

SUSTAINABILITY REPORT | 2019



Portobello

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PRESIDENT'S SPEECH

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

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

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

The process of consolidating ourselves as a retail brand also involves management challenges and, at the end of 2019, continuing the process of professionalizing

the company, I will now be the Chairman of the Board of Directors and Mauro do Valle Pereira, the Business Vice-President, takes over the executive command of the company. The new organizational model also includes the consolidation of independent business units, aiming at greater agility and efficiency for the company growth.

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

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



Cesar Gomes Junior
President



THE REPORT

102-3; 102-4; 102-50; 102-51; 102-52

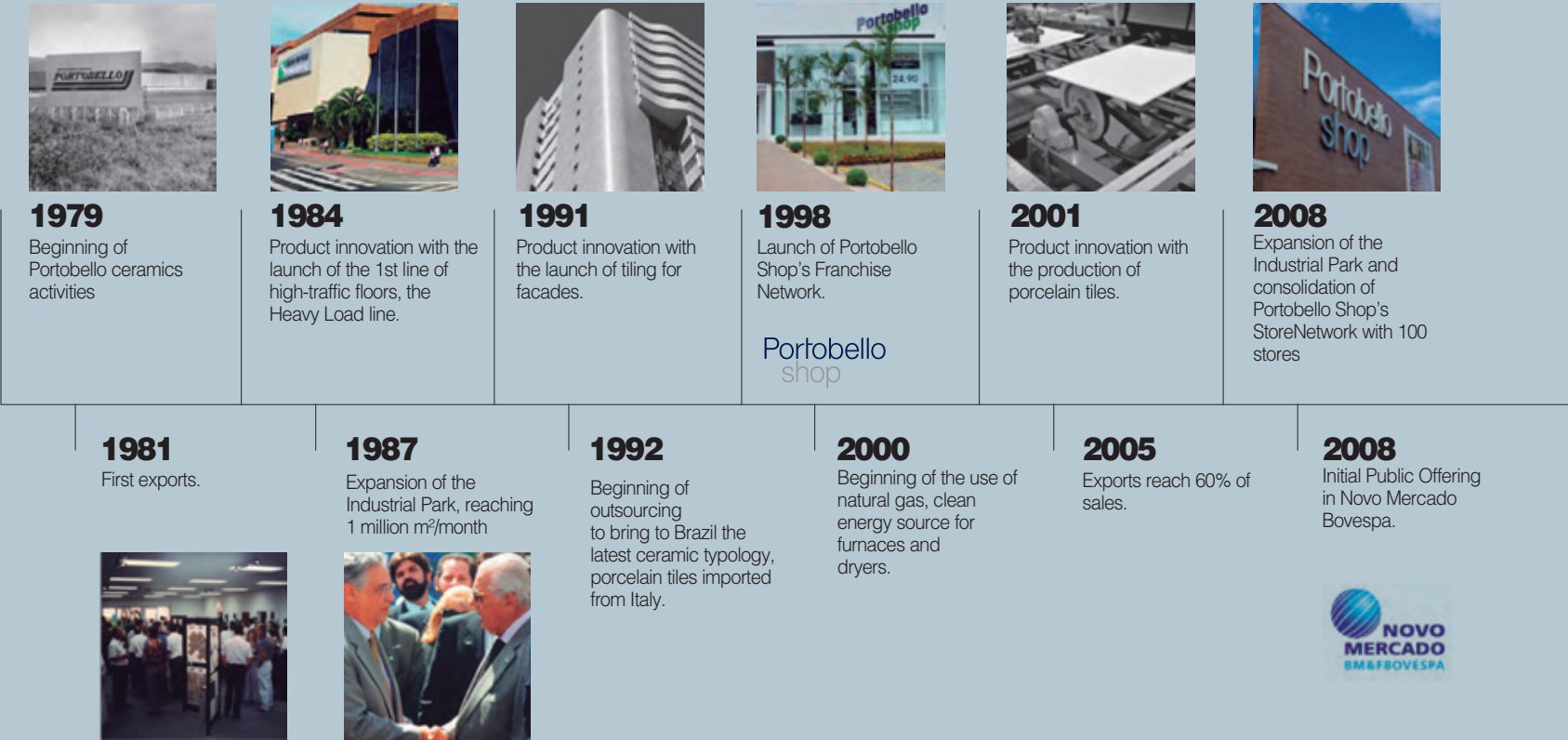
The Sustainability Report is an instrument of communication and transparency with all stakeholders that brings the main information and results of the company from January 1, 2019 to December 31, 2019.

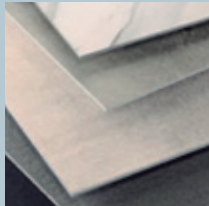
Based on its social, environmental and economic performance, the business achievements, advances and challenges will be presented from the sustainability

perspective, highlighting the production units of Tijucas (State of Santa Catarina) and Marechal Deodoro (State of Alagoas).

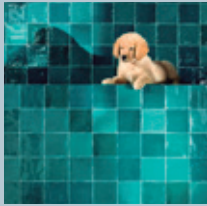
Drawn annually and based on the Global Reporting Initiative (GRI) guidelines – a globally recognized set of standards for reporting sustainability information – this content has been developed in accordance with the Core option.

PORTOBELLO
TIMELINE





2010
Product innovation with the launch of a thinner porcelain tile – Extra Thin – simultaneously with Italian brands.



2012
Portobello becomes the largest ceramic tile company in Latin America.



2014
Investments in Pointer Plant.
POINTER

2016
Beginning of the project called Oficina Portobello.

Oficina Portobello
Launch of Pointer Collection: Morada Brasileira – Raízes (Brazilian Houses – Roots), in collaboration with Marcelo Rosenbaum.



2016
Launch of Portobello Collection: Architecture in Motion. In and Out.



2018
Launch of Portobello America in the United States.
Portobello America



2019
Portobello's 40th Anniversary

2011
Beginning of production with digital printing technology.



2013
Launch of large formats.

2015
Portobello Group's Institution.

Portobello Grupo
Launch of the Pointer brand with the opening of the new plant in Alagoas.



