

# 2020

sustainability  
report



VIVARA



# contents

04	Message from Management
07	About the report
10	Vivara
24	Our commitment
38	Our community
56	Our planet
65	GRI Appendix
77	Credits



# message from management

102-14

## Together we are strong

Even – and especially – in stormy times, it is important to know how to stay on course. In the six decades of Vivara's history, 2020 was probably the most challenging period that we have lived through. Faced with the adversities of this year, our responsible and sustainable management became even stronger and more effective, and guided us in the quest for new ways of caring for people, and doing business. The strong strategy we had established was maintained and served as the guiding light of our activities.

Amid so many uncertainties, we succeeded in delivering a year of transformation. This was possible only because our teams were tireless. Faced with the needs for change of routines and ways of working, our employees showed an extraordinary capacity for adaptation and overcoming.

Together, engaged and supporting each other, with continuing daily contact even with distance working, we rethought our processes, and discovered different possibilities, growing in the digital environment. We set various records – that only a restless, concerned and committed team could succeed in delivering, such as 191% growth in our digital sales, and the highest revenue in any single quarter in all our history (R\$ 596.6 million in the last quarter of 2020).

**MARCIO  
MONTEIRO KAUFMAN**  
FORMER CEO;  
MEMBER OF THE  
BOARD OF DIRECTORS



These achievements are supported by a vision of sustainability that includes strong attention to each stage of the process of manufacture and sale, from extraction of the raw materials to the type of packaging, and also, as principle, care for people and the planet. This degree of attention was redoubled in the precautions and measures for facing the pandemic in our operations, and in donation of funds and personal hygiene kits to partner organizations. It was also in our care for clients, through new models of customer service and deliveries, such as our *Joias em Ação* ('Jewels in Action') project, a direct sales initiative that achieved excellent results in the year.

We put our commitments and our values to the test, and they showed themselves to be our most valuable assets, through our relationships of mutual trust with all our publics, and through our teamwork, capacity and resilience.

**PAULO  
KRUGLENSKY**  
CEO



We also remained faithful to our external commitment, such as the Initiative for Responsible Mining Assurance (IRMA), the United Nations Global Compact, and the UN Women's Empowerment Principles.

The results for the year were inevitably affected by the closure of stores, and our total revenue in the year was 10.2% lower than in 2019. We saw a significant improvement month after month, and the recovery in the last quarter (14.4% higher than in 4Q19), achieved even with the restriction on access to stores and reduced opening times, was a strong sign of our recovery in results. Considering the degree of uncertainty when the pandemic started, we revised our plan for expansion in the year, reducing our plan for new store openings from 50 to 21. By the end of the year, we had delivered 28 new operations, strengthening our commitment to expanding our presence in the country's principal shopping malls.

In 2021 we will resume our rapid organic expansion, and our omnichannel operations will gain even more strategic importance. We continue to pay careful attention to the development of the pandemic, and we continue to be diligent in our decision-making. We have financial solidity, and high liquidity, with sufficient funds for consolidation opportunities and for enhancing and strengthening our market leadership position.

The year of 2020 reinforced a certainty that we had already recognized in our corporate values, 'Together we are strong.' We thank all our stockholders, employees, suppliers, partners and clients for their trust in our company.

**MARCIO KAUFMAN  
PAULO KRUGLENSKY**





# about the report

## Transparency, always

102-1 | 102-45 | 102-49 | 102-50 | 102-51 | 102-52 | 102-54

This second Sustainability Report of Vivara Participações S.A. presents the financial results for the period between January and December 2020, with reflections on a moment that has been historic and challenging for all of us. This is an annual report, prepared in accordance with the categories of the Global Reporting Initiative (GRI) – Core Option – an international benchmark for sustainability. The content is aligned with the United Nations Sustainable Development Goals (SDGs), which are part of the UN 2030 Agenda, an international initiative that we support in our business. This year, our Report is expanded with the inclusion of indicators not reported last year, and of important items relating to the context of the pandemic.

Vivara Participações S.A. is the holding company that controls two subsidiaries: *Tellerina Comércio de Presentes e Artigos para Decoração S.A.* ('Tellerina') and *Conipa Indústria e Comércio de Presentes, Metais e Artigos de Decoração Ltda.* ('Conipa'). Thus, the consolidated financial statements portray the results of this group of companies and their operations.



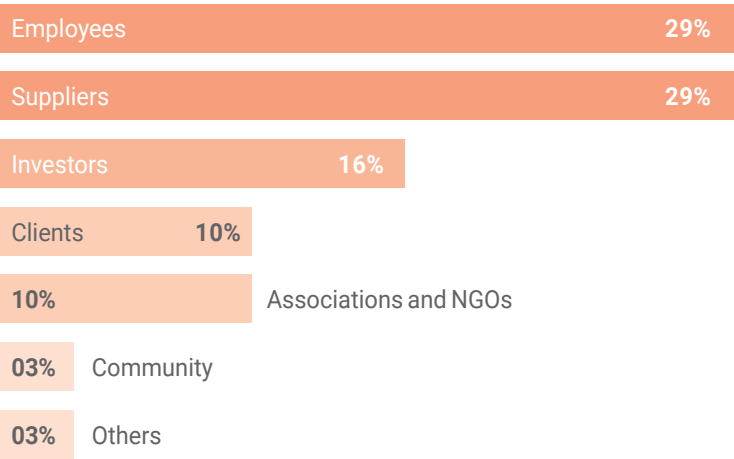
# Engagement with our publics

102-40 | 102-42 | 102-43 | 102-44 | 102-46 | 102-47 | 102-49 | 102-53 | 103-1

The subjects covered here follow the consultation we made with our stakeholders in March 2020.

Based on analysis of the reports of companies in the sector and our internal review of our corporate directives for sustainability, we identified themes for materiality, which we made the subject of consultation, through an online questionnaire answered by 31 of our stakeholders (employees, suppliers, investors, clients, associations, the community and others). The replies were crossed with the Sustainable Development Goals of the 2030 Agenda, and with our corporate policies and strategic business vision, creating our matrix of materiality – a list of which subjects and indicators are important to our publics.

## PROFILE OF RESPONDENTS



The matrix presented seven priority topics relating to sustainability, which subdivided into 15 material aspects. For the 2020 Report, other material aspects were included due to the pandemic, and we revised the correlation with the SDGs and the presentation of the indicators.

THEME	MATERIAL TOPICS	GRI INDICATORS	LIMIT OF TOPIC <sup>2</sup>		SDG <sup>3</sup>
			INTERNAL	EXTERNAL	
Ethics and integrity	<ul style="list-style-type: none"><li>• Transparency</li><li>• Combat of corruption</li><li>• Promotion and defense of human rights</li></ul>	102-24 <sup>1</sup> , 102-25 <sup>1</sup> , 102-26 <sup>1</sup> , 102-28 <sup>1</sup> , 201-4, 205-1, 205-2, 205-3, 206-1, 406-1, 408-1, 409-1, 410-1, 412-1, 412-2	✓		8, 12, 16
Care for the team	<ul style="list-style-type: none"><li>• Employees' health and safety</li><li>• Promotion of diversity and equality between Vivara employees</li><li>• Abilities for employees' development – training and education</li></ul>	202-1, 401-1, 402-1, 403-1, 403-8, 403-9, 403-10, 404-1, 404-3, 405-1	✓		3, 4, 5
Client safety and satisfaction	<ul style="list-style-type: none"><li>• Responsibility for the product and relationship with clients</li></ul>	416-2, 417-3, 418-1		✓	12
Support for adoption of good social and environmental practices in the value chain	<ul style="list-style-type: none"><li>• Relationship with suppliers</li></ul>	308-1, 414-1	✓	✓	9, 17
Environmental management and climate change	<ul style="list-style-type: none"><li>• Waste and materials</li><li>• Water</li><li>• Energy</li><li>• Emissions</li><li>• Measures for adaptation to climate change</li></ul>	201-2 <sup>1</sup> , 301-1, 301-2, 302-1, 302-3, 303-3, 303-4, 303-5, 305-2, 305-3, 305-4, 306-1, 306-2, 305-1		✓	11, 12, 13, 14, 15
Economic and operational performance	<ul style="list-style-type: none"><li>• Economic result achieved and percentage returned to society</li></ul>	102-151, 201-1	✓		8
Contribution to development of communities	<ul style="list-style-type: none"><li>• Relationship with local communities</li></ul>	203-1, 411-1, 413-1, 413-2		✓	11, 12, 16, 17

See the GRI Content Index at the end of the Report for the cross-referencing of the Sustainable Development Goals (SDGs) and their targets with the GRI indicators reported.



Please send any questions or suggestions relating to this publication to:  
[sustentabilidade@vivara.com.br](mailto:sustentabilidade@vivara.com.br)

1. For the 2020 Sustainability Report, all the indicators were reviewed, and new ones included in addition to those reported in the previous cycle.  
2. For each theme, the checkmarks in the columns show whether the impacts take place – internal or external to Vivara.  
3. The SDGs associated with the material topics were reviewed and revised in relation to the previous cycle.  
As a result, we believe they are now more closely aligned with our business.



# Vivara

## A unique and special story

102-2 | 102-4 | 102-5 | 102-6 | 102-7 | 102-10

We exist for the purpose of fascinating our clients – offering the best experience possible in the choice of a perfect present. Since the beginning of our activities, in 1962, we have always concerned ourselves with each detail of our jewelry. All pieces are planned and made with the same care that, in ancient times, goldsmiths have always employed in making their unique and timeless products.

Six decades later, and preserving the same sensitivity that has always marked our way forward, we are Brazil's largest network of jewelers, a listed corporation with 267 physical points of sale in 24 states of Brazil, and serving every city in Brazil through e commerce. At the center are our manufacturing plant, in *Manaus*, in the Brazilian state of *Amazonas*, and our management offices, logistics and technical assistance facility in *São Paulo*. In 2020, in spite of the particular nature of the year, we continued with our expansion plan and opened 28 new operations: 18 Vivara stores, 7 Life by Vivara stores and 3 kiosk points of. During this period we closed one store – in *São Paulo's Guarulhos Airport* – and ceased operation of 13 kiosks, most of which were converted into stores.

Even with the adversities that we faced in the year, our achievements were the result of the dedicated work of our 3,220 employees, who knew how to adapt and reinvent themselves in the face of the needs to adapt the business. As a result of our care about people, the engagement of our teams and the cooperation between all the groups, we were able to ensure another was a brilliant year in our history.

We are  
the largest  
network of  
jewelry stores  
in Brazil

## HIGHLIGHTS OF 2020

+191.2%

vs. 2019



Record online sales

R\$ 596.6  
million

4Q20



Record revenue for a single quarter

R\$ 1.34  
billion



Gross revenue

R\$ 1.17  
billion



Stockholders' equity

R\$ 2.14  
billion



Ativo total

41%



of clients in 2020 bought from us for the first time

NPS 90



Excellence in customer service

3,220



employees

88%



percentage of women in the workforce and management position

68 hours



Average hours of training per employee

R\$ 1.0 million



donations to the Luz Alliance Fund

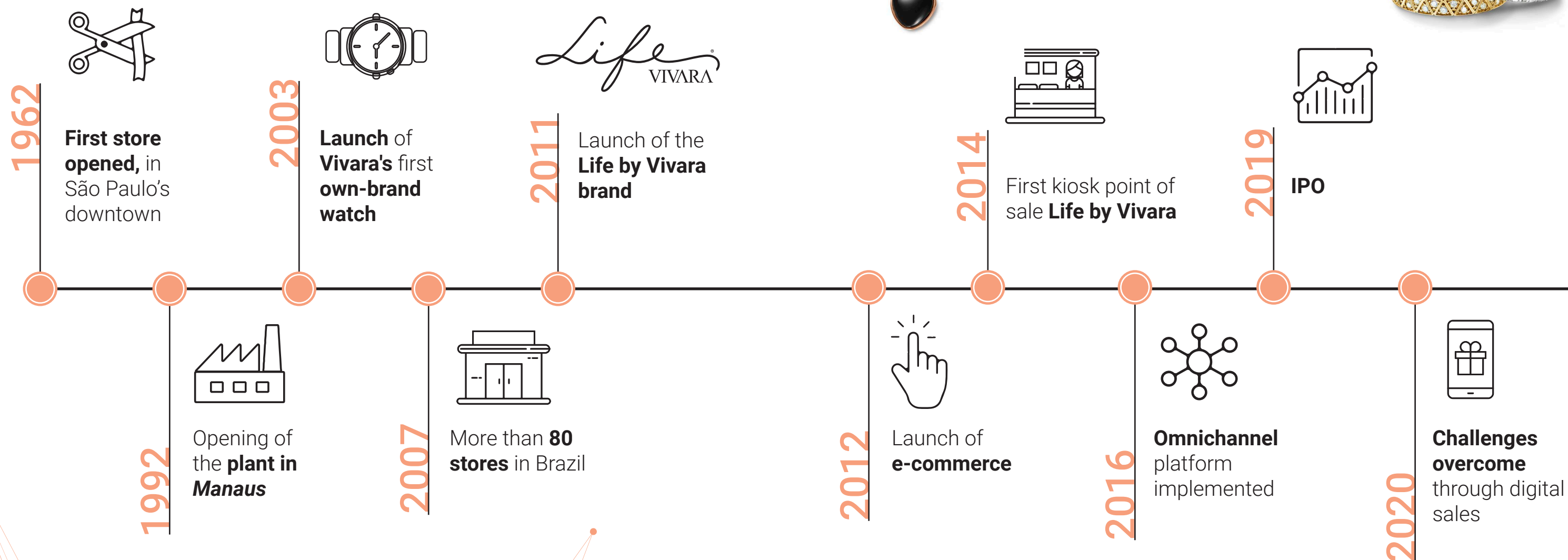
10,000



personal hygiene kits distributed in partnership with the Red Cross



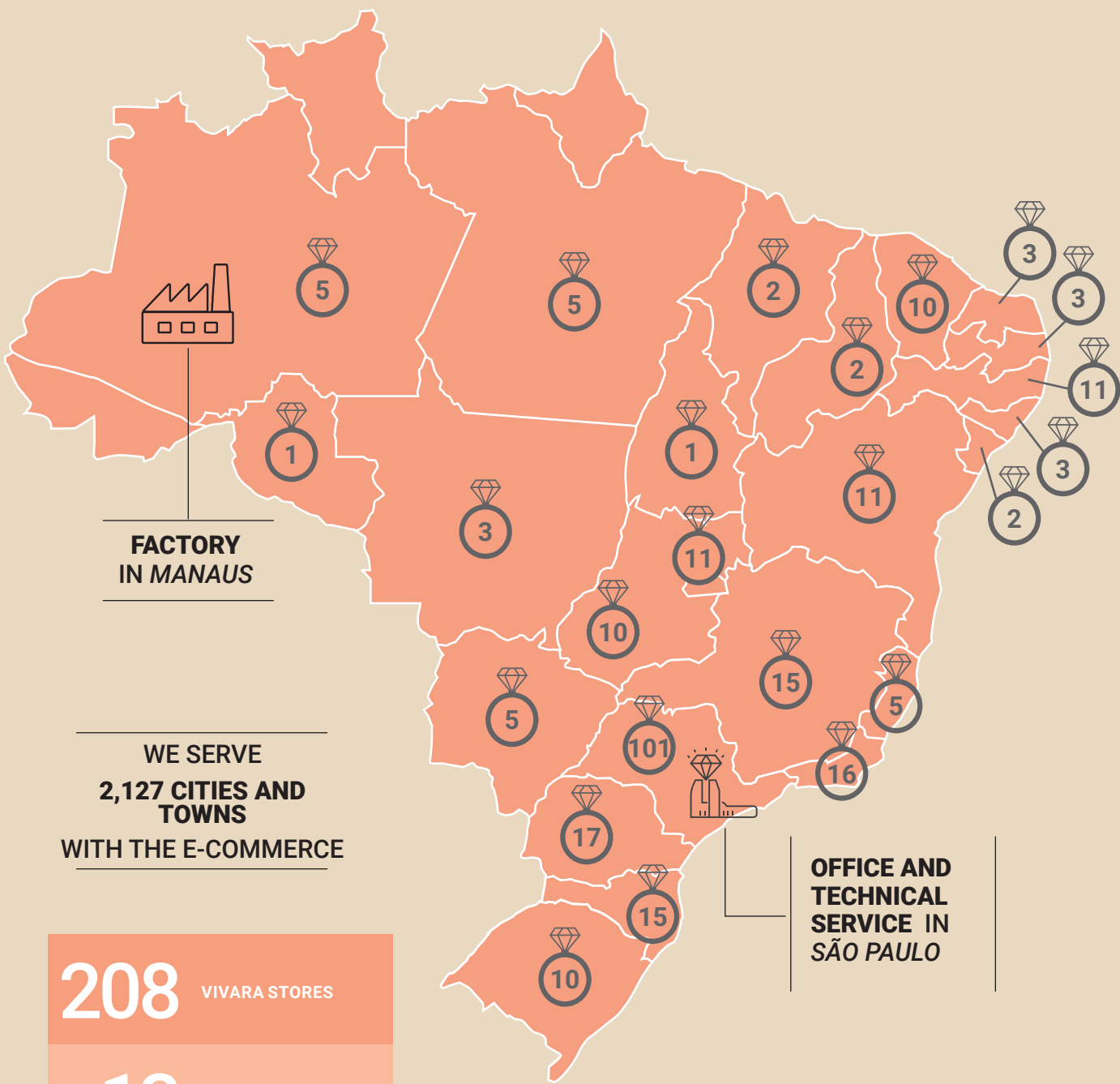
## TIMELINE





GEOGRAPHICAL PRESENCE

102-4



208	VIVARA STORES
13	LIFE BY VIVARA STORES
46	KIOSKS
267	POINTS OF SALE

Brands

102-2 | 102-6 | 102-7

Inspiration, innovation, enchantment, personality, delicacy. Since the beginning of our story, these have been our central guiding attributes, all the way from selection of suppliers and raw materials to final production of our jewelry. Looking to the future, and responding to our clients' demands – without forgetting the tradition of developing and working each single one of our pieces with care and exclusivity – we have expanded our portfolio of products. Our brands now include watches, fragrances, and accessories.

