



PortobelloGrupo
2022
Sustainability
Report

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Statement from the Chairman

Since its inception, sustainability has been a cornerstone of Portobello Grupo's operations. We were born with the purpose of fostering the development of the community of Tijucas, in Santa Catarina. Over the course of 43 years, we have gone beyond the local level and have become a driving force for the country's development with Portobello, Portobello Shop, and Pointer units. Our strategy has crossed national borders with Portobello America, which will open its first plant in 2023 featuring some of the most modern, automated, and sustainable technologies available in the global ceramics industry.

Our achievements were only possible because the purpose of sustainability is shared among shareholders, executives, employees, customers, and our value chain. Everyone shares the same disposition to build a better world through respect for people and the environment. Our concern with sustainability has a broad reach and is constantly evolving, having been strategically enhanced in 2022 with the launch of our Sustainability Plan.

Widely used by the financial sector, the acronym ESG covers aspects related to the environmental, social, and governance realms. We adopted such structure to prepare a set of actions and goals for 2023-2027 period, encompassing all business units and prioritizing the

three pillars. The Portobello Plan also adheres to the UN's Sustainable Development Goals (SDGs), further demonstrating our commitment to the global sustainability agenda and to the Ten Principles of the Global Compact, an initiative of which we are signatories. The document is aligned with the company's materiality matrix, used in the preparation of this report. Our endeavors in terms of sustainability are comprehensive, yet the Plan is ambitious and intends to transform Portobello into a benchmark for best practices in Brazil.

Throughout our journey, we have come to understand that we must do more; we must be proactive agents of change in order to create a lasting, transformative impact on our society. Our commitment is rooted in the major pillars – +Governance, +Eco-efficient, and +People – which are broken down into clear and measurable targets and indicators that will guide our strategic execution. We believe in structured governance, which is why we have a Sustainability Committee, of which I am the Chairman, with participation from our shareholders, that regularly monitors and leads tangible actions related to our commitments.

I would like to thank everyone in our team, who work together towards a sustainable future. Enjoy your reading!



CESAR GOMES JUNIOR
Chairman of the Board of
Directors and the
Sustainability Committee



Portobello Grupo

The Portobello Grupo (PBG S.A.) is a Brazilian company with global reach, boasting the largest ceramic tile network in the country, structured on an innovative, customer-oriented and data-driven business model. The group exports to more than 60 countries, has two production plants in Brazil and is in the process of launching operations in the United States. With its main headquarters in Tijucas (SC), it manufactured 716,952 tons of ceramic tile in the year and is structured in four business units: Portobello, Portobello Shop, Pointer and Portobello America (PBA).

A publicly traded company and a private legal entity, it is part of the Novo Mercado segment of the B3 and adheres to stringent standards of corporate governance, with particular focus on the performance of the Board of Directors and the Audit, Sustainability, and Governance and Strategy Committees. Sustainability is seen as a material topic for the business, which is why, in 2022, the company launched its Sustainability Plan

(more details in Sustainability). The company is a member of the National Association of Manufacturers of Ceramic Tiles for Coatings, Sanitary Ware and Related Items (Anfacer), striving to contribute to the growth of the industry. Portobello also represents Brazilian manufacturers in international events. In 2022, the company presented its collection at the Cersaie fair, held in Bologna, Italy. The event is considered one of the most important coating fairs in the world and showcased the latest trends in the market.

On December 31, 2022, Portobello Grupo employed 3,967 men and women – a 7% increase over 2022, due to advances in strategic areas of Portobello Shop, such as digital, and the expansion of the manufacturing lines at the Tijucas (SC) unit.

Some of Portobello Grupo's highlights in 2022 include:

[➤ TO READ MORE, GO TO SUSTAINABILITY](#)



SLABS PLANT
Portobello Unit, Tijucas | SC

ALMOST
4,000
DIRECT JOBS, OF
WHICH 1,000
IN THE RETAIL
SEGMENT

+27,000
HOURS OF TRAINING
FOR EMPLOYEES

35
HECTARES OF
RECOVERED DEPOSITS,
15 HECTARES IN SANTA
CATARINA AND 20
HECTARES IN ALAGOAS

100%
WATER
TREATMENT AND
RECIRCULATION IN
PLANTS

RECYCLING
LEVEL OF WASTE
GENERATED AT
PLANTS OF
98%

SUSTAINABILITY
PLAN
INCORPORATED ESG
ASPECTS INTO
THE BUSINESS
AREAS

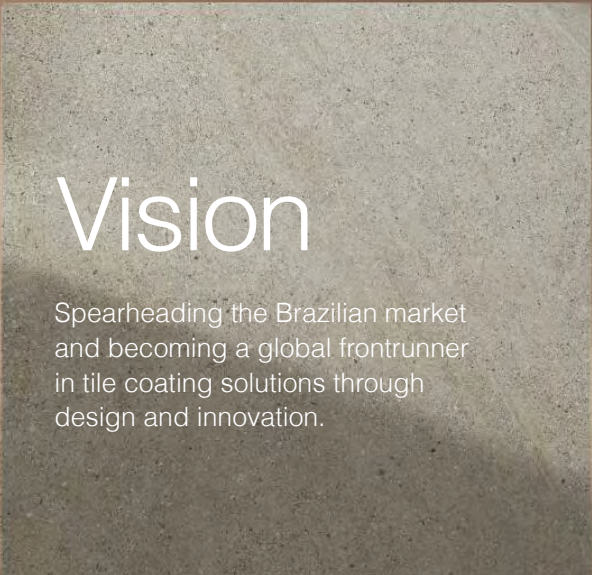
Purpose

Experiencing design to the fullest.
Transforming environments and
captivating people.



Vision

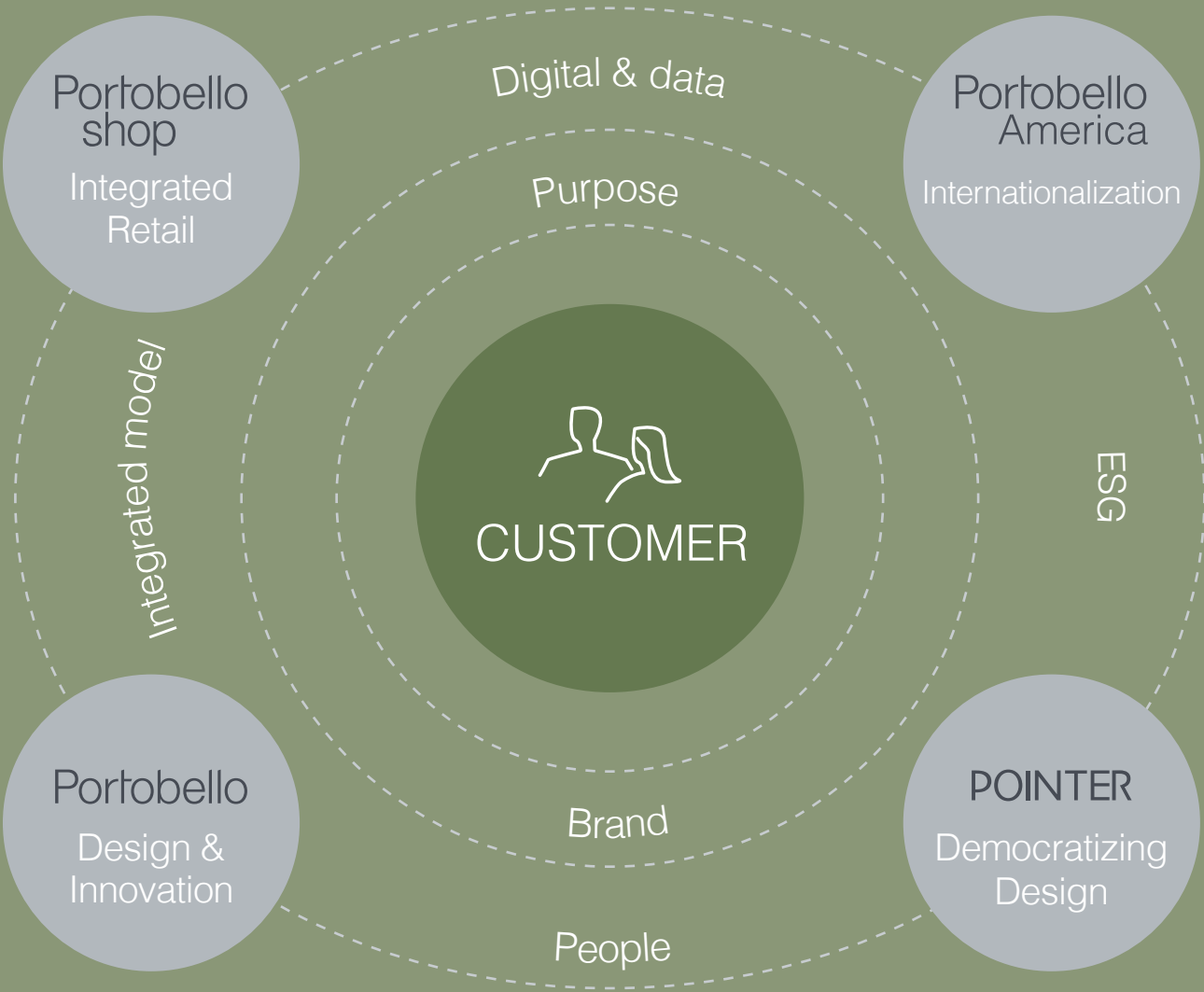
Spearheading the Brazilian market
and becoming a global frontrunner
in tile coating solutions through
design and innovation.



Belief

Life with design is smarter,
more beautiful and safer.







 **BAXTER**
TENNESSEE

 **MARECHAL DEODORO**
ALAGOAS

 **TIJUCAS**
SANTA CATARINA

Operations

145 STORES	GOODS EXPORTED TO	PRODUCTS ARE ACROSS THE COUNTRY THROUGH THE PORTOBELLO SHOP AND MAJOR RETAIL OUTLETS	PORTOBELLO AMERICA COMES FORTH WITH THE FOCUS OF ADDRESSING THE NEEDS OF THE AMERICAN MARKET
3 MANUFACTURING UNITS	+60 COUNTRIES		

 TO READ MORE, GO TO SUSTAINABILITY

Portobello

The Portobello unit is in the lead of the manufacturing and technological innovation complex in Tijucas (SC), responsible for the quality and distinctive design of the brand's products. Portobello pioneered the manufacturing of a new product category in the national market – the slabs.

The operation has a multichannel approach, distributing its production to the leading home centers in the country, the real estate market, and large-scale construction projects. Its exports reach over 60 countries, with some of Portobello's highlights including:

PRODUCTION OF NEARLY
28
MILLION SQ. METERS IN 2022.

100%
OF CERAMIC WASTE USED IN
PRODUCTION. PRODUCTS WITH

REDUCED THICKNESS,
RESULTING IN A

10%
DECREASE IN RAW
MATERIALS, WATER, AND
ENERGY CONSUMPTION.



PORTOBELLO
Tijucas Unit | SC

Portobello Shop

Portobello Shop is the group's retail unit and the largest specialized retail network in the country. The unit provides solutions for tiling and accessories, primarily ceramic and metal, through its own stores or franchised outlets. Under the mantra "we are a customer-focused and data-driven retail", the Portobello Shop has customer service and digitalization as strategic drivers of the business.

The Portobello Shop stores are a benchmark in architecture and display. In addition, the unit leads the Archtrends platform, an online source of trends tailored to architecture and design professionals. Additional services include product installation and the Oficina Portobello, which crafts unique porcelain tile solutions.

Some of Portobello Shop's highlights include:

145
STORES,
25
OF WHICH ARE
COMPANY-OWNED

~51,000
SQ. METRES OF
SALES AREAS

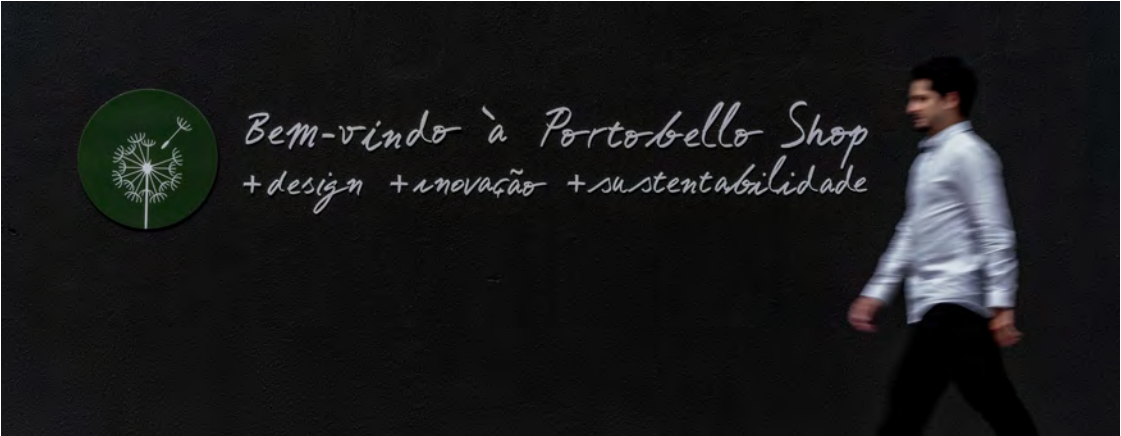
20
SUPERSTORES
WITH UP TO
1,330
SQ. METERS OF
SALES AREAS

5
DISTRIBUTION
CENTERS IN BRAZIL.
AVERAGE OF

447,000
MONTHLY HITS
ON THE
ARCHTRENDS
PLATFORMS.
LAUNCH OF
THE FIRST STORE
WITH LEED
SUSTAINABLE
CERTIFICATION,
IN 2023



PORTOBELLO SHOP JARDIM SOCIAL (CURITIBA | PR),
which will receive LEED Platinum and LEED Zero Energy certifications in 2023



Pointer

The Pointer unit, located in Marechal Deodoro (AL), is a leader in the dry production of ceramics – a manufacturing technology that eliminates the need for water during the material mixing process. The brand targets consumers who want to build with quality and a democratic design.

Pointer, considered the most sustainable ceramics factory in Latin America, has a focus on the Northern and Northeastern regions of Brazil, as well as exports. In 2022, its products reached new markets, such as Mexico, French Guyana, Curaçao, and Saint Martin, with sales to 50 countries.

Some of Pointer's highlights include:

+300,000
SQ. METERS OF CERAMICS
PRODUCED PER MONTH, EXPECTED
TO REACH

450,000
AS OF APRIL 2023, AFTER
INCREASING THE PRODUCTION
CAPACITY OF THE GRINDER

96%
OF WASTE GENERATED AT
THE PLANT RECYCLED BY
PORTOBELLO ITSELF OR BY
OTHER INDUSTRIES

WINNER OF THE INVOLVES
AWARD IN THE PRODUCTIVITY
CATEGORY, WHICH RECOGNIZES
THE BEST PRACTICES IN
TRADE MARKETING, IN 2022



POINTER UNIT
Marechal Deodoro | AL



Portobello America

Portobello America launched its distribution operations in the United States in 2018, as part of the group's internationalization strategy, which has been active in the country since the 1990s. Currently, the unit has two centers that serve a network of distributors strategically located in Florida and Tennessee, home to the company's future manufacturing facility. The new plant will be located in Putnan County, Baxter City (TN), and is expected to begin operations in the first half of 2023.

Portobello America's factory comes into operation with some of the most advanced, automated and sustainable technologies available in the global ceramics industry. Furthermore, Portobello America will have an office in the city of Miami (Florida). [➤ TO READ MORE, GO TO +ECO-EFFICIENT](#)

Some of Portobello America's highlights:

THE FACTORY WILL
HAVE PRODUCTION
CAPACITY OF

7.2
MILLION
SQ. METERS

INVESTMENT
OF USD

160
MILLION

BOTH DISTRIBUTION
CENTERS HAVE A
COMBINED STORAGE
CAPACITY OF

11,000
PALLETES



PORTOBELLO AMÉRICA
Unidade Baxter | TN | EUA



Portobello America's employees at the 2022 Leaders' Meeting, Baxter | TN | USA



Market and strategy

The construction and construction materials sectors have cautiously advanced in 2022. Recessions on the horizon in major global economies and high interest rates cause fear in the market. Nevertheless, Portobello Grupo demonstrated its resilience and ended the year with positive results.

Adaptability to adverse conditions and the generation of growth opportunities are distinctive of Portobello. Learn about some of the company's strategic guidance.



→ STRENGTHENING RETAIL

Investing in expanding its own network, acquiring stores, and hiring qualified retail labor adds value in the medium- and long-term. Combined to its expansion, Portobello Shop has posted good operational results that position it as one of the leading names in the sector. The company has been closely engaging with the end consumer in order to further strengthen the Portobello brand.

> MORE DETAILS IN CUSTOMER ORIENTATION

→ INTERNATIONALIZATION

The company's international expansion, driven by the launch of Portobello America's first factory in 2023, ensures production and supply to the North American market, while also providing resilience against currency fluctuations by increasing revenue in dollars.

→ CHANNEL, PRODUCT, AND PRICING MIX

The company is efficient in qualifying its sales with ongoing improvements to its channels and product mix, as well as pricing strategies. The versatile performance ensures the ability to adapt to the ever-changing market conditions.

→ INTEGRATED SUSTAINABILITY

The integration of its operations with ESG (environmental, social, and governance) best practices has been strengthened at Portobello. Sustainability not only adds value to the company, but also demonstrates its commitment to the changing needs of society and the environment.



