



# Sustainability Center

## — Value Chain and ESG Impacts

This document presents Tramontina's value chain and respective ESG impacts.

May 2024



This is an interactive publication. We recommend reading it on a desktop computer or laptop in order to access all the features.

**TRAMONTINA**

# Tramontina Value Chain

GRI 2-6 / 2-7 / 2-28 / 204-1 / 301-1 / 301-2 / 301-3

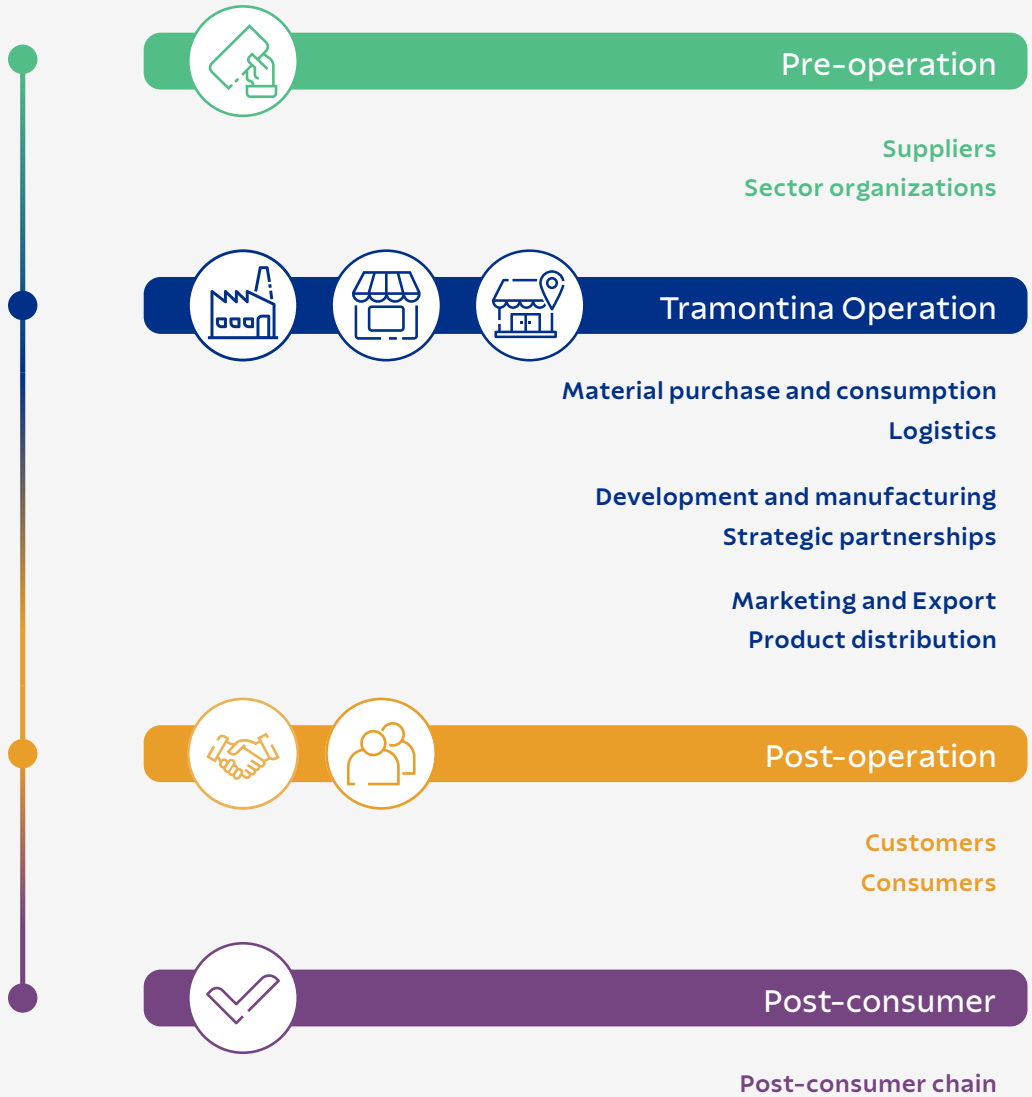
The Tramontina Group works in industry and retail, serving various business segments.

Its Value Chain involves a complex operation with more than 10,700 employees who engage in important business relationships in pre-operation, which includes suppliers and trade organizations, and in post-operation, including customers, consumers and the post-consumer chain.

