

A modern office interior with a high ceiling and exposed ductwork. In the foreground, a man in a white polo shirt and green trousers sits on a white ledge, holding a blue folder. He is wearing a grey face mask and glasses. A woman in a black t-shirt and grey trousers stands next to him, holding a tablet and wearing a black face mask. In the background, three other people are walking, all wearing face masks. The office has large potted plants on the left and a curved wall with a sign on the right. The floor is made of light-colored wood planks.

Portobello

# Environmental, Social and Corporate Sustainability

REPORT 2020

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# About Portobello

## Letter from the Chairman of the Board of Directors

The consolidation of the Group's Business Units, combined with the prioritization of Portobello's position in the Retail market and its ability to adapt quickly and consistently to the adverse external context caused by the pandemic, translated into significant results for the company in 2020.

The pandemic surprised us in March last year and our attention has turned to the protection and safety of people, always intending to preserve jobs, collaborating with the communities where we operate, and implementing safe alternatives to serve our customers and partners.

We learned countless important lessons last year and, guided by our purpose of transforming environments and thrilling people, we made advances in the digitalization of the businesses, accelerating the connection with our customers. We will continue to overcome the challenges of the pandemic, aiming to grow continuously, always together.

In 2020, we also advanced in the company's governance by creating management committees connected to the Board of Directors, with emphasis on the Sustainability Committee. The objectives of a more professional management in the Sustainability scope include guiding the strategic vision, integrating the Units' actions, and promoting a more effective and structured action to generate positive impacts on the environment, society, and business.

Transparency and consistency, aligned with ESG principles, should promote greater visibility and accelerate the actions for sustainability. We believe in this evolution and, in addition to the information in this report, our commitment to transparency is permanent.

I thank you all, employees and partners, for the commitment to building a safer and more humane environment this year, which was such a challenging year. And I invite each one to make, together, the future as sustainable as possible, as quickly as possible.

**Cesar Gomes Junior**  
Chairman of the  
Board of Directors



Portobello Shop Brasília, one of the 11 new stores opened in 2020

## About Portobello

### Transforming environments and thrilling people

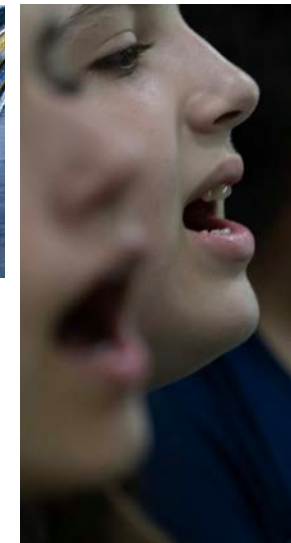
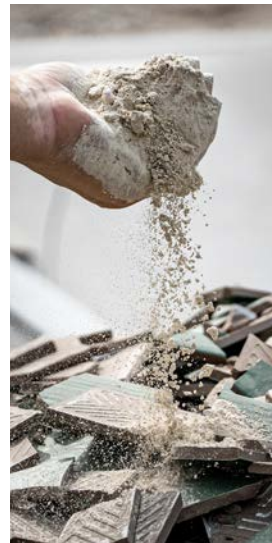
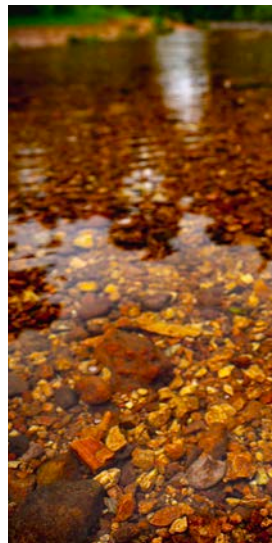
The largest floor covering chain store in Brazil, Portobello is the country's leading brand and a major global competitor in the sector.

With multichannel activities, its operations are structured across four business units: Portobello, a distributor for home improvement centers and projects as well as an exporter to five continents; Portobello Shop, its retail brand, with 136 stores all over Brazil; Portobello America, the precursor to Portobello Group's internationalization, headquartered in the United States; and Pointer, a democratic design brand with a solid foothold in Northeast Brazil and a natural exporter.

Design and innovation are the key competences of Portobello Group steering the development of its services and products, which are made in the Tijucas and Marechal Deodoro factories, in the Brazilian states of Santa Catarina and Alagoas, respectively, as well as in major production and innovation hubs around the world by its outsourced partners.

With an integrated view of sustainability, considering the environmental, social and economic pillars, Portobello has in place a process of conscious and regenerative manufacturing, and operates with a constantly-expanding emphasis on this aspect with the ambition to implement best practices and inspire the entire chain towards an increasingly sustainable future.

# 42 years of evolution



1979

START of operations at Tijucas, Santa Catarina



1987

EXPANSION of industrial facilities, reaching the mark of 1 million m2/month

1993

CONSTRUCTION of a new industrial waste treatment plant and implementation of a closed-loop water system

1995

INTRODUCTION of production waste into the mixture

FIRST furnace fitted with heat recovery technology. Currently, 12 out of the 14 furnaces in use by Portobello as well as Pointer's 2 furnaces employ heat recovery.

1997

CONSTRUCTION of a dedicated waste treatment plant for the polishing unit

1998

LAUNCH of the Portobello Shop franchise chain

2000

USE of 100% natural gas, a clean energy source, for furnaces and dryers

2004

CREATION of Anjos de Luz, a choir made up of children and teenagers from the municipality of Tijucas



## 2008

CONSOLIDATION of the Portobello Shop chain, with 100 stores opening up

LISTING in the Novo Mercado Bovespa stock exchange, and going public

EXPANSION of industrial facilities

## 2012

PORTOBELLO becomes the largest ceramic tiles company in South America

PORTOBELLO SHOP solidifies its position as the chief chain specialized in ceramic tiles in Brazil, with more than 110 stores



## 2015

START of operations at the new Northeast plant, in Marechal Deodoro, Alagoas, the most sustainable ceramic manufacturing facility in Latin America



LAUNCH of democratic design brand Pointer

## 2016

GREEN BUILDING LEED certification for Portobello Shop São José

SUSTAINABILITY report up to the GRI - Global Reporting Initiative standards

CREATION of the Crescer Program, which has benefited over 1,000 children from the communities of Tijucas

## 2017

LAUNCH of Officina Portobello, producing furniture with sustainable materials

SET UP of new dry grinding lines

## 2018

LAUNCH of Portobello America, in the United States

SUBSCRIPTION to UN's Sustainable Development Goals (SDG) initiative

LED LIGHTING SYSTEM at Portobello Shop stores

## 2019

LAUNCH of the Slabs Project

## 2020

LAUNCH of Unlimited Collection, featuring slabs that open up the possibilities for sustainable architecture

PORTOBELLO SHOP has 136 stores all over Brazil

# Portobello's Way of Being



## Mission

The statement we are making to the world, reflecting where Portobello stands, its purpose, attributes and values.

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 design creation and distribution.

Portobello is generating value for all audiences through our integrated, retail-oriented model and with our operational efficiency measured by profit.

## Purpose

The raison d'être of Portobello and the difference we wish to make in the world.

Living the Design.  
Transforming environments  
and thrilling people.

## Belief

Values that steer our positioning and the way we develop our relationships.

Life with design  
is smarter, more  
beautiful and safer.

## Vision

Our goal for the future based on our potential abilities.

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



# Sustainability for Portobello

## Sustainability

for Portobello means being aware of our actions and the impact of our choices.

It means understanding the responsibility that comes with being an integral part of our society and ecosystem.

It means being committed to our entire production and distribution chain, helping to create a future in which we can all evolve together.

Mining area in  
Campo Alegre,  
Santa Catarina

Natural gas furnaces for firing  
ceramic tiles at the Tijucas  
manufacturing facility

Sustainable slabs displayed  
at Portobello Shop in  
Florianópolis, Santa Catarina

Ceramic tiles are  
brought to life in  
architectural plans

## Portobello's path to sustainability

**Looking** after our employees,  
with respect and dignity

**Ensuring** that the natural resources  
required for production are used rationally

That the production process is not only  
socially and environmentally responsible,  
but also **regenerative**

That the **communities** around us are built  
into the brand ecosystem

That the waste we produce is **repurposed**

# Protecting the Environment

Planet Earth is our home. And, for thousands of years, we have been using its natural resources to build our houses. Now we number over 7 billion. The only future worth imagining is one in which our management of architectural resources is smart, optimized and sustainable.

Ceramic tiles replace non-renewable resources in a manner that is much more logical, technically and environmentally-wise. In the case of Portobello, they are exceptionally sustainable.

We worry about the way mineral deposits are explored and restored, about where the water we use comes from, about repurposing waste, about creating a positive impact for our communities.

In our design process, architecture knows no bounds. In 2020, we distributed over 36 million square meters of sustainably-sourced tile coverings in Brazil and around the globe. On the following pages, we will show how we are working on creating the future we want.

A mineral deposit that was environmentally restored and converted into a fish farm in



regenerative  
extraction

# Earth

**The raw material used to make ceramics is earth itself, removed from shallow layers and mostly in areas close to our plants**



**90,000** m<sup>2</sup>  
of restored areas

**200** native seedlings  
planted at Cedro deposit, in São  
João (Sergipe)

**100%** suppliers  
subjected to environmental  
assessment

# Earth

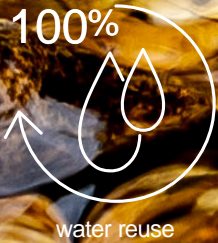
Mining activities deserve special attention to minimize their potential impact on biodiversity. Our raw materials come from our own sources and from third parties. Portobello-owned deposits account for 15% of extraction activities. We have laid down rules for restoring these deposits after they have been explored, respecting the natural vocation of these areas. In 2020, we promoted the environmental restoration of 90,000 square meters or 9 hectares in six different areas explored by Portobello Mining.

For example, at the Cedro mineral deposit, located in São João, in the Northeast state of Sergipe, we planted 200 native tree seedlings in 2020. To offset a hot semi-arid climate that sees no rain for the better part of the year, we have implemented a drip irrigation system that slowly and directly provides water to the plant roots. This way we can be sure that the new seedlings will receive enough water to grow and that no water will be lost through evaporation. Moreover, the soil surrounding a seedling is always kept

wet, which means this system uses the least amount of water possible.

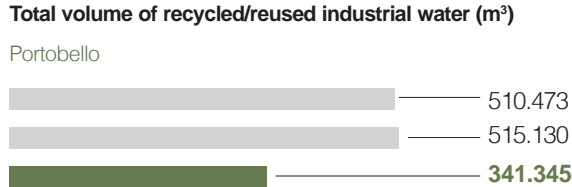
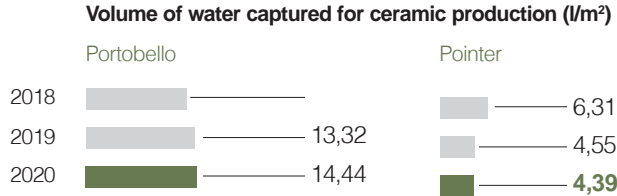
We also manage the mined materials supplied by third parties. In these cases, we adopt pre-established criteria for managing social impacts and mining permits, conducting regular audits intended to conserve biodiversity, control water quality and reduce CO<sub>2</sub> emissions. In 2020, we evaluated all of our 16 suppliers in terms of environmental impact. None of them were shown to be performing activities that cause significant effect.

Other than extracting, we also remain vigilant as to how materials are disposed of. Ceramics are made almost entirely of earth. Therefore, if properly disposed of, they will create no impact for the environment. The right way to dispose of them is by using containers provided by qualified companies, who will then send them for recycling. Ceramics are then ground and become a material to be used in construction. Disposal instructions are detailed in the Portobello Shop Customer Manual. It is our company's goal to increasingly share these best practices.



# Water

**Moving water and the mechanical force of waterwheels turn clay into a very fine powder**



# Water

Water is an essential, but limited resource in our planet. Therefore, we have optimized its use at both of our manufacturing facilities and our retail operations.

At Tijucas, production employees a closed-loop water system. This means all the water used in manufacturing is treated and reintroduced into the process. Water is lost only from evaporation, which is sent out through smokestacks as white vapor.

We keep a close watch on the consumption of industrial water, through a drinking water consumption indicator. We won the 2020 Citizen Business Award in the environmental conservation category with a case study titled Efficient use of water in

its operations, in November 2020.

For 2021, we will be introducing Project Water, through which our employees will be able to participate more actively in the way we manage and use industrial water.

Our technology evolution takes place also as equipment is systematically replaced. We have invested in equipment that uses the least amount of water possible, such as the new dry grinding unit, implemented into the product processing stage. Our goal for 2021 is to capture 13.21 liters of water per square meter of ceramics produced.

The water we collect comes from our own sources, including groundwater and sur-

face water, near our manufacturing facilities. We are careful about conserving the environment surrounding our waters. Furthermore, we are part of the Tijucas River Drainage Basin Committee, supporting actions and decisions made. In 2020, there was an increase in groundwater use and a decrease in surface water use due to a drought that affected Santa Catarina.

At the Marechal Deodoro manufacturing facility, we employ a dry manufacturing process that requires no water for grinding and uses it only for glazing and polishing. Compared to the wet process used in the Santa Catarina manufacturing facility, in 2020, dry manufacturing used 4.39 liters to make one square meter of ceramics whe-

reas the former used 14.79 liters.

