)



04 STRATEGY

INTEGRATED AND **PULL-BASED RETAIL**

102-1; 102-5; 102-9

Portobello Shop and Corporate

With a chain of 130 stores, of which 14 are corporate stores, Portobello Shop is the leading brand in the Brazilian retail market of tiles, offering a full shopping experience for the architect and the end consumer.

The Brand connects directly with the customers through the stores and feed its information system from the market.

The large porcelain tile formats and the variety of products for customization demand larger spaces to display the products. The main chain stores have 750 m^2 of sales area, while some stores have 1,000 m^2 .

The expertise of the Integrated and Pull-Based Retail model strengthens the Brand and becomes an advantage for home centers in the domestic and foreign market. The tools and systems in the areas of supply, re-supply, integrated logistics and point of sales are assets for all distribution channels of the Brand.



Shop Consultant Nicésio José Reis Júnior with a customer at the Portobello Shop Balneário Camboriú (SC)



Portobello Shop São José (SC)

INTEGRATED AND **PULL-BASED RETAIL**

102-1; 102-5; 102-9

Digital Transformation

The challenge of digital transformation involves developing an omnichannel vision, that is, the integration of systems and processes so that the customer can have the best experiences with the Brand in both the physical and digital media.

Mapping the customer's journey and identifying the critical points in this process were the first step taken by the company.

The structuring of the systems that support

the customer interface processes drive the company's digital strategy.

Archtrends Portobello platform is the backbone in the production and distribution of content for customers and specifiers. This website, which gathers trends and references of the segment, has 200,000 individual visitors per month.

The main content event of the cowmpany, the Archtrends Summit, held in parallel to Expo Revestir – the main

exhibition of the industry, which takes place in the second week of March in São Paulo – gathered together more than 800 architecture and interior design professionals in Sala São Paulo in 2019 and it was broadcast live for all the stores in the Portobello Shop chain.

Digital transformation transcends Portobello Shop and generates innovations for the whole company, but it is in this channel, the head of the integrated retail strategy, that it is exercised more intensely.



Portobello

04 STRATEGY

The internationalization of the operations, intensifying the business' sustainability, expresses one of the Brand's strategic priorities.

The US market was the one chosen to begin the internationalization of the company for both being commercially attractive to the segment and being in a good location to makes business possible with Canada and Central America.

The project is structured to be implemented in steps: the initial focus is the distribution through global sourcing that includes Brazil, Europe and the United States, followed by local production.

The year of 2019 marked both the structuring of Portobello America's commercial area and the implementation of Portobello Europa, a brand's commercial office based in Belgium.

In October 2019, the event for the 2020 Launch Preview, held in Nashville, Tennessee, was attended by more than 40 American distributors, expressing Portobello America's commercial strength.



04 STRATEGY

POINTER'S CONSOLIDATION

Being the best democratic design option in the Brazilian market, through Pointer brand, completes Portobello's strategic priorities.

The Pointer brand, with initial operation in the Northeastern region and a production unit in Marechal Deodoro (State of Alagoas), completed its 4th year of operation in 2019 applying the Democratic Design approach. Pointer adopts the multichannel system of distribution, just as Portobello, with multi-brand retailing as the best channel for exercising the Brand's accessibility, complemented by the direct sale to the real estate market, and the exports.

The year of 2019 marked a small evolution in the company's results, a natural maturation process, after reaching its operational balance in the previous year, and, as well as the beginning of the nationalization process, through the distribution of the porcelain tile grade with the Pointer brand throughout the Portobello Shop chain.

The brand's portfolio was enhanced by the polished finish in the large-format Superceramics category.

The new surface with Crystal Shine, achieved with the implementation of a polishing line at the Marechal Deodoro plant, represents an innovation in the dry segment.



Shop Consultant Bruna Dalla Brida with a customer at the Portobello Shop Balneário Camboriú (SC)





SLABS Project

The Portobello Slabs Project started in 2019.

Porcelain slabs represent the technological evolution of the sector. The larger and thinner products, made possible by the porcelain tile lamination technology, which overtook the vertical presses in the plate shaping, gave rise to the Slabs.

A sustainable marblework represents the concept of using Porcelain Slabs. With continuous surfaces of up to 180x360m, Slabs should revolutionize the universe of architecture with the use of porcelain tiles. In addition to being able to cover floors and

walls with greater continuity, enabling the work on large facades, this new category enhances the development of porcelain-tiled furniture, mainly functional countertops for bathrooms and kitchens.

Slabs further replaces marbles and wood in use as coatings and raw material for furniture. In addition to technical advantages, porcelain tiles are a sustainable alternative to natural materials.

The first stage of the Slabs Project had an estimated investment of R\$155 million, and included a new 236-meter furnace, specially

developed for the production of slabs: it has 2.40m of width, an intelligent heating and cooling system, porcelain micro rolls and technology for porcelain slabs up to 1.80x3.60m.

Portobello will be a pioneer in the Slab production in the Brazilian market, providing greater accessibility to the category and reaffirming the brand's vocation for innovation.

The second stage of the project for starting the production was announced for the beginning of 2020.

05 BRANDS

Portobello

Portobello

Officina Portobello

The design brand that creates and distributes contemporary floor tile products and services to individuals and companies that seek to make projects and dreams come true with originality, quality and at a fair price. Unique solutions in the art of porcelain tiling. Combination of artisan mastery and cutting edge technology for countertops, special cuts, design objects, and furniture.

Portobello shop

Portobello Shop is the retail chain specializing in ceramic tiles and complements, offering a unique shopping experience in stores and in digital environments, for specification and purchase of Portobello products.

Portobello America

Brand that combines Portobello's know-how and American DNA, creating, producing and distributing complete and competitive floor tile solutions.



Pointer produces and distributes ceramic tiles for people looking for solutions with design, quality and competitive price.