2016
LEED Green Building Standard Shop Project.



2017
Launch of Oficina Portobello project in stores in Santa Catarina.

Oficina Portobello

2018
Launch of the following Large Formats: 1.20x1.20, 80x1.60, and 1.20x2.40.

2019
Opening of the Slabs Plant.



40 YEARS OLD

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

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

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



Opening of Portobello Plant on June 16, 1979



Opening of the Slabs Plant on June 16, 2019

The background features a textured, light beige surface. Overlaid on this are two large, overlapping circles. The circle on the left is a pale cream color, while the circle on the right is a slightly darker, muted taupe. The circles overlap in the center, creating a subtle shadow effect. In the lower-left corner, the text '02' is displayed in a large, bold, black sans-serif font, followed by a thin vertical line.

02

BRAND **ESSENCE**

MISSION

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

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

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

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

PORTOBELLO DESIGN

Natural design. Unique design.

Frame of the eye.

Limits that expand.

Welcoming spaces.

Design from the outside in, from the inside out.

Portobello Design

PURPOSE

Living the Design.

Transform environments and thrill people.

BELIEF

Life with design is smarter, more beautiful and safer.

VISION

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

Portobello



PRINCIPLES OF MANAGEMENT

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

INNOVATION AND DESIGN

Competence that makes us unique and innovative

RELIABILITY AND INTEGRITY

Close and caring relationships.

AGILITY AND SIMPLICITY

Always simplify to speed up everything.

SUSTAINABILITY

Search for positive economic, social and environmental impact.

GROWING TOGETHER

Virtuous circle of opportunities.

INTEGRATED AND PULL SYSTEM MODEL

Market-driven model focused on the customer.

DIGITAL TRANSFORMATION

Cultural evolution to become the protagonist of the process.

PROFIT

Measurement of our operational efficiency and capacity to generate value.

MERITOCRACY

We recognize as much as we deliver.

GLOBAL

Strategy that strengthens the business sustainability.



PORTOBELLO'S

WAY OF BEING AND DOING

BLUE BOX

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

The Design expresses our way of being.

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

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

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

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

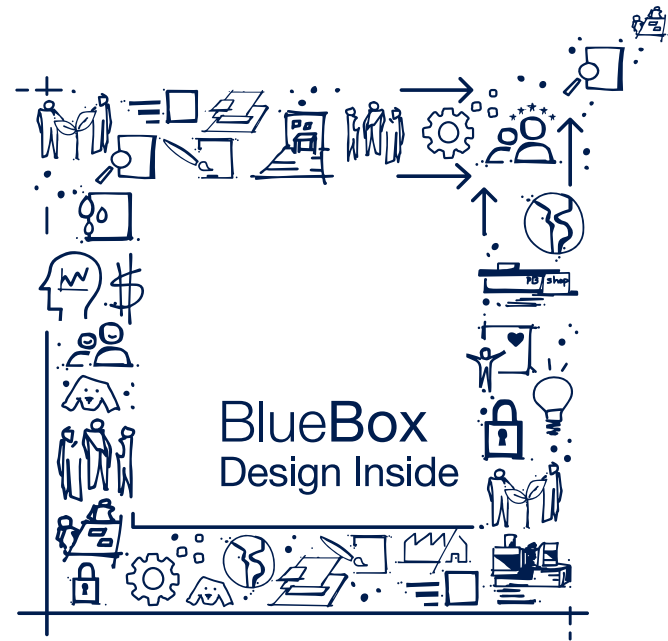
The customer knows what they want, but they also want what they don't know. We look at the world through the eyes of the customer and add our culture and expertise in order to always innovate and surprise. This is what drives us, guides us – this is our target.

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

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

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

This is our universe. Our Own Blue Box.



03 | GOVERNANCE



GOVERNANCE

PROFILE

102-18

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

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

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

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

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

BOARD OF DIRECTORS 2020	
Cesar Bastos Gomes	Honorary Board Member
Cesar Gomes Junior	President
Claudio Ávila Silva	Vice President
Nilton Torres de Bastos Filho	Board Member
Geraldo Luciano Mattos Junior Independent	Board Member
Walter Roberto de Oliveira Longo Independent	Board Member
Glauco José Corte Independent	Board Member
Marcos Gouvêa de Souza Independent	Board Member
STATUTORY BOARD 2020	
Mauro do Valle Pereira	CEO
Cláudio Ávila de la Silva Corporate	Vice President
Edson Luiz Mees Stringari Investor Relations	Vice President
Cesar Gomes Junior Operations	Vice President
AUDIT COMMITTEE 2020	
Jorge Muller	
Maro Marcos Hadlich Filho	
Peter Edward Mr Wilson	

GOVERNANCE PROFILE



Cesar Bastos Gomes

Founder of Portobello



Conselho de Administração

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



Grupo Controlador

The Group exercises family governance in search of long-term stability and value generation for the company



CODE OF **ETHICS**

102-18

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



04 | STRATEGY

STRATEGY

In 2019 Portobello restructured its business into four Strategic Units:



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



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



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



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

STRATEGY

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

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



João Henrique Sampaio Oliveira
Diretor Geral Portobello Tijucas



Luciano de Liz Barboza
Diretor Geral Varejo



Luiz Felipe Lenz Brito
Presidente Portobello América



Diogenes Ghellere
Diretor Geral Pointer

INTEGRATED AND PULL-BASED RETAIL

102-1; 102-5; 102-9

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

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

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

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



INTEGRATED AND PULL-BASED RETAIL

102-1; 102-5; 102-9

Portobello Shop and Corporate

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

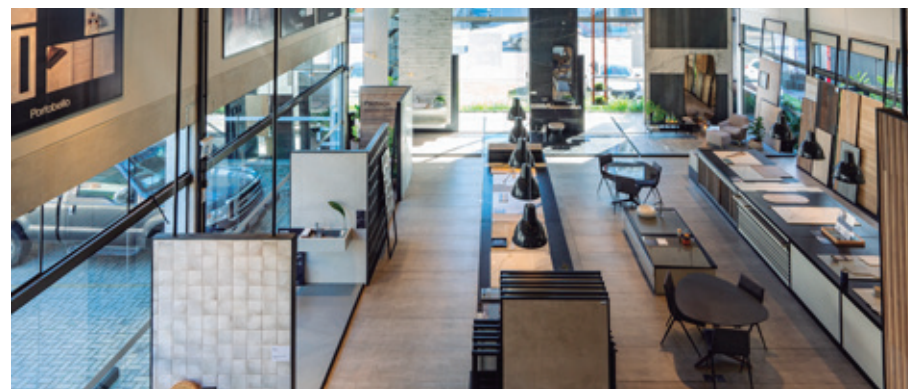
The Brand connects directly with the customers through the stores and feed its information system from the market.

