



SUSTAINABILITY REPORT 2020

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PRESENTATION

The global challenge represented by the pandemic of the new coronavirus SARS-CoV-2, which causes Covid-19, brought profound changes in the daily life of society and in Porto Seguro's relations. All of a sudden, people had to follow security protocols, work in a home office regime - in addition, of course, to becoming more attentive to their own health. At the same time, companies in the most different segments had their activities suspended or reduced, with impacts on the employment and consumption levels of the population.

In the midst of the turbulence, Porto Seguro knew how to sail on troubled waters, maintaining its commitment not only to being an agent in the process of transforming society towards a more sustainable model, but also to support its customers to also go through this difficult period. Initiatives launched and/or updated in 2020, and narrated in this report, are just current examples of how the company does not dispense with its socially responsible action - which has already been part of its DNA for decades.

If the Covid-19 pandemic provoked a reflection, it was that the path taken by Porto Seguro for a long time is the correct one - in the sense of always strengthening its commitment to the accessibility and sustainability of its businesses. The company is constantly reinventing itself, updating itself, acquiring new knowledge and approaches, because it understands that the search for new solutions is the means of continuing to be a safe haven for this and for the next generations.

MESSAGE FROM THE PRESIDENT

[GRI 102-14]

Dear readers,

This was a very difficult year for the world in general, and for Brazil in particular. The emergence and rapid spread of Covid-19 has brought sadness to many families, and has transformed the daily lives of people and businesses around the world. We, at Porto Seguro, sympathize with all the relatives and friends of the victims of this pandemic, and we will continue to do our part, helping all of us to get through this moment of uncertainty. Because, at the end of the day, this is the group's main goal: to support people and companies, providing means and solutions so that they can protect their lives and their assets.

And this goal has become more important than ever in this challenging year. One of our initiatives was the creation of the Meu Porto Seguro program, through which we made 10 thousand new temporary jobs available to people who lost their jobs during the pandemic. We also adopted measures to protect our main asset, which are Porto Seguro's employees: we applied the home office regime to a substantial portion of our workforce and we joined the #NãoDemita [#Don'tFire] initiative, in order to preserve the jobs and income of our employees.

We maintained our projects and actions with communities closest to the company, and Porto Seguro Institute continued with its training activities, education for children and fundraising for social projects, among other activities. The volunteering initiatives of the company's employees also responded to this critical moment, as well as socio-environmental education and eco-efficiency actions. In parallel to these activities, we also continued to provide training and events for our service providers, in order to offer increasingly better services to Porto Seguro's customers.

We have made significant progress with the launch of the first electric winches fleet in the country, which makes it possible to reduce our environmental impacts, and the creation of the Diversity Committee, which has been consistently bringing up this topic for the governance of our company.

The financial results we achieved in 2020 are proof that, with the support of solid strategic planning and the strong union that we have with all our employees, brokers, suppliers and partners, it is possible to go through this period of unprecedented health and economic crisis. Even taking into account the changes in the markets in which we operate, it was possible to

maintain the consistent growth in revenue that we have observed in recent years, with a total 3.5% higher than in 2019. The same happened with our recurring profit, which was already the highest in the historical series in 2019, and which grew by 22.27%. As a result, our profitability level reached 24.1% in 2020.

Our great challenges now are to increasingly incorporate the issues of the Environmental, Social and Governance (ESG) theme throughout our management. Sustainability governance and social and environmental responsibility are essential to ensure this, and also to monitor the impacts generated in our value chain as a whole. In addition, it is essential that our businesses become increasingly integrated; this will allow us to place the customer in a more prominent position in our decisions about products and services. An example of this is the integration of our databases, which will make it possible to provide offers more aligned to their needs and desires. In addition, the use of digital initiatives is the way to increase our efficiency and also bring more enchantment to their journey.

Our 2020 numbers and actions provide the basis for strengthening the company's main commitment - which is to continue to be, more and more, a safe haven for everyone with whom we relate. And also



to contribute, anyway we can, so that Brazil can overcome this challenging moment.

Enjoy your reading!

Roberto Santos
Chief Executive Officer

About us

With over 75 years of story and a performance on four pillars business strategies: Insurance, Health, Products Financials and Services, the company operates in Brazil and Uruguay.

MATERIAL THEMES:

- Ethical and transparent corporate governance
- Economic-financial performance
- Opportunities for positive impact and inclusive business



The company

Porto Seguro S.A. is a publicly-held corporation, headquartered in the central region of São Paulo (SP), whose shares are traded on the Novo Mercado of Brasil, Bolsa. Balcão. (B3) under the acronym PSSA3. [\[GRI 102-1, 102-3, 102-5\]](#)

Created to concentrate the shareholding control of Porto Seguro Companhia de Seguros Gerais and its subsidiaries, Porto Seguro started its activities in 1945, with only 25 employees. Currently, the group consists of 27 companies, has approximately 13 thousand employees, and serves a base of 8.4 million customers, through a network of 35 thousand brokers and 12 thousand service providers. Considered the 16th most valuable brand in the country, Porto Seguro is more than an insurance company: it is an ecosystem of protection services solutions with embedded technology, to improve and facilitate the customer experience. [\[GRI 102-7\]](#)

The company's operations nowadays focus on four strategic business pillars - Insurance, Health, Financial Products and Services –, covering the entire national territory, and also operating in the automotive insurance market in Uruguay. [\[GRI 102-4, 102-6\]](#)

Porto Seguro is recognized for the services it offers and for its ability to undertake and create solutions that meet the needs of the various audiences

with which it relates. The innovations that the company has presented in almost eight decades of operations have enabled not only greater loyalty to its customer base, but also the maintenance and expansion of the positive perception society has in relation to Porto Seguro.

Sectorial participation and external commitments

[\[GRI 102-12, 102-13\]](#)

Always attentive to the direction of the markets in which it operates, Porto Seguro seeks to participate in the main sectorial discussions in relevant entities. The company occupies the boards of the National Confederation of Companies in General Insurance, Private Pension and Life, Supplementary Health and Capitalization (CNseg), of the National Federation of General Insurance (FenSeg), of the National Federation of Private Pension and Life (FenaPrevi), of Union of Insurance and Reinsurance Companies (SindSeg) of the states of São Paulo, Rio de Janeiro and Espírito Santo, of the National Federation of Supplementary Health (FenaSaúde) and of the Council for the Insurance of Personal Damage Caused by Motor Vehicles (DPVAT). In addition, Porto Seguro integrates commissions at FenSeg and CNseg.



In addition to this intense participation in the main entities related to the insurance sector in Brazil, Porto Seguro also integrates international initiatives aimed at sustainable development and cultural preservation. Since 2013, the company has been a signatory to the Principles for Sustainable Insurance (PSI), composed of four principles aimed at inserting environmental, social and governance issues in decision making, in the relationship with customers and the government, in addition to transparency in the dissemination of practices and results.

Porto Seguro also carries out initiatives in line with the Sustainable Development Goals (SDGs), the global agenda of the United Nations (UN) with goals to be met by 2030. Currently, the company's projects contribute to the achievement of 13 of the 17 SDGs. The company is committed to the United Nations Educational, Scientific and Cultural Organization (Unesco) in collaborating for the preservation of humanity's cultural heritage - such as the Iguazu Falls, in Brazil, and the Palace of Versailles, in France, among others.

Main highlights 2020

8.4
million
CUSTOMERS

13
thousand
EMPLOYEES

61
BRANCHES

13
million
HUMAN SERVICES

24
million
DIGITAL SERVICES

1/3
OF SERVICE
CALLS FOR CARS
AND HOMES VIA
WHATSAPP

35
thousand
PARTNER BROKERS

12
thousand
EXCLUSIVE SERVICE
PROVIDERS

304
AUTOMOTIVE
CENTERS

79
QUICK SERVICE
CENTERS

1.5
million
HOME SERVICES

2.8
million
RESCUES SERVED
BY TOW TRUCKS

5.4
million
INSURED
VEHICLES

27.3%
MARKET SHARE² OF
AUTO PRODUCTS

266
thousand
LIVES INSURED BY
HEALTH INSURANCE
AND 596 THOUSAND
LIVES IN DENTAL
INSURANCE

6
million
LIVES INSURED
BY PERSONAL
INSURANCE

136
thousand
ACTIVE PARTICIPANTS
IN PENSION

R\$18.3
billion
IN TOTAL
REVENUE

R\$15.5
billion
IN EARNED
PREMIUMS

R\$1
billion
IN FINANCIAL
OUTCOME

R\$ 840
million
INSURANCE

R\$ 200
million
OTHERS

R\$1.4
billion
IN NET PROFIT
(WITHOUT BUSINESS
COMBINATION)

What has been done at the Covid-19 pandemic?

2020 was marked by the Covid-19 pandemic. Porto Seguro, committed to its role of supporting its audiences and guaranteeing security for all, has worked towards reducing the impacts brought about by the new coronavirus as far as possible. The following is a summary of the main initiatives related to the subject:

Employees

- More than 8 thousand employees working in home office;
- Adherence to the #NãoDemita [Don't Fire] movement;
- With "Alô Saúde", Porto Seguro Saúde employees and customers had at their disposal a team of professionals, available 24 hours a day, in case of doubts about the disease or symptoms of Covid-19.

Customers

- Conduction of periodic satisfaction consultations;
- Creation of a new pricing system during the pandemic.

Partnership with female entrepreneurs

During the quarantine period, eight seamstresses from Escola Empreendedora [Entrepreneurial School], a Porto Seguro Institute project that trains women in the industrial sewing area, signed a contract with Porto Seguro for the production of 5,600 protection masks.

Service providers

- Supply of alcohol gel hand sanitizer, as well as a new institutional manual from Porto Seguro Saúde;
- Distribution of masks;
- Suspension of the signature of the Digital Report;
- Creation of a Portoseg credit line, especially for managing providers, also aimed at brokers;
- Extension of Portoseg's financing contracts;
- Adaptation of the courses of Escola de Prestadores [Providers School] for an online platform;
- Liberation of the Fleury/Santecorp call center for free, for questions and guidance.

Society

Meu Porto Seguro Program offered 10,000 temporary jobs, providing training and income generation for people who lost their jobs during the pandemic.

Institutions in Campos Elíseos

Conduction of a fundraising campaign to distribute basic food baskets and hygiene kits.

Brokers

- Appreciation of their role in the company;
- Provision of an emergency line of credit;
- Creation of an Instagram profile directed exclusively to brokers, in order to strengthen the relationship with this audience.

Retailers in Campos Elíseos

Through Campos Elíseos +gentil Association, Porto Seguro established a partnership with some commercial establishments in Campos Elíseos, in order to offer discount coupons of R\$ 30, R\$ 50 and R\$ 100 to its employees.

Gas stations

Delivery of about 100 thousand bottles of alcohol gel hand sanitizers at 227 Shell stations, in the states of Ceará, Espírito Santo, Rio de Janeiro and São Paulo, in partnership with Raízen and Natura.

Brief history

These highlights are just the most recent in a trajectory of more than 75 years - since, in August 1945, a small insurance company called Porto Seguro Companhia de Seguros Gerais was founded in São Paulo. With a team of just 25 employees, it starts to gain market space, and opens its first branch two years later, in Rio de Janeiro. In 1949, it became Grupo Segurador Porto Seguro, composed of the insurance companies Central, Porto Seguro and Rochedo.

Maintaining its growth in the following years, in 1972, Porto Seguro already occupied the 44th place in the ranking of insurance companies by volume of retained premiums. In the same year, its shareholding control passes to Abrahão Garfinkel, former superintendent director of Grupo Atlântica Boavista de Seguros, and a strategy is put in place aimed at making brokers great partners and allies to the insurance company. It is also during this period that the group started to act more significantly in the car market: in 1975, it acquired Central Veículos, a Volkswagen dealership, and in the following year it opened the Porto Seguro Consórcio subsidiary. Four years later, a team of approximately 500 employees was working in five branches.

In the mid-1980s, the group started offering a 24/7 service and gained more space in the market, always launching new products and solutions

for its policyholders. In 1995, when it completed 50 years of activities, it already occupied the fifth position in the ranking of insurance companies by volume of retained premiums, held 17 branches, 44 regional offices and 2,797 employees. That same year it arrives in Montevideo (Uruguay), through a subsidiary that started its operations selling auto insurance policies.

This vertiginous growth in the Brazilian insurance market has earned Porto Seguro several acknowledgements, both due to the quality standard of its services and the reliability of its brand and its working environment, among others. And the trajectory continued into the 21st century: in 2003, the group bought the subsidiary of the French multinational AXA Seguros in Brazil, which became known as Azul Seguros in the following year. Also at that time, Porto Seguro went public on the stock exchange, having shares traded on the São Paulo Stock Exchange (Bovespa, now B3) and becoming the first insurance company to enter the Novo Mercado, a segment that brings together companies with high standards of corporate governance and transparency.

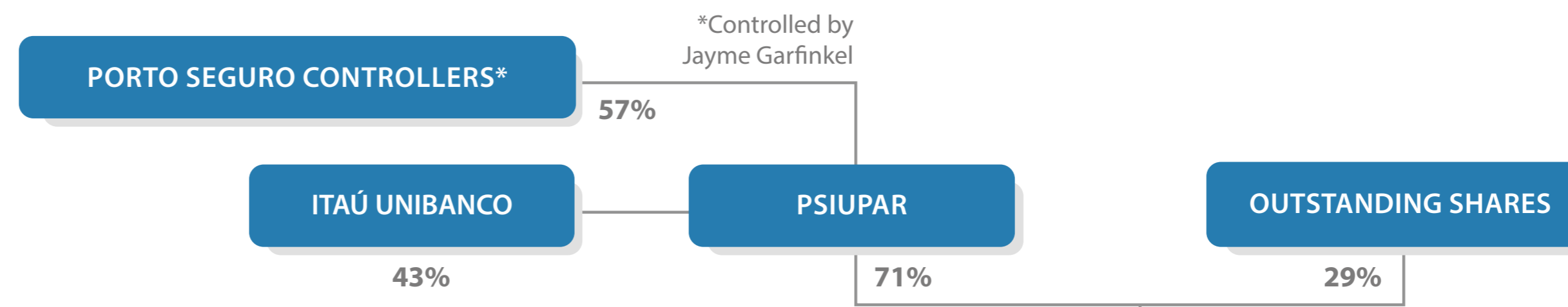
In 2009, a partnership with Itaú Unibanco allowed Porto Seguro to take control of the insurance policies of Itaú Auto and Residência clients, further strengthening the group's position in the

market. Three years later, it also started to operate in capitalization bonds, through Porto Seguro Capitalização. In 2016, it incorporated the car customer base of Chubb and AIG Seguros Brasil.