CORPORATE Advantages			Brand Product Logistics Reliability in the relationships		
BUSINESS	Multichannel Architects and Designers	Customization Architects and Designers The Art of Porcelain Tiling	Shopping Experience	Market-Driven Digital Connection	Digital Connection Quality Competitive Price



05 OUR BRANDS

Portobello

THE INNOVATION CYCLE

Product Development Process

A multidisciplinary group of professionals conducts research, interacts with key market interpreters, carries out product clinics, and coordinates field trips to key industry events. All information is organized, critically reviewed by the group, and subsidizes the development process of new products, as well as innovations in other areas that enhance the customer experience.





Portobello

THE INNOVATION CYCLE



NRF - National Retail Federation (United States, January/2019)

A Portobello study group, including executives and franchisees, participated in the world's main retail trade fair in New York, where they were also able to learn about some cases of success.



Milan Furniture Fair (Italy, April/2019)

Portobello's creative team along with participants of the Portobello +Architecture relationship program met on a research trip to learn the main trends of Milan Design Week and iSaloni, the largest trade fair of the industry. The perceptions, resulting from multiple points of view, were compiled in a trend book launched by the Brand.



Creative Collective Berlin (Germany, May/2019)

In 2019, the third edition of the Creative Collective was held in Berlin. The initiative brought together 17 renowned architecture and national design professionals for an immersion trip with the objective of conducting research for the development of new products in partnership with the Brand.

Portobello

05 OUR BRANDS

THE INNOVATION CYCLE



Cersaie (Italy, September/2019)

The company's technical team and group of architects from Portobello +Architecture relationship program traveled to Bologna to attend Cersaie, the largest international event presenting the design trends in tiles and bathroom furniture.



Venice Biennial of Architecture (Italy, May-November/2019)

After attending Cersaie, Portobello group visited the 17th edition of the Venice Biennial of Architecture. The highlights of the exhibition, which had Freespace as theme, were shared by the team through face-toface lectures at the company's headquarters.



Product Clinics (2019)

In 2019, 20 product clinics were held involving 460 architecture professionals. In the clinics, professionals can talk about trends, portfolio gaps, needs for improvement in products and services, and technical demands, in addition to carrying out creative workshops to generate ideas for new products.

05 OUR BRANDS

PORTOBELLO +ARCHITECTURE

102-18

The Brand's design becomes a concrete environment through the architecture. The idea, drawing, specification, implementation, and decoration of the environment are the steps for the design – the Portobello product, to make the customer's dream come true.

This dynamic makes architecture an essential part of the Portobello business. That is why Portobello's relationship with professionals in this area is so close and intense. The role of the architecture professional is a fundamental part of the Portobello business and this relationship is expressed in several aspects.

The architecture and design professional, duly registered with regulatory agencies and subscribed in the Portobello +Architecture program, can be paid 5% of the total purchase price for making Portobello products to order.

This payment follows all formal and legal requirements. Additionally, a customer accompanied by a professional in turn has a 5% discount on the total purchase price.

1. CUSTOMER EXPERIENCE

- Technical and aesthetic specification
- Pagination project
- Work follow-up

2. KNOWLEDGE EXCHANGE

- Product clinics
- Research trips
- Portobello experience at the plant

3. RECOGNITION AND APPRECIATION

- Creative Collective
- Archtrends





Portobello + Architecture Award Ceremony, at Sala São Paulo (São Paulo city)

Portobello

05 OUR BRANDS

MAIN Events

102-18



REVESTIR Transamérica Expocenter – São Paulo, Brazil • March 11th–15th • Attendees: 15,000 on booths • International Customers: 425 • Architects: 1,170



PARALLEL EVENT Instituto Tomie Ohtake – São Paulo, Brazil March 11th–15th • Attendees: 3,931 • International Customers: 425 • Architects: 1,170



ARCHTRENDS SUMMIT Sala São Paulo – São Paulo, Brazil • March 11th • Architects: 680



COVERINGS Orange County Convention Center (Orlando/Florida), United States • April 9th-12th • Attendees: 30,000 • International Customers: 40 customers, 25 of them from the USA, Canada and Central American countries



PORTOBELLO SHOP CONVENTION Grand Hyatt Hotel – Rio de Janeiro, Brazil • August 14th–18th • Attendees: 300



PORTOBELLO AMERICA EVENT Gaylord Opryland Resort. Nashville TN, United States • October 18th–19th • International Customers: 65 • Portobello America Event



The environment we live in is the essence of our business.

In a world where globalization is a reality of global impact, one of Portobello's objectives is to be connected to current trends while reflecting the local context.

Solutions designed to serve the public by joining the Social, Environmental and Economic pillars that make up Portobello's Sustainability Policy and that are directly connected to the sustainable development and balanced growth within these three spheres.

Respecting the environment and caring about the local communities are part of these processes. Based on the Sustainable Development Goals approach, Portobello brand, with the involvement of its employees, partners, suppliers and the community, works on topics such as sustainable production and consumption standards, health and wellbeing, and learning opportunities.

The company supports the "SDG SC" (Sustainable Development Goals of Santa Catarina) action, whose objective is to facilitate the deployment of the Sustainable Development Goals in the practice of people and organizations in the State of Santa Catarina.

MATERIALITY

102-40; 102-42; 102-43; 102-44; 102-46;102-54

Three years ago, after consulting its strategic audiences, the company defined the most relevant and priority topics in the context of sustainability. There are eight topics that cover 18 material aspects and guide the sustainability management at Portobello.