Sustainability

Portobello Sustainability Statement

For us, sustainability means being aware of our actions, understanding the consequences of our decisions, and taking ownership of our role in society and the environment in which we live.

It means being committed to the improvement of our entire production and distribution chain, proactively working together to create a better future for all.

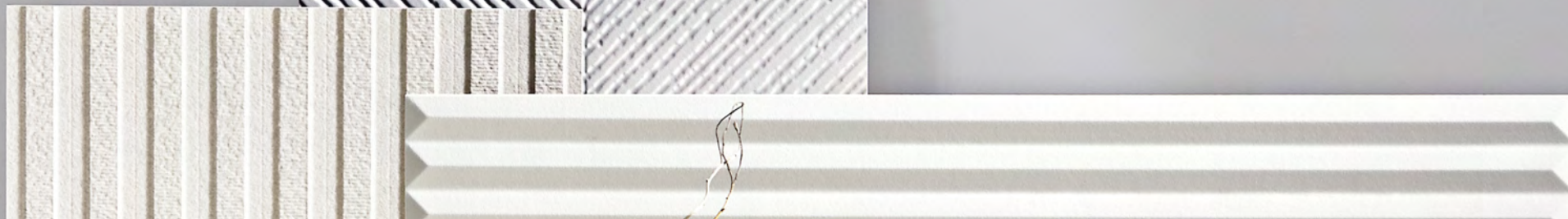
It means creating transparent, inspiring and engaging connections with our stakeholders, appreciating people and acting as an agents of transformation in the communities where we operate.



Portobello Sustainability Commitments

■ Portobello is a signatory of the **Global Compact Local Network** in Brazil, an initiative of the United Nations to promote corporate sustainability. As part of its commitment to the Global Compact, Portobello adheres to principles related to human rights, labor, the environment and anti-corruption in its operations.

■ The company is part of the **SDG Movement in Santa Catarina**, an initiative formed by volunteers, with a non-partisan, plural and ecumenical character, with the purpose of contributing to the enhancement of the quality of life of Santa Catarina's society through the **Sustainable Development Goals (SDGs)**.



Portobello Sustainability Plan

Sustainability has always been a core issue for Portobello. As the company advanced in product design innovation, its practices for the optimal use of raw materials, water and waste management, energy efficiency, and relationship with the value chain also progressed.

Aware of its role as a benchmark for the market, Portobello Grupo has decided to take an even more ambitious stance with its Sustainability Plan. Launched in 2022, this plan sets goals for the 2023-2027 period, encompassing all business units and prioritizing three pillars, based on the ESG (environment, social and governance) framework. The Sustainable Development Goals are also used as a guide, and the Plan is in line with the company's materiality matrix.

The Plan is fostered by Portobello's sustainability culture, shared by employees and partners alike, who are encouraged to act proactively, with a collective spirit and a commitment to the future. ESG is a cross-cutting topic for the company, involving the improvement of production and creative processes, the appreciation of people and the engagement of the entire ecosystem.



SCAN THE QR CODE
TO LEARN MORE
AND WATCH
THE VIDEO





Sustainability governance

The Portobello Grupo has a Sustainability Committee that aims to strategically promote the topic within the business. The Committee, led by the chairman and vice-chairman of the Board of Directors, is also composed of members of the controlling group, which proves its importance in high-level debates within the company.

Its responsibilities include the definition of strategic guidelines, which are later used to develop tactical and operational plans managed by each unit, in a process led by the head of the division and with

the participation of an interdisciplinary team, which responds to the different ESG topics.

The committee is also responsible for monitoring the outcomes of the actions and establishing the group's social policy.

The Sustainability Committee shares the discussions related to ESG with the Governance and Strategy Committee, comprised of the group's CEO, CFO, and legal vice-president. To learn more about the members of the Sustainability Committee and the

other Portobello committees, read the Governance Structure section.

In order to keep this high-level governance body up to date on the progress and discussions of ESG topics, and to help train its members, the Sustainability team presents market information and facilitates discussions with representatives from organizations in the sector each month. The members of Committee also attend events, fairs, and lectures.

[➤ MORE DETAILS IN GOVERNANCE](#)

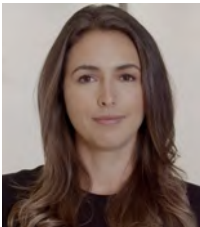
COMPOSITION OF THE SUSTAINABILITY COMMITTEE



CESAR GOMES JUNIOR
Chairman



CLÁUDIO ÁVILA DA SILVA
Vice-Chairman



GABRIELA RICHTER GOMES MARTINI
Member and shareholder



MIRIAM GOMES VIEIRA ANDRADE
Member and shareholder



CHRISTIANE ALVES FERREIRA
Member and Branding Director

Sustainability Week

In 2022, Portobello's strategic vision on sustainability was discussed in the 2nd edition of the Sustainability Week, an event for employees with lectures and activities on diversity, the environment, engagement, communication, and volunteer work. Between June 20 and 24, the program addressed the fundamentals of ESG and sparked reflections based on the +Diversity, +People, +Engagement, +Eco-efficient, and +Governance pillars. Design: add photos.

Conversation rounds were held with guests such as TV host Astrid Fontenelle and consultant and influencer André Carvalhal. In addition, the units presented their environmental cases, and the company facilitated a discussion about the role of the volunteer program as a tool for social and

personal growth. The program was streamed online for store and franchise employees who were unable to attend in person.

Portobello's Sustainability Week was recognized in the Environmental, Social and Governance categories of the 2022 ESG Award granted by the Association of Sales and Marketing Managers of Brazil in Santa Catarina (ADVB/ SC). The award is presented annually, recognizing organizations from Santa Catarina that have incorporated social culture into their business operations. The Sustainability Week was featured as a tool to disseminate the ESG topic.

[+ READ MORE ABOUT THE EVENT AT ARCHTREND](#)



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TO LEARN MORE
AND WATCH
THE VIDEO

2ND EDITION OF PORTOBELLO
SUSTAINABILITY WEEK

+150
LEADERS GATHERED AT THE OPENING
EVENT, INCLUDING DIRECTORS,
BOARD MEMBERS, SHAREHOLDERS
AND THE COMPANY'S FOUNDER,
CESAR BASTOS GOMES

+24,000
VIEWS OF THE ONLINE STREAMS
OF THE EVENT (IN THE INTERNAL
CORPORATE NETWORK
AND ON YOUTUBE)

2022 ESG AWARD FROM
ADVB/SC FOR THE PROMOTION
OF SUSTAINABILITY



Opening of the Sustainability Week, June 2022, Tijucas | SC



Scheila Orlandi, Sustainability coordinator for the Portobello Grupo, receiving the ADVB/SC ESG Award for the Sustainability Week, Chapecó | SC



Cesar Bastos Gomes, founder and honorary chairman of the Board of Directors of Portobello Grupo, participating in the 2022 Sustainability Week



Somos apaixonados por Design.

The report

The Sustainability Report presents the main economic, social, environmental and governance achievements of the Portobello Grupo. It covers the period from January 1 to December 31, 2022. This document complies with the Global Reporting Initiative (GRI) in its updated version, the GRI Standards. It also adheres to the indicators of the Sustainability Accounting Standards Board (SASB). The company publishes its Sustainability Report annually, with the most recent edition released in 2022, covering the 2021 reporting period.

The preparation process involved the company's Board of Directors and key institutional areas in interviews and in the collection of information. The content was reviewed and approved by the directors and by the Sustainability Committee, comprised of the chairman and the vice-chairman of the Board. [🔗 TO READ MORE, GO TO SUSTAINABILITY](#)

The structure of this report takes into account the company's Sustainability Plan and the review of its

materiality matrix, conducted in October 2022. The Plan covers three pillars: Portobello +Eco-efficient, Portobello +People and Portobello +Governance. In this document, the +Governance pillar is the first to be reported for its role in supporting all the others.

The materiality matrix is composed of topics that reflect the most significant economic, environmental and social impacts to the company. For the review process of Portobello's materiality matrix, analyses of the market context and ESG indicators, benchmarking with other companies and stakeholder consultations were carried out.

For the consultation stage, the following were established as priority stakeholders: Portobello's employees and executives, customers, suppliers, franchisees, architecture professionals, trade associations, business partners and local communities near its operations. The forms of engagement with each of the groups were the following.

	ONLINE SURVEY	ONLINE WORKSHOP	INTERVIEWS
Directors			
Employees			
Class associations			
Customers			
Community			
Suppliers			
Franchisees			
Business partners			
Architecture professionals			

The interviews and the workshop were the first to be carried out, which helped in identifying the impacts. The online survey was used to establish priorities. As a result, the seven material topics were defined.

Material topics



Portobello +Governance



CUSTOMER ORIENTATION

Keeping in mind the customer who values quality service delivery, information sharing, support, well-being, privacy, and the provision of safe, sustainable, quality, and innovative products and services.



GOVERNANCE, TRANSPARENCY AND ETHICS IN THE MANAGEMENT OF OPERATIONS AND THE VALUE CHAIN

Conducting business ethically, with a corporate governance structure and codes and policies that ensure long-term, mutually beneficial relationships with all stakeholders. These same integrity practices are extended to suppliers.





Portobello +Eco-efficient



CIRCULARITY

Production process based on the concept of circularity, in which waste is used as input in the manufacturing of products designed with circularity in mind. Engaging franchises and customers to contribute to spreading information and raising awareness, as well as the Academy, in pursuit of circular solutions.



CLIMATE CHANGE

Decreasing greenhouse gas emissions through changes in production processes, optimizing logistics, and improved energy management. Portobello can also act as an agent of consumer engagement through Portobello Shop.



SUSTAINABLE PRODUCTS AND PRODUCTION

Production supported by research, technology, and innovation, allowing the company to keep up with and anticipate society's transformations, preserve biodiversity, use water responsibly, and find ways to employ sustainable ingredients and waste generated during the product's life cycle. This can also be taken on a sector-wide basis to seek more sustainable products.



Portobello +People



TEAM AND COMMUNITY DEVELOPMENT

Targeting efforts towards training employees, suppliers' teams, and members of the communities, as well as creating programs that encourage income generation, giving preference to disadvantaged groups.



HUMAN RIGHTS

Promoting a diverse, harassment-free environment with safe and dignified working conditions in offices, factories, franchises, and among critical suppliers. Regarding the community, supporting the improvement of inadequate housing conditions.

The previous materiality matrix considered the following topics: Governance and Transparency, Product Innovation, Operational Excellence, Workplace Health and Safety, Excellence in Differential Management, Sustainable Supply Chain, People Development and Management, and Community Engagement and Participation.

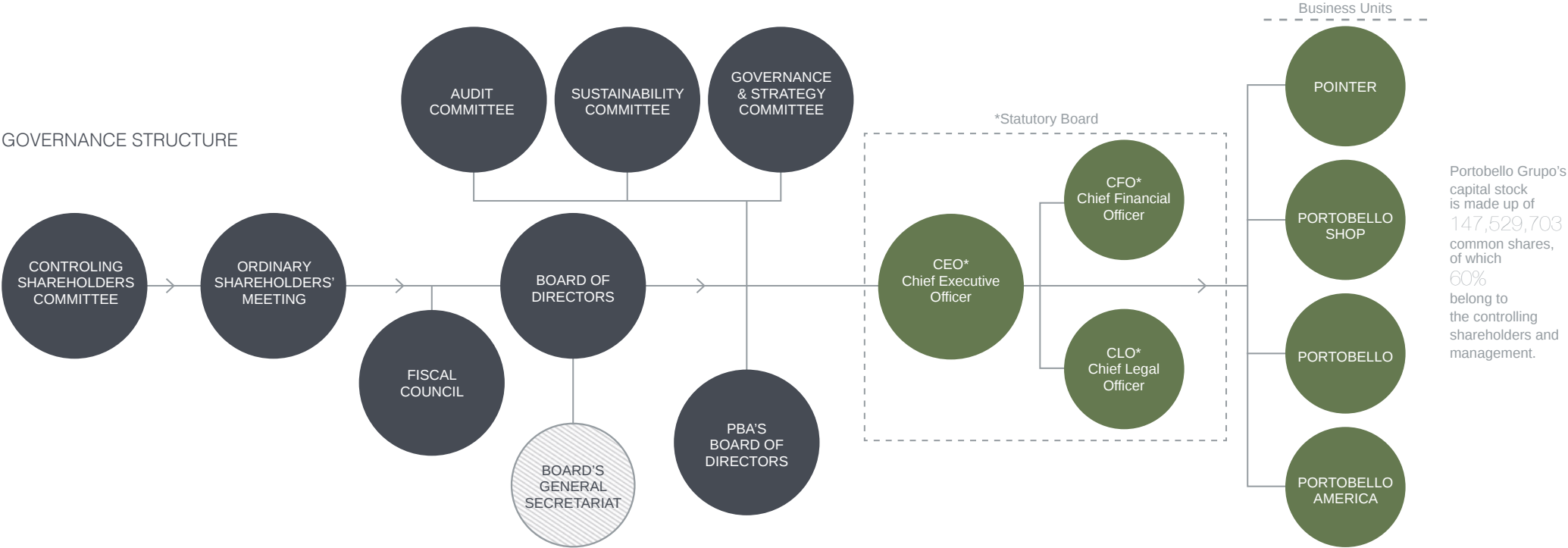
FORWARD QUESTIONS, SUGGESTIONS, AND COMMENTS ABOUT THE 2022 SUSTAINABILITY REPORT TO: SUSTENTABILIDADE@PORTOBELLO.COM.BR



Joining forces to become more sustainable by engaging the entire Portobello ecosystem, inspiring employees, suppliers, partners, customers, and the community, with structured, transparent, and compliant governance as a distinguishing factor.

Portobello + Governance

Governance, transparency and ethics in the management of operations and the value chain



CESAR GOMES JUNIOR
Chairman of the Board of Directors



CLÁUDIO ÁVILA SILVA
Vice-Chairman of the Board of Directors



MAURO DO VALLE PEREIRA
CEO Portobello Grupo



JOHN SUZUKI
CFO & Director of Investor Relations



EDSON LUIZ STRINGARI
CLO

PORTOBELLO’S GOVERNANCE STRUCTURE COMPRISES THE FOLLOWING BODIES:

→ BOARD OF DIRECTORS

It defines the company’s strategic guidance and monitors the actions, decisions and corporate results. The members are elected by the Ordinary Sharholders’ Meeting (OSM). The Board must be composed of a minimum of five and a maximum of nine members, with two-year terms and the possibility of re-election. According to the requirements of the Novo Mercado regulations (the segment in which Portobello is listed on B3), at least 20% of the members must be independent. The chairman of the Board of Directors does not participate in the organization’s executive structure.

COMPOSITION OF THE BOARD OF DIRECTORS

Cesar Gomes Junior	Chairman of the Board of Directors
Cláudio Ávila da Silva	Vice-Chairman of the Board of Directors
Geraldo Luciano Mattos Júnior	Independent Member of the Board of Directors
Glauco José Côte	Independent Member of the Board of Directors
Marcos Gouvêa de Souza	Independent Member of the Board of Directors
Nilton Torres de Bastos Filho	Member of the Board of Directors
Walter Roberto de Oliveira Longo	Independent Member of the Board of Directors

→ STATUTORY EXECUTIVE BOARD

Its primary job is to manage the business and develop the strategy defined by the Board of Directors. Its members are chosen by the Board of Directors. The composition below refers to the Portobello group. In addition, each unit has a board composed of a chairman and an executive committee. 17.6% of the members of the Board of Directors and the Executive Board are hired from the local community (Santa Catarina).

COMPOSITION OF THE EXECUTIVE BOARD

Mauro do Valle Pereira	CEO
John Suzuki	CFO & Director of Investor Relations
Edson Luiz Mees Stringari	CLO

→ ORDINARY SHARHOLDERS’ MEETING

This body is responsible for electing the members of the Board of Directors, Fiscal Council and Committees.

Portobello’s governance also includes Sustainability, Audit, Governance and Strategy, and Ethics Committees. The General Secretariat is the body that promotes corporate governance and assists the committees.

→ COMMITTEES

They are responsible for disseminating and discussing specific topics. Their members are elected in an Ordinary Shareholders' Meeting.

SUSTAINABILITY

This group, led by the chairman and vice-chairman of the Board of Directors, establishes all of Portobello Grupo's strategic Sustainability guidelines, adhering to the ESG pillars. It is primarily through this that senior management identifies and contributes to the management of environmental, social, and governance impacts. Meetings to discuss sustainability challenges and opportunities are held monthly and the ESG planning review takes place quarterly.

COMPOSITION OF THE SUSTAINABILITY COMMITTEE

Cesar Gomes Junior	Chairman
Cláudio Ávila da Silva	Vice-Chairman
Gabriela Richter Gomes Martini	Member and shareholder
Miriam Gomes Vieira Andrade	Member and shareholder
Christiane Alves Ferreira	Member and Branding Director

AUDIT

This body advises the Board of Directors in establishing the standard and overseeing financial statements and internal controls, risk management, and compliance, with the goal of ensuring the reliability and integrity of the information. It is responsible for preventing or mitigating possible conflicts of interest and are the initial recipients of concerns and comments regarding integrity, which are subsequently forwarded to the Board of Directors.

COMPOSITION OF THE AUDIT COMMITTEE

Cláudio Ávila da Silva	Coordinator
Glauco Côte	Member
Gladimir Brzezinski	Member

GOVERNANCE AND STRATEGY

This group develops and monitors strategies, governance, company results, and supports the Board of Directors.