Attentive to the evolution of society, Porto Seguro also innovated in the field of sustainability. In 2017, the group launched Frota Elétrica [Electric

Fleet], through which its service providers began to use means of transport such as electric motorcycles, cars and bicycles, in addition to public transportation. In 2020, the first (and only) electric powered winch started operating in Brazil - demonstrating that, at the age of 75, the group is always in tune with the needs and demands of society, evolving along with it.



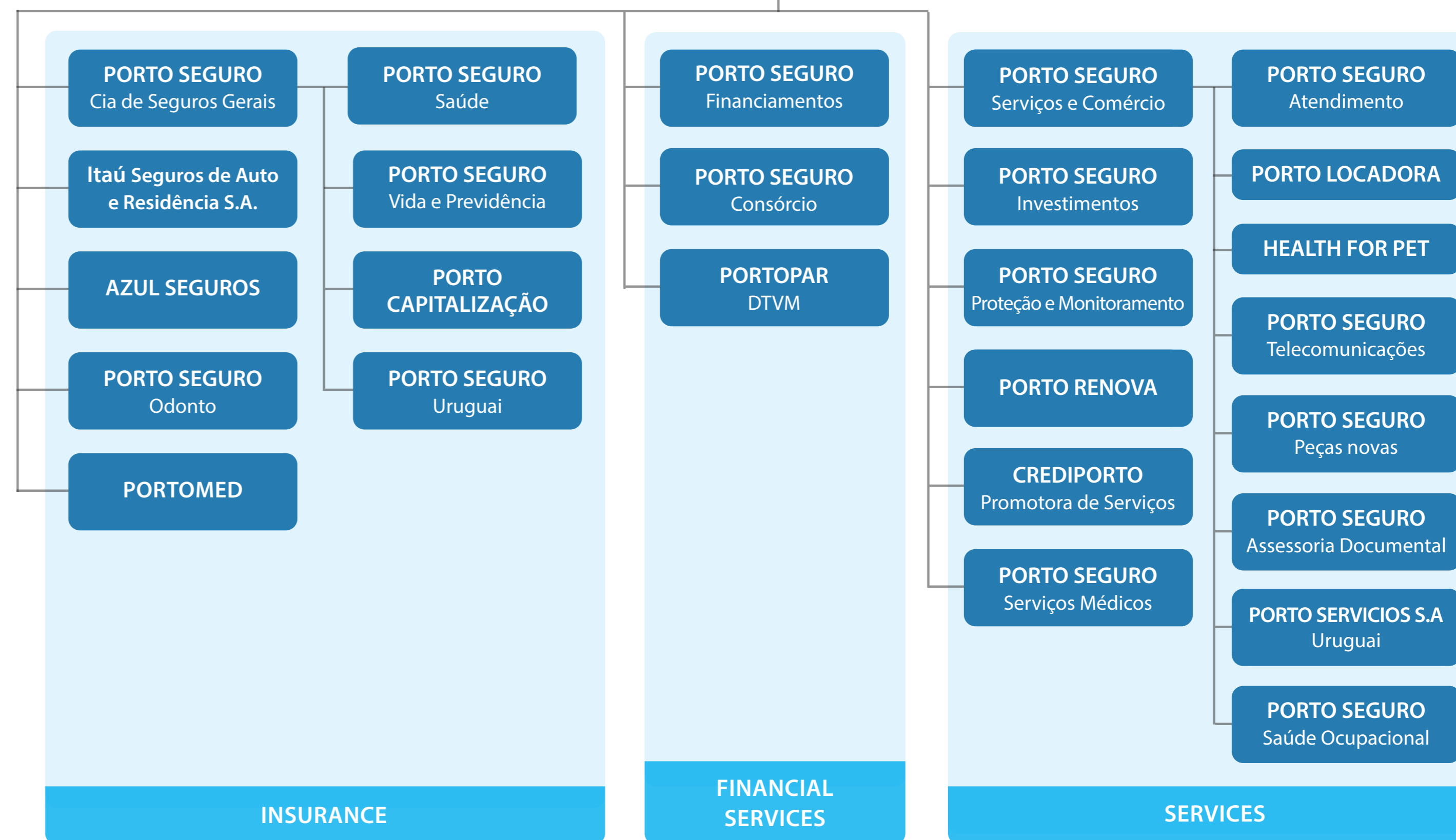


Group companies

The expansion of Grupo Porto Seguro’s activities throughout its history has resulted in a company that brings together 27 subsidiaries, organized into three divisions: Insurance (formed by the subsidiaries that operate directly in the automobile, home, health, dental and life and pension markets, among others), Services (such as protection and monitoring operations, occupational health and parts recycling, for example) and Financial Services (such as activities related to consortium, financing, credit cards and investment management).

The Group’s corporate structure is controlled by the Garfinkel family, with 57% of the company’s share capital, and Itaú Unibanco, with 43%, representing 71% of the company’s controlling shareholders. The rest, 29%, are shares in circulation at B3.

[GRI 102-18 e 102-22]



Responsibility for the products

[GRI 102-15; 103 | 417; 417-1; 417-2; 417-3]

In its more than 75 years of history, Porto Seguro has always had the quality of its products and services as one of its most solid commitments. This need has become increasingly important, especially as the company has diversified its areas of operation. And it has earned the company acknowledgement from society, which perceives it as reputable and trustworthy.

When developing new products and services, the company applies its mission and values to the requirements established by the legislation and by the various regulatory bodies in the sector that are responsible for the control and inspection of the insurance, open private pension, capitalization and reinsurance markets - such as the Superintendence of Private Insurance (Susep) and the National Council of Private Insurance (CNSP), for example. It also subscribes to the Principles for Sustainable Insurance (PSI), developed by the United Nations Environment Program Finance Initiative and which consist of a framework for the global insurance market to address environmental, social and governance risks and opportunities.

The different areas of Porto Seguro are responsible for managing the impact of products and services, according to the specificity and strategic direction of each one. An important metric, which helps the company to monitor these impacts, is the rate of complaints - which annually indicates whether the level of service is considered good or not by customers. In 2020, there were no cases of non-compliance with product and service labeling information or company marketing communications.

2020 AWARDS

Porto Seguro received several acknowledgements in 2020, in different categories, notably:



Marcas Mais Valiosas do Brasil 2020 (Interbrand)



Estadão Finanças Mais (O Estado de S. Paulo) – Car Insurance



Marcas Mais (O Estado de S. Paulo) – Insurance Companies



Top Of Mind (Folha de S. Paulo) – Insurance



Ranking Maiores e Melhores (Exame) – General Ranking and Insurance Companies



Prêmio Mobilidade (O Estado de S. Paulo) – Car



Melhores Serviços (O Estado de S. Paulo) – Insurance, Home and Car



Marcas Mais Amadas pelos Cariocas (O Globo) – Best Insurance Company

Corporate Governance



Porto Seguro operates under the philosophy of ethics and integrity. All the employees, processes and company policies are guided by that. Ethics and responsibility are what guides the essence, values and conduct of the company.

MATERIAL THEME:
• Ethical and transparent corporate governance



Governance bodies

[GRI 102-18; 102-22; 102-24]

Porto Seguro has a firm commitment to corporate governance - and is keen to adopt the best practices in the market, thus enabling a transparent and long-term relationship with its shareholders and investors. The group's shares are traded on the Novo Mercado, a segment of the São Paulo Stock Exchange (B3) that brings together companies that meet corporate governance requirements recommended by the Brazilian Institute of Corporate Governance (IBGC).

Porto Seguro is managed by a Board of Directors and an Executive Board, in addition to a Supervisory Board.

- Patrícia Muratori Calfat, independent adviser
- Paulo Sérgio Kakinoff, independent adviser
- Pedro Luiz Cerize, independent adviser

Board of Directors

Responsible for establishing general company policies, electing directors, supervising management and approval of certain company operations. The directors are elected during the ordinary general shareholders' meetings to serve two-year terms, with reelection permitted; and can be removed by the shareholders at any time. Currently, the Board of Directors has the following composition:

- Bruno Campos Garfinkel, Board Chairman
- Marco Ambrogio Crespi Bonomi, Board Vice Chairman
- Ana Luiza Campos Garfinkel, adviser
- Andre Luis Teixeira Rodrigues, adviser

Executive Board

Executes the decisions of the Board of Directors, as well as the day-to-day management of the company; each director also has individual responsibilities determined by the Board of Directors. Its composition is made up of three to nine members, elected for a one-year term (reelection permitted) and removable at any time by the Board of Directors. Currently, the composition of the Executive Board is as follows:

- Roberto Santos, CEO and Investor Relations Officer
- Marcelo Barroso Picanço, Insurance vice chairman
- Celso Damadi, Finance, Controllership, Investments vice chairman



- Lene Araújo de Lima, Corporate and Institutional vice chairwoman
- José Rivaldo Leite da Silva, Commercial and Marketing vice chairman
- Marcos Roberto Loução, Financial Business and Services vice chairman

Supervisory Board

Independent body of the company's management and independent auditors, responsible for supervising the acts of the managers; opine on

certain proposals of the management bodies to be submitted to the general meeting for resolution; examine the company's financial statements; and report to the management bodies and the general meeting any errors, fraud or crimes of which they are aware. Its members are elected during ordinary general shareholders' meetings to serve two-year terms, and may be reelected. The current composition is as follows:

- Alfredo Sérgio Lazzareschi Neto
- Edson Frizzarim
- Andréa Noceto Degli Oddi

Committees

In order to make the governance process more efficient, the company's Board of Directors has eight committees, with auxiliary technical and advisory functions, which allow the improvement of Porto Seguro's corporate governance. They are the following:

Audit Committee: On a permanent basis, its main objective is to advise the Board of Directors, assessing, monitoring and recommending full compliance with the legal and normative provisions applicable to Porto Seguro and its subsidiaries, as well as its internal control systems, its financial statements. It is also responsible for hiring and for the work carried out by internal and external audits, and for the improvement of policies, practices and procedures within its area of operation.

Compensation Committee: It ensures the alignment of the compensation decisions of managers and employees of the companies that make up the Grupo Porto Seguro with the internal policies and rules that regulate the matter, as well as with the relevant legislation.

Digital Committee: Its task is to provide subsidies and information on research and technological trends, market and innovations

of new products and processes, always in line with the goals of the group's companies.

Ethics and Conduct Committee: Responsible for guiding and disseminating the Porto Seguro Code of Ethics and Conduct to all companies in the group. It also conducts investigations and proposes adjustment measures in case of breaches of the Code.

Integrated Risk Committee: It proposes action plans and guidelines, assessing compliance with risk management standards and monitoring key indicators in all companies in the group.

Investments Committee: Advises the Board of Directors regarding decisions related to the investment management of the group's companies.

Marketing Committee: Establishes the communication strategy of the group's companies to the different audiences with which they relate.

People Committee: Its purpose is to provide subsidies and information to the Board of Directors on the strategies and policies for people management of all the companies that make up Grupo Porto Seguro.

Social and Environmental Responsibility Governance

The themes of Sustainability and ESG - Environmental, Social and Governance are treated throughout the groups mentioned above or in the performance of specific themes.

Socio-environmental Responsibility Policy

The Socio-environmental Responsibility Policy was created in 2015 in order to define the principles, guidelines, responsibilities, as well as control mechanisms adopted by Porto Seguro with regard to practices for managing social and environmental responsibility. It was developed by a multidisciplinary working group composed of the areas of Corporate Risks, Compliance, Legal and Social and Environmental Responsibility, and remains under the shared responsibility of the Institutional and Human Resources departments, of which the Social and Environmental Responsibility management is part, and Controllershship and Risks.

It presents four strategic axes as direction of action for the company: environment, society, ethical relationship and business. It includes several guidelines, such as resolution 4,327/2014 of the National Monetary Council (CMN), resolution 237/1997 of the National Environment Council (Conama), the Principles for Sustainability

in Insurance (PSI), among others. In addition, it is monitored annually by the Internal Controls area, which assesses whether its procedures and responsibilities are being implemented.

As a result of the Socio-environmental Responsibility Policy, the responsible areas created a procedure in which they monitor the corporate and business indicators related to the internal governance of the ESG theme on a quarterly basis. The company's strategic areas are responsible for subsidizing it with updates and can voluntarily set annual goals. Currently, about 60% of the monitored indicators are committed to internal goals to be achieved.

For 2021, the main goal of the working group is to meet again for a more in-depth update, which will contemplate new regulations of the Central Bank, in addition to developments that the ESG vision has brought.

Governance procedures

Porto Seguro operates through a series of procedures that ensure that its corporate governance follows the highest standards of transparency and good practices. These processes are formalized through a series of documents, policies and internal codes, which govern the operation of the company and its relations with external audiences.

Bylaws

Porto Seguro's Bylaws are the main document that guides the group's operations, establishes its fields of action, describes its social capital and its internal governance, among other topics. It is through these bylaws that the attributions of the Board of Directors, the Executive Board and other levels of management of the company are established, as well as other collegiate bodies, such as the Fiscal Council and the thematic committees.

Policies

Porto Seguro formalizes its operations through a series of policies related to the various aspects of its

operations, which are updated periodically.

They are the following:

- Hiring of Independent Auditors
- Hiring of Extra-Audit Services from Independent Auditors
- Contributions and Donations
- Income Destination
- Distribution of Dividends
- Disclosure of Important Information
- Ethics and Conduct
- Risk Management
- Appointment and Succession of Directors
- Securities Trading
- Compensation of Directors
- Socio-environmental Responsibility
- Cyber Risks
- Transactions with Related Parties



Ethics and compliance

[GRI 102-2, 102-6]

In seeking to be a safe haven for its customers and a reliable partner for its various stakeholders, Porto Seguro knows that it is essential to have instruments that ensure that all of its practices are aligned with the company's philosophy. After all, all of its decisions and actions have an effect on everyone who has relations with Porto Seguro.

In order to keep this fine tuning, Porto Seguro periodically reviews its *Ethics and Conduct Policy*, in which it lists its values and principles, and establishes the rules by which its employees must guide their activities within the company.

The most up-to-date version of the text addresses the different aspects of the employees' relationship with the company - such as relationships in the workplace, access to privileged and/or confidential information, receipt of bonuses, etc. In addition, the behavior guidelines expected by the company are also exposed, with emphasis on activities arising from professional activity, such as access to information from customers or the company.

All employees receive a copy of the Ethics and Conduct Policy at the time of hiring, and sign a term of commitment to establish the adherence to the guidelines contained in the document.