On the following pages, you will find a diagram with relevant information for understanding the Tramontina Group's Value Chain and a specific diagram for Tramontina United States (TUSA), the most relevant business unit operating abroad. After that, you will find content related to Tramontina's ESG impacts along its value chain, with a focus on management and engagement.

*Aiming for business longevity, the Company upholds a corporate culture that values positive economic and financial performance, always favoring people, respecting the environment and generating shared value for employees, suppliers, customers, consumers and communities.*

## TRAMONTINA





## Suppliers

### Over 20,000 suppliers.

- 96% in Brazil
- 4% abroad

44% of the value transacted in the year went to local suppliers.

**Direct:** large companies based in Brazil, supplying raw materials and inputs. They are the most critical for the operation and represent 61.5% of the amount spent on purchases.

**Services:** internal and external logistics, property security, food, consulting, civil construction and others.

**Fixed assets:** machinery, equipment, devices, molds, dies and others.

## Sector organizations

Tramontina regularly participates in trade organizations, aiming to strengthen its values and increase its capacity to catalyze proactive and positive change. These organizations offer networking opportunities and access to resources, such as market data and training, which are key to keeping the Company up to date and competitive.

With this practice, Tramontina also ensures a stronger collective voice to face regulatory issues, while at the same time providing professional development opportunities for its employees.



## Material purchase and consumption

### Materials used\*:

- 92.5% are raw materials
- 3.5% components
- 2.8% packaging
- 1.2% resale items

665% of consumed materials are from non-renewable sources and 35% from renewable sources.

### Raw materials consumed most\*:

- Metals: 44.4%
- Wood: 32.4%

Of consumed wood, 97% represents exotic wood and 3% native wood.

### Recycled materials\*\*:

- 55% of the materials used in packaging are recycled.

### Recycled consumed material\*:

18,971 t (9.2% on average compared to the total consumed)

Recycled materials included:

- Metal: 13,895 t (15% of the total metal)
- Plastic: 1,871 t (5% of the total plastic)
- Cardboard: 2,893 t (55% of the total cardboard)
- Rubber: 307.15 t (63% of the total rubber)

\*Only consumption curve A (most consumed items).

\*\*All consumption curves.

## Logistics

Transport of raw materials and inputs.

100% outsourced, land and sea.

## Development and Manufacturing

### The 9 factories located in Brazil produce more than 22,000 products, in 5 business segments:

- Home
- Housewares
- Tools
- Electrical materials
- Hospitality

The products are developed by designers attuned to global trends and each product is conceived based on user needs and aspirations and created to prompt meaningful experiences, generating value and satisfaction. The Marketing, Commercial and R&D teams work together to research market trends and identify opportunities for new products and solutions.

In 2023, 1,250 new products were launched.

## Strategic partnerships

Tramontina holds strategic partnerships with companies, universities, public entities and various other organizations to develop innovative and sustainable products.

In 2023, the highlight was its partnership with ZON Design and the Porto Alegre Federal University of Health Sciences (UFCSPA) to develop the ForAll collection, for people with Parkinson's disease and other clinical conditions that alter the movement of the arms and hands.

## Marketing and Export\*

Sale of products to business clients, via Distribution Centers and Regional Sales Offices, in Brazil and 120 other countries.

### Main markets

- South America: 87%
- North America: 10%
- Other markets: 3%

### Exporting is also an important operation for the factories:

- 60% of exports are from factories to distribution centers.
- 40% of exports are from factories to business clients\*\*

The T stores, located in Brazil and in 4 other countries, are an important internal client and serve as a laboratory for experimentation, research and innovation directly with consumers.

The online T store, in operation since 2018, operates in Brazil and has 8 other sites in operation abroad.

\*Information is not available on the brand's brick-and-mortar stores, the T stores.

\*\*Business clients in countries where Tramontina has no sales operations (Argentina and Bolivia).

## Product distribution

Distribution in Brazil is provided quickly and securely through Distribution Centers located in 5 regions in the country. Abroad, 20 Distribution Centers distribute products to more than 120 countries.

100% outsourced logistics, land and sea.

## Post-operation



### Customers

#### Over 60,000 customers:

- 88% in Brazil
- 12% abroad

Wholesale and Distributors, Hypermarkets, Supermarkets, Retail, Wholesalers, Home Centers, Garden Centers, Department Stores, Promotional, Construction Materials, e-commerce/ Marketplaces, Hospitality and Self-Service.