The large porcelain tile formats and the variety of products for customization demand larger spaces to display the products. The main chain stores have 750 m² of sales area, while some stores have 1,000 m².

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



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



Portobello Shop São José (SC)

INTEGRATED AND PULL-BASED RETAIL

102-1; 102-5; 102-9

Digital Transformation

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

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

The structuring of the systems that support

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

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

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

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

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



INTERNATIONALIZATION

203-2

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

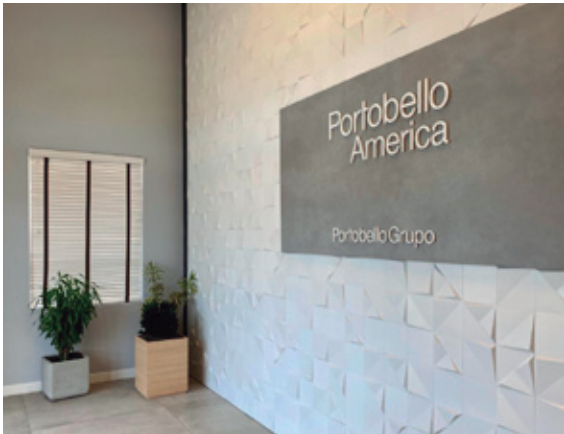
The US market was the one chosen to begin the internationalization of the company for both being commercially attractive to the segment and being in a good location to makes business possible with Canada and Central America.

The project is structured to be implemented in steps: the initial focus is the distribution through global

sourcing that includes Brazil, Europe and the United States, followed by local production.

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

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



POINTER'S CONSOLIDATION

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

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

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

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

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



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



SLABS PROJECT

The Portobello Slabs Project started in 2019.

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

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

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

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

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

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

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

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

05 | BRANDS



Portobello

The design brand that creates and distributes contemporary floor tile products and services to individuals and companies that seek to make projects and dreams come true with originality, quality and at a fair price.

Officina
Portobello

Unique solutions in the art of porcelain tiling. Combination of artisan mastery and cutting edge technology for countertops, special cuts, design objects, and furniture.