Porto Seguro's business philosophy

[GRI 102-16]

The values, examples and commitments that guide Porto Seguro's employees, managers, shareholders, brokers, service providers and business partners are summarized in ten points:

- 1 Cooperation, transparency, fairness and an attitude of genuine interest are our core values.
- 2 The search for perfection requires humility, determination and patience.
- 3 Everyone has the right to participate and express their opinions, through dialogue in an egalitarian and ethical conduct.
- 4 Mistakes happen and need to be acknowledged and corrected immediately, as an opportunity for learning, improvement and growth.
- 5 The work must be carried out with enthusiasm and seen as an opportunity for development.
- 6 Everyone's dedication must go beyond the attributions of their role.
- 7 Not benefitting from the role for personal advantages and maintaining a posture of simplicity without personalism.
- 8 It is our responsibility to carry out a simple, flexible, agile and integrated administration.
- 9 Preparing successors capable of broadening the horizons of the Corporation.
- 10 Professional achievement must be the result of encouraging self-development and the search for new challenges.

Fighting corruption

[GRI 205-1]

The need to act in accordance not only with legal requirements, but also in line with the best compliance practices in the market, means that Porto Seguro also has specific rules to avoid practices related to corruption practiced against the public administration - in line with the Anti-Corruption Law (Law 12,846/2013).

For anti-corruption purposes, Porto Seguro is exposed to risk factors such as: offering and/or receiving an improper advantage to a public agency, establishing contracts with public administration in disagreement with legal requirements, inadequate diligence in contracting suppliers and third parties, and donations in disagreement with the company's internal policies, among others.

The actions taken by Porto Seguro to fight corruption are monitored by the Internal Controls and Compliance team through the performance of periodic control tests and an annual evaluation of the internal audit. In 2020, all 231 company operations carried out during the year were evaluated - and no cases of illegal activities have been identified.

In addition to these formal assessments, the company also has a corporate reporting channel, through which it is possible to identify any weaknesses and opportunities for improvement in the management of the integrity program. Reports can be made by anyone (regardless of whether or not they have a relationship with the company) using the form available on the website www.portoseguro.com.br.

In 2020, the company did not record any confirmed cases of corruption after investigations into the incidents received on the channel. [\[GRI 205-3\]](#)

Anti-corruption training

[GRI 205-2](#)

Recommendations related to fighting corruption are reinforced through mandatory training and internal policies. In 2020, live virtual trainings were applied, which covered the topics of ethics and conduct, anti-corruption, prevention of money laundering and fraud, and data protection. The training was applied to the public of company leaders (at levels of coordination up to superintendence) and also to senior management (directors, vice chairmen and president). Overall, these actions reached an audience of 2,201 people in the year.

In addition to specific training, the company also offers remote training actions, which must be carried out after hiring employees (regardless of hierarchical level) and remain available for access at any time. The topics covered in 2020 were: ethics and conduct, Anti-corruption Law, money laundering, fraud, risk management, cyber risks and General Data Protection Law (LGPD).



Risk Management

[\[GRI 102-15\]](#)

The need to protect its operations and financial results, guaranteeing its economic sustainability and the generation of value, is highly strategic for Porto Seguro. When defining risks as any effects of uncertainty on the company's goals, the company adopts a formal process for managing these impacts that aims not to eliminate them, but to minimize their possible negative effects and, at the same time, to maximize the opportunities offered by them. To manage the theme, the company has a series of principles, guidelines, actions, roles and responsibilities necessary for the identification, evaluation, treatment and control. [\[GRI 102-11\]](#)

To this end, the company uses a three line of defense approach:

1st line of defense: operational units

The executive boards and their operating units have primary responsibility for the risks that arise from their activity. Thus, it is expected that they will adopt appropriate procedures and controls so that management is in line with the guidelines defined by the company.

2nd line of defense: control functions

Control functions are responsible for guiding and supervising whether the processes and controls defined by the first line of defense are in accordance with organizational guidelines. The control functions are mainly related to the Corporate Risk Management, Compliance and Internal Controls area.

3rd line of defense: internal audit

The internal audit function acts more broadly and

independently in verifying adherence to the guidelines when assessing the effectiveness of the risk management and control environment (supervision over the first and second line of defense).

Porto Seguro's risk management policy classifies them into two main categories:

Financial risks, which are composed of:

- **Market risk:** possibility of losses resulting from changes in prices and market rates of the positions held in the portfolio;
- **Liquidity risk:** eventual unavailability of cash to meet future obligations;
- **Credit risk:** losses arising from non-compliance with obligations related to the settlement of transactions involving financial assets;
- **Counterparty risk:** non-compliance, by a certain counterparty, with obligations related to the settlement of transactions involving financial assets;
- **Concentration risk:** possibility of loss due to the concentration of credit resulting from the allocation of resources in certain counterparties.
- **Non-financial risks:** which include those caused by operational or compliance factors:
- **Operational:** include internal or external fraud, labor

or work safety practices, factors related to customers, products or business practices, damage to physical assets, business interruption or failures in the execution, delivery or management of business activities;

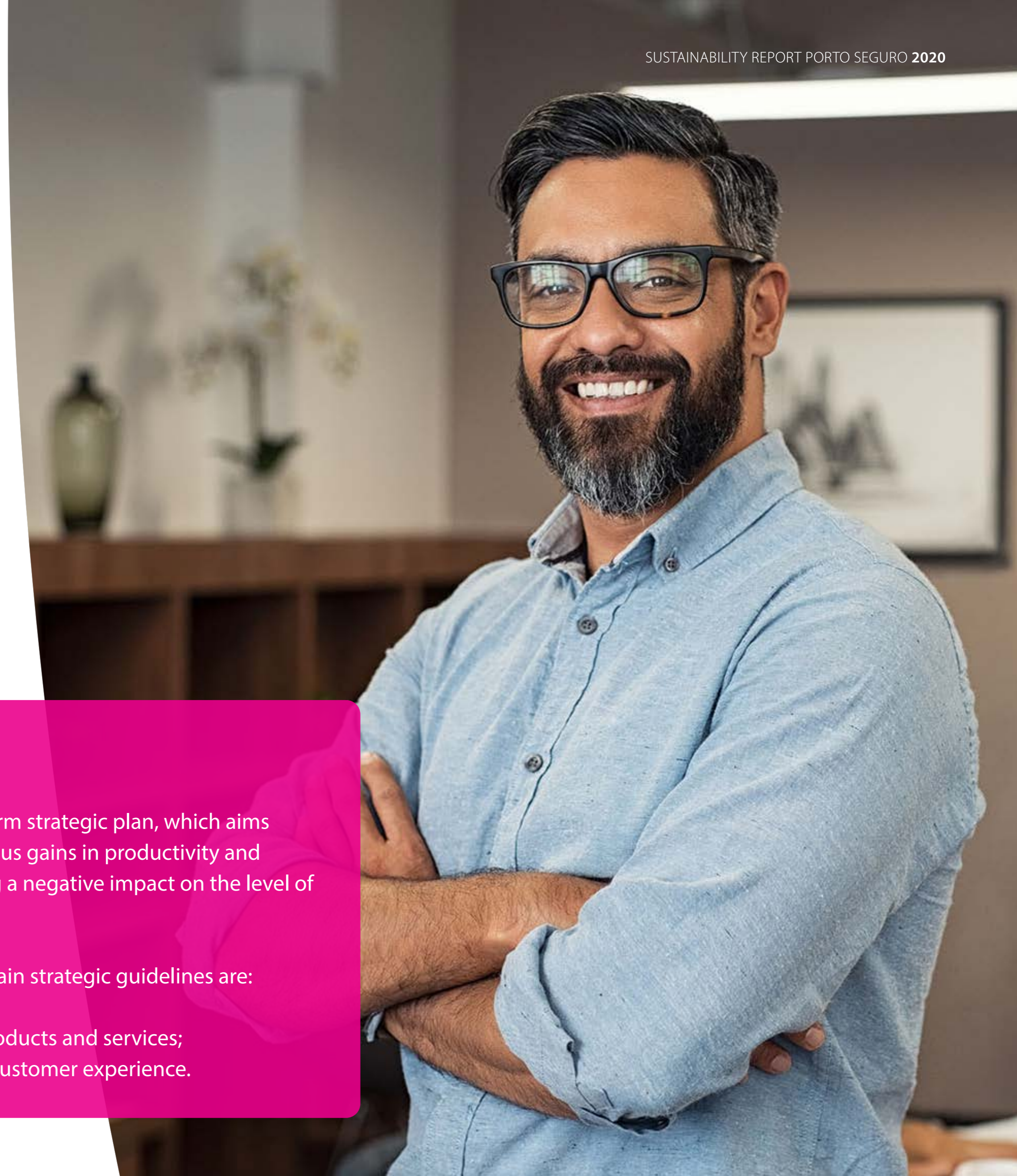
- **Compliance:** related to inadequacy or deficiency in signed contracts, and to possible sanctions for non-compliance with legal provisions or indemnities for damages to third parties.
- **Socio-environmental Risk:** risks related to social and environmental issues and, consequently, the possibility of losses resulting from socio-environmental damage caused directly or indirectly by the assessment of risks inherent to the activities carried out by clients. In addition to the **reputational risk** for Porto Seguro because it is linked to situations of potential negative socio-environmental impacts.

Strategic planning

Porto Seguro structures its actions according to a long-term strategic plan, which aims to ensure that the company continues to obtain continuous gains in productivity and sustainable growth in the market, but without this having a negative impact on the level of services offered to customers.

For the period between 2021 and 2025, the company's main strategic guidelines are:

- Double the number of customers;
- Explore the brand image through the cross-selling of products and services;
- Take care of the individualized service and the positive customer experience.



Porto Seguro's businesses

Meet the demands of customers and society do part of the management strategy of the company. This is done by means of products and services aligned with the needs of stakeholders, at the time of the country and Environmental, Social and Governance aspects (ESG).

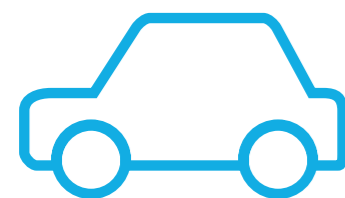
MATERIAL THEMES:

- Economic-financial performance
- Opportunities for positive impact and inclusive business



Product Portfolio

[GRI 102-2, 102-6]



Car



Carro Fácil
Car Rental



Credit card



Consortium



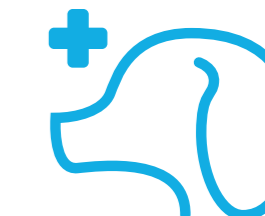
Corporate



Rent Guarantee



Financing



Health for Pet
Pet health plan



Investments



Home



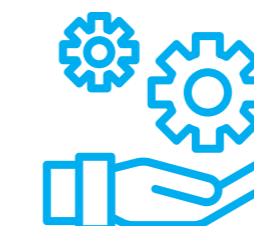
Health + Dental



Life and Pension



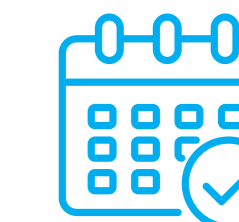
CAPS
(Porto Seguro Automotive Center)



Portable Equipment



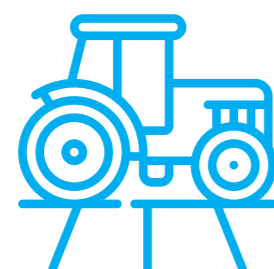
Bike



Events



Civil Responsibility



Agribusiness



Transportation



Travel Insurance



Renova Ecopeças
Renew Coparts



Porto Faz
Porto Does



Capitalization



Celular Fácil
Easy Cell Phone

Opportunities for positive impact and product innovation

Monitoring the needs of Porto Seguro's customer base means that the company constantly monitors market trends - which leads to the development of new products and services and the incorporation of innovative solutions. In 2020, the main highlights in this regard were:

- **Meu Porto Seguro:** The program offered 10 thousand jobs, providing training and income generation for people who lost their jobs during the pandemic.

- **Partnership with Volkswagen:** The initiative guarantees free insurance for one year for the Nivus car and access to the Porto Seguro app through VW Play.

- **Partnership with Estapar:** Through the Porto Seguro Auto app, customers can locate parking lots of Rede Estapar and be entitled to up to 40% discount.

- **Pix as a payment method:** The new Brazilian

electronic payment method is already accepted by Porto Seguro Auto for car insurance.

- **Azul Seguro Auto:** The contract or renewal amount can be parceled, without interest, in up to ten installments (on any card) or twelve installments (Porto Seguro Credit Card).

- **Digital Policy:** Azul Seguros policies are now 100% digital for new clients, renewals or similar renovations.

- **Auto Insurance + financing partnership:** Possibility to finance a vehicle and include the value of Porto Seguro Auto or Azul Seguro Auto in the same installment, at the time of contracting.

- **Electric winch:** Porto Seguro starts to operate the first and only winch totally powered by electricity, which emits 96% less greenhouse gases.

- **Use of WhatsApp:** A pioneer in the use of this messaging system in the insurance segment, Porto Seguro started to incorporate it as a service communication tool for the car and home segments, as well as for credit card operations. The customer can contact the company by a message, and will be served initially by a chatbot. Depending on the level of complexity of the service, they are directed to a Porto Seguro employee.

In addition, with the constitution of the Marketing Committee and the Digital Committee, in 2020 Porto Seguro started to count on the assistance of specific groups that contribute to making both its communication actions and its various specific audiences more efficient when it comes to the incorporation of technological innovations in its portfolio of products and services.

WE Ventures

The WE Ventures Fund, which focuses on investing in technology startups led by female teams (with at least a 20% stake), announced in December 2020 Porto Seguro's entry into the initiative, with a capital of R\$ 5 million. Through this investment, the company will direct resources to startups, collaborate with female entrepreneurship and will be able to learn from this experience, being able to apply it in order to grow in the insurance, financial solutions and services markets in general.



2020 financial outcome

The Covid-19 pandemic made 2020 a very challenging year for the economy in general - and for the insurance sector in particular. Responsible for important changes in the daily lives of people and companies, the new coronavirus led to changes in behavior that brought direct impacts on the use of products and services related to insurance. Physical distance, adopted as a way to reduce the spread of the pandemic, encouraged the use of virtual communication technologies, enabling remote work and reducing the use of private transport vehicles. On the other hand, health insurance coverage was more sought-after.

According to data from the Superintendence of Private Insurance (Susep), the sector's revenues last year totaled R\$ 274 billion - just 0.36% higher than the outcome of 2019. Considering only insurance activities (without VGBL), the result went from R\$ 119 billion in 2019 to R\$ 124 billion in 2020. In other words, the sector managed to maintain a position of stability, even with the uncertainties brought by Covid-19.














