



# Melhoramentos

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Disclosure Report

Date Submitted: August 15th, 2024



## Disclosure Materials

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

### B Lab's Public Complaints Process

Any party may submit a complaint about a current B Corp through [B Lab's Public Complaint Process](#). Grounds for complaint include:

- 1) Intentional misrepresentation of practices, policies, and/or claimed outcomes during the company's [certification process](#)
- 2) Breaches of the B Corp Community's core values as expressed in our [Declaration of Interdependence](#)

**This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.**



# Disclosure Questionnaire

## Industries and Products

	Yes	No
Please indicate if the company is involved in production or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Biodiversity Impacts</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<a href="#">Chemicals</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disclosure Alcohol	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Firearms Weapons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Mining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Pornography	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Tobacco	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Energy and Emissions Intensive Industries</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fossil fuels Gambling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Genetically Modified Organisms	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Illegal Products or Subject to Phase Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industries at Risk of Human Rights Violations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monoculture Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nuclear Power or Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payday, Short Term, or High Interest Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Water Intensive Industries</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tax Advisory Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## Outcomes & Penalties

	Yes	No
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consumer Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Litigation or Arbitration</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<a href="#">On-Site Fatality</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Significant Layoffs</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



## Practices

	Yes	No
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company prohibits freedom of association/collective bargaining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company workers are prisoners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Confirmation of Right to Work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does not transparently report corporate financials to government	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employs Individuals on Zero-Hour Contracts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Facilities located in sensitive ecosystems	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ID Cards Withheld or Penalties for Resignation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No formal Registration Under Domestic Regulations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No signed employment contracts for all workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Overtime For Hourly Workers Is Compulsory	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payslips not provided to show wage calculation and deductions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



# Disclosure Questionnaire Statement

**Disclosure Questionnaire Category: Environmentally Intensive Industries - Biodiversity/Monoculture Impact**

<b>Topic</b>	Biodiversity/Monoculture Impact
<b>Summary of Issue</b>	<p>Melhoramentos operates in four main projects: publishing, high-yield fibers, management of planted forests, and real estate projects.</p> <p>Melhoramentos' forest management encompasses three management units: Levantina, located in Camanducaia (MG), Santa Marina, Bragança Paulista (SP), and Florestal, in Caieiras (SP). Furthermore, Melhoramentos Florestal has been certified FSC® (Forest Management Council) since 2011, undergoing periodic external audits that allow forestry cultivation in an economically viable way; through the conservation of natural resources, environmental preservation, and respect for the surrounding communities. Land use is carried out in the form of mosaics, interspersing areas of permanent preservation with areas of planted forest minimizing the visual and environmental impacts of monoculture providing balance and natural control of pests and diseases.</p>
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	<p>100% of the 2022 Fiscal year revenue comes from forest management that encompasses three management units: Levantina, located in Camanducaia (MG), Santa Marina, in Bragança Paulista (SP), and Florestal, in Caieiras (SP). The company owns in total 16,139.53 hectares of land, which is distributed as:</p> <ol style="list-style-type: none"><li>1. 698.17 hectares for infrastructure (roads, offices, industrial plant)</li><li>2. 7,454.64 hectares of land for productive use (forest plantation)</li><li>3. 7,986.71 hectares of forests dedicated to preservation, of which 2209.5795 hectares were converted into a conservation unit, called the Levantina Park Private Natural Heritage Reserve.</li></ol>
<b>Impact on Stakeholders</b>	Agriculture/Biodiversity poses a risk to local ecosystems of flora and fauna as well as the potential degradation of cultivated land.

