Portobello Grupo

SUSTAINABILITY REPORT 2023

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This report is an interactive PDF, best viewed in Adobe Acrobat or opened directly in Chrome or Safari browsers. Interactive and navigation functions may not work on some viewers or mobile devices.

ABOUT THE REPORT

GRI 2-3, 2-14

The Portobello Grupo Sustainability Report presents the company's main environmental, social and governance information, covering the period from January 1 to December 31, 2023. For this edition, the following indicators were considered:

- From the Global Reporting Initiative (GRI), a standard internationally adopted by companies of different industries, in the option for compliance; and
- From the Construction Materials industry, of the Sustainability Accounting Standards Board (SASB).

The information is structured and arranged in accordance with Integrated Reporting, according guidelines from the International Integrated Reporting Council (IIRC), addressing the capital accessed by the business and its relevance for generating long-term value. It also presents the Group's financial performance for the year, published in full at a specific event aimed at investors in March 24, and at **https://ri.portobello.com.br/.**

This document was created based on the pillars of the company's Sustainability Plan: +Governance, +People, +Eco-efficient.

Furthermore, it shows the resources and impacts related to Financial, Manufacturing, Human and Intellectual capitals. Within the Human Capital chapter we find the main stakeholders of Portobello Grupo, with whom the company carries out several engagement initiatives. The actions promoted are detailed in the specific chapters for each public. The table below relates the capitals to the chapters where information can be found along the content.

FINANCIAL	■ Business model and value creation ■ Business performance
MANUFACTURED	■ Business model and value creation ■ Portobello Grupo
HUMAN	■ Business model and value creation ■ Portobello +People
INTELLECTUAL	■ Business model and value creation ■ Portobello Grupo ■ Portobello +Governance
SOCIAL AND RELATIONSHIP	■ Business model and value creation ■ Portobello +People ■ Portobello +Governance
NATURAL	■ Business model and value creation ■ Portobello +Eco-efficient ■ Portobello +Governance

The report counted on the participation of the Board of Directors, the statutory board and different corporate areas, as well as the business units, in interviews and in sharing information and indicators. This was meant to ensure that a cohesive approach was present in the texts, showing how the areas and strategies are connected and how sustainability permeates this action. The report was approved by the Sustainability Committee, led by the chairman and vice-chairman of the Board and directly linked to this governance body, and by the Group's Board of Directors.

The publication of this document is annual, and this edition was finalized and released in March 2024.

Questions or suggestions may be sent to: dri@portobello.com.br

Enjoy the reading!

MESSAGE FROM THE CHAIRMAN

GRI 2-22

Dear customers, partners and employees,

We are pleased to present our 2023 Sustainability Report, reflecting the actions and challenges of our evolution, committed to the present and to the future.

In a year of instability for the ceramics sector, we understand that our above-market performance exhibits the assertiveness of the company's multichannel and integrated retail business model, represented by the Portobello Shop chain, with 158 stores in 2023.

With the ambition of turning the Portobello brand international, the opening of the first factory in the United States was one of the company's most significant steps, potentially enhancing results in the coming years. Portobello America has the most modern, automated and sustainable technologies in its manufacturing park, in addition to starting its activities in line with the Group's ESG management model.

Portobello governance is constantly advancing, with a structure aligned with the best market practices and, in 2023, the Sustainability Committee completed three years of activities, counting on the involvement of two founding shareholders, of the Board of Directors' vice-chairman, and my leadership. The founders' participation in the sustainability strategy underlines the importance of this theme for the Group.

This was also a year to continue structuring the ESG management model, involving all business units, with their different stages of maturity in this discipline, in the elaboration of the plan of guidelines and goals developed from the Sustainable Development Goals and following the premises of the United Nations Global Compact, to which we remain signatories. We believe that having clear indicators, creating ways to measure them, establishing goals and engaging people in this common commitment are the best ways to evolve in the business environmental, social and economic challenges.

It is important to highlight the leading role of all our employees and partners, both in their daily work and in their volunteering activities,

always seeking to do something more for a better future. We have a priority commitment to the evolution of our internal public, since the more informed, trained and involved we are, the more sustainable we will be.

We would like to invite everyone to learn about our main social projects, Sururu - Shells that Transform, which uses sururu shellfish for design, with the involvement and development of people who live in Lagoa Mundaú, in Maceió (Alagoas), and also in Jardim Progresso, which, in partnership with the community and the City of Tijucas (Santa Catarina), will support the creation of a Cultural Center in the Jardim Progresso district.

We conclude by thanking all the people who contribute and are committed to our brand's permanent evolution.

Thank you, and enjoy reading.

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

PORTOBELLO GRUPO

GRI 2-1, 2-6, 2-28

Sustainability Report | **2023**

Portobello Grupo (PBG SA) is the leader in the ceramic coverings industry in Brazil, in addition to supplying the international market in 75 countries. Its operations include two plants in Brazil and one recently launched in the United States, 25 own stores, 133 franchises, two Officina Portobello units and nine Distribution Centers – seven in Brazil and two in the US. With headquarters in the town of Tijucas, State of Santa Catarina, it has the capacity to produce 45 million m² (484 million ft2) per year of ceramic coverings in Brazil alone. With consolidated operations in the retail segment and moving forward as a global company, its approach is focused on the customer and the design, which considers impact management and the generation of value for other stakeholders.

Operations are organized into four distinct business units: Portobello, Portobello Shop, Pointer and Portobello America, each one with a specific role in the tiles market. As a publicly traded company and private legal entity committed to a high standard of corporate governance practices, the Group is traded in the B3 Novo Mercado segment.

Sustainability plays a strategic role in Portobello Grupo's business, with a planning based on ESG commitments and goals launched in 2022. The company participates in the Board of Directors of the National Association of Ceramic Manufacturers for Coverings, Sanitary Ware and Similar Products (Anfacer), actively contributing to this industry's growth. It is also a signatory to the UN Global Compact, committing to adopt a series of standards in the areas of Environment, Labor, Human Rights and Combating Corruption in its day-to-day business. With a clear focus on innovation, design and sustainability, Portobello Grupo stands out as a leading force in manufacture and retail, creating high-quality solutions.

HIGHLIGHTS OF THE YEAR

Project +Sustainable Stores opens its first unit, Portobello Jardim Social, in Curitiba (PR), with LEED (Leadership in Energy and Environmental Design) certification.

For the 5th consecutive year, it was the winning brand in the Reclame Aqui Awards, in the Home and Construction – Coverings, Floors and Ceramics

Use of waste from the production process reaches

100%

50%

of the electrical energy consumed is from renewable sources - wind farms -, starting in 2024.

Creation of the Diversity Working Group, focused on literacy and promotion of the topic, composed of

32 people

representing all units.

Action of Environmental Ambassadors, made up of 86 employees from the Portobello unit and 11 from Pointer, who promote the theme in their units.

Launch of the Portobello Academy, with online courses, which scales up the employees training process.

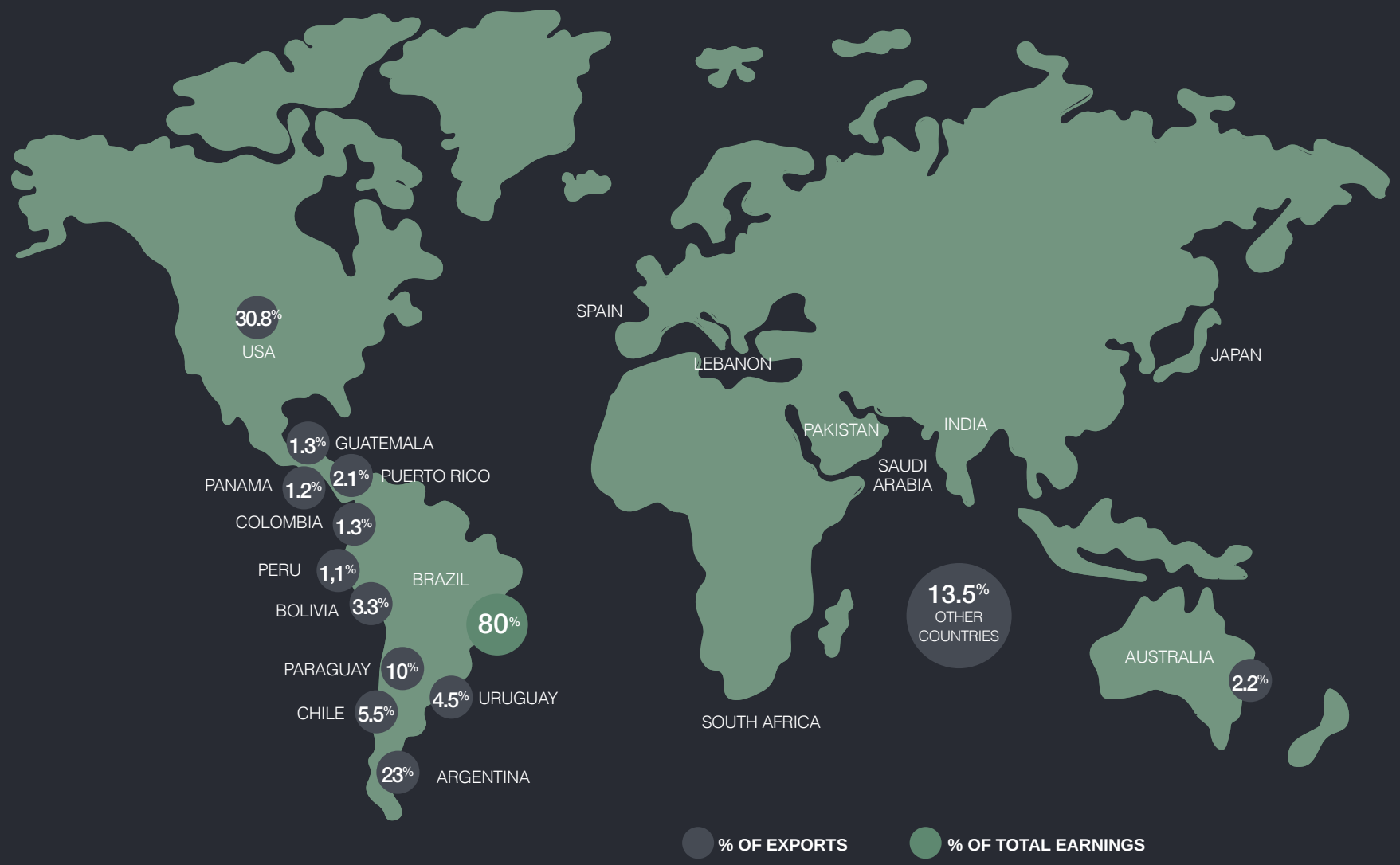
Start of production at the plant in the United States, with a production capacity of

3.6 million

square meters per year

GLOBAL STANDING

Portobello is one of the global leaders in the production and marketing of ceramic tiles



PRODUCT INNOVATION

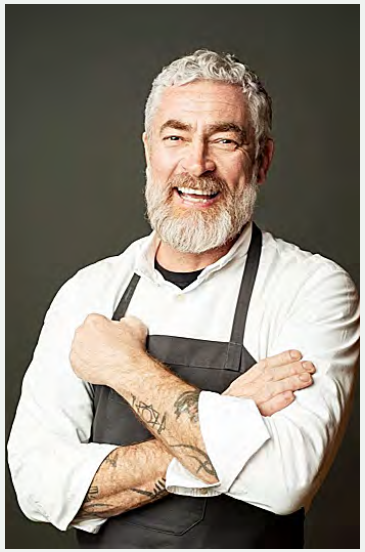
Innovation and design drive Portobello Grupo's product launches. In 2023, we made forays in technology and slabs format, in addition to partnerships with brands recognized in the market.

DOMATECA

Domateca is Officina Portobello's kitchen, customized according to the customers' needs. The use of modules multiplies possibilities, ranging from benches to entire settings.

ALEX ATALA

Chef Alex Atala has built a successful cuisine career over more than 30 years. Now, he inspires a line of porcelain tiles and accessories designed for kitchens, including islands, carts and trays.



SOLAR

Project Sururu - Shells that Transform provides the raw material for Cobogó Mundaú, a line inspired by nature. In 2023, the union of socio-environmental impact with design produced one more fruit: Solar. Designed by Marcelo Rosenbaum and Rodrigo Ambrósio, it is a covering in sunny colors, illuminated by the iridescent effect of sururu shells.

NEOTROPICAL

The Neotropical pieces complement the Ipanema Line portfolio, in three shades inspired by Rio de Janeiro's features: Sidewalk Mix, Sunset Mix and Ipomeia Mix (vegetation). The pieces are in 20 cm x 20 cm format, with a natural surface finish, and are recommended for floors, internal and external walls and facades with personality.

PORTOBELLO

The Portobello unit includes the operations center in the manufacturing and technological development complex located in Tijucas (SC). Portobello instils the quality and distinctive style of the Group's products, being a pioneer in the development of slabs, ceramics in larger formats, an innovative category that stood out in the Brazilian market.

Portobello's operation is highly versatile, covering several distribution channels, from resellers to construction companies and the export market. The constant search for innovation and focus on the value chain are fundamental pillars for the unit, which stands out for its products' quality and design.

75
countries served by exports

130
customers present on all continents

PRODUCTION OF
26.3 million
m² of coverings in 2023

PORTOBELLO SHOP

Portobello Shop is the main retail reference specialized in ceramic coverings in the country, comprising its own stores and franchised ones. With a core focus on customer satisfaction and a data-driven approach, Portobello Shop puts personalized service and digital transformation at the heart of its business strategy.

Portobello Shop stores are showcases of architecture and design, providing a unique experience for customers. Moreover, the unit leads the Archtrends platform, an online source of trends aimed at professionals in the field. The unit offers solutions for product installation and customization, through Officina Portobello, where exclusive porcelain pieces are created.

25
own stores

133
franchises

One of the 300 largest Brazilian retail companies*

The 6th largest in the country in the Construction Materials segment and the 1st in revenue per employee*

*ranking of the Brazilian Society of Retail and Consumption

5
distribution centers

53,000
m² of sales area

POINTER

Located in Marechal Deodoro (Alagoas), Pointer stands out in the ceramics production using the dry process, a more sustainable method that eliminates the need for water. Focused on serving consumers who value quality and affordable design, the brand serves the Brazilian market and exports its products to 55 countries. In addition to saving water, the unit uses more advanced technologies that produce less environmental impact.

Pointer has a significant presence in the retail of construction materials in the North and Northeast regions of Brazil. It has the "Pointer Perfect Store" relationship program, intended to support and develop the trade of building materials in the North and Northeast regions of Brazil. Aimed at small and medium-sized businesses, the initiative seeks to create greater connection and customer loyalty, strengthening ties between the industry and retailers – more than 1,000 retailers have already benefited.

55
countries served by export

2
distribution centers

PRODUCTION OF
11.4
million m² in 2023

MORE THAN
1,300
points of sale in the North and Northeast regions of Brazil

PORTOBELLO AMERICA

Portobello America was created as a part of Portobello Grupo's international expansion strategy. Its distribution operations started in the United States in 2018, further consolidating its presence in the country, where the Group has been exporting since the 1990s.

Currently, the unit operates through two centers strategically located in Florida and Tennessee, in addition to the factory opened in 2023 in Putnan County, in the city of Baxter (TN). The new facility, one of the most modern ceramic tile plants in the United States, is equipped with state-of-the-art technologies, providing efficiency and sustainability to the industry globally. Furthermore, Portobello America plans to establish an office in Miami (Florida), strengthening its presence and service capacity in the US.

PRODUCTION OF

97,000

m² in 2023

2

distribution centers

PRODUCTION CAPACITY OF

3.6

million m² of ceramics in the first phase, doubling this volume by the end of 2025

Portobello America's opening boosts the Group's global operations

To strengthen the Portobello Grupo position in the promising and heated North American ceramic tiles market, our first industrial unit abroad was opened in October 2023. The Portobello America plant, in Baxter, Tennessee, in the United States, has a production capacity of 3.6 million square meters of ceramics per year and has already generated more than 200 direct jobs. Around 300 guests participated in the ceremony, called the Opening, which was attended by management, employees and their families, business partners and officials.

During the event, guests took a tour of the Portobello America Showroom, a 1,000 square-meter space for displaying the main products in the company's portfolio. They were also invited to visit the manufacturing area, with 90,000 square meters built. The company already starts its operations being a reference for its modern structure, state-of-the-art equipment and cutting-edge technology, which allow a more sustainable production.

The unit's delivery consolidates Portobello Grupo as a global company. For the Board of Directors' chairman, Cesar Gomes Junior, the launching of the industrial park will provide new opportunities in terms of business and culture. "We are not going to change our DNA, but rather the way we see things and approach them. Especially for a company that has innovation and design at its core," he stated.

Even before the official launch, the factory had been in operation since June 2023, with the first kiln turned on.

BUSINESS MODEL AND VALUE CREATION

It was a complex year for the ceramics sector, which required even more innovation and efforts from the Portobello Grupo to expand its presence in the market, allowing it to sustain its results. Furthermore, Portobello America fortifies its international operations and takes the company to the next level, in which it competes with large organizations abroad, without leaving aside competition in the local sphere. To top it off, the Group is the only one in the segment operating strongly with a retail structure for 25 years, which represents an important competitive factor.

Brazil plays a significant role in the global ceramics market: it is the third largest producer and the second largest consumer, in addition to occupying the position of seventh largest exporter, according to data from Anfacer, Abramat and Cielo. Globally, Portobello Grupo holds the 24th place in the production ranking.

To create value for its stakeholders with more solidity and consistency, Portobello Grupo began to guide its actions towards sustainability, incorporating ESG aspects across its operations. Sustainability is accompanied by Innovation, which is connected to the company's vision and is monitored by the Board of Directors. In addition to technological updating, it works together with other stakeholders, such as suppliers, academia and architects. Among the innovation actions are Creative Labs with architects from all over Brazil on trends and needs, contributing to the creation of new products or improvements to the existing ones. This means that the Group has a periodic and constant launch cycle, bringing new features every two months and increasing the average ticket.

Strategy aimed at strengthening retail and accelerating the Group's internationalization

INTEGRATED MODEL
Customer-centric and data-driven

MANAGEMENT
Focus on results
Integrated vision of the chain
Business autonomy
ESG

PROCESSES
Synergy among businesses
Discipline in execution
Innovation

ORGANIZATIONAL DEVELOPMENT
Customer Culture
Recognition
Valuing people

DISTINCTIONS

BRAND
Design, innovation, trust and quality

PRODUCT
Complete solutions for the customer, which reflects the brand positioning

SERVICES
Solutions that generate value in the retail experience, in the integrated model, project development, distribution, installation and maintenance systems

AGILITY
Flexibility, simplicity and adaptability, with speed and effectiveness

CONNECTION WITH PEOPLE
A relationship experience that inspires, delights and engages

RESOURCES (INPUTS)

FINANCIAL

■ Mature private capital, shares, financing growth from own resources (partial reinvestment of the margin generated), debentures.

MANUFACTURED

■ Portobello, Pointer and Portobello America factories.
■ Physical installations and equipment. ■ Technological updating and partnerships with research centers.

HUMAN

■ Attraction, retention and development of employees.
■ Culture based on performance and results.
■ Diversity and Inclusion Actions.

INTELLECTUAL

■ Innovation and design in product development.
■ Officina Portobello.
■ ArchTrends inspiration platform.

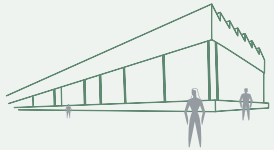
SOCIAL AND RELATIONSHIP

■ Long-lasting and trustworthy partnerships with suppliers, franchisees and architects. ■ Transparency in relationships with shareholders. ■ Cobogó Mundaú Project (community). ■ Business strategy focused on Customer Centrality.

NATURAL

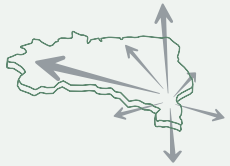
■ Extraction of raw materials through mining.
■ Use of water and energy in the production process.

BUSINESS ACTIVITIES



PRODUCTION

■ Manufacture of ceramic coverings with a focus on design and innovation through the Portobello, Pointer and Portobello America units.



EXPORT

■ Portobello Grupo exports to 75 countries.

RETAIL

■ Portobello Grupo offers solutions for coverings and accessories, mainly ceramic and metal wares, through its own or franchised stores.

IMPACTS (OUTPUTS)

FINANCIAL

- Rating A-(bra) by the credit risk rating agency Fitch Ratings (Fitch).
- Net revenue of BRL 2.191 billion.
- Gross margin of 39.7%.

MANUFACTURED

- 45 million m² produced annually.

HUMAN

- Average of 15 hours of training per employee in 2023.
- 50% of employees took part in diversity programs.
- 13% of employees involved in volunteering actions.

INTELLECTUAL

- New collections and products. Expansion of the Archtrends Summit, with more than 1,000 participants in

SOCIAL AND RELATIONSHIP

- Good Practices Manual for franchisees.
- Promotion of industry and commerce through hiring local suppliers.
- Customer experience NPS of 87.9 (referring to service quality).
- Income generation through the Cobogó Mundaú project, in addition to the inclusion of young professionals in the job market through Jovem Aprendiz.
- BRL 1.2 million invested in neighboring communities.

NATURAL

- Environmental regeneration of mineral deposits, respecting each area's natural vocation. Use of a closed water circuit to avoid production losses.
- Preference for clean energy (50% of the matrix with wind energy from 2024), including a contract for self-generation with Enel.

PURPOSE

Living design.
Transforming environments and moving people.

VISION

To be a Brazilian leader and global protagonist in environmental covering solutions, through design and innovation.

BELIEF

Life with design is smarter, more beautiful and safer.

Within Portobello Grupo's business model, design is an important conductor. The company's Manifesto highlights that design is the force that makes the company unique and innovative, transforms people's lives and is present in products, environments and experiences with the brand. It also generates value for all stakeholders, employees, customers, suppliers, communities, investors and the environment. The unfolding of this purpose in ESG aspects occurs through the Declaration of Sustainability, which accompanies the Manifesto.

MANIFESTO

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

We believe that design is the skill that makes us unique and innovative, transforms people's lives and manifests itself in our products, environments and experiences with the brand.

Our business environment is global, but design must reflect the local context.

Our culture, strategy and management must enable the creation and distribution of the Portobello design, generating value for all publics, through our integrated model and with operational efficiency.

DECLARATION OF SUSTAINABILITY

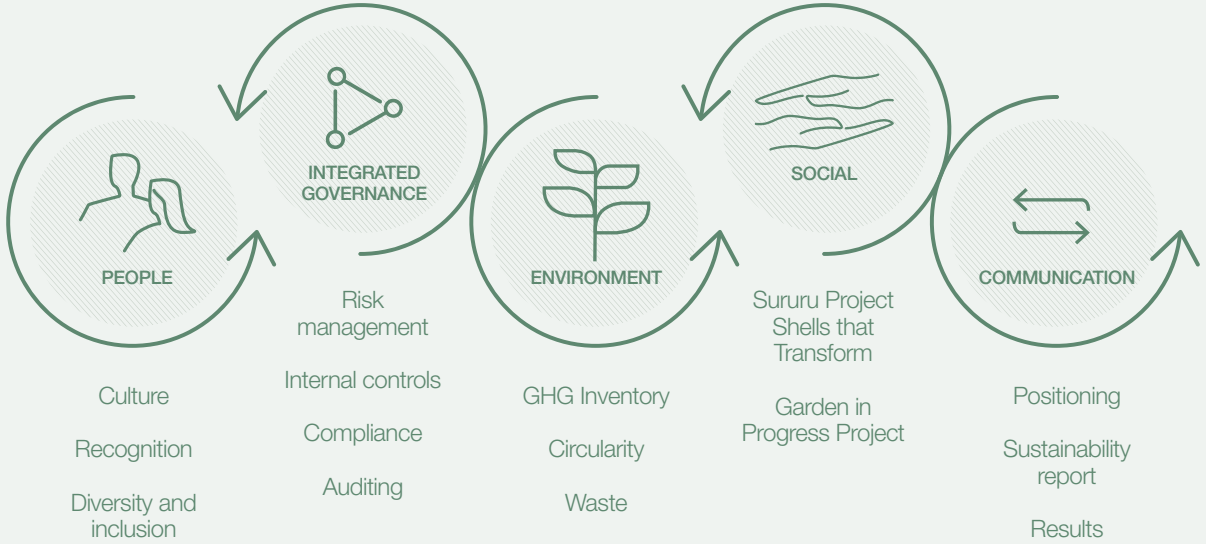
For Portobello, sustainability means being aware of its actions, the impacts of its choices and understanding the responsibility of being an integral part of society and the ecosystem in which we live.

It means being committed to its whole production and distribution chain, helping to build a future where we all evolve together.

Inserting sustainability into a business strategy is challenging. It comes as part of a movement that began in 2020, with the creation of the Sustainability Committee, which reports to the Board of Directors. Since then, Portobello Grupo has been evolving every year, seeking the appropriate structure that allows it to constantly mature. The company has already clear priority action areas, assuming more and more a leading role in relation to this topic in the business sector and stimulating its team, business partners and the industry as a whole.

Portobello Grupo's structuring and strategic projects are already integrated into ESG, involving People, Environment, Integrated Governance, Social and Communication fronts.