Even in the face of this challenging scenario, Porto Seguro was able to obtain a positive result

- the result of a solid position in the market and consistent strategic planning. In 2020, the group recorded total revenues (including insurance operations and other services, in addition to financial businesses) of R\$ 18.929 billion - 3.5% more than in 2019 (R\$ 18.296 billion). Considering the different business areas of Porto Seguro, there was a trend of stability in the Insurance area, which went from R\$ 13.42 billion to R\$ 13.4 billion (reduction of 0.1%). At the same time, growth was recorded in Health (of 11.3%, to R\$ 2 billion), Financial Business (17.5%, to R\$ 2.9 billion) and Services (22.7%, to R\$ 539.5 million).

In terms of profitability, Porto Seguro obtained in 2020 a return on average equity (ROAE) of 21.6% (2.3 percentage points above the indicator registered in 2019). The sum of operating and financial results was R\$ 1.696 billion, 22.27% more than in the previous year (R\$ 1.387 billion). As for the net income, it reached R\$ 1.688 billion, 22.4% more than in 2019 - highlighting the considerable advance in auto insurance, whose share in Porto Seguro's profits went from 31.6% in 2019 to 45.3% in 2020.

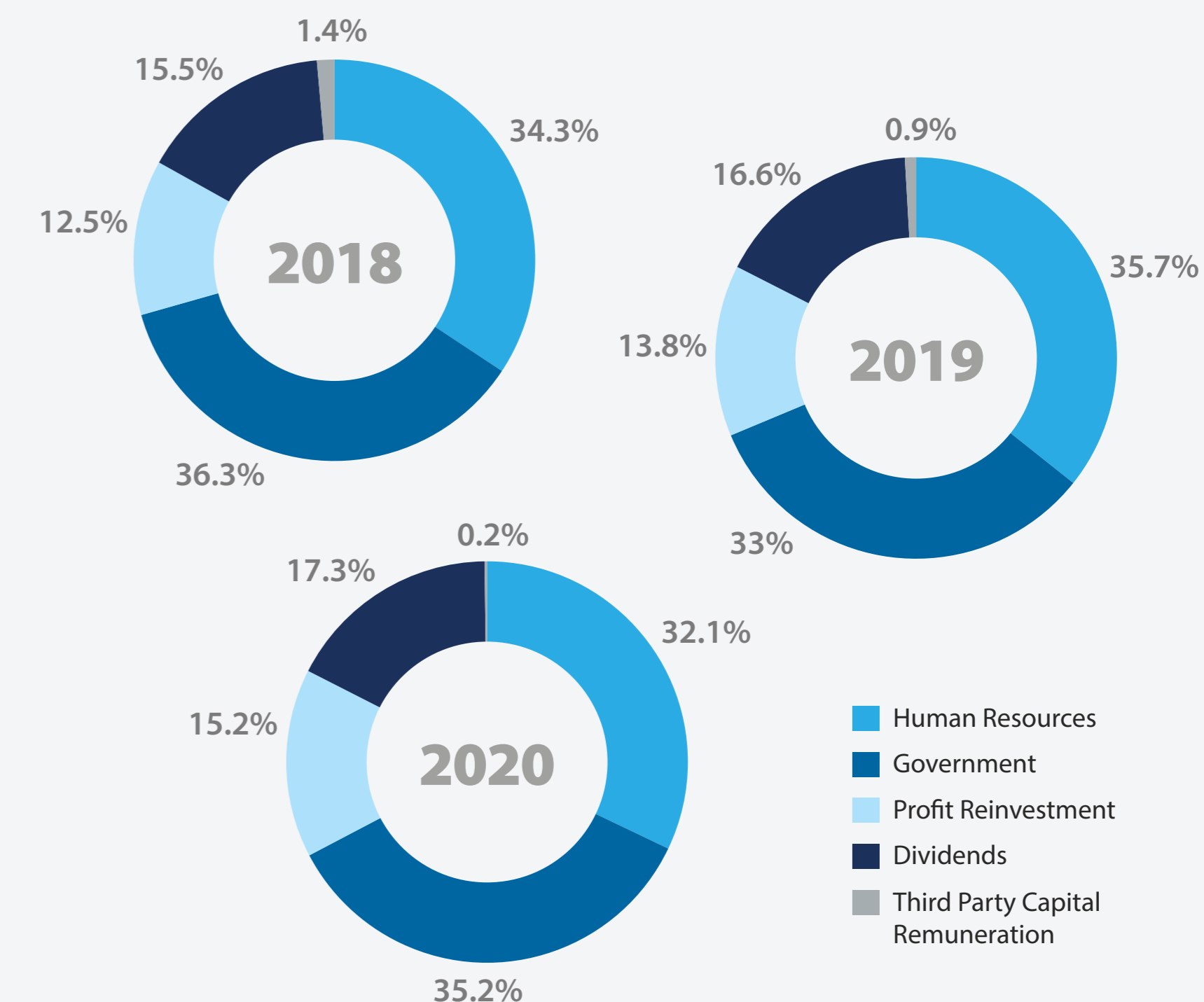


Detailed result of the main products and services

INSURANCE			HEALTH	FINANCIAL BUSINESS		SERVICES
						      
Car	Property	Life	Health + Dental	Credit Card	Consortium	
27.3% market share	9.5% market share	2.5% market share	3.4% market share	2.2% market share	8.9% vehicles 1.7% real estate market share	
R\$ 9.7 billion Premiums Issued	R\$ 1,6 billion Premiums Issued	R\$ 928 million Premiums Issued	R\$ 1,9 billion Premiums Issued	R\$ 1,7 billion Revenue	R\$ 384 million Revenue	
51% of the Total Revenue	8% of the Total Revenue	5% of the Total Revenue	10% of the Total Revenue	9% of the Total Revenue	2% of the Total Revenue	
5.4 million vehicles	2.6 million insured items	4.0 million lives insured	1.5 million lives insured	2.5 million plastics issued	170 thousand customers	

Economic value generated and distributed

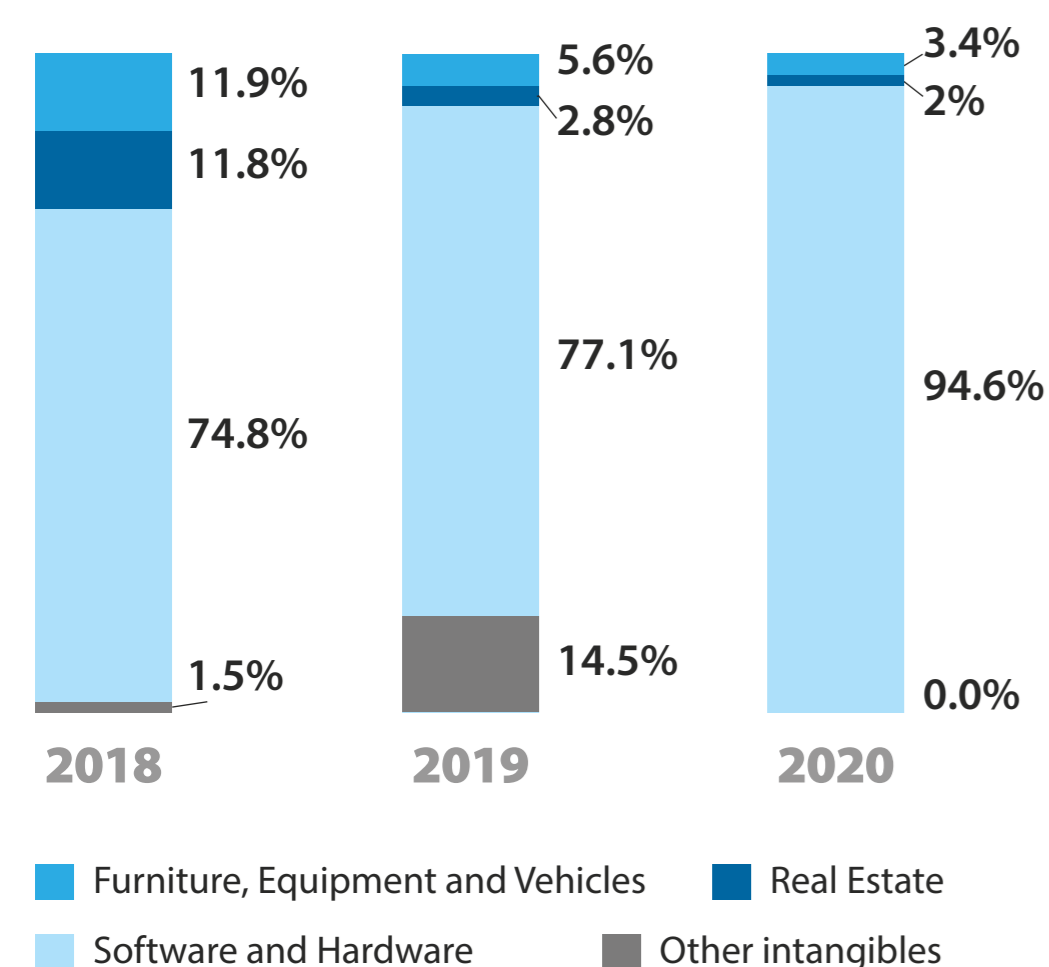
In view of these results, it was possible for Grupo Porto Seguro to register an added value of R\$ 5.19 billion in 2020 - 14.5% higher than the R\$ 4.5 billion recorded in the previous year. The largest share of last year's total continued to be directed to the government (35.2%), followed closely by the compensation of human resources working in the company (32.1%). The remainder was divided between payment of dividends (17.3%), reinvestment of profit (15.2%) and compensation of third party capital (0.2%).



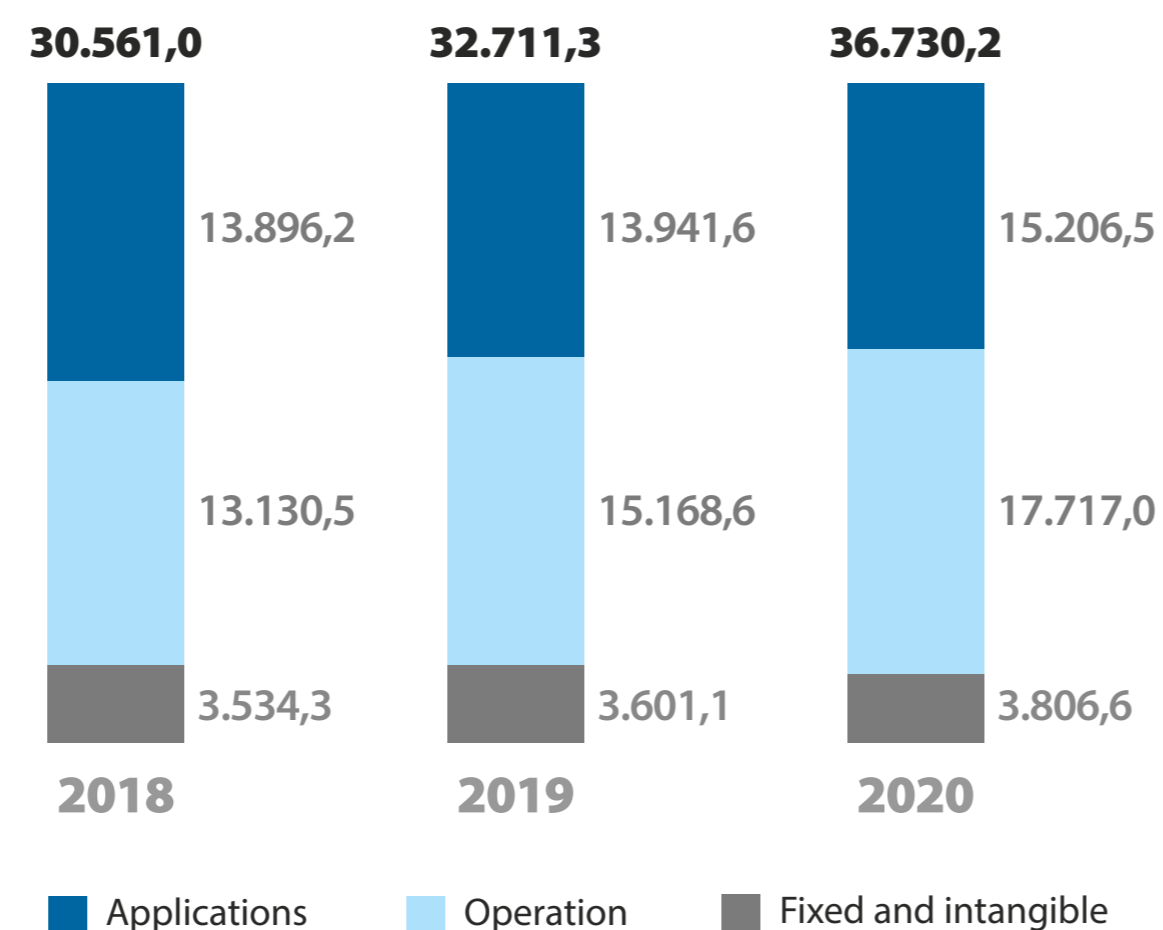
Other economic and financial indicators

Capex Investments

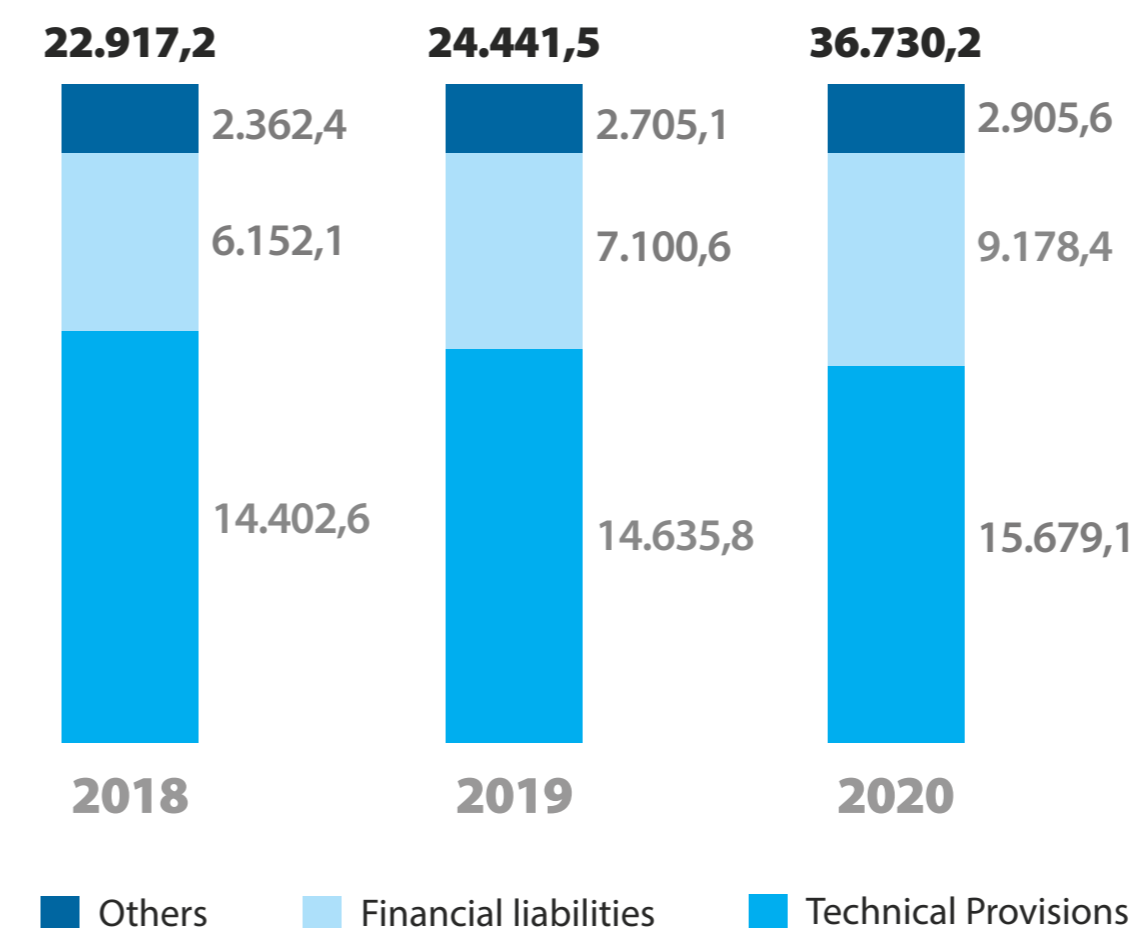
Most of the investments in 2020, which totaled R\$ 329 million (53.7% more than in 2019) were directed to the development of systems, acquisition of software licenses and acquisition of equipment such as servers and notebooks, aimed at the improvement and process control and technological renewal of business.