### Consumers

**In e-commerce, roughly 65% of the target audience is formed by women and young adults, around 30 years old.**

More than half, 52%, reside in the Southeast Region and 22% in the South Region. Another 26% are located in the other regions.

**Consumers have access to durable, safe, high-quality products.**

In 2023, the Tramontina Customer Service Center (CAT) assisted more than 446,284 consumers through 18 service channels, with 75% satisfaction.

## Post-consumer



### Post-consumer chain

The company's own Reverse Logistics program for products and packaging, Seu Ambiente Mais Consciente (Your Environment More Aware), with collection points in T stores.

**+ Learn more:**  
[Tramontina Website.](#)

Strategic partnerships for recycling post-consumer packaging, portable electronics, household appliances and tires.

The main ones include Abree (Brazilian Association of Consumer Electronics and Appliances), Eureciclo (a packaging reverse logistics company) and Utep (Ecological Tire Treatment Plant).



# Tramontina USA (TUSA)

GRI 2-6 / 2-7

TUSA is the biggest international unit, responsible for 24% of employees working abroad. Apart from the operation in the United States, with 218 employees, it also controls

the Tramontina China, Tramontina Canada and Tramontina India operations, with 26, 3 and 10 employees, respectively. The India unit was founded in June 2023 in partnership with

an Indian company, making it the Tramontina Group's first joint venture. It started operating in June 2024.



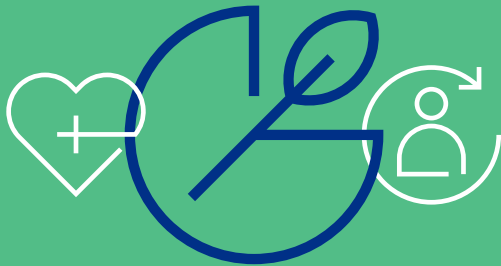
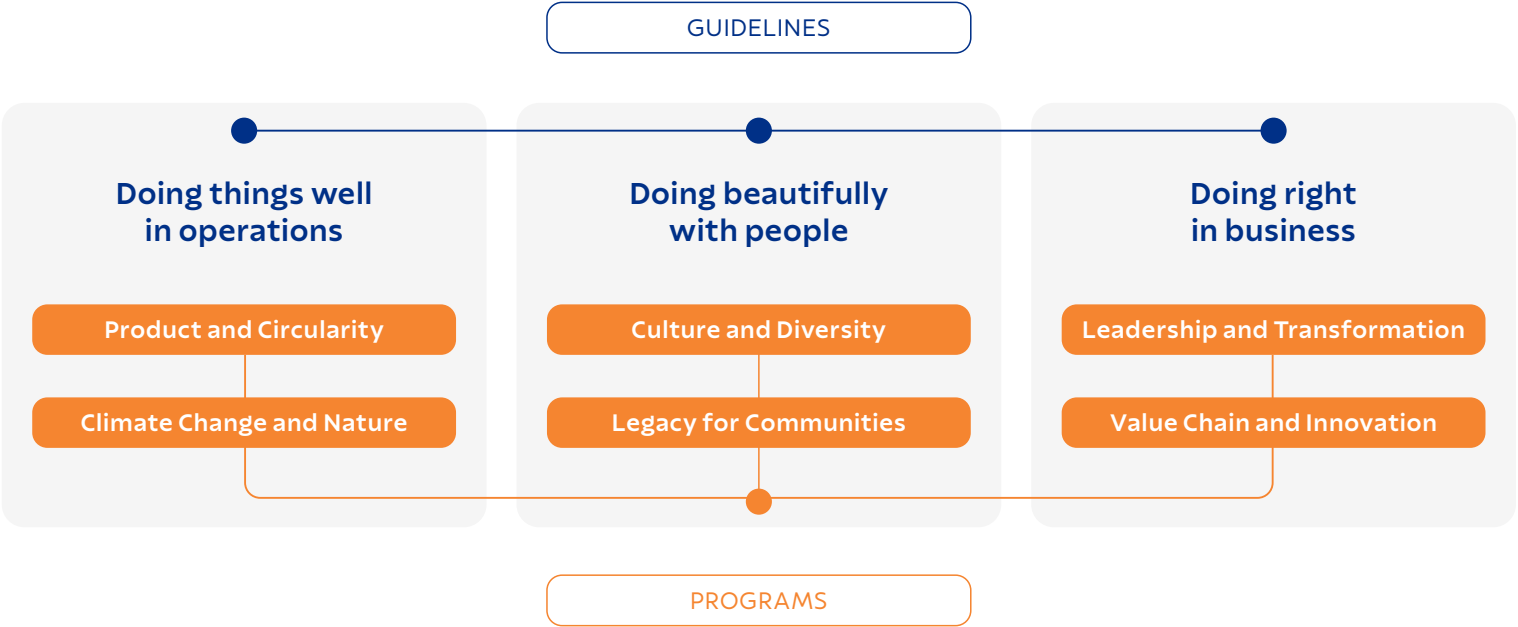
# ESG Impacts on the Value Chain