MATERIAL TOPIC (102-47)	IMPORTANCE (103-1-a)	WHO IS IMPACTED (103-1-b ; 103-1-c)	GRI STANDARDS	INDICATORS
Governance and Transparency	Visibility to stakeholders, image and reputation management, ethics and anti-corruption practices	Leadership and Local Governments	Socioeconomic Compliance	419-1
Excellence in the Management of Attributes (Brand, Logistic Model and Multichannel Distribution)	Conservative management in periods of crisis, expansion of competitive advantages, management of brands	Suppliers, operating units, employees, logistics operators and retail	Economic Performance Marketing and Labeling	201-1 416-1
Product Innovation	Demand for sustainable products, search for product differentiation, market positioning	Operating units, employees and customers	-	102-43
Sustainable Supply Chain	Traceability and source of raw materials, development of suppliers, liability and risks in the chain	Suppliers and Operational Units	Materials Products and Services Biodiversity Environmental Evaluation of Suppliers	301-2 301-3 304-2 308-2 409-1 414-2
Operational Excellence Water pressure, high energy demand, concept already implemented at the new plant	Operational Units	Local Communities and Employees	Energy Water Emissions Effluents and Waste	302-1 ; 302-3 303-1 ; 303-3 305-1 306-1 ; 306-2
Development and People Management	The theme is transversal to several aspects, human capital deemed strategic, need to broaden the organizational climate	Employees and Retail	Training and Education Complaint Mechanisms Employment	404-1 ; 404-3 103-2-c-vi 401-2
Occupational Health and Safety	Safety culture, well-established practices, attention to industrial activity	Suppliers, operating units, employees and logistics operators	Occupational Health and Safety	403-1 ; 403-2
Proximity and Community Involvement	Strong relationship with the communities (Tijucas and Marechal Deodoro), social license to operate and alignment of expectations, impact on the workplace	Local Communities and Employees Local	Communities Indirect Economic Impacts	413-1 203-2

Portobello

SUSTAINABILITY GUIDELINES



Social Responsibility **OUR PEOPLE**

Strategic Principles:

- Promote people's health, safety, wellbeing and development;

- Prioritize children and sports in socialprojects;

- Be a partner of the community, supportinggood initiatives of social responsibility;

- Promote culture and encourage employees to participate in volunteer work.



Environmental Responsibility **OUR PRODUCT**

Strategic Principles:

- Exercise sustainable design and innovation;

- Boost the sustainability of ceramic materials;

- Cultivate and support good practicesaimed at environmental protection.



Economic Responsibility **OUR BUSINESS**

Strategic Principles:

- Commit to excellence in results;
- Create conditions to generate value foreveryone;
- Adopt best management and governance practices, prioritizing meritocracy.




	2014	2015	2016	2017	2018	2019
Number of Employees	2835	2996	2998	2770	3240	3434
Hours of Training Sessions	28.000	29.070	12.000	35.000	36.000	34.000
Social Programs	1.352.940	1.558.266	1.107.950	1.559.449	1.416.750	1.692.552

ENVIRONMENTAL

HIGHLIGHTS

	2014	2015	2016	2017	2018	2019
Direct greenhouse gas emissions (KgCO2eq)/m ²	4.82	4.96	5.38	5.77	5.96	6.33
Waste disposal (kg/m²)	1.14	0.46	0.18	0.20	0.22	0.19
Energy consumption (GJ/m ²)	132.05	135.47	128.99	129.34	134.86	141.33
Captured water volume (L/m ²)	11.27	12.67	11.32	11.58	13.28	14.44



	2014	2015	2016	2017	2018	2019
Gross Revenue (BRL Thousands)	1.200.814	1.345.015	1.301.050	1.277.945	1.321.346	1.415.598
Net Revenue (BRL Thousands)	949.147	1.060.395	1.016.400	1.023.937	1.054.190	1.114.269
Gross Income (BRL Thousands)	357.218	396.202	363.202	417.020	405.600	362.619
Gross Margin	37,60%	37,40%	35,70%	40,70%	38,50%	32,50%
EBITDA (R\$ Thousand)	175.971	166.748	75.808	149.006	244.404	75.071
Net Income (BRL Thousands)	93,484	52.673	2.142	64.170	134.311	13.164
Net Debt (BRL Thousands)	350.852	501.654	464.241	394.367	472.188	427.141
Investments (R\$ Thousand)	75.880	9.999	25.387	46.528	63.000	81.000
Taxes (R\$ Thousand)	276.383	294.408	286.525	286.304	336.575	284.607
Dividends (R\$ Thousand)	45.133	12.505	505	30.464	31.892	6.236

Alex Felisdoro da Silva Enameling Area Pointer

OUR People

Our success fundamentally depends on people.

The best people, with the talent and desire to always do more and better. People who enjoy a challenging and competitive environment, seek efficiency, inspire their co-workers, and spread our culture of always evolving.

Portobello understands that a good environment, at work, with the family and in society, is fundamental for people to have a good professional performance. The company is committed to providing safe, motivating and good work conditions, in addition to actively participating in social initiatives of employees and local communities.



Eracildes Nicolau PB4 Portobello, has worked at the company for 36 years



Silvio Samagaia Utilidades Portobello, has worked at the company for 39 years

EMPLOYEES PROFILE

102-7

TATO (ILL) - 14 anan 1

Inmil

IN 2019, THERE WERE: -







NUMBER OF **EMPLOYEES** (employees by gender) Men Women

71% TOTAL 3.240 29% 2018

TOTAL **2.770**

2017

Portobello

72%

28%





HEALTH AND Safety

403-1

The company believes that health and safety are interdependent and that technical and awareness training activities are key to improving indicators in both areas.

• The Toolbox Talk is a awareness activity in which content is daily sent to all employees, and the managers and coordinators of the plants and administrative areas discuss the topic of the day with their team.

• The Behavioral Approach is a practice that has been applied since 2018 by managers and coordinators to identify misconducts in their team and guide their behavior. In 2018, the Behavioral Approach was extended to production leaders.

HEALTH AND SAFETY

403-1

Both the efficient management of policies and the health and safety tools are essential to achieve and maintain the improvements. The company believes that health and safety is everyone's responsibility. Therefore, its management involves corporate policies and analysis of centralized indicators, combined with the policy application and control of numbers implemented by the leadership of each area. The Occupational Safety and Health (OSH) committees support the management:

OSH Executive Committee

Formed by the company's executive board members, the committee meets for decisions of high relevance and critical cases.

OSH Management Committee

Formed by the directors from the production and people and management areas, as well as managers from the health and safety, industrial, maintenance, supply, and human resources areas. The group is responsible for analyzing the indicators, evaluating the accident investigations and causes, and proposing improvements on the subject.