STRATEGIC PROJECTS INTEGRATED WITH ESG



TIME LINE

STRATEGY | PLANNING | EXECUTION | STRUCTURING

2020

Creation of the Sustainability Committee

Positioning review

2021

Adherence to the Global Compact

1st Edition of Sustainability Week

2022

Launch of the 2022/2026 Sustainability Plan

Launch of the Lidera+ Program

Execution of the first Diversity Census

2nd Edition of Sustainability Week

Insertion of the ESG theme in the Group's planning for the next 5 years (5YP)

Evolution of ESG indicators

2023

Reformulation of the Volunteer Program

3rd Edition of Sustainability Week

Adherence to the GHG Protocol

Creation of the Diversity Ambassadors program, formed by employees

Participation in the ISE B3 process
2nd year of participation in the ISE B3 process

2024

Integrated sustainability governance

People Project, focusing on culture and talent recognition, being an enabler of long-term strategy

PORTOBELLO +GOVERNANCE

SUSTAINABILITY PLAN

Sustainability has always made part of Portobello Grupo's business culture. In 2022, following the market evolution and of the company itself, the Sustainability Plan was launched, bringing a vision for the future on the topic with quantifiable goals for the 2023-2027 period. Based on the Declaration of Sustainability, on the materiality matrix (detailed below) and on the Sustainable Development Goals (SDGs), the plan considers all the company's units. In this way, sustainability gains strength and strategic significance, becoming a transversal theme present in the improvement of production and creative processes, in people's valuation and throughout the Group's ecosystem. Planning is divided into three pillars:

	VISION	MATERIAL THEMES	RELATED CAPITALS	PRIORITIZED SDGs
PORTOBELLO +ECO-EFFICIENT	■ Do more with less, ensuring that the use of natural resources occurs in a regenerative way, with emphasis on the management of raw materials, water and waste and the neutralization of emissions.	■ **Circularity** ■ **Climate change** ■ **Sustainable production**		
PORTOBELLO +PEOPLE	■ Ensure an attractive, diverse and inclusive setting for the best talents, so that they deliver excellent results and are protagonists in the social transformation of the communities in which we act, sharing our values and knowledge.	■ **Development of teams and communities** ■ **Human rights**		
PORTOBELLO +GOVERNANCE	■ Be more sustainable together, engaging our entire ecosystem, inspiring employees, suppliers, partners, customers and the community with our structured, transparent and compliant governance as a differentiator.	■ **Centered on the customer** ■ **Governance, transparency and ethics in operations and value chain management**		

CAPITAL FINANCIAL | CAPITAL MANUFACTURED | CAPITAL INTELLECTUAL | CAPITAL HUMAN | CAPITAL SOCIAL AND RELATIONSHIP | CAPITAL NATURAL

In 2023, there were advances in the strategy. Follow here the status of the main goals established for each of the pillars:

	GOAL	STATUS AT THE END OF
PORTOBELLO +ECO-EFFICIENT	Reach 50% of renewable sources in the company's energy matrix by 2024.	Contract signed with partner so that the goal can be achieved in 2024.
	Obtain LEED certification for new Portobello Shop stores.	Certification obtained by Portobello Shop Jardim Social in Curitiba (PR).
PORTOBELLO +PEOPLE	Reach 50% of women in leadership positions by 2027.	44%* of women in leadership. *Calculated in March 2024
	Have 20% of employees involved in the volunteer program by 2027.	13.64% of employees.
PORTOBELLO +GOVERNANCE	Have 100% employees trained in ESG, Ethics Code and LGPD topics (annual target).	58.38% of active employees on the EAD platform took the ESG course.
	Reach 100% of suppliers assessed by activity risk by 2026.	Start of the pilot project at the Portobello unit.

SUSTAINABILITY WEEK

In 2023, Portobello Grupo held the third edition of the event, aimed at all employees, to show how sustainability is included in the daily business and activities of each person. Held between June 14th and 23rd, the meeting reinforced the prominence of ESG in the company, highlighting the evolution, the deliverables of each business unit and the challenges for the next years. The live sessions had more than 2,000 views and the information about the event shared on Collab, the main communication channel with employees, reached 12,950 views.

MATERIALITY

GRI 2-29, 3-1, 3-2

Portobello Grupo reviewed its materiality topics in October 2022. The process included analyses of the market context and ESG indicators, benchmarking on other companies and talks with the company's main internal and external stakeholders. Representatives from all of the Group's units were involved. At the end, the process generated a list of seven material themes, approved by the Board of Directors and which guided the selection of indicators reported here. The themes, which consider positive and negative aspects of the operation in the value chain and in society, are in line with the Group's Sustainability Plan, which will be presented in the following chapter, and are adopted by all the Group companies. The matrix is scheduled to be reviewed by the end of 2024.

Stakeholders consulted

	ONLINE QUESTIONNAIRE	WORKSHOP	INTERVIEWS
DIRECTORS			X
EMPLOYEES	X		
CLASS ASSOCIATIONS			X
CUSTOMERS	X		X
COMMUNITY	X		
SUPPLIERS	X		X
FRANCHISEES	X	X	
BUSINESS PARTNERS			X
ARCHITECTURE PROFESSIONALS	X		

Note: The interviews and the workshop were the first consultations carried out, which helped to identify the impacts. The online questionnaire was used for prioritization.

MATERIAL TOPICS

CENTRALITY ON THE CLIENT

- Customer-focused action that observes the service quality, information sharing, support, well-being, privacy and the offer of safe, sustainable, quality and innovative products and services.

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

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

CIRCULARITY

- Production process based on the concept of circularity, in which waste is used as input in the manufacture of products, which are made with circularity in mind (product design). Engagement of franchisees and customers, who can contribute to the dissemination of information and mobilization, as well as the academy, in the search for circular solutions.

CLIMATE CHANGE

- Reduction of greenhouse gas emissions with changes in the production process, improvement of logistics and better management of energy use. Portobello Grupo can also act as a consumer engagement agent through the Portobello Shop.

SUSTAINABLE PRODUCTS AND PRODUCTION

- Production supported by research, technology and innovation, which allows the company to monitor and anticipate changes in society, preserve biodiversity, use water rationally and find ways to use sustainable ingredients and waste generated during products' life cycle. This action can also occur sectorally, in the search for more sustainable products.

DEVELOPMENT OF TEAMS AND COMMUNITIES

- Direct efforts towards training employees, supplier teams and people in the communities, as well as for the creation of programs to stimulate income generation, directed to less favored Groups.

HUMAN RIGHTS

- Promotion of a diverse environment, free from any type of harassment and with decent and safe working conditions in offices, factories, franchises and within critical suppliers. In relation to the community, support the improvement of precarious housing conditions.

EXTERNALITIES IDENTIFIED IN THE MATERIALITY PROCESS

POTENTIAL REAL

IMPACTS	AFFECTED PUBLICS
Negative effects of climate change on operations (management of energy used and logistics)	Community, customers, suppliers, employees, investors
Waste generation and promotion of the circular economy	Community, suppliers, customers, franchisees, employees, architects
Vision regarding ingredient sustainability	Community, suppliers, customers, franchisees, architects
Water use and disposal	Community, suppliers, customers, franchisees
Use of natural resources, biodiversity	Community, suppliers, customers, franchisees
Depletion of natural resources	Community, suppliers, customers, franchisees, architects, investors
Pressure for sustainable products that meet a more sustainable architecture	Community, suppliers, customers, franchisees, architects, investors
Democratizing architecture	Community, clients, architects, investors

IMPACTS	AFFECTED PUBLICS
Accidents in factories, offices, material transport and franchises	Employees, suppliers, franchisees, investors
Development of construction workers	Community
Development of employees, franchisees and suppliers	Employees, suppliers, franchisees
Promoting diversity within operations	Employees, suppliers, franchisees, investors
Promotion of human rights within operations	Employees, suppliers, franchisees
Economic development of communities	Community, suppliers, employees
Support for the basic needs of communities	Community, employees
Meeting customer needs	Customers, franchisees, architects, employees, investors

POTENTIAL REAL

IMPACTS	AFFECTED PUBLICS
Inadequate practices in the supply chain	Suppliers, investors
Decent labor practices	Employees, franchisees, investors
Acting ethically and with integrity	Employees, community, franchisees, suppliers, customers, architects, business partners, competitors, public officials, investors
Corporate governance structure that promotes transparency, sustainability and growth	Employees, community, franchisees, suppliers, customers, architects, business partners, competitors, public officials, investors
Innovation focused on customer and sustainability	Employees, suppliers, customers, franchisees, architects, investors
Business portfolio diversification	Employees, suppliers, customers, franchisees, architects
Loss of privacy by customers	Customers, franchisees
Failure to manage the legal and regulatory environment	Employees, public officials, business partners

IMPACTS	AFFECTED PUBLICS
Business model resilience	Employees, community, franchisees, suppliers, customers, architects, business partners, competition, public officials
Brand and reputation management failure	Employees, community, franchisees, suppliers, customers, architects, business partners, competition, public officials
Sectoral weakening	Employees, community, franchisees, suppliers, competitors, investors
Devaluation of shares in the capital market	Investors

GOVERNANCE BODIES

GRI 2-9, 2-10, 2-11, 2-12, 2-16, 2-19, 3-3

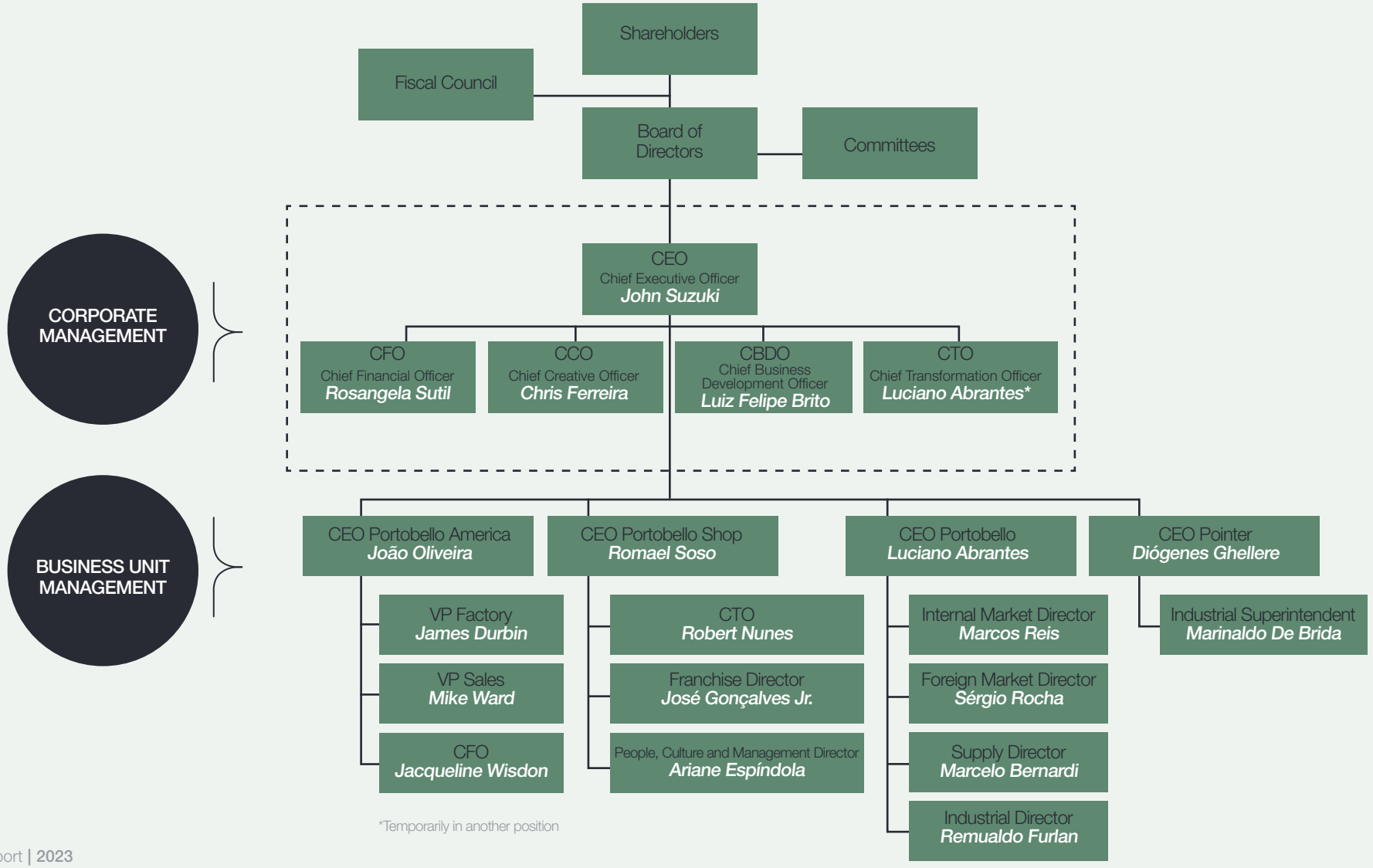
Portobello Grupo has a robust governance structure, based on the best market practices. The main governance bodies are the General Assembly, the Board of Directors and the Statutory Board. It also counts on Sustainability, Auditing, Strategic, Internationalization and Design Committees, which report to the Board of Directors. It is likewise composed by the Executive, Ethics, People, Risks, Tax and Digital Committees, linked to the executive board.

From left to right: Luciano Abrantes (CTO), John Suzuki (CEO), Cláudio Ávila da Silva (vice-chairman of the Board of Directors), Rosangela Sutil de Oliveira (CFO), Cesar Gomes Junior (president of the Board of Directors), Maria Laura dos Santos Tarnow (advisor), Geraldo Luciano Mattos Junior (advisor), Márcio Leal da Costa Lobo (advisor) and Mauro do Valle Pereira (advisor).

New organizational structure

A significant event in 2023 was the change in the structure of the Board, carried out in May. John Suzuki, until then vice-president of Finance and Investor Relations, assumed the position of CEO of Portobello Grupo, replacing Mauro do Valle Pereira, who held the role from 2019 to 2023 and was appointed to join the Board of Directors. In the new structure, two executives coming from the market join the company's statutory board – Rosangela Sutil, as Chief Financial Officer (CFO), and Luciano Alves Abrantes, as Chief Transformation Officer (CTO) – the position replaces that of Chief Legal Officer (CLO), in line with the company's current situation. Rosangela had worked at the companies UNICOBA, Granol, Eletromidia and GVT, and Luciano, at Cidade Matarazzo, Natura&Co and Johnson & Johnson.

From January 2024 onwards, other changes were made in the organizational structure, aligned with the planning and goals: to be a more Global, more Retail and more Digital company. João Oliveira, who served as CEO of the Portobello unit, assumes the position of CEO of Portobello America to continue the consolidation phase of the business model integrated with production, growth and profitability. Thus, the Portobello unit will be under the interim leadership of Luciano Abrantes, current CTO of Portobello Grupo. The executive joins a senior team and reinforces the operation's solid growth plan. Luiz Felipe Brito, former CEO of Portobello America, assumes the position of Chief Business Development Officer (CBDO) of Portobello Grupo, and Christiane Ferreira, director of Branding and Innovation at Portobello Shop, becomes Chief Creative Officer (CCO), contributing with her knowledge in brand strategy and product development.



*Temporarily in another position

Ordinary General Assembly

Among its duties, it is responsible for electing members of the Board of Directors, Fiscal Council and committees. Nominations use as criteria technical competence, knowledge about the industry and the company, independence and, from 2023, gender diversity. The OGM meets once a year, in the first four months after the end of the business year, or extraordinarily, whenever necessary.

BOARD OF DIRECTORS

It is responsible for defining the company's strategic direction, monitoring actions, decisions and business results. It must be composed of at least five people and at most nine, with two-year mandates, with re-election permitted. In accordance with the requirement of Novo Mercado regulations (the segment in which Portobello Grupo is listed on B3), at least 20% of the board members must be independent – Portobello Grupo has 43%. The chairman of the body does not have an executive role. The Group has ordinary and extraordinary meetings.

Composition of the Board of Directors in 2023	
Cesar Gomes Júnior	Chairman
Cláudio Ávila da Silva	Vice-Chairman
Geraldo Luciano Mattos Junior	Independent member
Márcio Leal da Costa Lobo	Independent member
Maria Laura de Santos Tarnow	Independent member
Mauro do Valle	Member
Nilton Torres de Bastos Filho	Member

STATUTORY BOARD

Atua na administração dos negócios e na aplicação da estratégia definida pelo Conselho. De acordo com o Estatuto Social do Portobello Grupo, a diretoria deve ser composta por até cinco membros, eleitos pelo Conselho para mandatos de um ano, sendo permitida a reeleição. A composição abaixo é referente ao Grupo. Cada unidade possui uma diretoria própria composta por um presidente e um comitê executivo.

Statutory Board Composition in 2023	
John Suzuki	Chief Executive Officer
Rosangela Sutil de Oliveira	Chief Financial and Investor Relations Officer
Luciano Alves Abrantes	Chief Transformation Officer

Committees

Currently, the Group has Advisory Committees to the Board and Executive Committees.

ADVISORY COMMITTEES

SUSTAINABILITY

■ Establishes the strategic guidelines for the Group in ESG aspects. With monthly meetings, it is led by the chairman and vice-chairman of the board, Cesar Gomes Junior and Cláudio Ávila da Silva, respectively. Its members are Gabriela Richter Gomes Martini and Miriam Gomes Vieira Andrade.

AUDITING

■ Assists in the supervision of financial statements, internal controls, risk management and compliance. With monthly meetings, it is responsible for avoiding or mitigating possible conflicts of interest and receiving integrity concerns and criticisms, which are subsequently taken to the Board of Directors. Composed by Cláudio Ávila da Silva, Gladimir Brzezinski and Geraldo Luciano Mattos Junior.

STRATEGIC

■ Develops and monitors the company's strategies, governance and results. With weekly meetings, it is composed of Cesar Gomes Junior, Cláudio Ávila da Silva, Rosangela Sutil, John Suzuki and Luciano Abrantes.

INTERNATIONALIZATION

■ Establishes the Group's strategic internationalization guidelines, evaluates opportunities for growth and inorganic investment, contributes to the construction of strategic partnerships, among other obligations. With monthly meetings, it is composed of Cesar Gomes Junior, Cesar Neto, Eduardo Gutierrez and Mauro do Valle (Board of Portobello America).

DESIGN

■ Approves the style, design and standard guidelines for the Group's brands, respecting the nuances of the different business units. With monthly meetings, it is composed of Mauro do Valle, Eleonora Gomes, Gabriela Richter Gomes Martini and Eduardo Scoz.

EXECUTIVE COMMITTEES

EXECUTIVE	■ The Corporate Board's advisory body for key themes and strategic projects and matters is composed of the Statutory Board and the Business Units' CEOs.
ETHICS	■ Analyzes complaints received through the Ethics Channel, in addition to promoting a culture of integrity. Composed of Edemilson Barbosa (coordinator), Christiane Alves Ferreira, Jhenifer Mariann, Luiz Fernando Periard Schweidson and Marinaldo de Brida.
PEOPLE	■ Discusses topics related to people management within the Group's units. Composed of Renato Ramos Neto (coordinator), Edemilson Barbosa and Ariane Espindola.
RISKS	■ Deals with the risks identified by the company and monitors the development of action plans. Composed of Rosangela Sutil (coordinator), Luciano Abrantes, Gladimir Brzezinski, Jhenifer Mariann and the leaders of the units with identified risks (risks owners).
TAX	■ Evaluates and analyzes tax risks in Brazil and abroad based on information provided by the Tax and Legal areas. In this committee, decisions are deliberated and, depending on the values and scope, they are taken to the Board's advisory committees. Formed by Rosangela Sutil (coordinator), Luiz Fernando Periard Schweidson, Jhennifer Mariann and Gladimir Brzezinski.
DIGITAL	■ Encourages digital transformation and a fluid, simple and data-driven management model. Composed of Luciano Abrantes (coordinator), Renato Ramos Silva Neto, Robert Nunes, Viviane Rocha de Carvalho, Claudio Vieira Moura, Daniel Rampazzo Mathias (secretary) and Thaina Sprada Souza.

Fiscal Council

The Portobello Grupo Supervisory Board is composed of three effective members and an equal number of substitutes (advisors and CFO), elected by the Ordinary General Meeting, who may or may not be shareholders. The body, which meets quarterly, operates on a permanent basis and is responsible for ensuring the transparency and integrity of the company's operations. The Fiscal Council members' mandate ends at the first Ordinary General Meeting held after its installation.

SUSTAINABILITY GOVERNANCE

Sustainability is managed by the highest corporate governance body, the Board of Directors, whose chairman and vice-chairman also lead the Sustainability Committee, which includes representatives from the controlling Group and the corporate Sustainability area. The Committee defines strategic guidelines, which are subsequently broken down into tactical and operational plans, with goals, led by those responsible for each topic in the business units. It also establishes the Group's social policy. Meetings take place once a month.

Portobello Grupo is structured by the pillars of innovation and design, strategically permeated by sustainability, which directs investments today. Portobello America and Pointer, for example, the two most recent industrial units, were built with a high level of innovation for sustainability, positioning them as a reference and model in the area.

In order to speed up compliance with the Sustainability Plan, there are performance targets applied to senior leadership. This is the case of the Portobello (Tijucas) and Pointer units, with goals related to environmental, social and governance aspects distributed among CEOs and leaders up to management level. Portobello Shop, due to its business characteristics, mainly adopts goals related to social aspects.

The company also promotes training on the SDGs for the entire team, addressing objectives related to ESG Planning. These initiatives are detailed throughout the report. During the year, 58.38% of employees active on distance learning platforms completed the ESG course. Portobello Grupo participates annually in the SDG in Practice Week, promoted by the State Coordination of the National Movement SDG SC, of which the company is part. This meeting disseminates information, initiatives during live sessions and forums on the 2030 Agenda.

Board of Directors

The Board of Directors, the main body of Portobello Grupo's corporate governance structure, is responsible for the strategic vision and for monitoring, through its committees with direct reporting, impacts, concerns and opportunities for action. The engagement of this instance with other stakeholders occurs mainly through the following committees: Sustainability, which interfaces with the community and employees; Design, related to clients and architects; Internationalization, connected to United States customers and market; and Strategic, aimed at shareholders, customers and employees.

In 2023, the Portobello Grupo Board of Directors met 14 times, addressing various topics of strategic importance for the company. Among the agendas discussed (and approved) are:

- Long-term strategic planning, with emphasis on the foundations that will support the company over the next five years, and the plan of investments for the period.
- Projects and challenges for the company's digital transformation, reflecting Portobello's commitment to modernizing its operations and processes.
- Bases and guidelines for composing the 2024 budget.

Notes with the full content of the meetings are available on the **Investor Relations page in the Company's website.**

The processes and ways of action are always designed for a five-year horizon, with annual review, involving the CEOs of the four business units and the statutory board, who submit the adjustments to the Board of Directors, between July and September of the current year.

POLICIES AND PROCEDURES

GRI 2-23, 2-24, 3-3, 205-2

A sheer action based on ethical principles and values in both the operating strategy and the business model is supported and systematized by several policies. They contribute to integrating the company's commitment to sustainable development into the company's culture. The Code of Ethics guides the business integrity broadly, complied by all employees, partners, suppliers and franchisees. The document is in line with the company's ESG strategy and addresses the most relevant topics for Portobello Grupo, such as human rights, health and safety, forms of relationship with different publics and maintaining seriousness and compliance in operations.

The Code was approved by the Board of Directors and is complemented by the Practical Manual of Ethical Conduct, which provides guidance for day-to-day situations and the conduct expected in each of them, and by the Policy for Disciplinary Measures, which details the measures that must be taken in relation to employees who disrespect the Code or hinder possible investigations. Franchisees or third parties may suffer contractual sanctions, including termination.

The Ethics Committee, which reports to the executive board, is responsible for evaluating the application of the procedures contained in the Code, in addition to analyzing and deliberating on possible deviations. The policies related to the instrument are detailed in the Ethics Channel.

OTHER RELEVANT PORTOBELLO GRUPO POLICIES

- CONFLICT OF INTERESTS PREVENTION POLICY;
- POLICY ON GIFTS, HOSPITALITY AND ENTERTAINMENT;
- RISK MANAGEMENT POLICY;
- THIRD-PARTY MANAGEMENT POLICY;
- DISCLOSURE OF MATERIAL ACT OR FACT AND SECURITIES TRADING POLICY;
- RELATED PARTY TRANSACTIONS POLICY;
- POLICY FOR APPOINTING BOARD MEMBERS, COMMITTEES AND STATUTORY BOARD OF DIRECTORS;
- REMUNERATION POLICY;
- POLICIES FOR DISCLOSURE OF RELEVANT INFORMATION AND SECURITIES TRADING;
- DIVIDENDS POLICY.

Ethics and Compliance Training

Training is an important tool for disseminating ethical values throughout the company. In 2023, presential classes were held to present and discuss the Code of Ethics with leaders and operators at the Tijucas (SC) factory. Along the year, 21.59% of employees participated in training on the topic, which represents 2 hours per person.

The Portobello Academy, which will feature online courses in distance learning format on various subjects, was also launched. The expectation is that the Academy will provide scalability to knowledge about ethics and integrity, in addition to addressing other topics, such as protection against harassment, governance and anti-corruption practices. A version of the platform is being prepared that allows access without the use of corporate emails, with the aim of facilitating the adhesion of factory employees, suppliers and service providers.

In 2023, Portobello Grupo carried out a campaign on the fight against corruption, on the International Anti-Corruption Day, which involved all units and was broadcast on the internal communication channel, on LinkedIn and on the factories' bulletin boards. This campaign had 2,716 views on online channels, from December 8th to 15th. There was no specific action for members of the governance bodies on the topic.

Employees from all units participated in anti-harassment training, so that it is clear which behaviors are tolerable or unacceptable.

Ethics Channel

GRI 2-25, 2-26, 406-1

The Ethics Channel is a safe tool for reporting possible deviations related to the Portobello Grupo Code of Ethics. Available by phone **or online**, the tool allows for anonymity, if the complainant chooses so, and provides monitoring of the status of complaints. Complaints are received by an external company and subsequently forwarded to the Compliance area, responsible for classifying, investigating and reporting the given treatment to the Ethics Committee.

Minor complaints, such as relationship issues, receive support from the Human Resources area, always respecting the integrity of those involved. Any highly serious complaints, such as harassment or deviations from the Code of Ethics, are taken to the Ethics Committee, which reports to the executive board, and dealt with by the company's management. The Well-Intended Communicator Protection and Security Policy guarantees the safety of those involved, without tolerance for possible retaliation. In turn, the Ethics Channel Usage Guide clarifies doubts about the use of the tool. The Auditing Committee, linked to the Board of Directors, receives quarterly updates on the Code of Ethics and the complaints channel. In 2023, there were no cases of corruption or discrimination recorded by the Ethics Channel, or any critical concerns forwarded to the Board. There were 64 reports during the period, of which 59 were completed and the rest are still being evaluated. The design and review of this channel follow best market practices and the guidelines of the General Comptroller of the Union, involving the Board of Directors, the executive management and the Auditing Committee.