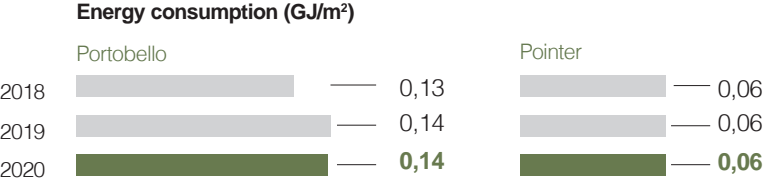
Also in Alagoas, the water we use originates from our own sources, though they are all groundwater sources. After its industrial and sanitary uses, the water is treated and disposed of in compliance with environmental management standards.

At the Portobello Shop chain, we encourage a conscious approach to water use. For the next few years, we are working on a standardized way to manage this resource. Our recommendations include using dual flush toilet tanks, which conserve water, and dry cleaning windows. Moreover, rainwater is harvested in those stores where possible.



# Fire

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



# Fire

Managing energy consumption is fundamental for our company's sustainability, since the ceramics industry works with thermal processes. At both manufacturing facilities, heat process efficiency is controlled on a daily basis, and we reuse the heat from furnaces and atomizers.

The two manufacturing facilities also use natural gas as their main source of energy. This is the energy we utilize for thermal processes, that is, in our furnaces, dryers and atomizers. Despite not being a renewable source of energy, natural gas is considered clean, as it produces no soot or solid waste of any kind. It also has great heating value, which is of special interest to the ceramics industry due to specific consumption. This means that the energy loss rate of natural gas is close to zero.

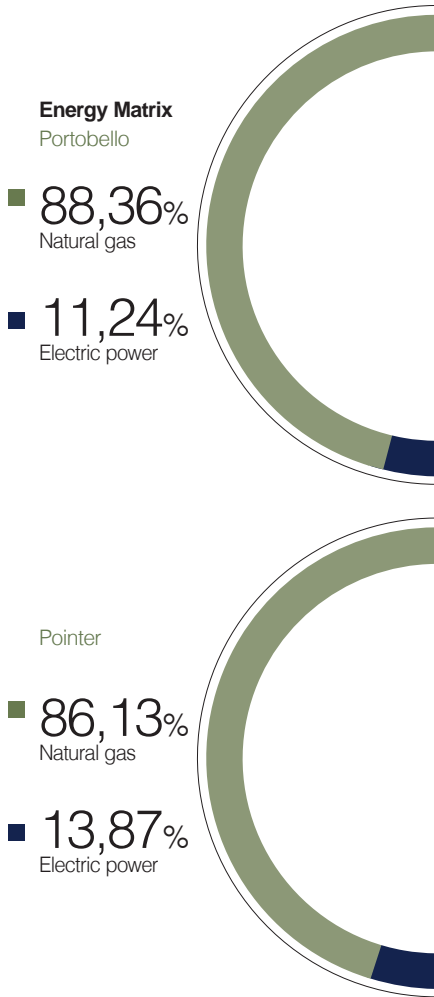
With natural gas, we have more heat and at the same time the least amount of energy possible. We use electric power as well: to light our factories, for some of the production line equipment and at our administrative facilities. In this case, the electric power comes from the Brazilian energy grid, generated mainly in hydroelectric power plants and wind farms, that is, renewable sources of energy. In our manufacturing and administrative facilities, we recently replaced incandescent and fluorescent light bulbs with LEDs.

The Marechal Deodoro manufacturing facility also has a farm of solar panels measuring 80 square meters that produces 22 kWh and powers the facility's main grid.

Portobello Shop stores have a standard lighting plan designed to ensure a balance between the

best lighting to enhance customer experience and have the least energy consumption. A linear system of diffuse lights creates an inviting atmosphere at the stores while ensures that enough power is saved to light the entire area. The light opening angle for spotlights used on Portobello products on display, which consume more energy, is calculated so as to reduce the need for additional points.

At the stores opened in 2018 onward, which number more than 70, the entire lighting system uses LEDs, which consume approximately 20% less power compared to standard light bulbs. LEDs also last much longer: 50,000 hours, enough to light one of our stores for approximately 17 years. Comparatively, standard light bulbs are good for just 6,000 hours. By doing so, Portobello Shop is avoiding the disposal of this type of waste.





The Slab plant furnace at Tijucas manufacturing facility is also measured for greenhouse gas emissions.

## Optimized Consumption

The main source of heat used in the industry is natural gas—also the cleanest and more environmentally-friendly of fuels. Every day we measure how much gas we use in our production process.

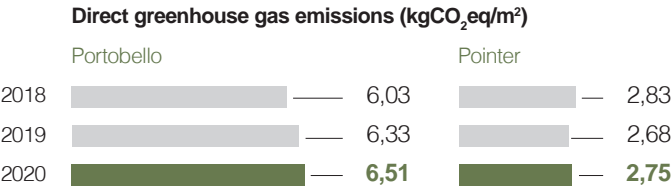
Materials are handled internally around our plants primarily using natural gas-powered vehicles, which account for approximately 90% of our fleet.

We take full inventory of greenhouse gases in our manufacturing units and use the data to inform our main actions and investments intended to reduce the use

and generation of such gases.

Direct greenhouse gas emissions as assessed by our controls have increased slightly each year at both Tijucas and Marechal Deodoro manufacturing facilities. This is due to the increased quality of our product portfolio, with the production of tiles featuring larger formats and more ornate polished finishes.

These actions are consistent with the sustainability of our business and were coordinated and planned for.

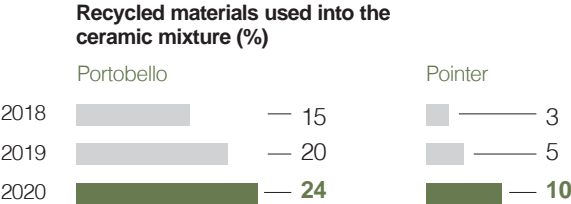




# Zero Waste

**The rate of recycling, reuse and recovery of the waste produced in Portobello's manufacturing process exceeds 99%. Each year we draw closer to zero waste**

Most of the waste produced in 2020, namely 96.06%, was reused into the ceramic mixture



# Zero Waste

At the Tijucas manufacturing facility, 99.9% of all waste produced is either repurposed or recycled, thus promoting a circular and responsible economy. We manage all the waste we produce at our industrial and administrative facilities, including medical waste and waste from our cafeterias.

Most part of this waste is reintroduced back into the production process as an ingredient of the ceramic mixture. This is what we call internal recycling. Materials that cannot be used in the mixture, such as

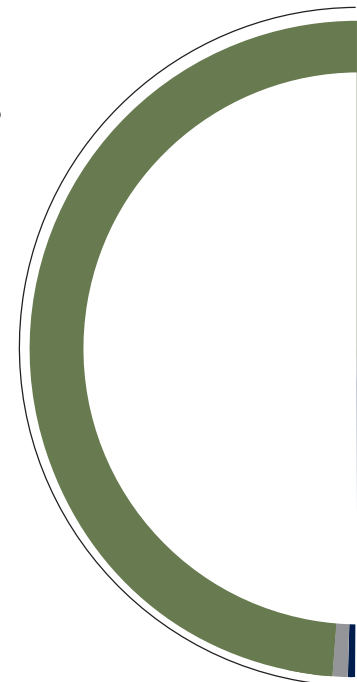
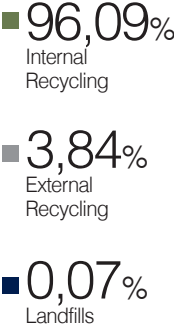
metals, cardboard, oil, belts, electronic waste, among others, are sent to be recycled externally. Just 0.07% of the waste goes unrecycled and is sent to landfills. We are moving closer to zero waste, with the goal of bringing this percentage down to absolute zero.

All paper used in packaging is recyclable and all pallets are made from reforested wood. A reverse logistics initiative was implemented in our distribution centers to recover pallets and metal sup-

ports that can be reused. In 2020, 3,088 pallets and 4,254 supports ended up being recovered.

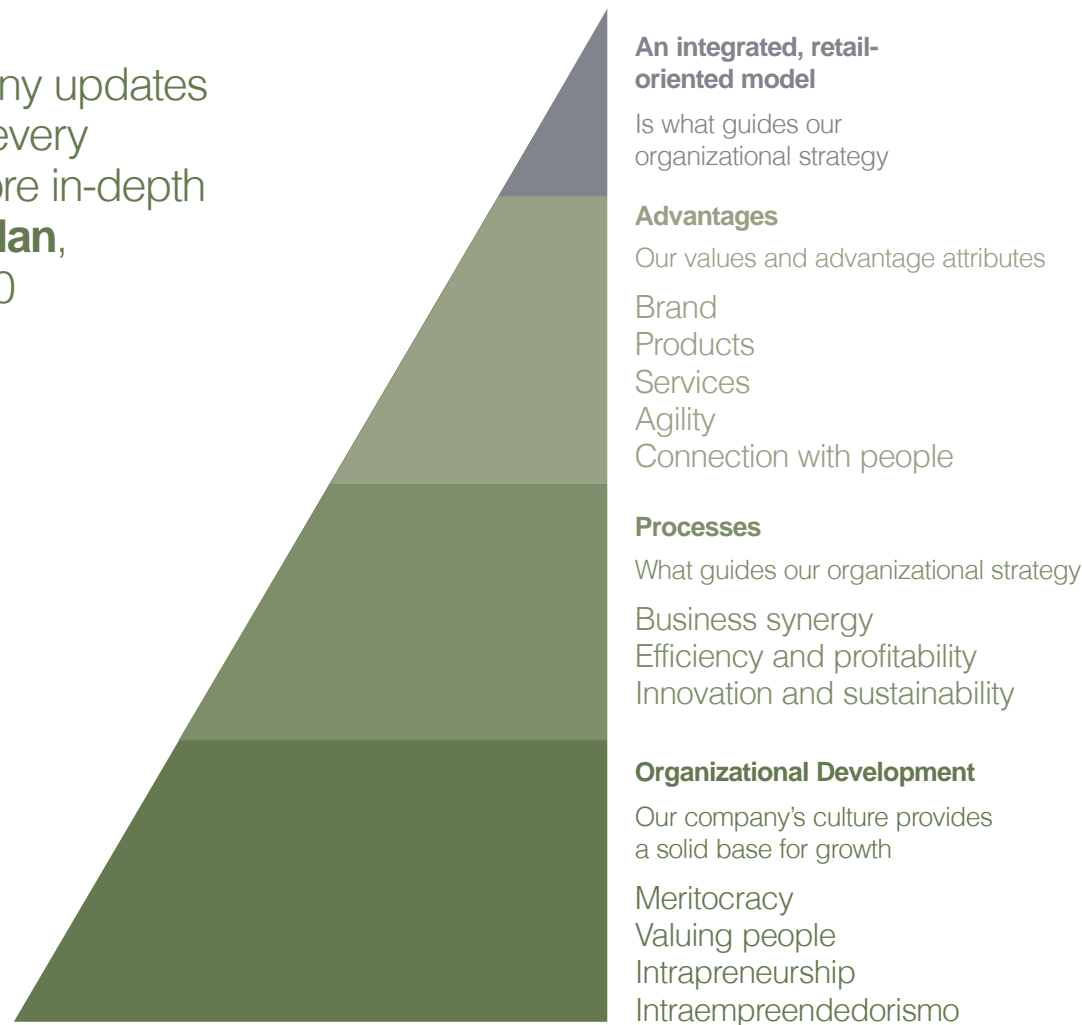
At the Marechal Deodoro manufacturing facility, we started a project in 2020 for proper disposal of ceramic shards. We have intensified the reintroduction of this type of waste into the ceramic mixture. However, it is also sent for external recycling. More specifically, it is sent to a business partner that uses our shards as a material for making cement.

**Waste Disposal**  
Portobello



# Portobello's Strategies

Every year our company updates its strategic plan and every three years does a more in-depth review of the **5-Year Plan**, as it happened in 2020



# Advantages

Our values and attributes

## Brand

What our brand attributes translate to: Design, innovation, trust and quality

## Product

An expression of the style, design consistency, innovation and portfolio of each brand.

## Services

Solutions that create value for our in-store experience, integrated model, project creation, distribution, and installation and maintenance systems.

## Agility

Flexibility, simplicity and the capacity to adapt quickly and efficiently

## Connection with people

A relationship experience that can inspire, charm and engage.

# Business Units





Slabs plant at the Tijucas manufacturing facility

## Portobello

Portobello Tijucas is a pioneer among the group's business units. It sets itself apart due to the combination of the manufacturing facility and a focus on innovation and due to its commercially-efficient multichannel distribution.

Its commercial performance stands out in the traditional sector market on account of its distinguished portfolio, especially the large formats and slabs, constant new releases and operational excellence, particularly its logistics and services areas.

The multi-brand channel of Portobello Tijucas focuses on home improvement centers, where it has been solidifying its position as the chief tiles brand with a presence in 700 stores across Brazil. In 2020, these were host to PoS update actions in 2020 to usher in a new concept of display.