Safety, Organization and Cleaning Committee

In order to ensure that the areas are lways clean and organized, production, supply, health and safety, and maintenance managers, in addition to representatives of the of the Internal Commission on Accident Prevention (CIPA) and the environmental area, carry out weekly rounds in the areas.

Erivan Vieira de Melo Pointer Human Resources

Ergonomics Committee

Formed by employees of the company to study, understand, monitor and evaluate the effectiveness of the suggestions proposed by the Ergonomic Analysis of the Workplace. The objective of the committee is to make the work environment safer, more comfortable and more suitable for workers to perform well their activities.

Internal Commission for Accident Prevention – CIPA

In compliance with legal requirements, CIPA is formed by representatives from several areas, representing 100% of the company's employees. Since 2016, some members are chosen through electronic vote and some are appointed by the company's board of directors. CIPA works in the accident prevention and correction campaigns throughout the year. In 2019 the topics were ergonomics, behavior, and correct use of cell phones. Tijucas (State of Santa Catarina) and Marechal Deodoro (State of Alagoas) units have independent CIPAs.



44

SIPAT

Occupational Accident Prevention Week

Annual event involving all employees, including the Tijucas (SC) and Marechal Deodoro (AL) units, held on July 15th–19th with the topic "#this is my commitment," which places people as protagonists of their lives, highlighting attitudes related to health and safety. A communication campaign preceded the SIPAT and strengthened the message of the topic.

In 2019 the participation of employees in the Tijucas (SC) unit was a record: **1.916** people participated in the activities.



SIPAT lectures at Pointer and Portobello



HEALTH AND SAFETY 403-2

The promotion of health and well-being for its employees through health care resources and benefits and awareness campaigns reinforces Portobello's commitment to the subject:

Ergonomics

The Large Formats (120x120cm) the company started producing in 2018 were responsible for adjustments in the plant activities and equipment.

Colorful Quarter Campaign

Pink October, Blue November, and Red December to raise awareness of breast cancer, prostate cancer, and AIDS, respectively.

Vaccination Campaign

Immunization against influenza in Tijucas (SC) unit and against hepatitis and tetanus in Marechal Deodoro (AL) unit.

Health care plan, pharmaceutical care plan, dental care plan subsidies, and first aid station for all employees.

HEALTH AND SAFETY RATES OF EMPLOYEES (IN-HOUSE AND OUTSOURCED EMPLOYEES), BY REGION

	201	6	2017	7	2018	3	2019)
	PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER
Injury rate	52.2	48.3	39.6	40.9	26.4	68.8	27.0	50.8
Occupational disease rate	41.1	7.7	35.0	4.5	0.0	0.0	0.0	0.0
Total work days lost	361	101	251	77	228	0	235	251
Absenteeism rate	0.93%	1.00%	0.87%	0.75%	0.81%	0.59%	1,10%	16,52%
Total deaths	0	0	0	0	0	0	0	0

07 OUR PEOPLE

SOCIAL PROGRAMS

Due to Anjos Luz Choir, Portobello was granted the ADVB/ SC Citizen Company Award in the Cultural Development category, which awards companies of the State of Santa Catarina that are a reference in Social Responsibility. Portobello believes that prioritizing children and sport helps to build a better future, thus it maintains permanent programs and supports initiatives in this area.

Crescer – Growing Up Program

In partnership with the ADEC (Sports Association of Ceramics Companies in Tijucas) and SESI/SC institutions, the program serves approximately 200 children and adolescents of the community of Tijucas, providing sports and educational activities with the purpose of developing discipline, cooperation and respect, aiming at the formation of conscientious citizens.

Anjos Luz Choir

The program, which completed 15 years in 2019, develops the musical skills of 35 children aged 5 to 14 years in the community of Tijucas (State of Santa Catarina). The choir performs at events in the company and the community.





SOCIAL PROGRAMS

The Sertão Vivo Project is a Volunteering program at Pointer that collects nonperishable food and drinking water for residents of the outback of Alagoas.

Volunteer Program

Portobello believes that, together, we can do more and better, thus it encourages and gets involved in volunteer actions taken by employees. The program has the participation of over 200 employees in various actions in the company or for the community. The volunteer group assists in activities at the Workers' Day Party, Children's Party, and community events,in addition to leading the Volunteer Christmas Celebration, Winter Clothing Donation Campaign, and encouraging blood donation.





Portobello

SOCIAL PROGRAMS

Projects Promoted Via Incentive Laws

The company allocates tax incentive resources to health, well-being, and sports activities in the local communities. In 2019,projects were supported through the Culture Incentive Law, Sports Incentive Law, National Program of Support to Cancer Oncology – Pronon, National Support Program for Health of the Patients with Disabilities – Pronas, Children and Adolescent Fund, and Elderly Fund.



Cultural Action Project (Tijucas, SC), Culture Incentive Law



Hapkido Project (Tijucas, SC), Sports Incentive Law



Santa Maria da Paz Retirement Home (Tijucas, SC), Elderly Fund

Portobello

EVENTS

Portobello promotes events that reinforce the citizenship of employees and the participation of family members in celebrations or sports activities.



Bello Olympics

Through sports, employees, family members and students of the Growing Up Program join the event that is already in its 13th edition. Held in partnership with the ADEC (Sports Association of Ceramics Companies in Tijucas), the Bello Olympics has 14 sports and takes place throughout the month of April.



Workers' Day

Organized and held with the support of Portobello Volunteers, the traditional event was attended by 2,504 people, between employees and family members.



Children's Party

Held at Tijucas (SC) and Marechal Deodoro (AL) units, this event had the support of Portobello Volunteers and was attended by employees, participants in social programs, and their families, who enjoyed recreational activities, games and cultural presentations.

EVENTS

Recognition

Portobello was awarded the Santa Catarina Outstanding Performance Trophy of Social Responsibility from the Legislative Assembly of the State of Santa Catarina, given to companies that have adopted the Social Responsibility approach in their Management Policies.

The company has been awarded by the entity for 3 consecutive years.