COMPOSITION OF THE GOVERNANCE AND STRATEGY COMMITTEE

Cesar Gomes Junior	Coordinator
Cláudio Ávila da Silva	Member
Mauro do Valle Pereira	Member
Edson Stringari	Member and CLO
John Suzuki	Member

ETHICS

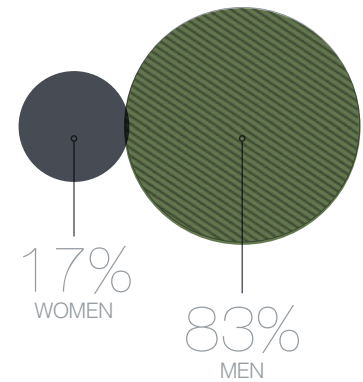
The body responsible for analyzing complaints received by the Ethics Channel, in addition to promoting a culture of integrity throughout the company. It reports to the statutory executive board.

COMPOSITION OF THE ETHICS COMMITTEE

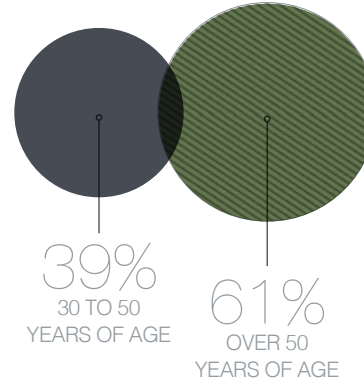
Christiane Alves Ferreira	Member and Innovation and Branding Director
Edemilson Barbosa	Member and Manager of People & Management
Jhenifer Mariann	Member and Corporate Controllership Manager
Luiz Fernando Periard Schweidson	Member and Legal and Compliance Manager
Marinaldo de Brida	Member and Industrial Superintendent at Pointer

COMPOSITION OF GOVERNANCE BODIES

GENDER



AGE RANGE



RISK MANAGEMENT

The Portobello Grupo mapped its operational risks in 2021 and identified nine factors that must be constantly monitored:

- Public corruption;
- Private corruption and fraud;
- Use of intermediaries (“aliases”);
- Actions to hinder investigations and inspections;
- Conflict of interests; insider trading;
- Breach regulatory obligations;
- Harassment and discrimination;

Environment. In 2022, the risks were classified and the company built plans to prevent their occurrence. An integrated risk management tool is currently being contracted.

→ PORTOBELLO GRUPO
LEADERS GATHERED TO
DISCUSS SUSTAINABILITY

In 2022, the Portobello Grupo held a leaders' meeting bringing together executives from its four units: Portobello, Portobello Shop, Portobello America, and Pointer. The strategic guidelines of the business, the challenges of the retail and industry sectors, and the company's sustainability strategy, translated into the Sustainability Plan, were on the agenda.

The executives were also able to strengthen the group's business vision, which places the customer at the center of the strategy. The guidance toward good ESG practices, the construction of a solid brand, and digital growth support Portobello's focus on customer-orientation. The meeting was attended by several leaders, who committed to implementing the initiatives outlined in the company's Plan.

→ CORPORATE
COMMUNICATION

Established in March 2022, directly linked to the General Secretariat and the Board of Directors, the Corporate Communication division has the primary mission of contributing to and consistently safeguarding the culture and institutional image of the Portobello Grupo.

As guardian of the institutional message and of the main drivers of culture, it assumes the purpose of promoting synergy and connection among the units, aligning concepts and upholding the corporate personality.

It also works to build a valuable relationship with its stakeholders – employees, investors, business units, top leadership, market, government, and the press. Likewise, it strongly contributes to the implementation of strategic planning and in making the brand's attributes tangible, such as: people, sustainability, innovation and design, merchandising and supply chain.



Mauro do Valle Pereira, Portobello Grupo's CEO, participating in the Leaders Meeting, in Tijucas | SC



Cesar Gomes Jr, chairman of Portobello Grupo's Board of Directors, participating in the Leaders Meeting, in Florianópolis | SC

Ethics and Integrity

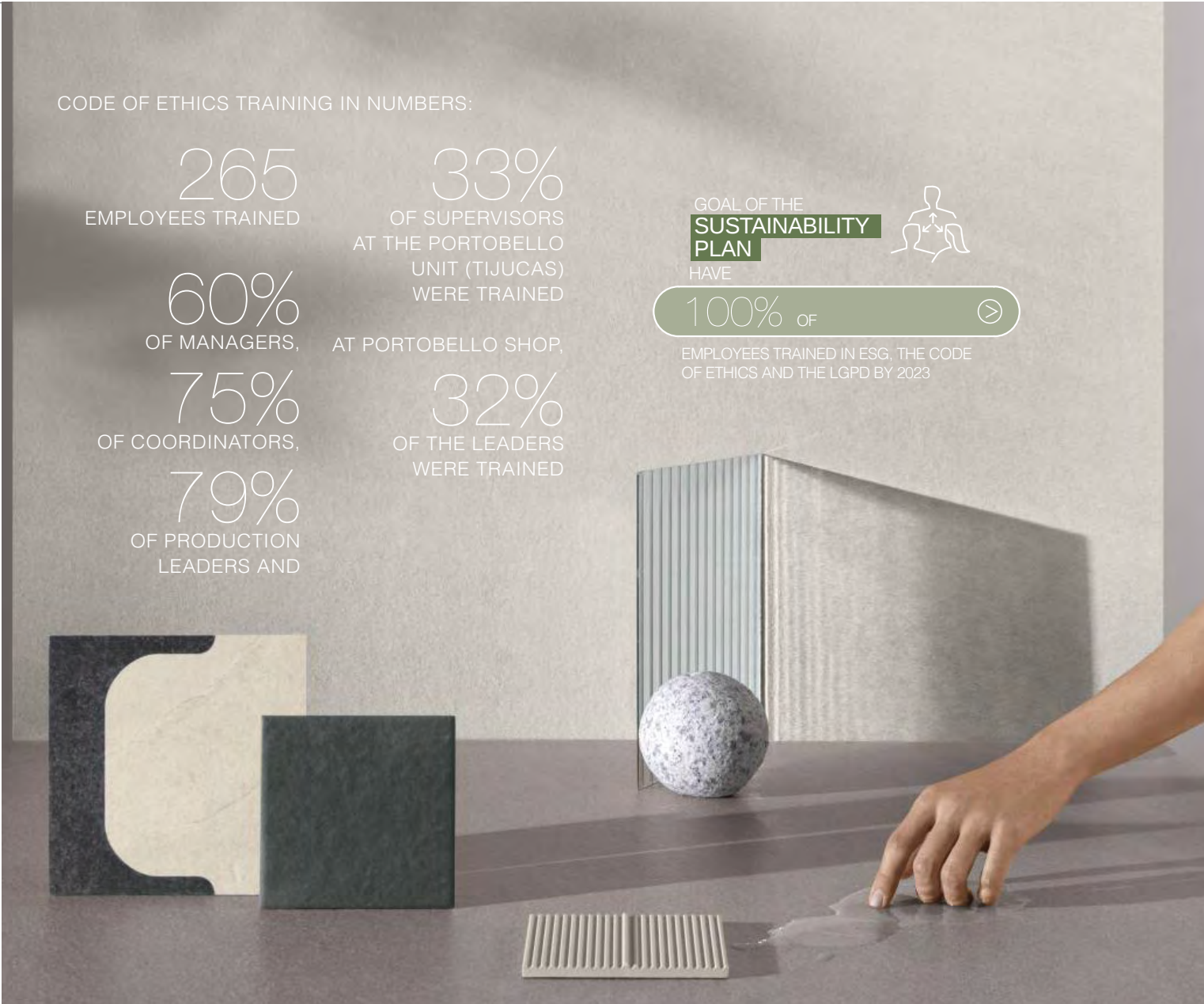
In 2022, Portobello updated its **Code of Ethical Conduct**, a document that serves as a guide for employees, partners, franchisees, and suppliers. text covers topics such as relationships with public entities and regulations for gifts and presents, as well as a dedicated chapter on human rights, which addresses the prevention of sexual and moral harassment, discrimination, and prejudice, among other issues. This publication is complemented by the **Practical Manual for Ethical Conduct**, which outlines the behaviors that should be fostered in Portobello's daily routine and situations to be avoided or that are not allowed.

The company also has an Ethics Channel, a tool for reporting any potential breaches to the Code. This tool is supported by the **Ethics Channel Usage Guide** and the **Good Faith Communicator Protection and Security Policy**, which governs the preservation of data from those who access the platform. Complaints are received anonymously or identified by an external consultant, to be subsequently assessed by Compliance and the Ethics Committee, a governance body reporting to the Executive Board.

Channel design and updates follow the best market practices and the guidelines of the Office of the Comptroller General, involving the Board of Directors, the Executive Board and the Audit Committee.



SCAN THE QR CODE TO LEARN MORE AND WATCH THE VIDEO



In the year 2022, the Anti-Corruption and Relationship with the Public Sector Policy was also developed, which is expected to be approved in the first half of 2023 and will apply to employees, directors, members of corporate governance bodies, franchisees, as well as to all those who have dealings with Portobello Grupo. The document sets out the commitment and key guidelines for combating all forms of corruption in business operations, with a particular focus on relationships with the public sector and its representatives. It also suggests conducting due diligence in third-party contracting processes in order to verify potential involvement of representatives from any governmental entity. All policies and codes are subject to approval by the Board of Directors.

Policies on Conflict of Interest Prevention, Gifts, Presents, Hospitality and Entertainment, and Third-Party Management were also submitted for final approval. All of them are being produced in Portuguese and English for application to overseas operations.

To increase transparency in its relations with investors and other stakeholders, Portobello launched its Compensation Policy, which covers payments to directors, members of the Board of Directors, advisory committees, and the Fiscal Council. All the information about the topic is detailed in the document, accessible through [this link](#).

CLICK HERE FOR MORE INFORMATION ON THE GRI AND SASB INDICATORS



Amanda Rufino, Portobello Grupo's Compliance coordinator, providing training on Ethics and Integrity during SIPAT, in Tijucas | SC

→ ETHICS AND INTEGRITY TRAINING

In 2022, the new Code of Ethics was disseminated through official internal communication channels and leadership training. Between September and December 2022, at the Portobello unit in Tijucas (SC): 60% of managers, 75% of coordinators, 79% of leaders and 33% of supervisors attended. At Portobello Shop, 910 people (83% of the team) were trained on the topic through an online platform.

To improve adherence to the Code of Ethical Conduct and the Ethics Channel, Portobello's

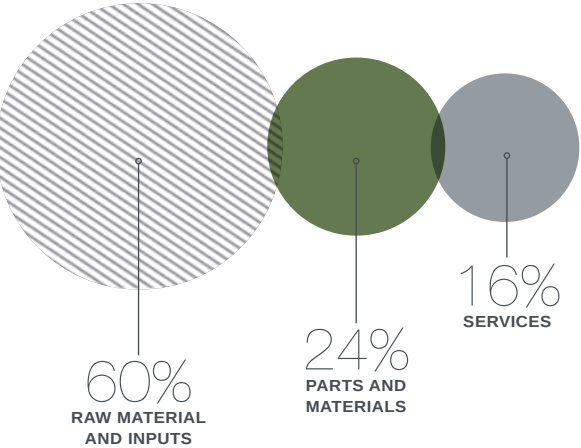
compliance and Development teams created a training program that has offered since September. By the end of the year, 265 employees from the Portobello (Tijucas) and Portobello Shop units had been trained. Up to this point, training focused on leaders.

By 2023, the goal is to have 100% of employees trained, including those in the Pointer and Portobello America units and senior leadership. Also for next year, the company plans to launch other compliance-related policies.

Value Chain

Portobello ended the year with around 2,500 registered suppliers across all its operating units. During the period, the company developed a tool to facilitate the management of its relationship with this audience. Criteria for the adoption of an approval system were also established, with operations expected to begin in 2023.

SUPPLY CHAIN COMPOSITION



Currently, Portobello reviews environmental licensing documents and technical capacity statements for suppliers of raw materials and priority services, which account for 16% of the total. Some suppliers, those from mining companies that extract clay, gravel, and other materials from quarries (6% of the total) are evaluated on-site, through technical visits that assess quality criteria.

For next year, the company intends to expand the scope of its visits, including environmental criteria such as assessing waste disposal methods.

Starting in 2023, our Third Party Management Policy will be in effect for all employees, members of governing bodies, franchisees, suppliers, and

sales representatives. Used in conjunction with the Code of Ethical Conduct, this policy will strengthen and encourage high standards of ethics, integrity, and transparency, in accordance with Portobello Grupo's Compliance guidelines and with the legislation in force in Brazil and abroad. The document will provide guidance on human rights, sustainability, social and environmental responsibility, health and safety, integrity, and compliance, among other areas.

The company prefers suppliers from the areas where it operates. In 2022, at Portobello, 70% of the suppliers were from Santa Catarina, and at Pointer, the representation of companies from Alagoas accounted for 50%. No changes were made to the supply chain during the period.

TOTAL PURCHASES
FROM JANUARY TO
OCTOBER 2022
BRL

1.2 B

TOTAL PURCHASES FROM
INTERNATIONAL SUPPLIERS
(TIJUCAS PLANT)
BRL

58.7 M
ABOUT 5%

TOTAL PURCHASES FROM
SUPPLIERS IN THE
STATE OF SANTA CATARINA
(TIJUCAS PLANT)
BRL

712 M
ABOUT 57%

TOTAL PURCHASES
FROM SUPPLIERS IN THE
CITY OF TIJUCAS
(TIJUCAS PLANT)
BRL

70 M
ABOUT 6%

GOAL OF THE
SUSTAINABILITY
PLAN
HAVE



100% OF

SUPPLIERS ASSESSED
BY ACTIVITY RISK BY 2026



Customer orientation

Portobello originally emerged as an industrial company, but has been shifting to retail in recent years. As a result, the company has undergone a transformation in culture, operations, and investments, always keeping customers at the core of its strategy. In this context, Portobello strives to provide its customers with a sustainable experience that prioritizes quality, well-being, privacy, and innovation. Highlights of Portobello's client-oriented management include:



→ SUSTAINABLE PRODUCTS, FROM DESIGN TO DISPOSAL

Portobello is concerned with sustainability at all stages of production. It is a forerunner in the development of products using slabs – a material that has a significantly lower environmental impact than others used for the same purposes. In addition, the production adopts best practices in environmental management, such as a 100% closed-loop water systems (for the factories in Tijucas) or dry operation (in the case of Pointer). The company has also invested in thinning the packaging that accompanies the products to the customer's home to further enhance the sustainable shopping experience.

⊕ TO READ MORE, GO TO CUSTOMER-ORIENTED PRODUCT PORTFOLIO AND SUSTAINABLE PRODUCTS AND PRODUCTION



→ SUSTAINABLE SHOPPING EXPERIENCE AT PORTOBELLO SHOP

The Portobello Shop intends to reduce environmental impacts, improve the comfort and well-being of customers and reduce operating costs in its stores. To this end, the chain is launching the Lojas +Sustentável [+Sustainable Stores] Project. The first pilot, the Portobello Jardim Social unit, is being built in Curitiba, and should open in 2023.

➤ MORE DETAILS IN CLIMATE CHANGE



→ PRIVACY AND RESPECT FOR CUSTOMER DATA

Portobello has a Privacy Policy that outlines the rules for collecting, storing, and using customer data in accordance with the **General Data Protection Law (LGPD)**. The policy is explained in a straightforward and transparent manner on the company website. There is also a channel for addressing questions about the topic, which can be accessed via email at privacidade@portobello.com.br.

→ CUSTOMER ORIENTED PRODUCT PORTFOLIO

Portobello is consolidating itself as a company that provides comprehensive solutions to meet the customers' needs, with an integrated portfolio that extends beyond its original purpose of providing porcelain tiles. Largely-shaped porcelain tiles, commonly referred to as slabs, are a great example. This material enables the production of a range of items that can replace those that use production processes with greater environmental impact, such as concrete, wood, and natural stone. In 2022, Portobello released a new slab measuring 1.60m x 1.60m, the largest square format available in the market.

Officina Portobello is at the forefront of design innovation, customizing the use of slabs for a variety of purposes. It has a collection composed of countertops, furniture, niches, and objects and accessories. Next year, Officina will launch a full range of kitchen furniture crafted from slabs.

At a Portobello Shop, customers have access to a selection of products that have been curated by Portobello and its design and architecture professionals. The Officina Portobello range of porcelain tiles, metals, carpets and furniture are designed to perfectly complement each other.



The evolution of customer service

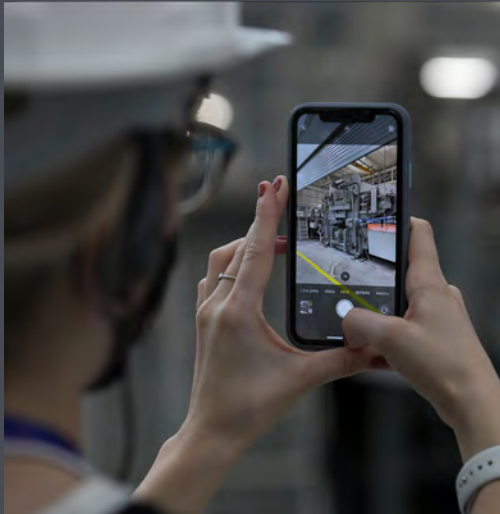
In 2022, Portobello broadened its communication with the end consumer, while reinforcing its partnership with architects – critical partners in this journey. Customer satisfaction and loyalty are measured by the Net Promoter Score (NPS), which takes into account not only the purchase experience, but also the use of products, and is a component of the variable remuneration criteria for employees. The NPS survey is conducted in two stages: the first resulted in a score of 91, while the second reached 71 – figures that outperformed the established targets by one point.