Portobello
shop

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

Portobello
America

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

POINTER

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

CORPORATE
ADVANTAGES

Brand

Product

Logistics

Reliability in the relationships

BUSINESS
ADVANTAGES

Multichannel
Architects and
Designers

Customization
Architects and Designers
The Art of Porcelain Tiling

Shopping
Experience

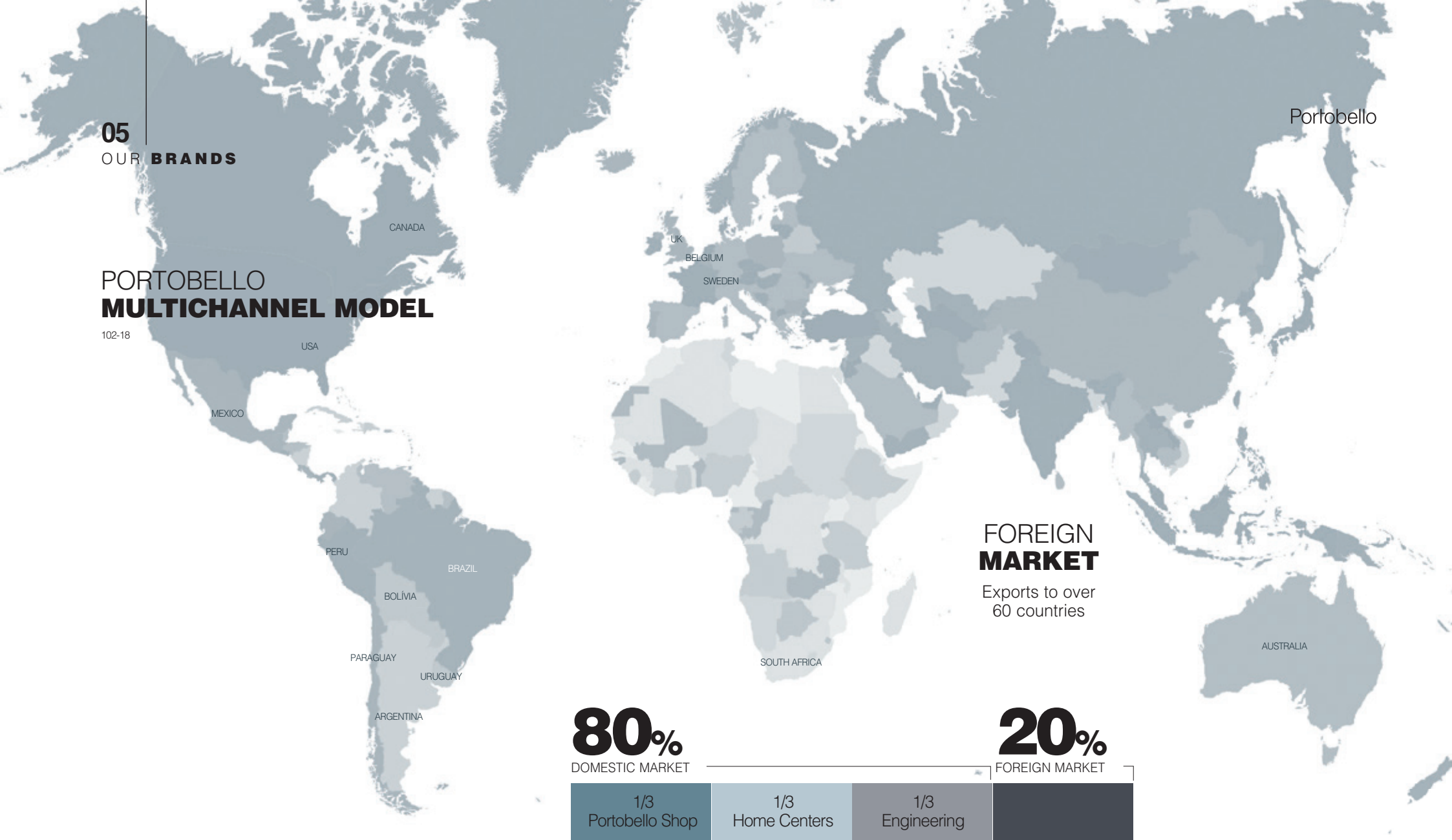
Market-Driven
Digital
Connection

Digital Connection
Quality
Competitive
Price

05
OUR BRANDS

PORTOBELLO
MULTICHANNEL MODEL

102-18

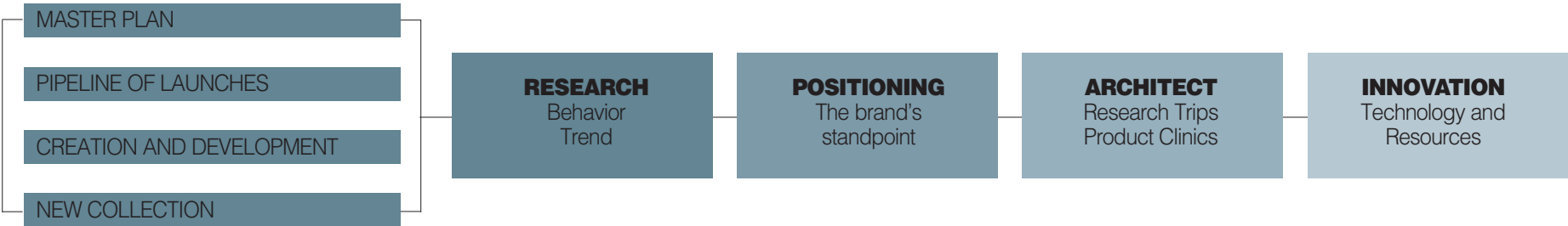


THE INNOVATION
CYCLE

Product Development Process

A multidisciplinary group of professionals conducts research, interacts with key market interpreters, carries out product clinics, and coordinates field trips to key industry events. All

information is organized, critically reviewed by the group, and subsidizes the development process of new products, as well as innovations in other areas that enhance the customer experience.



THE INNOVATION CYCLE



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

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



Milan Furniture Fair
(Italy, April/2019)

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



Creative Collective Berlin
(Germany, May/2019)

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

THE INNOVATION CYCLE



Cersaie
(Italy, September/2019)

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



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

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



Product Clinics
(2019)

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

PORTOBELLO +ARCHITECTURE

102-18

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

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

Portobello business and this relationship is expressed in several aspects.

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

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

1. CUSTOMER EXPERIENCE

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

2. KNOWLEDGE EXCHANGE

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

3. RECOGNITION AND APPRECIATION

- Creative Collective
- Archtrends



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



MAIN EVENTS

102-18



REVESTIR

Transamérica Expocenter – São Paulo, Brazil

- March 11th–15th
- Attendees: 15,000 on booths
- International Customers: 425
- Architects: 1,170



PARALLEL EVENT

Instituto Tomie Ohtake – São Paulo, Brazil

- March 11th–15th
- Attendees: 3,931
- International Customers: 425
- Architects: 1,170



ARCHTRENDS SUMMIT

Sala São Paulo – São Paulo, Brazil

- March 11th
- Architects: 680



COVERINGS

Orange County Convention Center (Orlando/Florida), United States

- April 9th–12th
- Attendees: 30,000
- International Customers: 40 customers, 25 of them from the USA, Canada and Central American countries



PORTOBELLO SHOP CONVENTION

Grand Hyatt Hotel – Rio de Janeiro, Brazil

- August 14th–18th
- Attendees: 300



PORTOBELLO AMERICA EVENT

Gaylord Opryland Resort. Nashville TN, United States

- October 18th–19th
- International Customers: 65
- Portobello America Event



06 | SUSTAINABILITY



Mined area recovered
environmentally, in
Canoinhas, State of Santa

SUSTAINABILITY

102-12

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

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

Solutions designed to serve the public by joining the Social, Environmental and Economic pillars that make up Portobello's

Sustainability Policy and that are directly connected to the sustainable development and balanced growth within these three spheres.

Respecting the environment and caring about the local communities are part of these processes. Based on the Sustainable Development Goals approach, Portobello brand, with the involvement of its employees, partners, suppliers and the community, works

on topics such as sustainable production and consumption standards, health and well-being, and learning opportunities.

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

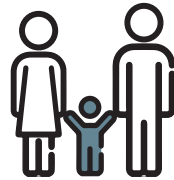
MATERIALITY

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

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

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

SUSTAINABILITY GUIDELINES



Social Responsibility **OUR PEOPLE**

Strategic Principles:

- Promote people's health, safety, well-being and development;
- Prioritize children and sports in social projects;
- Be a partner of the community, supporting good initiatives of social responsibility;
- Promote culture and encourage employees to participate in volunteer work.



Environmental Responsibility **OUR PRODUCT**

Strategic Principles:

- Exercise sustainable design and innovation;
- Boost the sustainability of ceramic materials;
- Cultivate and support good practices aimed at environmental protection.