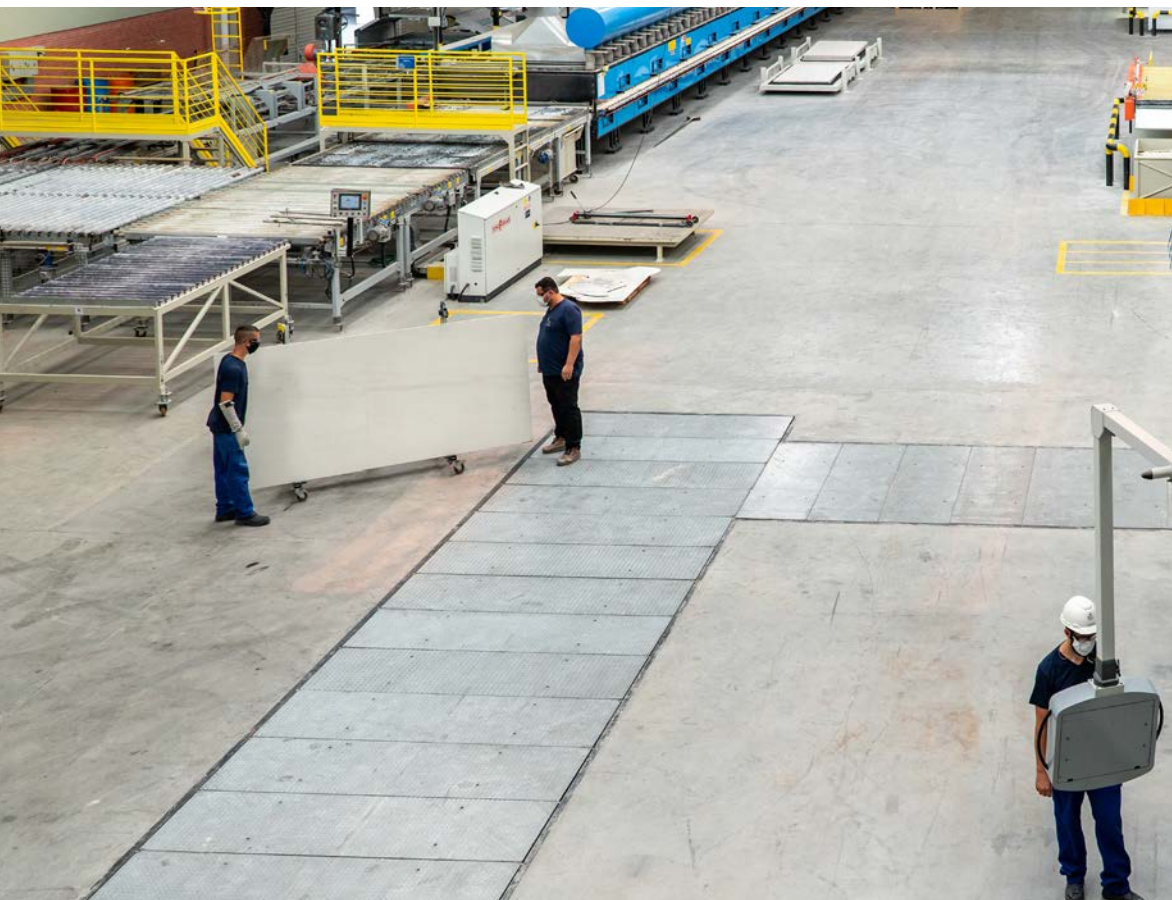
This new concept is made of self-supporting structures that allow for their reuse when products are replaced—a more sustainable and practical solution implemented in more than 90 points of sale

across the country and adopted towards the exporting channel as well.

The projects and major works have a technical vocation, which demands a portfolio with specific characteristics to be used in different niche markets, specialized services and a scale compatible with commercial works and the real estate market. With a dedicated customer service team, Portobello has tallied more than 6,000 major works with its products.

Portobello is a long-term exporter to more than 60 countries. The brand is renowned among customers for its design and innovation which have elevated Portobello to become a major global competitor in the tiles industry.

Located in the Portobello Tijucas manufacturing facility are several plants, mostly intended for the production of large formats. It was also there at Tijucas that the very first Slabs plant in Brazil was established, with capacity to produce formats of up to 1.80 x 3.60 meters.



In the second semester, the plants operated at maximum capacity

Slabs represent a new paradigm in the market and have expanded the boundaries of how porcelain is used in architecture as well as in design. The Slabs plant drives our innovation strategy, and the consequences are felt across all departments of the company with logistical and, mainly, commercial challenges.

The digital transformation of traditional distribution channels picked up the pace in 2020, in terms of both structural systems and data intelligence, which propels advancements in management and services, and with respect to the customers' brand experience through digital tools for specification and the replacement of catalogs with interactive displays at the points of sale.

## Portobello Tijucas in 2020

700

points of sale  
throughout Brazil

+60

countries  
exported to

97

points of sale featuring the  
new sustainable displays

6.200

works serviced  
in Engineering

90%

increased investment  
in customer relations

100%

production capacity  
in the second semester



Portobello Shop Brasília, one of chain's corporate stores

## Portobello shop

The largest specialized retail chain in the country, with 136 stores, 17 of those being corporate stores, Portobello Shop offers a shopping experience centered around its customers, with complete solutions for tiles and complements, especially tableware and metals.

Officina Portobello, the group's porcelain brand, is one of the distinguishing elements of this experience, with an original portfolio of porcelain countertops and furniture.

Portobello Shop stores set the standard in architecture and display for architecture professionals and their customers to have a design experience with the brand. During 2020, these stores hosted an exhibit to show off the Slabs System, bringing this experience to a new level. Stores have sustainability initiatives of their own, such as waste sorting, rainwater harvesting and solar panels.

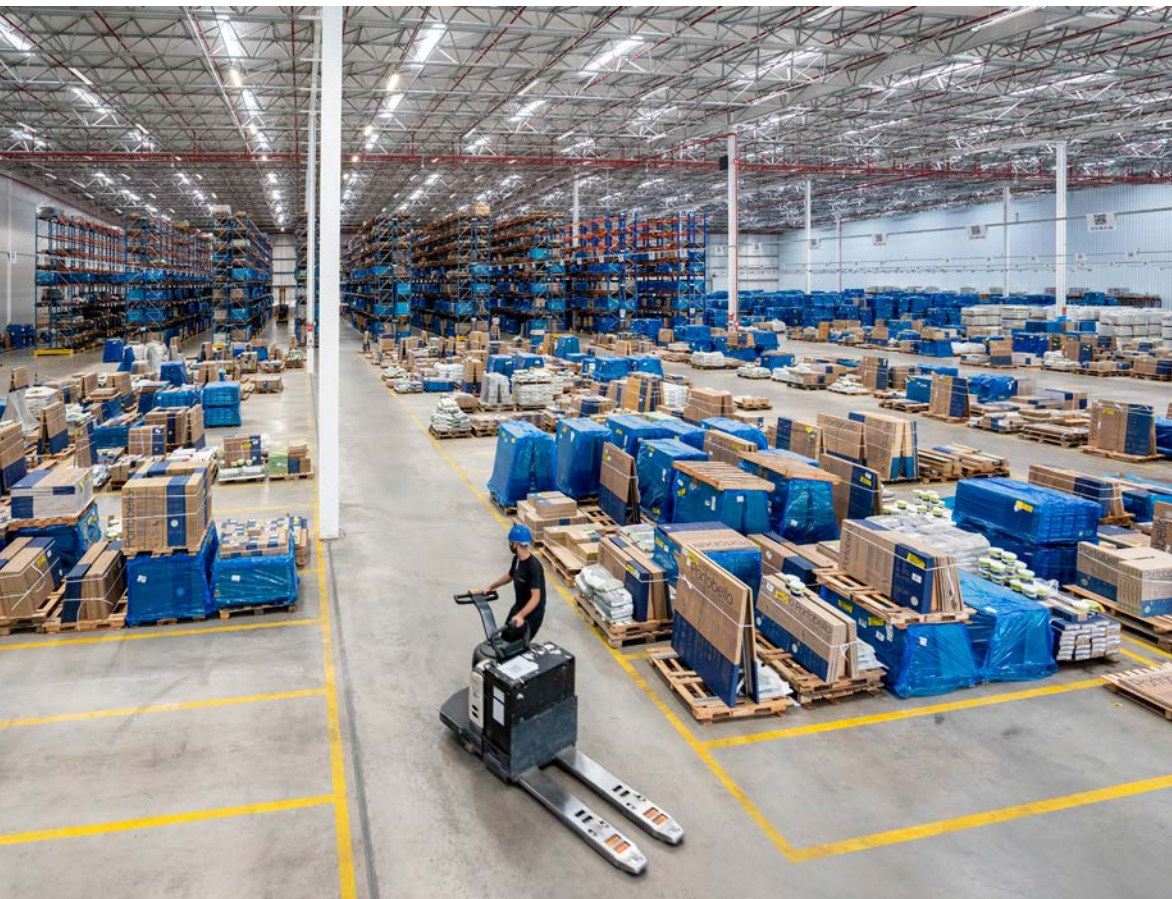
We are working on standardizing this resource management across the entire chain in the near future.

Architecture professionals play a central role in the specification process and in Portobello Shop's customer experience. They are part of a virtuous circle in the relationship with the brand. For creative exchanges and identification of market needs, dialogue is held constantly in a structured fashion through +Architecture program, which also recognizes the value of these professionals and increases the visibility of those who excel in their relationship with the brand.

Creative Collective, a project for creating a line of Portobello products with a group of renowned architects and held every year at architecturally-relevant venues, expresses how important this process is to the brand.



Learn about +Architecture



The Jundiaí distribution center started operations in 2020

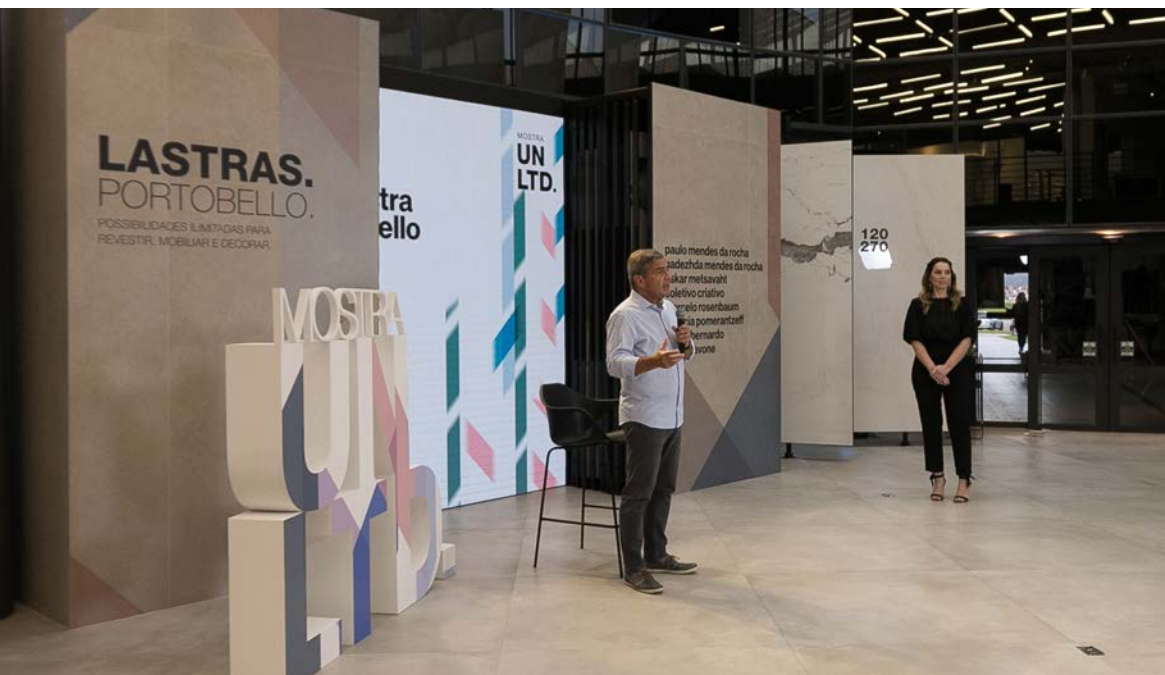
The accelerated digital transformation of our times is also reflected in the specification and shopping experience at Portobello Shop. Brand presence on social media focuses on inspirational, technical and educational content in addition to tools for project execution. Archtrends, a platform showing references and trends, leads the way for architecture professionals. At the stores, digital presence not only streamlines quotation and purchase processes, but it also has a surprising effect with its design and specification tools.

The wide reach of the retail chain, the diversified portfolio to create a complete solution and the support provided to end customers are the reasons why logistics

is one of the brand's most important duties and competences.

Portobello Shop has a domestic network of distribution centers to service all customers directly and believes that their experience with the brand begins at inspiration and goes all the way through to when the product is delivered.

At the forefront of the group's strategy, Portobello Shop pilots an integrated retail model that allows the brand to have control over the entire chain, from raw materials to sales to end consumers, and provides the foundations for envisioning the evolution from a manufacturing facility with a store chain into a store chain with a manufacturing facility.



Live broadcast of the opening reception of Unltd Exhibit, an architecture exhibit that is 100% digital



Archtrends Summit, a series of lectures for architecture professionals, early in 2020, before the pandemic broke out

**Portobello  
Shop in 2020**

**136**  
Portobello Shop stores  
across Brazil

**11**  
new Portobello  
Shop stores

**2.500**  
architecture professionals at  
Archtrends Summit

**+8.000**  
people signed up for Unltd  
Exhibit, the country's largest  
architecture event

Solidarity that is born out of hardship.2020 saw important social actions promoted by Portobello, which expanded into a nation-wide program

#### COLETIVO SOLIDÁRIO

The Coletivo Solidário is an initiative that combines the strength of the Portobello brand, the unifying and mobilizing potential of Portobello Shop stores and the social initiatives of our architecture and design partners to, collectively, advance good actions in all of Brazil.