The company was also awarded the Certificate of Citizen Company by the Regional Accounting Council of Rio de Janeiro and the Novos Caminhos - New Ways Program (a partnership between the Court of Justice of Santa Catarina and the FIESC System that aims at placing young people in the job market.) In 2019, Portobello donated 18,300 m² of floor tiles to 41 institutions that met the requirements of its Tiles Donation Policy. The stores of Portobello Shop chain of stores have also made several donations in the local communities, expanding the Brand's social scope.

SDG (Sustainable Development Goals) Week

As a supporter of the SDG SC action, Portobello took part in the SDG Week in Practice by carrying out various actions in September 23rd–27th.

With the involvement of employees from Tijucas and Florianopolis/SC units and participants of the Crescer – Growing Up Program (social project with children and adolescents in Tijucas/SC), several activities were developed that empower and raise awareness among the participants regarding the Sustainable Development Goals.



07 OUR PEOPLE

PEOPLE AND

MANAGEMENT

People, Management and

Qualified people, effective processes and results-oriented management are guidelines designed so that each employee has a global view of the company, generating agility in decision making and favoring business continuity.

Being agile, efficient and interdisciplinary is how Portobello works to improve the quality of its products and services. Organizational and Leadership Competencies guide the professional's profile and the training contents.



Morgana Gonzaga Camargo Financial Area – Portobello

PORTOBELLO COMPETENCIES

- **Organizational Competencies**
- Focus on the Result
- Sense of Ownership
- Innovation

Leadership Competencies

- Development of Talents
- Search for Competitiveness
- Focus on the Customer
- Agility in Management
- Valuing Different Opinions



Geraldo Alves Florêncio Neto, Marketing Area – Pointer Jenyfer Alves da Silva, Commercial Area – Pointer

PEOPLE AND

MANAGEMENT

MERITOCRACY

Meritocracy is part of the Brand's Principles of Management, which believes and exercises the recognition of its employees in the proportion of their deliveries.

Performance Evaluation

Portobello carries out a 180-degree Performance Evaluation of its leaders and uses the results to identify development opportunities and find the best talents. An on-line platform guides the evaluations through 43 behaviors expected of Portobello professionals and, at the end of the process, the results are discussed in face-to-face group meetings.

Portobello was granted the 2018 Human Being Award from ABRH (Brazilian Association of Human Resources), in the People Management and Development category, for its Performance Evaluation System.

ALIGNMENT

Knowing the organization's goals and objectives is a practice in the company, thus the year concludes with a review of the results and presentation of the challenges for the following year. All goals are available online to all employees.



PEOPLE AND MANAGEMENT



QUALIFICATION

Alignment and technical, behavioral and operational training are the basis for the qualification of Portobello professionals.

Mentoring Program

Professionals with potential for promotion take part in annual cycles of mentoring with co-workers who are one or two hierarchical levels above.

Leader of the Future

An immersion program of leadership development for managers. 95 professionals have already taken it.

Retail

Cycle of lectures for the development of the retail culture in the company.

Distance Learning Website – EAD Portal

Focused on the Commercial Personnel, over 2,000 professionals from Resale, Engineering and Portobello Shop staff, receive training in technical topics related to products and service.



Leader A Program, training session held in November 2019 with the Portobello Shop leaders

08 OUR PRODUCT



OUR Product

THE ENVIRONMENT WE LIVE IN IS THE ESSENCE OF OUR BUSINESS.

Transforming clay and rocks into ceramics through water and fire is the base of our production process.

The raw material is the earth itself, removed from shallow layers and mostly in areas close to the plant. The earth is transformed into a very fine powder through the mechanical strength of the mills and the fluidity of the water.

The shape of the ceramics involves the technology of the presses and the heat energy along the line towards the furnaces.

The raw material used in the ceramic production – water and energy – are the main elements that enable the least possible environmental impact.

Less waste, more reuse. Less consumption, more technology. Less waste, more recycling. Do more with less.

Thus we preserve the environment in which we live. The essence of our business.

OUR PRODUCT

The ceramic material is sustainable for its intrinsic characteristics, due to its own nature.



RECOVERABLE **DEPOSITS** The main raw material for ceramics is clay, removed in more superficial layers than other natural materials, an essential characteristic for the recovery of the deposit areas.

\checkmark		
	7	

RECYCLABLE No environmental impact when it is disposed and it can be reincorporated into similar production processes or reused as an input in the basic stages of civil construction.



NO **ALLERGENS** Inert material that does not allow the proliferation of mites, bacteria, fungi and molds.



NO **FORMALDEHYDE** Ceramics do not contain binders, including formaldehyde, which is harmful to health.

X	
XOX	

FIRE **RESISTANT** It does not release toxic smoke in extreme situations.



Ceramic is inorganic, emitting no volatile organic compounds, which are gases harmful to the respiratory system.

08 Our product

Portobello



More sustainable alternative

The design and technology evolution allows the ceramic and porcelain tiles to emulate materials such as wood, marble and other natural stones, with technical characteristics more suitable for use as floor tiles and with less environmental impact.

MARBLE	WOOD	PORCELAIN TILES	PORCELAIN SLABS
Extraction of raw material from DEEP DEPTHS	INTENSIVE USE, not being able to be replace in several industries	Raw material from MORE SUPERFICIAL LAYERS	Thinner LESS RAW MATERIAL
DEFINITIVE TRANSFORMATION of the natural landscape	Reforestation that IMPACTS DIVERSITY	AREA RECOVERY original purpose	
<50% Very Low Use of Raw Material	Low Use of Raw Material	>99% Use of Raw Material	AUTOMATED raw material REUSE

Pits concentrated in a few locations

Local supply of raw materials

08 OUR PRODUCT





The future of the porcelain tile

The technological evolution of the industry is headed towards larger and thinner products, which generate less impact, from raw material to installation, going through energy consumption, waste generation and logistics.

Portobello already commercializes the largest formats available in the market, and, in 2020, it will be the first brand to produce Porcelain Slabs in Brazil.