With the unexpected scenario of the pandemic, our routines were transformed, based on home-office working, rapid development of use of digital tools, and the new challenges of this life working in front of screens. These changes have had an effect on the atmosphere, and 2020 trends, influencing our launches, with jewelry in gold and silver emerging as a highlight of growth, ahead of other retail products.



VIVARA

Every piece made under the Vivara brand is unique and exclusive. Designed with care, delicacy and innovation, our jewelry forms collections that have a personality of their own. It's a brand that is at once traditional, elegant, and modern – destined for clients who value quality and sophistication.





## Life VIVARA

Life by Vivara was born in 2011 as a result of demand from our clients. The brand produces more than 1,500 types of jewelry items in silver, making infinite combinations possible through the creativity of whoever purchases them or gives them as a gift. It is a brand associated with all genders, all types of people, all ages, for those who value fashion and look for pieces that are informal and relaxed, but with the feel of collectors' items, for an affordable price.



## VIVARA ACCESSORIES

These are high quality products that both provide an eternal quality to moments, and also add more style to our clients' daily lives. Wallets, glasses, pens, jewelry boxes and watches are offered in exclusive Vivara models; this is part of our corporate sales strategy, which aims to increase the capillarity of our distribution of products.

## VIVARA WATCHES

Vivara has two brands of watch, each with their own development and exclusive collections: the homonym Vivara, and Akium. In addition, we are the representatives in Brazil of international brands such as Baume & Mercier, Bulova, Coach, Festina, Guess, Hugo Boss, Lacoste, Montblanc, Movado, Movement, Nautica, Olivia Burton, Scuderia Ferrari, Tag Heuer, Tommy Hilfiger and Victorinox.



## VIVARA FRAGRANCES

Our newest brand, launched in 2015, with a mix of perfumes for women of both the Vivara and the Life by Vivara brands, and also products for men.





# Value creation

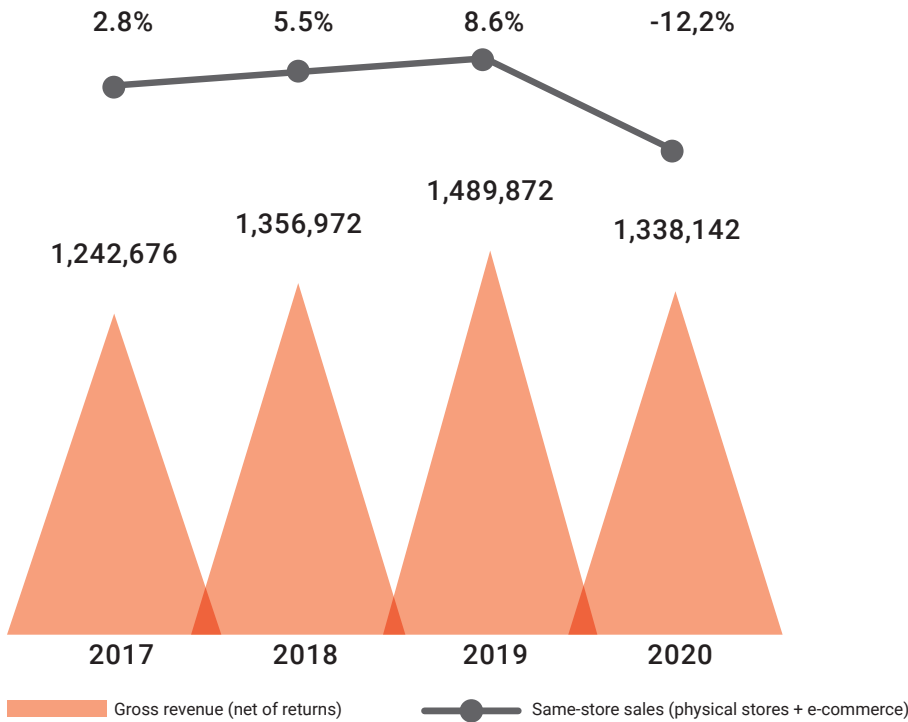
103-2 | 103-3 | 201-1

A culture of sensitivity and care is part of the essence of Vivara, in all its businesses. In our vision, creation of value, especially in a period like the one we are living through, necessarily centers on and is guided by giving attention to people. Our financial results in the year – lower than planned, but higher than we imagined possible at the beginning of the pandemic – were only achieved because we prioritized the safety and health of our employees, suppliers and clients. We also carried out our role as agents of benefit to society, through donations and projects that helped to relieve the difficult situation of families and communities.

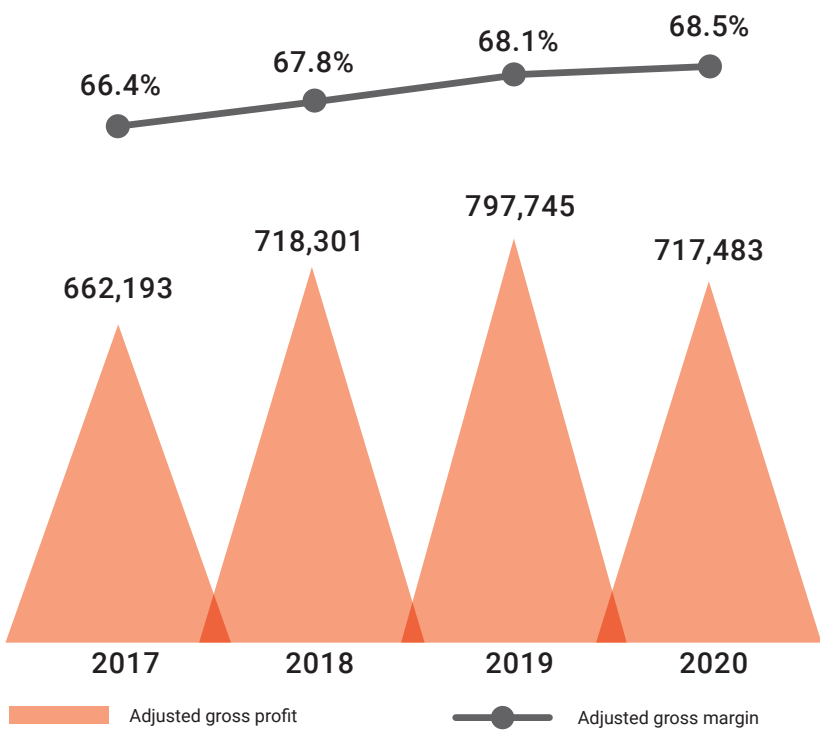
Our profit was affected by closure of operations, but recovered gradually as from August. The fundamental factors

for neutralizing the impacts of the pandemic were our continuous effort to contain expenses, and our omnichannel strategy. We thus closed the year with net revenue 10.2% lower than in 2019, mainly reflecting closure of stores over the year as a result of the pandemic. By contrast, in the fourth quarter our sales were 14.4% higher than in the fourth quarter of 2019. Due to our sound composition of inventories, and an appropriate pricing policy, our gross margin was 0.4 p.p. higher in 2020 than in 2019, at 68.5%, even in a scenario of strong increases in prices of our inputs.

REVENUE (R\$ THOUSAND)



GROSS PROFIT AND GROSS MARGIN





## COVID-19: MEASURES TAKEN AND IMPACTS



- Migration to home office working
- Temporary closure of stores
- Temporary closure of the factory
- Structuring of our Crisis Committee



- Adjustment to the corporate structure
- Acceptance of Law 14020/2020
- Negotiations with suppliers
- Alignment of action with other retailers
- Pilot of revenue maximization initiatives
- Start of gradual reopening of stores – 9 stores
- Partnership with the Red Cross for donation of 10,000 hygiene kits for vulnerable communities



- Rollout of sales initiatives
- Start of the partnership with the Brazil Foundation for donation of R\$ 1 million over the course of 2020
- 26 stores reopened
- Operation of the factory resumed



- Expansion Plan resumed
- 186 stores reopened
- Over 510.5% growth in digital sales



- 214 stores reopened
- *Jóias em Ação* reaches 29.4% of digital sales



- 100% of facilities reopened
- *Jóias em Ação* reaches 45.6% of digital sales
- Gradual resumption of in-person office activities



- Best monthly performance of the year
- A positive same-store sales regarding physical stores (+3.1%)
- 50 cities and towns integrated into the Order Management System
- Online sales convention, with more than 2,000 people connected
- Record for digital sales in a single day



- End of the benefits of Law 14020/2020
- Marketing campaigns boosted for the launch of new jewelry collections and Life by Vivara products
- Restrictions on movement increased in several cities and towns

## DIGITAL SALES

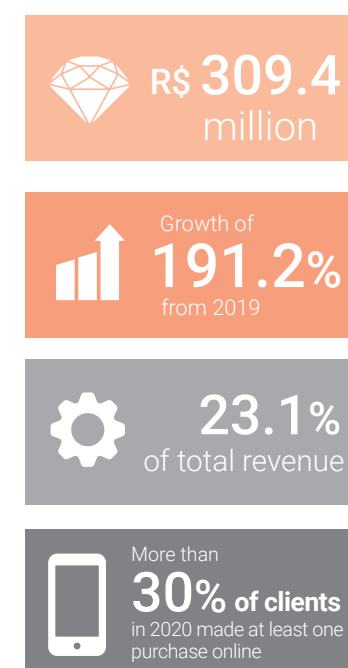
The highlight of 2020 was rapid expansion of the performance of our digital sales, reaching R\$ 309.4 million in the year, an increase of 191.2% from 2019 – and providing 23.1% of total sales revenue. This growth was boosted by the omnichannel strategy, principally by the *Jóias em Ação* project – a direct sales initiative created after the closure of stores: it provided 25.5% of sales through digital channels in the year, gaining scale every month.

These results prove the high capacity for adaptation of our teams. One of the main factors that has contributed to sales is the work that Vivara has done over six decades of operation, with a historic client base of more than 4.7 million people. The corporate strategies we have adopted, especially in digital sales, and intensified in 2020 are based on surveys of our clients' expectations, which are mapped and classified, creating a collection of data on demand clusters, and indicating trends. Analysis of the information enables

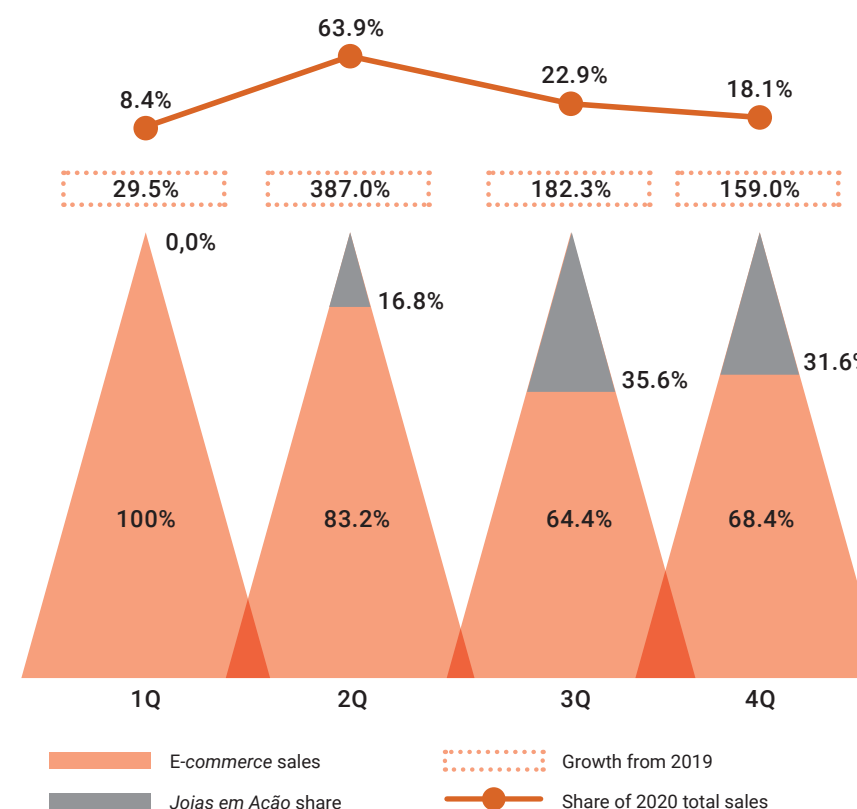
us to identify clients' purchasing behavior, and establish differentiated strategies for getting closer to them, showing each client the types of product that are most important to them.

These analyses and segmentations serve as fuel for digital media, and relationship programs such as *Jóias em Ação*, achieving a deeper identification with clients' daily involvement with the media through the tactics we adopt. Segmentation, associated with maximization of the potential of each media format, and communication based on empathy and subjectivity, strengthens the Vivara brand, increases the percentage of client retention, and attracts new consumers. In 2020, more than 500,000 people made purchases with Vivara for the first time in their lives. At the same time, more than 30% of clients who purchased from the company made at least one purchase online.

### DIGITAL SALES



### THE E-COMMERCE GROWTH EVOLUTION



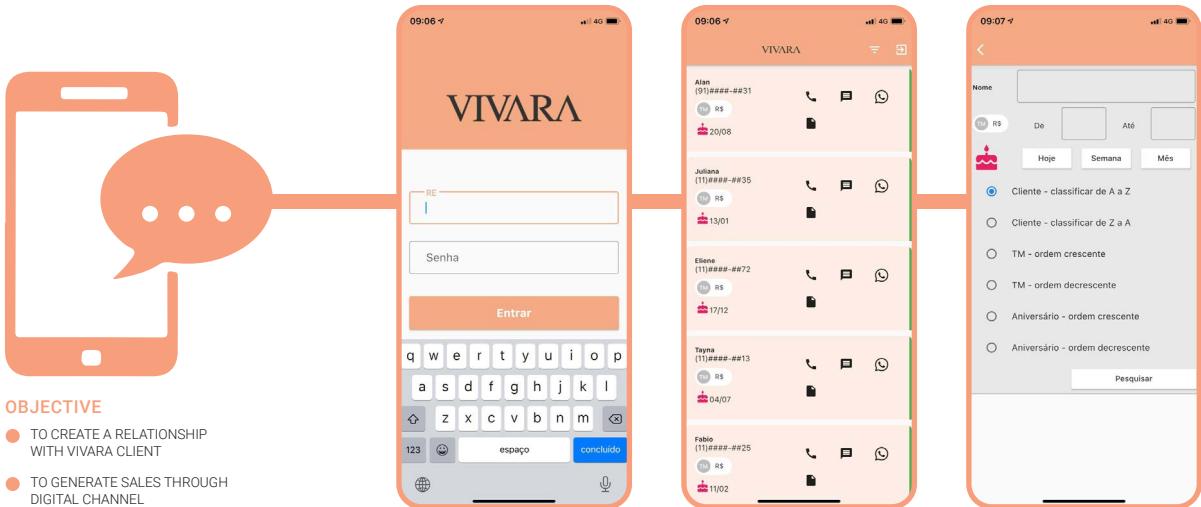
# JOIAS EM AÇÃO

Our clients are used to a level of close and sensitive customer care from our salespeople. With the closure of our stores in the initial period of social distance, we sought a solution that would replicate this humanized sales attention in the digital channel environment. This was how we came up with the *Joias em Ação* program – a model for assisted remote sales created in April 2020 to keep our attention to Vivara clients personalized, when they were unable to visit our physical stores.