A digital platform publishes and promotes good ideas turned into actions to help our communities.

One example took place in March, during Easter, when Portobello Shop Campinas, in Santa Catarina, offered

red food to the homeless and the poor. Each volunteer cooked 10 meals at their own home and brought them to the store, which then handed them out.

For its part, Portobello Shop Bauru, in São Paulo, donated tiles to renovate the house of a poor family as part of a project headed by architect Giovanna Ghirardello. Another interesting project in this area is Mãos à Sobra, sponsored by Portobello Shop Catalão, in Goiás, which collects leftover building materials to renovate the houses of poor families and charitable organizations.

#### CHARITABLE WINTER

A nation-wide campaign promoted by Portobello Shop that collects clothing, blanket and food donations. Over the months of July and August, 61 stores encouraged their partners, employees, customers and designers to donate.

In return, for every 10 articles of clothing or for every blanket collected Portobello Shop donated an amount equivalent to a blanket; and for every 10 kilograms of food or for every basic food basket collected Portobello Shop donated an amount equivalent to a basic food basket.



3.414

peças de roupas arrecadadas

730

cestas básicas arrecadadas

65

cobertores arrecadados

R\$ 30 mil

doados pela franqueadora para que as lojas destinem a instituições locais



Learn more about the social projects supported by the Portobello Shop chain stores



Solar panels in the Marechal Deodoro manufacturing facility



Pointer PoS at a home improvement center in Maceió (Alagoas) featuring an interactive display. Photo taken February 2020

## POINTER

The group's democratic design brand takes on the challenge of product affordability and differentiation in the Northeast region of Brazil, in addition to exporting to several other countries.

Pointer sets itself apart in the market due to the unpretentious and modern fashion products are displayed, to a standard system that makes it easier for product returns and to how fast it can be implemented and updated in-store. In 2020, project PoS 500 was a highlight as it managed to quickly renew the 500 most important points of sale of the brand.

Pointer's interactive display, which can be found at its main points of sale, offers a digital experience where customers can specify their products, render environment simulators, find technical information and view inspiring images.

Pointer's manufacturing facility is located in Marechal Deodoro and is one of the world's most modern and sustainable with its dry manufacturing process, in which raw materials require no water to be ground up during milling.



Architect Mauricio Arruda, Pointer's spokesperson for the Good Ideas! digital campaign



The Pointer Blog home page, featuring content that helps people plan out and do their tile-related renovations without the assistance of an architecture professional.



Conexões Casa webseries, with photographer Lufe Gomes



Instagram livestream with architect Patricia Pomerantzeff

During 2020, in spite of the challenges brought about by the pandemic, Pointer was able to expand its distribution and reach the mark of more than 1,000 customers served. The spread and inward movement of operations are central aspects for its affordability strategy and require increasingly more advanced digital technologies in relation to both commercial management and to connect

the brand with its audiences.

Pointer is a connected brand, particularly on social media, where interactions have been constantly and consistently increasing with respect to its posted content, which helps people plan out and do their tile-related renovations without the assistance of an architecture professional.

## Pointer in 2020

**+1.000**  
points of sale in the North and Northeast regions of Brazil

**500**  
resales with Pointer Superceramics

**512**  
points of sale with the new Superceramics sustainable displays

**+600**  
Good Ideas!  
shared as part of a digital campaign

**+40.000**  
Instagram followers

**+1,200**  
millions of blog page views

# Superceramics

The most financially and environmentally cost-effective option

	CERAMICS	SUPERCERAMICS	PORCELAIN
Sustainability	● ●	● ●	●
Energy used to produce	● ●	● ●	●
Water used to produce	● ●	● ●	●
Break Resistant	●	● ●	● ● ●
Wear Resistant	●	● ●	● ● ●
Design	●	● ● ●	● ● ●
Price	\$	\$\$	\$\$\$
Installation Price	\$	\$	\$\$\$

Pointer’s portfolio is where its democratic design strategy comes into being, uniting aesthetics and technology. The concept of Superceramics, an exclusivity of Pointer’s since 2018, is expressed in the combination of large ceramic formats and constant new releases in line with the latest interior design trends.

Superceramics created a new class of products that offer greater added value compared to standard ceramics and that are more affordable in contrast to porcelain.

On top of large formats, Superceramics innovated by introducing rectified tiles, allowing for smaller grout lines, and polished surfaces, characteristics that are typical of porcelain tiles.



Warehouse in Pompano, Florida

## Portobello America

The internationalization of operations, intensifying the business' sustainability, expresses one of the group'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 a good location to make business possible with Canada and Central America.

Portobello America was introduced to customers in December 2018, as a project designed to be implemented in stages, initially focusing on distribution, through global sourcing in Brazil, Europe and the US, then on local manufacturing.

The company owns three warehouses that serve a network of US distributors. They are strategically located in Florida, Texas and Tennessee—the latter of which is set to become the industrial headquarters of Portobello America.

In 2020, an atypical year due to the pandemic, Portobello America made progress in the consolidation of its customers with

a positioning strategy focused on offering them unique services and solutions: An exclusive and distinguished portfolio, expertise in retail and logistics and commercial operations that make intense use of digital technologies.

Concierge, a B2B platform and a pioneer in the US market, became available in 2020 offering procurement services, ability to view stocks, and other features. Concierge Portobello America shows how committed the company is to digital innovation.

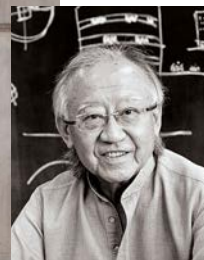
With the restrictions on personal interactions and the absence of Coverings, the top trade fair in the US market, in 2020, Portobello America developed a product release strategy that combined sending samples of products and the concept of unboxing. A special way to surprise customers who opened up the boxes during an online meeting with brand representatives and who were able to experience a storytelling presentation. Commercial results proved surprising and once again expressed how innovative the brand is.



[Learn more about Concierge Portobello America](#)



**Guilherme Wentz,**  
the designer of  
Planos line,  
released in 2020.



**Ruy Ohtake,**  
the designer of  
Ohtake line.



**Jader Almeida,**  
the designer of Ícaro,  
Codice and  
Sonatta lines.



**The Creative Collective,** co-creators  
of the Berliner, a 2020 release,  
Harpa and Dansk lines.

## Officina Portobello

### The art of porcelain tiling

Officina is the group's brand that offers unique solutions in the art of porcelain tiling. It combines master handmade craftsmanship and cutting-edge technology together to make countertops, special cuts, design objects and furniture using Portobello porcelain tiles.

The continuous surfaces on Slabs allow for porcelain to be used as raw materials for furniture, lending Officina Portobello an edge within this new context, especially in the composition of complete solutions offered at Portobello Shop stores.

An exclusive and original portfolio forges the identity of Officina, with lines and systems that provide solutions for countertops, niches and finishes for bathrooms, kitchens and other home environments. Major Brazilian designers have created collections with Officina Portobello.

Officina Portobello produces the art of porcelain tiling using sustainable processes and materials. Moreover, it offers an alternative to the use of natural resources that have a greater impact on the environment.

Officina's two manufacturing facilities, in São Paulo and in Tijuca, employ closed-loop water systems in addition to following all environmental standards.



Slab plant in Tijucas



Slabs displayed at Portobello Shop in Florianópolis, Santa Catarina.

## The future of porcelain tiling

Portobello Slabs System. Covering, furnishing and decorating with more innovation and sustainability

Slabs represent a technological revolution in the ceramics industry, predicated on a new production process that uses a different pressing method.

It all began in the early 2000s when continuous pressing was developed in Italy and evolved to become a new paradigm for tiles. The very large formats and a flexibility of widths have expanded the use of ceramic surfaces into nobler areas of architecture, in addition to allowing new uses in design and furniture. The comparison against slabs made of natural stone accentuated the technical advantages and the more sustainable traits of the manufacturing process.

Portobello launched the Slabs Project in 2019 with the commissioning of stage one at its manufacturing facility. Later, in March 2020, Portobello released its Slabs during trade show Revestir, where it introduced a portfolio that was in line with the major global players in the industry.



Slabs on display at Portobello Shop in Florianópolis



The Slabs designed by Nordik Wook allow the production of large tabletops



120x270 Mont Blanc slabs covering a wall all the way up, with no cuts



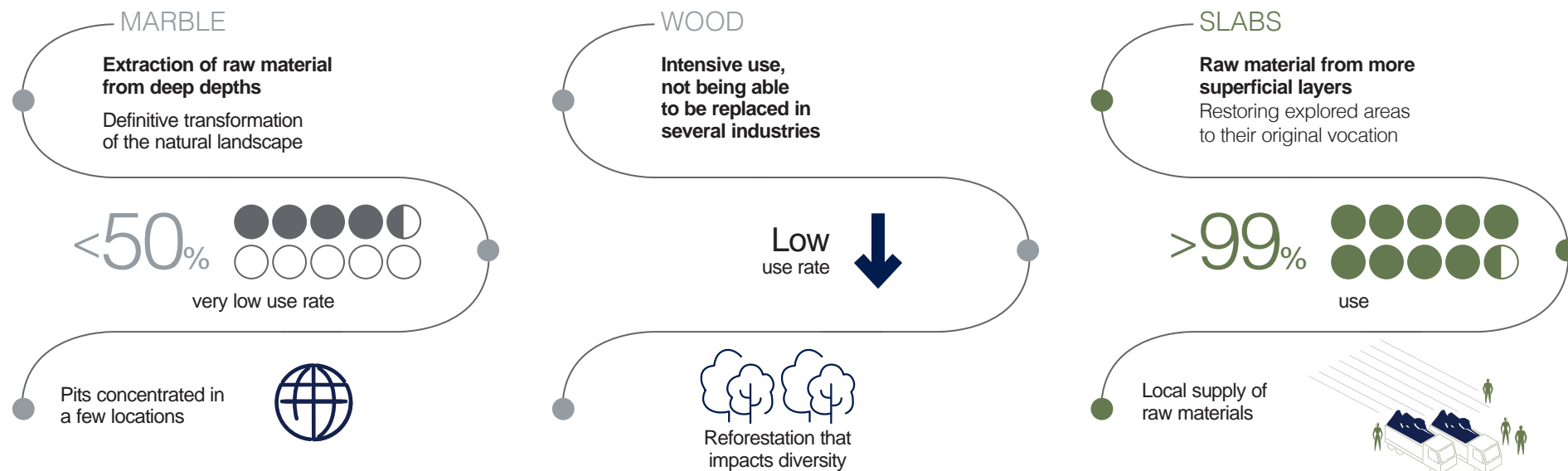
Calacatta Puro and Black Eclipse Slabs at Casa de Banho, an environment by Jayme Bernardo and Gleí Tomazi at UNLTD Exhibit

In a year of constraints caused by the pandemic, the company structured its several different departments to become the market leader. Following the industrial investments, after another stage was completed and production started in November 2020, it was now time for commercial challenges to take center stage of the project.

New forms of displaying products at Portobello Shop stores, proactive creation of a new culture for using ceramic surfaces, qualified staff and partners, original product portfolio and development of new furniture distribution channels are all part of the consolidation of the Portobello Slabs Project.

## A more sustainable alternative

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



## Unlimited possibilities to cover, furnish and decorate

### COVER

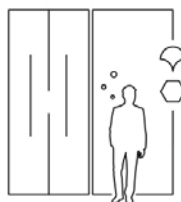
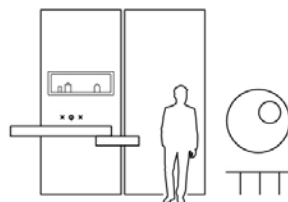
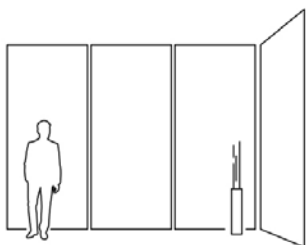
- Siding
- Indoor areas
- Continuous surfaces
- Floors and walls

