

The background of the entire page is a detailed, high-resolution image of a wood grain. The grain consists of numerous concentric, wavy rings of varying shades of brown, from light tan to dark chocolate, creating a rich, textured appearance. The rings are centered and expand outwards towards the edges of the frame.

# ORNARE

ANNUAL SUSTAINABILITY  
REPORT 2022

ORNARE'S — SECOND  
ANNUAL ——— ESG  
(ENVIRONMENTAL,  
SOCIAL ——— AND  
GOVERNANCE ———  
REPORT, — PRESENTED  
HERE — REFERS — TO  
OUR — ACTIVITIES — ON  
SOCIO-ENVIROMENTAL  
RESPONSABILITY  
AND — GOVERNANCE  
ISSUES — IN ——— **2022.**

ORNARE

## INTRODUCTION

The concern with sustainability and the neutralization of the socio-environmental impacts of our business and operations have been present in our values since we started our operations on August 27, 1986. These values guide our operations and commitments in developing the company's business strategies, aiming at positive socio-environmental impacts. The topic was one of our priorities in 2022 and one of our goals for 2023. This report is one of the products of that effort. This commitment applies to all stores, employees under the labor hiring regime, interns, temporary employees, partners, suppliers, service providers, and any person, whether natural or legal, who may relate to ORNARE. The content brings a summary of the performance of ORNARE and our principles regarding ESG themes; the structuring process of the ESG Committee; the actions carried out in the environmental, social, and governance pillars carried out throughout 2022, and the company's decision to use ESG indicators in our operation by assessing carbon emissions, water resources, waste disposal, and use of renewable energy sources, among others.

Based on the results achieved in 2022, our goal is to evaluate the impact of ongoing practices and develop new actions to improve our performance each year. We intend to continue this work in the following years. Thus, we seek to fulfill our purpose as a sustainable organization in our industry, inspiring our customers and partners toward a more sustainable future.



## LETTER FROM THE PRESIDENT



**ORNARE's** mission is to raise customers' quality of life through unique and sophisticated products developed with quality and high technology, resulting from a relentless pursuit of excellence both in the items of our portfolio and operations. We are aware of our responsibility as leaders in the market in which we operate. We are proud to be a company with an international presence, a sustainable company that welcomes various cultures and guides itself by ethics. We have always dedicated ourselves to adopting best practices concerning the environment, social responsibility, and corporate governance, an agenda that permeates our entire production chain. To make the business model even more sustainable, we took a significant step in 2022 in establishing process monitoring. In 2023, we will intensify this commitment and formally implement the ESG principles. The COVID-19 pandemic has subjected the world to intense changes in the very short term, highlighting the importance of teamwork. May this learning serve to deal with the necessary adaptations required by the context of climate change. All sectors must act together to overcome the enormous challenges on the horizon and beyond. We are committed to fulfilling our role in the global effort to combat environmental degradation, building a more sustainable, prosperous, and socially fair future for future generations.

Murillo Schattan

## WHO WE ARE

Since 1986, **ORNARE** has offered a variety of high-standard furniture solutions for kitchens, walk-in closets, home theaters, living rooms, home offices, and bathrooms. Ornare has always been attentive to the style and individuality of each client and the design and execution of unique and sophisticated products. High technology and quality are fundamental principles of the brand, which has prioritized the originality of its creations and upheld collaborations with leading names of national and international architecture.

**ORNARE** was founded by engineers Murillo Schattan and Esther Schattan. As visionaries, they performed special actions with prominent partners who contributed to the company's growth in the high-end segment. Now, the focus is to expand its global expansion through presence in strategic international markets.



## ABOUT THIS REPORT

This document about the activities developed in 2022 is our first Annual Sustainability Report. We present here ESG (socio-environmental and governance) practices adopted by **ORNARE**.

Present in the company's values since we started operations on August 27, 1986, the concern with the impacts of the business on the environment and society guides our strategy. It is a commitment applied to all stores, employees under full working contracts, interns, temporary employees, partners, suppliers, service providers, and anyone who will relate to us, whether natural or legal.

The production of this content was among the priorities of 2022. It explains the principles of performance of the brand concerning ESG: the structuring process of the Local ESG Committee, the actions in this area carried out in 2022, and the corporate decision to measure indicators such as carbon emissions, water consumption, waste disposal, and use of renewable energy sources, among others.

From now on, our goal is to have consolidated data to assess the impact of current practices and develop new initiatives to improve our performance each year. In the name of transparency and the purpose of acting as a relevant organization in the segment of high-standard furniture, the results will be released annually. By doing this, we hope to inspire customers and partners toward a more sustainable future.