Through *Joias em Ação*, the sales force in our stores began to practice a proactive approach using telephone, WhatsApp and text messaging, based on the client’s purchasing history, boosting our e-commerce sales. Before the pandemic, store sales teams were involved in less than 1% of our online sales. By the end of 2020, *Joias em Ação* was present in approximately one third of all our transactions.

To implement the project – which was put in place in record time – we needed to achieve a change in mindset and reinvent our way of selling. Our sales people showed an incredible capacity for overcoming the challenge, and speed of learning, making the digital experience as close as possible to the experience of in-person sales. It was a collective act of daily construction, learning, and accompaniment: sales began to surge, making it possible to establish targets based on the reality of these activities.

The project gained new functionalities over the months, and today makes it possible to have proactive client interactions, through approaches to frequent clients, and also receptive attention to clients who ask for online consultation.



# OVERCOMING MANUFACTURING CHALLENGES

When we suspended the operations of our factory, we already had our inventory well stocked with diversified products in all the categories. We resumed production, at the beginning of May, with the Life bracelet (now made internally), and shortly after this we restarted production of jewelry, to ensure the proper composition of inventory for the whole network with the resumption of economic activity.

We rapidly adapted our operations to new demands of the market. Since online sales kept their level, we had a commitment to produce new products even with the stores closed, adapting our processes of development of products and marketing strategies.

Another challenge was to adapt our planning, which had been made originally with medium and long-term metrics, to a period of continuous demand for reinvention in our manufacturing. Since the behavior of clients in the digital channels is different from that of people buying in stores, we needed to adapt inventory and re-establish production priorities. We needed to see how to do things differently, to be able to meet demand and maintain the quality of our product inventory.

In 2021 we will make significant investment in new equipment in the plant, and in building works to increase the production of jewelry, Life by Vivara products, and watches, in accordance with our planning.



# our commitment

102-16

## MISSION

To be the most desired brand in Latin America for celebrating special moments.

## VISION

We exist for the purpose of fascinating our clients – offering the best experience when choosing a perfect gift.

## COMMITMENTS

We make efforts to provide our services with excellence, seeking full satisfaction of our clients, while providing a healthy and productive work environment for our employees.

Thus, in our activities, we make the following commitments:

- To base our relationship with our public on honesty, integrity and respect, so as to establish relationships of mutual trust, based on ethical principles, which we believe are necessary for the exercise of the vocation of entrepreneur;
- To comply with all the requirements and regulations of Brazilian employment law;
- To respect people, whatever their hierarchical position, origin, color, ethnicity, culture, age, social position, physical capacity, religion or sexual orientation, rejecting any practice of discrimination; and
- To act at all times with a commitment to the quality of the work environment, ensuring the complete physical and moral safety of our employees.



## VALUES

- Feeling of ownership: We have a passion for the company. We think, act and lead, committed to the result and to our code of conduct;
- Fascinate the client: We have an unceasing desire to win the hearts of our clients, and thus their loyalty. We work determinedly to surprise them at special moments, with quality products and experiences;
- Creativity: We make creativeness the greatest feature of our brand, seeking to be innovative in the way that is most effective;
- We are strong together: We value, develop, and recognize our team in a collaborative, meritocratic, high-performance environment; and
- Resilience: We are able to adapt ourselves to changes, and we have persistence to overcome the obstacles we meet.

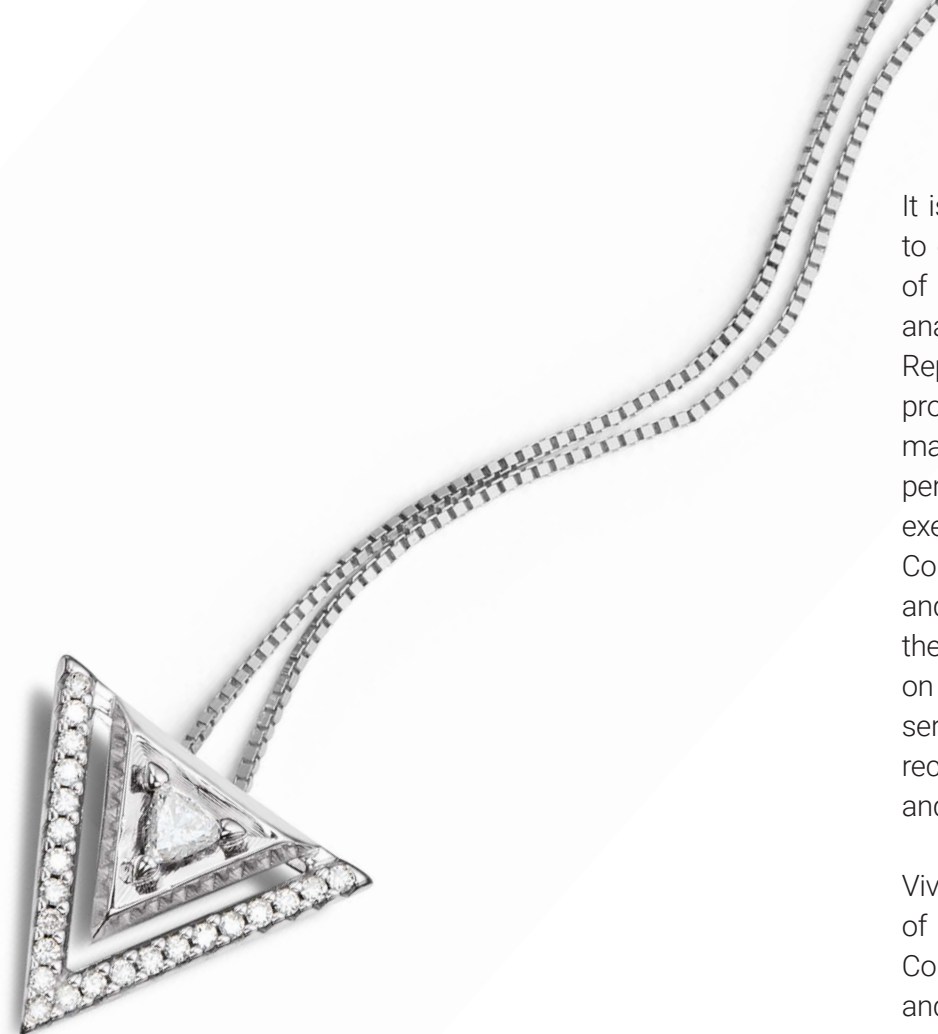


# Corporate governance

102-18 | 102-24 | 102-25 | 102-26 | 102-28

Since the foundation of the company, responsibility and integrity have been non-negotiable factors in our operations. We have built this history in partnership with our supply chain, employees, clients and partners, always guided by maintaining seriousness and transparency in all relationships. With shares listed on the *Novo Mercado* of the *São Paulo* stock exchange (*B3 – Brasil, Bolsa, Balcão*) since 2019, Vivara is committed to the B3's highest level of corporate governance.

Our Board of Directors, under its regulations, may comprise at least 5 and at most 9 members. All are elected, and may be removed, by the General Meeting of Stockholders. Their periods of office run concurrently, and they may be re-elected. At least 2 of them must be independent members, in accordance with the definition given by the *Novo Mercado* Regulations. At present the Board has 5 members, of whom 4 are independent. The guidance for choice of board members takes into account qualifications, diversity of knowledge and gender, experiences, including complementary experiences in executive roles, identification with the company's principles of corporate activity, and absence of conflicts of interest. The Executive Board has at least 4 and at most 10 members, whether they are stockholders or not, and who are elected and may be dismissed at any time by the Board of Directors. Any one of them may hold more than one position of Chief Officer.



It is function of the Board of Directors to decide and monitor implementation of the company's strategy. They analyze information including Vivara's Report of Management, expansion projects and investment programs, risk management, and evaluation of the performance of the company's main executives. The Audit, Risks and Finance Committee, and the People, Culture and Governance Committee advise the Board of Directors in decisions on implementation of strategy, and serve as a forum for discussion and recommendations on administrative and operational structures.

Vivara has a Policy for Appointment of Members of the Board of Directors, Committees and Statutory Directors; and a Policy for Transactions with Related Parties and Other Situations Involving Conflict of Interest. Both are available on our Investor Relations site.



<https://ri.vivara.com.br/governanca-corporativa/estatuto-e-politicas/>

The Board of Directors and their committees carry out evaluation of their own performance as a body, and of each one of their members, at least once a year. The statutory directors are also evaluated individually by the Board of Directors. Conducting the process of evaluation is the responsibility of the Chair of the Board of Directors, who may use specialized external advisers. The results of the evaluations are used to assess performance and seek opportunities for improvements in the company's governance.

According to data from  
Ethos, only 8.6% of all  
boards of directors in  
Brazil have members who  
are women.

Vivara is one of these  
companies: 40% of the  
members of its Board of  
Directors are women.

In 2020, our  
Board of Directors had 5  
members,  
of whom 80% were  
independent.





## THE BOARD OF DIRECTORS' MEMBERS

**João Cox Neto** – Chair

**Main contributions:** Corporate Finance and Corporate Governance

**Sylvia de Souza Leão Wanderley** – Member of the Board

**Main contributions:** Strategic Planning, Management of People, and Marketing

**Anna Andrea Votta Alves Chaia** – Member of the Board

**Main contributions:** Strategy for Retailing, Marketing and Operations

**Fábio Coelho** – Member of the Board

**Main contributions:** Digital Strategy, Omnichannel and Innovation

**Márcio Monteiro Kaufman** – Member of the Board

**Main contributions:** Entrepreneurship, Management and Business Vision

**Audit, Risks and Financial Committee:** Responsible for supervising the quality and integrity of financial reports; compliance with legal rules, bylaws and regulations; adequacy of the risk management processes; and activities of the external auditors.

**People, Culture and Governance Committee:** Responsible for supervising matters relating to human and organizational development and processes for management of people, the organizational culture, and corporate governance.

## RISK MANAGEMENT

102-11 | 102-15 | 102-30

Management of risks is the responsibility of the Board of Directors, the Audit, Finance and Risks Committee, the Internal Audit, Compliance and Internal Controls Area, and the Business Areas. They have distinct duties, and must act together in an integrated manner. The Audit, Finance and Risks Committee evaluates and monitors Vivara's exposure to risks that could affect its sustainability, and also assesses the effectiveness of the risk management model, suggesting solutions for enhancement of internal processes.

- **Strategic risks:** These are risks that could prevent or affect achievement of the strategic decisions made by the company for its business objectives;
- **Operational risks:** These are risks that involve the operation, information systems, processes, internal controls, clients, revenues and other activities that may result in financial losses, damage to reputation or image, reduction of the company's profit, or other factors;
- **Financial risks:** These arise from unexpected effects in the economic or political scenario, or in market trends, that could have an effect on consumers' behavior, interest rates, inflation, financial investments, or other factors. Financial risks also include credit risk, caused by failure of a client or counterparty of a financial instrument to comply with their contractual obligations. These may arise principally

in receivables originated by retail clients, or from cash investments, or liquidity risks; and

- **Compliance risks:** These result from failings in compliance with laws, rules, regulations or internal policies for ethics and conduct, or due to unresolved or future legal proceedings, which could result in financial loss, or damage to the company's image and reputation.



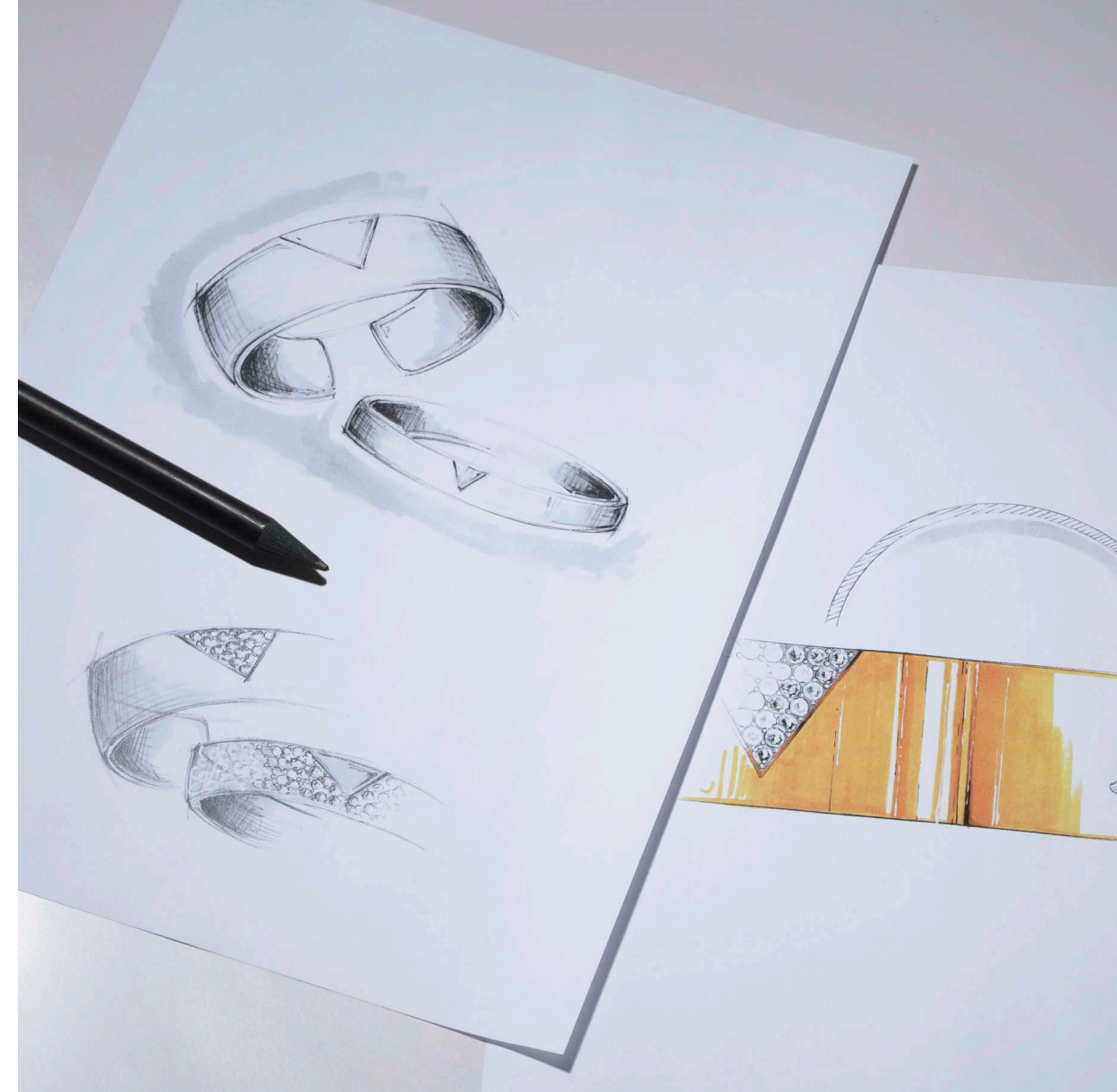
# Ethics and conduct

103-2 | 103-3 | 205-1 | 205-3

Due to our continued attribution of value to ethical standards, during all our history, and also reflecting the attention to detail that is a characteristic of our business, we have achieved the standard of excellence and maturity that we now have in our controls of processes. This is reflected in our Code of Conduct, which we revisited in 2020. It sets out the types of conduct that orient the business and the relationships that Vivara has through its corporate governance and its employees, in a way that is ethical, transparent, professional and based on mutual respect.

One area of great progress in our organizational structure in 2020 was creation of the Legal and Compliance Area. This area is also responsible for the processes of internal controls, monitoring the effectiveness of processes and assessing risks with monthly reports of the controls.

In the year we held training and enhancement sessions on the company's policies and procedures,



principally on data protection, money-laundering and the Anonymous Reporting Channel, with a higher level of diligence in relation to these processes, and updating of policies and procedures. Our Internal Policy on Money-laundering and Combat of Terrorism, reviewed in the year, establishes guidelines and directives and complies with the rules and regulations governing the subjects. Also in 2020 we launched our Code of Conduct for Suppliers (see more details in the chapter Suppliers).

Our Anonymous Information Channel enables reports to be made safely and, if desired, anonymously, on any conduct considered to be anti-ethical or to violate the ethical principles and standards of conduct, or legislation. In 2020 management of this was taken

over by the Legal and Compliance Area. This channel can be used at any time on the telephone number 0800 377 8024 or on our corporate website.

The risk of corruption in Vivara is limited to risks in dealing with public bodies in the case of inspections on its premises, whether at the head office or in local offices. In 2020 no cases of corruption were confirmed. Dealing with inspections is currently centralized in a single area of the Vivara group.