ENVIRONMENTAL ECO-EFFICIENCY

304-2; 308-2

Deposits and Biodiversity

The extraction of raw material is the first stage of the company's supply chain and it includes own and outsourced deposits. The management of environmental and social impacts on the communities in extraction areas is essential in this activity. Contractual obligations and audits ensure the compliance with the legal requirements in outsourced deposits. In 2019, all deposits met these requirements.

The company's raw material extraction policy establishes that the environmental recovery of the areas must honor their original purpose, such as agriculture, livestock, fish farming or reforestation.

In 2019:

More than 13 species of native seedlings were planted in the deposits in operation (Leoberto Leal/SC) and

8,5 hectares

were recovered for agriculture in Canoinhas/SC

08 OUR PRODUCT

ENVIRONMENTAL ECO-EFFICIENCY

304-2; 308-2

Portobello Group uses the electric power provided by the Brazilian energy matrix, generated mainly in hydroelectric plants and wind farms that are renewable sources of energy.

We reuse heat from the furnace chimneys, gradually replace the old equipment with more efficient ones, and perform daily controls of efficiency of all thermal processes.

Energy

The energy matrix is composed mostly of natural gas, electricity, photovoltaic solar panels (at Pointer) and fossil fuels (diesel and lubricants) in the following proportion:

DISTRIBUTION OF THE ENERGY MATRIX OF PORTOBELLO PLANTS





08 OUR PRODUCT

ENVIRONMENTAL ECO-EFFICIENCY

304-2; 308-2

Production Process

All the water in the production process is kept in a closed circuit – nothing goes back to the environment, with very low volume of water collection, only the equivalent to the evaporation in the process. Two wastewater treatment stations – one in Tijucas-SC and one in Marechal Deodoro-AL – ensure the system operation.

Human Consumption

A decentralized network, comprised of 13 stations with activated sludge technology, treats sanitary wastewater in Tijucas (State of Santa Catarina). In the last two years, all stations have undergone extensions, increasing the treatment volume capacity.

PORTOBELLO WATER COLLECTION, BY SOURCE AND OPERATION (M³) 301

TOTAL WATER COLLECTED BY SOURCE	2016	2017	2018	2019
Surface water (rivers, lakes, wetlands, oceans)	115.378 m ³	111.593 m ³	138.434 m ³	130.969 m ³
Underground water	200.036 m ³	218.943 m ³	221.490 m ³	246.444 m ³
Total Portobello	315.414 m ³	330.536 m ³	359.924 m ³	377.413 m ³
Pointer underground water	82.681 m ³	62.939 m ³	83.887 m ³	66.306,81 m ³
Total	398.095 m ³	393.475 m ³	443.811 m ³	443.720 m ³



08 OUR PRODUCT

ENVIRONMENTAL ECO-EFFICIENCY

The "Portobello Waste Recovery" Case, which shows that 99.65% of the company's waste is recycled and/or reused, will be published on the National School of Public Administration (ENAP) website as a reference in the Institution's Practices Database.

Having already received the Ecology Expression Award in 2018, the case entered the 1st Brazilian SDG Award competition and it was one of those selected to be published in the practices database, which will work as a reference in the implementation of the2030 Agenda for Sustainable Development in the country.



Waste

99% of the waste generated by the company in Tijucas (State of Santa Catarina) is reused or recycled. 95.5% is reincorporated into the production process as raw material; 4.2% is recycled; and 0.1%, from bathrooms, cafeteria and first aid station, is discarded in sanitary landfills.

Packaging

100% of the paper used in the packaging is recyclable and 100% of the pallets are made from reforested wood. The packaging for the large formats was developed without the use of wood, using the product itself as a support. Since 2018, the company implemented a project to recycle plastic waste from the packaging, which is transformed into garbage bags. A 20–30% of the raw material composition of these bags

is made up of the waste generated by Portobello. In 2019, 8,000 kg of plastic were transformed into new garbage bags. It is a closed recycling cycle.

A reverse logistics initiative was implemented in the Distribution Centers. In 2019, an average of 16,000 items, from pallets to metal brackets, were recovered. Over 91,000 pallets were also recovered internally at the Tijucas plant (SC).



DEMOCRATIC DESIGN AND DRY PRODUCTION – **THE FUTURE OF CERAMICS**

The production using a dry grinding system is a Brazilian innovation and one of the most sustainable processes for the production of ceramics, which represents a large part of the national production for the most economical segment of the market.

This is the technology employed at the Marechal Deodoro (State of Alagoas) industrial unit, one of the most modern and sustainable tiling plants and the base of Pointer brand, which has accessibility as its positioning.

This segment has also evolved towards the large formats, on a smaller scale, compatible with the production technology. In this context, Pointer is a pioneer in the launch of Superceramics – new large formats of 45x90 and 80x80.

MARECHAL DEODORO-AL UNIT ENERGY AND WATER HIGHLIGHTS

- 100% production using natural gas
 Furnace heat reuse
- Highly reflective white roofs
- 100% LED plant lighting
- Photovoltaic field for solar energy
- Dry grinding technology
- Industrial and sewage wastewater treatment plant
- Rainwater collection and reuse
- Emission of water vapor only; no pollutant smoke

08 OUR PRODUCT

ECO-EFFICIENCY HIGHLIGHTS

Design and innovation aiming at more sustainable solutions and an effective environmental management policy throughout the supply chain materialize the company's commitment to the environment.



09 OUR BUSINESS



OUR **BUSINESS**

203-2

The year of 2019 was filled with major challenges both in the foreign scenario, marked by the Argentine crisis and the China-United States trade war, as well as political uncertainties in the national scenario, due to the new government and The Company has made progress in its the complicated progress of structural reforms, such as of social security, among others.

Despite the noticeable resistance to Portobello is aware of its challenges and the economic advances and the strong

pressure on costs – impacted by the prices of power inputs – the company ended the year growing, expanding and consolidating new businesses.

performance, with consolidated net revenue of R\$1,114 million, 6.8% higher than in the previous year.

prepared for the demands of the market,

while it is confident in the expansion of its business through its strategies of gaining operational efficiency and profitability of its assets.