Economic Responsibility **OUR BUSINESS**

Strategic Principles:

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

SOCIAL

HIGHLIGHTS

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

ENVIRONMENTAL
HIGHLIGHTS

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

ECONOMIC
HIGHLIGHTS

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

A close-up, profile view of a man with a beard and safety glasses, looking down at a workpiece. He is wearing a green t-shirt. The background is blurred, showing what appears to be a workshop or factory setting.

07 | OUR PEOPLE

Alex Felisdoro da Silva
Enameling Area
Pointer

OUR PEOPLE

Our success fundamentally depends on people.

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

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



Eracildes Nicolau

PB4 Portobello, has worked at the company for 36 years



Silvio Samagaia

Utilidades Portobello, has worked at the company for 39 years

07

OUR PEOPLE

EMPLOYEES PROFILE

102-7

IN 2019, THERE WERE:

147

employees with
special needs

120

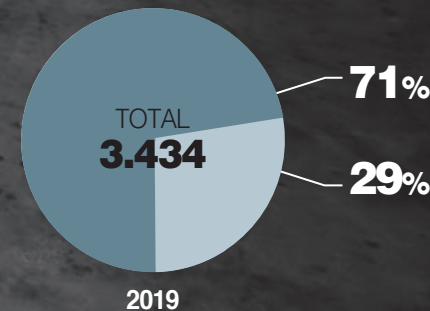
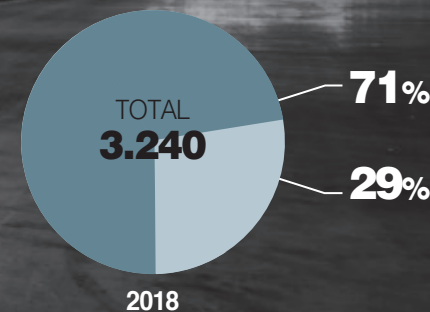
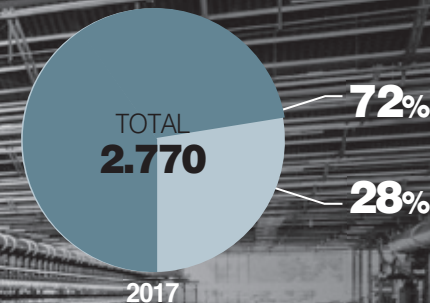
trainee

23

interns

NUMBER OF
EMPLOYEES
(employees
by gender)

Men
Women



Portobello



07 OUR PEOPLE

Portobello

Josival Ladislau da Silva
Occupational Health and Safety
Pointer

HEALTH AND SAFETY

403-1

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

- The Toolbox Talk is a awareness activity in which content is daily sent to all employees, and the managers and coordinators of the plants and

administrative areas discuss the topic of the day with their team.

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

HEALTH AND SAFETY

403-1

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



OSH Executive Committee

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

OSH Management Committee

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

Safety, Organization and Cleaning Committee

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

Ergonomics Committee

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

Internal Commission for Accident Prevention – CIPA

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

Erivan Vieira de Melo
Pointer Human Resources

SIPAT
102-18

Occupational Accident Prevention Week

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

In 2019 the participation of employees in the Tijucas (SC) unit was a record:

1.916

people participated in the activities.



SIPAT lectures at Pointer and Portobello



HEALTH AND
SAFETY

403-2

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

Ergonomics

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

Colorful Quarter Campaign

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

Vaccination Campaign

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

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

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

	2016		2017		2018		2019	
	PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER	PORTOBELLO	POINTER
Injury rate	52.2	48.3	39.6	40.9	26.4	68.8	27.0	50.8
Occupational disease rate	41.1	7.7	35.0	4.5	0.0	0.0	0.0	0.0
Total work days lost	361	101	251	77	228	0	235	251
Absenteeism rate	0.93%	1.00%	0.87%	0.75%	0.81%	0.59%	1,10%	16,52%
Total deaths	0	0	0	0	0	0	0	0

SOCIAL PROGRAMS

413-1

Due to Anjos Luz Choir, Portobello was granted the ADVB/SC Citizen Company Award in the Cultural Development category, which awards companies of the State of Santa Catarina that are a reference in Social Responsibility.

Portobello believes that prioritizing children and sport helps to build a better future, thus it maintains permanent programs and supports initiatives in this area.

Crescer – Growing Up Program

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



Anjos Luz Choir

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



SOCIAL PROGRAMS

413-1

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

Volunteer Program

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



SOCIAL
PROGRAMS

413-1

Projects Promoted Via Incentive Laws

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



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



Hapkido Project (Tijucas, SC),
Sports Incentive Law



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

EVENTS

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



Bello Olympics

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



Workers' Day

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



Children's Party

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

EVENTS

Recognition

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

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

The company was also awarded the Certificate of Citizen Company by the Regional Accounting Council of Rio de Janeiro and the Novos Caminhos – New Ways Program (a partnership between the Court of Justice of Santa Catarina and the FIESC System that aims at placing young people in the job market.)

In 2019, Portobello donated 18,300 m² of floor tiles to 41 institutions that met the requirements of its Tiles Donation Policy. The stores of Portobello Shop chain of stores have also made several donations in the local communities, expanding the Brand's social scope.