Learn about some of the initiatives implemented by Portobello's business units in 2022 that demonstrate the advancement of customer service:



→ ARCHTRENDS

The **Archtrends platform** is a hub of references and trends created by Portobello. The website is featured as a kind of social network targeting architecture professionals and the company's end customers. In 2022, Archtrends reached the mark of 800,000 monthly visits, 10,000 registered projects and a library of 40,000 images.



→ CLÍNICA DO CONSUMIDOR (CONSUMER CLINIC)

The Portobello industrial park in Tijucas (SC) holds weekly sessions with architects to gain their insights on the brand's products and designs, as well as to discuss the overall market. In 2022, for the first time, the company also held a session with end consumers, allowing them to experience Portobello's new products firsthand. Similar activities should be carried out in the future.



→ QR CODE AND VIRTUAL TOUR

The Pointer unit (AL) now adds a QR code on product boxes that links to a page with helpful information for customers, such as instructions for installation, usage, and product features. The brand also created a virtual tour for customers to explore the plant.

Portobello sparks the discussion on sustainability at Expo Revestir 2022

Portobello participated in the 2022 edition of Expo Revestir, which was held in a hybrid format (both online and in-person). The event has been taking place for over 20 years and gathers retailers, architects, interior designers, among other professionals in the construction production chain, to debate on issues related to innovation, design and business.

At Expo Revestir 2022, Portobello presented its UNLTD. Dreams collection, featuring the universe of dreams and hope for the future. The company also held lives in a special program called Dream Week. Among the topics under discussion, the presentation "Portobello Culture & ESG" addressed the importance of sustainability for the group.

⊕ ALL DREAM WEEK LIVES ARE AVAILABLE AT PORTOBELLO'S WEBSITE.



Portobello booth at Revestir 2022, in São Paulo



Sustainability Committee participating in the Live on Sustainability during Revestir 2022





The +Eco-efficient pillar of the Sustainability Plan demonstrates Portobello's ambition for smart production. The goals of the +Eco-efficient pillar are: to do more with less, ensuring that natural resources are used in a regenerative manner with a focus on the management of raw material, water, waste and neutralizing emissions.

Portobello +Eco-efficient

Circularity

About 60% of the portfolio of products manufactured by Portobello was subjected to a life cycle analysis in 2022. The purpose of the study was to verify the environmental impacts from the extraction of the raw material to its disposal by the customer, considering the water and carbon footprints, among other criteria. The materials used by the company were compared to others adopted by the market within the same impact categories.

After a third-party review, the excellent performance of the materials used by Portobello in its products was confirmed, as well as the closed-loop system for the waste generated in production. In terms of water footprint, 60x60 porcelain tiles have an impact twice as low as that of wood, almost 2.6 times lower than that of marble and more than 17 times lower

than that of vinyl. In terms of mineral resources, porcelain tiles consume 33x less than marble. Some recommended opportunities for improvement include replacing or reusing metal packaging supports, reducing adhesive mortar consumption per square meter, and recycling materials at the end of their life.

During the year, an assessment was initiated to trace the route of Portobello products from the point of origin to the customer's home, in order to gain insight into the amount of waste (from packaging and products) generated in this process. The company intends to reach 50% of circularity of packaging waste by 2027.

[CLICK HERE FOR MORE INFORMATION ON THE GRI AND SASB INDICATORS](#)

IN THIS SENSE, A FEW ACTIONS ARE ALREADY IN PLACE:

- The distribution center in São Paulo is returning pallets and supports to the Tijucas complex (SC) to be reused in the transportation of products.
- The company purchased recycling credits equivalent to 22% of all packaging waste generated in 2022 across all states of Brazil, with an additional 22.5% specifically in the state of São Paulo. Some packaging materials have

been replaced with recycled alternatives. This is the case with angle brackets, which were once made from raw materials and are now made from scraps of disposable diapers.

- Pointer set up a waste facility to securely store materials sent for recycling, such as cardboard and pallets. The unit installed a press to condense the packaging in this area.



SCAN THE QR CODE TO LEARN MORE AND WATCH THE VIDEO

CHANGES IN LOGISTICS AND PACKAGING TO PROMOTE SUSTAINABILITY AND ENVIRONMENTAL STEWARDSHIP

Over the past few years, Portobello has implemented a variety of improvements to its packaging and logistics processes in order to reduce the environmental impact of its operations. Some are listed below:

- Reduction in the thickness of the packaging for products sold domestically yields an approximate savings of 1.5 tons of plastic per month.
- Reusing factory tapes in shipping and reducing tape thickness: 135 fewer rolls of tape, or 2.3 tons of plastic that are no longer consumed monthly.
- Reduction in the use of heat-shrinkable bags in shipping resulted in an average decrease of 70 LPG gas cylinders per month to 19 cylinders, helping to reduce gas emissions.
- Reverse logistics of pallets in Tijucas factories: reduction of 192 tons of pallets per month.
- FSC (Forest Stewardship Council) label on portobello product packaging: demonstrates that the packaging is sourced from sustainably-managed forests.



Climate change

Since 2019, the Portobello unit has been conducting its greenhouse gas emissions inventory, which was expanded in the following year to include scopes 1, 2, and 3, while Pointer conducted its first inventory in 2022. Energy transition is a critical topic for the group, which has set a goal of sourcing 50% of the energy consumed by its factories from renewable sources by 2024. This means reducing the use of more polluting sources, which emit more gases that contribute to the greenhouse effect. With this goal in mind, the company has entered into a partnership agreement for the self-production of wind energy.

The partnership between Portobello and Enel represents a significant step forward in the company's Sustainability Plan. Through the contract signed between the companies, Portobello Grupo has become a partner of Enel Brasil in the Ventos de Santa Esperança 21 wind power plant, which belongs to the Morro do Chapéu Sul II wind complex – built and operated by Enel Green Power, Enel's renewable generation division. With an installed capacity of 353 MW, Morro do Chapéu Sul II is located in the municipalities of Morro do Chapéu and of Morro

do Chapéu and Cafarnaum, in Bahia, and has a total of 84 wind turbines. The 15-year contract stipulates the provision of a maximum of 10 Average Megawatts (MWm), which is equivalent to an annual consumption of 87.6 GWh.

Natural gas is currently the primary component of the group's energy matrix, accounting for nearly 90% of total consumption. It is used as thermal energy, for the operation of ovens, dryers, atomizers, and forklift movement – instead of coal, diesel, and other more polluting fuels that serve the same purpose. Although not renewable, natural gas emits less CO2 than oil and coal. In 2022, with the reduction in the thickness of the pieces, Portobello decreased its natural gas consumption by 6% in the mass drying process, which accounts for 35% of the company's input requirements.

[➤ MORE INFORMATION IN SUSTAINABLE PRODUCTS AND PRODUCTION](#)

Brazilian-sourced electric power operates some equipment and fuels the lighting of the units (all of which use LED lamps). Pointer (AL) is equipped with photovoltaic panels that supply two annexes and electric robots for the movement of products within the facility. Portobello America employees,

since its foundation, with a variety of automation resources, including electric cargo handling robots and electric forklifts. It also has more efficient electric motors, which use 20% less energy.

The units rely on a system for recovering hot air from the kilns, which is utilized in other stages of the process. The Tijucas (SC) and United States operations utilize the technology to its fullest extent, while the Marechal Deodoro (AL) plant has a partial recovery system in place. This enables savings of 12% in natural gas consumption.

In 2022, the company held a training session for top management on climate change and the effects of greenhouse gas emissions. Information and awareness enable more sustainable and assertive decisions for the future of the business. By 2023, Portobello intends to develop a plan to mitigate the impacts of climate change.

[➤ CLICK HERE FOR MORE INFORMATION ON THE GRI AND SASB INDICATORS](#)

PORCELAIN
TILE FOOTPRINT
COMPARED
TO OTHER
MATERIALS:

3X
LOWER
THAN WOOD

371%
LOWER
THAN VINYL

165%
LOWER THAN
MARBLE

SOURCE: THIRD-PARTY
VALIDATED PORTOBELLO
MATERIALS LIFE
CYCLE ANALYSIS.

Portobello Shop designs an energy self-sufficient store

The Jardim Social store in Curitiba, set to launch by Portobello Shop in 2023, is aiming to achieve Zero Energy certification from LEED (Leadership in Energy and Environmental Design). Zero Energy certification is a specific category within the LEED system that recognizes buildings that generate as much energy as they consume over the course of a year. This is achieved through a combination of energy efficiency,

renewable energy generation, and other sustainable building practices. LEED's Zero Energy certification is regarded as the highest standard of environmental performance for buildings. In the case of the Portobello Shop, the goal is to achieve self-production of energy through the installation of solar panels. This unit also had sustainability as a premise in all stages of construction.

OTHER HIGHLIGHTS OF THE PROJECT INCLUDE:

- Integrated glazing, roofing, and thermo-acoustic facilities for improved efficiency.
- Access to the store without stairs, allowing for more convenient mobility.
- Maps inside the store make it simple to locate points of interest.
- CO₂ meters indicate the need to refresh the air.
- Lifting platform for access to the mezzanine level and bathrooms adapted for people with disabilities.
- Washroom lights and taps switched on by a motion sensor, resulting in energy savings.
- Use of rainwater to reduce consumption supplied by the concessionaire.
- Selective waste collection points.

GOAL OF THE SUSTAINABILITY PLAN

ENSURE THAT

50%



OF THE ENERGY CONSUMED BY THE INDUSTRY IS FROM RENEWABLE SOURCES BY 2024.

ENSURE THAT ALL NEW PORTOBELLO SHOP CONSTRUCTIONS ARE LEED CERTIFIED.



Sustainable products and production

Portobello is the largest ceramics manufacturer in Brazil and a forerunner in the production of slabs, larger pieces that replace other materials with greater environmental impact, such as wood and stone. The primary material used in ceramics is the earth itself, taken from shallow layers of ground. In addition, ceramics can also be made with waste materials from the industry itself and from other sectors. In 2022, 21.82% of Portobello's products were manufactured with material recycled from the process itself.

[CLICK HERE FOR MORE INFORMATION ON THE GRI AND SASB INDICATORS](#)

RECYCLED MATERIALS
IN PRODUCTION

21.28%
IN CERAMIC MASS

24.15%
IN PACKAGING



The company's own quarries account for about 15% of Portobello's extraction activities. The others are managed by third parties, small rural landowners with land near the factories. The quarries do not occupy Environmental Preservation Areas (APA), Permanent Preservation Areas (APP), or legal reserves, but the competent bodies do carry out occasional inspections. These areas are typically used for farming and cattle raising. The company has protocols for restoring exploited sites, which resume their original purpose after exploitation. In 2022, 35,000 square meters were recovered by planting forage grass species (oat, ryegrass and brachiaria) and 165 tree seedlings, following previously approved studies that consider the conditions of each location.

AREAS RECOVERED IN 2022

15,000
SQ. METERS IN
LEOBERTO LEAL (SC)

20,000
SQ. METERS IN
TEOTÔNIO VILELA (AL)

→ THICKNESS REDUCTION GENERATES ENVIRONMENTAL GAINS

In 2022, Portobello invested in reducing the thickness of its ceramics from 10 millimeters to 9 millimeters, without sacrificing quality, while achieving environmental gains and optimizing costs. By November, all products were made thinner, resulting in a 10% decrease in the consumption of mass and other raw materials, water, and natural gas, while maintaining the same production volume.

Such progress was achieved through technical labor, research, and innovation. To achieve this change, the company had to adjust the composition of the material so that the ceramic would be able to withstand firing without compromising its properties. The plant in the United States will launch will soon be inaugurated producing ceramics with a thinner thickness of 8 millimeters.



Environmental management

Portobello’s environmental management is based on a regenerative production process, with a smart use of resources, repurposing all feasible materials and recovering areas impacted by its operations. The company also values the adoption of renewable raw materials and innovation in the development of more sustainable products.

One of the short-term goals in this area is the adoption of a digital environmental management system. The platform should integrate all monitored environmental indicators, making it easier to track goals and make decisions. Water-related indicators will be the first to be incorporated.

The Tijucas (SC) unit is not located in an environmental protection area or nearby areas with high biodiversity value. Pointer, on the other hand, is located in Marechal Deodoro (AL), near the Santa Rita Environmental Protection Area (APA), which spans more than 10,000 hectares and comprises several municipalities in the region. It was created by Law No. 4.6074/1984 to protect the environmental and natural characteristics of the channels and the Mundaú and Manguaba lagoons, regulating the occupation of the land in a region with mangroves, hillside woods, sandbanks, reefs, lagoon islands and an estuary. The land occupied by the unit does fall into any location or geographic restriction, as per Article 11 of IMA Normative Instruction no. 03/2016. 03/2016.

ENVIRONMENTAL +AWARENESS

In 2022, Portobello created an internal award to encourage employees to take on a leading role in environmental management. The Consciência +Ambiental [Environmental +Awareness] Seal recognized initiatives that focuses on solving problems and generating a positive impact, based on a technical analysis of the results achieved, their replicability and alignment with the Sustainable Development Goals. The projects awarded during the year were:



RECYCLED ANGLE BRACKETS



The project’s primary purpose was to find an alternative to the angle brackets used in pallets, such as product made from recycled material, as a way to deliver benefits to the environment and reduce costs. The brackets previously used were either made with 100% pure eucalyptus fiber or 50% cardboard.

The solution found was to use brackets made of recycled scraps from disposable diapers. Tests carried out on the product were so successful that the material was adopted in all Portobello factories (in Tijucas, SC) and also shipped to distribution centers. The project resulted from the joint efforts of the packaging and shipping teams, and the Tijucas plant units, in addition to the raw material supplier. The solution has an impact on SDG 12 - Responsible Consumption and Production.



REUSE OF PACKAGING PALLETS



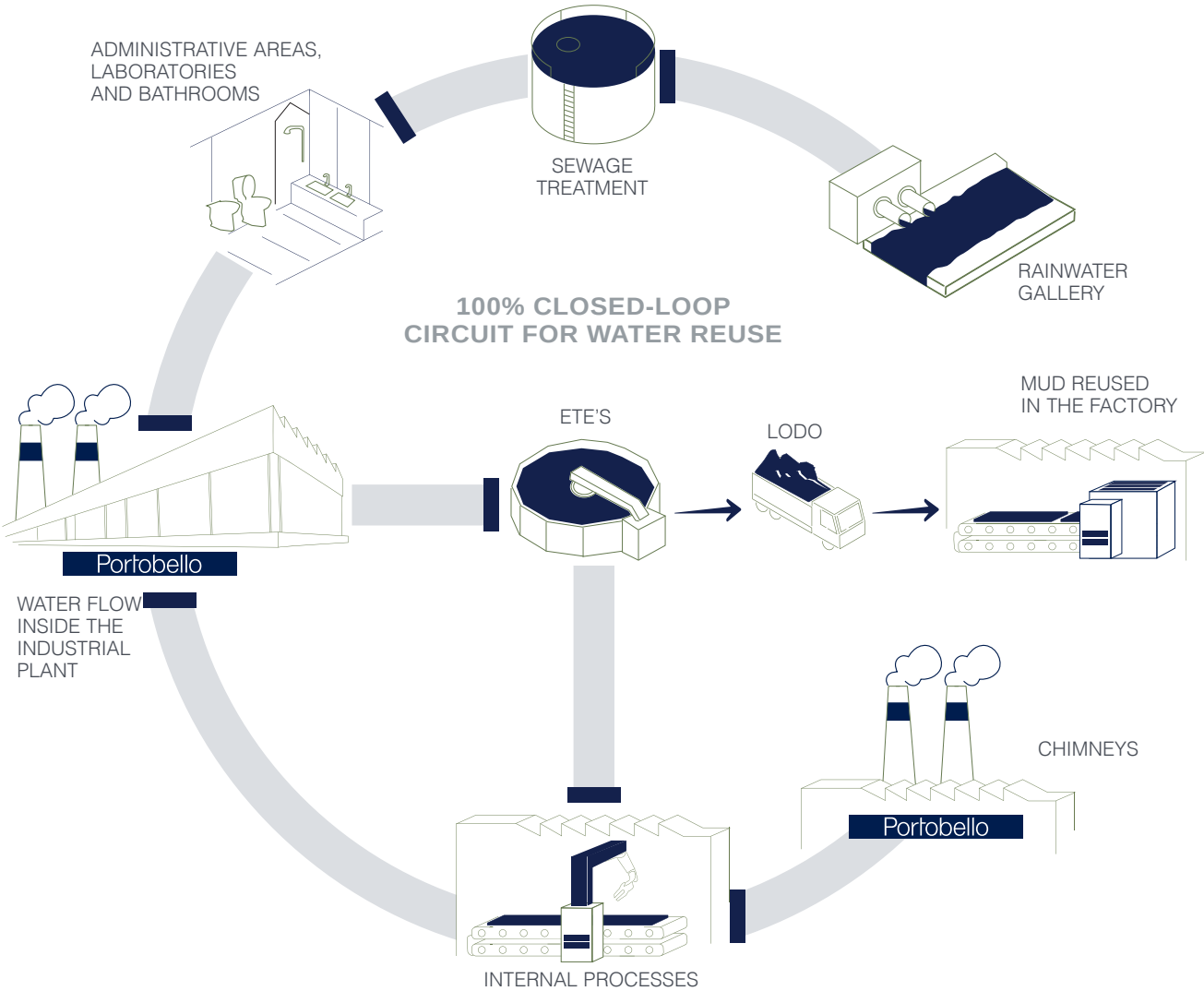
The project’s primary purpose was to reincorporate wooden pallets that were discarded after the consumption of packaging by the polishing sector of the Portobello unit into the production process. Through reuse, the area managed to reduce the amount of discarded wood and the number of purchased pallets, resulting in cost savings and an estimated 10,000 fewer pallets purchased by the company. The solution has an impact on SDG 12 - Responsible Consumption and Production.