Under Brazilian legislation, the jewelry, precious stones and metals sector is regulated by Coaf, the Council for Control of Financial Activities (*Conselho de Controle de Atividades Financeiras*), a federal body that identifies unlawful activities related to money-laundering. We record purchase transactions made by clients in the amount of R\$ 10,000 or more, and we report any payments in cash of R\$ 30,000 or more to Coaf.



# Strategy for sustainability

102-12 | 102-13

Sustainability is one of the intrinsic characteristics of our business, directly related to responsibility and efficiency. Increasingly it is also a requirement in purchases, especially of products with high added value, for clients that are concerned with the purpose or origin of raw materials, or social-environmental issues.

Thus we believe that this theme needs to be established across all the dimensions of our company, and we work continually to engage various areas of the business with this theme: the pillars of sustainability have always

been incorporated into our activities and decisions. In 2020 we completed the creation of an area dedicated to the subject, and began the work of structuring our strategy to include construction of a sustainability agenda.

Based on the consultation we held with our stakeholders in 2020, we have established our materiality matrix and we are working to evolve in our measurement of the indicators that are considered to be important, and in connection of these aspects of the corporate strategy as a whole.



As a way of accelerating these processes, we have incorporated the objectives of sustainability into our strategic targets, linking the results of projects to bonuses for managers and executives from various areas. In 2020 we established targets for audits in our suppliers, internal and external communication on the subject of sustainability, supplier awareness of our Code of Conduct for Suppliers, which was published in the year, and management of factory waste.

We have had a very satisfactory result in the first year of this initiative, with a delivery ratio of 82% of the goals. As well as the managers and executives directly involved in the targets, with the multiplier effect of the subject within the company's areas, we have had the indirect involvement of numerous employees who contributed to implementation and execution of the projects.

In response to the pandemic, we saw the need to rescale investments prioritized by the company during the most critical period of closure of operations, including those related to strategies of sustainability; and maintain the focus on ensuring the safety and health of our employees, suppliers and clients, and at the same time the financial health of our business. Gradually, investments were resumed with the necessary care and diligence called for by the period.

## WOMEN'S EMPOWERMENT

The feminine presence is already in the DNA of Vivara's business. As well as being a company that employs a very substantial team of women, we also sell, mostly, to women. Our jewelry is designed and produced for a diverse public, so that each one of the details can meet the wishes of a woman and she can express herself through this item of jewelry, showing her style and personality.

Our identification was further expressed at the end of 2019 when we committed to the Women's Empowerment Principles of the UN, organized by UN Women, in association with the UN Global Compact. As well as signing the document, we translate these principles into the practice of our daily activity through programs we have already established, and others which we are developing.



# The seven women's empowerment principles

1

**ESTABLISH HIGH-LEVEL CORPORATE LEADERSHIP FOR GENDER EQUALITY**


At Vivara, 88% of the leadership positions are occupied by women. In our Executive Board this proportion is 50%, and on the Board of Directors, 40%.



2

**REAT ALL WOMEN AND MEN FAIRLY AT WORK – RESPECT AND SUPPORT HUMAN RIGHTS AND NONDISCRIMINATION**


Our selection criteria are based on the professional experience required for the function, and alignment with the institutional culture. Diversity is one of the principles highlighted in our Code of Conduct.



3

**ENSURE HEALTH, SAFETY AND WELL-BEING OF ALL WOMEN AND MEN WORKERS**

Our corporate program *Viva Bem* (Live Well) is a complete group of actions for well-being and quality of life, working on physical and mental health, motivating sustainability, dedicating special care to pregnant women, and providing family benefits.



4

**PROMOTE EDUCATION, TRAINING AND PROFESSIONAL DEVELOPMENT FOR WOMEN**

Our sales force is 100% female, and we dedicate special attention to commercial training. In 2020 we gave a total of 219,659 hours of training, with an average of 68 hours' training per employee, and 88% participation.



5

**SUPPORT WOMEN'S ENTREPRENEURSHIP AND FOSTER WOMEN'S EM-POWERMENT THROUGH SUPPLY CHAINS AND MARKETING**

*Contemporâneas* Vivara is public art project representing a special care for the feminine voice, and through workshops and mentoring, offers tools that make projects possible in which women are protagonists and hold a leadership role.



6

**PROMOTE EQUALITY THROUGH COMMUNITY INITIATIVES AND ADVOCACY**

As part of our *Contemporâneas* project, we hold conversations through webinars dealing with the challenges and opportunities for consolidation of women's position as agents for artistic and cultural development in Brazil.

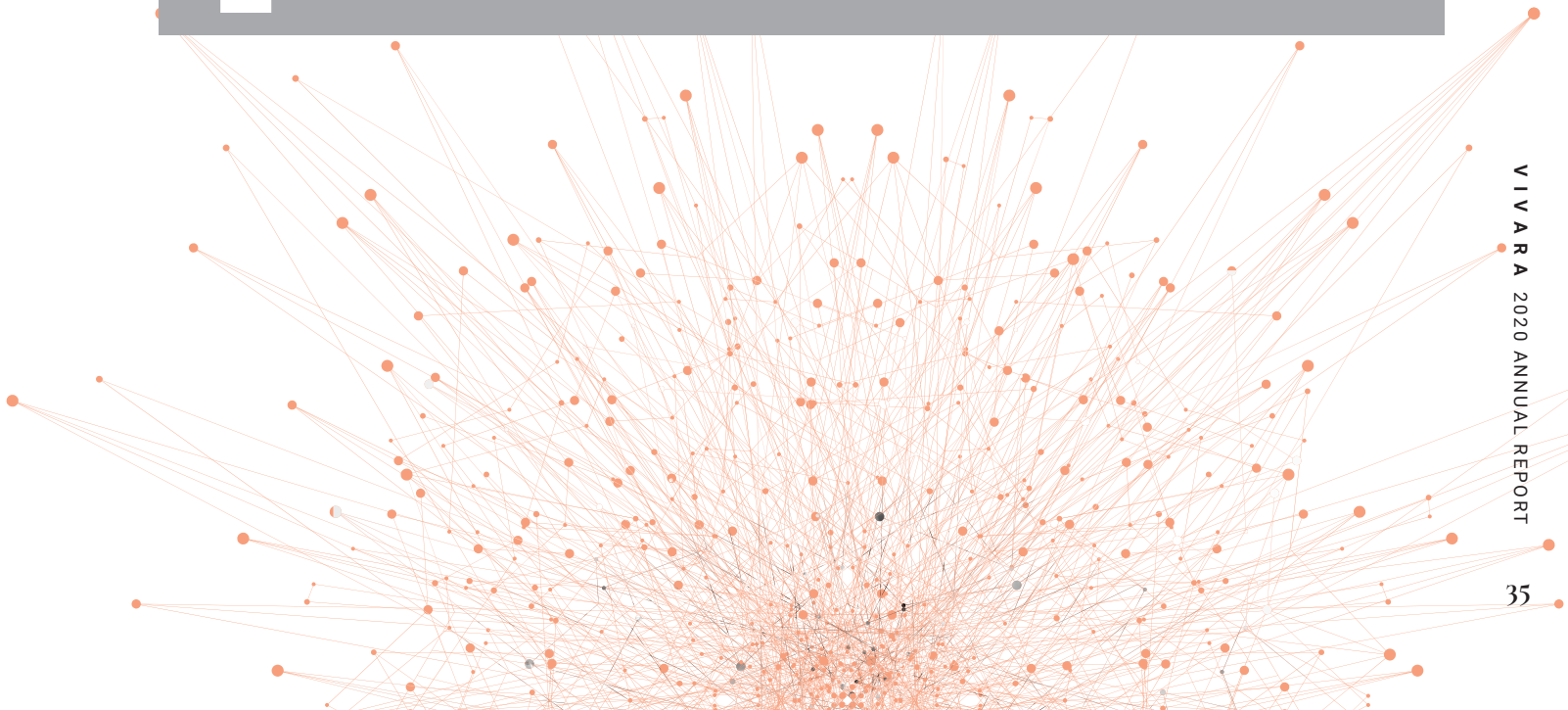


7

**MEASURE AND PUBLICLY REPORT ON PROGRESS TO ACHIEVE GENDER EQUALITY**

The sustainability indicators that we monitor include diversity of gender in our workforce, and fairness and equanimity in our working conditions.







# THE UN GLOBAL COMPACT AND THE 2030 AGENDA

Under our voluntary adhesion to the UN Global Compact we commit to take concrete and measurable action in favor of its 10 principles related to human rights, employment standards, the environment and the fight against corruption, and also to contribute to the 17 SDGs of the 2030 Agenda. Due to the characteristics of our businesses, we consider that the two most relevant SDGs in our participation in society are: GDS 5 – 'Achieve gender equality and empower all women and girls' and GDS 12 – 'Ensure sustainable consumption and production patterns'. To give consistency to our engagement with the 2030 Agenda, the material themes of our sustainability strategy and the indicators in this report are linked to the SDGs (see more in the chapter About the Report).

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

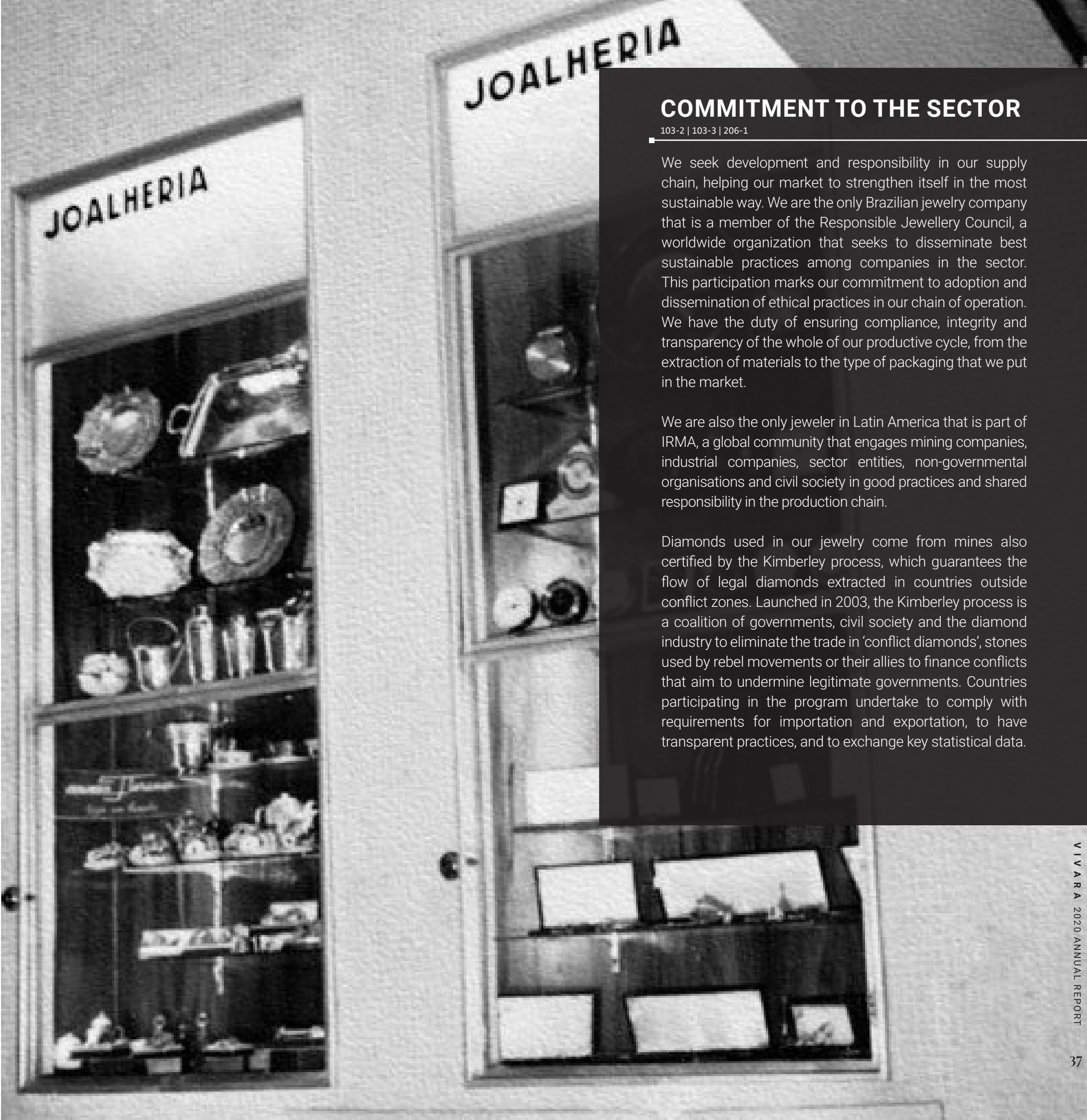
13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS



## COMMITMENT TO THE SECTOR

103-2 | 103-3 | 206-1

We seek development and responsibility in our supply chain, helping our market to strengthen itself in the most sustainable way. We are the only Brazilian jewelry company that is a member of the Responsible Jewellery Council, a worldwide organization that seeks to disseminate best sustainable practices among companies in the sector. This participation marks our commitment to adoption and dissemination of ethical practices in our chain of operation. We have the duty of ensuring compliance, integrity and transparency of the whole of our productive cycle, from the extraction of materials to the type of packaging that we put in the market.

We are also the only jeweler in Latin America that is part of IRMA, a global community that engages mining companies, industrial companies, sector entities, non-governmental organisations and civil society in good practices and shared responsibility in the production chain.

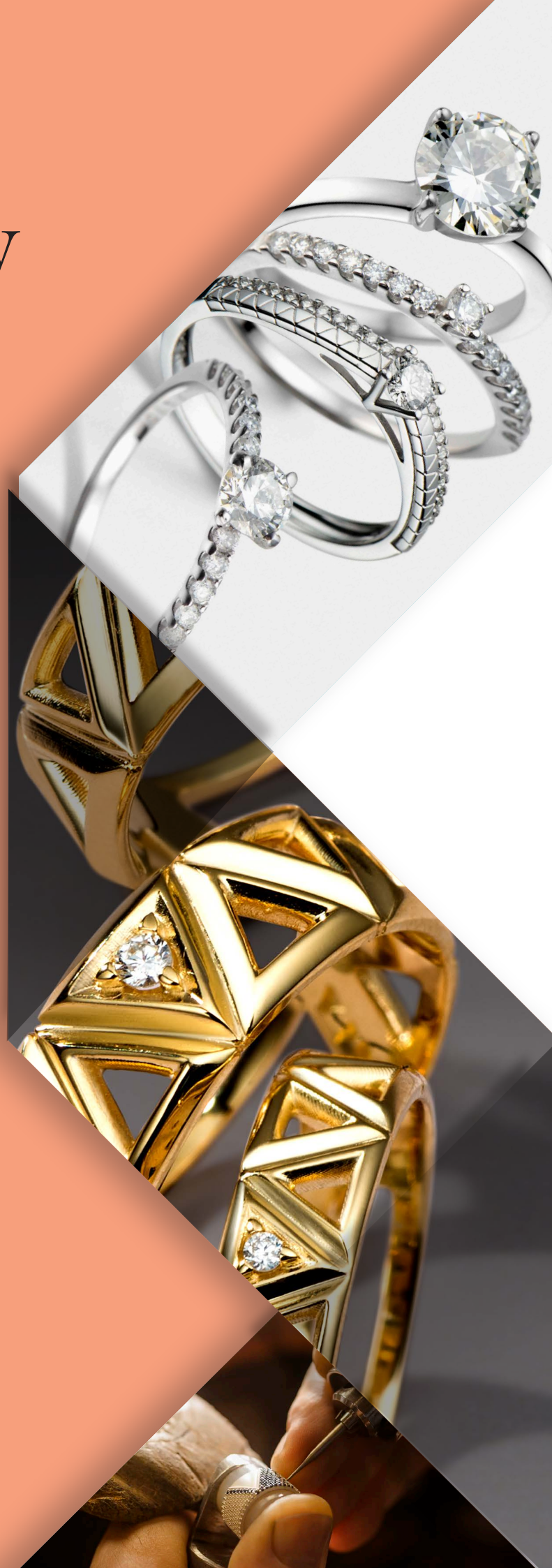
Diamonds used in our jewelry come from mines also certified by the Kimberley process, which guarantees the flow of legal diamonds extracted in countries outside conflict zones. Launched in 2003, the Kimberley process is a coalition of governments, civil society and the diamond industry to eliminate the trade in 'conflict diamonds', stones used by rebel movements or their allies to finance conflicts that aim to undermine legitimate governments. Countries participating in the program undertake to comply with requirements for importation and exportation, to have transparent practices, and to exchange key statistical data.