## LOCAL ESG COMMITTEE

In December 2022, we formalized the creation of the Local ESG Committee, composed of seven members. The group conducts and coordinates the strategies and implementation of good practices in operations.

Its activities range from the discussion of initiatives to the implementation of the action plan for improving indicators through the elaboration of communication plans and training on the subject. It is also up to the Committee to monitor and consolidate relevant data, such as environmental, safety, and occupational health performance.

In addition to establishing strategic actions for the following year and promoting cooperation between areas for better results, the Committee ensures a continuous flow of information, learning, and solutions.

### Members:

**Adeilson Camargo**, Maintenance Manager

**Bruno Nevio**, Operations Director

**Carlos Jusie**, Training Manager

**Marcia Pires**, HR and Controllershship Manager

**Marcia Silva**, HR Manager

**Murillo Schattan**, President

**Roberta Guerra**, Marketing Manager



## OUR ESG POLICY

**ORNARE's** ESG policy is designed to support the development of the company's sustainability commitments; to better integrate environmental, social, and governance issues into our business and investment decisions; and to monitor and report on the evolution of these commitments. This integration takes place at all stages of the operation and hiring of suppliers.

To do so, the first step was to map the materiality (aspects on which our performance impacts the three ESG fronts – environmental, social, and governance) and then define the objectives to be achieved on each front.

MATERIALITY:

# ENVIRONMENTAL



- WASTE MANAGEMENT
- USE OF NATURAL RESOURCES
- ENERGY MANAGEMENT
- GREENHOUSE GAS EMISSION
- BIODIVERSITY



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MATERIALITY:

## SOCIAL



→ TRAINING

→ HEALTH AND SAFETY AT WORK

→ EMPLOYEE MANAGEMENT

→ SUPPLIER MANAGEMENT

→ COMMUNITY CARE

→ PROMOTION OF DIVERSITY

## OUR ESG POLICY

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MATERIALITY:

## GOVERNANCE



→ RELATIONSHIP WITH SUPPLIERS

→ CERTIFICATES

→ COMPLIANCE WITH THE GENERAL DATA PROTECTION LAW (LGPD)

→ COUNCIL

→ PPP AUDIT

→ COMMITTEES

→ CONTROLLERSHIP

→ COMPLIANCE

## **OBJECTIVES**

# **ENVIRONMENTAL**

REDUCE BOTH CARBON EMISSIONS AND THE CONSUMPTION OF NATURAL RESOURCES, AS WELL AS CARRY OUT WASTE MANAGEMENT IN ALL OUR ACTIVITIES, TO BE A CARBON-NEUTRAL COMPANY. AT THE SAME TIME, WE ADVISE OUR CLIENTS IN THESE AREAS.

# **SOCIAL**

GENERATE A POSITIVE IMPACT ON THE COMMUNITIES WHERE WE ARE PRESENT AND ON THE LIVES OF OUR EMPLOYEES, PROMOTING COLLECTIVE WELL-BEING AND DIVERSITY.

# **GOVERNANCE**

STRENGTHEN THE CORPORATE GOVERNANCE STRUCTURE TO PREVENT BRIBERY, CORRUPTION, OR FRAUD AND ENSURE DATA PROTECTION AND PRIVACY.

**ACTIONS IN PROGRESS**

# ENVIRONMENTAL



## ACTIONS IN PROGRESS

### [ Waste Management ]

All waste generated by the manufacturing process is collected and destined for the waste plant, where the recyclable items are separated. Thus, 85% of the material that would follow to the landfill gains other destinations.



### [ Use of natural resources: water ]

We always choose more financially saving hardware: All toilets have double-drive valves, which reduce the amount of water per cycle. In the offices, restrooms have taps with automatic closing. In the cafeteria, we use models with aerators - a device that reaches a larger area with less water - while the factory's locker rooms have urinals with automatic discharge. In addition, these measures result in 25% of water savings concerning the average of buildings of this type.

In the outer areas, landscaping prioritizes species adapted to the local climate, which do not require continuous irrigation.

In 2023, we plan to implement a rainwater harvesting plant to be reused to wash the outer area.

## ACTIONS IN PROGRESS

### [ Energy management: energy efficiency ]

Our warehouses are equipped with LED lamps, offering thermal comfort, consuming less energy, and being more efficient. Presence detectors have been installed at some strategic office points and changing rooms. At the same time, the outer areas have led panels with photocells - devices that trigger artificial light whenever it darkens. These measures reduced energy consumption.