Water management

Water is used in industrial and management processes at Portobello. The six factories at the Tijucas complex have individual water meters and consumption targets. A 100% closed-loop system ensures the treatment and reuse of all industrial water as part of the process. The volume that needs to be replenished (due to evaporation) and the input required for the glazing stage or for consumption in administrative areas is sourced from river sources (30%) and underground sources (70%), located on the company's own land. Consumption is in line with the allocated volume of freshwater withdrawal and the guidelines for the watershed basin where the unit is located.

The Portobello unit is located near the Tijucas River Watershed Basin, in Santa Catarina. The company utilizes Aqueduct, a data and tool platform developed by the World Resources Institute (WRI), to gain insight into water-related risks in the region. According to the tool, the facilities at the manufacturing park are located in an area of low water stress. Nevertheless, the topic is highly regarded by the company's employees and leadership, with a consistent goal of minimizing negative impacts on the local ecosystem and risks to the business.

During the reporting period, the operation in Tijucas withdrew 363,460 megaliters of water (-3.6%). The average withdrawal rate was 13 liters per square meter produced. The company discharges effluent from bathrooms and cafeterias only after treatment, in accordance with the standards set forth in federal and state legislation (CONAMA No. 430/2011, CONSEMA Resolution No. 181/2021, and State Law No. 14.675/2009).



¹ The parameters and discharge standards considered by Portobello unit in Tijucas were: pH between 6 and 9; temperature up to 40.0 °C; sedimentable materials up to 1 mL/L; mineral oils up to 20.0 mg/L; vegetable oils up to 30.0 mg/L; absence of floating materials; removal of 80% or up to 60.0 mg/L of BOD; NA for free residual chlorine, dissolved oxygen, COD, nitrate, Escherichia coli, and ammonia nitrogen. On the other hand, Pointer is regulated by the state agency LO No. 2022.06041250230.EXP.LON, Institute of the Environment of the State of Alagoas (IMA), and adhere to the periodic cleaning and maintenance requirements of the sanitary sewage system (septic tank and soakaway).

The Pointer unit follows a dry ceramic manufacturing model, which does not add water to the mass, consuming 70% less input than the wet process. It also employs a 100% closed-loop system, which processes effluents in two stations, replacing only the volume lost through evaporation. The unit uses a treatment technology that removes the residues from the water, essentially clay and glaze, which are reused internally. After treatment, the input is sent to an artificial lake inside the factory. Bathroom and cafeteria effluents are treated according to local legislation and disposed of underground, in an area not subject to water stress.

Pointer sources 100% of its water from an artesian well, adhering to the allocated volume. The unit withdrew 48.76 megaliters of water (+10%) and achieved an average of 3.49 liters of water per square meter manufactured. Last year, Pointer launched a campaign to educate employees on reducing residential and corporate water consumption and also hosted workshops, lectures, and special days of activities on the topic.

In 2022, Portobello began replacing the current analog consumption meters with digital meters with automatic real-time reading at its Tijucas unit (improvement to be completed by 2023). This new technology will assist in monitoring indicators and setting goals, as well as managing usage by identifying problems more easily and areas where consumption can be optimized.

Similarly to Brazilian units, the Portobello America factory will feature a 100% closed-loop circuit for water reuse. In addition, the industrial plant will use a dry grinding model to save water.



AMBASSADORS OF THE ENVIRONMENT PROJECT IS AWARDED



In 2022, Portobello's Embaixadores do Meio Ambiente [Ambassadors of the Environment] Project was granted the 22nd Fritz Müller Award, in the Production Inputs Conservation (water) category, and the 2022 ESG Award from Association of Sales and Marketing Managers of Brazil in Santa Catarina (ADVB/ SC).

The award-winning case brings together an array of solutions created by company employees to reduce water consumption. Among the main actions taken were the exchange of equipment, identification and elimination of leaks, as well as operation in a 100% closed-loop circuit. ADVB/ SC' 2022 ESG Award also recognized Portobello's Sustainability Week.

Photos:
João Henrique Oliveira, Portobello Unit's CEO;
Edemilson Barbosa, People and Management manager; and Fabiola Gava, environmental specialist at the Portobello Unit, receiving the Fritz Muller Award, in Florianópolis | SC

Fabiola Gava, environmental specialist at the Portobello Unit, receiving the ADVB/SC ESG Award, in Chapecó | SC



Waste management

Portobello has an efficient waste management system. In Tijucas (SC), the waste generated in production is fully reused within the process, while a portion of the remaining materials is sent to recyclers and other industries. Only restroom and cafeteria waste was sent to landfill in 2022, which will change starting in 2023 with the adoption of an action plan to eliminate landfill disposal. In reporting period, the Tijucas operation achieved a 99% recycling rate.

Pointer reuses part of the waste in its production and began selling the remaining part to a cement company. In 2022, the recycling rate soared to 96%. Operation is exploring ways to reduce waste production, as well as examining the use of composting for organic materials and the utilization of abrasives to avoid sending this material to an industrial landfill. The goal is to achieve a 99% recycling rate.

Both Tijucas and Pointer currently incorporate waste in the composition of all manufactured products. Waste corresponds to almost 22% of the raw material of the products.

The company started research to bring waste from other production processes to its plants in Brazil, which would allow for a reduction in the consumption of natural resources. Economic feasibility depends on factors such as proximity to the factory and consistency in the supply of the input. Portobello America will launch its operations with cutting-edge utilization processes. The unit is expected to reuse its own waste (7-8% of the raw materials used in production) and, primarily, waste from external sources (15% of the raw materials) – such as byproducts from the production of tiles, industrial sand, and glass.

Portobello intends to launch an incentive program to encourage the collection of waste generated by customers at their construction sites. This initiative, still in the works, will begin with the backing of Portobello Shop stores and then be broadened with the involvement of other outlets.

In Tijucas, the selective collection system was revamped in 2022. The trash cans used by the unit were purchased from a company that uses Portobello's own plastic in the production of the containers, encouraging circularity.

 TO READ MORE, GO TO CIRCULARITY





To ensure an attractive, diverse, and inclusive environment for the best talents, who deliver excellent results and are at the forefront of the social transformation of the communities to which they belong, sharing the company's values and expertise.



Portobello +People

Team and community development

Portobello's training programs aim to develop technical and behavioral skills. Under the technical pillar, the company partnered with SENAI to provide training on specific skills, which reached 405 people. In 2022, a new course on Ceramic Processing was launched.

Under the behavioral pillar, the company mainly focuses on leadership development. Approximately 40 people were selected for a coordinator development program during the year. Through an assessment, the company identified the participants' strengths and areas for improvement to determine the topics to be covered. Other tools for leadership development include coaching, mentoring, and immersion programs.

Also with the purpose of developing behavioral skills, training sessions were held in nonviolent communication and emotional intelligence,

attended by 100 employees. Another 100 employees participating in recruitment processes received training in interview and competency-based selection skills in order to make the company's recruitment processes more effective. In addition, the training and development team supported Compliance in creating courses on the company's integrity policies.

➤ MORE DETAILS IN ETHICS AND INTEGRITY

In the retail sector, the company aims to foster a data-driven culture by conducting workshops to develop analytical profiles and prepare employees for decision-making. Another important training tool targeting Portobello Shop, including franchises, is the Portobello Academy, which offers several online courses on technical and behavioral topics. In 2022, around 1,200 employees of Portobello Shop stores were granted access to the tool.



Portobello Shop team during the Franchisee Convention 2022, in São Paulo | SP

To contribute to people's development, there are also four types of performance evaluations: two annual (Individual Performance Review of Results, focused on performance, and the 360°, for leaders, and 180° evaluation for other employees) and two biannual (Career Evaluation, which manages the professional journey, adjusting people to the positions, and Individual Performance Review of Talents, to identify internal talents and generate the succession map).



2022 TRAINING PROGRAMS IN NUMBERS:



→ RETAIL TALKS

Portobello Shop created the Retail Talks series, broadcast live to its employees and franchisees every Thursday, where the company invites internal experts to share their knowledge on several topics such as marketing, sustainability, logistics, diversity, and nonviolent culture. The content is also available on a platform for those who cannot watch it live.

Portobello Shop's retail culture is also shared with its retailers and franchisees through conventions and business-related live streams to discuss results, marketing, and trends.

→ TASTING SKILLS

Portobello is always looking for innovative formats in training and development. In 2022, the company promoted the "Saboreando Competências" [Tasting Skills] experience for a team of 27 managers and 4 directors. The group literally had to get their hands dirty in a culinary activity, while facing challenges that simulated situations in the work environment. The experience prompted a reflection on the behavioral skills needed to succeed in an ever-evolving market. In the end, participants were able to savor the dishes they cooked.

Community capacity-building

Portobello granted 21 scholarships with a 70% discount on technical courses in Information Technology to relatives of the company's employees. The company intends to open internship positions for the students. The area was chosen to reflect the strong market demand for qualified labor.

The Pointer unit promoted a Production Planning and Control training to 20 women residents of Marechal Deodoro, where the factory is located. The course was offered through a partnership with the Municipality and SENAI, and focuses on professional development and inclusion of women.



Human Rights

Portobello believes in the social role of companies and that it is possible to contribute to the human rights agenda on several fronts through business. Thus, it has been developing tools, policies, and initiatives to encourage diversity within its operations. It is also improving practices that promote well-being, appreciation, and safety for its employees, as well as an environment that is honest and free from any type of harassment.

Additionally, it supports the communities surrounding its operations with initiatives to generate income and foster local welfare.

➤ [CLICK HERE FOR MORE INFORMATION ON THE GRI AND SASB INDICATORS](#)



Diversity

In the “+People” pillar, one of Portobello’s Sustainability Plan focus is on increasing diversity across the organization, especially in the areas of gender equality and inclusion of people with disabilities. In 2022, the company conducted a diversity census. This initiative gathered data on the composition of the team in terms of gender, race, sexual orientation, age, ethnicity, and other factors. The goal was to provide an overview of the company’s diversity and identify any gaps.

In addition to demographic information, the census also measured adherence to the Ethics Channel for reporting prejudice and discrimination, assessed perceptions of the company and its working conditions, and explored involvement in volunteer programs. A total of 3841 representatives from all of the group’s units participated, including Portobello Shop stores and franchises – accounting for 78% of the target audience. The results were used to develop action plans for each unit. The group is also preparing a study on pay equity, which is expected to be completed in 2023.



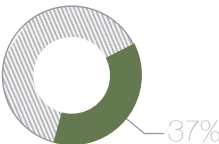
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KEY FINDINGS OF THE DIVERSITY CENSUS

ALL EMPLOYEES



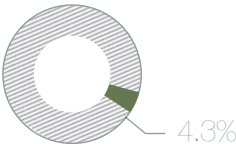
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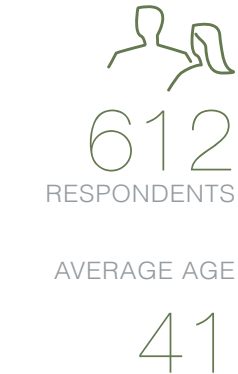
WOMEN



PERSONS WITH DISABILITIES



LEADERS



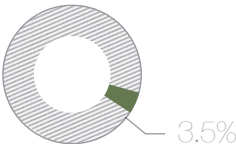
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WOMEN



PERSONS WITH DISABILITIES



FURTHER HIGHLIGHTS ON DIVERSITY IN 2022
INCLUDE:



The LiderA Mulher [Women Leaders] Program was launched with the purpose of promoting a culture of respect for differences, providing a healthy and diverse environment within the company. The initiative was created based on the guidelines of the group's Sustainability Plan, initially focusing on gender and disability issues.

In 2022, the first year of LiderA Mulher's activities, the focus was on discussion and awareness-raising. Throughout the year, several meetings and lectures were held, addressing topics such as gender and the job market, imposter syndrome, violence against women, and mental health.

The program aims to build a strong employer brand among diverse audiences, making Portobello an inspiring company for new professionals and disseminating the concept of diversity among the team and leadership positions. Other expected results include improving the organizational climate, providing greater support for the compliance program against harassment, increasing integration, equal opportunities, and salaries.



1st meeting of the LiderA Program in 2022, Florianópolis | SC



 TRAINING FOR PCD EMPLOYEES AND COLLEAGUES

In 2022, the Portobello unit conducted a survey on people with disabilities, their roles, and what type of training could help improve their job performance and interaction with colleagues. In this process, 20 hearing-impaired individuals were identified, of which 13 are oralized, 5 use Brazilian Sign Language (LIBRAS), and 2 do not communicate via LIBRAS and will be trained. Employees without any degree of hearing impairment but who work directly with PCD colleagues – 20 people – participated in a 20-hour LIBRAS training and are taking a more advanced, 60-hour course.

In addition, the entire Tijucas park (SC) underwent a renovation, completed in 2022, to adapt its spaces for people with impaired mobility. As a result, employees can move around the unit more easily, including in restrooms and common areas.



GOAL OF THE
**SUSTAINABILITY
PLAN**



ACHIEVE

50%



WOMEN IN LEADERSHIP POSITIONS
BY 2027.

RECEIVE THE GREAT PLACE TO
WORK SEAL BY 2025.



Salaries

Portobello has a jobs and salaries policy that specifies the criteria for salary progression and promotions. Compensation is established based on market research and agreements with the unions representing the workforce categories, ranging all employees, excluding interns and apprentices, which accounts for 95.1% of the team.

The Collective Bargaining Agreement is applied to 99.5% of employees, with the remaining 0.5% comprising statutory directors, board members and interns. The guidelines that establish salaries are under improvement, including a more detailed analysis of the highest and lowest salaries and the pay gap between men and women. The top management participates in the process of defining salary policies.

THE COLLECTIVE
BARGAINING
AGREEMENT IS
APPLIED TO

99.5%
OF EMPLOYEES,

THE REMAINING
0.5%
COMPRISING STATUTORY
DIRECTORS,
BOARD MEMBERS
AND INTERNS.



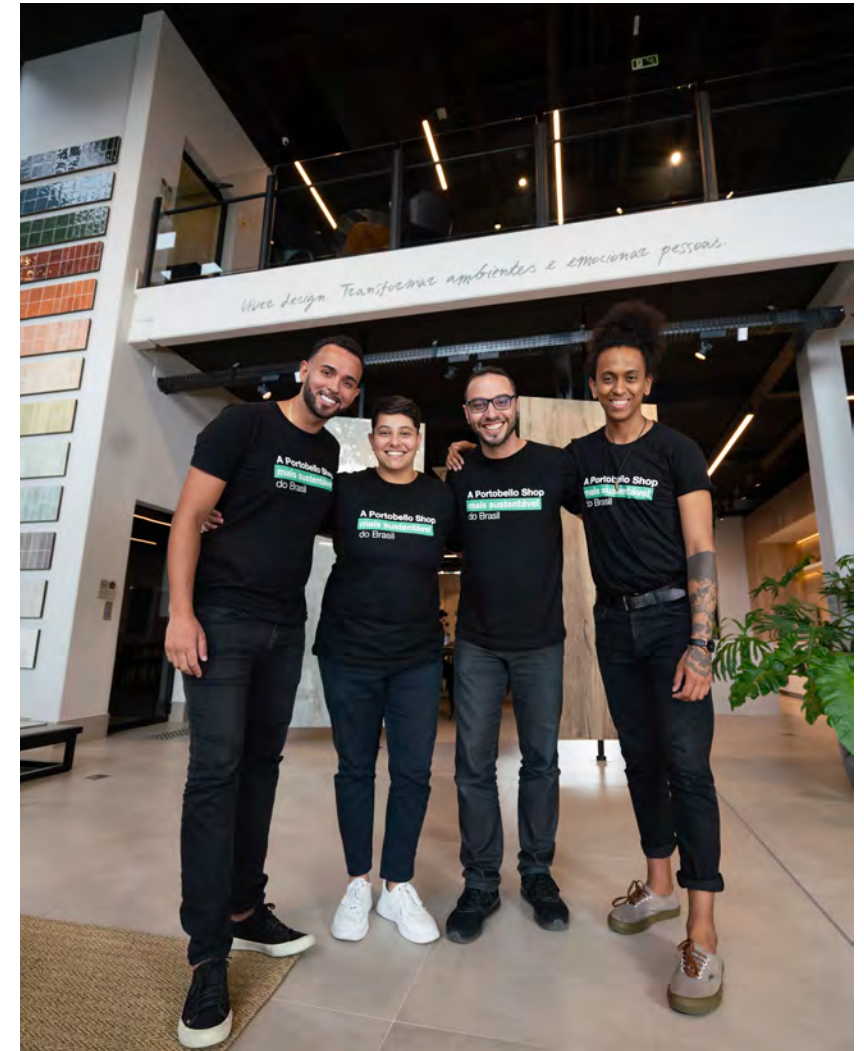
Health and safety in the workplace

Portobello has a robust security system in place, created to assess and improve accident prevention practices in the workplace. The approach is positive and seeks to engage employees in finding solutions. The employees who make up the specialized health and safety service structure have mid-level technical education in occupational safety and nursing or a university degree in occupational safety engineering and occupational medicine.