### FURNISH

- Tables
- Kitchen countertops
- Bathroom countertops
- Niches

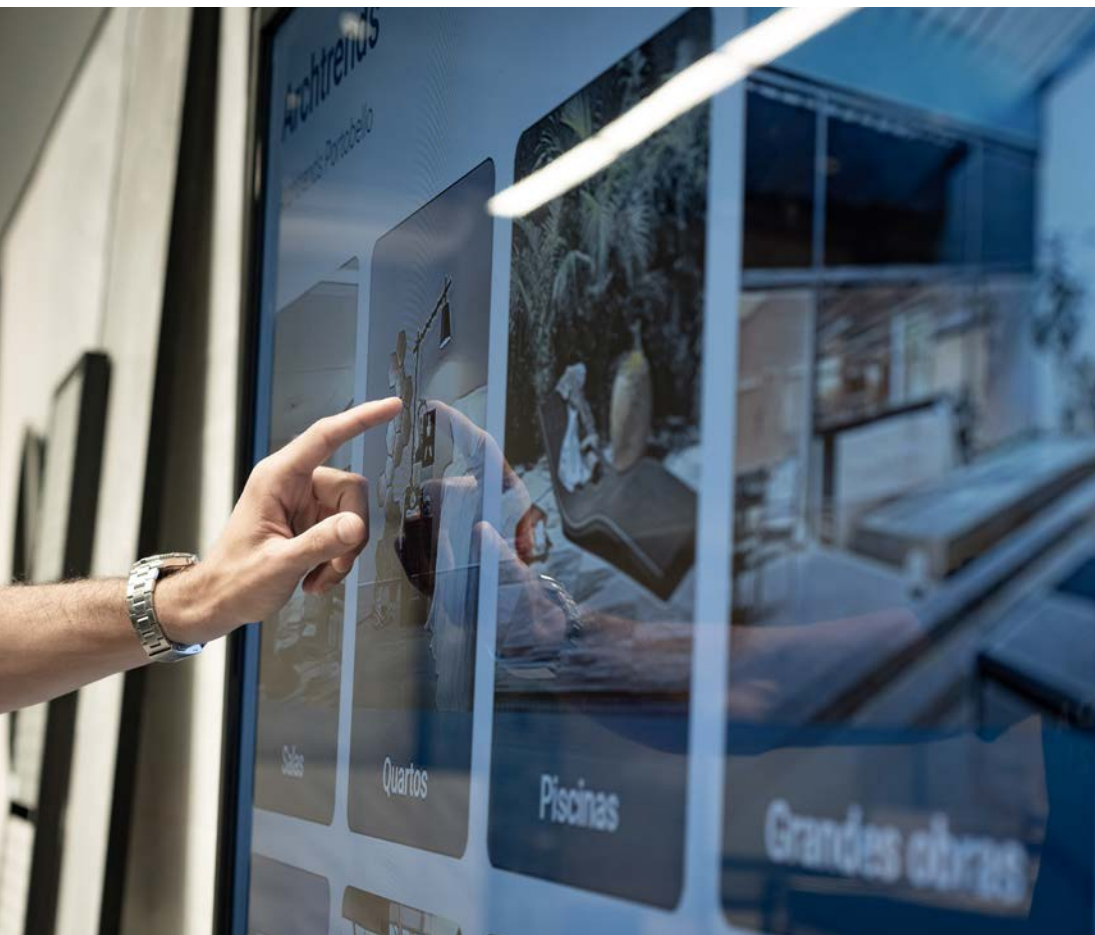
### DECORATE

- Mosaics
- Boiserie
- Decorative items
- Accessories



## Slabs System: one surface, various formats





The experience with technology ought to be unique, smooth and

## Digital Transformation

The environment we live in, the very essence of our business, turns increasingly digital

The Portobello digital ecosystem, customer-oriented and sustaining a unique, smooth and agile brand experience, is the finish line of the digital transformation currently in progress within the group. It makes for an experience supported by technology and enjoyed in all environments and points of contact with the brand.

The main pillars of this process are:

- Robust Structural Systems – Consistent, solid and flexible technological foundations to support the operating and transactional challenges of all of the group's business units. A proper technological structure is key to a seamless customer experience.
- Integration Platform – A dynamic view of business needs and tools requires an environment that is prepared to constantly integrate and adapt to its immediate context.

- Cloud Strategy – Data storage and access must be convenient and secure.

- Artificial Intelligence – Information to create value for customers and business alike. A new way to learn constantly as the customer experience evolves.

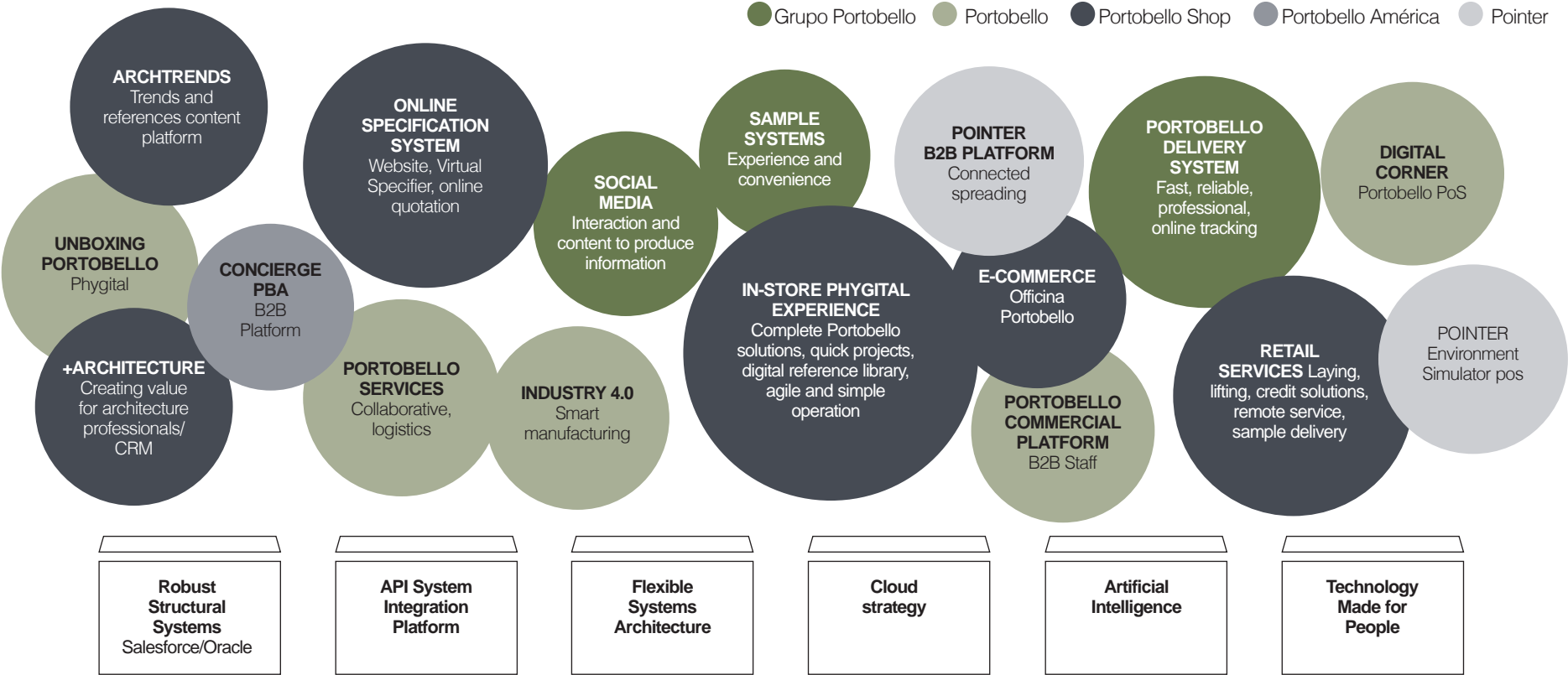
- Technology Made for People – We are preparing ourselves for an era in which technology will be invisible and the experiences with design and innovation will grow even more customized. We believe machines must adapt to people and not the other way around. Portobello's way of being and advantages must also become part of the digital ecosystem of the brand.



To learn more about how Portobello handles personal information, email [privacidade@portobello.com.br](mailto:privacidade@portobello.com.br).

# Portobello Digital Ecosystem

## Unlimited Experience Materialized



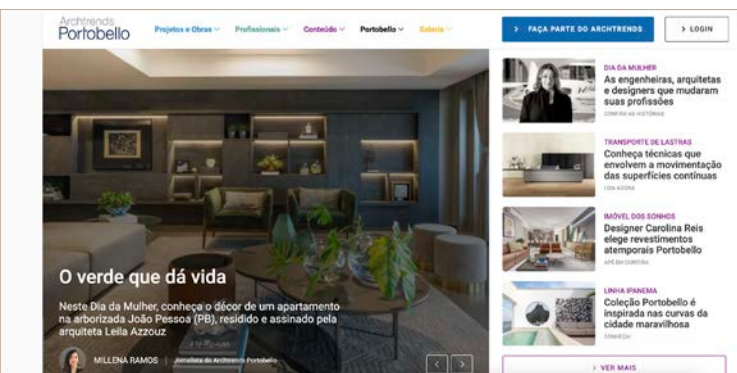
PILLARS THAT SUPPORT THE PORTOBELLO DIGITAL ECOSYSTEM



TV Touch, one of the digital tools available at Portobello Shop stores



In 2020, we intensified our efforts to protect personal information by raising awareness among all Portobello Group employees



Archtrends is Portobello's trends and references content platform. It has more than 236,000 visitors per month



The Portobello website features a technological structure that is conducive to a seamless customer experience

#### GENERAL LAW ON PROTECTION OF PERSONAL DATA

Portobello has always acted with a view to protecting the data of its customers and since 2019 has had a dedicated work group for adapting to Brazil's General Law on Protection of Personal Data, which came into effect in September 2020.

## 2020 in Figures at Portobello

**36,544** millions  
m<sup>2</sup> of ceramic tiles  
produced

**3.607**  
direct jobs

**100%**  
capacity at manufacturing  
facilities in the 2nd semester

**3** consecutive new  
sales records set

**100%**  
deposits restored  
after exploration

**100%**  
clean energy

**+236.000**  
monthly visitors  
to Archtrends

**100%**  
digital at Unltd Exhibit,  
Franchisee Convention  
and Agenda 21

**+55.000**  
visitors during  
Revestir Expo

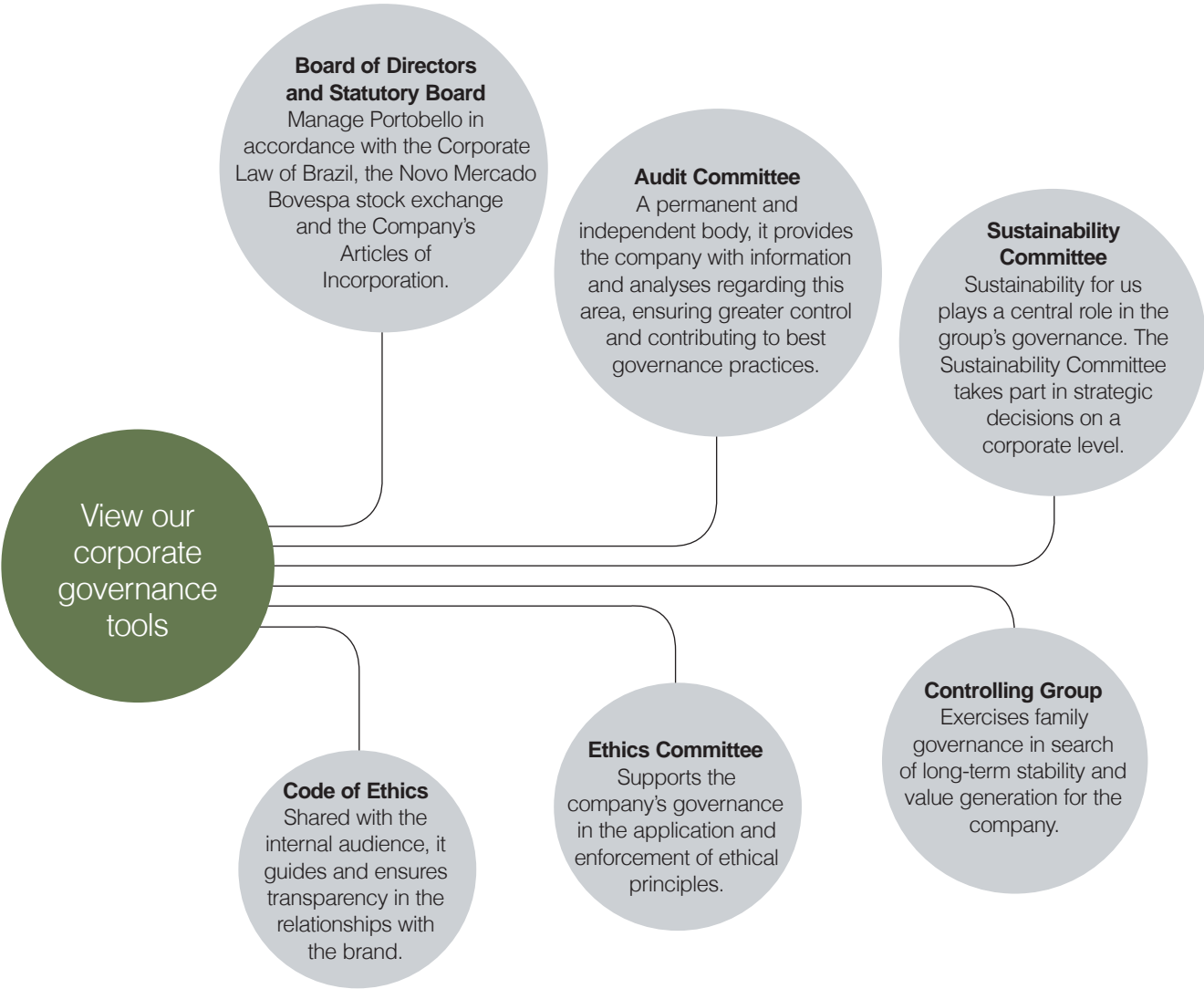
**+1.000**m<sup>2</sup>  
booth at  
Revestir Expo