In 2023, we will implement solar-charged lighting in our outer area.

### [ Use of natural light and ventilation ]

The roofs of the warehouses employ translucent materials, which allow the entrance and distribution of sunlight, reducing the need for artificial lighting during the day. In the entries, shutters enable natural ventilation, and industrial gates facilitate air circulation to the factory's interior. With a height above 32 feet, the sheds have different treatments that provide thermal comfort: Sandwich panels in one of them, and wind-powered exhaust fans in the other. Internally, fans contribute to improving air quality.



### [ Environmental control of tobacco smoke ]

Smoke is not allowed inside the warehouses and supporting buildings to prevent or minimize the exposure of building occupants to tobacco smoke. All **ORNARE** parks have visual communication indicating the prohibition of smoking, respecting the National Anti-Smoking Law no. 12.546/2011.

**ACTIONS IN PROGRESS**

# **SOCIAL**



## ACTIONS IN PROGRESS

### [ Training ]

Among the benefits offered by **ORNARE**, continuous training is one of the most important. By addressing varied business-related topics such as leadership, career development, and coaching, constant learning increases the repertoire of teams and contributes to their personal and professional growth.



**Professional Capabilities Training:** aimed at all employees hired to work in the stores, it lasts 20 days and is offered at the factory. The content deals with products and processes and addresses the skills needed for customer service and project development. At the end, the participants present a course completion work, in which they are evaluated about learning and the need for follow-up.

**Continuous Action Training (TAC):** aimed at employees and franchisees, it is held weekly, lasting one hour. It aims at technical updating of products and systems but also addresses issues that stimulate the development of skills necessary for personal and professional development.

**Training of leaders, coordinators, and managers:** aimed at professionals directly linked to production, results in continuous improvement of processes.

**Qualification:** carried out with approved suppliers, it guarantees quality in our services and operations.

In 2023, the development of EAD ORNARE (distance learning) and the Training Center will make opportunities accessible to more employees.



## ACTIONS IN PROGRESS

### [ Health and safety at work ]

We follow the specifications of the regulatory standard NR12, which deals with safety at work in machinery and equipment.

All workers have a role mapping in the risk management plan to ensure PPE is correctly used.



We adopt a preventive stance regarding the health of our employees, with clinical and complementary medical examinations, training, and daily follow-up. We offer medical care as well as physical therapy. We map the medical leaves and follow the return to work.

Employees participate in developing, implementing, and evaluating the OHS management system through the Internal Commission for Accident Prevention (CIPA), whose meetings occur monthly or through extraordinary meetings in case of incidents.

Fire brigade members receive bimonthly and annual training for training and recycling.

In 2023, we will follow the following pillars: Medical care, physical therapy, Weekly Security Dialogue (DSS), medical leaves, and accidents.

## ACTIONS IN PROGRESS

### [ Personnel management ]

We know that employees, third parties, suppliers and other partners are essential to the operation's success. Therefore, **ORNARE** has as a principle to act correctly and transparently, as well as to exercise responsibility for its social function and invest in people's development, safety, and quality of life.



We are attentive to the employee's journey at all stages of their relationship with the organization. At hiring, we perform the integration to bring up the feeling of belonging. Through the Padrinho (Sponsor) Project, we seek to facilitate the adaptation of those hired to the team. We apply the performance evaluation every six months to identify talents and promote development. Finally, a social security consultancy accompanies the employee during a temporary leave.

The organizational climate research is applied every six months. The results are analyzed in the People Committee, which then proposes actions based on the suggestions received.

In 2023, we will be committed to structuring internal guidelines - such as hiring policies, positions, wages, and benefits - and creating the labor relations policy.

**ACTIONS IN PROGRESS**

# GOVERNANCE



## ACTIONS IN PROGRESS

### [ Supplier relationship ]

The Code of Conduct and the Charter of Ethics and Conduct of **ORNARE** describe the relationship with suppliers, reaffirming our commitment to incorporate responsible management practices based on ethics and transparency concerning child labor and forced labor, health and safety, and discrimination.

**ORNARE** does not maintain a relationship with suppliers whose policies differ from those the organization practices.



In 2023, ORNARE will consolidate the policy for hiring suppliers.

## ACTIONS IN PROGRESS

[ Certificates ]



**FSC Certificate (since 2007):** globally recognized, the certificate identifies products using sustainably sourced wood, especially those from forest management – a non-predatory and rational way of extracting forest inputs to ensure their long-term existence. The FSC principles echo the triad that defines the concept of sustainable development: Environmentally correct, economically viable, and socially fair.