The company aims to comply with the regulatory standards of the Ministries of Labor and Social Security, which are used in establishing guidelines. Occupational risk management is based on Regulatory Standard No. 1, which aims at continuous improvement in health and safety processes through the PDCA (Plan, Do, Check, Act or Adjust) cycle. The company does not have a management system based on international standards or guidelines, such as ISO 45001, but instead relies on best practices from industry-leading companies.

Portobello uses risk management tools, such as Preliminary Risk Analysis (PRA), to identify potential hazards in operations, considering the likelihood of exposure to risk and the severity of the consequences to the health and safety of the worker. Based on the analyses, necessary control measures are established to eliminate or reduce the risk. PRA uses risk matrices established by national or international methodologies, depending on the risk under assessment.

Additionally, the results of the assessments and studies feed into emergency action plans, operational procedures, training refresher courses, facility specifications and processes for promoting continuous improvement. Risks in routine operations are also considered. The management process may also include structured analysis techniques, assessment of potential outcomes, and other supplementary research for non-routine or highly specialized activities.



→ OCCUPATIONAL HEALTH AND SAFETY TRAINING

To deliver OHS-related training, professionals proficient in the subject or graduates from renowned institutions are designated. Training includes:

- Mandatory training, foreseen in the regulatory standards, given to all employees who perform high-risk work, such as: working at height, confined spaces, cargo handling, electrical work
- Behavioral training, conducted by an organizational psychologist
- Complementary training to all employees, such as the integration of newly hired employees, addressing the basic guidelines of the OHS Policy

The topics covered and the necessary frequency are specific to each training, which can be annual, biennial, or completed in a shorter period of time due to specific demands. Over the year, a total of 6,027 hours of safety training were delivered to 416,632 participants.

To foster engagement, short 10-15 minute talks on topics related to operational areas are held daily. The purpose is to disseminate information through an easy-to-understand, didactic language with practical applications.



→ WORKER PARTICIPATION AND INCIDENT REPORTING

Work orders issued and provided to employees explicitly state the right to refuse work, as provided for in Regulatory Standard No. 1 of Ordinance 3.214/78 of the Ministry of Labor. This standard allows workers to interrupt activities that pose a serious and imminent risk to their lives and health, and they must immediately inform their hierarchical superior. Workers cannot be required to return to work until corrective measures have been taken.

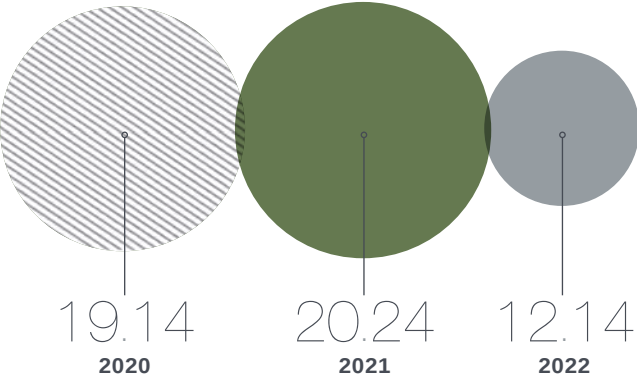
The worker engagement process is ensured by the Internal Commission for Accident Prevention (CIPA), which meets monthly and has representatives elected by the employees and appointed by the company, from all hierarchical levels. There is also the incident reporting channel, used by all employees to report dangerous conditions, risk situations, and improvement requests, and the whistleblowing channel, managed by a third-party firm. Both protect the whistleblower from any kind of retaliation.

→ INCIDENT RECORDS
IN 2022

The health and safety management covers both administrative and industrial areas, as well as outsourced workers. However, outsourced workers are not included in incident records due to their high turnover rate, which causes significant variation in hours worked. Between November 2022 and January 2023, 2,239 employees were audited on internal safety procedures through the SPI (Safety Performance Indicator) tool.

In 2022, the rate of reportable accidents stood at 12.14, with 86 accidents reported, of which, 11 were considered severe (a rate of 1.55). The most common records were trauma (45%), cuts (20%), abrasions (10%), burns (8.8%), fractures (5%), sprains (5%), crushing (3.8%), foreign body in the eyes (1.3%), and puncture (1.3%). No fatal accidents were recorded. The rates were calculated with a reference of 1,000,000 hours worked, and a total of 7,086,112 working hours were recorded in the year.

RATE OF REPORTABLE ACCIDENTS



The methodology used to calculate the accident rate indicators is outlined in NBR 14280, which sets criteria for the registration, communication, statistical analysis, and assessment of work accidents, their causes, and consequences. The identified hazards during the year were: material falling; being run over; tripping; outdated equipment; pressing; interfering with moving machinery; and operating self-propelled equipment.

To investigate the occurrences of incidents and accidents, analyses are carried out through interviews, observations of evidence of the event, data and document collection, investigation and identification of root causes and contributing causes to then determine the corrective or preventive actions to eliminate the risks. The methodology used for the accident analysis is called a Cause Tree, which aims to systematically structure the occurrences, allowing for the visualization of all the factors that contributed to the accident. From this visualization, prevention measures are established in order of priority.

ACTIONS TAKEN IN 2022
TO MITIGATE ACCIDENT RISKS

- Installation of guards on machinery and equipment
- Installation of alert devices on self-propelled equipment
- Maintenance and replacement of obsolete equipment or equipment parts
- Training
- Area signaling
- Sizing of personal protection equipment
- Replacement of processes and products
- Installation of collective guards
- Amendment or creation of operational procedures



PEOPLE'S
HEALTH

In order to promote health in the workplace and reduce work-related risks, Portobello employees undergo periodic occupational exams as well as additional exams. Those who perform tasks with a high degree of risk undergo biennial medical assessments. In 2022, there were no fatalities resulting from occupational diseases or reportable occupational diseases.

Access to medical and health services for non-work-related issues is made possible through an in-house clinic staffed with doctors contracted to provide medical assistance, and a Unimed office focused on providing medical care for employees and their dependents, about 380 employees and 120 families per month. Through a partnership with Unimed, it offers the Comprehensive Health Care program, focused on preventive care. In addition to doctor's appointments, psychological, social, and nutritional care is available. Another preventive action is Pulse, which encourages physical activity through running and functional activities, from Monday to Thursday. Emotional health, on the other hand, is addressed by a specific program, which includes individual appointments in the units themselves. Four hundred people benefited in 2022. The company also promotes campaigns, such as Pink October and vaccination campaigns.



Human rights in communities

Portobello Group's vision is be at the forefront of social transformation in the communities where it operates, while embodying the company's values and knowledge. The company's engagement with the community occurs in two fronts: promoted projects and the Portobello Volunteer Program.

The company intends to become a benchmark in the development of promoted projects, believing in their potential to generate positive impacts. The engagement of partners and suppliers is encouraged to enhance the effects of such initiatives.



The Volunteer Program is considered the company's primary social initiative. It underwent a strategic review in 2022 and its updated version will be fully implemented

along the following year. A decentralized management model will be adopted, with a social policy adaptable to all units of the group. Three pillars were established: Double Donation, Knowledge Donation, and Time Donation, with the latter two launching in 2023.

The company strives to be proactive in its initiatives, seeking solutions that can transform communities through culture, design, sports, and income generation. One of the goals for the coming years is to expand the target audience, ensuring diversity and inclusion in social projects. In 2022, 11% of Portobello unit employees, 63% of Pointer employees, and 14% of Portobello Shop employees participated in volunteer actions.

DONATION OF COATINGS



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DOUBLE DONATION

- Activities:**
- Focused on the donation of physical goods, financial goods, or blood, activities already consolidated by the group. In 2022, several initiatives were undertaken in this area, including winter-wear campaigns, Christmas charity events, and emergency relief efforts.
 - As a highlight, the Portobello unit promoted monthly blood donation campaigns to the Florianopolis Hematology and Hemotherapy Center. Pointer, on the other hand, welcomed the Maceió Hematology Center staff at its manufacturing unit.
 - Other activities carried out by Pointer include the donation of flooring to a cooperative of charru mussel collectors and the Christmas Solidarity campaign. The unit's employees answered 75 letters from children with requests for gifts. For each gift given by an employee, Pointer donated a staple food basket.



- Frequency:**
- It follows an annual schedule of events, with activities carried out over several months.

KNOWLEDGE DONATION

- Activities:**
- Focused on skills and capabilities. It involves courses, training, and activities to develop specific skills, such as sales, innovation, design, and digital tools. Mentoring initiatives under the LiderA Mulher [Women Leaders] Program are also considered.



- Frequency:**
- Quarterly or semi-annual modules as of 2023.

TIME DONATION

- Activities:**
- Focused on the promotion of architecture throughout the communities. It involves collective efforts to renovate, humanize public spaces, transform environments with creative design and innovation, as well as practical courses such as carpentry and painting.



- Frequency:**
- To be held annually as of 2023.

Sururu: Shells that Change



Sururu: Conchas que Transformam [Charru Mussels: Shells that Change] Project is a key initiative for Portobello under the ESG scope. The initiative aims to develop the community of Vergel, in Alagoas, through circular economy, with a focus on redefining the use of the charru mussel shell. Previously treated as waste, the shell has become the primary raw material of the Cobogó Mundaú – a piece with perforated elements produced from the shell launched during the Expo Revestir 2021. In the 2023 edition, new exclusive products designed by Marcelo Rosenbaum, a partner of Portobello in the promotion of circular economy and sustainable design, will be introduced.

The first piece designed, the Cobogó Mundaú, was named after the Mundaú lagoon and features an organic perforated cutout, inspired in the charru mussel shell – an intangible cultural heritage of Alagoas. The Sururu: Conchas que Transformam [Charru Mussels: Shells that Change] Project is carried out in partnership with the Brazilian Institute of Sustainability (IABS) and the A Gente Transforma Institute, headed by Marcelo Rosenbaum.

As of 2023, the project will have a dedicated space in the new Portobello Shop in Jardim Social, Curitiba, and in all units of the network, as well as larger-scale production in partnership with Pointer, a democratic design brand within the group.

THIS PROJECT ENCOMPASSES 3 SUSTAINABILITY PILLARS

ENVIRONMENTAL

- From the solution for the waste, giving new purpose to the shell.

SOCIAL

- Through circular economy, the project positively impacts the entire community involved, from cultivation to waste disposal, generating jobs and improvements for the families that depend on this activity.

ECONOMICALLY

- By engaging with shellfish collectors, who are responsible for collecting and selling shells, creating a new source of income for families.





88

TONS LESS CHARRU
MUSSEL SHELLS IN
THE ENVIRONMENT,
REPURPOSED FROM
GARBAGE TO RAW
MATERIAL FOR THE
COBOGÓ

ABOUT

20

FAMILIES PARTICIPATE
IN THE MONTHLY
CAPACITY-BUILDING

EVENTS AND THE
GATHERING WITH
THE SHELLFISH
COLLECTORS FOR
PARTNER DEVELOPMENT
AND ENGAGEMENT.



SCAN THE QR CODE
TO LEARN MORE
AND WATCH
THE VIDEO



Portobello ended 2022 with a growth of 14.9% in net revenue and 5.7% in adjusted and recurring EBITDA, compared to the previous cycle. Likewise, the individual numbers for almost all business units have jumped when compared to 2021. The company managed to exceed expectations within a difficult market scenario, as indicated by most sectorial indexes.

According to the Brazilian Association of the Construction Materials Industry (Abramat), sales of construction materials suffered an accumulated loss of 7% in 2022. In turn, the National Association of Ceramic Tile Manufacturers (Anfacer) indicates a 17.7% reduction in volumes (in square meters) compared to 2021. The Cielo Broad Retail Index (ICVA), which measures the retail

building materials sector in Brazil, presented a nominal retraction of 5.4% in the fourth quarter of 2022, compared to the same period in 2021.

The Portobello unit was successful in its channel diversification strategy, which allows efforts to be focused on the hottest markets and those with the highest profitability. Its net revenue was 13% higher than in 2021, driven by the growth in sales of ballasts and large formats, by price flexibility, and by the pass-through of cost increases.

Portobello Shop recorded significant growth of 28.5% in its net revenue. With 145 stores in operation, 25 of which are company-owned, the unit has invested in an expansion strategy, allied to strong

operational results. The highlight of the year was the performance of the company's own stores, including those acquired, which had a 62.7% increase in net revenue for the year.

Pointer was heavily impacted by the decrease in demand for civil construction, which hit the North and Northeast regions, markets served by the unit, the hardest. Net revenue for 2022 dropped 16.5%. However, Pointer had good results related to profitability, with an EBITDA margin of 18.5%.

Finally, Portobello America's net revenue grew 32.9%. The unit implemented a strategy of scaling up and increasing demand that circumvented the challenging North American market environment. With

the start of operations of its own plant in 2023, the unit should minimize the pressure of freight and production costs, currently measured in Brazilian reais, which experienced an increase in 2022.

Portobello Grupo expects a challenging year in 2023, but notes the resilience of the premium building materials market and relies on a well-designed strategy based on channel management, international expansion, retail, innovation, and product mix qualification. The company closely monitors interest rates, which are at high levels and affect the consumption of durable goods. To mitigate risks, Portobello performs a disciplined financial management, with liquidity preservation and austerity in the choice of investments.

CONSOLIDATED
NET REVENUE:

BRL 2.196
BILLION
(+14.9%)

NET REVENUE
PER UNIT:

PORTOBELLO
BRL 1.022
BILLION (+13%)

PORTOBELLO
SHOP:
BRL 813
MILLION
(+28.5%)

POINTER:
BRL 225.4
MILLION
(-16.5%)

PORTOBELLO
AMERICA:
BRL 233
MILLION
(+32.9%)

ADJUSTED AND
RECURRING EBITDA:
BRL 386.4
MILLION
(+5.8%)

ADJUSTED AND
RECURRING NET
INCOME:
BRL 137
MILLION
(-26.9%)

GRI and SASB Annex

CLIMATE CHANGE

GRI 302-1 and SASB EM-CM-130a.1 Energy consumption within the organization (GJ)

	2020		2021		2022	
	PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER
NON-RENEWABLE FUELS						
Natural gas	3,102,492.76	-	3,590,170.84	-	3,505,770.71	800,235.36
Diesel oil	12,784.35	-	14,204.33	-	15,294.78	538.45
Lubricating oils	1,538.66	-	-	-	1,298.14	-
Electric power	-	-	-	-	78,072.10	21,670.77
LPG	-	-	-	-	557,290.70	-

Data not reported in 2020 and 2021 were not accounted for. Regarding electricity, in previous years, 100% had been classified as renewable.

	2020		2021		2022	
	PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER
TYPE OF SOURCE						
Total consumption of non-renewable energy	3,116,815.77	721,654.63	3,604,375.17	923,956,.79	4,157,726.43	822,444.58
Total consumption of renewable energy*	394,517.97	103,530.78	456,012.91	110,657.70	378,489.87	98,971.54
TOTAL	3,511,333.74	825,185.41	4,060,388.08	1,034,614.49	4,536,216.30	921,416.12

*Electric power.

TYPE	2020		2021		2022	
	PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER
Electricity	394,517.97	103,530.78	456,012.91	110,657.70	456,852.43	120,642.31
Heating	3,116,815.77	721,654.63	3,604,375.16	923,956.79	4,079,654.33	800,773.81
TOTAL	3,511,333.74	825,185.41	4,060,388.07	1,034,614.40	4,536,506.76	921,416.13

The following measurement tools were used:

- Natural gas - control of natural gas consumption meters, which use the Nm³ unit of measurement.
- Electricity - data is obtained from the monthly electricity consumption bill.
- Diesel oil - data is obtained from the internal control of machinery supply.

Conversion factors used:

- 1Nm³ Natural Gas = 8,407 kcal
- 1Nm³ Natural Gas = 0.03517 GJ
- 1 kWh = 3.60E-03 GJ
- 1 l Diesel oil = 8,620 kcal
- 1 l Diesel Oil = 0.03609 GJ

GRI 302-3 - Energy Intensity (GJ/m²)

	2020	2021	2022
Portobello	0.1457	0.1402	0.1622
Pointer	0.0015	0.0018	0.0084

The energy intensity is calculated based on the square meter produced of ceramic coating and takes into account the consumption within the organization of natural gas, diesel oil, lubricating oil, LPG, and electricity.

GRI 305-1 and SASB EM-CM-110a.1 Direct Greenhouse Gas Emissions (tonCO₂e) - Scope 1

TYPE	2020		2021	
	PORTOBELLO	POINTER	PORTOBELLO	POINTER
Total Emissions	175,142.19	-	203,164.64	47,099.02
Biogenic CO ₂ emissions	66.77	-	70.44	1.07

The 2022 inventory will be completed by June 2023, as the 2022 GHC Protocol tool has not yet been released.
Gases included: CO₂, CH₄, N₂O, HFCs.
Source of emission factors: CO₂ - 1, CH₄ - 28, N₂O - 265, SF₆ - 23,500, HFCs - 4 to 12,400, PFCs - 6,630 to 23,500, NF₃ - 16,100.
Consolidation approach: operational control.

GRI 305-2 Indirect Greenhouse Gas Emissions (tonCO₂eq) - Scope 2

TYPE	2020		2021	
	PORTOBELLO	POINTER	PORTOBELLO	POINTER
Total Emissions	7,096.05	-	16,186.32	4,518.23

The 2022 inventory will be completed by June 2023, as the 2022 GHC Protocol tool has not yet been released.
Gas included: CO₂.
Source of emission factors: CO₂ - 1, CH₄ - 28, N₂O - 265, SF₆ - 23,500, HFCs - 4 to 12,400, PFCs - 6,630 to 23,500, NF₃ - 16,100.
Consolidation approach: operational control.