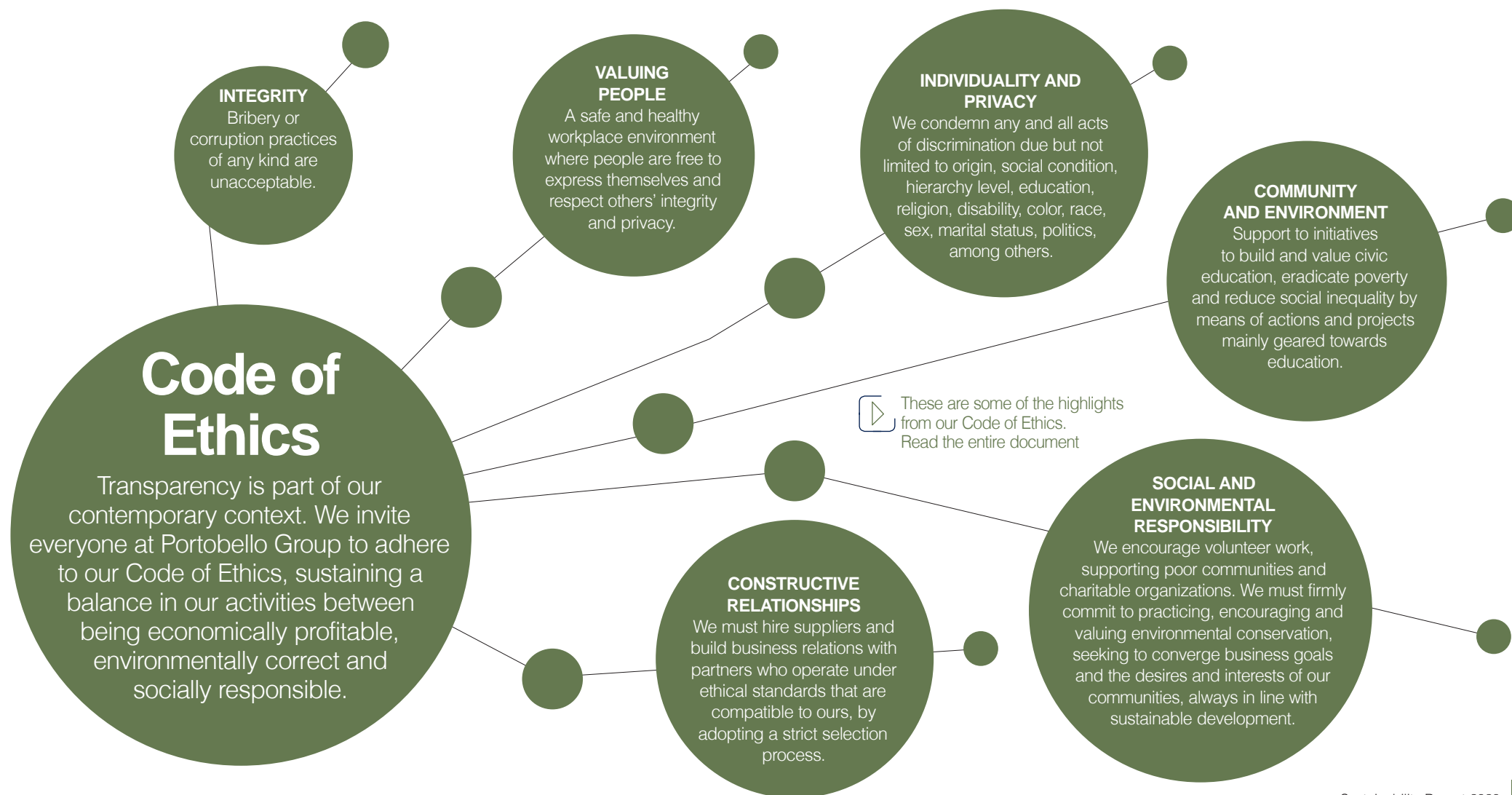


# Ethics and Governance

# Governance Profile

Portobello has been listed in the Novo Mercado Bovespa stock exchange since April 2008. Our corporate governance practices are transparent, as required by the Corporate Law of Brazil. Moreover, we have voluntarily committed to complying with even more stringent rules.





# Governance Profile

## BOARD OF DIRECTORS 2020

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

## AUDIT COMMITTEE 2020

Jorge Muller
Maro Marcos Haldich Filho
Peter Edward Mr Wilson

## DIRECTORS OF BUSINESS UNITS

João Henrique Sampaio Oliveira	CEO, Portobello Tijucas
Luciano de Liz Barboza	CEO, Portobello Shop
Luiz Felipe Lenz Brito	CEO, Portobello America
Diogenes Ghellere	CEO, Pointer



From left to right: Mauro do Valle Pereira, CEO; Ronei Gomes, Director and VP of Finance and Investor Relations; Cesar Gomes Junior, Chairman of the Board; Claudio Ávila da Silva; Vice Chairman of the Board; and Edson Stringari, Director and VP of Legal.

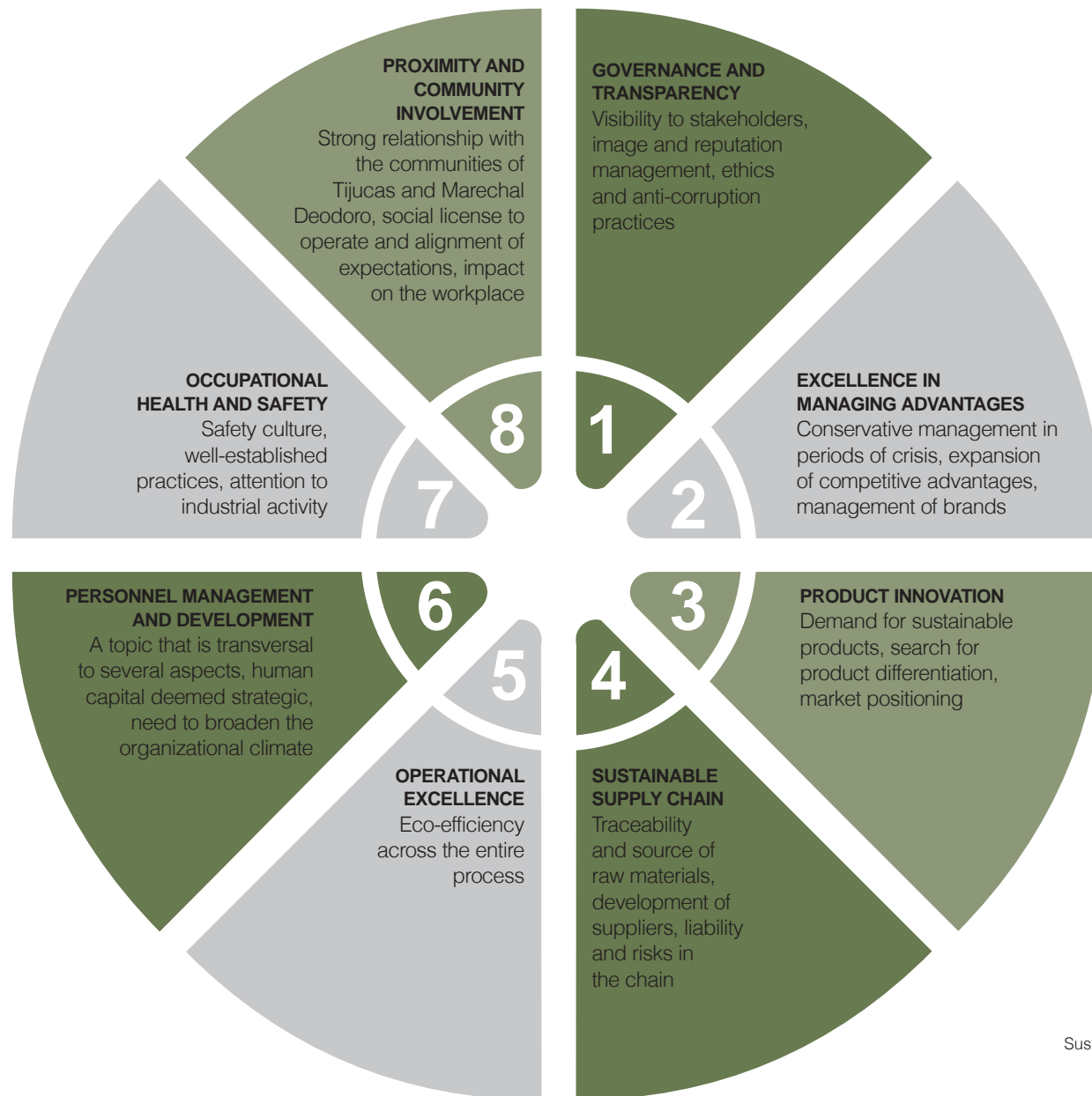
## STATUTORY BOARD 2020

Mauro do Valle Pereira	Chief Executive Officer
Ronei Gomes	Director, Vice President of Finance and Investor Relations
Edson Stringari	Director, Vice President of Legal

# Pillars of Sustainability

# Materiality

Eight topics of great relevance and priority within the context of sustainability and which guide the way Portobello is managed





Portobello

ASTRAS. P  
PLANETARIA SUSTENTÁVEL  
SOLUÇÕES SUSTENTÁVEIS PARA O SEU PROJETO

Portobello  
products, with  
Slabs highlighted,  
at Portobello Shop  
Brasília



**We strive tirelessly to enhance  
the different stages of our productive  
and creative processes so we can  
take care and help recover  
the planet we live on**



All Portobello products are made in a sustainable manner, respecting biodiversity and the use of natural resources

Guidelines that steer the company's actions:

- Practice sustainable design and innovation;
- Boost the sustainability of ceramic materials, especially in regard to the deposits of raw materials, to energy, to water and to waste management;
- Cultivate and encourage best practices aimed at environmental protection.



Through the pillar called "Our Product", Portobello contributes to the following UN Sustainable Goals



6

Clean Water and Sanitation



12

Responsible Consumption and Production



13

Climate Action



15

Terrestrial ecosystem protection

# Naturalmente sustentável

Ceramic tiles are sustainable by nature



**RECOVERABLE DEPOSITS**  
The main raw material for ceramics is clay, removed from 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 of and it can be reincorporated into similar production processes or reused as an input in the basic stages of civil construction.



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



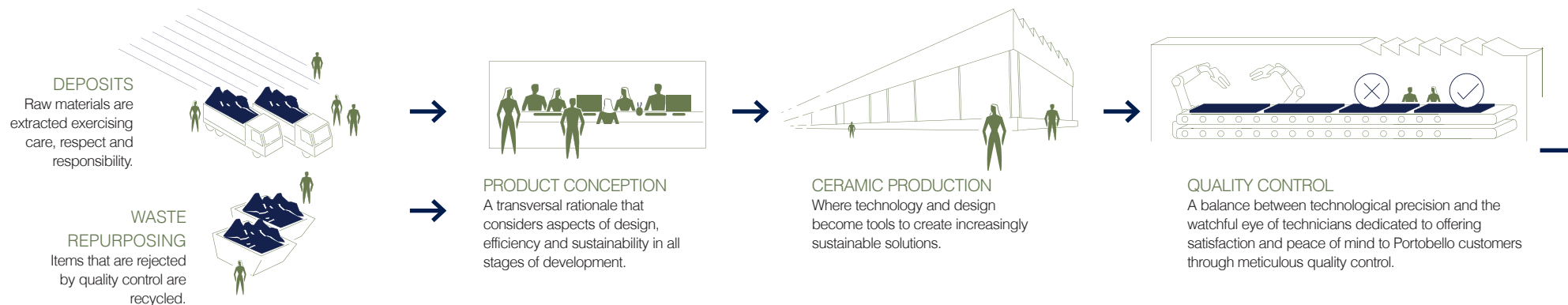
**NO ALLERGENS**  
Inert material that does not allow the proliferation of mites, bacteria, fungi and molds.



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

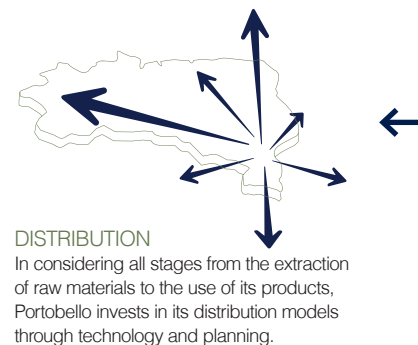
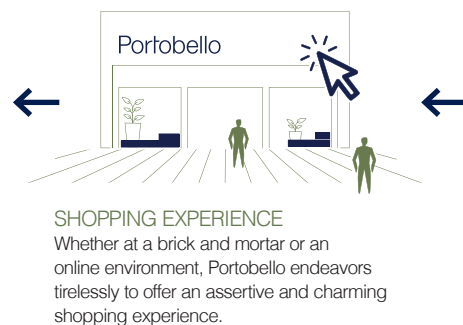
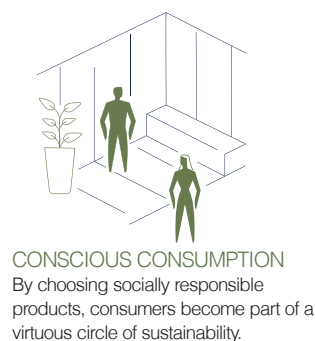


**NO FORMALDEHYDE**  
Ceramics do not contain binders, including formaldehyde, which is harmful to health.



# Portobello Product Journey

Learn all about the stages Portobello products go through and how the company handles each of these stages





**We value the people from our communities and believe in their ability to evolve and change the world for the better**

Portobello

Children from the Crescer Program. Photo taken in 2019.