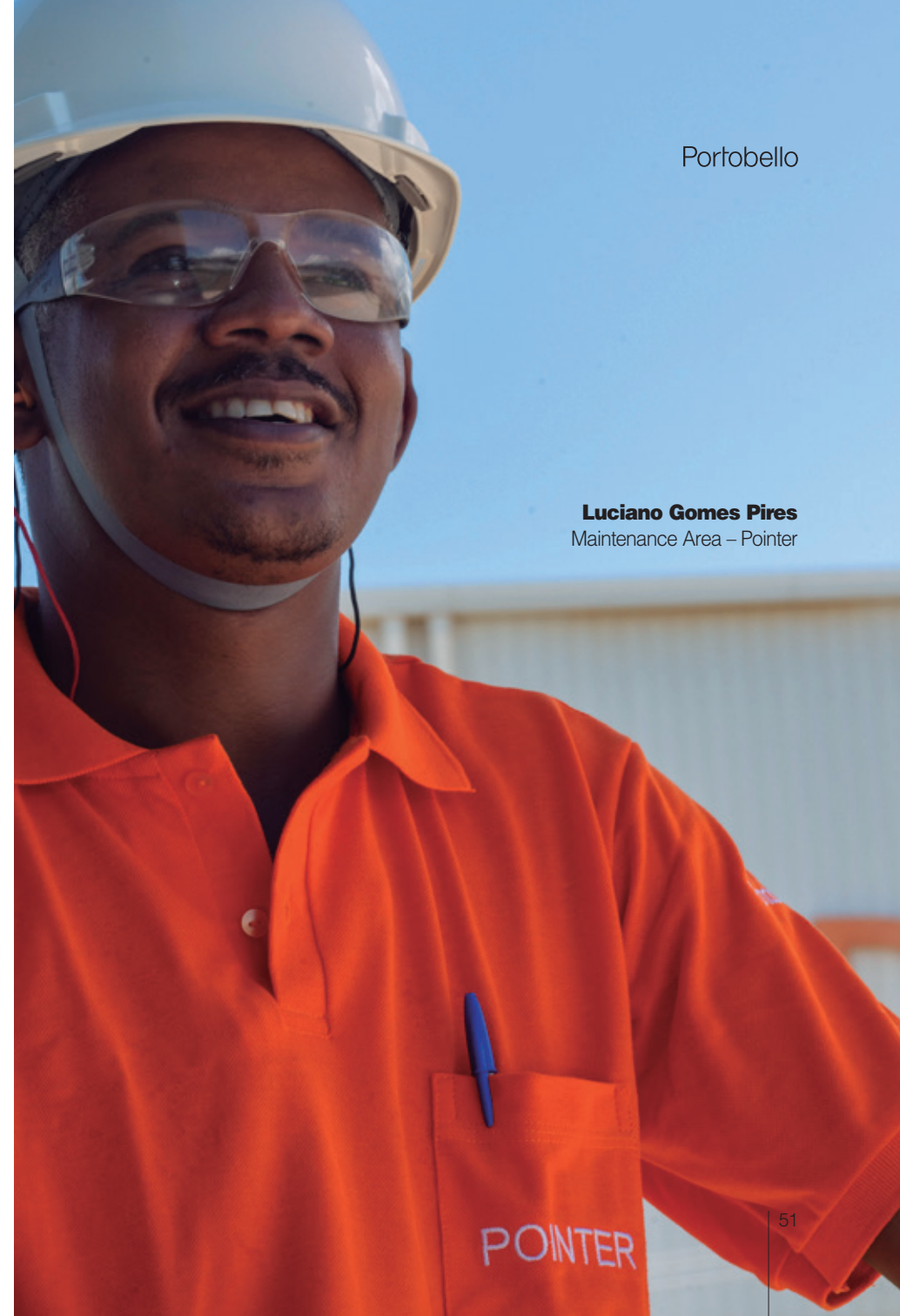
SDG (Sustainable Development Goals) Week

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

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

Portobello

Luciano Gomes Pires
Maintenance Area – Pointer



PEOPLE AND MANAGEMENT

People, Management and

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

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

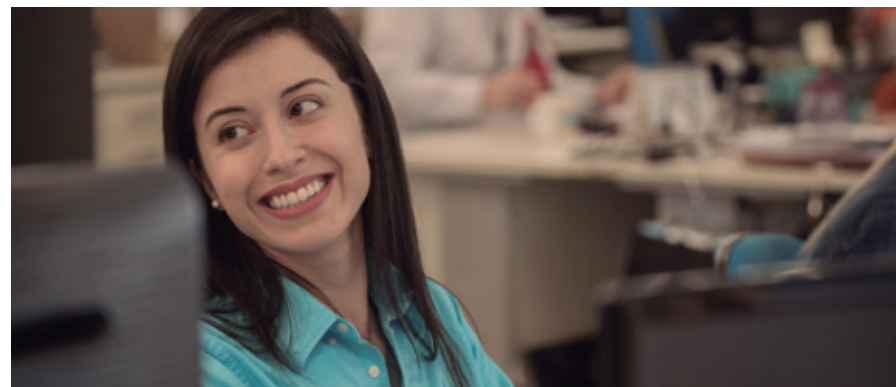
PORTOBELLO COMPETENCIES

Organizational Competencies

- Focus on the Result
- Sense of Ownership
- Innovation

Leadership Competencies

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



Morgana Gonzaga Camargo

Financial Area – Portobello



Geraldo Alves Florêncio Neto, Marketing Area – Pointer

Jenyfer Alves da Silva, Commercial Area – Pointer

PEOPLE AND MANAGEMENT

MERITOCRACY

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

Performance Evaluation

Portobello carries out a 180-degree Performance Evaluation of its leaders and uses the results to identify development opportunities and find the best talents. An

on-line platform guides the evaluations through 43 behaviors expected of Portobello professionals and, at the end of the process, the results are discussed in face-to-face group meetings.

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

ALIGNMENT

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



PEOPLE AND
MANAGEMENT

In 2019,
we carried out:
34 mil
hours of training sessions

QUALIFICATION

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

Mentoring Program

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

Leader of the Future

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

Retail

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

Distance Learning Website – EAD Portal

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



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

The background is a full-page image of a light beige and cream-colored marbled surface, possibly stone or marble, with dark brown and grey veins. On the right side, there are two overlapping circles of the same marbled pattern. The top circle is larger and partially overlaps a smaller circle below it. The text '08 | OUR PRODUCT' is overlaid on the left side of the image.

08 |
OUR PRODUCT



OUR **PRODUCT**

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

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

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

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

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

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

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

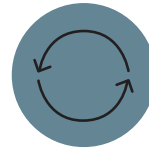
OUR **PRODUCT**

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



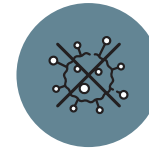
RECOVERABLE **DEPOSITS**

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



RECYCLABLE

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



NO **ALLERGENS**

Inert material that does not allow the proliferation of mites, bacteria, fungi and molds.