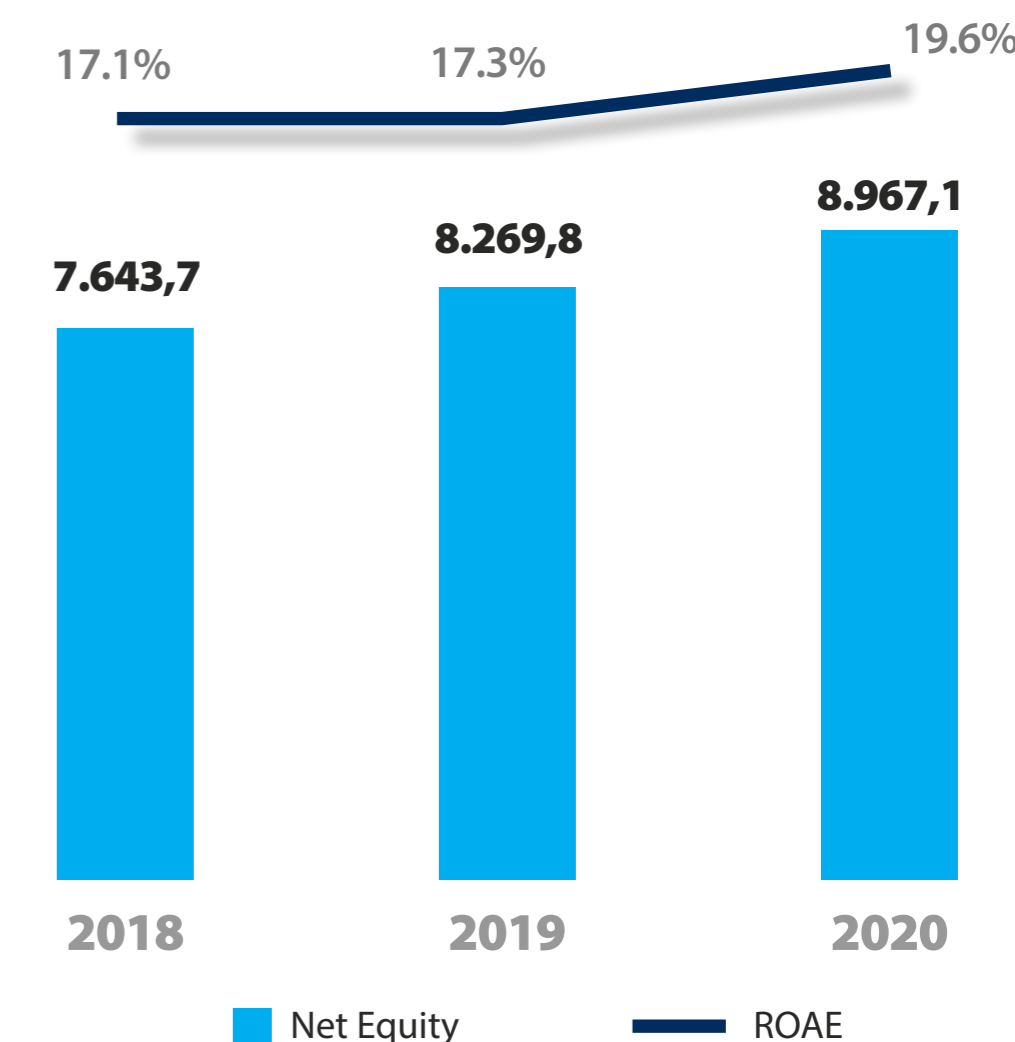
Total assets (in R\$ million)



Total liabilities (in R\$ million)



Net equity with business combination (in R\$ million)



Strategy of Social and Environmental Responsibility



MATERIAL THEME:
• Relationship with society and community



Porto Seguro believes in importance of your role in society, as well as managing the impacts of your performance for everyone the relationship publics, mainly society and community in which it belongs.

Materiality Matrix

Porto Seguro believes in the importance of its role in society and manages the impacts of its operations for all stakeholders.

With this in mind, since 2017, the company has used the materiality matrix as a management methodology for the topics with the greatest impact, which should be Porto Seguro's priority in that period. It addresses the perspectives of Porto Seguro's business management and its priority stakeholders, reflecting the relevance and impact of its activities on these two axes.

This step is part of the Global Reporting Initiative (GRI) guidelines for reporting non-financial information. GRI is an independent international standards organization that helps companies, governments and other organizations to understand and communicate their impacts on environmental, social and governance (ESG) issues, such as climate change, human rights, corruption, among others. Porto Seguro has been using these guidelines since 2013.

Elaboration process

[102-46]

A new process for elaborating the sustainability matrix was carried out for the *2020 Sustainability Report* cycle. Due to the macro context, the company opted for a more simplified consultation with external stakeholders, with a questionnaire for external stakeholders and online interviews with leaders.

In the specific case of customers, due to the direction and adherence to the General Data Protection Law (LGPD) and the fact that Porto Seguro already has a wide repertoire of consultations and approaches with its customers, an indirect consultation was chosen, based on the perceptions collected for the Net Promote Score survey, carried out monthly throughout the year 2020. The main priorities for the clients regarding a better relationship and experience with the company were extracted.

The full process consisted of five sequential steps:

1. Analytical study on the company and sector: benchmarking of the best national and international practices, historical study of the latest process and relevant documents for the company on the year 2020, analysis of public opinion through

news from the press, analysis of the literature on the topic and consultation of regulations and requirements;

2. Consultation with stakeholders, with an **online questionnaire** for a sample of employees, professionals from the socio-environmental impact ecosystem, investors, brokers, social institutions and service providers; **indirect consultation** with clients, based on an analysis of priorities in an approach carried out monthly for NPS research; and **in-depth interview** with Porto Seguro's executive leaders;

3. Compilation of the results found, with analysis and appraisal, resulting in the list of material topics. The prioritization process was carried out using an objective methodology, which took into account the relevance of each stakeholder group; the relationship with the internal strategy, that is, the economic, environmental and social importance for the company; and the influence on assessments and decisions of each one of these audiences.

4. Analysis of the scope of each material topic and which internal and external indicators (according to the GRI standard) would be related to each one; and

5. Validation with the leadership and strategic governance of the company.

The complete materiality review process takes place every three years; however, a simplified review and improvement process is carried out annually. The changes made to the matrix between 2018 and 2019 involved adjustments to the nomenclature and graphic presentation. For 2020, in a complete development cycle, it also brings an improvement in the strategic view, which now includes the analysis of the Sustainable Development Goals (SDGs) of the United Nations (UN). [\[GRI 102-49\]](#)

Selecting the audiences

[GRI 102-40, 102-42 e 102-43]

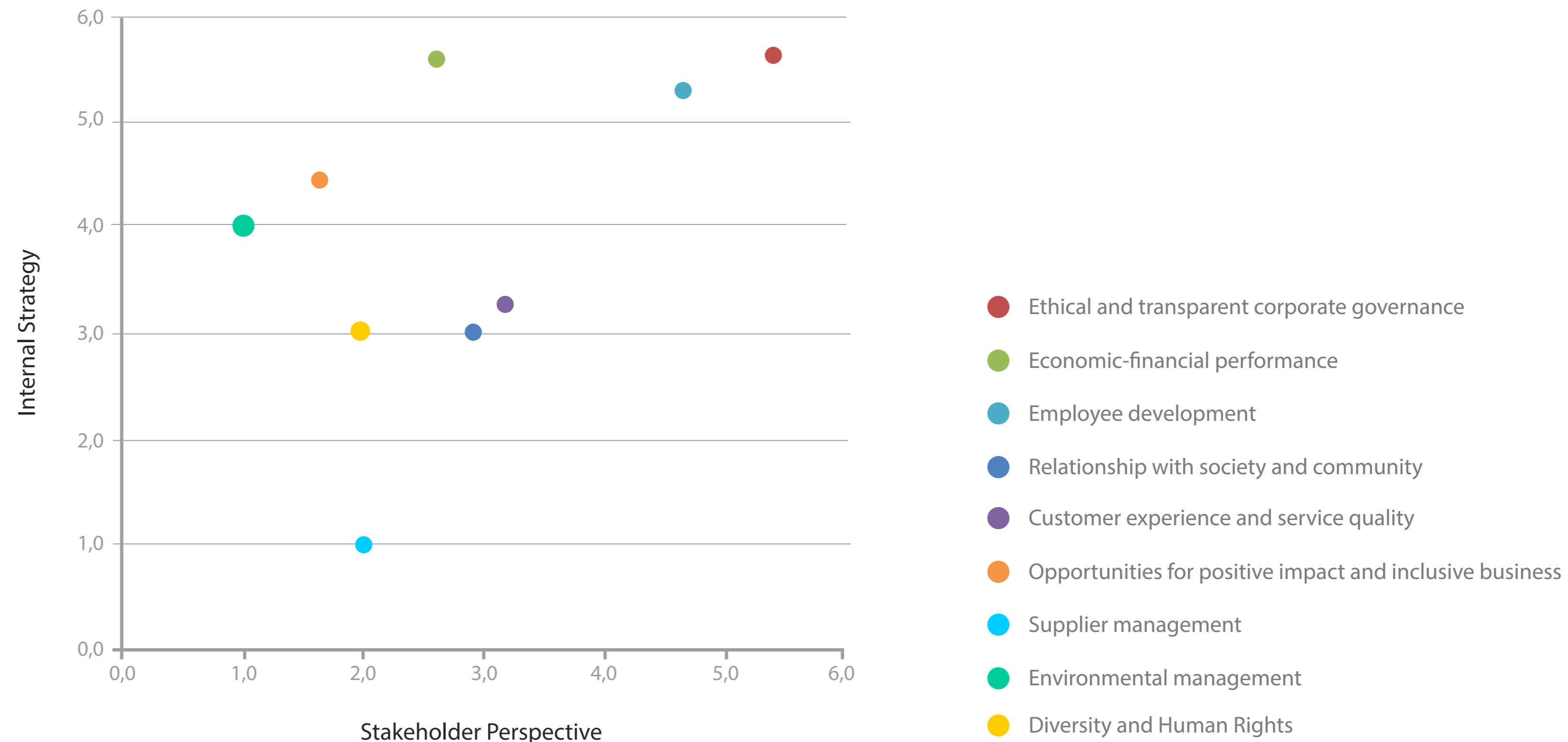
Stakeholders are the company's strategic audiences considered to be the main interested parties in the value chain that can influence or be impacted by the company's performance. Porto Seguro considers the following to be priority parties: employees, customers, professionals from the socio-environmental impact ecosystem, investors, brokers, social institutions, service providers and brokers.

The main audiences were considered in the process and development of the materiality matrix, considering the proportionality of representation, relevance and impact for each group.

Stakeholder engagement is an essential part of the company's relationship. For this reason, the performance strategy involves prioritizing a map of strategic sectors, by means of the perception consultations of the Materiality Matrix and a series of actions developed by Porto Seguro, detailed in the chapter **Strategic Audiences**.