We care about the well-being of our employees and the people around us, contributing to create sustainable and diverse communities

Guidelines that steer the company's actions:

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



Through the pillar called "Our People", Portobello contributes to the following UN Sustainable Goals



3

Good Health and Well-being



4

Quality Education



10

Reduced Inequalities



11

Sustainable Cities and Communities



16

Peace, Justice and Strong Institutions



## Plurality at Portobello

We will become an increasingly more plural

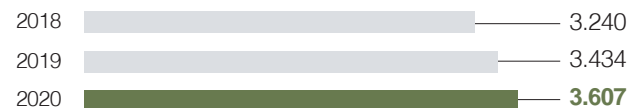
We understand that diversity creates an environment that is more productive and open to innovation.

Different people with different viewpoints, experiences and cultures, coupled with the will to make things bigger and better, being respectful, receptive and collaborative—that is how we will evolve further and further. Different, but with something in common: our passion for design.

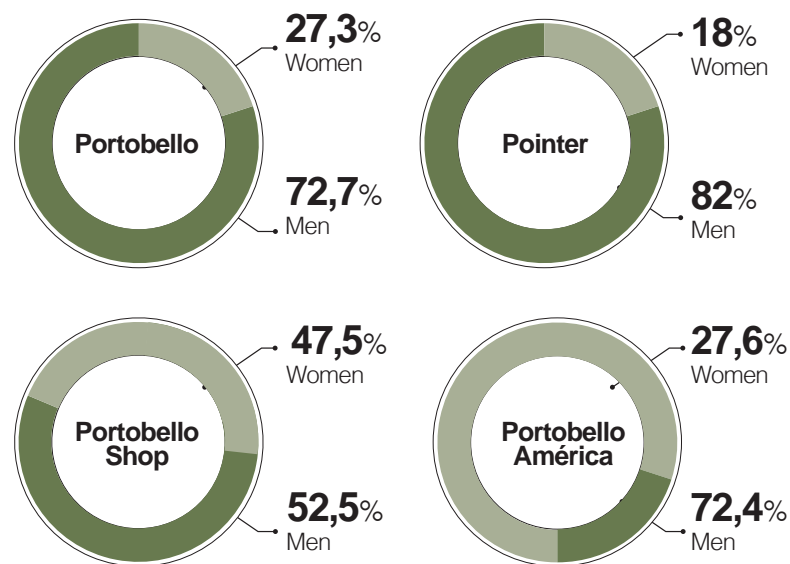
This is our greatest strength.

We know that we still have a long way to go, but our progress depends on our commitment to this vision. The next generation of leaders is plural. And a more plural future begins with being more accepting and with more opportunities. This is everyone's commitment.

## Direct Jobs



## Employees by gender





health and safety

## Our company believes that health and safety are interdependent

The 2020 pandemic posed many challenges as far as health and safety goes. Other than standard programs, which often had to be reinvented, several other actions were implemented to raise awareness and prevent Covid-19. Learn all about them on the next pages.

To prevent the spread of Covid-19, we were unable to conduct training activities and major events, such as SIPAT. But that did not stop us from looking for alternatives to raise the awareness of our employees. We promoted online seminars about topics of health and safety,

educational checkpoints and informational materials on our internal networks.

By doing so, we managed to reduce absenteeism, which is when someone stays away from work for any reason, at the Portobello and Pointer manufacturing facilities, in comparison with 2019. We got through 2020 without any lost-time accidents at four manufacturing units. One of them has gone for 45 months without accidents of this kind. We are always seeking to evolve in this regard. We also reduced the number of total accidents.

**↓16%**  
reduction of total  
accidents at the  
Portobello manufacturing  
unit in 2020

**zero**  
fatalities and  
occupational illnesses  
in 2018, 2019 and  
2020





health and safety

## Managing Covid-19

Amid the health crisis, Portobello reiterated its responsibility to uphold the safety and well-being of all its employees and the community

### MONITORING GROUP

Created to monitor and integrate actions to combat Covid-19 across Portobello Group.

### CONTINGENCY PLAN

Involving actions and strategies developed for preventing the disease and handling suspect or confirmed cases.

### SOCIAL DISTANCING

Mandatory in public transportation, cafeterias and all areas of the company. Administrative employees were sent to work remotely.

### PREVENTION ACTIONS

Recommendations, medical checkups, face masks handed out to all employees, hand sanitizers available and testing of suspect cases.

### JOB SECURITY

Portobello did not terminate any jobs because of the crisis and reduced working hours by 25% per Presidential Decree 936.

### 100% DIGITAL

All events happening post-Revestir, the highlights being the Franchisee Convention, Unltd Exhibit and the Slabs workshops.





**1.000**  
**rapid tests**

Acquired and intended for employees and for tracking all suspect and confirmed cases

**BRL 90,000**

Donated to Lar Santa Maria da Paz charity, in Tijucas, along with food, hygiene products and medications

**4**

**mechanical ventilators and monitors**

Donated to São José Hospital, in Tijucas



**113**

**basic food baskets**

Donated to Vidal Ramos Foundation, in Florianópolis

## Collective Care

Together with internal actions geared towards employee safety, Portobello Group also made significant donations to combat Covid-19



**14 000**  
**face masks**

Handed out to the Tijucas Health Office, São José Hospital, communities in Santa Catarina, Pointer employees and Vergel Community



**300**

**basic food baskets and hygiene kits**

Donated to Vergel Community, in cooperation with NGO Mandaver, and to the Alagoas Economic Development and Tourism Office



social programs

We believe that by prioritizing children and sports we are helping create a better future. Therefore, we run permanent programs around the Tijucas manufacturing unit and support initiatives in these areas

#### CRESCER PROGRAM

The Crescer Program is a transformational project in Tijucas that for more than 15 years has offered sporting and educational activities. Every year the program benefits around 200 children and teenagers aged 6 to 13, of which 30% are children of Portobello employees and 70% are from the local community. Of all participants, 90% are students at local public schools.

The goal of the program is not only to encourage physical activity and develop motor skills, it is meant also to foster qualities that come from doing sports, such as responsibility, cooperation and respect.

The way this happens is by teaching social and educational subjects such as health, education, entrepreneurship and sustainability. The program also serves to prepare teenagers for the professional world, guiding them into Portobello's Young Trainee program.

Crescer is held in partnership with ADEC - Sports Association of Ceramics Companies in Tijucas and with SESI - Industrial Social Work. All participants get free fares, food, uniforms and school supplies including the program schedule. Crescer did not take place in 2020 to prevent the spread of Covid-19.



Activities of the Crescer Program in 2019



social programs

#### ANJOS DE LUZ CHOIR

Created in 2004, Anjos de Luz Choir is a project carried out in the community of Tijucas and has included more than 300 children and teenagers aged 6 to 13. It is an initiative that brings the beauty and transforming power of music to different generations. The relationships cultivated since childhood are extremely valuable to Portobello, especially because many of those children are the sons and daughters of our company's employees. Currently, the choir has 35 members who perform at public events, festivals, gatherings and shows, also alongside other musical acts. The choir did not gather in 2020 to prevent the spread of Covid-19.

#### VOLUNTEER PROGRAM

The Volunteer Program serves as the basis to maintain and get people increasingly involved in the numerous social programs of Portobello is the Volunteer Program. Participating in it currently are over 200 employees. The program, which has encouraged involvement in social actions since 2017, is intended to contribute to improving quality of life of the community at large.

To this end, the initiative is currently organized into four different areas which volunteers are free to choose from based on their availability and interests:

- Volunteer actions, in which employees can help with the organization of the company's events, such as the Workers' Day Party, the Children's Party, and of events held by the municipal administration of Tijucas.
- Charitable campaigns, focused on collecting donations for the Volunteer Christmas Celebration, Clothing Donation Campaign, visiting hospitals, nursing homes, daycare centers and schools.
- Charitable donations, in which volunteers provide assistance to employees experiencing hardship due to a disease or natural disaster.
- Actions in favor of life, which focuses on the health and well-being of people and calls for actions such as donating blood, platelets, helping in events related to health in general such as breast cancer and prostate cancer awareness months.

In 2020, five groups of employees donated blood at the HEMOSC Hematology Center in Florianópolis.



Anjos de Luz Choir performing in 2018



social programs

# 38.000 m<sup>2</sup>

of ceramic tiles donated to social organizations, including hospitals for treating Covid-19

## VOLUNTEER CHRISTMAS CELEBRATION

The largest social program organized by Portobello has existed since 2003. Participating in it are the company's employees, who sponsor poor children and elderly from Tijucas and Marechal Deodoro and give them Christmas presents.

In 2020, the Portobello Volunteer Christmas Celebration handed out 256 presents to children in Santa Catarina charity homes and 280 Christmas baskets to the poorest families in Tijucas, with the support of the local Social Work Office. At Pointer, employees have sponsored 250 children from Vergel Community in partnership with NGO Mandaver.

At our Portobello Shop chain, we took part in Christmas actions in numerous cities around Brazil, such as a Lunch Event sponsored by Portobello Shop Campinas, in the state of São Paulo, and a Christmas event at Lar Espe-

rança with the support of Portobello Shop Nilo Peçanha, in Porto Alegre, Rio Grande do Sul. Moreover, Portobello donated funds which would be used for buying giveaways to APAE in Tijucas to support a project for improving facilities and resuming classes in 2021.

## WORKERS' DAY PARTY

This traditional event is held with the support of Portobello Volunteers and each edition has 2,500 participants on average, between employees and their relatives. In 2020, the party was replaced with a virtual event that encouraged people to "stay home".

## CHILDREN'S PARTY

This event is held with the support of the Volunteer Program, in which employees, participants of social programs and their families, offer games, play and cultural performances. In 2020, to prevent the spread of Covid-19, the Children's Party took place virtually with guest an-

imators and mascot Bello. It featured music, play and prizes to brighten up the day of the children from the families of Portobello and Pointer employees.

## INCENTIVE LAW PROJECTS

The company allocated BRL 400,000 in funds to projects in nearby communities through the Culture Incentive Law, Sports Incentive Law, National Program of Support to Cancer Oncology – Pronon, National Support Program for Patients with Disabilities – Pronas, Children and Adolescent Fund and Elderly Fund.

## SPORTS FUNDING

ADEC - Sports Association of Ceramics Companies in Tijucas is a partner of Portobello's that promotes several programs and activities with the purpose of bringing businesses and the community together.

As a result, more than 4,000 members

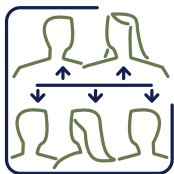
along with their dependents can enjoy a vast conservation area and full sports and recreation infrastructure.

## BELLO OLYMPICS

Held in partnership with the ADEC, the Sports Association of Ceramics Companies in Tijucas, the Bello Olympics encourages employees to take part in 14 sports events, promoting well-being and moments of relaxation and fun for co-workers and their families. This event did not take place in 2020 to prevent the spread of Covid-19.

## ENVIRONMENTAL EDUCATION

A program geared towards employees and residents living near the Portobello manufacturing facility in Tijucas. It imparts best environmental practices on internal and local social media and runs awareness campaigns and monthly training activities for employees.



people and  
management

## Meritocracy

Meritocracy is part of our organizational development and is one of the strategies of the People and Management area

We believe professionals who focus on results, are innovative and act out of a sense of ownership are fundamental for us to achieve our brand's objectives.

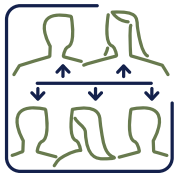
We pick, recognize and value professionals who show outstanding performance using a meritocracy system. We believe that aligning objectives and goals, structured planning and management tools will lead to excellence and efficiency.

Professionals who deliver the bestre-

sults, working with integrity, ethics, respect and in teams, deserve individual recognition. Employees are always the agents of their own careers and should seek out continuous development and improvement, with the involvement of their leaders and the support of the company.

We value a friendly workplace environment, with a relaxed and pleasant atmosphere. Daily, monthly and annual results are tracked and must fall in line with the company's sustainability.





people and  
management

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

#### ORGANIZATIONAL COMPETENCIES

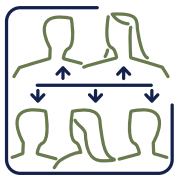
- Focus on results
- Sense of ownership
- Innovation

#### LEADERSHIP COMPETENCIES

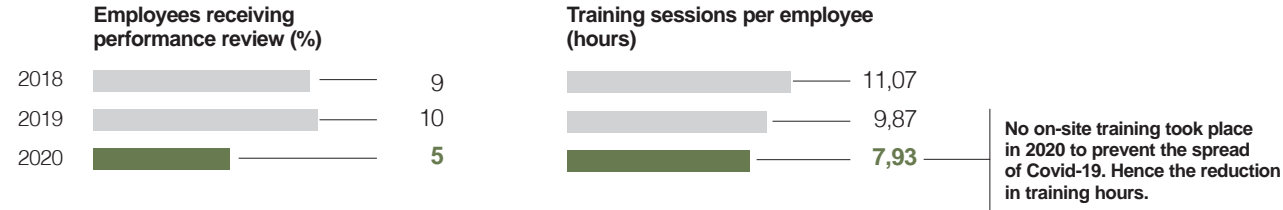
- Development of talents
- Search for competitiveness
- Focus on customers
- Agility in management
- Valuing different opinions

Organizational and leadership competencies guide a professional's profile and training content.





people and management



We offer training tools so that our employees can develop professionally

**MENTORING**  
Professionals with potential for promotion take part in annual cycles of mentoring with co-workers who are one or two hierarchical levels above. The program did not take place in 2020 to prevent the spread of Covid-19, but it is set to resume in 2021.