# our community

## A year of care and engagement 102-7

On March 20, 2020, we decided to close all our physical stores, even in shopping malls under normal operation, to preserve the health of our employees, clients and partners. Gradual reopening began on April 29, complying with decisions of local governments, and obeying all the health and safety protocols. Over the subsequent months, even after we had all the stores reopened, we operated with reduced working hours and restrictions on flow of clients in stores. To protect our people, our manufacturing plant in *Manaus* remained closed for approximately 2 months.

We structured a Crisis Committee to act fast in taking decisions and confronting the pandemic. It worked to disseminate best practices in our operations. There were innumerable discussions, committee decisions, and multidisciplinary workgroups, all working to give support to the transformations necessary for the safety of people and the financial health of business. We explored various ways of communication with our publics, using tools of technology to act remotely in online live sessions, chats and video calls.



When we analyzed the results of the decisions that were taken – results that surprised our initial expectations – we saw that it could not have been any different. Our teams had dedicated themselves arduously to execution of the projects, with an enormous capacity for adaptation to the new, and for finding the best option to follow.

We are a company with a strong culture, deeply rooted values, and obstinate determination for results.

The engagement of our publics showed itself to be, more than ever, a competitive differential.

We reciprocated this engagement with our commitment and care for us to go forward together. We develop ever deeper relationships with our clients and suppliers; we give value to our employees; we contribute to communities; and we seek to offer the best results for our stockholders.

## Staying close to the client 103-2 | 103-3 | 416-2

Our aim is to offer products and services that enchant our clients, and meet their needs and desires. The evolution of our clients' perception and satisfaction, expressed by Net Promoter Score (NPS) of 90, is a factor in recognition of the efforts we have made to offer excellence in customer service.

In a year in which our contact with consumers was strongly mediated by video screens, we used data intelligence even more effectively to stay close to our clients, offering what they desired at their moment of need. The increase in digital presence, expansion of investment in marketing, and appropriate composition of inventories helped us to achieve an important landmark in 2020: 41% growth in the number of new clients in the year.

Social media, together with e-commerce, were our main shop windows during the period of social distancing. Telling our stories, and promoting interactive events, we succeeded in using these tools to strengthen our campaign, and also to support people in the most difficult moments of the pandemic.



NPS – NET PROMOTER SCORE – IS A PERIODIC ASSESSMENT METRIC FOR CLIENT SATISFACTION AND LOYALTY USED BY COMPANIES OF ALL SIZES.



## SALES AND SERVICE CHANNELS

Our great project of the year was *Jóias em Ação* (Jewels in Action), which provided humanized contact even in the period when stores were closed (for more information see the Chapter Value Creation). Through WhatsApp, our clients can also get questions answered, rapidly, at any time of day, via chatbot.

Before the pandemic we already offered a Store Pickup facility (buy on the site, pick up at the store), and also – the ‘infinite shelf’ concept – in-store sales of e-commerce products via tablets. With the implementation of the Order Management System (OMS), we integrated the stock of 50 stores, which enabled us to offer convenience, diversification of products and greater speed in the deliveries of online sales. In 2020, we also began our Ship From Store system – sales online with delivery at home – as well as enhancing the service we already offered. This achieves a faster and more convenient delivery for the client, who can decide where they want to buy and how to receive their product.

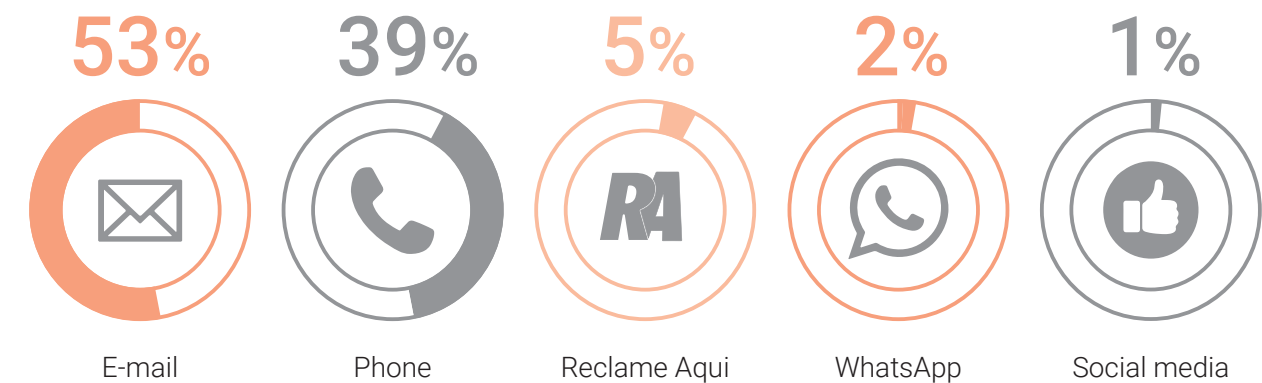
We also provided digital sales in drive-through services at shopping malls

during the period of closure of stores. In 2021 we will enhance and consolidate our technologies, and integrations between the platforms used for the various new services put in place in 2020.

In 2020 we received 172,000 calls through our telephone call center, emails, WhatsApp messages and interactions on our social media. We responded to 8,997 requests via the Reclame Aqui (‘Complain Here’) channel in the year. We also had a large number of complaints in the year due to delays in delivery during the early months of the pandemic, due to the logistical difficulties of the adaptation period. We acted with transparency with our clients, solving all issues within the possibilities of the period and regularizing deliveries. 103-2 | 103-3 | 417-3 | 418-1

The care we took with this channel resulted in Vivara being recognized with the RA 1000 seal, the maximum reputation a company can achieve in the system, which highlights companies that have excellent indices of customer service.

### CUSTOMER SERVICE CHANNELS



### TYPES OF CONTACT



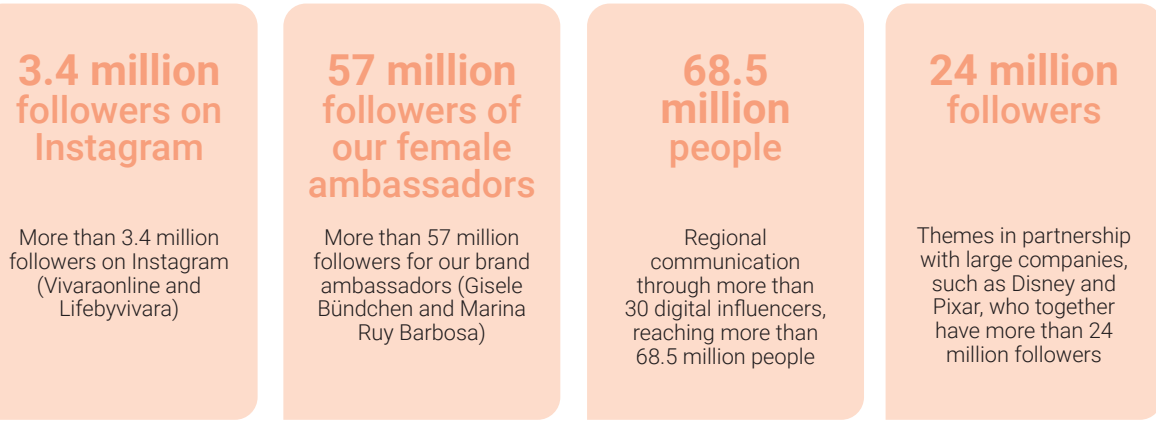
## CAMPAIGNS AND OTHER ACTION

Since our campaigns influence clients all over Brazil, we have great concern that our communication should be increasingly focused on diversity, both in the selection of models for social media campaigns and in our club of digital influencers, who have nationwide reach and also regional focus.

In our external and internal marketing actions, we seek to include aspects that reflect our responsible lines of activity, with a quest for sustainability, and underlining female empowerment. We believe that, as well as strengthening our image as a responsible brand, we are promoting awareness and positive questioning among our clients.



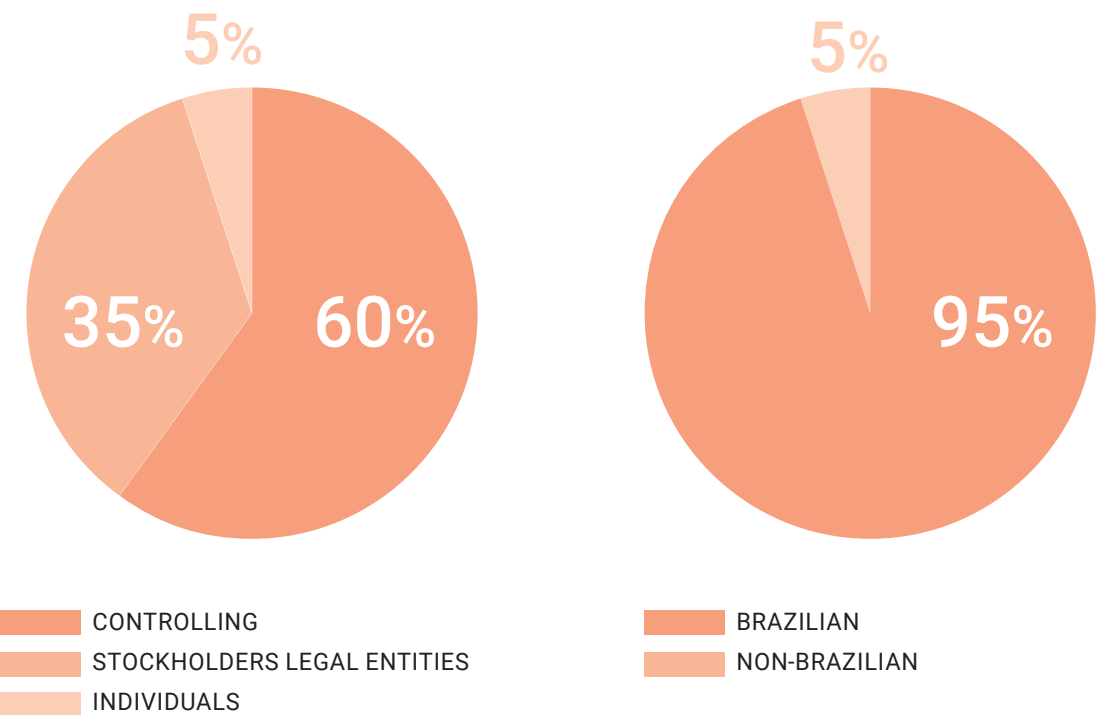
### Vivara on the media 102-6



# Investor confidence

102-10

## STOCKHOLDING STRUCTURE



Following our IPO (Initial Public Offering) in October 2019, 40% of Vivara's shares are now spread among investors in the market, and 60% are held by the controlling stockholding group. We have a total of 236,197,769 common shares listed on the *Novo Mercado*, the listing category with the highest level of corporate governance requirements on the São Paulo stock exchange (B3 – Brasil, Bolsa e Balcão S.A.), under the ticker VIVA3. At the end of 2020 we had 55,809 stockholders. This number is an increase of 56.8% over the close of 2019, and is primarily made up of private individuals.

At the beginning of the pandemic, one of the things we took care to do was to inform our investors of all the measures that we were taking, and explain the impacts on the business. With the preservation of our cash position, and the balance sheet for the year strengthened, we assured our stockholders that the proceeds of the IPO were allocated in the Company's long-term strategy, which continues to be significantly promising.

The Company's solidity, and the confidence of our controlling stockholders, helped us to achieve the results we now celebrate. Even with the Covid-19 pandemic and its impacts on the capital markets, our shares (VIVA3) closed 2020 1.3% higher (adjusted for corporate actions), with market value of R\$ 6.9 billion on December 30, while the Bovespa index rose 0.4% in the year. Average daily trading in Vivara's shares in 2020 was R\$ 38.01 million.

Vivara's shares were included in five more stock indices – now totaling 8 indices on the B3: the IBRA (Amplified Brazil Index), the ICON (Consumption Index), the IGCT (Trade Corporate Governance Index), the IGCX (Corporate Governance Index), the IGNM (Novo Mercado Corporate Governance Index), the INDX (Industrial Index), the ITAG (Differentiated Tag-along Index), and the SMLL (Small Cap Index).

# Employees

103-2 | 103-3 | 401-1 | 402-1

The dedication and professionalism of our teams have been a key factor in all the results we have achieved as a company. That is why we work to make sure that Vivara employees live and experience unique histories and special lives – one of our key aims.

With the Covid-19 pandemic, care for our teams became a priority in our flow of decisions. Adaptation to the new scenario achieved by the people working in our fiscal operations was a challenge that was assumed with a great deal of responsibility, and the safety of our people was a key element in all the decisions taken.

As well as the closure of stores in March, the administrative team began to work in home-office mode; the manufacturing plant was temporarily closed; and the logistics, safety and technical assistance teams continued to work, obeying all the rigorous safety and health protocols. To preserve jobs, we were the first Brazilian retail company to complete negotiations with the unions to make use of the benefits of Law 14020/2020, which enabled us to reduce the working day and suspend contracts. 100% of our employees are covered by collective work agreements. Further, our application of measures to reduce or suspend the working day was structured so that employees should have the smallest reduction possible in their monthly net income. 102-41

Even while far from each other physically, we have not lost the proximity that our teams experience – which stimulates engagement, focus on the activity, and mental health. Systematic meetings via video call helped keep up the level of energy in our operations.

To maintain transparency and dialog, we held 68 online lectures, sent more than 230 internal communications and information bulletins, and carried out innumerable endomarketing activities. Our teams' motivation was also boosted and maintained by frequent contacts through the constant presence of direct leaders in the routine of in-person or online visits. The care we took achieved a rapid response in an increasing index of engagement with the employees.

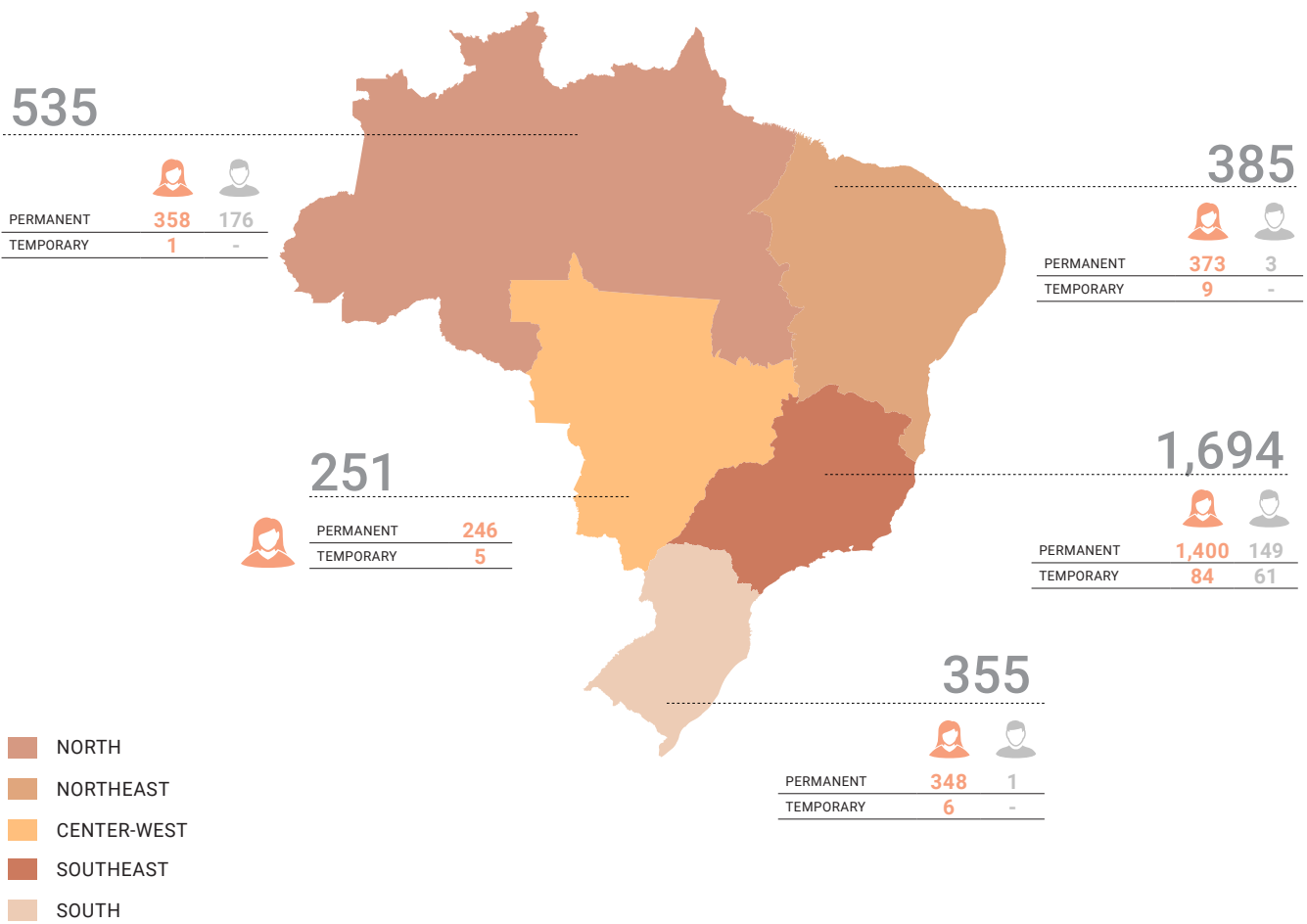
We optimized the potential of the needs for transformation with structuring of strategic 'squads'. When in-person activities were resumed, internal committees defined the procedures for a safe and gradual return, with protection for people in the groups with higher risk, opening hours determined by the health authorities, and monitoring of each store. We created a 'passport' for each employee – a technological tool that registers and monitors employees' health conditions, and also the effectiveness of the safety protocols adopted for in-person work.