RISKS AND OPPORTUNITIES

GRI 2-13

Portobello Grupo's risk management is based on best national and international practices. The procedures and responsibilities regarding the topic are described in the Corporate Risk Management Policy, approved by the Board of Directors, which has as references:

- The B3 Novo Mercado Regulation,
- The Brazilian Code of Corporate Governance for Public Companies, of the Brazilian Institute of Corporate Governance (IBGC),
- The guidelines of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and
- The ISO 31000:2018 standard.

Risk management activities take into account the external context (financial, economic, regulatory environment and relationships with stakeholders) and the internal context (governance model, organizational structure, strategic goals and capital structure, among others). Risk identification is done collaboratively with the participation of leaders and managers. In addition to the formal process, any company employee can identify a risk at any time and submit it for analysis of the Risk Management area.

In 2023, the company implemented new software for information integration and management, detailing risk factors and action plans, indicating the responsible people and deadlines. The platform monitors the risks mapped across all business units. Along the year, onboarding sessions were held to present the software to the main users, an initiative that should be expanded in 2024.

The system, implemented in August, generates a risk map, taken quarterly to the Executive Risk Committee, created in 2023 to deal with identified problems and monitor the development of action plans. For each risk mapped, there is a list of controls and opportunities for improvement. Furthermore, the map indicating the measures taken is passed on to the Auditing Committee and to the CEO. In turn, the Board of Directors monitors the information every six months and is responsible for validating the review of corporate risks, conducted by the risk manager.

RESPONSIBILITIES

Portobello Grupo encourages a corporate culture of risk management with the involvement of all units and sectors and the participation of senior leadership. The following are part of the company's risk governance:

- The Board of Directors approves the corporate risk matrix, corporate policies and guidelines, among other functions.
- The Auditing Committee, body that assists the Board in monitoring auditing activities, internal controls, risk management and compliance.
- The Executive Risk Committee, which monitors corporate risks on a quarterly basis and issues an opinion to the Board of Directors.
- The Ethics Committee, which ensures the effectiveness of the compliance system.
- The Corporate Board, responsible for establishing, monitoring and supporting the Risk Management and Internal Controls area.
- The areas of Risk Management and Internal Controls, Internal Auditing and Compliance, responsible for management and control activities from an executive point of view.
- The risk owners, responsible for monitoring and implementing action plans, and the control owners, who must execute and document internal controls.
- Employees and key users, who support risk identification and assessment.

RISK CATEGORIES

STRATEGIC

- Related to Governance, competitive intelligence and business models.

REPORTING

- Related to financial statements.

OPERATIONAL

- Related to failures in information systems, resource management and internal controls.

REGULATORY OR COMPLIANCE

- Associated with the regulatory environment that may result in legal or regulatory sanctions, financial or reputational losses

INFORMATION TECHNOLOGY OR CYBERSECURITY

- Referring to failures, errors, violations or attacks on systems and technological assets.

SUSTAINABILITY RISKS

Sustainability is considered in the general assessment of corporate risks, although it doesn't represent a specific category. The main sustainability risks mapped relate to the Strategic and Regulatory or Compliance risk categories. The company pays special attention to the compliance of its practices with the ESG agenda.

Some sustainability risks also fall into the Operational category, as they relate to the supply of inputs necessary for production.

Environmental risks, in turn, are monitored by the specific area, which implements the required mitigation measures.

PORTOBELLO +PEOPLE

How the company creates value for its stakeholders

Solid and lasting relationships are part of Portobello Grupo's culture. There are currently employees who have been with the company for over 35 years, as well as suppliers with 30 years of partnership and franchisees with 25 years. The same connection is present with architects, clients, investors and sector representatives. After all, the company has increasingly positioned itself as a global organization, which has always been driven by the purpose of living design, transforming environments and moving people.

Among the highlights of the period on this front are the launch of the new Volunteer Program, which already existed in the company, but now was structured and systematized with corporate guidelines. There was also progress in the Lidera+ Program, which now includes other diversity parameters in addition to gender and includes Diversity Ambassadors, and the creation of the Portobello University. Portobello Grupo has also evolved in contracting suppliers, with the implementation of a system, new flows and an approval process.

EMPLOYEES

GRI 2-29

Portobello Grupo seeks to attract and retain the best talents, to value high performance and attitudes that seek solutions and innovation, as well as developing leaders and their successors. It is now a strong employer brand, which wants to be recognized as one of the best companies to work for.

It is made up of four business units with some particularities depending on the nature of their operations. Therefore, all operations have management teams of independent people, with autonomy to outline actions according to its strategy.

In 2023, the company evolved into governance for people management that covers the group as a whole. The corporate People Management area began reporting directly to the CEO, and a People Committee was created, which includes the participation of human resources leaders from all units to exchange experiences on relevant projects. Meetings take place every two weeks.

During the year, there was a diagnosis of practices that considered internal and external factors. This diagnosis, combined with ESG Planning, resulted in the People Plan, with pillars that will be developed and adapted in each of the units or by the group on a corporate basis.

On December 31, 2023, Portobello Grupo had

4,099

employees, an increase of

3.3%

over the same period in 2022.

Of this total, 67% were men and 33% were women.

PILLARS

TARGETING

DIGITAL CULTURE

■ The group's growth in recent years, including its international operation, makes clear the need for a strong digital culture with the ability to shorten distances and facilitate communication. Currently, each unit has a different digital maturity. The intention is to balance differences, bringing digital literacy to everyone through training and campaigns. In 2023, Digital Week was held, with events, podcasts and internal lives, and a Digital vice-presidency was created.

WOW JOURNEY

■ For Portobello Grupo, "wow" is the expression of something amazing. The group studied the employees' journey with the units in order to improve it. The goal is to make the employee experience as strong as the employer brand that attracted their interest. This pillar must include onboarding, development and recognition actions, among others.

GOVERNANCE

■ Governance concerns the establishment of guidelines and alignment processes between the units and the Group's corporate area. The first step was taken in 2023, with the creation of the People Committee.

LEADERSHIP DEVELOPMENT

■ Leadership drives strategy and inspires employees. The development pillar includes assessments and talent maps that will give rise to action, recognition and succession plans. The positions of CEO and directors will be addressed as priority.

RECOGNITION

■ Recognition is part of the Portobello Grupo's culture. In 2023, a study of senior leadership remuneration was carried out, which considered the market context, annual bonus, incentive for senior leadership (ILP) and other forms of rewards that can be applied. The result gave rise to a recognition model, approved by the Board of Directors in December 2023.

Team development

GRI 3-3, 404-2

Portobello Grupo's development practices aim to expand the behavioral and technical skills of its employees. Within the pillars of the People Plan, the company provides training for leaders and to improve the digital culture.

Portobello University, a corporate courses platform, was remodeled in 2023. In addition to the technical training already planned, the tool now has learning trails on ESG, General Data Protection Law (LGPD), compliance, non-violent communication, among others. All employees with a corporate email address can access it, and a project is underway to allow loging-in without the need to use an email, with the aim of democratizing access for factory employees. In 2023, there were 56,800 hours of training, representing an average of 15 hours per employee.

56,800
TRAINING HOURS

15h
AVERAGE PER EMPLOYEE

PORTOBELLO (TIJUCAS)

The unit adopts a culture of continuous learning, in which employees participate in at least one training session annually. Therefore, training is offered in different shifts, including at night. Some behavioral themes worked on during 2023 include: mental health, non-violent communication and conflict resolution.

The unit has a partnership with Senai (National Industry Service) to develop technical skills. Portobello offers a 70% scholarship for the ceramic technologist course, which includes company employees among the instructors. The workload is divided between Senai classrooms and at the company. Currently, 29 students are enrolled. Among them, there is a family member of one of the employees, who participated in a selection process open to the community. Senai also collaborates with internal courses offered free of charge by Portobello.

33,200
TRAINING HOURS

13h
AVERAGE PER EMPLOYEE

PORTOBELLO SHOP

In retail, individual and collective surveys were carried out with leaders to identify the main development needs of each leader. There were also mentoring, coaching and team building sessions and the reformulation of Individual Development Plans (PDIs) into a new model, which will be applied from 2024. For other employees, Portobello Shop sought to develop knowledge about the attendance model. The company promoted road shows, with online and in-person training in several cities. In total, 29 groups were trained in 19 days, enabling the training of teams in 95% of the stores.

20,200
TRAINING HOURS

21h
AVERAGE PER EMPLOYEE

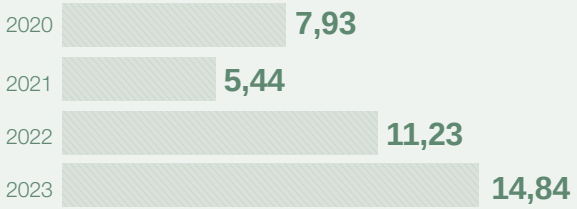
POINTER

In 2023, Pointer promoted a behavioral immersion with leaders or potential leaders, who traveled from Marechal Deodoro (AL) to São Paulo (SP) for the initiative. The unit has partnerships with Fundação Getúlio Vargas, Universidade Estácio de Sá and Senai for discounts of up to 70% on undergraduate and postgraduate courses for employees. Once a semester, the Human Development Dialogue takes place for operators in all factory shifts, addressing topics such as feedback, self-knowledge and gender.

3,400
TRAINING HOURS

9h
AVERAGE PER EMPLOYEE

AVERAGE HOURS OF TRAINING PER EMPLOYEE



FEEDBACK PRACTICES

The Portobello unit adopts evaluation and feedback processes related to the Individual Development Plan (PDI) for administrative employees and the Collective Development Plan (PDC) for operators working in the industrial area. For leaders, the 360º performance assessment and the Nine Box methodology are used, which allows a holistic view of the person being evaluated, not just based on the results of the goals, and supports in the succession map and development path definition. Pointer is expected to adopt the same system in 2024.

Currently, performance reviews of Pointer teams are annual, while managers are evaluated every two years. Team evaluation considers qualitative aspects, while managers are also evaluated according to goals that make up the recognition program.

Portobello Shop adopts an agile management model, with quarterly OKRs (Objective Key Results) aligned with the people management cycle. With a customer-centric operation, the NPS result is one of the indicators that affect the team's remuneration. In 2023, the unit carried out 360º evaluations with coordinators and leaders and 180º with specialists, in addition to using the Nine Box methodology. In December, the evaluation took place in a 90º format (personal and the manager's evaluation) for the other team members. The unit also encourages managers to hold at least one individual meeting with their team members per quarter, with the aim of increasing transparency and aligning expectations. During the year, Portobello Shop held two Career Conversation Circle meetings, with the aim of discussing career and development with the entire company.

ORGANIZATIONAL AMBIANCE

In 2023, the company began a pilot project in the industrial area of the Portobello unit – Pulse, a minor ambiance survey carried out weekly to identify possible issues and risks.

PORTOBELLO SHOP LAUNCHES CULTURE AMBASSADORS PROGRAM

In January 2023, Portobello Shop launched the Culture Ambassadors program, aimed at strengthening and disseminating the company's values and principles. Through an internal nomination process, 17 employees who stood out for their skills and alignment with the organizational culture were selected to represent the initiative throughout the year.

The Culture Ambassadors are committed to acting on four essential pillars: Knowing, Communicating, Engaging and Transforming. They are responsible for keeping everyone informed, promoting internal marketing and internal communication actions, in addition to being active agents in cultural transformation and the search for continuous improvements. A new selection of ambassadors will be held in 2024, perpetuating the cycle of engagement and cultural innovation at Portobello Shop.

Human rights

GRI 3-3

Portobello Grupo is committed to respecting human rights recognized by international conventions and, as a signatory to the UN Global Compact, follows the Guiding Principles on Business and Human Rights in its operations. The company has policies, goals and instruments that contribute to ensuring that human rights are respected in all of its operations and relationships. Internally, it values a diverse work environment, free from harassment, with decent wages, in which employees and service providers always enjoy health and safety. Externally, it contributes to improving the living conditions of people who live close to the operations.

Launch of the Diversity Ambassadors Journey, during the 3rd edition of Sustainability Week.

DIVERSITY AND INCLUSION

Increasing diversity is part of Portobello Grupo's Sustainability Plan. The company's actions during the year focused on the inclusion of women, welcoming people with disabilities (PwD) and training and campaigns on ethnic-racial and sexual diversity. The company encourages a culture of respect for differences and freedom from discrimination, providing a healthy and diverse environment, and has an ethics channel for any complaints. **See more information in the Ethics Channel.**

The main existing program is Lidera+, initially created to increase the number of women among leaders, and which evolved in 2023, starting to consider all representative groups. Last year, the initiative applied at Portobello, in Tijucas, was expanded to Pointer and the Portobello Shop. In detailing the units' practices, more information was included.

Within Lidera+, employee engagement occurs with the support of Diversity Ambassadors, a program launched in 2023 and formed by volunteers from the Portobello unit, Portobello Shop, Portobello America, Pointer and corporate areas, who disseminate the culture of diversity and inclusion in their units. Those 32 professionals deal with different aspects of diversity, such as sexual orientation, race, gender and disability. The group, trained to play this role in 10 meetings, meets once a month and discusses the initiatives that will be implemented on this work front.

The company also emphasized literacy on the theme of diversity, bringing aspects of gender, sexual orientation and race to the agenda of conversations with the team, working on unconscious biases. In 2023, employees participated in several awareness-raising actions, such as training, live sessions and conversation circles. Many of them – around 600 people from the Portobello unit – had the opportunity to visit the Diversity booth, during the Internal Accident Prevention Week.

13%
of women on the Board of Directors

33%
of women on the S0,,tatutory Board

20%
of women on the executive board of Portobello America

13.5%
increase of women hired at Pointer

54%
of women in Portobello Shop Leadership

32
women participated in the Career Acceleration track in the industrial area of the Portobello unit, of which two have already been promoted to leaders

MORE THAN
40
employees trained in the Libras course to improve communication with fellow PwDs

44%
of women in leadership positions*
*Calculated in March 2024

TARGET FOR 2027
50%

PORTOBELLO (TIJUCAS)

In 2023, the unit applied the Women in Leadership track, aimed at the industry. The initiative mapped employees with a leader profile, 32 women, who took part in 10 meetings throughout the year and went through a mentoring process and conversation circles to exchange experiences with the company's female leaders. At the end of the program, two participants were promoted as leaders in the industrial area, assuming positions held until that moment only by men. The Initiative is part of the Lidera+ Program.

The inclusion of PwDs is a concern of the unit, which promotes actions to facilitate communication and reception. Last year, the first basic Libras class was formed and classes began on the intermediate level, training 40 professionals to be able to talk to their hearing-impaired colleagues.

PORTOBELLO SHOP

The Group's retail unit has sought to develop diversity in its employer brand image. The initiative ranges from adapting advertisements for new vacancies to changing the approach used in interviews. Among the actions developed is the adoption of neutral language and the use of more diverse communication materials.

With 80% of the leadership made up of women, the focus of Portobello Shop's actions has been transferred to other areas, such as ethnic-racial and sexual diversity. In relation to people with disabilities, the unit aims to increase the number of employees, especially in stores. The first PwD sales consultant was hired in 2023.

Last year, the retail sector relied on a consultancy specializing in diversity to raise awareness among employees. Lectures and meetings were held with Diversity Ambassadors. The topic is also addressed in internal marketing actions on commemorative dates (such as Women's Day, Mother's Day, etc.).

20th company with more women in leadership positions*

29th with highest percentage of female employees*

*Ranking of the Brazilian Society of Retail and Consumption

POINTER

Pointer has sought to encourage more women to participate in the company's selection processes, especially in the manufacturing sector. To this end, the unit reviewed and transformed the advertising of vacancies, adopting targeted inclusive language, which includes the female gender in the texts and images of advertisements. The result was positive and the number of women in the factory increased from 75 to 105. The unit also held a Libras language course in 2023, which involved 20 employees.

During the Sustainability Week, Pointer carried out a team engagement action. A mixed group of male and female employees met and discussed limiting ideas normally associated with women's role as leaders. In turn, the Diversity Ambassadors carried out awareness campaigns on commemorative dates and during the Internal Week for the Prevention of Accidents at Work (Sipat).

Wages

GRI 2-20, 2-30

Portobello Grupo's positions and wages policy, approved by the Board of Directors for the executive level and by the Statutory Board for other publics, specifies the criteria for wage progression and promotions. Remuneration is established based on market research and agreements with the unions of the categories represented in the workforce, covering all employees, which represent 95.1% of the team, except interns and trainees. Therefore, the company uses salary range tables by level and position. The Collective Labor Agreement covers 99.5% of employees – minus the statutory management.

In 2023, the Portobello unit (Tijucas) carried out a salary review for the team up to manager level. Pointer continued a salary adjustment project started the previous year with market research on positions and salaries. Some employees with remuneration below the table were verified and adjustments have been made.

Portobello Shop also began a process of evaluating positions and wages during the period, taking a look at gender equity. The diagnosis of leaders and the proposal for actions were delivered in 2023. From 2024 onwards, the remaining positions will be analyzed, with changes implemented in the coming years.

The company's communication with unions occurs in negotiations about partnerships for the employees' well-being, or when there is a need to review any rule established between the parties. Salary adjustment negotiations are carried out according to each union's calendar, and take place in different months of the year. For the largest unit in the group, the base date for the adjustment is May, based on the National Consumer Price Index (INPC).

After the meetings, the union presents the proposal at an assembly, previously scheduled and communicated to employees, respecting the rule of two times, aiming for the necessary quorum for decision-making by the majority. Upon approval, the adjustment values are communicated through the company's channels, such as the intranet and bulletin boards.

Benefits

GRI 401-2

All units offer life insurance, health plan, disability assistance, maternity/paternity leave and private pension plans. Other benefits vary by unit:

PORTOBELLO SHOP AND PORTOBELLO (TIJUCAS)
Offer cafeteria or meal vouchers, transport vouchers, dental plan, Gympass, PPR, purchase of Portobello products, pharmacy reimbursement, holiday bonus, attendance bonus, the Portobello Mom program, with a series of benefits for women, daycare assistance, fuel vouchers for stores and home office assistance for the technology area (Digital). For temporary workers, only meal and transportation vouchers are offered.

POINTER
Offers meals at the company, dental assistance, discount on product purchases, free parking, Gympass and partnerships with gyms, discount network, partnerships with Senai, FAN/FGV, Estácio and Anhanguera, pharmacy reimbursement, chartered transport and PPR.

Health and safety

GRI 403-1, 403-2, 403-8

At Portobello Grupo, safety at work is part of the commitment to sustainability and is an essential part of the business. Therefore, the company has policies and procedures that promote the protection and well-being of employees at all stages of the operation, organized within a Security System, which is neither externally certified nor audited, and was built for the compliance with the regulatory standards of the Ministry of Labor. It covers 100% of employees and third parties who work in Portobello Grupo operations. The management of the topic follows a decentralized model, and is carried out by the team at each unit. All operations comply with regulatory standards established by the Ministry of Labor and Social Security, which serve as fundamental guidelines for procedures.

Portobello Grupo's plants adopt robust practices focused on accident prevention. A team of qualified professionals guarantees the effectiveness of initiatives. The specialists have secondary technical training in occupational safety and occupational nursing, or higher education in occupational safety engineering and occupational medicine.

The Portobello unit, in Tijucas, is in the process of implementing ISO 45001 certification, an international standard related to the Occupational Health and Safety Management System (SGSSO). To this end, the company is reviewing procedures and establishing new policies, such as the recently approved Integrated Management System Policy (SGI).

Aiming to simplify and make procedures more practical, in accordance with ISO requirements, the unit hired Sesi (Industries' Social Service) to develop Occupational Health and Safety (OSH) programs. There was also the adoption of software that analyzes all legal requirements related to health and safety, assisting technicians in monitoring and ensuring compliance with current regulations.

Pointer, in turn, focused on raising awareness during the year 2023. Events and awareness campaigns were carried out on health and safety for employees, such as Green April, which reinforces safety precautions that extend from the work environment to everyday life. CIPA is strongly involved in managing risks and necessary care. The RIM (Internal Improvement Report) was made available on bulletin boards to investigate situations and demands related to safety practices and standards. Furthermore, the unit hired the Sesi management system to strengthen its workplace safety practices, and is reviewing processes and policies.

Portobello Shop implemented significant improvements in health and safety through a team dedicated to the workshops, which implemented a Safety Management System (SGS) based on good practices at the Portobello factory (Tijucas), and also had a management system for Sesi further demonstrating the company's commitment to employee safety.

OCCUPATIONAL RISK MANAGEMENT

GRI 403-7

Portobello Grupo's occupational risk management is based on #1 Regulatory Standard, which seeks the continuous improvement of health and safety processes through the PDCA cycle (acronym for plan, do, check and act or adjust). This cycle allows to constantly improve practices.

Risk management tools, such as Preliminary Risk Analysis (APR), are used to identify hazards inherent to operations. This includes assessing the likelihood of exposure to the risk and the severity of the consequences for workers' health and safety. APR uses risk matrices established in accordance with national or international methodologies, depending on the type of risk assessed.

Based on the analyses, the necessary control measures are established to eliminate or reduce risks. Additionally, the results guide emergency action plans, operational procedures, training refresher programs, facility specifications and processes to promote continuous improvement. Risk management can also include structured analysis techniques, consequence assessment and other complementary studies, especially for non-routine or highly specific activities.

The hazards that contributed to the accidents were problems in people's commuting, inadequate storage, access stairs and ramps, handling of sharp materials, material falling on the employee, shocks against equipment and/or structure, squeezing of body parts, abrasion and friction. To eliminate risk factors, processes were changed, products, inputs, machines and equipment were replaced and the layout was reorganized. To minimize and control risk factors, physical barriers and other devices were installed, vertical and horizontal signage, non-slip flooring on stairs, walkways and accesses, lifelines, guardrails, handrails, fans, soundproof cabins, straps and supports to contain falling materials and the suction system.

In 2023, the Portobello unit in Tijucas implemented the Work Permit in digital format. The Work Permit serves to ensure that activities are carried out safely in the workplace, generating gains in operational efficiency and safety, in addition to eliminating physical paper blocks.

TRAININGS

GRI 403-5

The company invested in highly qualified professionals to provide health and safety training. This approach aims to ensure the safety of all employees and comply with established regulatory standards. Trainings are divided into three categories:

MANDATORY TRAINING

- These are provided for in regulatory standards and are provided to all employees involved in high-risk activities, such as working at heights, confined spaces, cargo handling and working with electricity.

BEHAVIORAL TRAINING

- To ensure a holistic approach to safety, an organizational psychologist conducts this type of training, which aims to improve employees' behavior and mentality in relation to OSH.

COMPLEMENTARY TRAINING

- Includes the integration of newly hired employees and addresses the basic guidelines of the OSH Policy. They are taught to all employees, ensuring a comprehensive understanding of security policies and practices.

The contents and frequency of each training are adapted to the specific needs of each area. In 2023, at the Tijucas Portobello unit, there were 4,374 hours of training on Occupational Safety, with 417,040 participants. The Portobello Shop provided 46.58 hours of training on Occupational Safety, with 5,304 participants, and Pointer benefited 568 people with 117 hours of mandatory training.

EMPLOYEE PARTICIPATION

GRI 403-4

Employee participation is guaranteed through the Internal Accident Prevention Committee (CIPA). This committee meets monthly and is made up of representatives elected by employees, as well as members appointed by the company, covering all hierarchical levels. The approach ensures that everyone's voice is heard in the search for a safer work environment.

The service orders explain the right of refusal, as provided for in Regulatory Standard #1 of the Ministry of Labor and Employment Ordinance 3,214/78. This right allows employees to interrupt their activities immediately upon discovering a situation that involves a serious and imminent risk to their life and health. Furthermore, return to activities only occurs after appropriate corrective measures will be implemented.

To promote a transparent and responsible safety culture, the Incident and Improvement Record (RIM) was created, a form that allows employees to register observations of incidents or near misses, as well as opportunities for improvement. During the year, at the Tijucas Portobello unit, the tool received 5,789 notes, of which 91.74% received some type of treatment. Furthermore, the company has an anonymous reporting channel managed by an external company and a Good Faith Communicator Protection Policy, guaranteeing the privacy and protection of employees against any form of reprisal. The Reporting Channel had no complaints related to security.

In 2023, Portobello Grupo promoted an Internal Work Accident Prevention Week (SIPAT), with the participation of all units. In addition to focusing on health and safety issues, the event addressed topics such as diversity and inclusion, reflecting the company's commitment to promoting an inclusive and welcoming work environment.

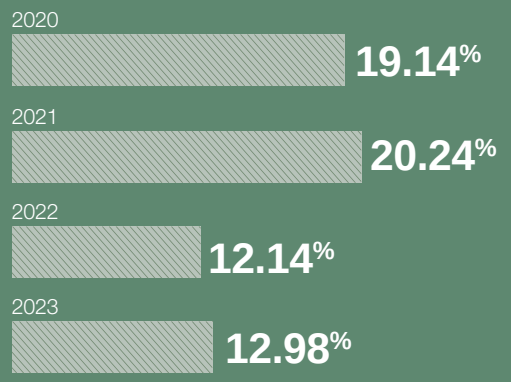
ACCIDENT REPORTS IN 2023

In 2023, at the Tijucas Portobello unit, the rate of accidents with mandatory reporting reached 12.28, with 88 accidents reported. Of these, 9 were considered serious (rate 1.26). The most common records were trauma, cuts, abrasions, fractures and sprains. The indices used as reference 1,000,000 hours worked and 7,167,248.00 hours worked in the year. At Portobello Shop, the accident rate with mandatory reporting reached 56.03, with 15 accidents reported. Of those, 5 were considered serious (rate 18.68). The most common records were cuts, abrasions and trauma. The indices used as a reference 1,000,000 hours worked and 267,696.00 hours worked in the year. At Pointer, there were 8 accidents with mandatory reporting (rate of 7.15), of which 1 had serious consequences (rate 0.894) – the main types were fractures, cuts and partial amputation generated mainly by accidents with machines.

The methodology used to calculate accident rate indicators is provided for in NBR 14280, which establishes criteria for the registration, communication, statistics and analysis of workplace accidents, their causes and consequences.