Material Topics

The Porto Seguro materiality matrix is presented below, graphically displayed in a way that demonstrates the relevance and impacts for the stakeholders and for the company's management. [102-40, 102-44, 102-46, 102-47, 102-49]



Theme	Why is it material	Management	GRI Standard Topics	GRI Indicators	SDG	SFG Goals	Impact Limit
Ethical and transparent corporate governance	Organizations that wish to be perennial have integrity and ethics in their culture and way of managing their businesses. All employees, processes and policies of the company are guided by this. Ethics and responsibility are the values that guide the essence, values and conduct of the company. This guides clear and transparent management and communications with the market.	Corporate Governance Section	Corporate Governance	102-22, 102-24 102-28	SDG 16	16.5 Substantially reduce corruption and bribery in all their forms 16.6 Develop effective, accountable and transparent institutions at all levels 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels"	Internal and external
			Anticorruption	205-1, 205-2			
Economic and financial performance	Maintenance of the company's financial health, main income and investments for integral sustainability, in which everyone wins and the company becomes viable and remunerates its direct stakeholders.	Financial Results Section	Economic performance	201-1, 201-2, 201-3, 201-4	SDG 16	16.5 Substantially reduce corruption and bribery in all their forms 16.6 Develop effective, accountable and transparent institutions at all levels 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels"	Internal and external
Employee development	Satisfied employees are more committed to providing better services to our customers, who, in turn, tend to be more loyal to the company, establishing lasting relationships. This way, we seek to create shared value, achieve positive results and encourage the appreciation of employees. A welcoming, ethical and diverse environment allows for the attraction and retention of talents aligned with the company's culture.	Collaborators Section	Employee	401-1, 401-2	SDG 8	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value"	Internal
			Training and education	404-1, 404-2			
Relationship with the society and the community	Actions of the company with the surrounding communities, results obtained and responsible governance	Community Relations Section	Indirect economic impacts	203-2	SDG 1 SDG 10	1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day 1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions 10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status"	External
			Local communities	413-1			
			Anticorruption	205-1, 205-2, 205-3			
Customer experience and service quality	Understanding customer needs and quality service are drivers of customer loyalty and satisfaction. Porto Seguro focuses its efforts in this direction, driving its efforts to understand and attend to the client's point of view, generating better experiences and relationships that are healthier and long-lasting. Monitoring and engagement are fundamental steps in the management of the company's business and they extend beyond monitoring of statistics and the resolution of problems that reach the service channels.	Product Liability Section Customers Section	Marketing and Labeling	417-1, 417-2, 417-3	–	The theme is inherent to Porto Seguro's business and has as greater impact on customer satisfaction, not having a direct impact on the 2030 Agenda.	External
Opportunities for positive impact and inclusive businesses	Meeting the demands of customers and society is part of the company's management strategy. This is done through products and services aligned with the needs of stakeholders, the moment in the country and Environmental, Social and Governance (ESG) aspects, with a focus on positive socio-environmental impact and accessible and inclusive products and services.	Innovative Products Section	Product Portfolio	102-15	SDG 8 SDG 13	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.2 Integrate climate change measures into national policies, strategies and planning 13.b Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities. Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change."	External
Suppliers management	Follow-up and development of suppliers, definition of criteria for selecting suppliers and engagement and management of the relationship with service providers.	Supplier Management Section	Environmental assessment of suppliers	308-1, 308-2		The theme is inherent to Porto Seguro's business and has as greater impact on customer satisfaction, not having a direct impact on the 2030 Agenda.	External
			Social assesment of suppliers	414-1			
Environmental management	Analysis of climate issues in our business and management of Porto Seguro's operational eco-efficiency, in addition to the development of environmental projects carried out in buildings, headquarters and branches.	Environmental Management Section	Energy	302-1	SDG 7 SDG 13	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix 7.3 By 2030, double the global rate of improvement in energy efficiency 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.b Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities. Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.	External
			Emissions	305-1, 305-2, 305-3			
Diversity and Human Rights	Preventive action, to avoid the occurrence of discrimination and results of adopted measures; and proactive, for equal opportunities	Diversity and Inclusion Section	Diversity and equal opportunities	405-1, 405-2	SDG 5 SDG 10	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life 5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.	External
			Non-discrimination	406-1			



Strategy of social and environmental Responsibility

[GRI 203-2; 413-1]

Porto Seguro works with the belief that its role in Brazilian society goes far beyond business. The need to contribute to sustainable development is at the heart of the company.

For this reason, the strategic direction of action in Social and Environmental Responsibility is based on five pillars:



Corporate Institutional

- Sustainability Report (GRI)
- Industry Conventions



Institutional

- Donations
- Volunteer Program
- Private Social Investment



Sustainability at branches

Activations catalog with execution of: Resources, Education & Eco-efficiency and Volunteering campaigns



Education and Eco-efficiency

- socio-environmental education - Brazil
- solid waste management
- water and energy efficiency
- adaptation to climate change
- reverse logistic



Business and Regulation

- incubator
- consultancy
- state of sustainability trends
- socio-environmental regulation
- PSI / GRI



- professional training
- educational action project
- entrepreneurial school
- young apprentice
- fund-raising



neighborhood janitor

Strategic Direction

Encourage development sustainable, through education, with a focus on Porto Seguro, on community to which it is inserted and in the other stakeholders.



Generation of social value

[GRI 203-2; 413-1]

Porto Seguro believes in sharing the economic value it generates - and, with that, contribute to a more sustainable society. For this to happen effectively, the company has the Social and Environmental Responsibility management, which involves all the company's sustainability projects, programs and campaigns, developed by the institutional areas, by the businesses and by Porto Seguro Institute.

Porto Seguro Institute

It promotes professional training through Ação Educa Project, professional courses and its Escola Empreendedora [Entrepreneurial School], among other initiatives. Through the Institute, young apprentices who start working in the company are also trained; in addition, fundraising is also carried out in order to expand the community's development actions. Also part of the Institute's activities is the janitorial service of the neighborhood, through Campos Elíseos+gentil Association.

Ação Educa

In 2020, the project served 176 low-income children between six and 15 years of age, living in the district of Santa Cecília, in the central region of

São Paulo. Offered in school hours, the activities of Ação Educa aim to promote the development of education, citizenship and self-esteem of children and adolescents, inspiring them to become autonomous through pedagogical, biopsychosocial actions and the strengthening of bonds with their families. The initiative also included the distribution of 413 basic food baskets to 38 families and totaled 44 hours of face-to-face classes.

Raising funds

The project aims to raise financial resources to expand the Institute's activities with the community. It is through this resource that, for example, health task campaigns, donations of basic food baskets, psychological support to students, among other initiatives are executed, according to the needs of Ação Educa. To strengthen the movement, donor awareness actions and communication initiatives are carried out. Throughout the year, the project carried out five campaigns (one general and four thematic) and managed to increase the active donor base by 63%, which went from 771 in 2019 to 2,119 in 2020. The total collection of the five campaigns grew 17%, to R\$ 207.46 thousand. In addition to donations made by means of Porto Seguro credit card points and sporadic deposits, the final total collected in 2020 was R\$ 238.28 thousand.

Escola Empreendedora [Entrepreneurial School]

Escola Empreendedora [Entrepreneurial School] is dedicated to the professional training of seamstresses. They are prepared to start their own businesses, and with that they have access to a source of income generation. The project includes 120 hours of course in industrial sewing, and after completion an incubation process is promoted, followed by the possibility of starting to supply products to Porto Seguro. In 2020, the initiative received 352 enrollments, and 40 people started the course, divided into four classes. Out of the participants, 18 (or 45%) were incubated. The production of various items (such as gifts, corporate uniforms, masks, etc.) for Porto Seguro, during the course, generated an income of R\$ 202.17 thousand for the participants.

Professional training

The courses offered by the Porto Seguro Institute allow students, through access to professional training, to have better opportunities in the job market, and thus be able to increase their income. In 2020, classes were formed for courses in the commercial, technical and entrepreneurial areas, in addition to the markets of arts and crafts, beauty and computing. The 44 classes received a total of 707 students - 605 of whom graduated. The retention

rate in relation to the previous year was 86%. Due to the pandemic, classes were offered in the remote education model, and totaled 2,678 hours of content via videoconferences. The employability rate of the participants was 53%, generating an average monthly income of R\$ 1,144.92.

Jovem Aprendiz [Young Apprentice]

With an eye on the future generation, Porto Seguro seeks to provide conditions for low-income young people to enter the job market through the company. The Jovem Aprendiz [Young Apprentice] project consists of theoretical and practical activities, developed in order to provide participants with access to classes at Porto Seguro Institute (with a load of 552 hours) and activities in the company itself (1,288 hours). In 2020, 743 participants were enrolled, and 110 students started the program, organized in four classes. At the end of the process, 15 young people were employed at Porto Seguro.

Socio-environmental education

The search for eco-efficiency and the dissemination of a culture focused on sustainability has one of its bases in the socio-environmental education program offered by Porto Seguro. In 2020, 44 campaigns were carried out for the internal public,

addressing topics such as responsible consumption, selective collection, eco-efficiency of water and electricity resources, responsible consumption week and community garden, among others. In total, we had 1,721 participations in the campaigns.

Still in the socio-environmental education segment, Porto Seguro has, since 2017, a group of multipliers in sustainability - the socio-environmental agents. The group is composed of employees from different areas of the company, who participate in training meetings throughout the year aimed at discussing and disseminating topics related to sustainability. In 2020, 50% of Porto Seguro's management had a representative in the group; together, the socio-environmental agents carried out 286 engagement actions with their teams, totaling 17,728 participations.

In 2020, the first Porto Seguro Sustainability Marathon was also held, with the participation of 34 socio-environmental agents. The initiative was aimed at developing solutions to several real sustainability challenges, such as the proper disposal of uniforms, the insertion of the environmental pillar in the actions of Porto Voluntário, the increase in community engagement with Campos Elíseos +gentil Association and the adaptation of the Christmas campaign to the online environment. The winning idea, which proposed the reformulation of the traditional Christmas campaign for the online environment, was adopted by Porto Seguro. The Marathon provided 120 hours of technical training to participants. The final presentation of the proposals

was followed by an audience of 406 employees.

Another initiative in this regard was the Cooking Oil Recycling Program, which made it possible in 2020 to collect 28 kg of oil. That way, the project contributed to avoid it being directed to the sewage network and contaminating at least 740 m³ of water - equivalent to the consumption of 12 people in one year.

Private social investment

This is the voluntary transfer of financial resources by Porto Seguro to serve causes and projects of socio-environmental interest, in line with the company's strategic direction and culture. Investments are made in social organizations, with the purpose of promoting the development and transformation of the community in which the company is installed.

In 2020, R\$ 171.55 thousand were allocated in sponsorships to Irmã Rosina Association, which assists families in socially vulnerable situations, and to Abring Foundation, dedicated to the rights of children and adolescents. R\$ 6.439 million have also been invested in tax incentive projects aimed at projects for early childhood education and qualification for the labor market aimed at youngsters, in addition to initiatives aimed at supporting the elderly.

Porto Voluntário

One of the means of promoting social transformation and encouraging people to have a more relevant social action is volunteering. Through Porto Voluntário, the company seeks to promote and strengthen the culture of volunteering through the

mobilization and engagement of the corporation itself, its employees, social institutions and their beneficiaries. All actions are duly monitored, in order to allow their continuous improvement, and are carried out both on working days, during office hours, through voluntary allowances, and on weekends. In 2020, 57 actions were carried out, involving 728 volunteers, who dedicated 1,620 hours to these activities.

Donativos Brasil

The initiative brings together Porto Seguro's projects that involve the receipt and distribution of donations - originated both at the company's facilities and from items donated by its employees, in specific campaigns carried out throughout the year. In 2020, 133 institutions were served, with 298.8 thousand items donated across the country.

MAIN SOCIO-ENVIRONMENTAL INDICATORS

		2018	2019	2020
Socio-environmental Education	Number of Corporate Socio-environmental Education actions	42	57	302
	Quantity of participations	2.103	2.396	17.568
Volunteering	Quantity of volunteers	616	847	728
Instituto Porto Seguro	Quantity of students in training for professional qualification	1.193	823	707
	Student retention	83%	85%	84%
	Quantity of children assisted by Ação Educa Program	220	189	165
Campos Elíseos + Gentil Association	Quantity of neighborhood cleaning and maintenance protocols opened	1.150	1.126	470
	Resolubility of protocols with public bodies	73%	84%	68%

Strategic audiences

MATERIAL THEMES:

- Employee development
- Relationship with society and community
- Customer experience and quality of service
- Supplier management



Porto Seguro seeks relationships consistent and reliable with all your audiences. For this, looking for a close performance, builds dialogue channels and agenda its improvement from the feedbacks you receive.

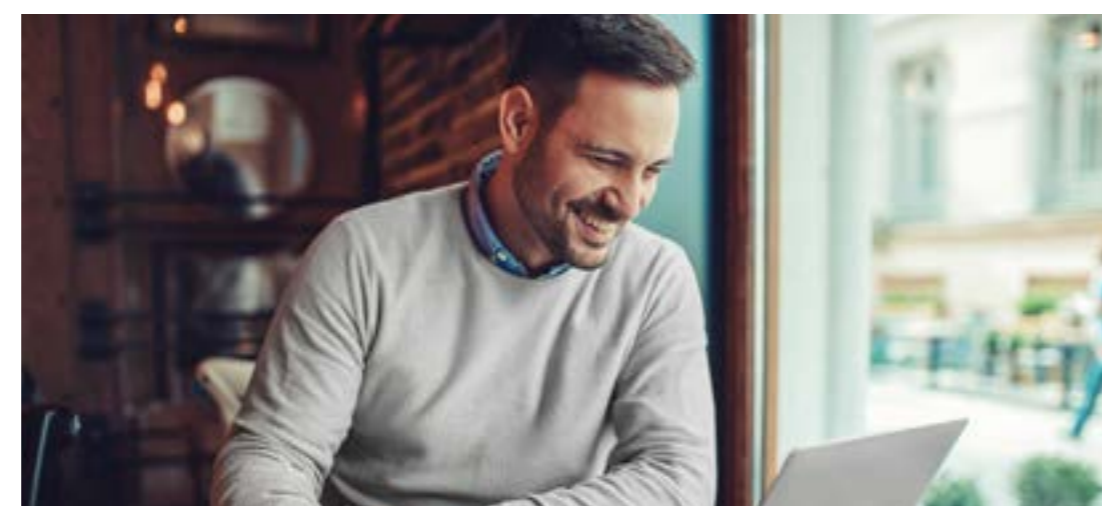
Stakeholders engagement

[GRI 102-40, 102-41]

Porto Seguro seeks consistent and trusting relationships with all its audiences. To this end, it seeks to act closely, builds channels of dialogue and guides its improvement based on the feedbacks it receives.

Engagement is based on the prioritization and analysis of audiences, impacts and relationship channels. It is also based on this that a sample of each of them participated in the consultation and engagement process of the **Matriz de Materialidade**.

Among the actions taken to engage with these audiences, we highlight the adhesion to the #NãoDemita [Don't Fire] movement, surveys with customers and engagement with associations. In 2020, the highlights of the relationships with strategic audiences were:



Employees

- Home office during the pandemic
- Adherence to the #NãoDemita [Don't Fire] movement



Brokers

- Appreciation of their role in the company
- Emergency line of credit
- Creation of an Instagram profile directed exclusively to this audience, in order to strengthen the relationship



Service providers

- Advance payment
- Training at Escola de Serviço [Service School]



Customers

- Periodic satisfaction consultations
- New pricing system during the pandemic



Suppliers

- Social and labor monitoring
- Adherence to environmental criteria



Community

- Contribution to the community surrounding the Headquarters
- Actions aimed at the education of children and teenagers

The main relationships between Porto Seguro and each of these groups are highlighted below.

5.1 The people

[GRI 102-8, 401-1, 401-2]

Appreciation and retention

By establishing as one of its essential points the appreciation of its teams of employees, brokers and service providers, Porto Seguro recognizes the crucial role of people so that the group can implement its strategies and maintain its leadership position in the market. And that became clearer in 2020, with the impact of Covid-19 driving the company to adopt ways to protect its workforce from health and economic risks. In addition to the measured related to the preservation of employees' health, Porto Seguro also joined the #NãoDemita [Don't Fire] movement, which prevented layoffs for three months - and through which it was possible to provide economic stability for employees in the initial period of the pandemic.