GRI 2-22

Generating positive change by properly addressing environmental, social and governance risks and opportunities is Tramontina’s commitment to the present and the future. Based on this positioning and materiality, the Company identified

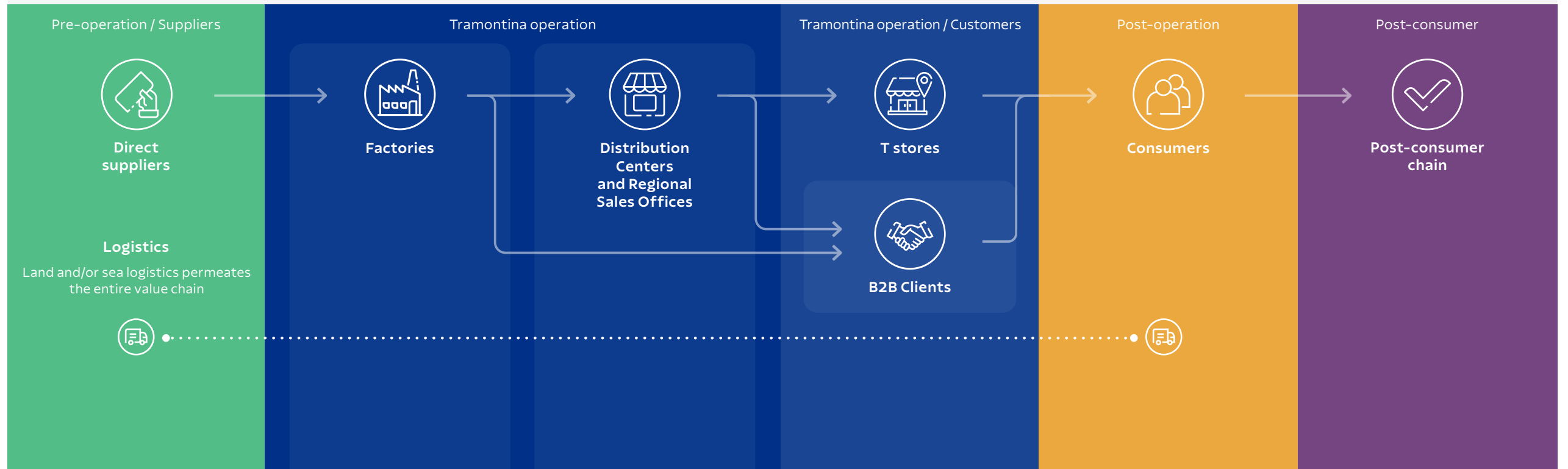
the most relevant topics for the business and the respective challenges and positive impacts on its value chain. With its Sustainability Strategy, developed in 2023, the Company intends to tackle the main challenges linked to these issues

and move forward on its systematic Sustainability Journey.  
  
The strategy is anchored in 3 institutional guidelines and six practical action programs:



*By pointing out sustainable development priorities for the coming years, the strategy directs Tramontina’s corporate initiatives toward relevant materiality topics. In this way, the Company strengthens ESG practices in its day-to-day operations and strives to expand the generation of positive impacts for groups directly related to its activities.*

Given the cross-cutting nature of material topics in the Company’s ESG scenario, the programs converge and drive actions in a coordinated manner. Find out now about the challenges and opportunities the Tramontina Group faces in its value chain



# Impact management

GRI 2-12 / 2-13 / 2-16 / 2-23 / 2-24 / 2-25 / 2-29

The impacts inherent to the industrial and retail sectors have been addressed responsibly by the Tramontina Group since it was founded, but it was by identifying the most relevant sustainability issues that the Company raised the bar in its strategic vision for business challenges. In this process, management practices, combined with the consolidated and decentralized operations of the companies, contribute to a specialized outlook capable of identifying the opportunities and challenges for each operation.