**Carbon-Free Seal:** the certificate proves that the company is carbon neutral; it identifies its emission sources, performs actions to reduce them, and takes measures to neutralize them.



**TRINITY ENERGIA**  
Energia 100% Renovável

**Trinity Certificate for Renewable Energies:** it recognizes that Ornare reduced in the production process 100% of carbon emissions from the consumption of electricity through the acquisition of renewable energy from sources encouraged by the government, such as wind, solar, biomass, small hydroelectric power plants (PCH), and hydroelectric power plants (CGH).



**Green Building Council Brazil certifications:** our products score in the certificate of environments, so we identify with the GBC mission to ensure the balance between economic development, socio-environmental impacts, and the use of natural resources, contributing to the improvement of the quality of life and well-being of present and future generations.

## ACTIONS IN PROGRESS

### [ Compliance with the General Data Protection Law (LGPD) ]

**ORNARE** undertakes to respect the confidentiality of the personal data of all its stakeholders, including employees, customers, franchisees, consumers, and business partners. We maintain policies and processes designed to ensure compliance with all privacy and personal data protection laws applicable to our operations.



**Assessment:** All departments have undergone initial diagnosis and evaluation regarding the processing of personal data, business risks, and possible security failures.

**Training:** All employees received training related to LGPD to understand and bring the best practices necessary for compliance with the law in daily life.

**Newsletter:** Ongoing disclosure of guidelines to employees.

In 2023, we will conduct an audit to certify the completion of the adjustments related to documentation and agreements, follow with the training and promote updates, and develop and implement the necessary policies to reinforce the importance of compliance with the LGPD.

**ORNARE** has an internal board with monthly meetings to analyze whether the company's outcome aligns with strategic planning and evaluate the implementation of new policies and tax strategies.



#### **PPP AUDIT**

PPP Audit carried out by an independent firm contracted intending to validate documentation of all payments and receipts of the company. The result is presented to the President of the Organization.

#### **CONTROLLERSHIP**

With weekly meetings, it has an essential role in creating and analyzing the indicators that guide the board's actions regarding budget management, strategy, and costs, aiming to point the way for the organization to realize the strategic planning.

#### **COMPLIANCE**

Based on the Code of Conduct and the Charter of Ethics and Conduct, ORNARE acts in the qualification of suppliers and seeks to ensure an ethical and transparent performance at all hierarchical levels.

## ORNARE SUPPORTS

### PEQUENO COTOLENGO PAULISTA

Operating since 1964 in the city of Cotia - where the **ORNARE's** plant is located - this social project has served people with physical and intellectual disabilities in situations of vulnerability. The institution hosts 104 permanent residents and provides about 123,000 yearly appointments in 11 specialties.



In 2022, the institution received 189 pieces of clothing collected in the winter campaign carried out internally by **ORNARE**.



## ORNARE SUPPORTS

### COMITÊ DE SOLIDARIEDADE PELA VIDA (CSV)

Created in 1995, this NGO working in the city of Itapevi has assisted about 2,000 vulnerable families in their different projects – from health care and food to training courses. The making of gifts for companies is the institution's largest source of income. [instagram.com/solidariedadepelavida](https://www.instagram.com/solidariedadepelavida)



In 2022, **ORNARE** donated 1.5 tons of trimmings of noble material (leather and fabric) to make gifts.

With this material, the NGO produced 11,561 exclusive gifts.

Bought by **ORNARE** to give customers and partners, these gifts generated income and resources for 1,800 people served by the NGO.

## CONCLUSION

2022 marked the beginning of a new moment at **ORNARE** about the systematization of indicators related to sustainability policies and practices. We know that there is still much to do. Still, we are confident that we continue to constantly evolve with actions and processes that contribute to protecting the environment and the communities where we are located.

Therefore, for 2023, we will seek to develop tools and metrics to evaluate our performance and apply continuous improvements focused on progressive advancement within the ESG agenda. We are sure that, in the next report, 2023, we will present a considerable improvement in all indicators, improving even further in the following years. Thus, we will continue to be inspired by this movement to make the industry more sustainable, ethically and socially responsible.

## REVIEW

This report will be reviewed and updated annually or whenever there are significant changes in the materiality, in the aspects of the sustainability strategy of **ORNARE**, in the organizational chart of the ESG Committee, or its context of action, at the discretion of the responsible bodies.

This version of the report was revised in July/2023.

# ORNARE