Accident analysis is based on the Cause Tree methodology. This approach systematically structures complications, allowing a complete visualization of all contributing factors. Subsequently, prevention measures are established based on the priority of each identified factor.

ACCIDENTS WITH MANDATORY REPORTING



EMPLOYEE HEALTH AND WELL-BEING

GRI 403-3, 403-6

Employees go through periodic occupational exams, in addition to complementary exams, with the aim of reducing risks related to work activities. Those who perform tasks with a higher degree of danger undergo biannual clinical assessments. The manufacturing units in Brazil have their own outpatient clinics, with doctors hired to provide care.

Mental health is also a concern for the company. The Tijucas Portobello unit has a Safe Behavior Program, which has a trained professional for group or individual care. The Portobello Shop workshops offer psychological support and lectures on topics related to managing emotions.

Pointer holds Human Development Dialogues (DDH) every six months with employees at the factory, which address topics such as emotional intelligence, feedback and personal awareness. The SSD (Health, Safety and Development) moment is also held weekly, for the administrative public, in which health care, safety and issues such as sustainability, environment, diversity and development are discussed. The DDS (Daily Safety Dialogue) is a daily practice with the maintenance and operations team.

A workshop on mental health is held quarterly for all publics with the aim of reinforcing prevention and awareness campaigns and openly discussing syndromes and disorders such as burnout and anxiety. It provides knowledge and indicates self-care practices and places for professional help. Care for employee doesn't stop. In 2024, the Pointer outpatient clinic will be receiving a psychologist who will hear workers on a weekly basis. In addition to the health plan, Portobello Grupo offers Gympass, through which people can benefit from psychological care and bodybuilding, pilates, yoga and dance gyms for an affordable price.

Campaigns are used to talk about the importance of prevention and care for yourself and others. To raise awareness among the team, the surrounding community and partners on the importance of early diagnosing certain diseases, the units promote actions such as Pink October and Blue November, which reinforce the prevention of breast and prostate cancer, and Orange December, in which skin cancer and how to prevent it are focused.

Pink October and Blue November Action held by Pointer on the beaches in Maceio/AL.

CUSTOMERS

GRI 2-29, 3-3

CORPORATE CULTURE

The customer is seen as the center of the organizational structure, with other areas of the company working in a network around them. At Portobello Shop, business objectives are broken down into tangible actions and goals (OKRs), evaluated quarterly. The customers' NPS (net promoter score) is one of the metrics impacting the flexible remuneration of the unit's employees. Furthermore, the company has sought to work retail attributes into its employer brand identity, with the aim of attracting talents aligned with its purpose.

PRODUCT QUALITY

The quality management system at the Portobello factory in Tijucas (SC) is certified by ISO 9001/2015. The products' quality is monitored using state-of-the-art equipment, which scans 100% of the parts to check dimensional and surface requirements, in addition to human monitoring for visual inspection. If any flaw is identified, the material is disqualified. Pre-shipment inspections are also carried out. For every four pallets produced, one is inspected by the CQPA (Finished Product Quality Control) team. The factories have as quality metrics the percentage of first-line products, percentage of defects and CQPA approvals. Furthermore, the company is certified in the Quality Sector Program (PSQ), which requires quarterly evaluations by a third party (laboratory accredited by INMETRO). Pointer follows the same product analysis and inspection protocol and is PSQ certified, and Portobello America has practices aimed at ensuring quality in alignment with the US market requirements.

CUSTOMER EXPERIENCE

Portobello Shop has a network of its own and franchised stores spread throughout Brazil. However, the customer experience must be consistent no matter which location they visit. Therefore, the stores follow a recently updated service model that provides guidance about the quality of the experience for patrons and buyers.

NET PROMOTER SCORE

The company adopts a complete NPS methodology, which considers not only the act of purchasing, but all of the customer's contact with the brand. Four questionnaires are applied: one for unfulfilled estimates (score 85), which aims to understand why the purchase was not made; one for customer service (87.9); another for delivery (67.2) and, finally, a questionnaire for architecture and design professionals (79.4). Furthermore, the company has a great reputation on the Reclame Aqui website – rating 8.5, verified in February 2024. In 2023, Portobello Grupo was the Reclame Aqui Award winner in the House and Construction – Coverings, Floors and Ceramics category, for the fifth consecutive year.

OFFICINA PORTOBELLO

Portobello Grupo offers product customization to its customers, who can adapt the pieces' features to their specific needs. This work is done by Officina Portobello, which transforms porcelain tiles into furniture. The collections include countertops, furniture, niches, objects and accessories. The products created by Officina are available in Portobello Shop stores throughout Brazil.

Transparency about products

GRI 417-1

The packaging of the Group's products comes with technical and safety guidelines, including installation instructions. Labeling meets the standards of NBR ISO 130056 and INMETRO ordinance # /2021. Packaging includes a QR code for additional information about social and environmental impacts, such as the correct disposal of the product at the end of its life. Portobello Grupo adopts the booklet "How to recycle waste ceramic tiles from your construction," material developed by Anfacer. The packaging of the Pointer (AL) unit also has a QR code that takes to a virtual tour of the factory.

In order to reduce the environmental impact generated, the products' packaging is FSC certified, applied to paper from reforested wood or recycled material. The recyclable composition of paper reaches 88%. In addition to packaging, 1020 carbon steel metal supports are used to store products on the pallets, especially in the 120x120 and 90x180 formats. In 2023, no cases of non-compliance were recorded in relation to product information and labeling or marketing communications.

Data privacy

GRI 418-1

The company has a Privacy Policy, which follows the General Data Protection Law (LGPD), valid for all units of the group, which guarantees the protection of customer information. The document is easy to understand and it is publicly available on the website. In addition, there is a contact channel via email, Privacy@portobello.com.br, which can be used to clear any questions related to the topic. In 2023, there were no complaints related to privacy violations or customer data leaks.

Internally, the company has a group of Data Protection Policies related to different activities, based on risk analysis, in addition to carrying out periodic training on privacy, data protection and information security with employees at all levels. In 2023, there were 1,747 participants in training on LGPD, which benefited employees from company-owned stores (307), franchises (901) and employees from other business units (539).

In November 2022, Grant Thorton carried out a technical diagnosis of the group's privacy program, based on the General Data Protection Law. The document details the governance structure, holder rights, data cycle management, controllers and operators, international data transfer and security and incident response measures, in addition to evaluating existing processes. The overall average grade was 4, out of a total of 5, indicating an advanced level. This external diagnosis occurs every two years, led by the Auditing area.

With the creation of the vice-presidency of Digital Transformation, led by Luciano Alves Abrantes, the Company brought the Privacy and Information Security area to the Corporate level, with greater structure, autonomy and investments. In 2024, the themes will be separated, maintaining the institutional scope of information security and taking the privacy front to the Group's Legal department, with the support of an external Data Protection Officer (DPO), with a reputation and reference in the market, improving the Privacy and Data Protection Program.

ARCHITECTS

GRI 2-29

Architects are fundamental business partners, because they are who most often recommend Portobello products to their clients. The company fosters a collaborative relationship with this public, promoting listening aimed at product development and offering experiences such as events and trend platforms. These are the main programs:

ARCHTRENDS

It is the first and only architecture social network in Brazil, created by Portobello Grupo. On Archtrends, architecture professionals and students can create their profiles and publish their projects, creating a highly visible digital portfolio. In all, there are 13,000 registered projects and a collection of 60,000 inspirational images. Archtrends is also Portobello's official content channel. In 2023, the website received 300,000 monthly hits. On Instagram, there are more than 100,000 followers.

ARCHTRENDS SUMMIT

The Archtrends Summit is a creativity forum for architects and designers, promoted by Portobello Shop since 2018. In 2023, the event grew. For the first time, it had the participation of the general public and sponsors. In addition to architects invited by the Portobello Shop stores, around 300 tickets were available for sale, selling out two weeks before the conference.

The Archtrends Summit was held at Teatro Santander, in São Paulo, and brought together around a thousand people. The theme "What's Within Matters" explored authenticity, sustainability and purpose in architecture and design. Among the speakers were notable names such as architects Isay Weinfeld and Patrícia Anastassiadis, British designer Tom Dixon, writer Ailton Krenak and the CEO of the Gerando Falcões NGO, Edu Lyra.

ARCHITECT'S CLINIC

The Portobello unit hosts the Portobello Experience, when it welcomes architects for a visit. Within this initiative, Creative Labs take place weekly, with listening dynamics that bring together up to 30 architects, who have the opportunity to share their views on the brand's products and design, besides discussing market trends.

PORTOBELLO +ARQUITETURA

Portobello +Architecture is an relationship program exclusive at Portobello Shop stores for architecture and design professionals. With each order invoiced or check-in carried out at Portobello Shop stores, professionals earn points that can be exchanged for products, services or experiences. More information about how it works is found on the page **More Architecture** in the Portobello website. One of the company's plans for the program is to evolve the initiative into a community of causes, in which architects can also engage in donating time or products to those in need.

Special booth at the main coverings fair in Brazil, Revestir; 100% of the structure was reused at one of Portobello's distribution centers (Jundiaí/SP) and at the Sample Store (Tijucas/SC).

SHAREHOLDERS

GRI 2-29

Portobello's relationship with its shareholders is based on transparency. The company values the frequent dissemination of information in order to facilitate the investor's decision-making process. The Investor Relations area maintains a website **(https://ri.portobello.com.br/)** with the main information about the company, its governance, financial results and sustainability. In addition to the Code of Ethics, the corporate policies that govern the relationship with shareholders are:

- Disclosure of Material Act or Fact and Securities Trading Policy;
- Related Party Transactions Policy.

An important advance in increasing transparency was the change in the disclosures format. Portobello used to hold a videoconference for the market every three months, when the results were announced. From 2023 onwards, it started promoting a whole day of lives. In the mornings, it talks with the internal public in Portuguese and in English with employees of the US unit. And throughout the day it interacts with investors.

The results release calendar includes quarterly and annual communications, distributed through various channels, including email, website, Whatsapp and live broadcasts with the participation of management and business units. Shareholders also receive every year Portobello's Sustainability Report, detailing the company's value generation practices. Communication about risks is done through the Reference Form, submitted to the Securities and Exchange Commission (CVM).

Using a digital tool, the Investor Relations area has sought to understand the profile of shareholders with the aim of being more active in the capital market and getting to know potential investors. The company also seeks to increase its value generation through sustainability. Therefore, in 2023, Portobello answered the B3 Corporate Sustainability Index (ISE) questionnaire for the first time. The final result of the ISE entry process will be known in May 2024, when the stock exchange will receive the score obtained by participants who answered to the Carbon Disclosure Project (CDP) in 2023 – whose score makes up the evaluation.

FREQUENCY OF COMMUNICATION

QUARTERLY | YEARLY | WHENEVER REQUESTED

TOOLS USED	TYPE
Mailing, website, Whatsapp (one-page disclosure with highlights), live for shareholders and employees and press releases	Release of quarterly results
Mailing, website, Whatsapp (one-page disclosure with highlights), live for shareholders and employees, press releases, Sustainability Report, Reference Form, Management Report	Disclosure of results for the year
Email or Whatsapp	Requests for information on different topics

FRANCHISEES

GRI 2-29

Portobello Shop franchisees play a fundamental role in the company's relationship with its customers, representing the brand's regional presence throughout Brazil. Currently, the unit has 95 franchisees. This strategic partnership goes beyond the operation of the stores and includes the active participation of this public in defining the Group's material themes. Collaboration is strengthened through initiatives such as the Franchisee Convention, participation in events and live sessions about business and retail.

Portobello Shop values the standardization of service and operation of its stores. Therefore, it created a Good Practices Manual that is adopted by franchises. Franchisees are also advised to follow the Code of Ethics and the company's other compliance policies. In this way, Portobello Grupo is able to expand its culture of business integrity to all units and partner network.

Service quality is reinforced with the Store Excellence Program, which measures the level of compliance with Portobello Shop standards and issues a seal. In 2023, for the first time, the initiative began to include sustainability requirements in the evaluation of franchisees, who are being scored for their performance on fronts such as community actions and waste management.

To promote human rights in franchises, in 2023 franchisees participated in anti-harassment training, which indicated tolerable and unacceptable relationship standards.

SUPPLIERS

GRI 2-6, 2-29, 3-3, 204-1, 308-1, 414-1

Supplier management at Portobello Grupo underwent transformations in 2023, with changes in management and a bigger team. New tools were also implemented to make everyday life easier. Among them, a system that monitors the entire purchasing process and interaction with the supplier, increasing transparency within the Group. Users of the supplier contracting process received training on the new tool.

1,920
active suppliers

New purchasing flows were created in order to obtain more comprehensive solutions for the company's areas and needs. In general, the standard continues to be three minimum quotes for purchase or contracting, with the option for the best proposal or the one with the lowest value. Purchases above a limit defined by the company require approval from the leadership. Portobello Grupo gives preference to hiring suppliers from the locations of its operations. In 2023, there were no significant changes in the composition of the chain.

Currently, the company verifies environmental licensing documents and technical capacity declarations from suppliers of raw materials and priority services, which represent 16% of the total. Some suppliers, those from mining companies, which extract clay, gravel, among other materials from deposits (6% of the total), are evaluated on site, through technical visits, which analyze quality criteria. Today, Portobello only requests a valid Environmental License from some of its suppliers.

AMOUNT OF PURCHASES BETWEEN JANUARY AND DECEMBER 2023

BRL 1.5 BILLION

AMOUNT OF PURCHASES FROM INTERNATIONAL SUPPLIERS

BRL 30 MILLION

About 2%

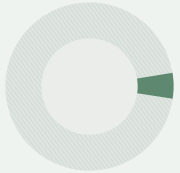
AMOUNT OF PURCHASES FROM LOCAL SUPPLIERS (SC, AL)

BRL 877 MILLION

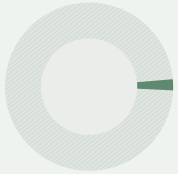
About 83%

AMOUNT OF PURCHASES FROM SUPPLIERS IN CITIES WHERE OPERATIONS ARE

BRL 83 MILLION



PORTOBELLO
5%



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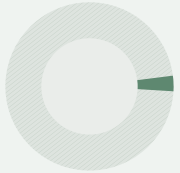
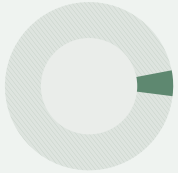


POINTER
3%



PORTOBELLO AMERICA
5%

Suppliers due diligence

The Group is acting proactively in the assessment and management based on ESG (environmental, social and governance) criteria. The approval, established in 2023, involves a prior analysis by the contractor, who responds to a questionnaire with six criteria (on type of supply, financial and compliance aspects) and if one of them is positive the process is initiated. If approval occurs, a reputational analysis is carried out, considering among other things legal compliance and presence on lists of slave and child labor, and the partner must carry out a self-assessment, all approved by the Compliance area. This self-assessment answered by the most critical suppliers brings environmental and human rights aspects.

The program also provides for on-site audits to check the veracity of answers and a plan of adaptation to the criteria established by Portobello Grupo. This process is in the pilot-project phase at the Portobello unit.

The relevance of the supplier to the company and the incidence of legal deviations in its area of activity are used as severity criteria in the risk classification. According to the level, due diligence procedures and their frequency are defined:

- Low-risk suppliers: respond to an annual due diligence questionnaire;

- High-risk suppliers: respond to a biannual due diligence questionnaire and, in the case of suppliers of basic raw materials, there is an annual on-site visit to the mining area.

After analysis, if deviations are identified in the supplier, Compliance writes an opinion suggesting treatment actions. If the deviations represent a medium risk for the company, the management of the corresponding business unit is responsible for making the decision. Higher risks are assessed by the statutory board. Deviations from the Code of Ethics are liable to breach of contract. In 2023, there was no need to discontinue partnerships with suppliers.

All labor suppliers are governed by contracts with Human Rights and Environmental clauses.

COMMUNITIES

GRI 2-29, 3-3, 203-1, 203-2, 413-1

Portobello Grupo is committed to supporting and promoting projects that develop communities through culture, education and income generation. The Sururu - Shells that Transform and Garden in Progress projects are examples of this direction. Its vision of social responsibility is to contribute to the transformation of the communities in which it operates. The Group follows ethical, transparent principles based on respect for internationally recognized Human Rights. The main documents guiding actions with communities are the Code of Ethical Conduct, the Donation Policy and the Volunteering Booklet, approved by the Sustainability Committee in 2023.

INTERNAL INITIATIVES THAT INVOLVE COMMUNITY PARTICIPATION

Portobello Grupo promotes the Young Apprentice Program, with recruitment in surrounding communities. Apprentices undergo training carried out by Senai and learn about the company's operations. There is the possibility of implementation. In 2023, the company welcomed 98 apprentices across the three units.

VOLUNTEERING

During the year, the company reformulated its Volunteer Program. Each unit adapts the purpose of the program to the characteristics of its business and to the surrounding communities' needs. The initiative has three premises: 1) transform communities through the leadership of employees, sharing knowledge, skills and experiences; 2) develop people in local communities, looking at their needs and reinforcing the knowledge exchange; 3) encourage employee participation in education and engagement actions for their surroundings through design, architecture and innovation.

The new Volunteer Program was launched in an internal live session for all employees, with the participation of the couple who lead the Caçadores de Bons Exemplos [Hunters of Good Examples] initiative, which catalogs social projects in several countries. The Sustainability Committee manages the budget and strategies. Each unit has a management team, which represents the program locally, plans and organizes actions. Finally, volunteers carry out the activities and record the results.

To engage employees and inspire communities, a podcast was recorded with companies from Santa Catarina that are references on the topic and shared their good practices, in celebration of the National Volunteer Day, August 28th. There was also a technical visit to a company already engaged with the topic.

Discover some volunteering actions carried out with communities:

- In Tijucas, Portobello volunteers promoted a Google tools course for 30 young people from the Jardim Progresso neighborhood. The objective was to learn a little more about tools available online and for free. The course lasted one month, with four meetings. In addition to the content, students received a prepared curriculum and certificate of participation.

- Portobello Shop welcomed young people from Projeto Renascer, from the Community Council of Saco Grande district (Florianópolis, SC), who visited the unit's facilities and heard about the activities in each area that makes up Portobello Grupo's retail.

They also deepened their knowledge about design and what a career in the field is like.

■ Pointer promoted an external qualification on strategic curriculum construction for more than 90 students from State School Rosa Maria da Fonseca, located in Marechal Deodoro, Alagoas.

■ During the Sustainability Week, Portobello, Portobello Shop and Pointer units promoted the joint effort Time Donation Front, with improvements in public spaces and the Group's partner entities. Volunteers painted and renovated these places used by communities.

At the end of 2023, Portobello Grupo had 545 active volunteers, which represents 13% of the company's employees involved. In all, 35 actions were carried out, with the participation of more than 700 employees, including 182 blood donations and BRL 200,000 donated to volunteering projects by the company. More than 2,500 people benefited.

PARTICIPATION IN COMMUNITY DISCUSSIONS

Portobello Grupo maintains an agenda of participation in local discussions. In 2023, within the Sustainability Week program, the Garden in Progress Cultural Center Project was announced, in partnership with the community of Tijucas (SC) and local entities, such as Univali (University of Vale do Itajaí), the Military Police of Santa Catarina, the Municipality of Tijucas and companies from Santa Catarina. The objective of the initiative is to positively transform the lives of residents of Jardim Progresso district with the construction of a community center for social projects focused on education, culture and income generation.

Tijucas City Hall donated land measuring over 10,000 m² for the construction, which should be financed through the Culture Incentive Law and opened in 2026. Portobello conceived and promoted the project with partners, leading the efforts. It will also donate a 1,400 m² structure, from Feira Revestir, to make part of the center. This action reinforces the Group's position in seeking more sustainable booths. Throughout 2023, several meetings were held with partners, a quantitative and qualitative census to understand the socioeconomic profile of the community and music, guitar and dance workshops to start creating links with the local population.

Furthermore, the company donates ceramics to non-profit social institutions, an activity that is governed by the Donation Policy, covering all operations. In 2023, 10,000 m² were donated to 26 institutions in Tijucas (SC), Florianópolis (SC) and Marechal Deodoro (AL).

Project Sururu | Shells that Transform

Sururu: Shells that Transform is a circular-economy initiative that reduces waste disposal, generates income and empowers the community of Vergel, in Alagoas. Through the project, the shell of the sururu mollusk, previously seen as waste, was redefined as raw material for Cobogó Mundaú. The piece, with hollow elements in an organic cut, is produced by a social enterprise that relies on Pointer's industrial knowledge and Portobello Shop for development, commercial strategy and exposure in the retail network. The project is carried out in partnership with the Brazilian Sustainability Institute (IABS) and the A Gente Transforma (We Transform) institute, led by architect Marcelo Rosenbaum. In March 2023, Solar was launched, a co-creation with Rosenbaum and Rodrigo Ambrósio, of wall coverings that also use shells.

In addition to the environmental benefit, with the use of waste as raw material for an industrial process, the community benefits generating income and improving quality of life. The residents of Vergel are involved in all stages, from cultivation to the disposal of the material. The gain is felt mainly by shellfish gatherers, responsible for collecting and selling the shells.

In 2023, Pointer carried out several integration and training actions with the community that is part of the project:

- The 20 seafood workers from Projeto Sururu and their families participated in commemorative events on special dates, such as Mother's Day and Children's Day, at the company's headquarters.
- They underwent entrepreneurship training through the Women of Our Neighborhood Program, developed by Engie, Pointer's energy supplier.
- Women from the community were also interviewed and participated in the launch of a documentary film about the Sururu project, which was shown during Portobello Sustainability Week.
- Workers at the warehouse, which was renovated, underwent training in occupational health and safety, ethics and conduct, and also on new production equipment.

SDGs
IMPACTED BY THE SURURU PROJECT:

Tax breaks

Portobello Grupo promotes solutions that transform surrounding communities through education, culture and income generation. In this context, the development and execution of incentivized impact projects are considered a differentiator in communitary action and empowerment.

Annually, the company contributes resources to projects in Tijucas (SC) and Marechal Deodoro (AL) via federal incentive laws. In 2023, BRL 1.2 million was allocated to incentivized projects.

ROUANET LAW

Among the cultural projects supported by Portobello Grupo are:

- The Tijucas Choir, which in 2023 completed three years of existence. It has two weekly classes for up to 30 children from the region, who receive singing and wind instruments lessons.
- The Cultural Circuit, an itinerant culture house, adapted to receive children, young people and adults. The place has a library, a cinema room and space for art presentations, such as theater, dance and music shows and thematic workshops.

SPORTS LAW

Under the Sports Law, the following are supported:

- Since 2015, the Hapkido for All Project, in Tijucas, has been offering Hapkido practices, a martial art of Korean origin, to children and teenagers at social risk. On average, 120 children and young people aged 4 to 17, duly enrolled in the educational network, were served in 2023.
- The Growing Project (Crescer), which happens for over ten years in Tijucas, is now financed by the Sports Incentive Law from 2024. The initiative serves 100 children, four days a week, outside school hours, for sports and educational practices.

Furthermore, the unit offered support to projects registered by the Children and Adolescents Fund and the Elderly Fund, both in the city of Tijucas/SC.

PORTOBELLO +ECO-EFFICIENT

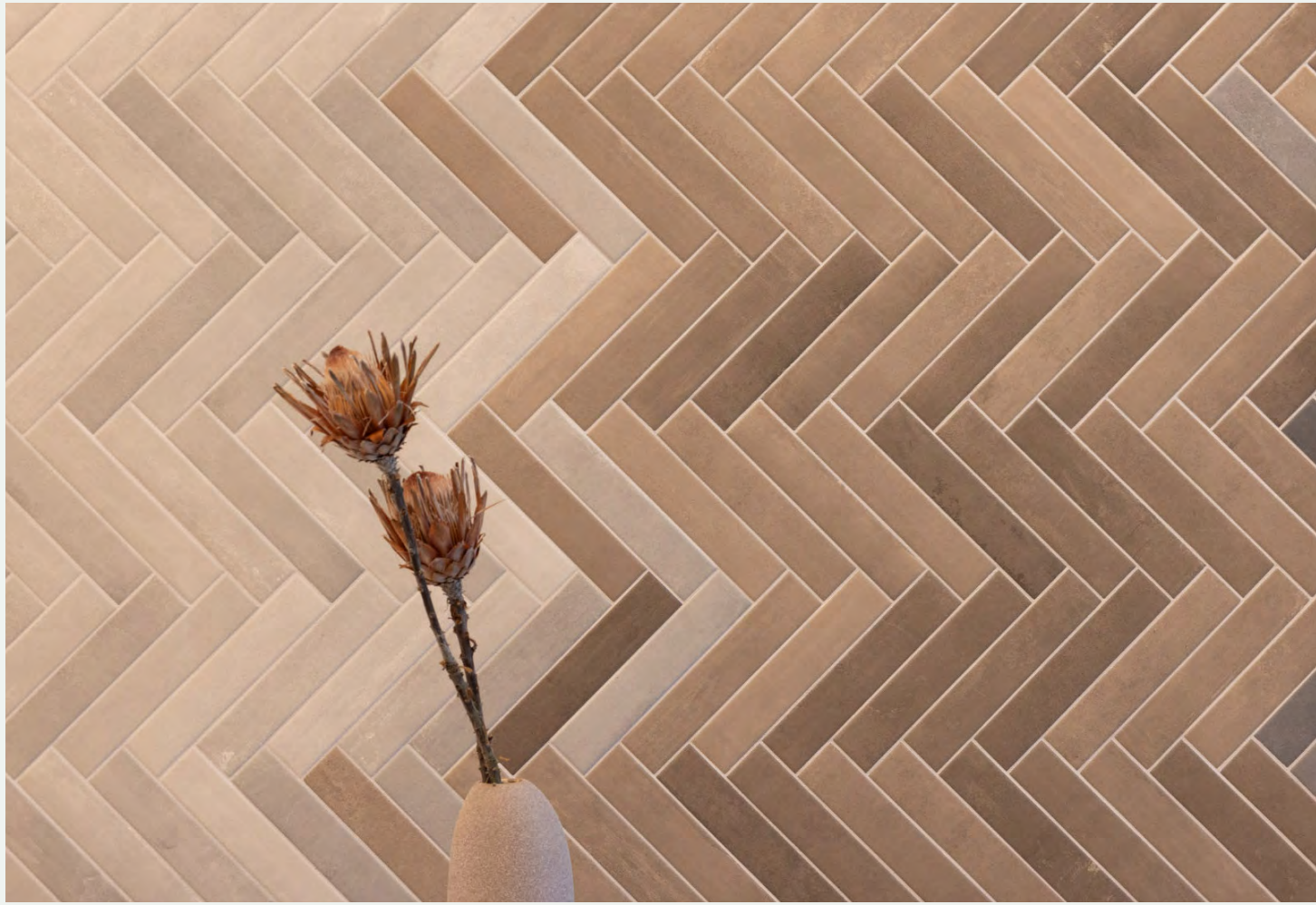
Natural capital management: practices on material fronts

SASB EM-CM-160A.1

Portobello Grupo conducts its environmental efforts towards a responsible use of natural resources, reducing negative impacts from production and distribution processes and contributing to society by offering an increasingly sustainable product.