The Board of Directors holds a crucial position in aligning this scenario. Every two months, the body meets with the unit directors, who report on the progress of matters relevant to the business and complex issues in their units. At this time, the Company's main guidelines and policies are also discussed, as well as each company's adherence to its commitment to ESG best practices and the Group's vision.

Other matters are addressed by each division, which is responsible for dealing with complaints related to operation of the unit, given its knowledge of its surroundings and operations. For this, they rely on technical teams from the unit.

There is no numeric mapping of crucial concerns reported to the Board of Directors. However,

the Conduct Manual provides guidance on this process: "All Company employees and areas must act with integrity and transparency, applying the best corporate governance practices. That also means periodically and routinely providing clear, accurate, accessible and complete information to the Board of Directors" – Conduct Manual, version 2022.

The Committees assist the Board and Divisions with the flow of impact-related decision making, a function favored by the presence of some directors on certain committees. In addition, the help to define corporate guidelines, which are followed by the units. Financial, HR, ESG, Environmental and Ethics Committees are examples of this governance body.

The positive performance of companies with this management model is evidenced by compliant operations, alignment of conduct and efficient communication processes, for which Tramontina has corporate resources.

An essential management tool, the Conduct Manual emphasizes the principles guiding Tramontina's relations with all its stakeholders. In doing so, it strengthens the corporate culture of ethical behavior to build a fairer and more responsible society. Transparency and knowing

people's worth are core values governed by the Manual. In this regard, the Tramontina Group emphasizes respect for the Universal Declaration and adopts measures to prevent the exploitation of workers, such as checking supplier documentation. Therefore, it does not practice forced and/or child labor, nor does it maintain relations with companies or people who disrespect this conduct. It also works against discrimination and advocates for an inclusive environment. The Company respects Article 6 of the Brazilian Federal Constitution, which establishes the social and fundamental right to work for people in situations of socio-economic vulnerability, ensuring their social reintegration.

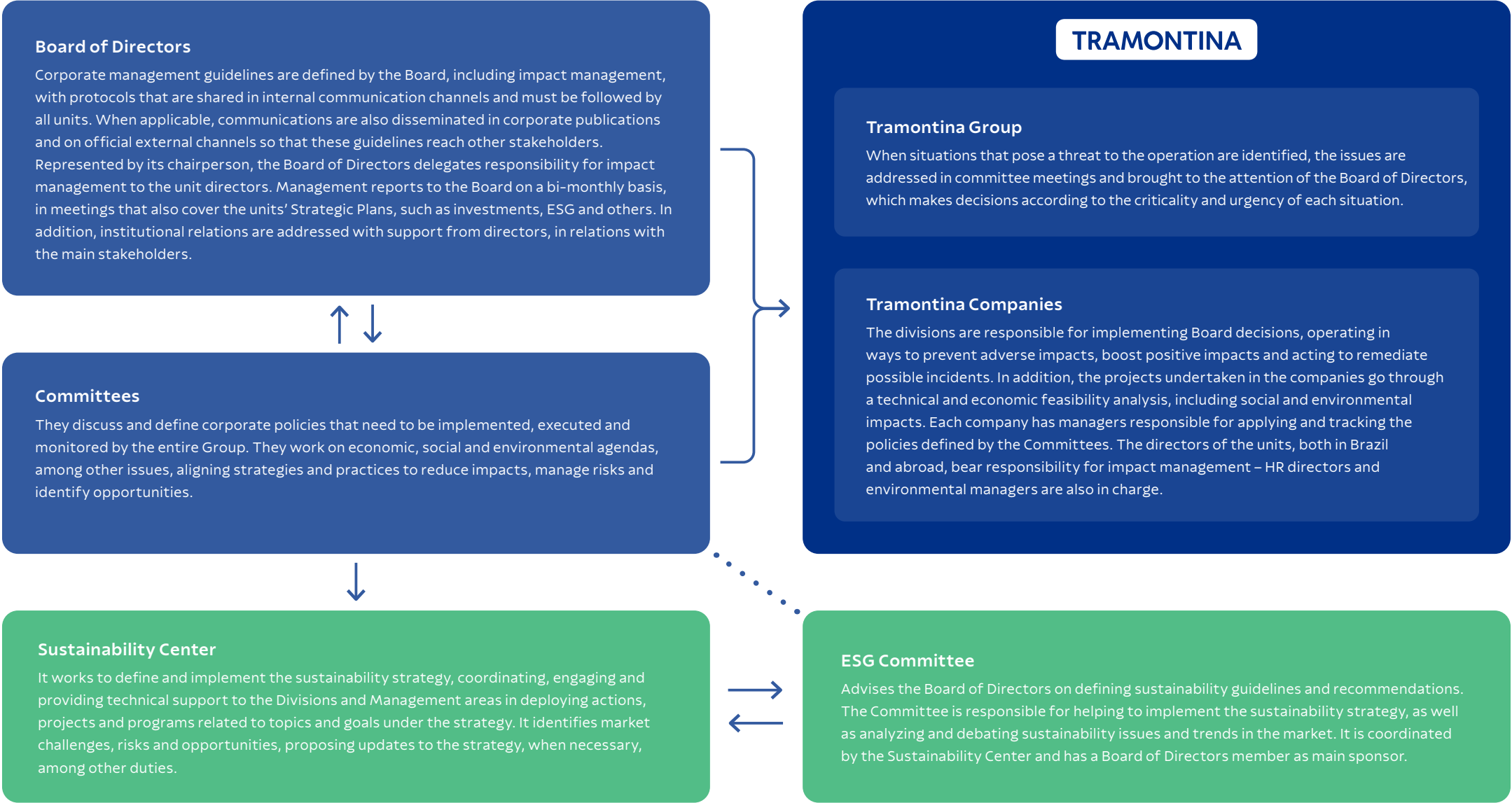
The Manual is monitored by managers and by the Ethics Committee. In addition, Tramontina employees participate in a training program that covers technical, compliance, management and other topics. These measures aim to ensure that internal and external stakeholders adhere to the Company's corporate positions.