<b>Implemented Management Practices</b>	<p>Melhoramentos has the following implemented management practices</p> <p><b>Forest preservation</b></p> <ol style="list-style-type: none"> <li>1. Of the 7,986.71 hectares dedicated to forest preservation, 2209.5795 hectares were converted into a conservation unit, called the Levantina Park Private Natural Heritage Reserve. The 23 million m2 area of Atlantic Forest is located in Serra da Mantiqueira, in the district of Monte Verde (MG). With the transformation of the area from Legal Reserve to RPPN, Melhoramentos is legally responsible for preserving the area having support from government bodies for the inspection and protection of the site. According to RPPN environmental legislation, the company can only carry out three types of activities on site: focusing on environmental education, ecotourism, and scientific research.</li> <li>2. Melhoramentos Florestal has been certified FSC® (Forest Management Council) since 2011, undergoing periodic external audits that review policies and practices to mitigate their impact on biodiversity including a Forestry Development, Environment, and Security Policy, where they continue with their activities within the principles and criteria of sustainable development, following the guidelines of FSC Certification (Forest Stewardship Council); harmonizing production together with preservation, protecting natural ecosystems, preserving the soil, preserving water resources, maintaining areas designated for the conservation of flora and fauna, preventing polluting and environmental degrading acts and strictly complying with applicable legislation.</li> <li>3. The adoption of direct planting or minimum cultivation; seeking to disturb as little as possible the soil and residue left in the field. The purpose of this practice is for the organic matter generated by the operations to serve to protect the soil (maintain and improve its physical characteristics, reduce the loss of nutrients, increase the biological activity of the areas, and also contribute to the fixation of carbon in the soil.</li> <li>4. The implementation of preventive controls, and monitoring of the applications of agrochemicals quantitatively and qualitatively, always seeking to reduce</li> </ol>
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	<p>their use, replace them with products that are less aggressive to the environment, or even eliminate them.</p> <p>5. Pesticides in commercial plots are used to control weeds and leaf-cutting ants. In both cases, there is physical and digital inventory control of the products' inputs and outputs for each work order generated by the forestry department. Control is carried out according to the dosage recommended on the package leaflet and the sum of the work orders according to the hectares that will be treated. The commercial names of both products are Touchdown and Dinagro S, and the active ingredients are glyphosate and sulfluramid, respectively.</p> <p>The fertilizers used in the company areas are limestone (42% CaO and 11% MgO - dosage up to 600kg/ha), magnesium oxide (54% MgO - dosage up to 200kg/ha), and NPK (various formulations - dosage up to 500kg/ha). The text says "dosage up to" because the company has specialized nutrition consultants who analyze the quality of the soil and make recommendations according to different standards, to apply only in the necessary areas and in specific dosages to meet the plants' needs. In addition, the same control used in pesticides is maintained in fertilizers; the stock is controlled physically and digitally and measurements are made with the forestry team to correctly dose each product.</p> <p>In addition, the company follows the FSC Pesticide Policy which deals with the management of chemical pesticide use in FSC-certified management units, in compliance with FSC-STD-01-001 V5-2 Criteria and Criteria Criterion 10.7, which requires, among other things, the use of integrated pest management.</p> <p>Furthermore, as reported on page 40 of our Sustainability Report, "Since the license was renewed in 2018, Melhoramentos have carried out annual fauna monitoring at the Levantina unit. In 2019, fauna and flora monitoring was carried out at all units, updating the company's database. In 2021, The company published a scientific article on the unprecedented record of the southern muriqui (<i>Brachyteles arachnoides</i>) in Minas Gerais, a species of monkey classified as critically endangered of extinction and found by researchers during monitoring campaigns in the Ponciano region, Minas Gerais, on Melhoramentos property. In June 2022, three more records of</p>
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	the species were made at the site, demonstrating the good practices adopted by the company in its forest management activities and its commitment to the conservation of extensive areas of native forests. This also reaffirms the quality of the ongoing preservation work adopted by Melhoramentos, such as maintaining ecological corridors, periodically monitoring fauna, flora and hydrology, technical inspections, and field patrols to curb hunting and illegal activities."
Report	<a href="#">Melhoramentos Sustainability report</a>



## Disclosure Questionnaire Statement

**Disclosure Questionnaire Category: Environmentally Intensive Industries - Chemical Intensive Industries**

<b>Topic</b>	Chemical Intensive Industries
<b>Summary of Issue</b>	Melhoramentos is in the cellulose industry. The production of high-yield fiber (mechanical pulp) is within the cellulose sector, but does not use chemical products for processing (fiber separation) only for bleaching (soda and peroxide) The company does not use Substances of very high concern (SVHCs), nor uses biocide (preservative such as formaldehyde).
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	70% of the Company's revenue come from the cellulose production industry
<b>Impact on Stakeholders</b>	As a chemical intensive industry, the cellulose industry poses risks to the environment such as pollution of air, land, and water, as well as potential human health risks to those exposed to harmful chemicals.
<b>Implemented Management Practices</b>	<p>Melhoramentos uses safe chemical products in its activities, protecting the health of people and the environment.</p> <p>In this way, once the company identifies the chemicals required for their manufacturing processes, they have procedures for their handling, which provide for the use of PPE, attention to the dosage to be used, and always striving to minimize the use of chemicals. The company has implemented the following management practices</p> <ol style="list-style-type: none"><li>1. From 2021 to 2022, the company reduced the consumption of chemicals in the fiber bleaching process at the Industrial Plant by 16%. This is a result achieved from bleaching results carried out in their laboratory.</li><li>2. All effluents from their industrial plant, that is, from their fiber production process, are sent for treatment at their Effluent Treatment Station (ETE). The company carries out periodic internal monitoring of the treated effluent before it is released into the river and, quarterly they carry out an external analysis at the point of entry of the</li></ol>