Production systems that reduce water consumption, internal treatment of inputs, growing use of energy from renewable sources, development and innovation to expand the use of recycled materials in the production process, investment in technologies that allow ceramics to use fewer natural resources and construction of modern and sustainable factories are some of the Group's actions in the environmental area. Furthermore, the company offers on the market a product with less environmental impact, when compared to materials with the same usage characteristics, such as wood and natural stones.

The units are periodically and systematically evaluated about environmental aspects and impacts, in accordance with indicators and methodologies recognized on the market such as those of GRI, SASB, CDP and the Brazilian GHG Protocol Program. This occurs at Portobello, Pointer, Portobello America and, to a lesser extent, at Portobello Shop.



SUSTAINABLE PRODUCTION

GRI 3-3, 304-3
SASB EM-CM-160A.2

Portobello Grupo seeks sustainable production since the extraction of raw materials until the final products' packaging. Ceramics are produced from earth collected from shallow layers. Around 13% of the deposits that supply the company are owned. The others are managed by third parties, mostly small owners, in lands close to the factories. The deposits are not located in Environmental Preservation Areas (APA), Permanent Preservation Areas (APP) or legal reserves, and are inspected by public agencies. In 2023, out of a total of 17.55 hectares explored by mining activities in the states of Santa Catarina, Sergipe and Alagoas, 3.3 hectares were recovered in the period.

The company has protocols for the recovery of explored areas after the raw material extraction period, returning the spaces to their original purpose, normally linked to farming.

33,000
square meters recovered in 2023 with the planting of forage grass species (oats, ryegrass, brachiaria)

Visit by employees from the Portobello and Portobello Shop units to a quarry of the company, located in Leoberto Leal (SC). The environmental education action was carried out during the 3rd edition of Sustainability Week.

WATER MANAGEMENT

GRI 303-1, 303-2
SASB EM-CM-140a.1

Water is a resource used by factories and administrative spaces. The industrial units have closed circuits of treatment and reuse, and dry production processes. There are targets for reducing consumption and the volume used is controlled by water meters.

PORTOBELLO: CLOSED CIRCUIT

The factories in Tijucas (SC) have a 100% closed circuit, which guarantees the treatment and reuse of the input. Water comes from underground sources (58.7%) and rivers (40.6%) located on own land, and from third parties (0.7%). In 2023, 319.82 megaliters (-8.8%) were captured to replace volumes lost to evaporation, in addition to supplying the enamel preparation, enameling stage, use in bathrooms and laboratories. The average catchment was 12.77 liters per square meter produced (compared to 13.02 liters in 2022). In the complex, the six factories have individual water meters and usage targets. Some industrial managers and coordinators have performance and recognition goals linked to water use indicators. In 2022, analogue meters were replaced with digital ones, which facilitate monitoring.

Consumption is in line with the authorized volume of freshwater catchment and with the guidelines of the Tijucas River Basin (SC), where the unit is located. The area is considered to have low water stress according to the Aqueduct platform, developed by the World Resources Institute (WRI) to inform about water-related risks. Still, monitoring is constant to avoid risks to the ecosystem and to the business.

Regarding disposal, since the production system is closed, only effluents from bathrooms and cafeterias are eliminated, after treatment, following the standards established in federal and state legislation (CONAMA #430/2011, CONSEMA Resolution #181/2021 and State Law #14,675/2009). During the year, 42.62 megaliters were discarded.

The Portobello unit is part of the Tijucas and Biguaçu Committee and, together with other stakeholders in the region, discusses water consumption and/or the protection of hydric resources, so that its use is sustainable.

POINTER: DRY PRODUCTION

Pointer's manufacturing model is dry, without incorporating water into the mass, which helps save 70% of input during the process. The plant also has a 100% closed system, replacing only the volume lost through evaporation. In 2023, 55.97 megaliters (+48.76%) were captured in an artesian well, respecting the approved amount. The average per manufactured square meter reached 4.91 liters. In a similar way to the Portobello complex in Tijucas (SC), the Pointer factory in Marechal Deodoro (AL) began replacing analogue water meters with digital ones.

The treatment technology removes waste from the water used in production, especially clay and enamel, which are reused in the process. Effluents from bathrooms and cafeterias are treated in accordance with local legislation specifications and disposed of in the underground. The region is not considered as hydric stressed. In 2023, Pointer discarded 15.29 megaliters.

PORTOBELLO AMERICA

The recently opened Portobello America factory adopts the best practices already tested by Brazilian units:

- A 100% closed system avoids waste and simplifies water reuse in production.
- The dry grinding system saves resources in the production process.
- With Industry 4.0 technology, the unit has equipment with the best performance on the market, which minimizes water consumption.

REDUCTION IN WATER CONSUMPTION

With the automation and modernization of hydrometers allowing the daily assessment of consumption and advances in management, the project to increase the density of the slip and the initiatives implemented by the Environmental Ambassadors, the Portobello unit reduced its water use from 13.02 liters per square meter to 12.77 liters per square meter (accumulated over the years). Pointer, in the process of automation, is at 4.91 liters per square meter – as it has a dry system, the level of consumption is much lower than traditional – and intends to reach 3.98 liters in the next few years.

CIRCULARITY

GRI 3-3, 306-1, 306-2
SASB EM-CM-150A.1

The factories of Portobello, in Tijucas (SC), Pointer, in Marechal Deodoro (AL), and Portobello America, in Baxter (Tennessee), have modern circularity practices in production. Currently, 100% of the waste resulting from the production process returns to the cycle and is incorporated into products. An example of reused material is shards, by-products from the treatment plant (sludge) and enamel, among others. This allows all products manufactured by Portobello, Pointer and Portobello America to use waste in their composition.

WASTE CORRESPONDS, ON AVERAGE, TO

18.49%

of the raw material of products manufactured by Portobello and Pointer.

Most of the remaining waste is sent to third-party processing, such as cardboard producers. The recycling level at Portobello unit is 99.9% and at Pointer, 98.94%. Portobello America is in a stabilization phase. Pointer approved investments for the purchase of equipment that will allow the composting of up to 100 kilos of organics per day, starting in 2024. The goal is to reach a percentage close to 100% in all operations.

Portobello America began its activities in 2023 with advanced utilization processes. Its rate of use of third-party waste is higher than in other units, around 15% of the raw material used in production. They are by-products of the manufacture of shingles, fine sand and glass waste.

During the year, 82.95% of the cardboard and 20.60% of the plastic consumed in packaging at the Portobello unit came from recycled material. Another practice that is worth highlighting is the circularity of waste generated in Portobello's industrial park: around 79.91 tons of cardboard waste per year that becomes part of new packaging.

In 2022, the results of the Life Cycle Analysis (LCA), carried out in the previous year with 60% of the factory portfolio, were broken down into actions. ACV verified the environmental impacts from the extraction of raw materials until the disposal by customers, comparing the Group's materials with others used in the market. Portobello products had superior results in terms of water footprint and consumption of mineral resources. Four recommendations for reducing impacts were mapped, three of which already have ongoing initiatives, included in the Sustainability Plan, which has internal governance.

ACV: PORCELAIN TILES CONSUME

33x

less mineral resources than marble

RECOMMENDATIONS	STATUS
INCREASE IN THE RENEWABLE PERCENTAGE IN THE COMPANY'S ENERGY MATRIX	■ Partnership signed with Enel for the self-production of wind energy. **Read more in Climate Change.**
REPLACING THE METAL SUPPORTS OF PRODUCTS, SINCE THE METAL EXTRACTION PROCESS RELEASES SUBSTANCES THAT CAN BE HARMFUL TO HEALTH	■ It is in the testing phase, which evaluates, in addition to the materials' sustainability, the quality, resistance, economic viability and safety in handling. Recyclable plastic and wood are being evaluated.
REDUCTION OF THE CARBON FOOTPRINT OF THE MORTAR APPLIED TO PRODUCTS	■ There has not yet been any action on this recommendation, which will require coordination with partners.
USE OF THIRD-PARTY WASTE AS RAW MATERIAL	■ Tests were carried out considering technical and economic aspects. To date, tests have taken place with marble, ceramics and red porcelain at Portobello and with mud at Pointer, with unsatisfactory results. Waste from two partner Distribution Centers, such as ceramics and crockery, is currently being tested at the Portobello unit. Pointer started evaluating ceramics.

Furthermore, Portobello develops initiatives to promote circularity in product distribution:

■ The pallets and supports used to transport products to the Distribution Center in São Paulo and Santa Catarina return to the factory in Tijucas. Monthly, 68.1 tons of wood, on average, were recovered during the reporting period.

■ In 2023, 79.91 tons of paper and cardboard waste were used to manufacture product packaging.

■ Pointer sends part of the waste to enamel suppliers, who use these inputs in their production.

WASTE

GRI 3-3, 306-1, 306-2

During the year, Pointer had the support of a specialized consultancy to diagnose the waste generated in the distribution chain. The initiative mapped the route, quality and amount of waste from the moment products leave factories heading to distribution centers and stores. The next stage of the project will be an action plan to expand reuse.

Portobello Grupo operates in line with the Solid Waste Management Plan by means of the management carried out and the EuReciclo seal. The credits are equivalent to 22% of the waste generated in Brazil by Portobello and 50% by Pointer. There have been no sanctions regarding the topic in the last three years. In the North and Northeast regions, the level of packaging recovery was 50% – considering the weight sold in the regions and the compensated volume.

GOALS AND STATUS OF THE SUSTAINABILITY PLAN

Achieve

50%

circularity for packaging in the industry by 2027.

Status: 14%

INITIATIVES ENCOURAGE EMPLOYEE INVOLVEMENT IN ENVIRONMENTAL MANAGEMENT

Portobello and Pointer develop the Environmental Ambassadors project, a voluntary initiative with the participation of employees who propagate good practices throughout the company. The project emerged during the Covid-19 pandemic, in 2021, and had just two employees, who sought to improve indicators related to water. Later on, the program expanded to energy and waste themes, and in 2023 it already had the participation of 86 ambassadors from the Portobello unit and 11 from Pointer, who meet monthly to discuss progress and exchange experiences and learnings.

Participants hold monthly meetings and develop sectoral action plans. In 2022, the project received the Fritz Miller Award in the category "Conservation of water production inputs".

Another initiative promoted by Portobello unit is the Seal +Environmental Consciousness, a program that strengthens employee engagement through quarterly recognition related to environmental criteria. Among the 18 solutions implemented in 2023, the following stand out:

- Use of dry brushing in polishing: development of equipment and tools for brushing ceramic pieces without using water. The project generated a reduction in water consumption of 25 l/min, a reduction in energy consumption of 40,000 kW per month and lesser waste generation.

- Automation to save water in mass preparation pumps: automatically closing the water flow generated savings of 741,000 l/month of drinking water.

- Reduction in energy consumption in the ceramic benefitting process: automation of the power circuit for dry grinding suctions generated a reduction in energy consumption of 29,314.16 kW per month.

Environmental ambassadors from Pointer participate in BPA ECO RUNNING 2023, a race for reintroduction in the region of chauá parrot species, which was technically extinct in the Alagoas territory.

DISPOSAL BOOKLET

To encourage circularity at the end of life, all product packaging has a QR code that directs the consumer to the booklet "How to recycle waste ceramic coverings from your construction". The material, developed by Anfacer with the support of partners, provides guidance on the appropriate disposal of waste to reduce its environmental impact.

CLIMATE CHANGE

GRI 3-3
SASB EM-CM-110A.2

Portobello and Pointer units have been preparing their greenhouse gas inventories since 2019 and 2022, respectively, measuring Scopes 1, 2 and 3. In the last year, progress has been made towards the adoption of good transparency practices, besides the expansion of measuring emissions from the operation of other Group units. Scope 3 data collection in other previously unmonitored categories is also evolving.

Portobello Grupo's emissions occur mainly due to the consumption of fuels used in the ceramic coating manufacturing process. Furthermore, there is the impact resulting from product transportation.

For the first time, Portobello and Pointer participated in the Brazilian GHG Protocol Program, which defines standards and good practices for publishing inventories, having received the bronze seal, proposed for partial inventories. Portobello Grupo also answered to the Carbon Disclosure Project (CDP) questionnaire, which considers issues on climate governance, transparency, risks, opportunities and the establishment of reduction targets, and obtained a B- score.

Regarding retail operations, a pilot project was carried out to prepare the inventory of two own stores, two distribution centers and two Portobello Shop workshops. The idea is to expand the initiative in the coming years by incorporating the lessons learned.

ENSURE THAT

50%

of the energy consumed by the industry by 2024 comes from renewable sources.

Status:

- Partnership signed in 2023 so that the goal can be met in 2024

MAKE
new Portobello Shop buildings LEED certified.

Status:

- First store opened in Curitiba (PR)

Mitigation

Currently, natural gas is the main energy source used by the company, corresponding to almost 90% of total consumption and being used in kilns, atomizers and dryers. Despite not being renewable, gas is less polluting than other fossil fuels, such as coal or diesel. Electrical energy is used to light the units and operate some equipment.

The Portobello unit started a project to map opportunities to reduce emissions in all of its sources. The project, developed with the support of specialized consultancy, includes benchmarking with other companies and the use of technology. All of the group's units develop initiatives to reduce emissions:

PORTOBELLO

- Portobello unit reduced the consumption of natural gas in atomizers based on changes in the production process, which consequently modified the intensity of the evaporation process.
- The CO_2 equivalent emissions in atomizers, per ton of mass produced, resulting from the use of natural gas, fell from 71.3 kilos in 2022 to 64.5 kilos in 2023 – average from August to December, after the start of the project.
- The operation in Tijucas also reduced the thickness of the 120x120 cm porcelain tiles from 9 millimeters to 7 millimeters, and the 90x180 cm and 30x60 cm tiles from 8.4 millimeters to 7 millimeters.
- As a result of this change and other factors, such as product typology, formats produced and efficiency, the average emissions from natural gas consumption went from 7.04 kg of CO2 equivalent per m² produced in 2022 to 6.74 kg in 2023.

CO_2 EQUIVALENT emissions in atomizers were

6.8

kilos lower on average

FALL OF

0.3

kg CO_2 equivalent per m² produced

PORTOBELLO SHOP

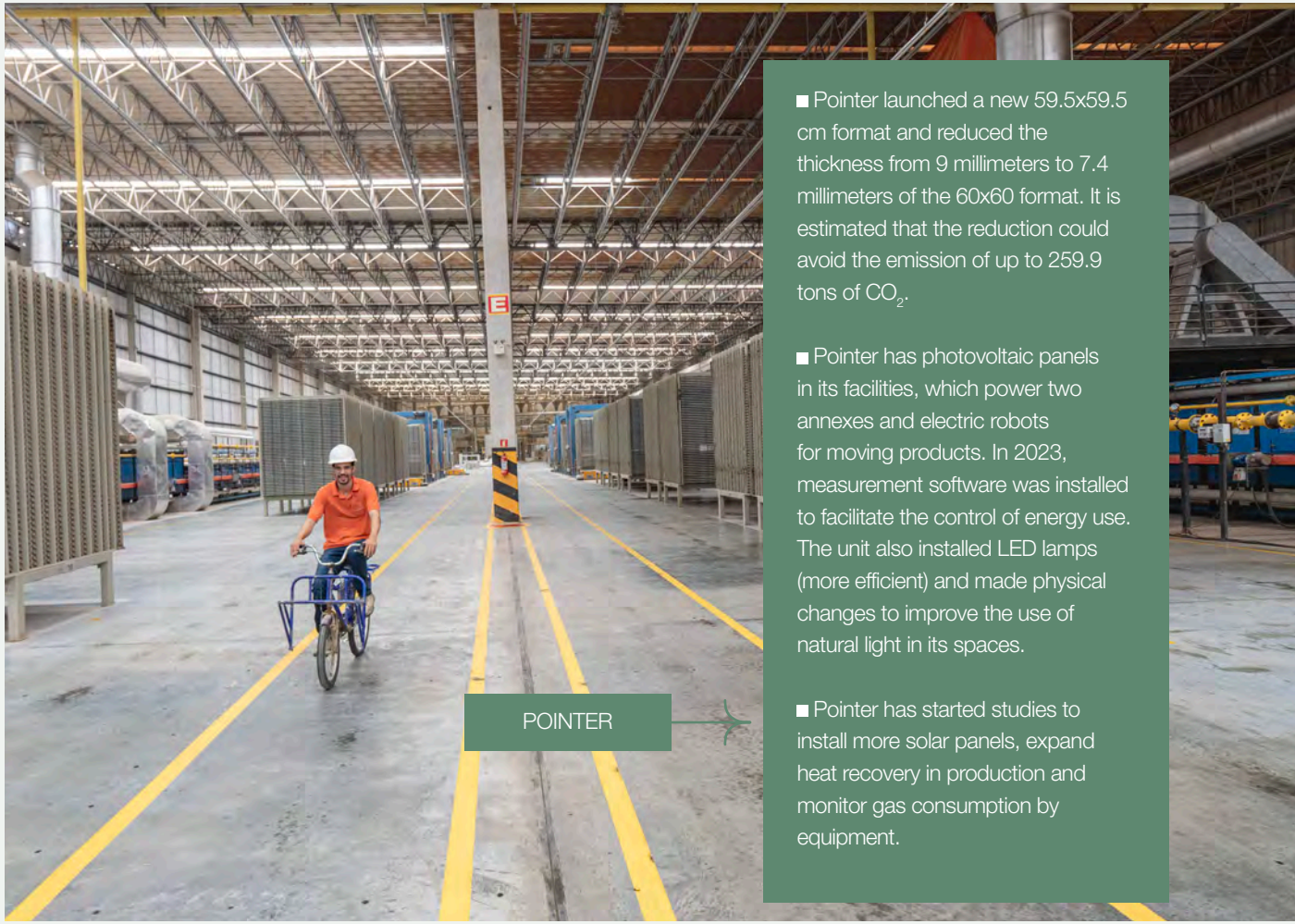
■ The Portobello Shop has an energy self-sufficient store. The Jardim Social unit, in Curitiba (PR), has LEED sustainable certification and serves as a reference for new retail constructions.

PORTOBELLO AMÉRICA

■ Portobello America has several electrical automation resources, such as cargo handling robots and forklifts. The electric motors used by the unit are more efficient, consuming 20% less energy than their counterparts.

PORTOBELLO

■ Portobello unit has a system for recovering hot air from the kilns, which is used in other stages of the process. Pointer operations apply this system partially.

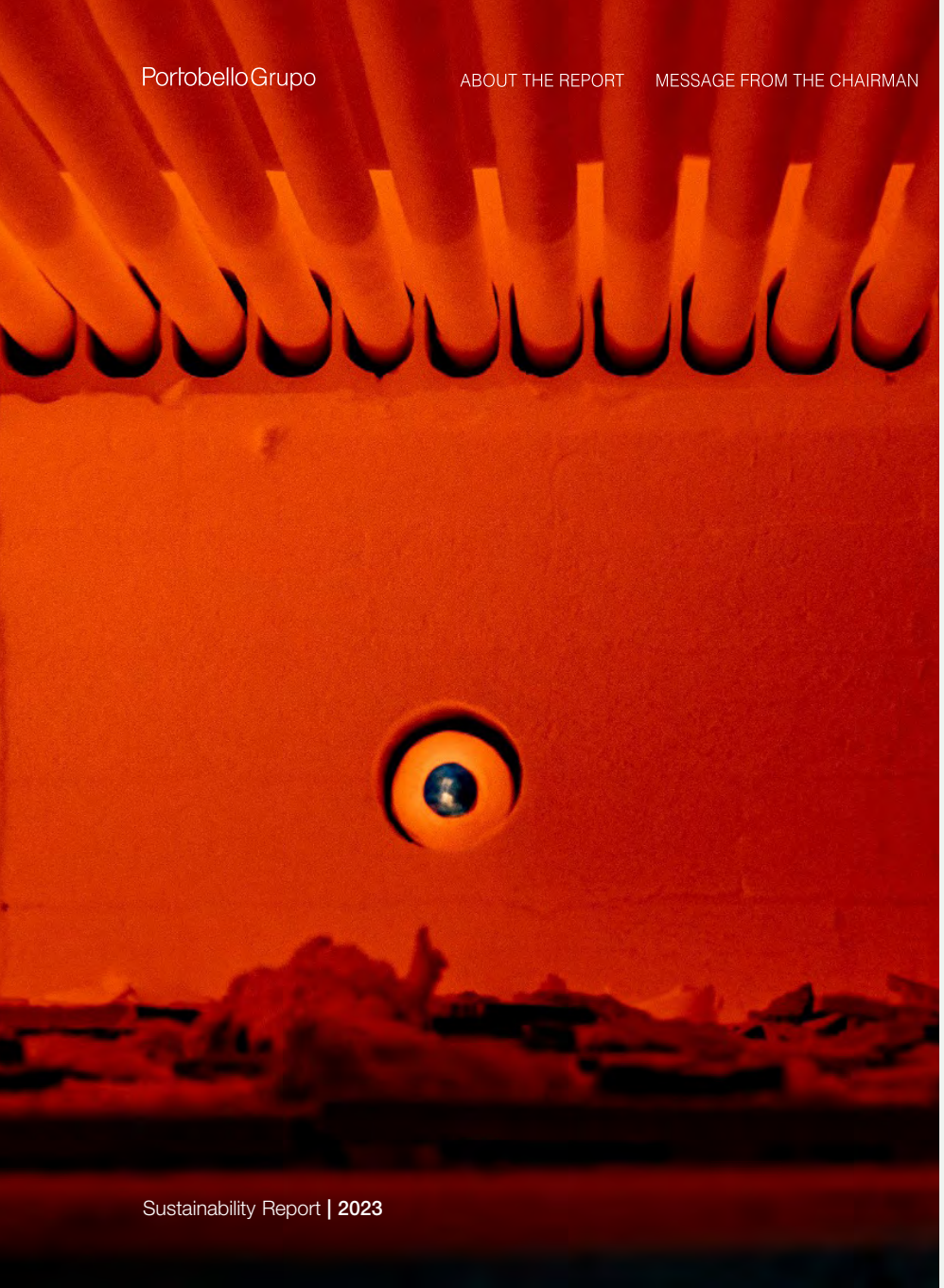


POINTER

■ Pointer launched a new 59.5x59.5 cm format and reduced the thickness from 9 millimeters to 7.4 millimeters of the 60x60 format. It is estimated that the reduction could avoid the emission of up to 259.9 tons of CO_2.

■ Pointer has photovoltaic panels in its facilities, which power two annexes and electric robots for moving products. In 2023, measurement software was installed to facilitate the control of energy use. The unit also installed LED lamps (more efficient) and made physical changes to improve the use of natural light in its spaces.

■ Pointer has started studies to install more solar panels, expand heat recovery in production and monitor gas consumption by equipment.



Climate management

Climate change management is monitored by the senior leadership. In 2023, members of the Sustainability Committee, led by the Board's chairman and vice-chairman, participated in training, also applied to CEOs and the management of the business units. Every month, the topic is on the agenda of Sustainability Plan status meetings with the executive board. The progress made by the group over the last year regarding climate change was presented to the Board of Directors at the first 2024 meeting.

ACV: PORCELAIN TILES' CARBON FOOTPRINT IS

3x
smaller than wood's,

371%
smaller than vinyl's and

165%
smaller than marble's

PORTOBELLO GRUPO HAS A PARTNERSHIP FOR SELF-PRODUCTION OF ENERGY

Portobello Grupo and Enel Brasil signed a partnership to supply half of the Group operations' consumption in the country with renewable energy. The agreement follows the model of self-production through matching. In this modality, the consumer holds a shareholding in the plant responsible for production that meets their consumption partially or fully.

Portobello Grupo became a partner in the Ventos de Santa Esperança 21 wind farm, which belongs to the Morro do Chapéu Sul II wind complex, built and operated by Enel Green Power, Enel's renewable generation arm. With an installed capacity of 353 MW, Morro do Chapéu Sul II is located in the municipalities of Morro do Chapéu and Cafarnaum, in Bahia, and has a total of 84 wind turbines. The contract, lasting 15 years, provides for the supply of a maximum volume of 10 Average Megawatts (MWm), which is equivalent to the consumption of 87.6 GWh/year. This will be able to supply, from 2024, 66% of the Portobello unit demand, corresponding to 50% of the Group's consumption and meeting the target established in ESG Planning.