The possibility to communicate irregularities by any party is crucial in impact management. For this reason, Tramontina provides a Whistleblowing Channel, an independent, confidential and impartial tool. It also ensures protection against any form of retaliation against whistleblowers.

The Privacy Policy seeks to ensure the best practices for the use, processing and protection of personal data. In addition to preventing negative impacts on its stakeholders, it complies with Brazilian legislation. The Policy covers employees, interns, statutory directors and contractors.

In 2023, with the approval of a corporate Sustainability Policy, the Group expanded its governance and management tools and guidelines. The Policy lays out and reinforces the Company's commitment to sustainable development, directing the business toward properly addressing environmental, social and governance risks, impacts and opportunities with the potential to generate positive transformations in the business and value for stakeholders. It also favors impact management by establishing governance responsibilities related to the topic.

# Governance and impact management flow



## Stakeholder engagement

GRI 2-29

Generating engagement with stakeholders is key to the assertiveness of actions and the creation of a favorable environment for business development. In this context, transparency is the catalyst for lasting relationships of trust that generate long-term value for Tramontina both in Brazil and abroad, positioning it favorably and ensuring that decisions are made based on facts.

This makes it possible to mitigate risks and negative impacts and identify opportunities for generating a positive impact, maintaining trusting relationships and aligning expectations. This is why Tramontina ensures meaningful engagement with its stakeholders in an honest, transparent and respectful manner. This positioning applies from the

delivery of a product with the expected quality to the customer, through involving employees in decision-making and in meeting their expectations, to compliance with legislation relevant to the business.

Engagement is carried out through the Company's communication channels, such as workplace, the website, social networks, sustainability report, as well as meetings with the Board of Directors and Committees, training, employee participation in representative entities and research with the surrounding community. Customers and other stakeholders are informed and engaged through marketing actions, product labeling, advertising campaigns and merchandising.

*The Sustainability Strategy is also an important tool for strengthening Tramontina's relationship with all its stakeholders, as it mobilizes to create uniformity between business units and a point of information convergence through the Corporate Sustainability Center.*

# Strategies and processes for identifying and remedying negative impacts

GRI 2-25

Tramontina also stands out for its commitment to social and environmental responsibility, especially in the way it identifies and manages the negative impacts of its operations. This commitment is evidenced by a number of strategies and processes aimed not only at preventing these impacts, but also at remedying them when they occur. Through an integrated approach, the Company identifies and remedies negative impacts, anticipating potential problems.