	<p>effluent, at the treatment outlet of the ETE, and in the receiving water body, which the company submits for evaluation by the environmental supervisory body, and which demonstrate the compliance of the launch parameters, by the limits established by legislation.</p> <ol style="list-style-type: none"> <li>3. In line with FSC guidelines forestry management of planted areas includes the assessment of chemical product consumption. Through Integrated Pest Management, the company acts to prevent and control the occurrence of forest pests, maintain population balance, and guarantee minimum levels of infestation and even their eradication. Monitoring and controlling infestation levels allows for less use of chemical insecticides.</li> <li>4. Furthermore, the FSC Pesticides Policy requires certified organizations to carry out an Environmental and Social Risk Assessment (ARAS) as part of their Integrated Pest Management system, by the policy and in compliance with international indicators and limits and /or applicable nationals. In this way, Melhoramentos prepares the Environmental and Social Risk Assessment (ARAS) of pesticides, which considers not only the toxicity of the active ingredient but also the context of use, its formulation, application method, doses, non-target beings, surrounding communities, etc.</li> <li>5. As mentioned in the water intensity disclosure, Melhoramentos understands that actions to conserve water resources are essential when it comes to sustainable management. Therefore, in addition to basic care in carrying out forestry operations, periodic monitoring is carried out to assess the environmental conditions of the water available in the river basins, sub-basins, and micro-basins present in the company's management areas.</li> </ol> <p>The company carries out quarterly monitoring upstream and downstream of planting areas. This monitoring identifies whether forestry operations are causing any impact on water bodies distributed near the planting areas in the management units. To this end, the company carries out specific hydrological monitoring in smaller water bodies throughout the three management units, as a means of ensuring the appropriate use of chemical products.</p>

# Disclosure Questionnaire Statement

**Disclosure Questionnaire Category: Environmentally Intensive Industries - Energy and Emissions Intensive Industries**

<b>Topic</b>	Energy and Emissions Intensive Industries
<b>Summary of Issue</b>	Melhoramentos is a high-yield fibers manufacturing company, operating within an industry and is considered energy and emissions intensive.
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	Melhoramentos in 2022 consumed around 617 kWh/t of fiber produced. In general, the paper and cellulose industry is considered a high-energy consumption industry, as in Brazil, the average electricity consumption in cellulose production is 600 KWh per ton of dry pulp, and in paper production, it is 870 kWh/t of fine product.
<b>Impact on Stakeholders</b>	Energy intensive manufacturing activities pose an environmental risk due to the emissions produced by such energy use. The extent of environmental impact is dependent on the energy sources utilized and management practices in place to manage energy use.
<b>Implemented Management Practices</b>	<p>Renewable and energy projects</p> <ol style="list-style-type: none"> <li>1. The company has a project to use solar energy for the administrative area. From July 2023, the energy purchased will be 100% certified green energy.</li> <li>2. Since 2022, the company has purchased energy from renewable sources (hydroelectric, wind and photovoltaic). Furthermore, 1MW of the 7MW Melhoramentos use is already produced on-site via a water turbine that supplies energy to the Industrial Plant. This project has been designed to meet the energy demands of the offices of the Camanducaia forestry unit; it remains to implement a new transmission line and substation, scheduled for July 2025. This contract, as already mentioned, guarantees the supply of 100% I-REC certified energy, should Melhoramentos increase their production capacity.</li> </ol>

# Disclosure Questionnaire Statement

## Disclosure Questionnaire Category: Environmentally Intensive Industries - Water Intensive Industries

<b>Topic</b>	Water Intensive Industries
<b>Summary of Issue</b>	The cellulose and paper industry is considered water-intensive because it requires a lot of water to transform wood into cellulose and then into paper. According to data from the Brazilian Tree Industry (Ibá), today, on average, 25 m <sup>3</sup> per ton is consumed by the cellulose and paper industry sector. Melhoramentos, in its production of high-yield fibers, consumed around 5.41 m <sup>3</sup> per ton in 2022.
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	100% of the water is extracted from Melhoramentos' property located in the municipality of Camanduaia, MG, Brazil. 19.3% corresponds to groundwater abstraction (artesian well) and 80.7% to surface water abstraction.
<b>Impact on Stakeholders</b>	As a water intensive industry, the manufacturing industry poses risks such as water stress or depletion of local water sources if water use is not appropriately managed. The locations of operation are not located in water-stressed areas
<b>Implemented Management Practices</b>	<p>The company has compared to other industries in the segment and has concluded it has low specific water consumption. Regarding water management at the factory, production consumption in 2021 was 7.09 m<sup>3</sup>/t versus 5.41 m<sup>3</sup>/t in 2022.</p> <p>The company is affiliated with the IBA-Brazilian Tree Industry and participates in meetings and discussions through which it seeks to update itself on several fronts, including in terms of water management.</p> <p>Since 2019, Melhoramentos has been part of the River Basin Committee (PCJ - Rios Piracicaba, Capivari e Jundiaí), which is the water parliament of a region, where the population, users, and public authorities interact to manage the quality and availability of water in a given river basin. It is a deliberative body with legal attributions based on Law No. 9.433/97 of the Federal Government and the State Legislation on Water Resources, Law No. 10.350/94.</p>