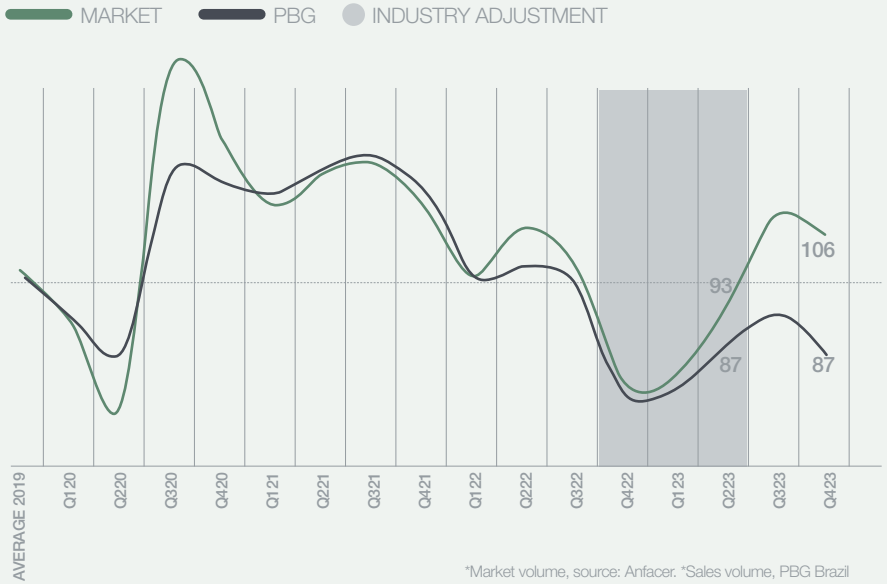
BUSINESS PERFORMANCE

The first half of 2023 was marked by challenges from a macroeconomic and sectoral point of view around the world, with higher inflation and interest rates, and lower growth. This context directly affected the construction sector, both abroad, in the US and in export destination countries, and in Brazil. The Brazilian ceramic tile market presented volumes close to the worst historical period in recent years, compared to the month of April 2020, at the beginning of the pandemic.

BRAZILIAN MARKET X PBG

Resilient business with market share gain in all units, resulting from the leadership of quality and a multichannel strategy

Evolution base 100 of the Brazilian market volume and PBG



*Market volume, source: Anfacer. *Sales volume, PBG Brazil

In Brazil, Portobello Grupo, for its turn, consistently presented higher results compared with the market. This is due to the resilience of its diversification strategy across business segments, geographies and channels. During 2023, the Group recorded an increase in market share in the wet route, with the advancement of resale and engineering channels, and in the dry route, with sales increase in the North and Northeast regions made by Pointer.

Within the international strategy, we had a milestone, which was the start of operations of the new Portobello America factory, in the US, at the end of 2022. This movement strengthened the brand's growth in the North American market.

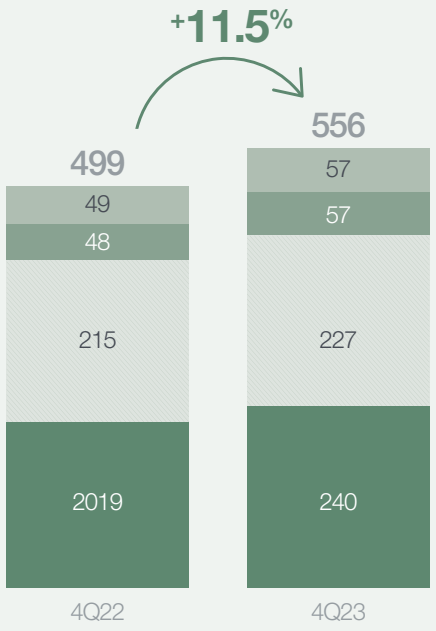
On a consolidated basis, Portobello Grupo recorded net revenue of BRL 2.191 billion in 2023, slightly lower than the revenue of BRL 2.196 billion recorded in 2022.

However, in the Brazilian market, the second half of the year showed signs of recovery. According to data from the National Association of Ceramic Covering Manufacturers (Anfacer), sales in the country increased 8.3% between July and

NET SALES BY SEGMENT

BRL million

4Q23 x 4Q22



September, when compared to the figures from April to June, but fell 2.5% compared to last year's volume. At the end of 2023, between October and December, the industry showed a growth of 9.2% compared to the same period in 2022. Portobello Grupo's results were higher than the market average and the company recorded, in the last quarter, net revenue of 11.5% higher than that recorded in the same period in 2022.

Sales in the Brazilian internal market represented 79.4% of net revenue, Portobello America, 10.5% and exports, 10.1%. In 2022, these represented 76.6%, 10.6% and 12.8%, respectively. Exports added to Portobello America's revenue represented 25.8% in the first half of 2022, and remained at 20.9% in the last half of 2023. Even with international instability, the Group advanced in exports market share, now selling to more than 130 customers in 75 countries (compared to 60 countries in the previous year), compensating for lower volumes in Argentina, a relevant market in 2022.

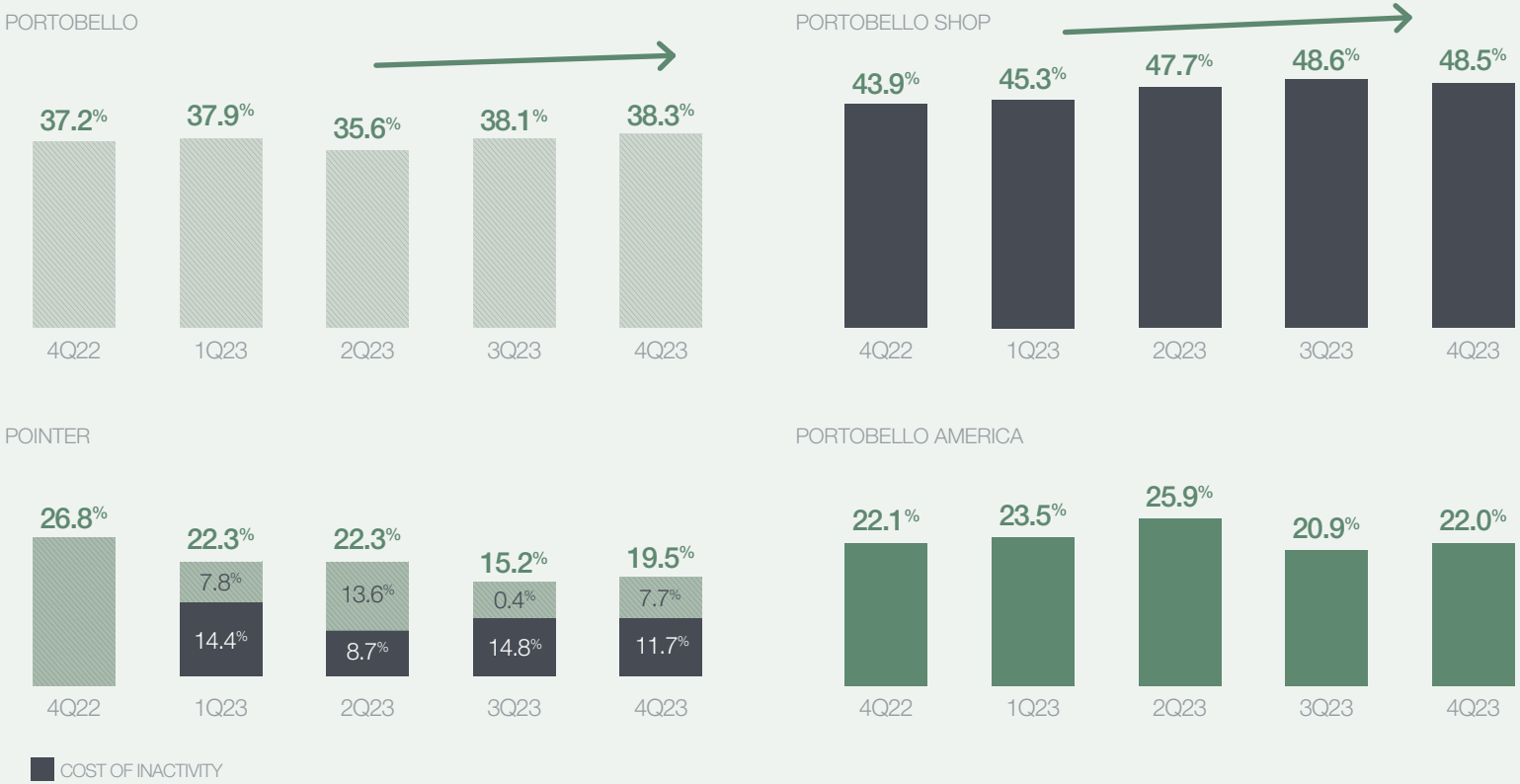
In the US, the sector is still undergoing adjustments, especially in imports. The country has a great potential of growth: the consumption gap (between what is demanded and local production) was 49.1 million square meters in the third quarter of 2023 – in this period, local production represented 30.3% of domestic consumption. Data from Housing Stars indicate a growth scenario of 3.4% in the fourth quarter of 2023, compared to the same period in 2022, in relation to the volume of projects started. Portobello America grew 38.4% in the second half of 2023, compared to the second half of 2022, due to the local distribution operation.

Despite the more restricted markets, Portobello Grupo showed a gain in market share in Brazil and foreign markets, maintaining its gross margin at 40%. Adjusted and recurring Ebitda fell 26% in 2023, but in the fourth quarter it had a 28% increase, compared to the same period in 2022. Throughout the year, the comparable Ebitda margin remained stable, sustaining levels close to 17%.

GROSS MARGIN BY BUSINESS UNIT

Margins growth sequential evolution in Portobello and Shop units

Gross margin (adjusted and recurring)



In the year, the company had a net loss of BRL 7.3 million, compared to a profit of BRL 120.2 million in 2022. When excluding the effects of strategic investment expenses in Portobello Shop and Portobello America, as well as the impacts of Portobello America's inventory and inactivity adjustments, the comparable net result for the year reached BRL 55 million, compared to the profit of BRL 133.1 million in 2022. In 2023, Portobello Grupo allocated BRL 83 million to these strategic projects (3.8% of NOR), which resulted in adjusted operating expenses rising from BRL 651.3 million (representing 29.6% of net revenue) to BRL 719.5 million (representing 32.8%). This amount is distributed as follows: at the Portobello Shop, incremental expenses attained BRL 30.9 million in the maturation stage of the acquired stores, with the expectation of future revenue generation, and Portobello America received BRL 52.4 million to prepare teams in order to increase production at the new plant.

GRI AND SASB ANNEX

ACTIVITIES AND WORKERS

GRI 2-7 Employees
GRI 405-1 Diversity of governance bodies and employees

TOTAL EMPLOYEES ON 12/31

	GENDER			AGE RANGE		
OPERATION/COUNTRY/REGION	MAN	WOMAN	OTHERS	UP TO 30 YEARS OLD	30 TO 50 YEARS OLD	OVER 50 YEARS OLD
PORTOBELLO	1,823	653	0	712	1,411	277
POINTER	288	100	0	244	237	25
PBA	147	98	24	59	149	61
PORTOBELLO SHOP	477	489	0	396	537	33
TOTAL BY CATEGORY	**2,735**	**1,340**	**24**	**1,411**	**2,334**	**396**
TOTAL						**4,099**

	2021		2022		2023		
NUMBER OF EMPLOYEES BY FUNCTIONAL LEVEL	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	UNDECLARED GENDER
BOARD	13	0	10	2	13	2	0
DIRECTORS	8	1	12	2	12	3	0
MANAGEMENT	37	33	48	39	63	51	0
COORDINATION	85	45	98	65	181	96	0
OPERATION	2,394	932	2,452	1,099	2,372	1,104	24
BEGINNER	0	0	0	1	0	0	0
APPRENTICE	40	35	36	54	77	46	0
TRAINEE	14	23	25	22	17	38	0
TOTAL BY GENDER	**2,593**	**1,069**	**2,683**	**1,284**	**2,735**	**1,340**	**24**
TOTAL	**3,752**		**3,967**		**4,099**		

*There are no employees without guaranteed working hours. The definition of employees are those hired under the CLT regime, active in the system on 12/31/23, on a permanent basis.

PERMANENT EMPLOYEES BY REGION/OPERATION AND GENDER

	PORTOBELLO SHOP			PORTOBELLO			POINTER			PORTOBELLO AMERICA			
FUNCTIONAL CATEGORY	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	OTHER	**TOTAL**
BOARD	2	0	2	8	1	9	0	0	0	3	1	0	**15**
DIRECTORS	3	2	5	5	1	6	2	0	2	2	0	0	**15**
MANAGEMENT	19	29	48	29	11	40	1	0	1	14	11	0	**114**
COORDINATION	56	63	119	93	24	117	25	2	27	7	7	0	**277**
OPERATION	385	373	758	1,646	585	2,231	221	68	289	120	78	24	**3,500**
APPRENTICE	9	13	22	36	18	54	32	15	47	0	0	0	**123**
TRAINEE	3	9	12	6	13	19	7	15	22	1	1	0	**55**
TOTAL	**477**	**489**	**966**	**1,823**	**653**	**2,476**	**288**	**100**	**388**	**147**	**98**	**24**	**4,099**

	2021		2022		2023		
NUMBER OF EMPLOYEES BY REGION	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	OTHERS
PORTOBELLO	2,212	980	2,279	1,180	1,823	653	0
PORTOBELLO SHOP	-	-	-	-	477	489	0
POINTER	417	91	404	104	288	100	0
TOTAL BY GENDER	**2,629**	**1,071**	**2,683**	**1,284**	**2,735**	**1,340**	**24**
TOTAL	**3,752**		**3,967**		**4,099**		

TEMPORARY EMPLOYEES BY REGION REGION/OPERATION AND GENDER

	PORTOBELLO SHOP			PORTOBELLO			POINTER			PORTOBELLO AMERICA			
FUNCTIONAL CATEGORY	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	OTHER	**TOTAL**
TEMPORARY	24	13	37	91	22	113	0	0	0	0	1	50	**51**

MALE	FEMALE	OTHER	TOTAL
115	36	50	201

PERCENTAGE OF EMPLOYEES BY GENDER (%)

FUNCTIONAL CATEGORY	MALE	FEMALE	OTHER
BOARD	86.67	13.33	0
DIRECTORS	80.00	20.00	0
MANAGEMENT	55.26	44.74	0
COORDINATION	65.34	34.66	0
OPERATION	67.77	31.54	0.69
APPRENTICE	62.60	37.40	0
TRAINEE	30.91	69.09	0
TOTAL	**66.72**	**32.69**	**0.59**

EMPLOYEES BY OPERATION AND AGE GROUP

	PORTOBELLO			PORTOBELLO SHOP			POINTER			PORTOBELLO AMERICA		
FUNCTIONAL CATEGORY	BELOW 30	30 TO 50	OVER 50	BELOW 30	30 TO 50	OVER 50	BELOW 30	30 TO 50	OVER 50	BELOW 30	30 TO 50	OVER 50
BOARD	0	4	12	0	0	0	0	0	0	0	2	2
DIRECTORS	0	3	2	0	0	2	0	1	1	0	1	1
MANAGEMENT	0	29	13	0	4	1	0	3	2	0	16	9
COORDINATION	10	215	24	8	119	4	0	19	7	1	14	7
OPERATION	512	1266	307	226	317	68	117	162	7	67	115	32
APPRENTICE	54	0	0	70	115	10	47	0	0	0	0	0
TRAINEE	25	0	0	22	0	0	22	0	0	2	0	0
TOTAL	**601**	**1.517**	**358**	**326**	**555**	**85**	**186**	**185**	**17**	**70**	**148**	**51**

	2021		2022		2023		
NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	OTHERS
FULL DAY	2,589	1,036	2,647	1,230	2,642	1,257	24
PART TIME	40	35	36	54	93	83	0
TOTAL BY GENDER	**2,629**	**1,071**	**2,683**	**1,284**	**2,735**	**1,340**	**24**
TOTAL	**3,752**		**3,967**		**4,099**		

GRI 2-8 Workers who are not employees and whose work is controlled by the organization

UNIT	WORKER CATEGORY	CONTRACTUAL RELATIONSHIP WITH THE COMPANY	BRIEF DESCRIPTION OF THE TYPE OF WORK PERFORMED	AMOUNT
PORTOBELLO SHOP	Outsourced	Contract with another company	Temporary - fixed term	37
PORTOBELLO SHOP	Outsourced	Contract with another company	Provision of technology services and administrative support areas	20
PORTOBELLO	Outsourced	Contract with another company	Temporary (administrative and industrial support)	113
POINTER	Outsourced	Contract with another company	Temporary (administrative and industrial support)	12
PBA	Outsourced	Contract with another company	Temporary (administrative and industrial support)	51
TOTAL				**233**

Third-party employees, hired under the CLT regime by other companies and provide services on Portobello Grupo's premises. They are active third-party employees, with a contract with the company on 12/31/23.

GOVERNANCE

GRI 2-19 Remuneration Policies

TYPE	EXISTENCE (YES OR NO)	DESCRIPTION
FIXED REMUNERATION	Yes	
VARIABLE SALARY	Yes	ICP and ILP
HIRING BONUS OR RECRUITMENT INCENTIVE	No	
PAYMENT UPON TERMINATION	Yes	Funds owed by legislation
REIMBURSEMENT OF PREVIOUS COMPENSATION RECEIVED IN THE EVENT OF NON-ACHIEVEMENT OF TARGETS OR FOR OTHER REASONS	No	

RETIREMENT BENEFITS

FUNCTIONAL CATEGORY	TYPE OF BENEFIT	CONTRIBUTION RATE
HIGH LEVEL OF GOVERNANCE	Private pension	6%
SENIOR EXECUTIVES	Private pension	6%
OTHER EMPLOYEES	Private pension	6%

GRI 2-21 Total compensation ratio in the year (proportion between the total compensation of the highest paid employees in the year in relation to the average of other employees): 3.65x higher in 2023. The adjustment for the highest paid employee is linked to the company's profit (there was no adjustment), while the adjustment for the other employees followed the collective bargaining agreement, 4%.

STRATEGY, POLICIES AND PRACTICES

GRI 2-23 Commitment Policy and 2-24 Incorporating Commitment Policy

POLICY	REFERENCED INTERGOVERNMENTAL INSTRUMENTS	IS THERE DUE DILIGENCE?	IS THE PRECAUTIONARY PRINCIPLE APPLIED IN POLICIES?	HUMAN RIGHTS			
				DOES IT MENTION RESPECT FOR HUMAN RIGHTS?	WHICH INTERNATIONALLY RECOGNIZED HUMAN RIGHTS ARE COVERED?	IS IT SPECIFIC TO HUMAN RIGHTS?	WHICH VULNERABLE GROUPS RECEIVE SPECIAL ATTENTION IN POLICIES?
Code of Ethical Conduct	UN Global Compact, committing to follow principles of Human Rights, Labor, Environment and Anti-Corruption	The procedure was implemented in 2023 and little by little, the third parties with the greatest risk are being taken care of.	The assessment is based on the risk category, which means that the precautionary principle is applied.	Yes	Decent work, fair remuneration, prohibition of slave and child labor and any form of forced labor; right to equality and non-discrimination; right to privacy and personal integrity; right to freedom of expression; right to association; right to employment and professional growth.	It is not specific, but it has a chapter dedicated to the topic.	**Origin and Social Condition:** Refers to people from different origins and social conditions. **Hierarchical Position:** Highlights the importance of respecting the hierarchical position of individuals in the workplace. **Schooling Level:** Recognizes the diversity of levels of instruction. **Religion, Belief or Life Philosophy:** Includes respect for employees' different religions, beliefs and life philosophies. **Physical or Mental Disability:** Commitment to inclusion and respect for people with physical or mental disabilities. **Color, Race, Sex and Gender Identity:** Highlights respect for ethnic, racial, gender and gender identity diversity. **Marital Status and Family Situation:** Considers respect for different family situations and marital statuses. Political **Ideology or Association with Class Entities:** Commitment to respecting the diversity of political ideologies and association with class entities.

LINK OR EXPLANATION ON WHY IT IS NOT PUBLIC	WHO APPROVED? DID IT INVOLVE THE HIGHEST LEVEL OF GOVERNANCE?	TO WHAT EXTENT DO COMMITMENTS APPLY TO THE ORGANIZATION'S ACTIVITIES AND BUSINESS RELATIONSHIPS?	HOW ARE COMMITMENTS COMMUNICATED TO EMPLOYEES AND OTHER RELATED STAKEHOLDERS?	HOW ARE COMMITMENTS INCORPORATED INTO BUSINESS ACTIVITIES AND RELATIONSHIPS			
				HOW DOES IT ASSIGN RESPONSIBILITY FOR IMPLEMENTING COMMITMENTS ON THE ORGANIZATION'S DIFFERENT LEVELS?	HOW DOES IT INTEGRATE COMMITMENTS INTO ORGANIZATIONAL STRATEGIES, POLICIES AND OPERATIONAL PROCEDURES	HOW DOES IT IMPLEMENT COMMITMENTS WITH AND THROUGH ITS BUSINESS RELATIONSHIPS	TRAINING OFFERED TO IMPLEMENT COMMITMENTS
https://canalintegro.com.br/Clientes/Portobello/download/codigo_conduta.pdf	Board of Directors	These commitments are outlined in policies and procedures that range from not accepting slave or child labor to promoting diversity, equality and respect for privacy. Furthermore, the importance of respecting the individual characteristics of all people involved with the Group, including employees, customers, and local communities, is reinforced. The commitment covers areas such as recruitment, selection, labor relations and commercial processes, covering internal practices and commercial interactions, stressing the importance of adhering to ethical standards and respect for human rights in all activities.	Code published internally and externally; integration and training on the document that covers commitments, Internal Communication and Communication Channels (social networks and website) and participation in social initiatives.	Responsibility for the overall implementation of commitments lies with senior management and executive leadership, who establish the vision and values, ensuring that the organizational culture is aligned with commitments. Furthermore, the implementation, dissemination and monitoring of commitments are supported by the areas of Human Resources, Compliance, Sustainability, Communication/Marketing. Mid-level managers and team leaders play a crucial role in the practical implementation of commitments in their areas. In addition, the internal ethics committee is responsible for monitoring and safeguarding the company's commitments, analyzing possible situations of ethical deviations.	The company integrates commitments into organizational strategy, policies and operational procedures in several ways: ethical commitments, such as respect for human rights, promoting diversity and creating a safe work environment are aligned with organizational strategies; this document formally directs the company's practices, which integrates commitments through training and development programs, ensuring that employees understand and incorporate ethical values into the practical aspects of their work; honesty and integrity are incorporated into communication processes and business relationships; involvement in social initiatives also reflects the company's commitment to social responsibility, which can be an integral part of its organizational and operational strategies.	Through: Ethical Contractual Clauses, Partnerships with Ethical Organizations, Transparent Communication, and Independent Ethical Reporting Channel.	The company's units carry out onboarding training for all new employees, presenting and providing the Code of Ethical Conduct. In 2023, in-person and virtual training on the Code of Ethical Conduct was carried out for all employees who have a corporate email.

MARKET PRESENCE

GRI 202-1 Ratio between the lowest wage and the local minimum wage, with discrimination by gender

	RATIO BETWEEN THE LOWEST WAGE AND THE MINIMUM WAGE	
OPERATING UNIT	MEN	WOMEN
PORTOBELLO + CORPORATIVO	145.63%	145.63%
POINTER	104.51%	104.51%
PBA	220.69%	220.69%
PORTOBELLO SHOP	136.44%	136.36%

EMPLOYMENT

GRI 401-1 New Hires and Employee Turnover

HIRING

OPERATION/COUNTRY/REGION	GENDER			AGE RANGE		
	MEN	WOMEN	OTHER	UP TO 30 YEARS OLD	30 TO 50 YEARS OLD	OVER 50 YEARS OLD
PORTOBELLO	288	151	0	304	126	9
POINTER	97	31	0	90	36	2
CORPORATIVO	19	11	0	2	21	7
PORTOBELLO AMERICA	182	107	38	93	167	67
PORTOBELLO SHOP	170	179	0	198	147	4
TOTAL BY CATEGORY	**756**	**479**	**38**	**687**	**497**	**89**
TOTAL						**1,273**

DISMISSALS

OPERATION/COUNTRY/REGION	GENDER			AGE RANGE		
	MEN	WOMEN	OTHER	UP TO 30 YEARS OLD	30 TO 50 YEARS OLD	OVER 50 YEARS OLD
PORTOBELLO	310	135	0	202	201	42
POINTER	95	28	0	66	51	6
PORTOBELLO AMERICA	109	52	14	48	87	40
PORTOBELLO SHOP	157	168	0	166	156	3
TOTAL BY CATEGORY	**671**	**383**	**14**	**482**	**495**	**91**
TOTAL						**1,068**

	GENDER			AGE RANGE		
	MEN	WOMEN	OTHER	UP TO 30 YEARS OLD	30 TO 50 YEARS OLD	OVER 50 YEARS OLD
TURNOVER RATE	26.09	32.16	108.33	41.42	21.25	22.73
TOTAL TURNOVER						**44.08**

	GENDER			AGE RANGE		
	MEN	WOMEN	OTHER	UP TO 30 YEARS OLD	30 TO 50 YEARS OLD	OVER 50 YEARS OLD
HIRING RATE	27.64	35.75	158.33	48.69	21.29	22.47
TOTAL HIRING RATE						**31.06**

GRI 401-2 Benefits offered to employees

UNIT	LIFE INSURANCE	HEALTH INSURANCE	DISABILITY AID	MATERNITY / PATERNITY LEAVE	PRIVATE PENSION	SHARE ACQUISITION PLAN	OTHER
GENERAL	Yes	Yes	Yes	Yes	Yes	No	Canteen or meal voucher, transport voucher, Dental Plan, Health Plan, Gympass, PPR, purchase of Portobello products, pharmacy reimbursement, holiday allowance, attendance bonus, Portobello Mom, daycare assistance, special needs assistance, home office assistance for the area technology (digital), life insurance, payroll loans
PORTOBELLO AMERICA (USA)	Yes	Yes	Yes	Yes	Yes	No	Health plan, Health Savings Account, Flexible Spending Account, dental plan, life insurance (Life & Accidental Death and Dismemberment), disability insurance, accident insurance

GRI 401-3 Maternity/paternity leave

	MATERNITY LEAVE	PATERNITY LEAVE
TOTAL NUMBER OF EMPLOYEES ENTITLED TO TAKE MATERNITY/ PATERNITY LEAVE, BY GENDER	All	All
TOTAL NUMBER OF EMPLOYEES WHO TOOK MATERNITY/PATERNITY LEAVE, BY GENDER.	40	71
TOTAL NUMBER OF EMPLOYEES WHO RETURNED TO WORK AFTER THE END OF MATERNITY/PATERNITY LEAVE, BY GENDER.*	45	75
TOTAL NUMBER OF EMPLOYEES WHO RETURNED TO WORK AFTER THE END OF MATERNITY/PATERNITY LEAVE AND WERE STILL EMPLOYED TWELVE MONTHS AFTER RETURNING TO WORK, BY GENDER.	26	61
RETURN TO WORK RATES OF EMPLOYEES WHO TOOK MATERNITY/ PATERNITY LEAVE, BY GENDER	100%	100%
RETENTION RATE OF EMPLOYEES WHO TOOK MATERNITY/PATERNITY LEAVE, BY GENDER	60.5%	83.6%

