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Portobello

Portobello

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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

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.



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
Jorge Muller
Maro Marcos Hadlich Filho
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

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.

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)



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.



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 Advantages	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

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.





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)

06 SUSTAINABILITY

06 SUSTAINABILITY

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.

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

Inmil

IN 2019, THERE WERE:







NUMBER OF EMPLOYEES (employees by gender) Men Women

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.



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Portobello

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

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.

Portobello

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



Portobello

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

Portobello

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.



Portobello

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