For that matter, the adoption of talent appreciation and retention policies is one of the company's permanent initiatives. At the end of 2020, Porto Seguro had 12,081 own employees, 7,996 of whom were in insurance companies and 4,085 in other companies; this workforce is made up of 58.23% women and 41.77% men.

During the year, 358 new employees were hired, 69% women and 31% men. Regarding the age

Position Job	Average Time in Years
Executive Board	5.94
Branch Management	5.44
Administrative	4.97
Superint/Management of Products	4.65
Reg Coordination/ Mngmt	4.41
Management	4.39
Senior	3.84
Operational	3.78
Consultant/Expert	3.14
Supervision	2.32
Call Center	2.1
Sales	1.7
Apprentice	1.01
Intern	0.93

groups, 45.8% were under 30 years old, 53.6% between 30 and 50 years old, and 0.6% over 50 years old. Most hires took place in the states of the Southeast (97.49%), followed by the Northeast (1.68%) and South (0.84%).



Currently, the overall average stay of employees at Porto Seguro is 3.47 years. Taking into account the positions, it appears that the Executive Board and the Branch Management have the highest average: 5.94 and 5.44 years, respectively. Next come the Administrative sector (4.97 years), the Superintendence and Management of Products (4.65 years) and the Regional Coordination and Management (4.41 years). Most employees (99.78%) work full-time (99.8% for men and 99.76% for women).

In addition to its own employees, Porto Seguro

also had 38 interns and 313 young apprentices in 2020 - totaling a workforce of 351 people: 65.81% women and 34.19% men.

Considering only leadership positions, there is a predominance of 82.6% of men in the presidency and in the board, and 71.7% at the managerial level. Women have a greater participation in the positions of supervisors or coordinators (50.6%), in administrative positions (53.2%), related to sales (52.9%) or operational (74.1%).

Benefits

[GRI 201-3; 401-2]

The appreciation of employees has included, in recent years, a series of benefits in addition to those established by labor legislation. In 2020, the Quality of Life area promoted actions aimed at health, well-being and the integration of employees - important initiatives in their own right, but which have gained even more relevance in the context of the Covid-19 pandemic, by providing emotional comfort and improving the mental health of employees.

There were more than 47 thousand participations in projects such as street marathons, classes (dance, pilates, muay thai, guitar and harmonica), gym, acupuncture, music and gastronomy festival, among other initiatives. Last year, two new activities were also incorporated remotely: belly dance and ukulele classes.

It is our essence to be, more and more, a Safe Haven for everyone with whom we relate. And when it comes to our employees, it couldn't be different. For this reason, the **Integral Health Program** aims to provide more well-being and happiness for our teams

and their families through the balance between three axes of human health, namely: mental, physical and financial. They are activities and content to help in the search for a healthier life and new habits. In 2020, livestreams were held on each axis, in addition to offering a free financial education course to employees.

In addition, insurance company employees are also provided with food, meal, life insurance, transportation voucher, daycare or nanny assistance, health plan, dental plan, private pension plan, pharmacy card, scholarship and parking for employees in charge of leadership.

The Portoprev Supplementary Pension Plan is exclusive to Porto Seguro's CLT employees, who can make monthly contributions calculated based on a percentage levied on their salary, also receiving the same contribution amount from the Sponsor, limited to 8% of the salary nominal.

Training and development

[GRI 404-1]

One of the key factors in valuing and retaining Porto employees is the implementation of training and professional development programs. After all, one of the main objectives of actions of this nature is to allow employees to perform their functions in the best way, seeking to provide more agility and reduce costs in processes - and, in parallel, offer ways to update and improve the workforce.

In 2020, R\$ 1.548 million (or R\$ 129 thousand per month) was invested in training initiatives for employees promoted by the Human Resources area, totaling 15.37 thousand hours (or 1,281 hours per month) for own employees. Leadership development actions alone totaled more than 10 thousand hours over the year. The average of general training was 4.83 hours a year.

Distribution of training hours by functional category

POSITION	2020	
	Total hours	Individual average of hours
Directors/Chief Executive Officer	12.5	2.08
Managers	1773.4	10.25
Supervisors/ Coordinators	3954.5	6.71
Administrative	3417.5	3.78
Salespeople	272.4	2.59
Operational	239.7	1.25
Total	9670	4.91

In the same way that regular employees, interns and young apprentices also had access to training actions. The 70 workers in this condition received a total load of 176.6 hours in 2020 - representing an average of 2.52 hours per person.

Performance evaluation [\[GRI 404-2\]](#)

Porto Seguro employees are evaluated annually, in a process in which self-assessment is used as a way for employees to look at their development, identify progress and failures, and have effective conditions to develop their potential in the company.

The Development Process comprises the Development Dialogue for leadership positions (directors, superintendents, managers and coordinators) and the Competence Assessment for other audiences (teams, consultants and experts and supervisors). The idea is to base the employee's development on the company's essential values and behaviors.

While leaders participate in conversations with their immediate managers, aimed at provoking a self-reflection on the presence of the company's values in day-to-day activities, the other employees carry out their self-assessment and rely on the evaluation of their immediate managers - which stimulates feedback conversations to align expectations.

In 2020, 100% of the company's employees went through the process.

Diversity and Inclusion

[\[GRI 405-1; 405-2\]](#)

In addition to being an essential condition for any company that seeks to be sustainable, a diverse and inclusive environment - of non-discrimination, respect and emotional security - is the key to the free plurality of people and their identities (cultures, life stories and ideas). As it seeks to be more and more a safe haven for its customers, it is natural for the company to adopt internal practices that reflect this philosophy - and offer a positive experience also to its employees.

The importance of the theme led Porto Seguro to establish a Diversity and Inclusion Commission in 2020, formed by a multidisciplinary and representative group whose objective is an inclusive environment and that appreciates diversity, while at the same time preparing the company for the cultural transformation that this inclusion means - adding value to the chain of products and services and in the relationship with all its different audiences.

The company has defined as priority groups: gender, race & ethnicity, LGBT+, people with disabilities and generations, who will have their agenda addressed through the axes of attractiveness, culture and inclusive development.

In addition, the commission seeks to guarantee access to professionals who strengthen this identity of the company, with more inclusive managers and

teams; aggregate singularities in the generation of customized solutions and in the provision of services through the identification of all segments of the population with the Porto Seguro brand; promote the creation of an environment that is more inclusive, representative and equal in terms of opportunities; and to favor the overcoming of prejudices, discrimination and inequalities, contributing to the respect and integration of people in the company and in society.

In this sense, some of the initiatives carried out by Porto Seguro include the provision of a breastfeeding room, the Jovem Aprendiz [Young Apprentice] program, the hiring of people with disabilities (with their own parking lot), the extension of maternity and paternity leave, the inclusion of companions from the same gender in the health plan, the hiring of low-income young people, the diagnosis of internal demography and the awareness and content on diversity and inclusion for leaders.

In 2020, there were no cases of discrimination recorded again in Porto Seguro Seguro. [\[GRI 406-1\]](#)

In 2021, the campaign to launch the diversity and inclusion program Juntos will be carried out for the entire company. Another initiative is Portal, which will bring together affinity groups of the priority audiences of Juntos, formed by employees from different levels and regions of the company.

Actions at the pandemic

One of the main initiatives adopted by the Porto Seguro Group in 2020 to face the impacts of the Covid-19 pandemic was the creation of the Meu Porto Seguro program. By promoting training and qualification for people who lost their jobs during the pandemic, the initiative was developed with the purpose of generating 10 thousand jobs; by the end of the year, 82% of the target had already been reached.

Attentive to the safety of its employees, Porto Seguro promoted the home office regime for teams whose activities could be carried out remotely - thus avoiding their possible exposure to the new coronavirus. Until March 2020, before the pandemic, the home office initiative had reached 2,126 employees, or 17.6% of the company's workforce. During the period, participants in the home office program attended the company on average 1.09 days* per week

After March 2020, the measures expanded to 83.8% of employees**.

For teams that continued to work in person, a Testing Center for Covid-19 was set up at the company's headquarters building in São Paulo. In addition, health protocols were developed, such as measuring temperatures at the reception of all units, providing masks, alcohol gel hand sanitizers and safe distance, in order to comply with the

guidelines of the Ministry of Health and the World Health Organization (WHO) regarding precautions relating to the pandemic. Periodic rounds have also been carried out to ensure the effectiveness of the actions, and weekly newsletters on prevention and health care for employees and their families have been published.

While these initiatives were being carried out, Porto Seguro's health and safety team acted in person, for occupational and assistance services. In addition, in April, the influenza vaccination campaign for 4,500 employees was carried out at various points. The initiative also included employees' dependents, through a partnership that made it possible to reduce vaccine costs.



*Average for January and February 2020

** Average for April, May and June 2020. Teleworking is considered to be all employees who have not been in the company for more than five days in the month

Brokers

In addition to acknowledging in its employees the strength that drives Porto Seguro on the path of growth, the company also values the role played by its main sales channel: **insurance brokers**. There are currently 35 thousand partner brokers, who carry the Porto Seguro name to clients, offering a diversified portfolio of insurance and other group businesses, such as credit card and consortium.

Among the initiatives aimed at this audience, one of the most relevant is the promotion of training actions, through the New Brokers Training Program, taught by the National Insurance School (ENS). In 2020, 20,117 brokers participated in this initiative.

Among the actions taken by Porto Seguro in relation to the Covid-19 pandemic was the postponement of the chargeback of broker commissions and the opening of an individualized credit line - which provided these professionals with a little more financial security at a time filled with uncertainties.

Service providers

Another important audience for Porto Seguro is that of service providers. There are more than 10 thousand professionals who offer strategic services for the company's operation, such as hospitals, doctors, winches and mechanical workshops, as well as maintenance of white line, electrical and hydraulic repairs and help desk services, among others.

Among the main actions aimed at service providers are the training and events promoted by Escola de Serviço [Service School], which aims to provide subsidies so that these professionals can develop in line with the company's business results. In 2020, a total of 13,133 people completed the training. The courses offered cover a diverse range of topics, such as responsible driving, operational and claim procedures and the General Data Protection Law (LGPD), among others. 31 online events were also held, bringing 4,698 service providers together.

With the spread of the Covid-19 pandemic, Porto Seguro decided to support its exclusive service providers by advancing their payments - which contributed to giving them more financial security.

5.2 Customer experience

Customer Satisfaction

Porto Seguro's performance is based on a strong human relationship, taking risks and providing services through family care that exceeds expectations, and that is geared towards meeting the broader needs of customers. For that matter, the periodic evaluation made around the company's products and services by its end users is crucial: it is through these opinions that the company has the means to know if it is really being faithful to its objective of being a safe haven for its 9 millions of customers.

Thus, it is natural for the company to carry out periodic consultations, the results of which are taken into account for the development of new products and services. Customer opinions are collected through satisfaction surveys, which are disseminated in all areas. The introduction of the Net Promoter Score (NPS), a metric that measures the degree of customer satisfaction, relating those who would recommend the company to friends to those who would not, helped to bring the customer's voice into the company, enabling a new look about your needs and wants.

Another important way for Porto Seguro to be in tune with the feelings of its customers is the complaint channels, whose result is linked to the goals of employees, influencing their profit sharing. In 2020, the complaints rate was 0.2770 - which means that for every thousand customers, less than one formalized a complaint. In 2019, the complaints rate was 0.3193, which represents a reduction of more than 13% in the number of cases in the year.

To ensure customer satisfaction, the company also constantly develops works to identify improvements, both visual and in language, in insurance policies, in order to facilitate their understanding.

Due to the challenges brought in 2020 by the new coronavirus pandemic, Porto Seguro decided to support its customers in this difficult time, through a more intelligent pricing model for insurance renewal - thus making it possible to reduce its financial impact.

Customer privacy management with LGPD

In force since 2020, the General Data Protection Law (LGPD, law 13,709/2018) emerged to establish rules that provide more clarity on how companies collect, store and share personal data, such as name, email address, telephone and CPF (Individual Taxpayer Registration) numbers.

Through the Privacy Policy and procedures constantly monitored by information technology tools and compliance mechanisms, Porto Seguro guarantees compliance with the law's guidelines. The company stores and processes the personal data collected in a secure location, often on its own servers or through cloud storage technology, always looking for improvements in processes and in the delivery of products and services. The following are used:

- Appropriate technical solutions and security measures to guarantee the confidentiality, integrity and inviolability of data, such as antivirus, firewall, network protection, encryption and other technical and process measures minimally compatible with international standards and the use of good market practices;
- Security measures appropriate to the risks, against accidental or illegal destruction or accidental loss, alteration, disclosure or unauthorized access, for example;
- Controls for access to stored information, delimiting permission and access privileges according to the responsibilities involved.

Porto Seguro shares specific customer data as needed, as in the examples below:

- **Automobile accident:** the data is shared with the partner who operates the winch, so that it can reach the customer and his vehicle as quickly as possible.
- **Porto Seguro Credit Card:** the company passes on customer information to the company that processes the cards and to the partner who manages the points of the relationship program, etc.
- **Benefits and advantages:** the data is shared with Estapar, Sem Parar, among other reliable partners of Porto Seguro, in search of differentials for customers.
- **Products and services:** data are shared between the companies of Grupo Porto Seguro to offer options according to the profile of each client, providing an integrated experience.

It is also the customer's Privacy Policy that guarantees the user's duties, such as the veracity of the data and the awareness of collection, treatment and sharing of personal data, and its prior and full reading is recommended.

Check Porto Seguro's [Privacy Policy](#) in full.

5.3 Suppliers management

[GRI 102-9; 102-10; 308-1; 414-1]

Monitoring and follow-up

Nowadays, Porto Seguro works with a universe of 2,754 suppliers - representing companies outside the group that provide goods, services and supplies in general - such as equipment, office supplies and consultancies, among others.

As in the previous year, in 2020, all new suppliers were evaluated according to social criteria. Aspects such as labor practices, mapping of social risks, reputational research, tax situation and adherence to the Porto Seguro Code of Conduct were taken into account.

In addition, the Fraud Prevention area carries out an annual monitoring of suppliers. This follow-up takes into account social and environmental aspects, as well as ethical principles, transparent corporate governance and responsible financial management.

If any non-conformity is identified, the Supplier Management area is called and anticipates the complete revalidation of the company's registration, which normally occurs every two years; and an internal audit acts in the process.

For the specific aspect of environmental criteria,

the process is carried out based on consultations on the assessments recorded in the register of the Brazilian Institute for the Environment and Renewable Natural Resources (Ibama) and companies that answer for environmental crimes. If the supplier has any notes in this regard, it is not qualified to act as a supplier of Porto Seguro. In 2020, no suppliers were identified as having actual and/or potential negative environmental impacts.