**LEADER OF THE FUTURE**  
An immersion program of leadership development for managers. 105 professionals have already taken it.

**DEVELOPMENT IN ACTION**  
A program created in 2020 geared to-

wards the development of consultants and executives from the resale channel and of leaders serving in marketing and exporting. Our distance courses and on-line meetings provide learning moments for professionals to hone even further their ability to pull in customers, exceed expectations and foresee scenarios.

Each audience follows a specific development path involving training in customer service, customer experience, negotiation and sales, communication and leadership.

**LEADER TRAINING**  
In 2020, due to the pandemic, Portobello

Shop leaders met up virtually to talk about essential topics with a view to inspiring and providing practical resources so that participants can take it upon themselves to pursue new paths and possibilities, with confidence and optimism.

**PORTOBELLO SLABS WORKSHOP**  
Focusing on the major new release of 2020, the Slabs, specifiers who work in partnership with Portobello Shop received more than 130 hours of training.

**DISTANCE LEARNING WEBSITE – EAD PORTAL**  
Focused on the Commercial Person-

nel, over 2,000 professionals from Resale, Engineering and Portobello Shop staff receive training in technical topics related to products and service.

**PERFORMANCE EVALUATION**  
Portobello carries out a 360-degree performance evaluation of its leaders and uses the results to identify development opportunities and find the best talents. An online platform guides the evaluations through 43 behaviors expected of Portobello professionals and, at the end of the process, the results are discussed in a committee.



**Positive financial indicators, customer satisfaction and commitment from all stakeholders ensure the sustainability of our business**

Portobello Shop Brasília,  
opened in 2020



At Portobello, we believe that growth is only possible if achieved together. Opportunities exist for all, and we share risks, results and ethical values

We believe that assessments using ESG factors encourage sustainable investments, increase confidence in the capital market and generate more value for the community. We are committed to the transparency and the continuous improvement in the generation and dissemination of information relevant to environmental, social, and economic sustainability. We invite you all to access our information, through this Report or the Investor Relations channels.

Guidelines that steer the company's actions:

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



Through the pillar called "Our Business", Portobello contributes to the following UN Sustainable Goals



8

Decent Work and Economic Growth



9

Industry, Innovation and Infrastructure



11

Sustainable Cities and Communities



12

Responsible Consumption and Production



17

Partnerships for the Goals

## Economic Results

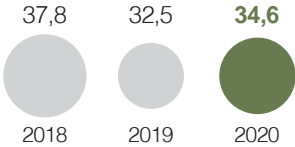
2020 was a year of great achievements for Portobello Group. Despite the challenges and negative effects of the Covid-19 pandemic, we achieved record sales results, once again strengthening our resilience in the market. The result is its consolidation as one of the leading companies in the ceramic tile sector,

whose portfolio features products with high added value. Another competitive advantage of the group is the diversified distribution channels and export revenue – higher than that of its main competitors in the country.

In a scenario of uncertainties and serious

global crisis due to the pandemic – with unprecedented impacts on the economy and society – Portobello took a stand: we protected our employees and solidly continued our business, seizing on the moment of changing habits of consumption, reaching the best sales figures in the last five years.

Gross Margin (%)



Gross Revenue (BRL Thousands)		Net Revenue (BRL Thousands)		Gross Income (BRL Thousands)		EBIT	
2018	<div></div> 1.321.346	<div></div> 1.043.378	<div></div> 394.788	<div></div> 244.404			
2019	<div></div> 1.415.598	<div></div> 1.114.269	<div></div> 362.619	<div></div> 75.071			
2020	<div></div> 1.720.988	<div></div> 1.331.780	<div></div> 460.442	<div></div> 175.300			

Net Income (BRL Thousands)		Net Debt (BRL Thousands)		Taxes (BRL Thousands)		Distributed Dividends (BRL Thousands)	
2018	<div></div> 134.311	<div></div> 472.188	<div></div> 336.575	<div></div> 31.892			
2019	<div></div> 13.164	<div></div> 427.141	<div></div> 284.607	<div></div> 6.236			
2020	<div></div> 128.242	<div></div> 401.400	<div></div> 293.452	<div></div> 60.896			

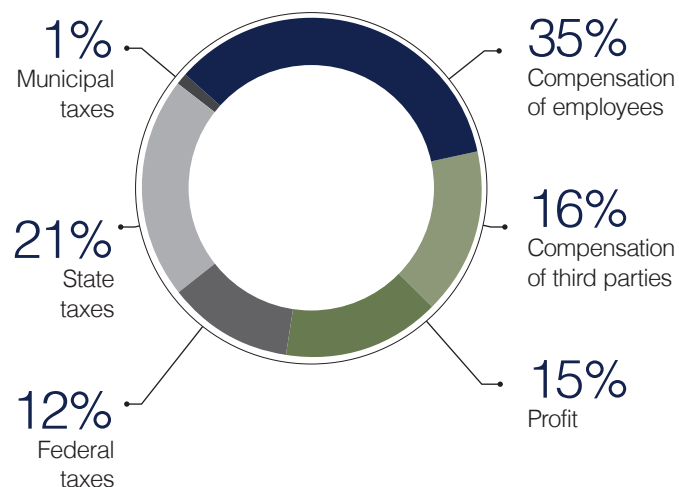
The financial information presented in this document derives from PBG S.A.'s consolidated financial statements, prepared in accordance with the standards of the Brazilian Accounting Pronouncements Committee (CPC) and the International Financial Reporting Standards (IFRS).



## Value Added

Value added is the demonstration of the wealth shared among employees, community, government, shareholders and creditors (economic agents who contributed to its generation). In 2020, it totaled BRL 865 million.

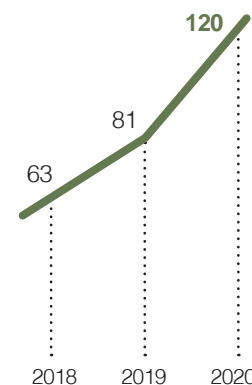
### Destination of value added



## Investments

Most of the investments were used to implement the new Slab production line at Tijucas manufacturing facility. This project is an important step in Portobello's evolution and is part of the strategy that aims to offer full solutions to customers through Slabs – large pieces of porcelain tiles.

### Investments in millions of BRL



In 2020, investments totaled  
R\$ **120.4** million

Investments were  
**↑27%**  
higher than 2019

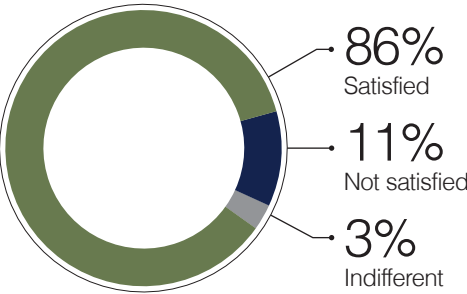


## Customer satisfaction

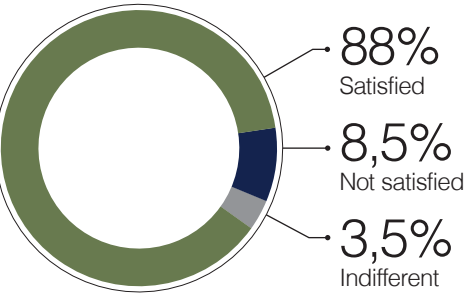
Portobello conducts a survey every six months with architecture and design professionals, specifiers of the brand, to measure their degree of satisfaction with the company's processes, products and services. The most recent of these surveys was carried out in February 2021, with 305 specifiers.

Portobello maintained in 2020 its RA1000 certification, from consumer protection website Reclame Aqui, received three years in a row. 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.

Specifier satisfaction



End consumer satisfaction



Comments of specifiers who work in partnership with Portobello Shop, from an anonymous survey

- “Excellent staff.
- “Incredibly thoughtful and accommodating, always intent on helping us the best way possible.
- “The service is always very good. Consultants are always nice and well-informed about the products.

- “You are amazing. Kudos to the team and for your top-class products.
- “A quality product, a quality delivery and a quality service are the reasons why I choose Portobello products.



## Accolades and Awards

	Name of the Award	Category	Institution	Version
Portobello				
	2020 Anamaco Award	Major Customers	Anamaco	Nov/2020
	2020 Citizen Company Award	Environmental Conservation	Court of Justice of Santa Catarina	Nov/2020
	Top of Mind	Home and Market    Ceramic/	Porcelain Covering Brand and Ceramic Tiles Brand	Nov/2020
	Reclame AQUÍ	Reclame AQUÍ	Manufacturers – Tiles, Flooring and Ceramics	Dec/2020
Portobello Shop				
	2020 Seal of Excellence in Franchising	Master	ABF	Mar/2020
	5-star Seal from the Best Franchises in Brazil Guide	Home, decoration and presents	Pequenas Empresas & Grandes Negócios	Nov/2020
	Top Marketing and Sales	Communication, with case Virtual Release Event Unlimited Exhibit; Retail, with case Portobello Slabs Release at Portobello Shop Stores; and Top One, with the highest score among winners with case Virtual Release Event Unlimited Exhibit	ADVB/SC	Dec/2020

# Portobello Sustainability Framework

## PREMISES

TRANSPARENCY	COLLABORATION	EDUCATION	COMMUNICATION
Sustainability viewed as a continuous learning process which includes getting things wrong and getting things right	Include different actors to build together and maximize positive impacts	Sharing information with different stakeholders to influence people towards conscious consuming	Sustainability as a transversal topic in all points of contact
OUR PRODUCT	OUR PEOPLE	OUR BUSINESS	
We understand that our home extends beyond four walls. We have rendered our unwavering dedication to improving our production processes tangible with the purpose of being able to take care and helping restore the planet we live on.	The actions and projects we create or support with a view to strengthening the people and communities we are involved with. It represents our continuous effort to value human beings, believing in their ability to evolve and change the world for the better.	The success of our business is not measured just by financial aspects, but also by the well-being of the people and the environment that our products and services create. We have reaffirmed our commitment to adopting sustainable measures as an integral part of our business strategy.	
PROJECTS <ul style="list-style-type: none"><li>• 100% closed-loop water systems in the manufacturing process</li><li>• 100% natural gas used in furnaces and dryers in Tijucas</li><li>• 99.9% of waste reused or recycled</li><li>• 1800m³ of water from human consumption saved with the “Let’s Take Care of Water Too” Campaign</li></ul>	PROJECTS <ul style="list-style-type: none"><li>• Colorful Quarter Campaign</li><li>• Vaccination Campaign</li><li>• Anjos de Luz Choir</li><li>• Crescer Program</li><li>• Volunteer Program</li><li>• Incentive Laws</li><li>• Young Trainee Program</li><li>• Occupational Health &amp; Safety Programs (SIPAT - Occupational Accident Prevention Week)</li></ul>	PROJECTS <ul style="list-style-type: none"><li>• Compliance: Periodic evaluations</li><li>• Satisfaction survey with at least 87% satisfied respondents</li><li>• Maintenance of RA1000 certification awarded by consumer protection website Reclame Aqui in 2018, 2019 and 2020</li><li>• Win Época Reclame Aqui Award in the Home &amp; Construction category</li><li>• Training and Corporate Education Programs</li></ul>	

### SUSTAINABLE DEVELOPMENT GOALS



### SUSTAINABLE DEVELOPMENT GOALS



### SUSTAINABLE DEVELOPMENT GOALS



# The Portobello of the Future

# Our ambitions and our actions will turn Portobello into a company that is

## Increasingly more sustainable

- Alternative energy initiatives for all businesses and stores
- Employee, professional and customer awareness about the use and disposal of tile waste
- Conscious use of water in all businesses and stores

## Increasingly more plural and accessible

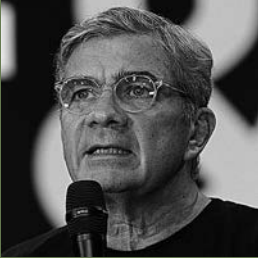
- Recruitment and selection policies that aim for diversity
- Physical accessibility and access to information in all businesses and stores
- Digital accessibility

## Increasingly more digital and connected

- A phygital experience that can meet the demands of inspiration, specification and purchase of the complete Portobello solutions
- A brand that is open to dialogue through all digital channels
- Empathy and availability to satisfy - and surprise – the desires of our customers



– spending  
+ reusing  
– consuming  
+ technology  
– waste  
+ recycling



“At Portobello, the way we act and interact with the market and the environment must become increasingly more sustainable.

**Mauro do Valle**, CEO at Portobello Group



“It's a pleasure being able to work alongside a manufacturer that allows us to express ourselves creatively and freely.

**Oskar Metsavaht**, designer and artist



“A esthetics must go hand in hand with ethics.

**Nina Almeida**, CEO of Instituto-E



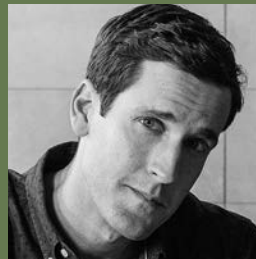
“We must create things that make a difference in the world.

**Chris Ferreira**, director of innovation and branding at Portobello



“Portobello engages in sustainability; it looks at its structures.

**Marcelo Rosenbaum**, designer



“We build the future we believe in: sustainable and collaborative.

**Pedro Andrade**, journalist

The Portobello of the Future

Portobello

# Creating the future we want, together

Slabs on display at  
Portobello Shop Florianópolis