GRI 305-3 Other Indirect Greenhouse Gas emissions (tonCO₂eq) - Scope 3

TYPE	2020		2021	
	PORTOBELLO	POINTER	PORTOBELLO	POINTER
Total Emissions	4,882.03	-	5,863.54	2,337.44
Biogenic CO ₂ emissions	539.43	-	660.70	273.79

The 2022 inventory will be completed by June 2023, as the 2022 GHC Protocol tool has not yet been released.
Gases included: CO₂, CH₄, N₂O, HFCs.
Source of emission factors: GHG Protocol and IPCC.
Calculation considers: outsourced equipment, solid waste, business trips, outsourced transportation and transportation of employees.

GRI 305-4 Greenhouse Gas Emission Intensity (kgCO₂e/m₂)

2020		2021	
PORTOBELLO	POINTER	PORTOBELLO	POINTER
7.76	-	7.78	2.82

The 2022 inventory will be completed by June 2023, as the 2022 GHC Protocol tool has not yet been released.
Calculation based on the square meter of ceramic tiles produced, considering scope 1, 2 and 3 emissions.
Gases included: CO₂, CH₄, N₂O, HFCs.

GRI 305-6 Emissions of ozone-depleting substances (kgCO₂eq)

2020		2021	
PORTOBELLO	POINTER	PORTOBELLO	POINTER
406.35	-	246.79	-

The 2022 inventory will be completed by June 2023, as the 2022 GHC Protocol tool has not yet been released.
Substances included in the calculation: R22, R-141b.
Source of emission factors: GHG Protocol and IPCC.

GRI 305-7 and SASB EM-CM-120a.1 NOX, SOX, and other significant air emissions (kg)

TYPE	2020		2021		2022	
	PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER
NOX	61.61	-	71.33	-	79.74	12.63
SOX	43.69	-	53,86	-	47.35	-
Particulate Matter	343.33	-	290.04	-	335.01	13.30

Remaining pollutants are not measured.
Data is obtained from direct measurements at the source of emission (furnaces, atomizers, aspirations). Standards used for measurements: CETESB L9.221:1990; CETESB L9.222:1992; CETESB L9.223:1992; CETESB L9.224:1992; CETESB L9.225:1992;CETESB L9.213.1995; ABNT NBR 11966:1989; ABNT NBR 11967:1989; ABNT NBR 12019: 1990; US.EPA Method 3A:2014; US.EPA Method 10:2016; US.EPA Method 7E:2020; US.EPA Method 6C:2016; US.EPA Method 1:2017; US.EPA Method 2:2017; US.EPA Method 4:2017; US.EPA Method 5:2019; US.EPA CTM Method 030:1997.

SUSTAINABLE PRODUCTS AND PRODUCTION

GRI 301-1 Materials used by wieght or volume (tons)

TYPE	PORTOBELLO			POINTER		
	2020	2021	2022	2020	2021	2022
NON-RENEWABLE						
Ceramic Mass	634,867.27	825,315.44	808,780.99	417,776	311,671	275,875
Non-renewable packaging (Styrofoam, tapes, metal supports, plastics)	550.01	1,327.69	1,428.93	4,606	3,436	3,042
TOTAL	635,417.28	826,643.13	810,209.92	422,382	315,107	278,917
RENEWABLE						
Renewable packaging (cardboard boxes, corner pieces, wooden pallets)	11,175.81	20,742.48	18,497.19	2,544	5,739	4,734
TOTAL	11,175.81	20,742.48	18,497.19	2,544	5,739	4,734

GRI 301-2 - Recycled input materials used

% OF RECYCLED MATERIALS USED IN THE MANUFACTURE OF PRODUCTS	2020		2021		2022	
	PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER
In ceramic mass	23.73%	10%	21.82%	9%	21.82%	7%
In packaging	-	1.84%	15.34%	16.33%	24.15%	31%

MATERIALS USED IN PACKAGING (TONS)	2021			2022		
	QUANTITY USED	QUANTITY OF MATERIAL FROM RECYCLING	PERCENTAGE	QUANTITY USED	QUANTITY OF MATERIAL FROM RECYCLING	PERCENTAGE
Cardboard	5,568.85	3,341.31	60%	6,787.73	3,810.63	56%
Plastic	542.36	-	-	302.08	-	-
Plastic tape (for arching)	155.95	-	-	245.1	121.74	50%
Adhesive tapes and labels	-	-	-	-	-	-
Corner pieces	56.00	44.8	80%	-	-	-
Styrofoam	17.03	-	-	3.80	-	-
Palett	15,117.63	-	-	11,705.66	-	-
Metal Support	612.35	-	-	877.95	877.95	100%

GRI 301-3 Percentage of reclaimed products and their packaging materials

TYPE	2022	
	PORTOBELLO	POINTER
Pallets	4.51%	-
Metal Support	2.97%	-

In previous years, there was no such control.
Data is calculated by Logistics from the survey of packages sold and the quantity of pallets and metal supports that are returned to the distribution centers.

GRI 303-3 and SASB EM-CM-140a.1 Water withdrawal in all areas (ML)

TYPE OF SOURCE	2020		2021		2022	
	PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER
Surface Water	103.643	-	114.414	-	137.732	-
Groundwater	252.874	41.15	262.597	44.36	225.728	48.76
TOTAL	356.517	41.15	377.011	44.36	363.460	48.76

Tijucas obtains the water volume data through five water meters, installed at the company's water intake.
At Pointer, measurement is obtained by data from three water meters.
Portobello collects only fresh water.

GRI 303-4 Water Disposal (ML)

TYPE	2020		2021		2022	
	PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER
Surface Water	70.168	12.264	62.634	16.644	41.659	9.555

Discharge into the rainwater drainage network (Portobello), classified as fresh water, in regions without water stress; discharge of treated fresh water into the subsoil, in regions without water stress.
This volume is estimated according to the number of employees, water consumption per employee, and number of days worked in the year.

GRI 303-5 Water consumption (ML)

2020		2021		2022	
PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER
286.349	37.329	314.377	27.718	321.801	39.205

Calculation obtained by subtracting the volume of water discarded (estimate) from the volume of water withdrawn (measurement). In 2022, there was a change in the calculation system for the waste disposal estimate. For this reason, there appears to be a significant increase in the period compared to 2021.
No consumption in water stress area.

CIRCULARITY

GRI 306-3 and SASB EM-CM-150a.1 Waste generated (tons)

TYPE OF WASTE	2020		2021		2022	
	PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER
Shard	45,438.75	25,396	43,663.77	25,496	43,618.79	27,989
Pie chart of industrial treatment plant	25,012.29	11,460	34,307.12	11,460	33,761.07	-
Pie chart of polishing treatment plant	24,983.81	-	34,297.60	-	33,761.07	-
Refractory roller	22.23	-	38.29	-	50.41	-
Grog	28,491.99	-	28,362.29	5,166	25,029.47	5,087
Turbo sand	45,491.99	-	39,423.23	-	40,227.41	-
Pie chart of polishing treatment plant (third party)	1,184.57	-	-	-	603.29	-
Metal	391.39	-	311.10	-	307.21	69.38
Cardboard	654.13	3,139	577.08	48.42	554.45	68.63
Industrial Oil	5.91	-	11.40	-	11.41	5.89
Plastic	367.68	149	394.26	44.06	363.10	45.06
Mixed waste	165.40	-	113.91	-	100.53	-
Wood	1,488.61	-	1,352.97	94.05	1,467.36	101.11
Glass	-	-	-	-	1.13	-
Rubber	-	-	1.29	-	-	-
Computer scrap	-	-	0.79	-	-	-
Asbestos	39.92	-	91.17	-	28.60	-
Contaminated waste	114.12	-	94.78	-	87.60	9.85
Class II waste	63.01	-	74.02	-	74.65	113.45
Organic material	86.61	-	86.61	-	86.61	-
Abrasive material	-	-	136.03	-	137.71	-
Construction waste	2,259.99	-	1,675.14	-	1,695.30	-
TOTAL	176,262.24	40,144	185,012.85	42,308.53	181,967.18	33,489.37

Waste accounted for: plastic, cardboard, pallet, big bag, oil, wood, IBC, metal, shard, contaminated waste, industrial and organic waste.

GRI 306-4 Waste diverted from disposal (tons)

A: waste diverted from disposal

2020		2021		2022	
PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER
176,135.87	370.68	184,835.07	24,406.83	181,851.97	42,385.42

B: hazardous waste diverted from disposal

TYPE	2020		2021		2022	
	PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER
Re-refining	5.91	-	11.40	4.97	11.41	5.89
Co-processing	114.12	-	94.78	-	87.60	-
TOTAL	120.03	-	106.18	4.97	99.01	5.89

C: non-hazardous waste diverted from disposal

TYPE	2020		2021		2022	
	PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER
Co-processing	63.01	-	74.02	23,747.71	74.65	14,449.53
Recycling	6,511.77	370.68	4,562.57	654.15	5,230.09	27,990
Internal recovery	169,441.06	-	180,092.30	-	176,448.22	-
TOTAL	176,015.84	370.68	184,728.89	24,401.86	181,752.96	42,439.40

D: hazardous waste and non-hazardous waste diverted from disposal

TYPE	2020		2021		2022	
	PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER
Inside the organization	169,441.06	-	180,092.30	-	176,448.22	42,271.54
Outside the organization	6,694.81	370.68	4,742.77	24,406.83	5,403.74	177.31
TOTAL	176,135.87	370.68	184,835.07	24,406.83	181,851.94	42,448.85

Data is gathered monthly, obtained from the raw material scale system, and includes waste consumed internally (shard, grog, sludge from industrial effluent treatment stations, vacuum dust).

GRI 306-5 Waste directed to disposal (tons)

	2020		2021		2022	
TYPE	PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER
Hazardous (Asbestos, PPE)	39.92	4.02*	91.17	13.26	28.60	9.83
Non-hazardous (tailings and organic)	86.61	70.84	86.61	186.10	86.61	167.46
TOTAL	126.53	74.86	178.58	199.36	115.21	177.29

The hazardous waste is confined in industrial landfills, in a process managed by an expert supplier. Tailings and organic material are directed to a landfill. In 2021 and 2022, Pointer incinerated (9.83 tons in 2022 and 0.212 ton in 2021) and confined in landfill (13.04 tons in 2021). The incinerated waste comprises PPE contaminated with oils and chemicals and laboratory materials. Data is gathered monthly to compose the waste indicator and is obtained from the IMA and IBAMA systems. The waste consumed internally comprise shard, grig, sludge from industrial effluent treatment stations and vacuum dust.

HUMAN RIGHTS

GRI 2-7

	2020		2021		2022	
NUMBER OF EMPLOYEES IN OPERATION	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Portobello	1,987	758	2,034	746	2,010	822
Pointer	400	88	417	91	404	104
Portobello Shop	42	41	47	49	42	65
Mining	8	1	5	1	6	2
PBTech	64	151	70	172	103	262
CBC	54	13	56	12	118	29
Total by gender	2,555	1,052	2,629	1,071	2,683	1,284
TOTAL	3,607		3,700		3,967	

	2022	
NUMBER OF EMPLOYEES BY STATE	MEN	WOMEN
Alagoas (AL)	364	70
Bahia (BA)	11	13
Ceará (CE)	10	6
Distrito Federal (DF)	9	19
Espírito Santo (ES)	1	1
Goiás (GO)	18	10
Maranhão (MA)	1	2
Minas Gerais (MG)	5	29
Mato Grosso do Sul (MS)	2	10
Mato Grosso (MT)	0	4
Pará (PA)	0	2
Paraíba (PB)	0	4
Pernambuco (PE)	33	17
Piauí (PI)	0	2
Paraná (PR)	26	44
Rio de Janeiro (RJ)	30	43
Rio Grande do Norte (RN)	3	4
Rio Grande do Sul (RS)	25	22
Santa Catarina (SC)	1,918	714
Sergipe (SE)	6	4
São Paulo (SP)	221	264
Total by gender	2,683	1,284
TOTAL	3,967	

	2020		2021		2022	
NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT CONTRACT	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Determined time	-	-	-	2	-	2
Indeterminate time	2,557	1,050	2,629	1,069	2,683	1,282
Total by gender	2,557	1,050	2,629	1,071	2,683	1,284
TOTAL	3,607		3,700		3,967	

	2020		2021		2022	
NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Full-time job	2,494	953	2,589	1,036	2,647	1,230
Part-time job	63	97	40	35	36	54
Total by gender	2,557	1,050	2,629	1,071	2,683	1,284
TOTAL	3,607		3,700		3,967	

Employees - persons hired in accordance with the labor legislation - at 12/31/2022
Portobello has no temporary employees.

2-21 Annual total compensation ratio

Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees(excluding the highest-paid individual): **6.64**

Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual): **the same**

GRI 401-1 New hires and employee turnover

Total number and rate of new employee hires during the reporting period, broken down by age group, gender, and region.

		2021	2022
HIRES			
Age group	Up to 30 years of age	582	726
	From 31 to 50 years of age	411	451
	Over 50 years of age	30	24
Unit	Portobello	503	492
	Pointer	112	122
	Portobello Shop	407	587
Gender	Female	391	523
	Male	632	678

GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees*

Health care
Pharmaceutical assistance
Dental care
Meal or supermarket vouchers
Attendance bonus
Transportation vouchers
Profit sharing
Discounts when purchasing Portobello and Pointer products
Life insurance
Advance pay voucher
Daycare-sitter agreement
Mamãe Portobello [Portobello Mom] Program
Assistance to dependents with disabilities
Payroll loans
Holiday allowances

*Apply to all operating units

2022		
TURNOVER		
Age group	Up to 30 years of age	2.12%
	From 31 to 50 years of age	1.48%
	Over 50 years of age	1.07%
Region	Portobello	1.37%
	Pointer	1.62%
	PBShop	3.82%
	Mineração	0.00%
	PBTech	3.56%
	CBC	2.43%
Gender	Female	1.82%
	Male	1.59%

GRI 401-3 Parental leave

PARENTAL LEAVE	2022	
	MEN	WOMEN
Leave taken	75	37
Returned to work after leave	73	39

RATE OF EMPLOYEES THAT RETURNED TO WORK AFTER PARENTAL LEAVE ENDED THAT WERE STILL EMPLOYED 12 MONTHS AFTER THEIR RETURN TO WORK, BY GENDER

Female	57.12%
Male	90.48%

GRI 405-1 Diversity of governance bodies* and employees

NUMBER OF EMPLOYEES BY FUNCTIONAL LEVEL	2020		2021		2022	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Board	17	-	13	-	10	2
Director	8	1	8	1	12	2
Superintendent	1	-	2	-	2	-
Manager	31	27	37	33	48	39
Coordinator	72	28	85	45	98	65
Other	2,349	882	2,394	932	2,452	1,099
Trainee	-	-	-	-	-	1
Apprentice	63	97	40	35	36	54
Intern	16	15	14	23	25	22
Total by gender	2,557	1,050	2,629	1,071	2,683	1,284
TOTAL	3,607		3,700		3,967	

*information can be found in the chapter on Governance.