*Includes people who went on leave in 2022 and returned in 2023

OCCUPATIONAL HEALTH AND SAFETY

GRI 403-9 Work-related injuries

	PORTOBELLO		POINTER		PORTOBELLO SHOP		PORTOBELLO GRUPO	
CONSEQUENCES	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE
DEATH	0	0	0	0	0	0	0	0
WITH SERIOUS CONSEQUENCES (EXCEPT DEATHS)	9	1.26	1	0.89	5	18.68	15	1.75
WITH MANDATORY COMMUNICATION	88	12.28	8	7.15	15	56.03	111	12.98
NUMBER OF HOURS WORKED	**7,167,248.00**		**1,118,276.10**		**267,696.00**		**8,553,220.10**	
CALCULATION BASE (1,000,000 OR 200,000)	**1,000,000**							

TRAINING AND EDUCATION

GRI 404-1 Average hours of training per year, per employee

	WOMEN			MEN		
OPERATION	TOTAL HOURS	NUMBER OF EMPLOYEES	AVERAGE	TOTAL HOURS	NUMBER OF EMPLOYEES	AVERAGE
PORTOBELLO	12,074	653	18	21,140	1,823	12
POINTER	1,166	100	12	2,239	288	8
PORTOBELLO SHOP	11,155	489	23	9,058	477	19
TOTAL BY GENDER	**24,395**	**1,242**	**53**	**32,437**	**2,588**	**13**

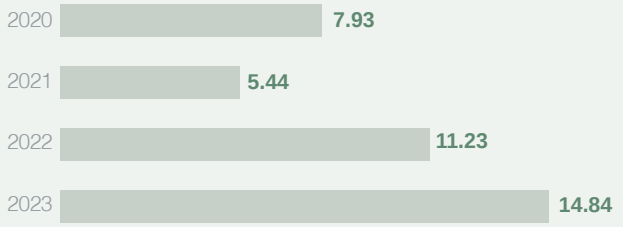
FUNCTIONAL CATEGORY	PORTOBELLO						POINTER						PORTOBELLO SHOP					
	WOMEN			MEN			WOMEN			MEN			WOMEN			MEN		
	TOTAL HOURS	NUMBER OF EMPLOYEES	AVERAGE	TOTAL HOURS	NUMBER OF EMPLOYEES	AVERAGE	TOTAL HOURS	NUMBER OF EMPLOYEES	AVERAGE	TOTAL HOURS	NUMBER OF EMPLOYEES	AVERAGE	TOTAL HOURS	NUMBER OF EMPLOYEES	AVERAGE	TOTAL HOURS	NUMBER OF EMPLOYEES	AVERAGE
BOARD	0	1	0	0	8	0	0	0	0	0	0	0	0	0	0	0	2	0
DIRECTORS	10	1	10	80	5	16	0	0	0	20	2	10	40	2	20	0	3	0
MANAGEMENT	200	11	18	600	29	21	0	0	0	50	1	50	852	29	29	156	19	8
COORDINATION	728	24	30	1,592	93	17	89	2	45	282	25	11	640	47	14	448	36	12
OPERATION	10,808	585	18	18,684	1,646	11	903	69	13	1,716	221	8	9173	389	24	8,250	405	20
APPRENTICE	0	18	0	0	36	0	0	15	0	0	7	0	107	13	8	57	9	6
TRAINEE	328	13	25	184	6	31	174	14	12	171	32	5	343	9	38	147	3	49
TOTAL	**12,074**	**653**	**18**	**21,140**	**1,823**	**12**	**1,166**	**100**	**12**	**2,239**	**288**	**8**	**11,155**	**489**	**23**	**9,058**	**477**	**19**

PORTOBELLO GRUPO - TOTAL

TOTAL HOURS	NUMBER OF EMPLOYEES*	AVERAGE
56,832	3,830	15

*Data from Portobello America were not included

AVERAGE PER EMPLOYEE, PER YEAR



GRI 404-3 Percentage of employees who receive regular performance and career development reviews

	PORTOBELLO		PORTOBELLO SHOP		POINTER		PORTOBELLO GRUPO		
FUNCTIONAL CATEGORY	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	ALL
BOARD	0	0	-	0	-	-	0	0	0
DIRECTORS	0	0	100	100	0	100	67	42	47
MANAGEMENT	100	100	97	95	0	500	76	83	80
COORDINATION	100	100	95	96	100	124	90	98	95
OPERATION	18	24	0	0	57	43	13	21	18
TRAINEES	0	0	0	0	0	0	0	0	0
APPRENTICES	15	0	0	0	0	0	5	0	4
TOTAL	**22**	**28**	**18**	**16**	**41**	**47**	**20**	**27**	**24**

PERCENTAGE OF EMPLOYEES WHO RECEIVE REGULAR PERFORMANCE EVALUATION

2021			2022			2023		
WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
28	24	25	9	6	7	20	27	24

DIVERSITY AND EQUAL OPPORTUNITY

GRI 405-1 Diversity of governance bodies

FUNCTIONAL CATEGORY	MALE		FEMALE		UP TO 30 YEARS OLD		30 TO 50 YEARS OLD		OVER 50 YEARS OLD	
	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
BOARD	5	71	1	29	0	0	1	7	5	36
BOARD COMMITTEES (EXTERNAL MEMBERS)	2	40	3	60	0	0	2	14	3	21
STATUTORY BOARD	2	67	1	33	0	0	2	14	1	7
TOTAL BY CATEGORY	**9**	**64**	**5**	**36**	**0**	**0**	**5**	**36**	**9**	**64**
TOTAL MEMBERS IN GOVERNANCE BODIES	**14**									

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

	PORTOBELLO	PORTOBELLO AMERICA	POINTER	PORTOBELLO SHOP
FUNCTIONAL CATEGORY	RATIO	RATIO	RATIO	RATIO
DIRECTOR	0%	0%	0%	53%
MANAGER	90%	95%	0%	66%
COORDINATOR	92%	93%	78%	81%
SPECIALIST	94%	80%	76%	85%
ANALYSTS/ASSISTANTS	95%	83%	76%	101%
OPERATION	98%	88%	84%	27%
APPRENTICE	100%	-	100%	84%
TRAINEE	103%	100%	102%	83%
BOARD MEMBERS/VPS/CHAIRMAN	70%	-	-	-

MATERIALS

GRI 301-1 Materials used to produce and package the main products, broken down by weight or volume (tons)

MATERIALS USED TO GENERATE PRODUCTS	PORTOBELLO	POINTER	TOTAL
RENEWABLES			
TOTAL RENEWABLE	**0**	**0**	**0**
NON-RENEWABLE			
CERAMIC MASS	762,793	232,751	995,544
INK	366	54	420
ENAMEL COMPOUND	16,980	3,292	20,272
GRIT	502	114	616
ENGOBE	0	3,718	3,718
FRIT	7,018	2,597	9,615
TOTAL NON-RENEWABLE	**787,659**	**242,526**	**1,030,185**
TOTAL	**787,659**	**242,526**	**1,030,185**

MATERIALS USED TO PACKAGE PRODUCTS	PORTOBELLO	POINTER	TOTAL
RENEWABLES			
CARDBOARD BOX	0	1,520	1,520
CORNER BRACES	0	807	807
WOODEN PALLETS	11,603	1,615	13,218
CARDBOARD (BOX, CORNERS, ETC.)	6,333	0	6,333
TOTAL RENEWABLE	**17,936**	**3,942**	**21,878**
NON-RENEWABLE			
TAPE	0	460	460
FILM	0	123	123
GLUE	0	7	7
PLASTIC (PACKAGING, CORNERS, TAPE, ETC.)	1,305	0	1,305
METAL	320	2	322
TOTAL NON-RENEWABLE	1,625	592	2,217
TOTAL	**19,561**	**4.534**	**24.095**
TOTAL MATERIALS USED	**807,220**	**247,060**	**1,054,280**

	2021			2022			2023		
MATERIALS USED TO PRODUCE THE PRODUCTS (TONS)	PORTOBELLO	POINTER	TOTAL	PORTOBELLO	POINTER	TOTAL	PORTOBELLO	POINTER	TOTAL
TOTAL RENEWABLE	0	0	0	0	0	0	0	0	0
NOT RENEWABLE									
CERAMIC MASS	825,315	311,671	1,136,986	808,781	275,875	1,084,656	762,793	232,751	995,544
INK	167	62	229	391	63	454	366	54	420
ENAMEL COMPOUND	36,358	1977	38,335	32,400	3725	36,125	16,980	3,292	20,272
GRIT*	-	112	112	-	126	126	502	114	616
ENGOBE*	-	5,933	5,933	-	3,900	3,900	0	3,718	3,718
FRIT	-	4,654	4,654	-	4,093	4,093	7,018	2,597	9,615
TOTAL NON-RENEWABLE	**861,840**	**324,409**	**1,186,249**	**841,572**	**287,782**	**1,129,354**	**787,659**	**242,526**	**1,030,185**
TOTAL	**861,840**	**324,409**	**1,186,249**	**841,572**	**287,782**	**1,129,354**	**787,659**	**242,526**	**1,030,185**

*Grit and engobe data in 2021 and 2022 are included in the sum of the enamel compound category

RENEWABLES (TONS)	PORTOBELLO			POINTER		
YEAR	2021	2022	2023	2021	2022	2023
RENEWABLE PACKAGING (CARDBOARD BOXES, CORNER BRACES, WOODEN PALLETS)	20,742	18,497	17,936	5,739	4,734	3,942

GRI 301-2 Recycled materials used

RECYCLED MATERIALS USED	PORTOBELLO	POINTER
VOLUME OF WASTE REUSED IN CERAMIC MASS (TONS)	157,271.72	26,853.48
% WASTE - CERAMIC PRODUCT	20.62	11.54
% RECYCLABLE - PLASTIC PACKAGING	20.60	0.00
% OF RECYCLABLES - CARDBOARD PACKAGING	82.95	95.00

RECYCLED MATERIALS	PORTOBELLO			POINTER		
YEAR	2021	2022	2023	2021	2022	2023
% OF RESIDUES IN THE CERAMIC MASS	21.82	21.82	20.62	9	7	11
% OF RECYCLABLES IN PACKAGING	15.34	24.15	28.23	16.33	31	36

GRI 301-3 Recovered products and their packaging (excluding product rejects and recalls)

PRODUCT CATEGORY	PORTOBELLO		POINTER	
	VOLUME SOLD (TON)	% RETURNED/RECYCLED	VOLUME SOLD (TON)	% RETURNED/RECYCLED
PALLETS	9,709.50	8.9	90.6	46.80
CARDBOARD	4,297.80	0.1	9.2	0
PLASTIC	530.30	5.8	2.9	0
METAL	448.10	8.3	0	0
TOTAL	**14,985.70**	**6.3**	**102.7**	**46.80**

Currently, Portobello Grupo does not recover ceramic products.

ENERGY

GRI 302-1 Energy consumption within the organization (GJ)

TOTAL ENERGY CONSUMPTION WITHIN THE ORGANIZATION FROM NON-RENEWABLE SOURCES						
	PORTOBELLO			POINTER		
TYPE	2021*	2022**	2023***	2021*	2022**	2023***
NATURAL GAS	3,590,170.84	3,505,770.71	3,156,717.13	-	800,235.36	710,134.26
DIESEL OIL	14,204.33	15,294.78	12,928.80	-	538.45	1,896.23
LPG GAS	-	557,290.70	48,490.78	-	-	7,177.74
ACETYLENE	1,296	3,024	1,296	-	9,360	8,640
ELECTRICITY*	99,866.83	78,121.77	28,978.33	28,204.65	20,882.92	8,203.69
TOTAL	**3,692,070.61**	**4,159,452.19**	**3,248,411.04**	**934,126.89**	**831,016.73**	**736,051.92**

*Data taken from the 2022 synthesis report, which indicates that in 2021 around 78.1% of the Brazilian electricity matrix was of renewable origin.
**82.9% of the Brazilian electricity matrix came from renewable sources in 2022.
***Data calculated according to the weights of renewable and non-renewable energy in the Brazilian electricity matrix. Official data were not published until the date of the report (March 2024), so the Electric Energy Commercialization (CCEE) study was used as a basis: 93.1% of the matrix is of renewable origin and the remainder is of non-renewable origin.

TOTAL ENERGY CONSUMPTION WITHIN THE ORGANIZATION FROM RENEWABLE SOURCES						
	PORTOBELLO			POINTER		
TYPE	2021	2022	2023	2021	2022	2023
ELECTRICITY	356,146.10*	378,730.71**	390,997.46***	100,487.60*	101,239.44**	110,690.50 ***

*Data from the 2022 synthesis report, which points out that in 2021 around 78.1% of the Brazilian electricity matrix was of renewable origin.
**82.9% of the Brazilian electricity matrix came from renewable sources in 2022.
***Data calculated according to the weights of renewable and non-renewable energy in the Brazilian electricity matrix. Official data were not published until the date of the report (March 2024), so the Electric Energy Commercialization (CCEE) study was used as a basis: 93.1% of the matrix is of renewable origin and the remainder is of non-renewable origin.

	PORTOBELLO			POINTER		
TYPE	2021	2022	2023	2021	2022	2023
ELECTRICITY (PURCHASED)	456,012.91	456,852.48	419,975.79	128,692.25	122,122.36	118,894.18
HEATING*	0	0	0	0	0	0
COOLING	0	0	0	0	0	0
STEAM	0	0	0	0	0	0
TOTAL	**456,012.91**	**456,852.43**	**419,975.79**	**128,692.25**	**122,122.36**	**118,894.18**

*Portobello Group does not purchase heat, but rather fuels for heat generation, already mentioned above.

TOTAL ENERGY CONSUMPTION WITHIN THE ORGANIZATION (GJ)

TOTAL CONSUMPTION - RENEWABLE AND NON-RENEWABLE			
	2021	2022	2023
PORTOBELLO	4,048,216.70	4,538,182.80	3,639,408.51
POINTER	1,034,614.49	932,256.17	846,742.42
TOTAL	**5,082,831.19**	**5,470,438.97**	**4,486,150.93**

COMPARISON FROM 2022 TO 2023:
-18%

The following measurement tools were used:
- **Natural gas:** control of natural gas consumption meters, which use the Nm^3 measurement unit.
- **Electricity:** data obtained from the monthly electricity consumption bill.
- **Diesel oil:** data obtained from internal machinery supply control.

Conversion factors used:
- **1,000 Nm^3 = 41.58 GJ**
- **1,000 l diesel oil = 35.51 GJ**
- **1 MWh = 3.60082 GJ**
- **1 kg acetylene = 48 GJ**

GRI 302-3 Energy intensity

	ABSOLUTE ENERGY CONSUMPTION	POWER TYPES INCLUDED	ENERGY CONSUMED INSIDE, OUTSIDE OR BOTH	METRIC (DENOMINATOR)	INDICATE THE DENOMINATOR USED	RATE (GJ/M²)
PORTOBELLO	3,639,408.51	Fuel and electricity	Inside	26,280,001	m² produced	**0.1384858588**
POINTER	846,743.42	Fuel and electricity	Inside	11,403,680	m² produced	**0.074251769**

	2021	2022	2023
PORTOBELLO	0.1402	0.1622	0.1385
POINTER	0.0018	0.0084	0.074

GRI 302-4 Reduction in energy consumption (GJ)

	REDUCTION VOLUME*	TYPES OF ENERGY INCLUDED	BASE USED TO CALCULATE THE REDUCTION (BASE YEAR/BASELINE)
PORTOBELLO	48,078.87	Heating from natural gas consumption	2023 on 2022
POINTER	5,002.13	Heating from natural gas consumption	2023 on 2022

*Due to conservation and efficiency initiatives (disregarding the decrease resulting from lower production)

WATER AND EFFLUENTS

GRI 303-3 Water withdrawal - Areas without water stress (megaliters)

	PORTOBELLO			POINTER		
TYPE	2021	2022	2023	2021	2022	2023
SURFACE WATER	114.41	137.73	129.92	0	0	0
GROUNDWATER	262.59	225.73	187.76	44.36	48.76	55.97
SEA WATER	0	0	0.00	0	0	0
PRODUCED WATER	0	0	0.00	0	0	0
THIRD-PARTY WATER*	0	0	2.14	0	0	0
TOTAL	**377.00**	**363.46**	**319.82**	**44.36**	**48.76**	**55.97**

*In 2020, 2021 and 2022 there was no third-party water measurement.

	PORTOBELLO	POINTER	TOTAL
FRESH WATER	319.82	55.97	375.79
OTHER TYPES OF WATER	0	0	0
TOTAL	**319.82**	**55.97**	**375.79**

	2021	2022	2023
PORTOBELLO	377.01	363.46	319.82
POINTER	44.36	48.76	55.97
TOTAL	**421.37**	**412.22**	**375.79**

COMPARISON FROM 2022 TO 2023:
-9%

GRI 303-4 Water disposal - Areas without water stress (megaliters)

SURFACE WATER*

	2021	2022	2023
PORTOBELLO	62.63	41.66	42.62
POINTER	16.64	9.56	15.29
TOTAL	**79.28**	**51.21**	**57.91**

*There is no disposal into groundwater, seawater or third-party water. There is no disposal in areas with water stress. All water falls into the freshwater category. This volume is estimated according to the number of employees, water consumption per employee and number of days worked in the year.

COMPARISON FROM 2022 TO 2023:
+13%

GRI 303-5 Water consumption (megaliters)*

ANO	2021	2022	2023
PORTOBELLO	314.38	321.80	277.21
POINTER	27.72	39.20	40.68
TOTAL	**342.10**	**361.00**	**317.89**

Consumption occurs 100% in areas without water stress.

EMISSIONS

GRI 305-1 Direct emissions (scope 1) of greenhouse gases (GHG) in tons of CO_2 equivalent
SASB EM-CM-110a.1

	2020			2021			2022		
TYPE	PORTOBELLO	POINTER	TOTAL	PORTOBELLO	POINTER	TOTAL	PORTOBELLO	POINTER	TOTAL
SCOPE 1 EMISSIONS	175,142.19	-	175,142.19	203,164.64	47,099.02	250,263.66	198,430.34	41,521.63	239,951.97
BIOGENIC EMISSIONS	66.77	-	66.77	70.44	1.07	71.51	70.75	7.93	78.68

COMPARISON OF EMISSIONS FROM 2021 TO 2022:
-4,12%

The inventory will be made available in the Public Emissions Registry, of the Brazilian GHG Protocol Program, in August 2024.
Base year for calculation: 2021, when Pointer's emissions started being registered.
Gases included in the calculation: CO2, CH4, N2 O, HFCs, PFCs, SF6, NF3.
Source of emission factors: the Brazilian GHG Protocol Program tool (version 2023.0.3) was used, which adopts the GHG Protocol and the IPCC as references.
Consolidation approach: operational control.

GRI 305-2 Indirect emissions (Scope 2) of greenhouse gases (GHG) from energy acquisition

	2020			2021			2022		
TYPE	PORTOBELLO	POINTER	TOTAL	PORTOBELLO	POINTER	TOTAL	PORTOBELLO	POINTER	TOTAL
ELECTRICITY, HEATING, COOLING AND STEAM	7,096.05	-	7,096.055	16,186.32	4,518.23	20,704.55	5,467.35	1,450.30	6,917.65

COMPARISON OF EMISSIONS FROM 2021 TO 2022:
-66,58%

The drop in emissions in Scope 2 is due to changes in Brazil's electrical matrix. The Group purchases energy on the free market, with no purchase choice, and in 2021 there was a major drought, which led to the activation of thermoelectric plants, increasing the emission factor.
Base year for calculation: 2021, when Pointer's emissions started being registered.
Gases included in the calculation: CO2, CH4, N2 O, HFCs, PFCs, SF6, NF3.
Source of emission factors: the Brazilian GHG Protocol Program tool (version 2023.0.3) was used, which adopts the GHG Protocol and the IPCC as references.
Consolidation approach: operational control.

GRI 305-3 Other indirect emissions (Scope 3) of greenhouse gases (GHG)

	2020			2021			2022		
TYPE	PORTOBELLO	POINTER	TOTAL	PORTOBELLO	POINTER	TOTAL	PORTOBELLO	POINTER	TOTAL
SCOPE 3 EMISSIONS	4,882.03	-	4,882.03	5,863.54	2,337.44	8,200.98	7,803.60	1,783.18	9,586.78
BIOGENIC EMISSIONS	539.43	-	539.43	660.7	273.79	934.49	735.78	184.04	919.82

COMPARISON OF EMISSIONS FROM 2021 TO 2022:
+17%

The increase in emissions occurred due to upstream and downstream transport and distribution and business travel, which increased in 2023.
Activity: dowstream and upstream
Base year for calculation: 2021, when Pointer's emissions started being registered.
Gases included in the calculation: CO2, CH4, N2 O, HFCs, PFCs, SF6, NF3.
Source of emission factors: the Brazilian GHG Protocol Program tool (version 2023.0.3) was used, which adopts the GHG Protocol and the IPCC as references.
Consolidation approach: operational control.

GRI 305-4 Intensity of greenhouse gas (GHG) emissions

SCOPE*	TOTAL EMISSION IN TONS	PRODUCTION PER SQUARE METER	INTENSITY
SCOPE 1 AND 2 - 2022	203,897.69	27,970,074	0.007289851646
SCOPE 1 AND 2 - 2021	219,450.64	28,953,047	0.007579535239
SCOPE 1 AND 2 - 2020	182,238,241	24,102,307	0.00756102895
SCOPE 1 AND 2 - 2019	196,925.055	26,121,416	0.007538835376

*Gases included: all

GRI 305-5 Reduction of greenhouse gas (GHG) emissions in tons of CO_2 equivalent

REDUCTION VOLUME			SCOPE OF REDUCTION	BASE USED TO CALCULATE THE REDUCTION (BASE YEAR/BASELINE)
PORTOBELLO	POINTER	TOTAL		
THERE WAS NO REDUCTION	THERE WAS NO REDUCTION	-	1	-
10,718.97	1,450.30	12,169.27	2	2022/2021
THERE WAS NO REDUCTION	THERE WAS NO REDUCTION	-	3	-

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

PRODUCTION	-
IMPORT	50,062
EXPORT	-
SUBSTANCES INCLUDED IN THE CALCULATION	HCFC-22 (R22) and HCFC-141b
SOURCE OF EMISSION FACTORS USED	It is reported in CO_2 equivalent
STANDARDS, METHODOLOGIES, ASSUMPTIONS AND/OR CALCULATION TOOLS ADOPTED	1. Methods adapted from: - Direct HFC and PFC Emissions from Use of Refrigeration and Air Conditioning Equipment (May 2008), Climate Leaders, EPA. - Calculating HFC and PFC Emissions from the Manufacturing, Installation, Operation and Disposal of Refrigeration & Air-conditioning Equipment (Version 1.0) (January 2005),GHG Protocol, WRI.

GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions (in tons)

SUBSTANCES	PORTOBELLO	POINTER	TOTAL
NOX	84.01	2,238	86,248
SOX	48.73	-	48.73
PERSISTENT ORGANIC POLLUTANTS (POP)	Not measured	Not measured	0
VOLATILE ORGANIC COMPOUNDS (VOCS)	Not measured	Not measured	0
HAZARDOUS AIR POLLUTANTS (HAP)	Not measured	Not measured	0
PARTICULATE MATTER (PM)	538.97	8.39	547.36
OTHER STANDARD CATEGORIES OF AIR EMISSIONS IDENTIFIED IN RELEVANT REGULATIONS	NA	NA	0
SOURCES OF EMISSION FACTORS USED	The data is obtained from direct measurements at emission sources (kilns, atomizers, aspirations).		
STANDARDS, METHODOLOGIES, ASSUMPTIONS AND/OR CALCULATION TOOLS ADOPTED	Standards used in measurements: - CETESB L9.221:1990; - CETESB L9.223:1992, - CETESB L9.213.1995; - ABNT NBR 11966:1989; - ABNT NBR 11967:1989; - ABNT NBR 12019: 1990; - US.EPA Method 3A:2014; - US.EPA Method 10:2016; - US.EPA Method 7E:2020; - US.EPA Method 6C:2016.		