NO **FORMALDEHYDE**

Ceramics do not contain binders, including formaldehyde, which is harmful to health.



FIRE **RESISTANT**

It does not release toxic smoke in extreme situations.



NO **VOCs**

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

CERAMIC
MATERIAL

416-1

More sustainable alternative

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

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

Pits concentrated in a few locations

Local supply of raw materials

LARGE FORMATS

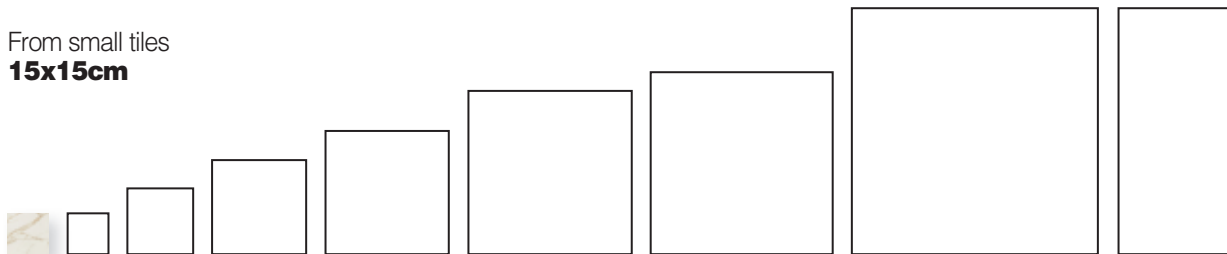
416-1

The future of the porcelain tile

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

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

From small tiles
15x15cm



To large formats
180x360cm





ENVIRONMENTAL **ECO-EFFICIENCY**

304-2; 308-2

Deposits and Biodiversity

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

In 2019, all deposits met these requirements.

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

In 2019:
More than 13 species of native seedlings were planted in the deposits in operation (Leoberto Leal/SC) and

8,5 hectares

were recovered for agriculture in Canoinhas/SC

ENVIRONMENTAL
ECO-EFFICIENCY

304-2; 308-2

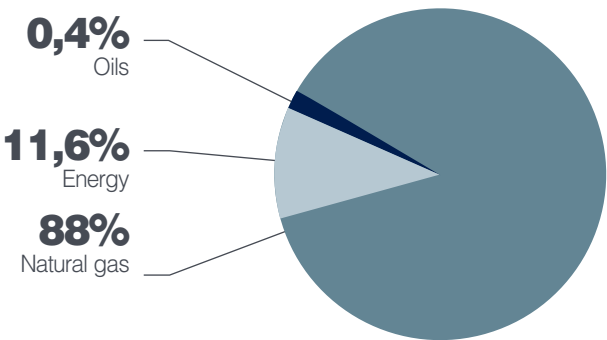
Portobello Group uses the electric power provided by the Brazilian energy matrix, generated mainly in hydroelectric plants and wind farms that are renewable sources of energy.

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

Energy

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

DISTRIBUTION OF THE ENERGY MATRIX OF PORTOBELLO PLANTS



302-1

TYPE OF SOURCE	2016	2017	2018	2019
Total non-renewable energy consumption (GJ)	3.170.223,46	3.256.293,37	3.219.727,46	3.299.839,21
Total renewable energy consumption (GJ)	424.806,11	435.065,67	434.956,39	432.429,46
Total	3.595.029,58	3.691.359,04	3.654.683,85	3.732.268,67



ENVIRONMENTAL
ECO-EFFICIENCY

304-2; 308-2

Production Process

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

Human Consumption

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

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

TOTAL WATER COLLECTED BY SOURCE	2016	2017	2018	2019
Surface water (rivers, lakes, wetlands, oceans)	115.378 m³	111.593 m³	138.434 m³	130.969 m³
Underground water	200.036 m³	218.943 m³	221.490 m³	246.444 m³
Total Portobello	315.414 m³	330.536 m³	359.924 m³	377.413 m³
Pointer underground water	82.681 m³	62.939 m³	83.887 m³	66.306,81 m³
Total	398.095 m³	393.475 m³	443.811 m³	443.720 m³

Portobello



ENVIRONMENTAL ECO-EFFICIENCY

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

Having already received the Ecology Expression Award in 2018, the case entered the 1st Brazilian SDG Award competition and it was one of those selected to be published in the practices database, which will work as a reference in the implementation of the 2030 Agenda for Sustainable Development in the country.



301-3

Waste

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

Packaging

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

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

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



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

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

This is the technology employed at the Marechal Deodoro (State of Alagoas) industrial unit, one of the most modern and

sustainable tiling plants and the base of Pointer brand, which has accessibility as its positioning.

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

MARECHAL DEODORO-AL UNIT ENERGY AND WATER HIGHLIGHTS

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

ECO-EFFICIENCY
HIGHLIGHTS

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



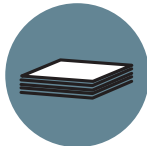
REDUCTION OF
**AVERAGE
DISTANCE**
between deposits and plant



100%
CLOSED CIRCUIT
of Water in the Production
Process



100%
NATURAL GAS
in furnace and dryers in
Tijucas (SC)



Investments in
products of
**REDUCED
THICKNESS**



REDUCTION OF
**WATER
CONSUMPTION**
with the new Dry Grinding



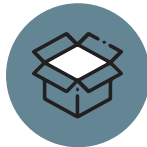
1800m³
of water from human
consumption were
saved with the "Let's Take
Care of Water Too" Campaign



PRIORITIZATION OF
**DIGITAL
STRATEGIES**
in Marketing and
Communication



REDUCTION OF
**ENVIRONMENTAL
IMPACT**
with dry and reusable system
in 36 ventilated facade works
until 2018.



99,9%
OF THE WASTE
was reused or recycled



**INNOVATION
IN PRODUCT**
Sustainable Evolution: pioneer
in slab production in Brazil

09 |
OUR **BUSINESS**



OUR BUSINESS

203-2

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

Despite the noticeable resistance to the economic advances and the strong

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

The Company has made progress in its performance, with consolidated net revenue of R\$1,114 million, 6.8% higher than in the previous year.