NUMBER OF EMPLOYEES BY AGE GROUP	2022		
	UP TO 30 YEARS OF AGE	FROM 31 TO 50 YEARS OF AGE	OVER 50 YEARS OF AGE
Board	-	2	10
Director	-	8	6
Superintendent	-	1	1
Manager	1	71	15
Coordinator	20	128	15
Other	1,168	2,075	308
Trainee	1	-	-
Apprentice	90	-	-
Intern	45	2	-
Total by age group	1,325	2,287	355
TOTAL		3,967	

404-1 Average hours of training per year per employee

	2020			2021			2022		
	EMPLOYEES	TRAINING HOURS	HOURS PER PERSON	EMPLOYEES	TRAINING HOURS	HOURS PER PERSON	EMPLOYEES	TRAINING HOURS	HOURS PER PERSON
Board	17	-	-	15	-	-	-	-	-
Director	9	-	-	9	-	-	5	40	8
Superintendent	1	-	-	2	-	-	-	-	-
Manager	58	-	-	70	270	3.86	37	592	16
Coordinator	100	-	-	130	4,428	34.06	73	1,200	16.44
Other	3,231	-	-	3,329	15,064	4.53	2,285	25,600	11.20
Trainee	-	-	-	-	-	-	2	20	10
Apprentice	160	-	-	75	-	-	36	-	-
Intern	31	-	-	37	200	5.41	25	200	8
TOTAL	3,607	28,587	7.93	3,667	19,962	5.44	2,463	27,652	11.23

Training hours by gender

Male	1,650
Female	813

404-3 Percentage of employees receiving regular performance and career development reviews

	2020			2021			2022		
	EMPLOYEES	EMPLOYEES RECEIVING REVIEWS	% OF EMPLOYEES RECEIVING REVIEWS	EMPLOYEES	EMPLOYEES RECEIVING REVIEWS	% OF EMPLOYEES RECEIVING REVIEWS	EMPLOYEES	EMPLOYEES RECEIVING REVIEWS	% OF EMPLOYEES RECEIVING REVIEWS
Board	17	-	-	15	-	-	12	-	-
Director	9	9	100%	9	9	100%	11	8	73%
Superintendent	1	1	-	2	2	100%	2	2	100%
Manager	58	34	59%	70	70	100%	78	66	85%
Coordinator	100	100	100%	130	130	100%	146	138	95%
Operation	3,231	-	-	3,360	716	22%	3,516	50	1%
Trainee	-	-	-	2	2	100%	1	1	100%
Apprentice	160	-	-	75	-	-	152	-	-
Intern	31	31	100%	37	-	-	37	-	-
TOTAL	3,607	174	5%	3,700	929	25%	3,955	265	7%

	2020			2021			2022		
	TOTAL EMPLOYEES	RECEIVING REVIEWS	% OF EMPLOYEES RECEIVING REVIEWS	TOTAL EMPLOYEES	RECEIVING REVIEWS	% OF EMPLOYEES RECEIVING REVIEWS	TOTAL EMPLOYEES	RECEIVING REVIEWS	% OF EMPLOYEES RECEIVING REVIEWS
Male	2,555	104	4%	2,629	625	24%	2,673	156	6%
Female	1,052	62	6%	1,071	304	28%	1,282	109	9%

GRI 405-2 Ratio of basic salary and remuneration of women to men

	BOARD		SR MANAGERS		MANAGERS		COORDINATORS		OTHER POSITIONS	
SALARY REPRESENTATION - WOMEN TO MEN	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Total representation	87.5%	91.5%	98.9%	91.6%	83.0%	90.2%	107.6%	95.1%	118.9%	99.4%

PBG S.A. AND SUBSIDIARIES STATEMENTS OF VALUE ADDED YEARS ENDED DECEMBER 31, 2022 AND 2021

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

In thousands of Brazilian reais, unless otherwise stated

	NOTE	PARENT COMPANY		CONSOLIDATED	
		DECEMBER 31, 2022	DECEMBER 31, 2021	DECEMBER 31, 2022	DECEMBER 31, 2021
Revenue		2,205,170	1,985,200	2,701,826	2,349,421
Sales of goods, products and services		2,177,049	1,953,577	2,664,436	2,319,184
Other revenues		26,929	30,204	35,773	29,799
Reversal of (allowance for) impairment of trade receivables		1,192	1,419	1,617	438
Inputs acquired from third parties		(1,070,415)	(975,145)	(1,252,107)	(1,090,011)
Cost of products, goods and services sold		(816,407)	(728,647)	(895,520)	(780,629)
Materials, energy, third-party services and other		(262,887)	(252,203)	(365,326)	(313,927)
Impairment/recovery of assets		8,879	5,705	8,739	4,545
Gross value added		1,134,755	1,010,055	1,449,719	1,259,410
Retentions		(61,113)	(53,066)	(91,969)	(72,216)
Depreciation and amortization	17b ,18b and 19	(61,113)	(53,066)	(91,969)	(72,216)
Net value added produced		1,073,642	956,989	1,357,750	1,187,194
Value added received in transfer		60,570	111,634	27,430	36,964
Equity in the earnings of subsidiaries	16	37,185	75,549	-	-
Finance income		23,385	36,085	27,430	32,529
Other (dividends, rentals, royalties)		-	-	-	4,435
Total value added to distribute		1,134,212	1,068,623	1,385,180	1,224,158
Distribution of value added		1,134,212	1,068,623	1,385,180	1,224,158
Personnel		344,060	319,299	459,904	394,298
Direct compensation		287,562	271,602	392,680	339,860
Benefits		36,134	29,800	42,178	33,542
Government Severance Indemnity Fund For Employees (FGTS)		20,364	17,897	25,046	20,896
Taxes, fees and contributions		495,244	421,446	605,337	488,208
Federal		213,128	160,458	313,131	219,883
State		281,237	260,181	291,064	267,370
Municipal		879	807	1,142	955
Remuneration of third party capital		141,810	111,705	166,834	125,430
Interest		115,524	90,020	135,791	100,094
Rentals		26,286	21,685	31,043	25,336
Remuneration of own capital		153,098	216,173	153,105	216,222
Retained earnings		153,098	216,173	153,098	216,173
Non-controlling interest in retained earnings		-	-	7	49

The accompanying notes are an integral part of the financial statements.

GOVERNANCE, TRANSPARENCY AND ETHICS IN THE MANAGEMENT OF OPERATIONS AND THE VALUE CHAIN

201-4 Financial assistance received from government

TOPIC	ORIGIN	AMOUNT	SUBSIDY (RESERVE CONSTITUTION)
Prodesin	Tax benefit	R\$ 17,280,374	Yes
Lei do Bem	Tax benefit	R\$ 5,999,470	No
Itens de Manutenção	Tax benefit	R\$ 3,152,600	Yes
Simples Nacional	Tax benefit	R\$ 2,478,052	Yes
Sudene	Tax benefit	R\$ 2,267,386	Yes
Crédito TTD	Tax benefit	R\$ 1,858,964	Yes
Reintegra	Tax benefit	R\$ 342,550	No
PRODEC	Financial incentive	R\$ 7,602,000	No
TOTAL		R\$ 40,981,398.19	

Tax benefit	R\$ 39,122,433.86
Financial incentive	R\$ 1,858,964.33
	R\$ 40,981,398.19

CONTRACT	INSTITUTION	AMOUNT
BNB - 31.2019.176.3718	Banco do Nordeste do Brasil S.A.	7,000,000.00
BNDES Cadeias Produtivas nº 21.9.0040.1	Banco Nacional de Desenvolvimento Econômico e Social	3,923,000.00
		10,923,000.00

GRI STANDARD		DISCLOSURE	LOCATION	OMISSION	
				Requirement(s) omitted	Reason
					Explanation
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1 Organizational details	5,8			
	2-2 Entities included in the organization's sustainability reporting	22			
	2-3 Reporting period, frequency and contact poin	22			
	2-4 Restatements of information				None
	2-5 External assurance				There will be no external assurance
	2-6 Activities, value chain and other business relationships	5, 8, 33			No significant changes from the previous report
	2-7 Employees	78			
	2-8 Workers who are not employees		a, b, c	Not applicable	The outsourced workers work mainly in cleaning and logistics services and are controlled by the managers of the contracted companies
	2-9 Governance structure and composition	26, 27, 28, 29			
	2-10 Nomination and selection of the highest governance body	27,28			
	2-11 Chair of the highest governance body	26, 27			
	2-12 Role of the highest governance body in overseeing the management of impacts	19, 28			
	2-13 Delegation of responsibility for managing impacts	19			
	2-14 Role of the highest governance body in sustainability reporting	22			
	2-15 Conflicts of interest				Policies and code of ethics and conduct, as well as the reporting channel, seek to mitigate conflicts of interest
	2-16 Communication of critical concerns	28, 29			In 2022, the Ethics Channel received two complaints of high severity, which were taken to the Board of Directors
	2-17 Collective knowledge of the highest governance body	19			
	2-18 Evaluation of the performance of the highest governance body				There is no such process

GRI STANDARD		DISCLOSURE	LOCATION	OMISSION	
			Requirement(s) omitted	Reason	Explanation
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-19 Remuneration policies	32			
	2-20 Process to determine remuneration	57			
	2-21 Compensation ratio total no ano	80			
	2-22 Statement on sustainable development strategy	3			
	2-23 Policy commitments	16 a 20			
	2-24 Embedding policy commitments	16 a 20			
	2-25 Processes to remediate negative impacts	29, 31			Risk mapping and the environmental management program
	2-26 Mechanisms for seeking advice and raising concerns				Ethics Channel, contacts for the compliance area and the Ethics Committee
	2-27 Compliance with laws and regulations				There were no cases of non-compliance with laws and regulations
	2-28 Membership associations	5, 16			
	2-29 Approach to stakeholder engagement	37, 54			
	2-30 Collective bargaining agreements	57			
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	22			
	3-2 List of material topics	22			
GOVERNANCE, TRANSPARENCY AND ETHICS IN THE MANAGEMENT OF OPERATIONS AND THE VALUE CHAIN					
GRI 3: Material Topics 2021	3-3 Management of material topics	26 a 34			
GRI 201: Economic Performance 2016	201-4 Financial assistance received from government	87			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	34			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption				100% of operations assessed in a process that identified 80 potential corruption-related risks

GRI STANDARD		DISCLOSURE	LOCATION	OMISSION	
				Requirement(s) omitted	Reason
					Explanation
GOVERNANCE, TRANSPARENCY AND ETHICS IN THE MANAGEMENT OF OPERATIONS AND THE VALUE CHAIN					
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	32			
	205-3 Confirmed incidents of corruption and actions taken				None
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices				None
GRI 207: Tax 2019	207-1 Approach to tax				It seeks to ensure compliance with regulatory standards and optimize the tax burden, following ethical behavior. The topic is managed by the Tax Committee, composed of executives with experience in the matter. Portobello relies on the support of the Internal Controls area and specialized consultants to define policies and procedures.
	207-2 Tax governance, control, and risk management				The Tax Committee is an advisory body to the Executive Board, which monitors the compliance of the tax strategy. In 2022, procedures and policies were improved to mitigate risks and protect the business.
	207-3 Stakeholder engagement and management of concerns related to tax				No relationship with tax authorities
	207-4 Country-by-country reporting				This information has not been consolidated as of the closing of this report
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	34			Supplier monitoring will take place in 2023
	308-2 Negative environmental impacts in the supply chain and actions taken	34			Today, Portobello requests only a valid Environmental License for some of its suppliers. The analysis will start to occur in 2023, with the implementation of its own tool.

GRI STANDARD		DISCLOSURE	LOCATION	OMISSION		
				Requirement(s) omitted	Reason	Explanation
GOVERNANCE, TRANSPARENCY AND ETHICS IN THE MANAGEMENT OF OPERATIONS AND THE VALUE CHAIN						
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria					Supplier monitoring will take place in 2023
	414-2 Negative social impacts in the supply chain and actions taken					Supplier monitoring will take place in 2023
GRI 415: Public Policy 2016	415-1 Political contributions					There is no description of this type of information on the labels
CUSTOMER ORIENTATION						
GRI 3: Material Topics 2021	3-3 Management of material topics	35 a 38				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling					There is no description of this type of information on the labels
	417-2 Incidents of non-compliance concerning product and service information and labeling					None
	417-3 Incidents of non-compliance concerning marketing communications					None
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data					None
CIRCULARITY						
GRI 3: Material Topics 2021	3-3 Management of material topics	40				
GRI 306: Effluents and Waste 2016	306-1 Waste generation and significant waste-related impacts	40				
	306-2 Management of significant waste-related impacts	40				
	306-3 Waste generated	75				
	306-4 Waste diverted from disposal	76				
	306-5 Waste directed to disposal	77				

GRI STANDARD		DISCLOSURE	LOCATION	OMISSION		
				Requirement(s) omitted	Reason	Explanation
CLIMATE CHANGE						
GRI 3: Material Topics 2021		3-3 Management of material topics	41, 42			
GRI 201: Economic Performance 2016		201-2 Financial implications and other risks and opportunities due to climate change				The structuring of a study of strategic risks, including environmental ones, is underway and is expected to be completed by 2023.
GRI 302: Energy 2016		302-1 Energy consumption within the organization	68			There is no sale of energy
		302-2 Energy consumption outside of the organization				Only internal energy consumption is mapped
		302-3 Energy intensity	69			
		302-4 Reduction of energy consumption				There were no projects to reduce energy consumption in the year 2022
		302-5 Reductions in energy requirements of products and services				Not applicable
GRI 305: Emissions 2016		305-1 Direct (Scope 1) GHG emissions	70			
		305-2 Energy indirect (Scope 2) GHG emissions	70			
		305-3 Other indirect (Scope 3) GHG emissions	70			
		305-4 GHG emissions intensity	71			
		305-5 Reduction of GHG emissions				None
		305-6 Emissions of ozone-depleting substances (ODS)	71			
		305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	71			
SUSTAINABLE PRODUCTS AND PRODUCTION						
GRI 3: Material Topics 2021		3-3 Management of material topics	43 a 48			
GRI 301: Materials 2016		301-1 Materials used by weight or volume	72			
		301-2 Recycled input materials used	72, 73			
		301-3 Reclaimed products and their packaging materials	73			

GRI STANDARD		DISCLOSURE	LOCATION	OMISSION		
				Requirement(s) omitted	Reason	Explanation
SUSTAINABLE PRODUCTS AND PRODUCTION						
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	46, 47				
	303-2 Management of water discharge-related impacts	46, 47				
	303-3 Water withdrawal	74				
	303-4 Water discharge	74				
	303-5 Water consumption	74				
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas					Portobello is not adjacent to areas of environmental protection or areas of high biodiversity value outside areas of environmental protection
	304-2 Significant impacts of activities, products and services on biodiversity					Currently there is no study that monitors this type of impact
	304-3 Habitats protected or restored	44				
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations					There are no specific sampling campaigns to identify such species
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories					All products are evaluated with health and safety criteria
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services					None
TEAM AND COMMUNITY DEVELOPMENT						
GRI 3: Material Topics 2021	3-3 Management of material topics	50 a 52				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	83				
	404-2 Programs for upgrading employee skills and transition assistance programs					None
	404-3 Percentage of employees receiving regular performance and career development reviews	84				

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			Requirement(s) omitted	Reason	Explanation
HUMAN RIGHTS					
GRI 3: Material Topics 2021	3-3 Management of material topics	53 a 64			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	86			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage				The compensation of 99.5% of the employees follows the Collective Bargaining Agreement
	202-2 Proportion of senior management hired from the local community				17.6% of the members of the Board of Directors and the Executive Board are hired from the local community (Santa Catarina)
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	52, 62, 63, 64			
	203-2 Significant indirect economic impacts	52, 62, 63, 64			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	81			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	81			
	401-3 Parental leave	82			
	402-1 Minimum notice periods regarding operational changes				None
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	58 a 61			
	403-2 Hazard identification, risk assessment, and incident investigation	58 a 61			
	403-3 Occupational health services	61			
	403-4 Worker participation, consultation, and communication on occupational health and safety	58 a 61			
	403-5 Worker training on occupational health and safety	59			
	403-6 Promotion of worker health	61			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	58 a 61			
	403-8 Workers covered by an occupational health and safety management system	60			

GRI STANDARD		DISCLOSURE		LOCATION		OMISSION			
				Requirement(s) omitted		Reason		Explanation	
HUMAN RIGHTS									
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	60				There is no record of communication of accidents involving third-party workers/service providers			
	403-10 Work-related ill health	61				There is no management of this data from third-party workers			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	29,82							
	405-2 Ratio of basic salary and remuneration of women to men	85							
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken					None			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk					In operations, there is no risk, since the company supports the unions and respects the salary adjustments of the categories; supplier monitoring will begin in 2023			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor					In operations, there is no risk; supplier monitoring will begin in 2023			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor					In operations, there is no risk; supplier monitoring will begin in 2023			
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures					This type of training did not occur, because Portobello does not have a security team in its units			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples					Not applicable, as the operations are not in indigenous areas			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	62 a 64				All operations conduct initiatives for the communities and some rely on impact measurement, as described in the report			
	413-2 Operations with significant actual and potential negative impacts on local communities					None			

SASB - CONSTRUCTION MATERIALS

TOPIC	ACCOUNTING METRIC	CODE	GRI CONNECTION / EXPLANATION	LOCATION
Greenhouse Gas Emissions	Gross global Scope 1 emissions	EM-CM-110a.1	305-1 Direct (Scope 1) GHG emissions	70
	Percentage covered under emissions-limiting regulations		No such regulations exist yet	
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-CM-110a.2	A GHG emissions mitigation plan is planned for 2023. No reduction commitment signed yet	
Air Quality	Air emissions: NOx (excluding N2O)	EM-CM-120a.1	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	71
	Air emissions: SOx		305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	71
	Air emissions: particulate matter (PM10)			
	Air emissions: dioxins/furans		No measurement	
	Air emissions: volatile organic compounds (VOCs)		No measurement	
	Air emissions: polycyclic aromatic hydrocarbons (PAHs)		No measurement	
	Air emissions: heavy metals		No measurement	
Energy Management	Total energy consumed	EM-CM-130a.1	302-1 Energy consumption within the organization	68
	Percentage grid electricity		100%	
	Percentage alternative		0%	
	Percentage renewable		0%	
Water Management	Total fresh water withdrawn	EM-CM-140a.1	303-3 Water withdrawal	74
	Percentage recycled			46, 47
	Percentage in regions with High or Extremely High Baseline Water Stress			46, 47
Waste Management	Amount of waste generated	EM-CM-150a.1	306-3 Waste generated	75
	Percentage hazardous, percentage recycled		0.25% (hazardous); 89.48% (reused internally); 10.27% recycled	
Biodiversity Impacts	Description of environmental management policies and practices for active sites	EM-CM-160a.1	304-3 Habitats protected or restored	45
	Terrestrial acreage disturbed, percentage of impacted area restored	EM-CM-160a.2	304-3 Habitats protected or restored	44
Workforce Health & Safety	Total recordable incident rate (TRIR)	EM-CM-320a.1	4,937 incident reports and improvements in the year	
	Near miss frequency rate (NMFR) for (a) fulltime employees and (b) contract employees		This survey is not done	
	Number of reported cases of silicosis	EM-CM-320a.2	No cases of silicosis	

SASB - CONSTRUCTION MATERIALS

TOPIC	ACCOUNTING METRIC	CODE	GRI CONECTION / EXPLANATION	LOCATION
Product Innovation	Percentage of products that qualify for credits in sustainable building design and construction certifications	EM-CM-410a.1		
	Total addressable market and share of market for products that reduce energy, water, and/or material impacts during usage and/or production	EM-CM-410a.2	No measurement	
Pricing Integrity & Transparency	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities	EM-CM-520a.1	There have been no cases of this nature	
Production by major product line		EM-CM-000.A		5

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