EFFLUENTS AND WASTE

GRI 306-3 waste generated by composition, in metric tons (t)

	PORTOBELLO			POINTER		
WASTE COMPOSITION	WASTE GENERATED	WASTE NOT INTENDED FOR FINAL DISPOSAL	WASTE INTENDED FOR FINAL DISPOSAL	WASTE GENERATED	WASTE NOT INTENDED FOR FINAL DISPOSAL	WASTE INTENDED FOR FINAL DISPOSAL
KERMIT	43,484.47	43,484.47	0.00	23,939.48	23,939.4	0.00
PIE TREATMENT PLANT	64,255.07	64,255.07	0.00	1,048.74	1,048.74	0.00
REFRACTORY ROLL	40.48	40.48	0.00	-	-	-
CHAMOTTE	34,825.59	34,825.59	0.00	3,945.68	3,945.68	0.00
METAL	353.91	353.91	0.00	112.56	112.56	0.00
CARDBOARD	499.94	499.94	0.00	110.37	110.37	0.00
INDUSTRIAL OIL	4.86	4.86	0.00	2.89	2.89	0.00
PLASTIC	296.94	296.94	0.00	51.8	51.8	0.00
MIXED WASTE	146.03	146.03	0.00	-	-	-
WOOD	1,507.64	1,507.64	0.00	205.35	205.35	0.00
GLASS	1.49	1.49	0.00	-	-	-
IT SCRAP	1.63	1.63	0.00	-	-	-
ASBESTOS	0.00	0.00	0.00	0.00	0.00	0.00
CONTAMINATED WASTE	95.61	95.61	0.00	5.82	0.00	5.82
CLASS II WASTE - OTHERS	49.67	49.67	0.00	159.37	0.00	159.37
REJECTS AND ORGANICS	86.61	0.00	86.61	53.96	0.00	53.96
ABRASIVES	352.12	352.12	0.00	-	-	-
CONSTRUCTION WASTE	1,702.72	1,702.72	0.00	-	-	-
HEALTH SERVICE WASTE	0.02	0.00	0.02	0.028	0.00	0.028
TOTAL WASTE	**147,704.80**	**147,618.17**	**86.63**	**29,636.05**	**29,416.79**	**219.18**

	2020	2021	2022	2023
PORTOBELLO	176,262.24	185,012.85	181,967.18	147,704.80
POINTER	40,144	42,308.53	33,489.37	29,636.04
TOTAL	**216,406.24**	**227,321.38**	**215,456.55**	**177,340.84**

COMPARISON FROM 2022 TO 2023:
-18%

GRI 306-4 Waste not intended for disposal by recovery operation, in metric tons (t)
SASB EM-CM-150a.1

	PORTOBELLO			POINTER			PORTOBELLO GRUPO
HAZARDOUS WASTE	WITHIN THE ORGANIZATION	OUTSIDE THE ORGANIZATION	TOTAL	WITHIN THE ORGANIZATION	OUTSIDE THE ORGANIZATION	TOTAL	TOTAL
PREPARATION FOR REUSE	0	0	0	0	0	0	0
RECYCLING	0	4.811	4.86	0	0	0	4.86
OTHER RECOVERY OPERATIONS	0	95.612	95.61	0	3.033	3.03	98.64
TOTAL WASTE	**0**	**100.47**	**100.47**	**0**	**3.03**	**3.03**	**103.50**
NON-HAZARDOUS WASTE							
PREPARATION FOR REUSE	138,015.22[4]	0	138,015.22	26,823.46	2,152.93	28,976.39	166,991.61
RECYCLING	0	9,100.69[5]	9,100.69	0	437.68	437.68	9,538.37
OTHER RECOVERY OPERATIONS	0	401.79[6]	401.79	0	0	0	401.79
TOTAL WASTE	**138,015.22**	**9,502.48**	**147,517.70**	**26,823.46**	**2,590.61**	**29,414.07**	**176,931.77**

COMPARISON FROM 2022 TO 2023: **-21%**

1: Lubricating oil
2: Co-processing of Class I waste
3: Hydraulic and cooking oil
4: Shard, chamotte, treated effluents polishing, suction powder, refractory roller
5: Treated effluents polishing, plastic, cardboard, metal, wood, RCC, etc
6: Co-processing of abrasives and Class IIA waste

		2020	2021	2022	2023
PORTOBELLO	HAZARDOUS	120.03	106.18	99.01	100.47
	NON-HAZARDOUS	176,015.80	184,728.89	181,752.96	147,517.70
POINTER	HAZARDOUS	-	4.97	5.89	3.03
	NON-HAZARDOUS	370.68	24,401.86	42,439.40	29,414.07
TOTAL		**176,506.51**	**209,241.90**	**224,297.26**	**177,035.27**

GRI 306-5 Waste directed to disposal, in metric tons
SASB EM-CM-150a.1

	PORTOBELLO			POINTER			PORTOBELLO GRUPO
HAZARDOUS WASTE	WITHIN THE ORGANIZATION	OUTSIDE THE ORGANIZATION	TOTAL	WITHIN THE ORGANIZATION	OUTSIDE THE ORGANIZATION	TOTAL	GRAND TOTAL
INCINERATION (WITH ENERGY RECOVERY)	0	0	0	0	0	0	0
INCINERATION (WITHOUT ENERGY RECOVERY)	0	0.02	0.02	0	5.85	5.85	5.87
CONFINEMENT IN LANDFILL	0	0	0	0	0	0	0
OTHER DISPOSAL OPERATIONS	0	0	0	0	0	0	0
TOTAL WASTE	**0**	**0.02**	**0.02**	**0**	**5.85**	**5.85**	**5.87**
NON-HAZARDOUS WASTE							
INCINERATION (WITH ENERGY RECOVERY)	0	0	0	0	0	0	0
INCINERATION (WITHOUT ENERGY RECOVERY)	0	0	0	0	0	0	0
CONFINEMENT IN LANDFILL	0	86.61*	86.61	0	213.33	213.33	299.94
OTHER DISPOSAL OPERATIONS	0	0	0	0	0	0	0
TOTAL WASTE	**0**	**86.61**	**86.61**	**0**	**213.33**	**213.33**	**299.94**

*Estimate.

COMPARISON FROM 2022 TO 2023:
+24%

		2021	2022	2023
PORTOBELLO	HAZARDOUS	91.17	28.6	0.02
	NON-HAZARDOUS	86.61	86.61	86.61
	TOTAL	**177.78**	**115.21**	**86.63**
POINTER	HAZARDOUS	13.26	9.83	5.85
	NON-HAZARDOUS	186.1	167.46	213.33*
	TOTAL	**199.36**	**177.29**	**219.18**

*Increase caused by higher waste generation as a result of factory expansion works.

ECONOMIC PERFORMANCE

GRI 201-4 Financial support received from the government

GRANTS FOR INVESTMENT, RESEARCH AND DEVELOPMENT AND OTHER RELEVANT TYPES OF CONCESSIONS		FINANCIAL INCENTIVES *BALANCE ON 12/31/2023*	
TYPE	BRL	TYPE	BRL
LEI DO BEM	5,465,139.86	NATIONAL BANK OF THE NORTHEAST	39,012,193.16
PRODESIN	14,979,323.04		
MAINTENANCE ITEMS	2,717,204.43	BNDES	4,085,686.90
TTD	1,106,263.14	FINEP	150,719,017.66
SIMPLES NACIONAL	2,159,577.84		
REINTEGRA	303,707.40		
PRODEC	14,761,495.34		

*All the incentives are related to Brazil

MARKETING AND LABELING

GRI 417-1 Requirements for product and service information and labeling

TYPE OF INFORMATION	HAS IT OR NOT	EXPLANATION/DETAILS	% OF PRODUCTS OR SERVICES EVALUATED IN RELATION TO THIS PROCEDURE
ORIGIN OF PRODUCT OR SERVICE COMPONENTS	Yes	It is described on the body of the packaging and in the QR Code.	100%
CONTENT, PARTICULARLY OF SUBSTANCES THAT MAY CAUSE ENVIRONMENTAL OR SOCIAL IMPACT	Yes	1020 carbon steel metal support for packaging products on pallets, especially in 120x120 cm and 90x180 cm formats.	7%
SAFE USE OF THE PRODUCT OR SERVICE	Yes	Described on the body of the packaging and in the QR Code.	100%
PRODUCT DISPOSAL AND ENVIRONMENTAL OR SOCIAL IMPACTS	Yes	Present in the QR Code on the body of the packaging.	100%
OTHER INFORMATION		Packaging is FSC-certified, guaranteeing that all the raw materials used to manufacture the paper comes from reforested wood or recycled material. Furthermore, the paper composition is around 88% recycled material. In general, labeling meets the standards of NBR ISO 130056 and INMETRO ordinance nº 484/2021.	100%

STRATEGY, POLICIES AND PRACTICES

GRI 2-27 Compliance with laws and regulations

Total number and monetary value of fines for non-compliance with laws and regulations

DETAILING	VALUE	PERIOD
November 2022, the Company was informed of the establishment, by the Ministry of Economy, of the Administrative Accountability Process – PAR/ME # 14044.720171/2022-71, for checking signs of breaching parts of the Law 12,846/13, consisting of supposed irregularity in 2015. The process was classified as a probable hazard in June 2023, with a provision constituted of BRL 1.9 million, whose updated balance on September 30, 2023 was BRL 2.029 million. After completing the internal investigation, it was verified that it was a single act carried out by a third party with whom the Company no longer has any type of relationship. Considering the commitment to ethics and transparency and in view of the cooperation with the authorities and the objective responsibility provided for in the Law, it was proposed by the General Comptroller of the Union to proceed through an Early Judgment, and this was the option adopted by the Company. On November 30, 2023, considering the CGU's recognition of the collaboration and commitments assumed, the request for Early Judgment was granted, setting the value of the penalty in the amount of BRL 2.003 million, with the exemption from other sanctions provided for in Law 12,846/13, particularly the extraordinary publication of the sentencing decision provided for in item II of article 6 of Law 12,846/13, as stated in Conjur Opinion # 414/2023. All deviations related to Law 12,846 are considered significant cases of non-compliance, as well as other deviations that may constitute criminal offenses. Therefore, the case was detailed.	BRL 2,003,571.00	Decision # 394, of November 24, 2023

TAX

GRI 207-4 Country-by-country reporting

PRIMARY ACTIVITY	CIVIL CONSTRUCTION, BUILDING MATERIAL AND DECORATION
EMPLOYEES	4,099
TOTAL EMPLOYEE COMPENSATION	316,914,895.97
TAXES WITHHELD AT SOURCE AND PAID ON BEHALF OF EMPLOYEES T	28,458,987.87
AXES COLLECTED FROM CUSTOMERS ON BEHALF OF A TAX AUTHORITY	517,439,642.95
SECTORAL TAXES AND OTHER TAXES OR PAYMENTS TO GOVERNMENTS	189,084,459.07
SIGNIFICANT UNCERTAIN TAX POSITIONS	-
BALANCE OF INTRA-COMPANY DEBT HELD BY ENTITIES WITHIN THE TAX JURISDICTION AND THE BASIS FOR CALCULATING THE INTEREST RATE PAID ON THE DEBT	78,000.00
REVENUE FROM THIRD-PARTY SALES	-
INCOME FROM INTRA-GROUP TRANSACTIONS WITH OTHER TAX JURISDICTIONS	75,583,000.00
PROFITS/LOSSES BEFORE TAXES	-89,723,777.53
TANGIBLE ASSETS OTHER THAN CASH AND CASH EQUIVALENTS	1,145,247.00
CORPORATE INCOME TAX PAID ON A CASH BASIS	23,407,458.49
CORPORATE INCOME TAX LEVIED ON PROFITS/LOSSES	26,820,845.00

GRI AND SASB CONTENT INDEX

PORTOBELLO REPORTED ITS INFORMATION ACCORDING TO THE GLOBAL REPORTING INITIATIVE (GRI) AND SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB), CONSIDERING THE PERIOD FROM 01/01/2023 TO 12/31/2023

GRI 1: FOUNDATION 2021

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION/ EXPLANATION		
			REQUIREMENT(S) OMITTED/ EXPLAINED	REASON	EXPLANATION
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1 Organizational details	7, 9			Corporate structure available on the Group's website.
	2-2 Entities included in the organization's sustainability reporting				The sustainability report and the financial statements refer to Portobello Grupo (PBG SA). The approach is the same for the four companies that constitute Portobello Group, differing from each other due to the maturity of their own ESG processes. For all aspects of material topics, the company sought to provide information, especially about the consolidated units – Portobello, Portobello Shop and Pointer. Portobello America opened in October 2023.
	2-3 Reporting period, frequency and contact point	3, 4			
	2-4 Restatements of information				Environmental data from previous years underwent small adjustments due to the recalculation of information.
	2-5 External assurance				This report was reviewed and approved by the executive board and the Sustainability Committee, led by the chairman of the Board of Directors. It has not been subjected to external verification.
	2-6 Activities, value chain and other business relationships	7 to 16, 71, 72			
	2-7 Employees	96 to 100			
	2-8 Workers who are not employees	101			
	2-9 Governance structure and composition	34 to 41			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION/ EXPLANATION		
			REQUIREMENT(S) OMITTED/ EXPLAINED	REASON	EXPLANATION
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	37 to 40			
	2-11 Chair of the highest governance body	37			
	2-12 Role of the highest governance body in overseeing the management of impacts	41	A		They are approved by the Sustainability Committee, an advisory body to the Board of Directors.
	2-13 Delegation of responsibility for managing impacts	45, 46			
	2-14 Role of the highest governance body in sustainability reporting	4			
	2-15 Conflicts of interest				Policies and Code of Ethics and Conduct, as well as the complaints channel, seek to mitigate conflicts of interest. There were no cases during the year.
	2-16 Communication of critical concerns	38			A quarterly report is made to the Auditing Committee, which advises the Board of Directors, on complaints during the period. In 2023, no cases were categorized as critical to be brought to the Board.
	2-17 Collective knowledge of the highest governance body				Training on climate change for the Sustainability Committee, operational CEOs and unit management. Workshop on state tax incentives for the Sustainability Committee.
	2-18 Evaluation of the performance of the highest governance body			Information unavailable/ incomplete	The process has not yet been established.
	2-19 Remuneration policies	40, 102			
	2-20 Process to determine remuneration	58	B		Market research is carried out and agreements with unions are considered.
	2-21 Compensation ratio total no ano	102			
	2-22 Statement on sustainable development strategy	5			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION/ EXPLANATION		
			REQUIREMENT(S) OMITTED/ EXPLAINED	REASON	EXPLANATION
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-23 Policy commitments	42, 103, 104			
	2-24 Embedding policy commitments	42, 103, 104			
	2-25 Processes to remediate negative impacts	44			
	2-26 Mechanisms for seeking advice and raising concerns	44			
	2-27 Compliance with laws and regulations	135			
	2-28 Membership associations	7			
	2-29 Approach to stakeholder engagement	30, 32, 33, 47 to 77			
	2-30 Collective bargaining agreements	58			

MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	30 to 33			
	3-2 List of material topics	31			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION/ EXPLANATION		
			REQUIREMENT(S) OMITTED/ EXPLAINED	REASON	EXPLANATION
GOVERNANCE, TRANSPARENCY AND ETHICS IN THE MANAGEMENT OF OPERATIONS AND THE VALUE CHAIN					
GRI 3: Material Topics 2021	3-3 Management of material topics	34 to 44, 71, 72			
GRI 201: Economic Performance 2016	201-4 Financial assistance received from government	133			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	71			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption				Mapping covers all units in Brazil. With the start of manufacturing operations in the US, leading to a change in the operational profile in the country, it will be crucial to carry out a new risk mapping in the North American market in 2024, following international standards and the FCPA, in addition to updating and managing risks identified in other units. The company does not interact with public agents in its core activities (tenders, public works), but rather in administrative activities, such as obtaining or renewing licenses, permits, inspections, in export and import processes and in judicial activity for its benefit. Actions to mitigate those risks include controls in processes and situations in which employees are exposed to public agents, contractual protection, evaluation of third parties that represent the company, employee awareness and training.
	205-2 Communication and training about anti-corruption policies and procedures	43		Information unavailable/ incomplete	There was no survey of training by region, functional category and gender.
	205-3 Confirmed incidents of corruption and actions taken				None.
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices				None.
GRI 207: Tax 2019	207-1 Approach to tax				It aims at ensuring compliance with regulatory standards and optimizing the tax burden, according to ethical behavior. The subject is managed by the Tax Committee, made up of experienced executives. Portobello has the support of the Internal Controls area and specialized consultancy to define policies and procedures.

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION/ EXPLANATION		
			REQUIREMENT(S) OMITTED/ EXPLAINED	REASON	EXPLANATION
GOVERNANCE, TRANSPARENCY AND ETHICS IN THE MANAGEMENT OF OPERATIONS AND THE VALUE CHAIN					
GRI 207: Tax 2019	207-2 Tax governance, control, and risk management				The Tax Committee is an advisory body to the Executive Board, which monitors compliance with the tax strategy. In 2023, it continued to improve procedures and policies to mitigate risks and protect the business with the consolidation of the Risk Management, Internal Controls and Auditing Committee areas.
	207-3 Stakeholder engagement and management of concerns related to tax				There is no relationship with tax authorities.
	207-4 Country-by-country reporting	136			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	72			Pilot program for ratification established at the Portobello unit in Tijucas (SC), as described in the report.
	308-2 Negative environmental impacts in the supply chain and actions taken				Pilot program for ratification established at the Portobello unit in Tijucas (SC), as described in the report. B, D, E. No supplier causing environmental impact was identified. C. No actual or potential impacts were identified.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	72			Pilot program for ratification established at the Portobello unit in Tijucas (SC), as described in the report.
	414-2 Negative social impacts in the supply chain and actions taken				Pilot program for ratification established at the Portobello unit in Tijucas (SC), as described in the report. No supplier causing a real or potential negative impact was identified.
GRI 415: Public Policy 2016	415-1 Political contributions				The company does not make contributions to parties or candidates.

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION/ EXPLANATION		
			REQUIREMENT(S) OMITTED/ EXPLAINED	REASON	EXPLANATION
CUSTOMER ORIENTATION					
GRI 3: Material Topics 2021	3-3 Management of material topics	64 to 66			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	66, 134			
	417-2 Incidents of non-compliance concerning product and service information and labeling				None.
	417-3 Incidents of non-compliance concerning marketing communications				None.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	66			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION/ EXPLANATION		
			REQUIREMENT(S) OMITTED/ EXPLAINED	REASON	EXPLANATION
CIRCULARITY					
GRI 3: Material Topics 2021	3-3 Management of material topics	83, 84			
GRI 306: Effluents and Waste 2016	306-1 Waste generation and significant waste-related impacts	83 to 86			
	306-2 Management of significant waste-related impacts	83 to 86			
	306-3 Waste generated	129, 130			
	306-4 Waste diverted from disposal	131			
	306-5 Waste directed to disposal	132			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION/ EXPLANATION		
			REQUIREMENT(S) OMITTED/ EXPLAINED	REASON	EXPLANATION
CLIMATE CHANGE					
GRI 3: Material Topics 2021	3-3 Management of material topics	87 to 90			
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change			Information unavailable/ incomplete	This survey was not carried out.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	120, 121			
	302-2 Energy consumption outside of the organization			Information unavailable/ incomplete	This survey was not carried out.
	302-3 Energy intensity	122			
	302-4 Reduction of energy consumption	122			
	302-5 Reductions in energy requirements of products and services			Not applicable	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	125			
	305-2 Energy indirect (Scope 2) GHG emissions	125			
	305-3 Other indirect (Scope 3) GHG emissions	126			
	305-4 GHG emissions intensity	126			
	305-5 Reduction of GHG emissions	127			
	305-6 Emissions of ozone-depleting substances (ODS)	127			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	128			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION/ EXPLANATION		
			REQUIREMENT(S) OMITTED/ EXPLAINED	REASON	EXPLANATION
SUSTAINABLE PRODUCTS AND PRODUCTION					
GRI 3: Material Topics 2021	3-3 Management of material topics	80 to 82			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	116, 117, 118			
	301-2 Recycled input materials used	119			
	301-3 Reclaimed products and their packaging materials	119			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	81, 82			
	303-2 Management of water discharge-related impacts	81, 82			
	303-3 Water withdrawal	123	B		There is no catchment in water-stressed areas.
	303-4 Water discharge	124	C, D e E		C. There is no disposal in water-stressed areas. D. There is no priority substance that raises concern, as the effluent discarded is domestic effluent, coming from bathrooms and mini-dining rooms. E. Disposal data were estimated according to the generation of domestic effluent by each employee. The value of 70 l (day/employee), number of working days and number of employees were used to calculate this figure. Reference for calculation: NBR 7229.
	303-5 Water consumption	124	B e C		B. There is no consumption in water-stressed areas. C. There was no water storage.
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas				The Portobello unit (SC) is not located in an environmental preservation area. The Pointer unit (AL) is close to the Santa Rita Environmental Protection Area (APA), which covers more than 10,000 hectares and includes several municipalities. Established by Law # 4,6074/1984, this APA aims to conserve the natural features of the Mundaú and Manguaba channels and lagoons, regulating land use in mangroves, forested slopes, shoals, reefs, islands, and estuaries. The land occupied by the unit does not face geographic or locational restrictions, as established in Article 11 of IMA Normative Instruction # 03/2016.

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION/ EXPLANATION		
			REQUIREMENT(S) OMITTED/ EXPLAINED	REASON	EXPLANATION
SUSTAINABLE PRODUCTS AND PRODUCTION					
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity			Information unavailable/ incomplete	Currently, no study monitors this type of impact.
	304-3 Habitats protected or restored	80	D		Data collected based on geolocation.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations			Information unavailable/ incomplete	There are no specific sampling campaigns to identify such species.
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories				All products evaluated using health and safety criteria.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services				None.

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION/ EXPLANATION		
			REQUIREMENT(S) OMITTED/ EXPLAINED	REASON	EXPLANATION
TEAM AND COMMUNITY DEVELOPMENT					
GRI 3: Tópicos materiais 2021	3-3 Management of material topics	51 to 53, 73 to 77			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	111, 112			
	404-2 Programs for upgrading employee skills and transition assistance programs	51, 52, 53			There are no career-transition assistance programs implemented.
	404-3 Percentage of employees receiving regular performance and career development reviews	113			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION/ EXPLANATION		
			REQUIREMENT(S) OMITTED/ EXPLAINED	REASON	EXPLANATION
HUMAN RIGHTS					
GRI 3: Material Topics 2021	3-3 Management of material topics	54 to 63			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	105			Employees are not paid according to minimum wage rules, but the company reported salary proportions by category.
	202-2 Proportion of senior management hired from the local community		C		50% of the Board of Directors members and the Managers are hired from the local community at the organization's headquarters (Santa Catarina).
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	73 to 77			Projects for communities described in the report are free for those entitled.
	203-2 Significant indirect economic impacts	73 to 77			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	106			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	58, 108			
	401-3 Parental leave	109			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes				None.
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	59 to 63			
	403-2 Hazard identification, risk assessment, and incident investigation	60 to 62			
	403-3 Occupational health services	63			
	403-4 Worker participation, consultation, and communication on occupational health and safety	62			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION/ EXPLANATION		
			REQUIREMENT(S) OMITTED/ EXPLAINED	REASON	EXPLANATION
HUMAN RIGHTS					
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	61			
	403-6 Promotion of worker health	63			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	60			
	403-8 Workers covered by an occupational health and safety management system	59	B		
	403-9 Work-related injuries	110		Information unavailable/ incomplete	There is no management of this data for third-party workers.
	403-10 Work-related ill health			Information unavailable/ incomplete	There were no professional/occupational illnesses. There is no management of this data for third-party workers.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	96 to 100, 114			
	405-2 Ratio of basic salary and remuneration of women to men	115			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	44			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk			Information unavailable/ incomplete	In operations there is no risk, as the company supports unions and respects wage adjustments for categories. Monitoring of suppliers has not yet occurred. A supplier assessment pilot project is underway.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor			Information unavailable/ incomplete	In operations this risk does not exist. The contract signed with suppliers has a clause that establishes the non-tolerance of any type of degrading work or child labor, although monitoring was not conducted in 2023. A pilot project to evaluate suppliers is underway.

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION/ EXPLANATION		
			REQUIREMENT(S) OMITTED/ EXPLAINED	REASON	EXPLANATION
HUMAN RIGHTS					
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor			Information unavailable/ incomplete	In operations this risk does not exist. The contract signed with suppliers has a clause that establishes the non-tolerance of any type of degrading work or child labor, although monitoring was not conducted in 2023. A pilot project to evaluate suppliers is underway.
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures				This type of training did not happen.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples			Not applicable	Not applicable, as the operations are not in indigenous areas.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	73 to 77			All operations have community initiatives, as described in the report. Regarding impact measurement, the Sururu project relies on community involvement data, as does the Jardim em Progresso project, which began with a census carried out to understand local needs.
	413-2 Operations with significant actual and potential negative impacts on local communities				None.

SASB - CONSTRUCTION MATERIALS

TOPIC	ACCOUNTING METRIC	CODE	GRI CONECTION / EXPLANATION	LOCATION
Greenhouse Gas Emissions	Gross global Scope 1 emissions	EM-CM-110a.1	305-1 Direct (Scope 1) GHG emissions	125
	Percentage covered under emissions-limiting regulations		The markets in which Portobello Grupo operates do not have emissions limitation regulations.	
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-CM-110a.2	The company had not defined reduction targets yet. Strategies on this front are described in the report.	87 a 90
Air Quality	Air emissions: NOx (excluding N_2O)	EM-CM-120a.1	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	128
	Air emissions: SOx		305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	128
	Air emissions: particulate matter (PM10)		305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	128
	Air emissions: dioxins/furans		Not measured, as it is not applied to the activity.	
	Air emissions: volatile organic compounds (VOCs)			
	Air emissions: polycyclic aromatic hydrocarbons (PAHs)			
	Air emissions: heavy metals			
Energy Management	Total energy consumed	EM-CM-130a.1	302-1 Energy consumption within the organization	120, 121
	Percentage grid electricity		100%	
	Percentage alternative		0%	
	Percentage renewable		11%	
Water Management	Total fresh water withdrawn	EM-CM-140a.1	303-3 Water withdrawal	123
	Percentage recycled			81, 82
	Percentage in regions with High or Extremely High Baseline Water Stress			81, 82
Waste Management	Amount of waste generated	EM-CM-150a.1	306-3 Waste generated	
	Percentage hazardous, percentage recycled		306-4 Waste diverted from disposal 306-5 Waste directed to disposal"	83, 131, 132
Biodiversity Impacts	Description of environmental management policies and practices for active sites	EM-CM-160a.1		79
	Terrestrial acreage disturbed, percentage of impacted area restored		304-3 Habitats protected or restored	80

TOPIC	ACCOUNTING METRIC	CODE	GRI CONECTION / EXPLANATION	LOCATION
Workforce Health & Safety	Total recordable incident rate (TRIR)	EM-CM-320a.1	It is not calculated.	
	Near miss frequency rate (NMFR) for (a) fulltime employees and (b) contract employees		It is not calculated.	
	Number of reported cases of silicosis	EM-CM-320a.2	No cases of silicosis.	
Product Innovation	Percentage of products that qualify for credits in sustainable building design and construction certifications	EM-CM-410a.1	100%	
	Total addressable market and share of market for products that reduce energy, water, and/or material impacts during usage and/or production	EM-CM-410a.2	There are no specific products aimed at reducing energy and water use. All products go through the same production process.	
Pricing Integrity & Transparency	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities3	EM-CM-520a.1	None.	
Production by major product line		EM-CM-000.A	21.302.668 m^2 de porcelanato esmaltado, a principal linha de produto.	

Portobello Grupo

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Coordination
Portobello Grupo Sustainability Department

Technical and Editorial Coordination, GRI Consultancy
Presence Comunicação e Sustentabilidade

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Comparsita Design