In sales, the organization maintains its commitment to constantly innovate, with a focus on the retail growth, the strengthening and internationalization of the Brand, the consolidation of new businesses and the optimization of the product mix, while remaining committed to its strategy.

09 Our business

VALUE ADDED

201-1

Value added is the demonstration of the wealth shared among employees, community, government, shareholders and creditors (economic agents who contributed to its generation). In 2019, it totaled R\$ 709 million. Of this amount, 40% was allocated to taxes, 32% to labor compensation (personnel), 19% to third-party compensation and 9% retained as profit for the period.



INVESTMENTS

In 2019, Portobello invested R\$ 81 million, increasing its production capacity with the implementation of a new enameled porcelain tile production line, which is part of the Slabs Project. This project is an important step in the Company's evolution and is part of the strategy that aims to offer full solutions to customers, including replacing the use of natural marble with large pieces of enameled porcelain tiles. The project is broken down into three stages: the first one includes the delivery of the oven developed for the production of porcelain slabs up to $1.80m \times 3.60m$ and that costs R\$ 55 million. The second stage comprises the receipt of a continuous press, valued R\$ 54 million, and the third stage comprises the processing and polishing line, in the amount of R\$ 42 million.



09 OUR BUSINESS

CUSTOMER SATISFACTION

102-43



Portobello conducts a survey every six months with architects and designers, specifiers of the brand, to measure their degree of satisfaction with the company's processes, products and services.

The satisfaction survey with these professionals was carried out between March and September, 2019 and the result was 87% satisfied.

Portobello maintained the RA1000 certification, from Reclame Aqui website, received the previous year. This recognition, updated daily with consumer scores on the website, is intended for companies that show their customers that they are committed to providing quality after-sales services, raising the degree of trust in their brand and products.

Portobello ranked 1st in the House and Construction category in the Época Reclame Aqui Award, promoted by Época Magazine.



Reclame Aqui 2019 Award event in São Paulo On the left, Carlos Alberto Santos, manager of the Quality area, receives the award in the House and Construction – Manufacturers category

09 Our business

RECOGNITION AWARDS 2019

PORTOBELLO

NAME OF THE AWARD	INSTITUTION	EDITION
Best in Show - Ceramics of Brasil	Anfacer	Mar/19
National Innovation Award	CNI	Jun/19
28th Anamaco Award	Anamaco	Aug/19
Época ReclameAqui Award	ReclameAqui	Aug/19
2019 Citizen Company Award	ADVB/SC	Nov/19
Social Responsibility Trophy	ALESC	Nov/19
2019 Human Being Award	ABRH/SC	Dec/19
2019 Human Being Award	ABRH/SC	Dec/19
Certificate of Citizen Company	Court of Justice of Santa Catarina	Dec/19
17th Edition of the Certificate of Citizen	Company Regional Accounting Council of Rio de Janeiro	Dec/19
2019 Top of Mind	CM	Dec/19

PORTOBELLO SHOP

NAME OF THE AWARD	INSTITUTION	EDITION
Best Franchises Guide	PEGN	Jun/19
Ranking of the 300 largest companies	SBVC (Brazilian Retail and Consumption Society)	Aug/19
POPAI Award	POPAI BRASIL	Aug/19
2019 Top 25 of the Brazilian Franchising	Bittencourt Group	Oct/19
Top Marketing and Sales Award	ADVB/SC	Nov/19
2019 ABEMD	ABEMD (Brazilian Association Of Direct Marketing)	Nov/19

Portobello

GRI SUMMARY

102-55

SECTION (ASPECT / INDICATOR)	DESCRIPTION	PAGE/ RESPONSE	SDG
GENERAL STANDARD DISCLOSUF	RES - GRI 101; 102 AND 103		
STRATEGY AND ANALYSIS			
102-14	Message from the President.	3	
ORGANIZATIONAL PROFILE			
102-1	Name of organization.	17	
102-2	Primary brands, products and services.	26	
102-3	Location of company's headquarters.	4	
102-4	Countries where the organization operates or where its main operations are located.	17	
102-5	Nature of ownership and legal form.	17	
102-6	Markets served.	27	
102-7	Scale of organization.	43 and 82	
102-8	Total number of employees by employment type, employment contract and region.	82 and 83	
102-41	Percentage of employees covered by collective bargaining agreement.	The Collective Bargaining Agreement applies to all employees except for statutory directors, Board members and interns. The percentage covered is 99.5%. For salary adjustment purposes, the agreement covers up to the level of coordination with the exception of interns and apprentices, covering 95.1% of the total number of employees.	
102-9	Describe the organization's supply chain.	17	
102-49	Primary changes during the reporting period.	Not applicable.	
102-11	Whether and how the organization applies the Precautionary Principle or approach.	The Company does not adopt the practice of operating financial instruments with purposes other than hedge protection. The risk monitoring and management strategy has been conducted mainly by the Company's financial area, a continuous process, in compliance with with the foreign exchange exposure guidelines, and all decisions regarding transactions involving any risk to the Company are evaluated and approved in advance by the Company's Management.	
102-12	Charters, principles or other externally developed initiatives.	Portobello is a supporter of the National SDG Action in Santa Catarina since May 2018.	
102-13	Membership in national or international associations and organizations.	Portobello participates in the following associations: Commercial and Industrial Association of Tijucas (ACIT) and National Association of Ceramic Manufacturers (Anfacer).	