*With strategic planning, strict controls, training, feedback mechanisms and the active involvement of stakeholders, Tramontina has established an operating model that combines productive efficiency with an ethical and responsible attitude toward society and the environment.*

We detail these strategies and processes below, demonstrating the proactive approach to this crucial aspect of its operation.

### SWOT Strategic Planning and Analysis

Tramontina applies Strategic Planning in its manufacturing operations, which includes mapping impacts through SWOT analysis (Strengths, Weaknesses, Opportunities, Threats). This process makes it possible to identify the main impacts and generate specific Action Plans, which are continuously monitored to ensure the effectiveness of the measures.

### Environmental and Safety Controls

The Company adopts strict environmental controls, including specific licensing and legislation. These controls cover everything from operations to the monitoring of effluents, emissions and waste, ensuring responsible environmental management. For employee safety, it implements the Occupational Health Medical Control Prevention Program (PCMSO) and the Environmental Risk Prevention Program (PPRA), among others.

### Emergency Brigade Training

Tramontina invests in training emergency brigade members to respond to negative risks, whether environmental, to property or to people, ensuring

an effective response to emergencies and greater safety for the surrounding community.

### Complaint Mechanisms

The Group has established reliable mechanisms for identifying and addressing complaints, including the Whistleblowing Channel and the Tramontina Customer Service Center (CAT), in addition to proving channels for direct communication with managers and the HR department. These mechanisms are essential for receiving and processing information, ensuring confidentiality and security for whistleblowers.

### Community Improvement Initiatives

Tramontina endeavors to anticipate potential negative impacts through initiatives that benefit the surrounding community, such as participating in projects to expand roads, supporting improvements in health and education, and encouraging the development of infrastructure, such as bike paths.

### Stakeholder Engagement

The Company actively involves stakeholders in the design, review, operation and improvement of mechanisms for ensuring the safety of its employees. Implementation of the Sustainability Strategy and creation of the Communities Work Group (WG) are examples of how Tramontina

seeks greater stakeholder involvement, aiming for more effective and inclusive communication.

### Effectiveness Assessment and Report

The effectiveness of complaint mechanisms and remedy processes is tracked and evaluated on a continual basis. The information received is used to review and improve internal procedures, ensuring that corrective actions are effective and that the Company's ethical culture is upheld. The Climate Survey is an example of how Tramontina measures the effectiveness of its actions, with results reflected in operations and perceived by employees.

## Indirect Economic Impacts

GRI 203 / 203-2

Tramontina's impact extends beyond its direct sphere of activity, significantly influencing the economic and social development of the communities where it operates. Although the Company admits that it does not have a specific methodology for assessing indirect economic impacts, its actions reflect a deep awareness of the importance of these effects. It not only contributes to local economic growth by creating jobs and fostering entrepreneurship, it also invests in social development and training for the workforce.

The Company thus takes an indirect approach to understanding its indirect economic impacts, mainly through interaction with the community. With the Communities WG, set up in 2023, it sought to formalize dialogue with members of the community to identify their needs in terms of infrastructure and services. This initiative is supplemented by feedback received from employees, customers, suppliers and established communication channels, such as the Tramontina Customer Service Center (CAT) and the whistleblowing channel.

The indirect economic impacts identified by Tramontina include:

- **Social and Economic Development:** The generation of more than 10,000 jobs contributes significantly to the economic strengthening of local communities, increasing family incomes and boosting local commerce and services.
- **Fostering Entrepreneurship:** Tramontina's need for products and services encourages local entrepreneurship.
- **Professional Training and Development:** Investments in training and development are reflected in the community's improved professional and personal skills.
- **Tourism:** The presence of Tramontina factory stores drives local tourism and benefits hotels and restaurants.
- **Tax Collection:** The Company's tax contributions go back into investments in infrastructure and public services, raising the Human Development Index (HDI) of the cities where it operates.

Tramontina also recognizes the importance of indirect economic impacts for aligning with stakeholder expectations, standards, protocols and national and international policy agendas.

*Through its responsible practices and up-to-date tax payments, the Group contributes to building a sustainable development chain, involving its suppliers and binding them to adopt similar stances in favor of the community.*

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