# Disclosure Questionnaire Statement

## Disclosure Questionnaire Category: Litigation and Arbitration

<b>Issue Date</b>	2003, 2021
<b>Topic</b>	Litigation and arbitration related to labor and contract dispute
<b>Summary of Issue</b>	The company was involved in an arbitration case regarding the price of a property sold to the company. There were also obligations arising from the assignment of contract rights, and there was litigation related to the labor rights of a former company professional and obligations from a service contract.
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	The total value of the claims was approximately \$1.100.00 BRL, representing less than 1% of the total revenues for fiscal year 2023.
<b>Impact on Stakeholders</b>	Suppliers and former employees were affected in these cases.
<b>Resolution</b>	The company litigation cases have been settled with payment, and the company arbitration is still ongoing. The arbitration case is still pending.
<b>Management Practices</b>	The company has reviewed all cases with their legal external adviser. No particular actions were taken.
<b>Related Incidents (Yes/No)</b>	Yes



# Disclosure Questionnaire Statement

## Disclosure Questionnaire Category: On-site Fatality

<b>Issue Date</b>	Incident : 01/26/2022
<b>Topic</b>	On-site fatality due to vehicular accident
<b>Summary of Issue</b>	<p>Melhoramentos is involved in the field of forestry and reforestation. The company produces and sells cellulose, fibers, and other pulps for papermaking.</p> <p>An employee of Melhoramentos was involved in a fatal vehicular accident while at work. The employee, who was a truck driver, was returning from an operation to supply harvesting machines that were in operation upstream of the accident.</p> <p>The accident occurred at Ponciano Road due to a tree falling on the convoy truck that was driven by the victim. The Araucaria tree measuring approximately 30 meters in height, had destroyed the entire front of the truck (cabin) where the victim was seated driving. The extremely adverse weather conditions, with very strong rain and winds, contributed to the fall of the tree at the time.</p>
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	The company reported one worker fatality in the last 5 years.
<b>Impact on Stakeholders</b>	The main impact was the employee fatality. In addition, fatalities and accidents have emotional, mental, and financial implications for family members, friends, and colleagues of the people involved in the occurrence.
<b>Implemented Management Practices</b>	<p>The accident was reported to the Ministry of Labor and Employment (MTE). The result of the investigation conducted by the agency was that, at the time of the accident, the company had to split up the Occupational Risk Management Program that covered the industrial and forestry units, so that there would be one for the industrial unit and one for the forestry unit. As required, the company drew up separate programs. As a result, there is now a new risk management program exclusively for the rural area.</p> <p>Melhoramentos has since formalized and implemented the</p>

	<p>Rural Work Risk Management Program, although the company reported that this would not have prevented the accident as there was no forecast of rain on the day of the accident, and climate change happened suddenly.</p> <p>The company has also implemented a safety procedure in adverse weather conditions, following the regulatory standards set by the MTE, in which the rural or similar employer must guide its employees regarding the procedures to be adopted in the event of unfavorable weather conditions. In this procedure, the main events, already existing and with a history, were described with the respective necessary actions and guidance for workers who are exposed to the mapped risks.</p>
<b>Resolution</b>	<p>The company along with its employees and the Specialized Rural Work Medicine Service (SESTR) had cooperated with the police investigation on the incident.</p> <p>So far there have been no legal consequences as a result of the fatality. In the civil and criminal police spheres, the case was dismissed because it was proven that the company was not at fault.</p> <p>As far as the family is concerned, the company has offered compensation, which was approved by the courts.</p>



# Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Significant layoffs of >20% of workforce

<b>Topic</b>	Significant layoffs due to COVID
<b>Summary of Issue</b>	In 2020, during the initial COVID-19 lockdown period, Melhoramentos experienced 1 round of significant layoffs.
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	31 employees were laid off, accounting for 43.63% of the company's workforce at the time.
<b>Impact on Stakeholders</b>	Primary impact was loss of employment for affected employees.
<b>Implemented Management Practices</b>	<p>The company provided for all employees involved in the dismissal process the following additional benefits:</p> <ul style="list-style-type: none"><li>• One nominal salary.</li><li>• Extension of medical benefits for 6 months including all dependants.</li><li>• Professional outplacement workshop with a specialized outplacement company.</li><li>• Donated cell phones to employees who had telephone lines.</li></ul>