SECTION (ASPECT / INDICATOR)	DESCRIPTION	PAGE/ RESPONSE	SDG
LIST OF MATERIAL ASPECTS IDENT	IFIED AND BOUNDARIES		
102-46 / 102-54	Process for defining report content.	35 and 36	
102-47	List of material topics.	36	
103-1-a	Material topics.	36	
103-1-b	Boundary for each material topic within the organization.	36	
103-1-с	Boundary for each material topic outside the organization.	36	
102-48	Restatements of information provided in previous reports.	Information about Number of Occupational diseases, in 403–2 spreadsheet were updated in 2018, due to correction in the database formula.	
102-49	Significant changes in scope.	Not applicable.	
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups engaged by the organization.	36	
102-42	Basis for identification and selection of stakeholders with whom to engage.	36	
102-43	Approach to stakeholder engagement.	36	
102-44	Key topics and concerns raised through stakeholder engagement.	36	
REPORTING PROFILE			
102-50	Period covered by the report for the information presented.	4	
102-51	Date of the most recent report and report boundary.	Sustainability Report drawn annually since 2015.	
102-52	Reporting cycle.	4	
102-53	Contact info for questions regarding the report or its content.	sustentabilidade@portobello.com.br	
102-55	Table identifying all report information location.	72	
102-56	Policy and current practice with regard to seeking external assurance for the report.	No external audit of this Report was conducted. There is a commitment to audit the next versions.	
GOVERNANCE			
102-18	Governance structure of the organization.	13 and 14	
SECTION (ASPECT / INDICATOR)			
102-16	Mission and values statements, codes of conduct and relevant internal principles.	9	

SECTION (ASPECT / INDICATOR)	DESCRIPTION	PAGE/ RESPONSE			SDG	
SPECIFIC CONTENT						
ECONOMIC CATEGORY - GRI 200						
ECONOMIC PERFORMANCE					a montes	
201-1	Direct economic value generated and distributed.		69	8 PROPER WORK AND ECONOMIC GROWTH	â	
INDIRECT ECONOMIC IMPACTS						
203-2	Description of significant indirect economic impacts.		17, 40 e 68	8 PROPER WORK AND ECONOMIC GROWTH	1	
ENVIRONMENTAL CATEGORY - G	RI 300					
MATERIALS					9 = 1	
301-2	Percentage of material used from recycling.		84	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	$\overline{\infty}$	
ENERGY						
302-1	Direct energy consumption listed by primary energy source.		62 and 86			
302-3	Energy Intensity.		86			
WATER						
303-1	Total water collected by source.		63 and 85			
303-3	Percentage and total volume of water recycled and reused.		85			
BIODIVERSITY						
304-2	Significant impacts on the biodiversity of activities, products, and se	ervices.	61	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	100 I	
EMISSIONS						
305-1	Total direct greenhouse gas emissions.		86			
EFFLUENTS AND WASTE						
306-1	Total water discharge, listed by quality and destination.		63 and 85	6 DRINKING WATER AND SANITATION	V	
306-2	Total waste weight, listed by type and disposal.		64 and 87	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
PRODUCTS AND SERVICES						
301-3	Percentage of recovered products and packaging, by product cate	egory.	64	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	·	
SUPPLIER ENVIRONMENTAL ASSESSMENT						
308-2	Significant actual or potential environmental impacts on the supply measures taken.	chain and	61 and 88	15 LIFE ON LAND	es. €	

SECTION (ASPECT / INDICATOR)	DESCRIPTION PAGE/ RESPONSE				SDG
SOCIAL CATEGORY - GRI 400 SOCIAL CATEGORY - LABOR PRA	ACTICES				
EMPLOYMENT					
401-2	Benefits granted to full-time employees that are not offered to te	mporary workers.	Health care plan, pharmaceutical care plan, dental care plan, meal voucher or restaurant in the company, attendance bonus, transportation voucher, profit sharing program, discount on the purchase of Portobello and Pointer products, life insurance advance on wage, day care and nursery aid, Portobello Mother Program, assistance to dependents people with disabilities, automatic-paycheck-deduction loan, optional sale by the employee of one third of their vacation time.		<u>1</u> 2
403-1	Percentage of employees represented on formal safety and hea	Ith committees.	42		
403-2	Injury types and rate, occupational diseases, work days lost, ab number of deaths.	senteeism rate, and	47 and 89	3 HEALTH AND WELLNESS	100. -44
TRAINING AND EDUCATION					
404-1	Average hours of training per year.		55 and 90		
404-3	Percentage of employees receiving performance reviews.		54 and 91		
GRIEVANCE MECHANISMS RELATE	ED TO LABOR PRACTICES				
103-2-c-vi	Number of complaints on labor practices submitted, addressed formal grievance mechanisms.	and resolved by	Total number of complaints relating period covered by the report: 42 Total number of complaints that hav Total number of complaints recorder report that were resolved during this Deposited Amounts: R\$ 1,315,491.	ve been resolved: 76 ad before the period covered by the s period: 69	
SOCIAL CATEGORY - HUMAN RIG	GHTS				
SUPPLIER HUMAN RIGHTS ASSESS	SMENT				
409-1	Significant actual and potential human rights impacts on the sup measures taken.	oply chain and	The contracts between Portobello a "Social and Environmental Response commitment to the following topics: • Combating slavery and child labor • Combating discrimination with resphysical condition, among others; • Protecting the environment.	sibility," which establishes the or;	

GRI SUMMARY

SECTION (ASPECT / INDICATOR)	DESCRIPTION PAGE/ RESPONSE			SDG				
SOCIAL CATEGORY - SOCIETY								
LOCAL COMMUNITIES								
413-1	Operations with implemented local community engagement, impact assessment and development programs.	48, 49 and 50	10 REDUCTION OF INEQUALITIES 17 PARTNERSHIPS AND MEANS OF	****				
COMPLIANCE								
419-1	Description of significant fines and total number of non-monetary sanctions.	Not applicable.						
SUPPLIER IMPACT ASSESSMENT								
414-2	Significant actual and potential negative impacts of the supply chain on society and measures taken.	"Social and Environmenta to the following topics: • Combating slavery and • Combating discrimination physical condition, among	 The contracts between Portobello and its suppliers include the clause: "Social and Environmental Responsibility," which establishes the commitment to the following topics: Combating slavery and child labor; Combating discrimination with respect to gender, origin, race, color, physical condition, among others; Protecting the environment. 					
SOCIAL CATEGORY - PRODUCT RESPONSIBILITY								
CUSTOMER HEALTH AND SAFETY								
416-1	Products and services with impacts on health and safety.	58 and 59						
PRODUCT AND SERVICE LABELING	3							
102-43	Results of surveys measuring customer satisfaction.	70						

Portobello