In 2020, 1,564 new suppliers were evaluated, of which 1,252 were qualified. Most (82%) are from the Southeast, followed by the South (9%), Northeast (5%), Midwest (3%) and North (1%).

Porto Seguro spent R\$ 997,358,658.96 with suppliers of materials and services. The service category accounted for more than 94% of costs:

GROUP OF SERVICES AND MATERIALS		
Product Group	Value	Suppliers
SERVICES	R\$ 776,029,454.28	
COMPUTING	R\$ 23,279,162.21	32
CONSTRUCTION AND RENOVATION	R\$ 6,481,023.03	88
FOOD PRODUCTS	R\$ 6,288,894.55	27
UNIFORMS	R\$ 4,194,626.17	22
ANTI-THEFT DEVICES	R\$ 2,650,198.13	1

ADVERTISING MATERIAL	R\$ 2,488,879.77	13
GIFTS AND AWARDS	R\$ 2,451,529.22	33
GENERAL	R\$ 1,561,638.13	11
FURNITURE, MACHINERY AND UTENSILS	R\$ 1,514,385.97	22
HYGIENE AND CLEANING	R\$ 1,099,273.75	11
VISUAL COMMUNICATION	R\$ 909,417.06	11
CAPS MATERIALS	R\$ 721,574.24	9
AUTOMOTIVE VEHICLES	R\$ 655,761.30	6
MEDICAL SUPPLIES	R\$ 644,732.15	29
ELECTRONICS	R\$ 609,985.25	8
GRAPHIC MATERIAL	R\$ 597,233.89	19
MONITORED ALARMS	R\$ 447,144.96	13
EVENT	R\$ 240,861.06	5
STATIONERY	R\$ 227,055.20	13
BOOKS, NEWSPAPERS AND MAGAZINES	R\$ 111,254.00	1
DISPOSABLE MATERIALS	R\$ 99,875.20	5
SECURITY EQUIPMENT	R\$ 59,741.00	3
CLOTHING	R\$ 38,469.28	3
MAINTENANCE EQUIPMENT	R\$ 5,040.00	1
AUTOMOTIVE CENTER	R\$ 5,018.00	1
SPORTS MATERIAL	R\$ 535.00	1

The service group gathers a wide range of subcategories. Below, the list of the main ten, which together represent 83% of the amount spent on the service category:

- Program design and development
- Computing technical support
- Software use license
- Computing advice and consultancy
- Advice and consultancy
- Provision of temporary workers
- Data processing
- System analysis and development
- Collection and shipping of documents
- Advertising and publicity

5.4 Relationship with the community

[GRI 413-1]

Relationship with the community and the society

Porto Seguro recognizes itself as part of a complex ecosystem and perceives its position as an inducer of development and positive transformations.

Over the years, the company has acted consistently with society, based on a close relationship with the community surrounding its facilities. Social volunteering actions are carried out and donations are distributed by means of the nearby social institutions. In 2020, the 98 donation collection campaigns served 133 institutions, resulting in more than 450.64 thousand visits.

Campos Elíseos + Gentil Association

As the headquarters of the group is located in a region of downtown São Paulo that is characterized by high social vulnerability and urban degradation, the company joins the efforts of the government, residents and traders, through **Campos Elíseos + Gentil Association**, which is the way in which Porto Seguro facilitates dialogues between private individuals and legal entities and public services, in order to solve the maintenance, conservation and cleaning needs of the Campos Elíseos neighborhood.

In addition to the constant work meetings with its audiences and interventions in the neighborhood, the initiative also has a website and an application for registering alerts of needs for improvements in the neighborhood, which are solved through the partnership with competent public agencies.

In 2020, the main highlights were:

- 463 alerts were sent by neighborhood residents, janitors, volunteers and traders on 30 cared-for streets;
- 90% resolution of protocols related to neighborhood issues;
- 297 downloads of the application for opening and monitoring alerts, and 2,840 accesses to the association's website;



- 6 actions of socio-educational intervention of citizenship, with 36 participations of residents and local traders;
- 37 volunteers involved, who dedicated 406 hours to the initiative.

In addition, Campos Elíseos + Gentil Association also developed specific actions in relation to the Covid-19 pandemic - which included a chat with Porto Seguro's chief financial officer, Tiago Violin; a lecture on the impacts of the pandemic for traders in the region; and a course, in partnership with the Brazilian Micro and Small Business Support Service (Sebrae), which dealt with topics such as financial and marketing planning, among others.

Crescer Sempre Association

Believing that social mobility is associated with access to quality education, Porto Seguro has supported, since 1991, the Crescer Sempre Association. Its purpose is to meet the demand for education and professional training in the community of Paraisópolis, in São Paulo, providing assistance to preschool and high school age children. In 2020, they assisted a total of 325 children in kindergarten, 210 teenagers in high school and 172 students in the Jovem Crescer project.

Environmental management

MATERIAL THEMES:

• Environmental management



Environmental management is a theme aligned with the strategy of sustainability of the company, constantly looking for a eco-efficiency throughout the operation.

Eco-efficiency and environmental management

Porto Seguro has consistently increased its eco-efficiency and environmental management initiatives, integrating sustainability into its day-to-day operations and allowing employees and other stakeholders that relate to the company to perceive their activities with this bias as well.

Eco-efficiency

Porto Seguro continued with its initiatives aimed at increasing the efficiency of its activities using the least possible amount of natural resources:



Energy:

Reduction of energy consumption, with the use of LED lamps, presence sensors in spaces and installation of solar panels - in addition to Earth Hour Program, when the company's lights are turned off for one hour, using natural lighting. In 2020, these initiatives, added to the reduction in consumption in Porto Seguro buildings due to the pandemic, guaranteed energy savings of 12,119,899 kwh - which is equivalent to R\$ 7,399 million.

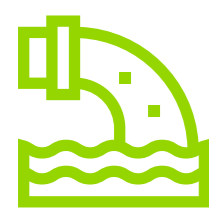
[\[GRI 302-1\]](#)



Water:

Water consumption reduction initiatives were also adopted, including rainwater harvesting and use of an internal water treatment plant, reuse water, the dual flush system, and vacuum flushing. In 2020, these initiatives represented savings of 56,672,929 liters of water, equivalent to R\$ 1,063 million.





Waste:

Of the total waste discarded at the Porto Seguro headquarters, 31% was sent to recycling. Thus, it was possible for the company to reach the end of the year with a disposal efficiency of 69%.



Reverse logistics:

Porto Seguro has the Reverse Logistics area, whose main objective is to carry out environmentally appropriate forwarding or disposal of company items that are no longer used, from notebooks and uniforms to other items with the Porto Seguro logo. In 2020, 10,279 items were sold through Porto Arremate, and 2,086 items in good condition were donated to registered institutions.

Waste Management Program at Porto Seguro Automotive Centers (CAPS)

Initiative that seeks to minimize the socio-environmental risks of CAPS operations and guide them in complying with current environmental legislation, especially in relation to the disposal of automotive waste, such as scrap and lubricating oil. In 2020, 98% of CAPS participated in the environmental diagnosis, reporting the status of waste disposal from their operations. After this diagnosis, CAPS awareness and orientation actions were carried out and, at the end of the year, 75% of the units evaluated showed improvement in their risk ranges.

CAPS + Sustentável [GRI 308-2]

Porto Seguro Automotive Centers (CAPS) underwent a major strategic review, involving environmental issues, in 2020.

During a process of monitoring the Social and Environmental Responsibility Policy, a sensitivity linked to the waste from the Porto Seguro Automotive Centers (CAPS) was noted. Therefore, in 2020, the Automotive Waste Management Program was redesigned as an action plan for this.

There was already an existing procedure in which, by means of a questionnaire, the CAPs should present their main procedures and environmental indicators. However, until 2019, there was a considerable low adhesion, with an average return of 50% of the units.

Initially, the Network's awareness of the importance of the topic for the business, for Porto Seguro and for the planet was identified, and the evidence that it all starts with the awareness and quality of the responses that would be sent. In addition to the lack of engagement in the responses, the main irregularities were: lack of identification of the type of waste stored in the places, such as: battery, used oil, scraps, etc.; disposal documentation, which was not included in the questionnaire response tool; and the lack of pallet (separation between the drums and the ground, where it is necessary to contain a possible leak).

The Relationship and Social and Environmental Responsibility areas, in addition to Escola de Serviços [Service School], established awareness and guidance actions through videos, livestreams and online training. In the livestreams and in shorts on the theme carried out with CAPS managers across the country, topics such as the insured's criticality with regard to environmental issues were addressed; the penalties that the company may face if it does not comply with the imposed regulations; and the importance of the theme for Porto Seguro. Tips for completing the questionnaires that survey the environmental indicators of each unit were also shared.

In 2020, after the implementation of the plan, the return rate on the sustainability questionnaires was 95%. In addition, in July 2020, an action plan to regularize the environmental non-conformities of 60 CAPS began to be put into practice, which were thoroughly evaluated, in a performance model that was supported by the relationship analysts of the automotive centers.

As a result, the percentage of CAPS that regularized the indicated environmental non-conformities was 75%. With regard to the ranges of environmental risk (low, medium or high), only 15% of the units were placed at high risk after the action plan, mainly due to the difficulty in establishing partnerships in some regions of the country. This problem should be the subject of a specific company strategy in 2021 - in order to achieve the objective of having 100% of CAPS answer the questionnaire, in addition to reaching the framework of all automotive centers at low environmental risk.

GHG Emissions

[GRI 103 | 201; 201-2; 305-1; 305-2; 305-3]

Porto Seguro has an inventory process for greenhouse gas (GHG) emissions, in order to assess the impact of its mitigation actions. In 2020, the Earth Hour Program and the use of solar panels provided a reduction of 101 tCO₂e (tons of carbon dioxide equivalent) of emissions in scopes 1 and 2 (which deal with direct emissions from generators, vehicles and air conditioning; and indirect costs caused by the consumption of electricity).

The adoption of a set of measures, such as assistance using bicycles or light winches, the Passo Certo program, the fleet of electric vehicles and the entry into operation of the home office regime for employees, resulted in a reduction of 18,041 tCO₂e in the scope 3 (emissions from the company's activities, but from sources that are not controlled or do not belong to it).

Climate change also poses risks to the Company due to the impact on accidents, especially in relation to floods and other natural events that may cause financial losses for the company through automobile, residential, agribusiness claims, among others. These risks are monitored by the Integrated Risk Committee.

Initiatives and indicators

[GRI 308-2]

In addition to monitoring and improving its environmental indicators, Porto Seguro also seeks new solutions - which not only make its operations more eco-efficient, but also point out paths that can serve as a reference. An outstanding initiative, unprecedented in the country, was the start of operation of the country's first **electric winch**.

The equipment, which reinforces the company's commitment to deepen its commitment to environmental management, controlling its emissions, has been operating since September in São Paulo. Manufactured by JAC Motors, it emits 1.8 tons of CO₂ - way below the 41.9 tons of CO₂ registered in conventional winches. This means that 12 trees are needed to neutralize emissions from the new equipment - when 245 trees would normally be needed. The electric winch has a range of 240 kilometers, a battery capacity of 97 Kwh and recharges in up to six hours.

Another important initiative is the provision of **recharging points for electric vehicles** at 30 stores in the state of São Paulo. The service, free of charge and also available for those who are not Porto Seguro customers, serves all vehicles with a T2 type socket - that is, 90% of the national fleet of electric vehicles.

Renova Ecopeças

The automotive sector has several impacts on the environment - and this is not only due to the CO₂ emissions of the internal combustion engines, but also due to the volume of scrap that damaged vehicles generate. According to the *Brasil Pós Covid-19* [Brazil after Covid-19] study by the Institute for Applied Economic Research (Ipea), the country's automotive recycling market has the potential to create a market that moves \$ 7.5 billion and employs 30 thousand people - numbers equivalent to 30% of what this industry moves in the United States. However, the recycling rates of cars that go out of circulation are still very low in Brazil.

To contribute to a change in this situation, Porto Seguro created Renova Autopeças (Renew Ecoparts), a pioneer in the car recycling market in Brazil. It sells quality parts through its website, with a guarantee and low cost, and safely disposes of components or waste that can no longer be used.

As soon as the scrap of an accident reaches Renova, a sorting is carried out to determine the

parts that can be reused. They are then classified into categories A (in excellent condition, ready for reuse), B (with minor damage and minor breakdowns, which need some repair and are sold for a lower price) and C (unsuitable for reuse, as safety items and batteries, which are then destined for reprocessing as scrap or sent to their manufacturers).

The company underwent an internal reformulation process in 2020, starting to operate with a pool of buyers and processors of automotive waste (plastics, metals, chemicals, etc.) - including steel mills with the ability to reuse materials and put them back in circulation again. The parts destined for commercialization are marked using nanotechnology, in order to guarantee their traceability.

Another Renova initiative in 2020 was the partnership set with Gerando Falcões Institute, which now receives parts with a greater possibility of recovery. Once identified, it is sent to the institute, where it is renovated and returned to Renova, which can then sell it.

About the report

Content definition

The *2020 Sustainability Report* consolidates the information related to the economic, social and environmental impacts of Porto Seguro in the period between January 1 and December 31, 2020, and follows the guidelines established by the Global Reporting Initiative (GRI) - Standards, an international organization that establishes global standards for sustainability indicators. A stakeholder consultation process was developed to build a new materiality matrix, which had the involvement of the various audiences impacted by the company's activities - leaders, customers, employees, brokers, partners, suppliers, the press, community representatives, shareholders and service providers. [GRI 102-45, 102-50, 102-54]

On an annual basis, the most recent previous report was published in June 2019 for the fiscal year 2018. [GRI 102-51, 102-52]

The document prioritized its themes based on the most relevant material aspects in terms of the impact of Porto Seguro's activities on different audiences in society - shareholders, customers, regulatory bodies, government, employees and service providers, among others.

The content of the *2020 Sustainability Report* was prepared based on interviews with company leaders, analysis of the results disclosed by the Investor Relations area, data collection with internal areas and consultations on the company's institutional websites. The document production and final approval process involved the company's leadership. Questions and suggestions can be sent to the email: respsocial.ambiental@portoseguro.com.br. [GRI102-53]



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	102-49: Changes in the report	27	
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	102-51: Date of most recent previous report	46	Fiscal Year 2020 Report, published in June 2021.
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Credits

GENERAL COORDINATION

Social and Environmental Responsibility Area

TECHNICAL AND EDITORIAL COORDINATION, GRI CONSULTING, GRAPHIC DESIGN AND LAYOUT

Walk4Good – Grupo Imagem Corporativa

PICTURES

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TRANSLATION

Opportunity Translations

**PORTO
SEGURO**