In our traditional Annual Sales Convention, we connected more than 2,000 people online in a two-day event, to celebrate the results that we delivered up to that moment, and to prepare ourselves for the end-of-year season.

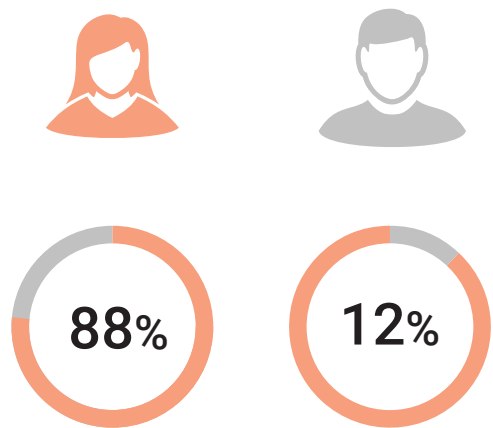




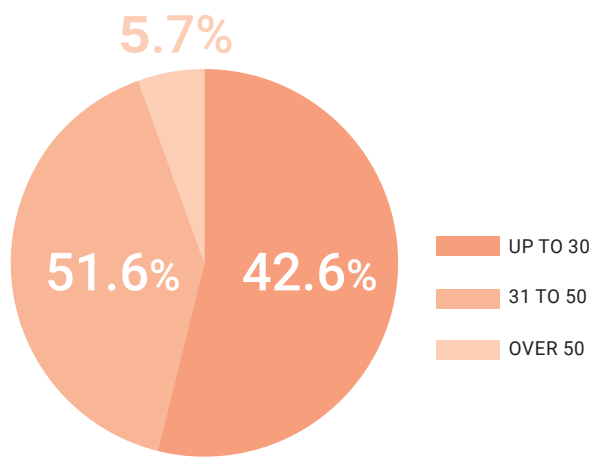
TOTAL EMPLOYEES BY REGION OF BRAZIL 102-8 | 405-1



PROFILE BY GENDER



PROFILE BY AGE GROUP



WORKPLACE HEALTH, WELLBEING AND SAFETY 103-2 | 103-3 | 403-1 | 403-8 | 403-9 | 403-10

Promoting the health and quality of life of our employees has always been one of Vivara’s commitments – and became an even more important priority in the pandemic, with the consolidation of our *Viva Bem* program. We put in place in-person and online communications activities centering on health in general, and also overall plans for prevention of Covid-19, with a health questionnaire, triage, orienting lectures, physical signage for social distancing, availability of alcohol gel, protective masks, and inclusion of space dividers for improvement of employees’ isolation in the activities where it was possible, as well as daily monitoring of suspected and confirmed cases. Through our health insurance plan partners, we were able to also offer online remote medical assistance to provide more security and ensure isolation in remote service to beneficiaries, as well as a specific outpatient center for Covid-19 in *Manaus*.



As well as our internal team, we have the services of a consultancy specialized in occupational health and safety – RH VIDA – responsible for managing the Prevention and Environmental Risks Program, and the Occupational Health Medical Control Program. The indicators for the area are managed using the SOC Integrated Occupational Management Software, covering 100% of the Company’s employees (stores, factory and offices) in a single unified and integrated system. We make periodic evaluations of compliance with the rules via monitoring.

We monitor suitability of materials to eliminate possible occupational risks. We also work with two consultancies specialized in health and wellbeing (Healthbit and Mercer Marsh) and we have a partnership with Gympass, enabling employees to have a healthier life through physical activity. In 2020 more than 1,500 employees downloaded the app, and 460 remained active, with a total of 9,500 check-ins in the year.

In 2020 we had 2 work accidents, no deaths related to employment factors, a work accident frequency factor of 0.25, and a severity index of 52.15. There were no cases of any work-related illness. 403-9

CONTINUOUS  
DEVELOPMENT

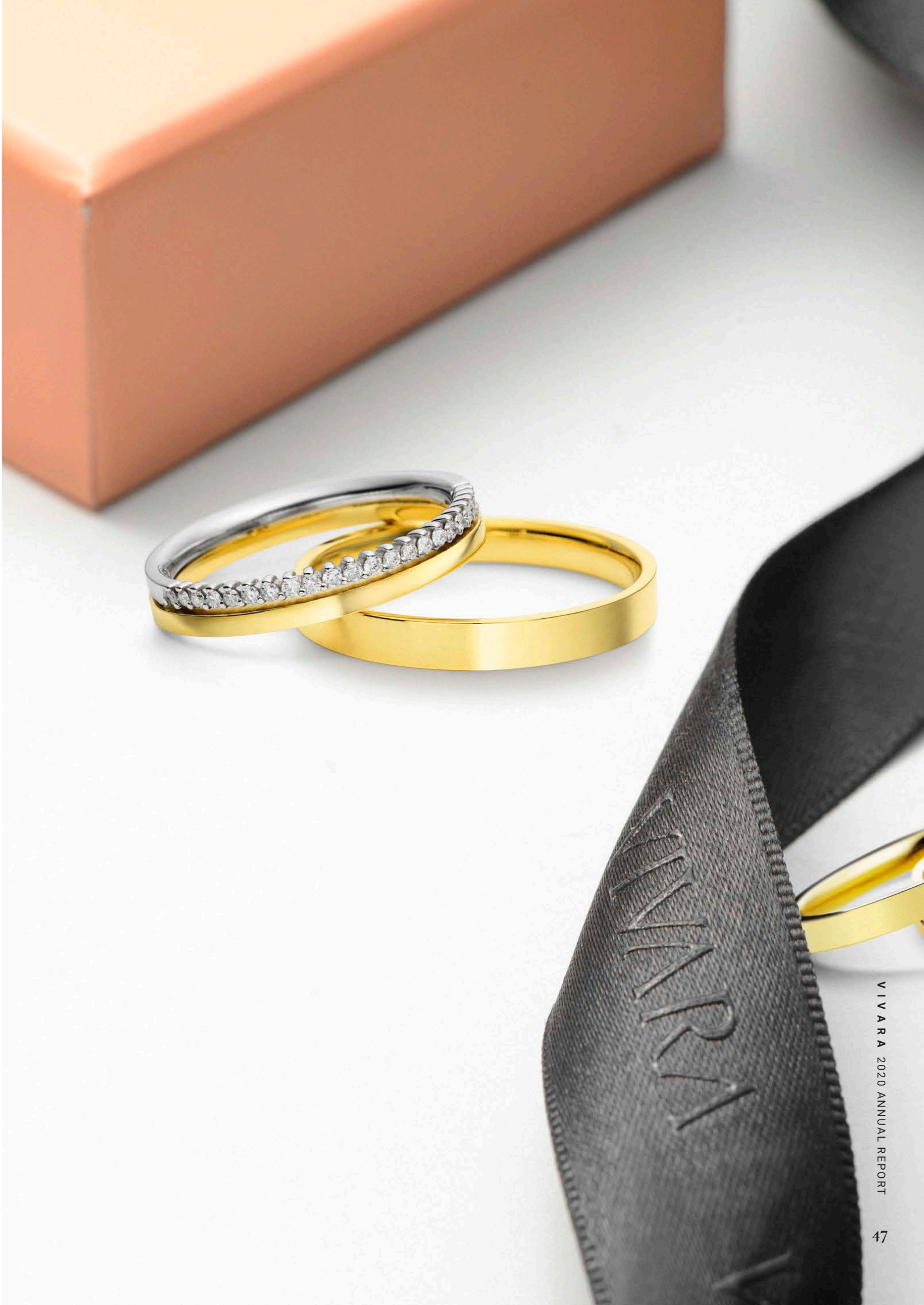
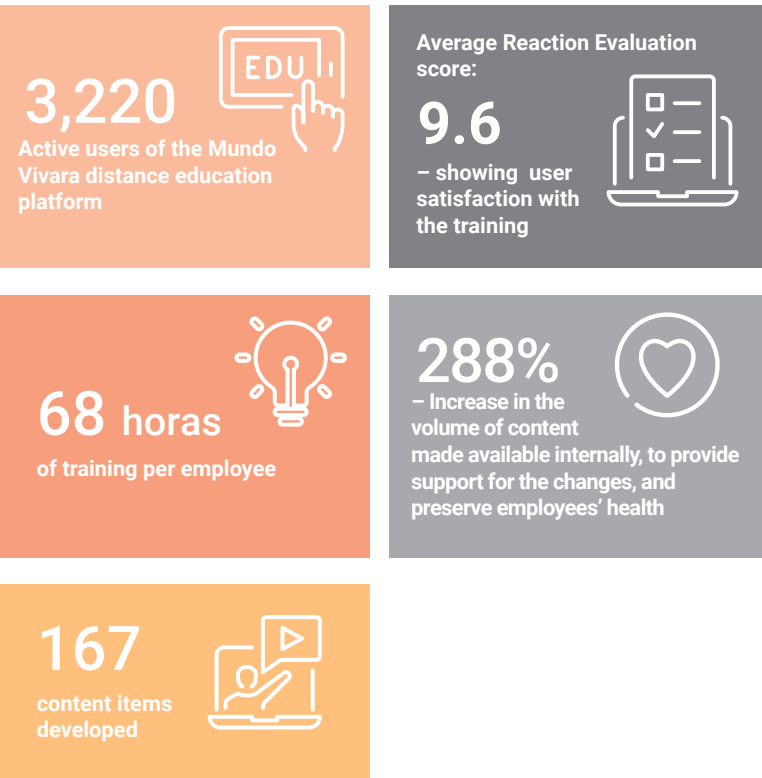
103-2 | 103-3 | 404-1 | 404-3 | 410-1

In our annual Career Cycle (Ciclo de Carreira) event, put in place in 2016, all the Company's employees are evaluated, with the exception of production assistants and those contracted under the Young Apprentice program. The evaluation process applies only to those who have been with the company for six months or more. 74% of all employees were evaluated in 2020.

For employees not in leadership positions, the process comprises: self-evaluation, evaluation by their immediate superior, feedback, and an Individual Development Plan (PDI). For leaders, the process includes more stages: self-evaluation; evaluation by their immediate superior, and also by their employees and peers; results in terms of the targets for the previous year; a People Meeting – the moment when the leaders discuss members of their teams in relation to results of the evaluation; feedback; and the PDI.

Our Training and Learning Program, which previously was only for store employees, was extended to all employees, resulting in registration of 720 new employees on the online training platform Mundo Vivara in 2020. This was launched in September. Our Learning Panel gives details of the contents to be worked on by employees during their period of training.

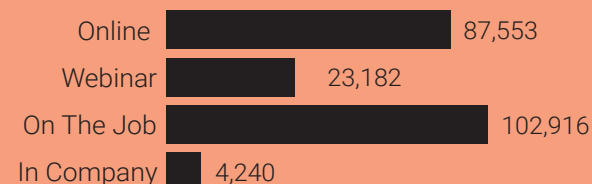
All the training that was previously given in person in the stores now began to given entirely online. Webinars, online live teaching, online courses and material made available for download from our online library became the protagonist teaching tools, faced with the impossibility of in-person training due to the health crisis. The efficacy of this method was proven by the employees' average score, which remained high in this period, and by the feedback received.







### Total hours of training



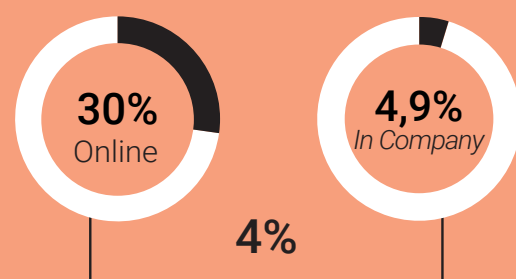
Total hours  
**217,891**



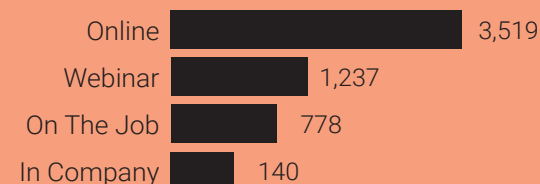
### Number of men



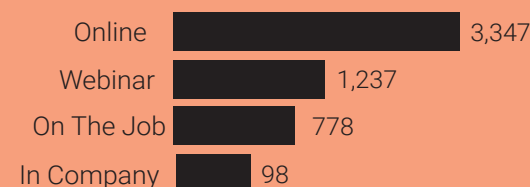
### % of men



### Number of employees trained



### Number of women



### % of women



Administrative, logistics, technical assistance, and factory operations began to receive their training via *Mundo Vivara* in the second half of 2020. The restructuring of the database and reports of the *Mundo Vivara* platform, in progress, will enable segmentation by work category as from 2021.

With all this care, and a well-structured careers page, we can report evolution in our status as an employer in the year.

## INCLUSION AND DIVERSITY 103-2 | 103-3 | 202-1 | 406-1 | 412-2

### WOMEN ARE:<sup>1</sup> 405-1

**88%** of our total employees

**88%** of our leaders

**50%** of our Board of Directors

**40%** of the Executive Board

Our workforce is an example of women's empowerment and age diversity. Since 2014 we have carried out specific training in Inclusion and Diversity with our teams, as part of the initial journey for all employees of Vivara – including instruction on inclusion of disabled people work environment. This training has been available online on the *Mundo Vivara* platform since 2018, and in these two years a total of 1,870 people have received training. In 2020, 15% of our employees received instruction and qualification on this theme, in a total of 477 hours of training.

All the employees are also trained in understanding of and engagement with our Code of Conduct, which speaks of diversity and respect for the whole person, among other subjects.

The last update of this training was published in September 2020 and reached 67% of our employees (with a total of 2,142 hours).

Our Anonymous Reporting Channel receives and investigates any allegations of discrimination. In 2020 we received two reports of this type, among other subjects. At the close of the year these cases were in the process of analysis. The evaluations are carried out in alignment with the Vivara Code of Conduct. 103-2 | 103-3 | 405-1

1. Figures at the close of 2020.





## Development of the supply chain

103-2 | 103-3 | 102-9 | 308-1 | 414-1

We believe the challenges of the value chain are also part of our responsibility, since the permanent survival of our business depends on integrity and trust in our relationships, the care we take with them, and the preservation of the environment in our daily activities and decisions. Remaining close to our suppliers is also fundamental for ensuring attention to the factors that promote the quality of our products and services. We work with Brazilian and international partners in our four segments: Jewelry, Life by Vivara, Accessories, and Watches. Suppliers

of inputs for production – including precious stones – are a part of our production chain.

In 2020 we launched our Code of Conduct for Suppliers (<https://ri.vivara.com.br/governanca-corporativa/estatuto-e-politicas/>), with the aim of achieving a high level of commitment from them. A structured process of contracting and renewal was established with inclusion of the Code, which became a signed and integral part of existing contracts, as well as containing specific compliance clauses.

We have deepened our due diligence practices, and now include, as part of the process of approval of our direct suppliers and providers of services, a reputation checking process. This analysis, with data researched and analyzed from public sources using specialized tools, anticipates issues and reduces our social-environmental risks. These processes of diligence included 320 Brazilian and international suppliers with contracts signed with Vivara in the year 2020. We believe that mitigation of these risks boosts sustainable development of our production chain and helps us to build a better world for subsequent generations.

Awareness and acceptance by suppliers was included as one of our strategic targets, demanding commitment to the requirements. In 2020, a total of 223 suppliers – Brazilian and international – signed their awareness and acceptance of the Code: that is 77% of the suppliers covered by our selection and work criteria.


Among the subjects dealt with are obedience to the legislation, establishment of procedures and controls to prevent activities such as money-laundering and financing of terrorism, and promotion of good employment, environmental and commercial practices.