Portobello is aware of its challenges and prepared for the demands of the market,

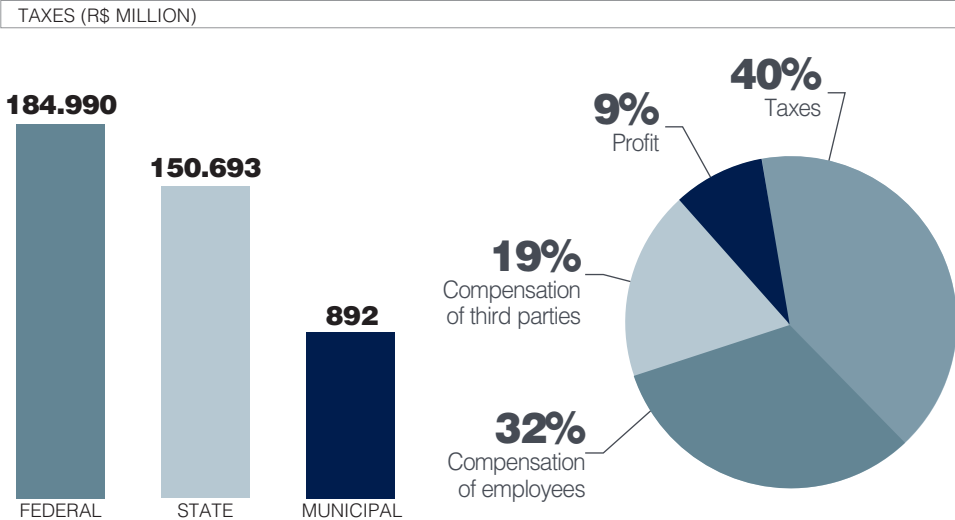
while it is confident in the expansion of its business through its strategies of gaining operational efficiency and profitability of its assets.

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

VALUE ADDED

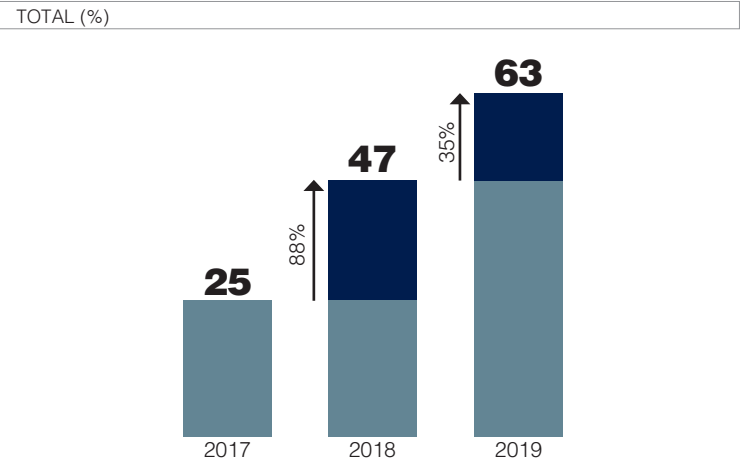
201-1

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



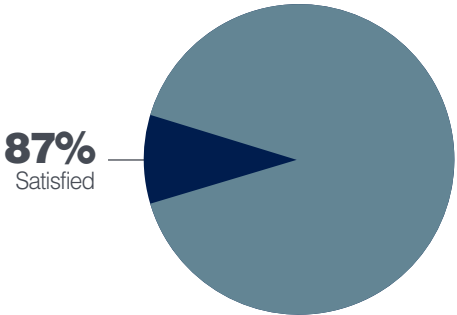
INVESTMENTS

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



CUSTOMER
SATISFACTION

102-43



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

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

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

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



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

RECOGNITION
AWARDS
2019

PORTOBELLO

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

PORTOBELLO SHOP

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



GRI SUMMARY



GRI SUMMARY

102-55

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

GRI SUMMARY

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

GRI SUMMARY

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

GRI SUMMARY

SECTION (ASPECT / INDICATOR)	DESCRIPTION	PAGE/ RESPONSE	SDG
SOCIAL CATEGORY – GRI 400			
SOCIAL CATEGORY – LABOR PRACTICES			
EMPLOYMENT			
401-2	Benefits granted to full-time employees that are not offered to temporary workers.	Health care plan, pharmaceutical care plan, dental care plan, meal voucher or restaurant in the company, attendance bonus, transportation voucher, profit sharing program, discount on the purchase of Portobello and Pointer products, life insurance, advance on wage, day care and nursery aid, Portobello Mother Program, assistance to dependents people with disabilities, automatic-paycheck-deduction loan, optional sale by the employee of one third of their vacation time.	
403-1	Percentage of employees represented on formal safety and health committees.	42	
403-2	Injury types and rate, occupational diseases, work days lost, absenteeism rate, and number of deaths.	47 and 89	3 HEALTH AND WELLNESS 
TRAINING AND EDUCATION			
404-1	Average hours of training per year.	55 and 90	
404-3	Percentage of employees receiving performance reviews.	54 and 91	
GRIEVANCE MECHANISMS RELATED TO LABOR PRACTICES			
103-2-c-vi	Number of complaints on labor practices submitted, addressed and resolved by formal grievance mechanisms.	Total number of complaints relating to labor practices recorded in the period covered by the report: 42 Total number of complaints that have been resolved: 76 Total number of complaints recorded before the period covered by the report that were resolved during this period: 69 Deposited Amounts: R\$ 1,315,491.00	
SOCIAL CATEGORY – HUMAN RIGHTS			
SUPPLIER HUMAN RIGHTS ASSESSMENT			
409-1	Significant actual and potential human rights impacts on the supply chain and measures taken.	The contracts between Portobello and its suppliers include the clause: “Social and Environmental Responsibility,” which establishes the commitment to the following topics: • Combating slavery and child labor; • Combating discrimination with respect to gender, origin, race, color, physical condition, among others; • Protecting the environment.	

GRI SUMMARY

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