We are a Brazilian company: 100% of the gold we use is of Brazilian origin. In 2020, 76.6% of our products were manufactured in Brazil – 72.4% in our plant in Manaus (7.6 p.p. lower than in 2019, reflecting the shutdown at the beginning of the pandemic) and the remaining 4.2% acquired from Brazilian suppliers. 103-2 | 103-3 | 204-1

**ANYONE IDENTIFYING A VIOLATION OF THE CODE OF CONDUCT CAN CONTACT VIVARA THROUGH ANY OF THE FOLLOWING CHANNELS:**

 [canalconfidencial.com.br/canalabertovivara](https://canalconfidencial.com.br/canalabertovivara)

 [canalaberto.vivara@vivara.com.br](mailto:canalaberto.vivara@vivara.com.br)

 0800 377 8024





## SOCIAL AND ENVIRONMENTAL AUDITS 103-2 | 103-3 | 307-1

In 2020 we began the work of social and environmental audits in our direct suppliers, focusing on corporate compliance and development, which include legal criteria and stimulate our partners to adopt best corporate governance practices. This initiative is the first step towards our goal of having 100% of our direct suppliers audited, and establishes an increasingly close link with our production chain.

Using analysis of documents, interviews and location visits, our audit deals with questions related to management of human rights, rights under the Brazilian employment laws, health and safety, the environment, ethics, responsible extraction, anti-corruption practices and money-laundering. The program identifies best practices, and develops and works on adaptation of any points requiring attention in our supply chain. Our greater purpose is to map and understand our suppliers better.

Visits are carried out by a partner specializing in audit and management of risks related to social and environmental responsibility and sustainability, ensuring impartiality in our evaluations. If a high-risk situation is exposed, such as child or slave labor, we are advised immediately for emergency action and immediate discontinuation of production. No case of this type has been identified.

In 2020, 37% of our direct suppliers for jewelry and accessories were audited – the percentage reflects the impacts of the health measures relating to the pandemic. Our target is to complete 100% of the initial audits before the end of 2021. To ensure the health and safety of everyone, our partner carries out a weekly re-evaluation of the situation in relation to Covid-19 in the regions of the scheduled audits, and obeys all the applicable health protocols as well as those established by our suppliers.

103-2 | 103-3 | 408-1 | 409-1 | 411-1

For 2021, we are working on structuring of a program focused on development of the production chain and continual improvement in implementation of best social and environmental practices, as well as carrying out a review of our Purchasing Policy.

## Social involvement

103-2 | 103-3 | 413-1

We contribute to the development of communities through actions under incentive laws, and donations to deal with Covid-19, as well as our Contemporâneas Vivara project to stimulate feminine empowerment in the arts.

Our first action to combat Covid-19 was in partnership with the Brazilian Red Cross, through a donation of 10,000 hygiene kits distributed to Brazilian communities, avoiding dissemination of the virus in regions of social vulnerability.



In the context of the pandemic and the increase in the number of cases of the illness in Brazil, we donated R\$1 million to the Luz Alliance fund. This was created by our brand ambassador Gisele Bündchen, in partnership with the Brazil Foundation, a philanthropic organization in Brazil. The beneficiary projects distributed food baskets, hygiene kits and meals to vulnerable communities and regions with the highest incidence of cases.

The Life for Good and *Palavras Preciosas* ('Precious Words') initiatives continued to generate results in the year. Supporting women with breast cancer, the NGO *América Amigas* received a donation of R\$15,000 collected by Life for Good. The *Palavras Preciosas* Collection, a partnership with the publisher Editora Mol, placed three personalizable books in our stores, with the income going to the projects of Make-A-Wish Brasil, which makes the dreams of children and young people with serious illnesses come true. In partnership with this NGO, in November 2020 Vivara also developed 2 models of bracelets, with R\$100 from each product being paid to this institution.

In October 2020, to highlight our Pink October ('Outubro Rosa') and our concern with breast cancer, we donated R\$15,000 to the Instituto Quimioterapia & Beleza (Chemotherapy and Beauty Institute).

**PROJETO LUZ ALLIANCE EM PARCERIA COM A BRAZIL FOUNDATION**



**4,029**  
Families benefited



**12,088**  
Food baskets distributed





## CONTEMPORÂNEAS

The Vivara *Contemporâneas* project celebrates the Brazilian culture through the production of women artists, stimulating new ways forward and expansion of vision through artistic interventions in public spaces. In its first year, the project gave space to the artists Hanna Lucatelli (drawing), Ryane Leão (poet) and Verena Smit (interventions) in 10 installations in the city of São Paulo and 5 murals, proposing reflections, re-significations of public space, and new images within the urban landscape.

The project emphasizes the value of feminine roots: 90% of its team are women. As well as the interventions, a series of webinars, workshops and mentoring sessions was held with the aim of enabling processes for reflection, creation and realization of artistic and cultural projects in which women are the protagonists and leaders.

The Encounter Series Women in Arts held online meetings to debate ideas and share knowledge and experiences of women artists, researchers, knowledge managers and producers who work in various artistic languages and cultural manifestations.

All the activities were transmitted free online. At the end of the cycle, five participants were selected to receive orientation for development of their projects.

The project was very well received. We will repeat it in 2021, working also in other states, maintaining the theme of women's empowerment and taking it to other regions.



## TAX INCENTIVE LAWS 103-2 | 103-3 | 203-1

Due to the situation in 2020, the priority in projects to receive incentives was for initiatives in the area of health. Projects are chosen according to their purpose, and compliance with the requirements of each tax incentive law. The legislation that channels the highest volume of funds to projects is the Rouanet Law – in 2020 we made a total investment of R\$700,000. This is why we dedicated more time to it, for the creation of any exclusive project: *Contemporâneas Vivara*.

In 2020 we also used the tax incentives provided by a number of programs and laws – Proac, PIE, Fumcad, The Law

for the Elderly (*Lei do Idoso*), Pronas, The Sports Law (*Lei do Esporte*), and Pronon – in the following projects:

- The João Ramalho 'Locomotiva' Association (*Associação Locomotiva João Ramalho*): This is a non-profit music school that helps socially vulnerable children and adolescents through teaching of music in the cities of Santo André, Mauá and São Paulo.
- Brasileirinhos: A school of artistic gymnastics for children aged 6 to 16, with opportunities to take part in sports festivals with a theme of inclusion.

- The Sustainable Amazon Foundation (*Fundação Amazônia Sustentável, or FAS*): An overall development program for children and teenagers in riverside communities and underprivileged districts in the State of Amazonas.

- The *Idoso Bem Cuidado* project in the Angelina Caron Hospital: This invests in ICUs. With the arrival of Covid-19, intensive care beds are of primordial importance for treating infected patients.

- The Apraespi Orthopedic Workshop: Attends patients to provide orthoses, prosthesis, and walking mobility aids.

- The Hebraica Club of São Paulo: An incentive project for the club's tennis professionals.

- Hospital do Amor: This project is for the creation of a network of bio-banks of the HCB Hospital, to store, process and manage biological samples representing various ethnic groups of Brazil, creating opportunities for evaluation of cancer patients nationwide and developing scientific cancer research in these remote regions.

### 8 PROJECTS BENEFITED

More than 264,000 people received benefits from the projects we supported; R\$ 2,121,749 was invested in these incentive-bearing projects

**R\$510,000**

in health-related projects

**R\$566,063**

in projects for infancy focused on education and art

**R\$700,000**

for the *Contemporâneas Vivara* women's empowerment project

**R\$345,686**

in sports-related projects





# our planet

103-2 | 103-3 | 301-1 | 301-2

## Responsibility starts with raw materials

We believe that the resources of nature are our most precious asset, and that it is our responsibility to act in a sustainable manner in relation to the environment so as to leave a positive legacy for future generations. We thus kept up the care we take over our raw materials, even with the adversities of 2020. Our rigorous selection criteria and the partnership that we establish with suppliers meant that we continue to work only with legally certified mines, taking into account factors of sustainability and compliance.

We ensure our supply of metals, diamonds and colored stones through an extensive process of selection of future partners. After suppliers have passed our legal requirements and validation of documents, as from 2020 we also audit them for governance and social and environmental criteria (for more information see the chapter Development of the Supply Chain). The next step is receipt of samples for detailed evaluation of quality. This process offers security in terms of environmental compliance for the whole of our network, fostering the adoption of good practices in the value chain.



Our responsibility in dealing with raw materials also extends to reduction of waste in manufacturing. Our partnership with suppliers, for example, enables us to apply our differential requirements to our method of purchasing diamonds. Instead of acquisition in lots, which is the market practice, we find stones that are the exact size for the standard of jewels that we will produce. This enables us to optimize inventory and avoid excess.

At the same time, this method leads us to develop suppliers more deeply so that they can offer merchandise with the ideal quality and size.

We manage our inventories regularly, assessing volumes and developing new solutions and models to avoid excess accumulation. This results in preservation of both natural and financial sources, avoiding waste of input materials.



**Gold:** Our gold comes from a Brazilian mine in the region of Minas Gerais State, with LBMA certification, guaranteeing that extraction and operation of the mine are carried out correctly and appropriately in terms of both people and the environment.



**Silver:** We buy silver from mines in Latin America, with LBMA certification – which offers security in terms of mines' extraction and operation.



**Diamonds:** All our diamonds are extracted at known mines in countries outside conflict zones, by the Kimberley process (see more details in the section Commitment to the Sector).



**Gemstones:** Colored gems go through many suppliers before arriving at final manufacturers and stores. The process of production of these materials is highly segmented, and a major part of products come from small-scale artisan mines in more than 40 countries. For this reason, we require that our suppliers also comply with our rigid Code of Conduct for Suppliers, and we work continuously to create protocols that can ensure traceability of these materials.

Note: Some suppliers of finished products and inputs work with their own raw materials (gold or silver). But all go through our rigorous approval and audit process, in which we check the source and its environmental, social and ethical responsibility.

**Where our diamonds are extracted and cut**

**Legend:**

- Factory - Brazil
- Cutting - India
- Extraction: Botswana, Namibia, South Africa, Canada, Russia, Australia

**Map Labels:** CANADA, BRAZIL, RUSSIA, INDIA, NAMIBIA, BOTSWANA, SOUTH AFRICA, AUSTRALIA





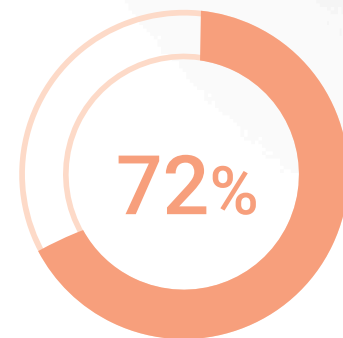
# Manufacturing

We have a commitment to produce and deliver products that comply with a high-level criterion of social, environmental and ethical responsibility. The attention to detail and the careful process of production of our jewels reflects the activity of our manufacturing plant in Manaus, which produced 72% of all our items sold in 2020. We have a permanent concern with the evolution of our practices and processes, to keep them aligned to our sustainability policies, guidelines and commitments.

In 2020 we maintained our focus on increasing production capacity: We expanded our watch manufacturing plant to increase daily production from 2,500 to 4,500 watches; increased the production of various hollow/tube jewels; and brought production of the mesh in the Life bracelet in-house (adding processes previously applied by an international supplier). This development produces more local jobs, increases Brazilian production and reduces emission of greenhouse gases (GHG) by logistics activities. [103-2](#) | [103-3](#) | [305-1](#) | [305-2](#) | [305-3](#)



Present size  
of the factory:  
4,527.15 m<sup>2</sup>



of our products  
in 2020 were  
manufactured in  
Manaus.

In the full year, however, due to the months that the factory was shut down, the percentage of goods manufactured internally was lower than in 2019 (when it was 80%). At the same time, the increase of new processes caused an increase in consumption of water and electricity, even with our efforts for care with natural resources.

Our plant was **re-certified for ISO 9001** in 2020, and **maintained its FAMA certification (Facility and Merchandise Authorization)**, required for our partnership with the Walt Disney Company. FAMA certified companies are required to comply with the Disney Code of Conduct, and regulations in relation to employment law, ethical conduct, health and safety.



## Environmental impact

[103-2](#) | [103-3](#) | [302-1](#) | [302-3](#) | [303-3](#) | [303-4](#) | [303-5](#)

Reduction of environmental impact brings with it a need for continuous reassessment of standards throughout the whole company. In 2020, acceleration of digital activities led us to eliminate the use of paper, adopting electronic signatures and more digitalized processes, providing better speed, and control. Using paperless methodology, we increased productivity and reduced costs of courier delivery, and printing and storage of contracts, de-bureaucratizing processes while maintaining standards of safety. This enabled us to save 31,284 envelopes, sent in the year for management of people, and 27,000 sheets of paper in legal contracts, also saving natural resources.

We fully established the practice of holding selection interviews by remote video, saving time and money for the company and for candidates. By March 2021 we had made 1,046 hirings in this format, with time of admission of

four days, and eliminating checking of approximately 10,000 sheets of paper. By March 2021 we had made 1,046 hirings in this format, with time of admission of 4 days, eliminating checking of approximately 10,000 sheets of paper.

In the factory, we increased use of LED technology lamps from 60% to 75%, and contracted and developed a supplier for management of industrial waste. We trained the team for selective collection, orienting them on correct allocation of the various waste products – 95% of the factory employees took part.

Our factory has a Solid Wastes Management Plan (SWMP), an important tool enabling managers to ensure there is correct allocation of wastes. The SWMP identifies the various waste products generated, detailing the phases: separation, packaging, collection, storage, transport, treatment and final disposal of the various items, to comply with environmental and public health requirements. Our stores are in shopping malls, and thus we comply with the waste disposal systems of the condominium of each mall – several of our stores already have selective collection. To improve our waste management recesses, we are developing a corporate SWMP, to identify possible points for improvement. [103-2](#) | [103-3](#) | [306-1](#) | [306-2](#)

We have built a new effluent treatment station with twice the previous capacity, to meet the requirements of our present production facilities. 100% of the water used in our operations is channeled to treatment stations. [303-4](#)

## CONSUMO DE ELETRICIDADE 302-1

FACTORY	TOTAL (GJ)
JEWELERY	1,268.40
LIFE	1,481.55
WATCHES	595.97
Total consumption of the factory	3,345.92
STORES	23,536.31
<b>Total consumption</b>	<b>26,882,23</b>

## CONSUMPTION BY WATER CAPTURE SOURCE

303-3 | 303-4 | 303-5

Type of capture – Factory	Water consumption (m³)
UNDERGROUND WATER	412
FROM UTILITIES / SUPPLIERS	369
<b>Total consumption</b>	<b>781</b>

## CONSUMPTION OF THE FACTORY IN 2020: 302-3

ELECTRICITY – 0.45 kWh per unit produced (0.36 in 2019)

WATER – 0.40 m³ of water per unit produced (0.18 in 2019)

We are beginning a gradual change in our packagings to reduce the use of plastic, replacing them with materials that maintain our quality and design, but have less effect on the environment at the end of their useful life. We have begun this change in the Life by Vivara products, but we are also studying all the packaging of the Vivara brand to reduce environmental impacts. 103-2 |

103-3 | 305-1 | 305-2 | 305-3

This is at the diagnosis phase. We will have our first GHG inventory in 2021. At the end of 2020 we began negotiation with the transportation company that measures the CO<sub>2</sub> content of its deliveries, evaluating the reduction of impacts.

## Stimulating the circular economy

We are working to extend our social and environmental responsibility to the whole life cycle of products. For this, we have created initiatives that insert the circular economy in our commercial processes, generating a virtuous cycle in the chain – reducing extraction of raw materials, and offering greater value to the market.

Using client loyalty as a strategy, our upgrade of diamonds encourages exchange of jewelry items acquired in our stores for others of greater value, using the prior item as credit. A solitaire (in earrings, a charm, ring or collar) can be upgraded to another solitaire diamond with a higher carat weight and higher price, by payment of difference between the price of the new item and the amount paid for the previous one. This upgrade also applies to engagement rings, even if engraved. The items go through a recovery process and are put on sale again.

Over the year, we also offer our clients the possibility of using the gold in their previous jewelry as an immediate credit. Our salespeople are trained removing the stone from setting – which are returned to the client; evaluate the quality of the metal; and offer immediate credit to the client according to price of the day.

Following the same logic, in 2020 we increased the frequency of our Semana Ouro (Gold Week), in which we stimulate these exchanges, promoting the circular economy and conscious consumption. Used gold jewelry is compensated by immediate credits for purchase of new products, and during Gold Weeks the prices paid for gold are more favorable for the client. Thus these weeks are an excellent opportunity to renew collections in a sustainable way, as well as being part of our promotional calendar.



# Vision of the future in sustainability

Sustainability is a commitment that is part of the essence of Vivara, and the vision that only through responsibility to all our publics will be able to keep our activities perennial. We are creating a robust sustainability agenda, with focus increasingly structured on the environmental, social and governance (ESG) dimensions. This vision is applied across the whole company, and is an effort that we make on all fronts and in all decisions.

We are committed to the best sustainability indicators, and we work to ensure continual enhancement in our sustainability monitoring and performance. This report is a demonstration of this, as it shows the advances that we have achieved in monitoring and disclosure of our information. We believe that transparency is a fundamental factor in our relationship with our stakeholders.

Thus, we strengthen our sustainability agenda through respect for our clients, employees, partners and investors – through compliance with rules and legislation, and through the constant quest for better ESG practices, which are the concrete form taken by our care for people and the planet. Thus, we establish a vision of the future based on sustainability, so as always to deliver the best result for all our publics.

# GRI appendix



DISTRIBUTION OF ADDED VALUE (R\$) 201-1

	2019	2020*
People	790,000	1,727,760
Taxes	10,476,241	8,191,101
Remuneration of external capital	590	1,767
Remuneration of own capital	257,971,336	146,672,109
Total	269,238,167	156,592,737

\* Figures for the period May 23, 2019 to December 31, 2019. Source: DFP 2020 page 9.

MONETARY VALUES RECEIVED UNDER TAX INCENTIVE PROGRAMS BY SUBSIDIARIES OF VIVARA (TELLERINA AND CONIPA) IN 2020 201-4

INCENTIVE PROGRAM	R\$ (million)
ICMS TAX (VAT)	61.2
OPERATIONAL PROFIT – CORPORATE INCOME TAX (IRPJ)	23.9
TOTAL	85.1

All the incentive programs are Brazilian; there is no government participation in the stockholding structure of Vivara nor of any of its subsidiaries.

TOTAL NUMBER AND RATE OF NEW HIRINGS IN 2020, BY AGE GROUP, GENDER AND REGION<sup>1</sup> 401-1

Age ranges (years)						
Region	Up to 30		30-50		Over 50	
	Women	Men	Women	Men	Women	Men
Center-West	39	-	33	-	1	-
Northeast	42	-	50	-	3	-
North	85	49	23	10	-	2
Southeast	227	90	190	64	8	4
South	78	-	49	-	2	-

(1) Total hirings = 1,049 (33%). This does not include intermittent work contracts.

TURNOVER BY AGE GROUP, GENDER AND REGION 401-1

Item		2020	
Turnover*		30%	
Grouping	Item	Quantity	%
Totals	Hirings **	734	
	Severances **	878	
	Total active employees – average of totals for each month **	2,949	
Gender	Female	797	91%
	Male	81	9%
Severances, by age group	Up to 30	398	45%
	31-50	459	52%
	Over 50	21	2%
Severances, by region	Southeast	466	53%
	South	114	13%
	Center-West	78	9%
	North	119	14%
	Northeast	101	12%

\* Turnover is calculated as the number of severances divided by the average number of active employees in the period.

\*\* In calculating turnover, temporary employees, apprentices, and suspended contracts are excluded.

EMPLOYEES BY AGE AND GENDER 405-1

Vivara – total	Up to 30	31-50	Over 50	Total by gender	%
Female	1,168	1,508	157	2,833	88%
Male	205	155	27	387	12%
Total by age group	1,373	1663	184	3.220	100%



EMPLOYEES BY LOCATION 405-1

Vivara – total	Total, all companies	%
Vivara – Stores	2,247	70%
Conipa – Factory	439	14%
Vivara – Office	268	8%
Logistics and Technical assistance	266	8%
Total	3,220	100%

TOTAL EMPLOYEES BY WORK CATEGORY 405-1

Position	Number of employees	%
Administration	417	13%
Coordinator	38	
Chief Officer	14	
Manager	259	
Other	106	
Não Gestores	2,803	87%
Total Geral	3,220	100%

MANAGEMENT POSTS BY GENDER 405-1

Vivara – total	Number of employees	%
Female	367	88%
Male	50	12%
Total Geral	417	100%



# GRI content index

102-55

GRI 101: Basic information (2016)					
GRI 102: General disclosures (2016)	Standard	Page	Comments and omissions	Global Compact	SDGs
Organization profile					
	102–1: Organization name	7			
	102–2: Activities, brands, products, and services	10, 15			
	102–3: Location of headquarters	77			
	102–4: Location of operations	10, 14			
	102–5: Ownership and legal form	10			
	102–6: Markets served	10, 15, 41			
	102–7: Scale of the organization	10, 15, 38			
	102–8: Information on employees and other workers	44		6	8
	102–9: Supply chain	50			
	102–10: Significant changes to the organization and its supply chain	10, 42			
	102–11: Precautionary approach or principle	29			
	102–12: External initiatives	31			
	102–13: Membership of associations	31			
Estratégia					
	102–15: Main impacts, risks, and opportunities	29			
Ética e integridade					
	102–16: Values, principles, standards, and norms of behavior	24		10	16
Governança					
	102–18: Governance structure	26			
	102–24: Nomination and selection of the highest governance body	26			5, 16
	102–25: Conflicts of interest	26			16
	102–26: Role of highest governance body in setting purpose, values, and strategy	26			
	102–28: Evaluating the highest governance body's performance	26			
	102–30: Effectiveness of risk management processes	29			

GRI 102: General disclosures (2016)	Standard	Page	Comments and omissions	Global Compact	SDGs
Engagement of stakeholders					
	102–40: List of stakeholder groups	8			
	102–41: Collective bargaining agreements	43		3	8
	102–42: Identifying and selecting stakeholders	8			
	102–43: Approach to stakeholder engagement	8			
	102–44: Key topics and concerns raised	8			
Reporting practices					
	102–45: Entities included in the consolidated financial statements	7			
	102–46: Defining report content and topic boundaries	8			
	102–47: List of material topics	8			
	102–48: Restatements of information		There have been no restatements of information		
	102–49: Changes in reporting	7, 8			
	102–50: Reporting period	7			
	102–51: Date of most recent previous report	7			
	102–52: Reporting cycle	7			
	102–53: Contact point for questions regarding the report	8			
	102–54: Claims of reporting in accordance with the GRI Standards	7			
	102–55: GRI Content Index	70			
	102–56: External assurance		This report does not have external assurance.		
Material topics	Standard	Page	Comments and omissions	Global Compact	SDGs
GRI 201: Economic performance (2016)					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	18		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	18			
	201–1: Direct economic value generated and distributed	18			2, 5, 7, 8, 9
	201-2: Implicações financeiras e outros riscos e oportunidades relacionados a mudanças climáticas		Our operations are susceptible to the risks associated with environmental events, which may be related to climate change. These events may result in social, cultural or economic impacts in the area in which Vivara operates, such as in our stores, offices, factories and our chain of suppliers. Vivara works to enhance the monitoring and mitigation of the impacts of climate change, and is in the process of preparing its first greenhouse gas (GHG) emissions inventory.	7	13
	201-4: Assistência financeira recebida do governo	66			



Material topics	Standard	Page	Comments and omissions	Global Compact	SDGs
<b>GRI 202: Market Presence (2016)</b>					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	49		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	49			
	202–1: Variation in ratios of lowest wage to local minimum wage, by gender.		All employees receive a salary greater than or equal to the Brazilian national minimum wage. This calculation includes only the public with 220 working hours. We do not allow any salary difference between genders.	6	1, 5, 8
<b>GRI 203: Indirect economic impacts (2016)</b>					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	54		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	54			
	203–1: Infrastructure investments and services supported	54			2, 5, 7, 9, 11
<b>GRI 204: Procurement impacts (2016)</b>					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	51		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	51			
	204–1: Proportion of spending on local suppliers	51			12
<b>GRI 205: Anti-corruption (2016)</b>					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	30		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	30			
	205–1: Operations assessed for risks related to corruption	30		10	16
	205–2: Communication and training about anti-corruption policies and procedures		100% of our employees have been advised by Vivara's Internal Communication team of our policy and procedures for combat of corruption, adopted by the organization, and of the revision of the Policy for Prevention of Money-laundering and Combating Financing of Terrorism.	10	16
	205–3: Confirmed incidents of corruption and actions taken	30		10	16
<b>GRI 206: Anti-competitive behavior (2016)</b>					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	37		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	37			
	206–1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		We have had no legal action relating to this topic in 2020.		16

Material topics	206–1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page	Comments and omissions	Global Compact	SDGs
GRI 301: Materials (2016)					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	56		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	56			
	301–1: Materials used, itemized by weight or volume		We are in the process of structuring the indicator for the next report.	7, 8	8, 12
	301–2: Recycled input materials used				8, 12
GRI 302: Energy (2016)					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	61		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	61			
	302–1: Energy consumption within the organization	62		7, 8	7, 8, 12, 13
	302–3: Energy intensity	62		8	7, 8, 12, 13
GRI 303: Water and effluents (2018)					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	61		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	61			
	303–3: Water withdrawal	62			
	303–4: Water discharge	61, 62			
	303–5: Water consumption	62		8	6, 8, 12
GRI 305: Emissões 2016					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	60, 62		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	60, 62			
	305–1: Direct GHG emissions – Scope 1		We are developing our first GHG inventory, for the year 2000, to cover 100% of our operations, stores, factory, office, logistics and technical assistance, and use of the Greenhouse Gas (GHG) Protocol. Its results, however, were not available at the time of publication of this report. Based on the results obtained, we will work on actions for mitigation and reduction.	7, 8	3, 12, 13, 14, 15
	305–2: Indirect GHG emissions – Scope 2			7, 8	3, 12, 13, 14, 15
	305–3: Other indirect GHG emissions – Scope 3			7, 8	3, 12, 13, 14, 15
	305–4: GHG emissions intensity			8	13, 14, 15
GRI 306: Resíduos 2020					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	61		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	61			
	306–1: Waste generated and material impacts related to waste	61			8
	306–2: Management of material impacts related to waste	61			8

VIVARA 2020 ANNUAL REPORT

Material topics	Standard	Page	Comments and omissions	Global Compact	SDGs
<b>GRI 307: Environmental Compliance (2016)</b>					
GRI 103: Management approach (2016)	103-1: Explanation of the material topic and its boundary	8			
	103-2: Management approach and its components	52		1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	52			
	307-1: Non-compliance with environmental laws and regulations		We have no record of non-compliance, fines or administrative proceedings relating to this topic.	8	16
<b>GRI 308: Supplier environmental assessment (2016)</b>					
GRI 103: Management approach (2016)	103-1: Explanation of the material topic and its boundary	8			
	103-2: Management approach and its components	50		1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	50			
	308-1: New suppliers that were screened using environmental criteria	50		8	
<b>GRI 401: Employment (2016)</b>					
GRI 103: Management approach (2016)	103-1: Explanation of the material topic and its boundary	8			
	103-2: Management approach and its components	43		1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	43			
	401-1: New employee hires and employee turnover	66, 67		6	5, 8
<b>GRI 402: Employee relations (2016)</b>					
GRI 103: Management approach (2016)	103-1: Explanation of the material topic and its boundary	8			
	103-2: Management approach and its components	43		1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	43			
	402-1: Minimum notice periods regarding operational changes		Vivara obeys the legal periods required for prior notice by the Brazilian employment laws ("CLT") and in the Collective Work Agreements for each region.	3	8
<b>GRI 403: Occupational health and safety (2018)</b>					
GRI 103: Management approach (2016)	103-1: Explanation of the material topic and its boundary	8			
	103-2: Management approach and its components	45		1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	45			
	403-1: System of management of occupational health and safety	45			8
	403-8: Employees covered by an occupational health and safety management	45			3, 8
	403-9: Work accidents	45			3, 8
	403-10: Work-related illnesses	45			8
<b>GRI 404: Training and education (2016)</b>					
GRI 103: Management approach (2016)	103-1: Explanation of the material topic and its boundary	8			
	103-2: Management approach and its components	46		1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	46			

Material topics	Standard	Page	Comments and omissions	Global Compact	SDGs
	404-1: Average hours of training per year per employee	46, 48		6	4, 5, 8
	404-3: Percentage of employees receiving regular performance and career development reviews	46		6	5, 8
<b>GRI 405: Diversity and equality of opportunity (2016)</b>					
GRI 103: Management approach (2016)	103-1: Explanation of the material topic and its boundary	8			
	103-2: Management approach and its components	49		1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	49			
	405-1: Diversity of governance bodies and employees	44, 49, 67, 68		6	5, 8
<b>GRI 406: Non-discrimination (2016)</b>					
GRI 103: Management approach (2016)	103-1: Explanation of the material topic and its boundary	8			
	103-2: Management approach and its components	49		1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	49			
	406-1: Incidents of discrimination and corrective actions taken	49		6	5, 8, 16
<b>GRI 408: Child labor (2016)</b>					
GRI 103: Management approach (2016)	103-1: Explanation of the material topic and its boundary	8			
	103-2: Management approach and its components	52		1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	52			
	408-1: Operations and suppliers at significant risk for incidents of child labor	52		5	8, 16
<b>GRI 409: Forced or compulsory labor (2016)</b>					
GRI 103: Management approach (2016)	103-1: Explanation of the material topic and its boundary	8			
	103-2: Management approach and its components	52		1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	52			
	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	52		4	8
<b>GRI 410: Security Practices (2016)</b>					
GRI 103: Abordagem de gestão 2016	103-1: Explanation of the material topic and its boundary	8			
	103-2: Management approach and its components	46		1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	46			
	410-1: People who work with security and received training in the organization's human rights policies or procedures		Topics such as progressive use of force, identification and recording, resilience and management of conflicts are common in our training, which is carried out recurrently with our own teams and those provided by outsourced parties. In our office, 75% (22 people) of our outsourced security team received training on human rights policies or procedures. In total, 56 people were trained in these topics in the year.	1	16



Material topics	Standard	Page	Comments and omissions	Global Compact	SDGs
<b>GRI 411: Rights of indigenous peoples (2016)</b>					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	52		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	52			
	411–1: Incidents of violations involving rights of indigenous or traditional peoples		We have no cases of violations against indigenous peoples.	1	2
<b>GRI 412: Human rights assessment (2016)</b>					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	49		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	49			
	412–1: Operations that have been subject to human rights reviews or impact assessments		There is no review in our operations due to the location of our factory, and our stores being in shopping malls.	1	
	412–2: Employee training on human rights policies or procedures	49		1	
<b>GRI 413: Local communities (2016)</b>					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	52		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	52			
	413–1: Operations with local community engagement, impact assessments, and development programs	52		1	
	413–2: Operations with significant actual and potential negative impacts on local communities		We have no operations of our own that have a direct negative impact on the community.	1	1, 2
<b>GRI 414: Supplier social assessment (2016)</b>					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	50		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	50			
	414–1: New suppliers that were screened using social criteria	50		2	6, 8, 16
<b>GRI 416: Customer health and safety (2016)</b>					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	39		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	29			
	416–2: Incidents of non-compliance concerning the health and safety impacts of products and services		In 2000 we had no legal or administrative cases in the Procon (Consumer Protection system) relating to health and safety, nor to impacts of products or services on clients.		16

Material topics	Standard	Page	Comments and omissions	Global Compact	SDGs
<b>GRI 417: Marketing and labeling – products and services (2016)</b>					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	40		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	40			
	417–3: Incidents of non-compliance concerning marketing communications	40			
<b>GRI 418: Customer privacy (2016)</b>					
GRI 103: Management approach (2016)	103–1: Explanation of the material topic and its boundary	8			
	103–2: Management approach and its components	40		1, 8	1, 5, 8, 16
	103–3: Evaluation of the management approach	40			
	418–1: Substantiated complaints concerning breaches of customer privacy or loss of customer data		In 2020 we have had no proven complaints relating to violation of privacy or loss of client data.		16



WE SUPPORT

Launched in 2000 by the then Secretary-General of the United Nations, Kofi Annan, the Global Compact is a call for companies to align their strategies and operations with 10 universal principles in the areas of Human Rights, Labor, Environment and Anti-Corruption and to develop actions that contribute to face society's challenges.

Source: <https://www.pactoglobal.org.br/no-brasil>



The Sustainable Development Goals are a global call to action to end poverty, protect the environment and the climate and ensure that people, everywhere, can enjoy peace and prosperity.

Source: <https://brasil.un.org/pt-br/sdgs>

# credits

**Rua Arquiteto Olavo Redig de Campos, 105,  
15º andar – Torre A  
Brooklin Paulista,  
04709-000 São Paulo, SP,  
Brazil 102-3**

**Overall coordination**  
Fernanda Ormonde

**Consultancy on GRI indicators, text,  
design and revision**  
TheMediaGroup

**Photographs**  
Vivara library



VIVARA