



Mills

Disclosure Report
Date Submitted: October 9th, 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"/>
Biodiversity Impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Chemicals	<input type="checkbox"/>	<input checked="" 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"/>
Energy and Emissions Intensive Industries	<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"/>
Water Intensive Industries	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input 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"/>
Litigation or Arbitration	<input checked="" type="checkbox"/>	<input type="checkbox"/>
On-Site Fatality	<input type="checkbox"/>	<input checked="" 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"/>
Significant Layoffs	<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 checked="" type="checkbox"/>	<input 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

Topic	Energy and emissions intensive industry
Summary of Issue	<p>Mills leases and sells solutions that include equipment for carrying out work at height, heavy machines, power generators, air compressors, and freight. Some of those machineries use fossil fuels (diesel). As a machinery renter and seller, Mills operates in an industry in which energy and carbon emissions are a material environmental issue. The primary source of the company's carbon footprint stems from the operation of the machinery by their end customers.</p> <p>During its verification process, Mills obtained near-term target validation from SBTi (search for "MILLS LOCAÇÃO SERVIÇOS E LOGÍSTICA S/A" on the target dashboard for confirmation). However, the company has not yet submitted or validated its long-term science-based target. In order to proceed with its certification, Mills has formally committed to B Lab Global, Sistema B Internacional, and Sistema B Brasil to present and validate a long-term target with SBTi by their next B Corp Certification cycle.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	The total emissions reported for 2022 were 122,214 tCO ₂ e, with 119,370 tCO ₂ e being scope 3 emissions.
Impact on Stakeholders	<p>The automotive industry is a major contributor to global carbon emissions. B Lab has flagged the automotive and machinery industry as an energy—and emissions-intensive industry that will require a standards development process to assess its risk. Companies on the B Corp Certification pipeline are required to submit and validate their science-based targets (near and long term) by the Science Based Targets initiative (SBTi) to proceed with their verification process.</p> <ul style="list-style-type: none">• Science-based targets give companies a clearly defined path to reduce greenhouse gas emissions in line with limiting global warming to 1.5°C. They define how much and how quickly a business must reduce its emissions to be in line with the Paris Agreement goals (SBTi)• Near-term science-based target: Rapid, deep cuts to direct and indirect value-chain emissions must be the

	<p>overarching priority for companies. Companies must set near-term science-based targets to roughly halve emission before 2030. This is the most effective, scientifically-sound way of limiting global temperature rise to 1.5°C (SBTi).</p> <ul style="list-style-type: none"> Long-term science-based target: Companies must cut all possible - usually more than 90% - of emissions before 2050 (SBTi)
Implemented Management Practices	<p>This is the company's commitment to the near-term target approved by SBTi:</p> <p>"Mills commits to reduce absolute scope 1 and 2 GHG emissions 54.6% by 2033 from a 2022 base year.* Mills also commits to reduce absolute scope 3 GHG emissions 32.5% within the same timeframe.* Mills commits that 55% of its suppliers by spend covering capital goods, will have science-based targets by 2028."</p> <p>*The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.</p> <p>Here are the company's current practices to address the risks caused by its direct and indirect emissions:</p> <ul style="list-style-type: none"> The company publicly communicates its efforts through its annual sustainability reports, and internal and external websites, and shares its best practices already implemented through the company's official communication channels, including quarterly reports to its investors, The company is improving its risk matrix to include climate issues, and based on this, it will define policies and eventually update existing procedures to ensure that all its commitments are met, Stakeholders interested in tracking the company's progress can find information on the company's climate transition through public documents from the GHG Protocol, SBTi, and the company's periodic reports, Mills has invested in purchasing lower-emission equipment, especially electric and hybrid aerial platforms, with 62% (actual Vs. <50% in 2020) of its fleet already having this composition. For other machine models, the company has partnered to develop solutions and has also been working to encourage its supplier network (machine manufacturers) to adhere to

	<p>the SBTi. Additionally, projects such as using biofuels in our vehicle fleet, electrifying forklifts, and optimizing freight routes have significantly contributed to reducing emissions in its operations</p> <p>Mills shared that it currently faces two main challenges in developing its long-term science-based target:</p> <ol style="list-style-type: none"> 1. company growth modeling. The current market expansion is an additional challenge for projecting growth through 2050, which is essential for developing the long-term goal and creating an achievement plan, 2. the emergence of new technologies in the market that would allow large-scale equipment to have lower-emission alternatives and/or complementary sources to electrification. However, it is important to note that the company has already begun studies and projections to develop the goal.
Report	<p>To know more about SBTi, please visit: GETTING STARTED GUIDE FOR SCIENCE-BASED TARGET SETTING (2024)</p> <p>GHG Protocol: https://registropublicodeemissoes.fgv.br/estatistica/estatistica-participantes/3868</p> <p>Annual Report: https://site.mills.com.br/relatorio-anual-mills-2023</p> <p>CDP: https://www.cdp.net/pt/responses/49449/MILLS-LOCACAO-SERVICOS-E-LOGISTICA-S-A?back_to=https%3A%2F%2Fwww.cdp.net%2Fpt%2Fresponses%3Fqueries%255Bname%255D%3DMILLS%26filters%255Bcountries%255D%255B%255D%3DBrazil%26filters%255Byears%255D%255B%255D%3D2023&filters%5Bcountries%5D%5B%5D=Brazil&filters%5Byears%5D%5B%5D=2023&queries%5Bname%5D=MILLS</p>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Hazardous Discharges Into
Air/Land/Water

Issued Date	Ongoing
Topic	The company was accidentally not properly disposing of its waste water.
Summary of Issue	Mills Solaris is an equipment rental company for the execution of works at height and for highly complex constructions. The company had an accidental leak of oil and effluent from the equipment washing area, which led to surface soil contamination.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	There were no fines or penalties associated with this hazardous discharge. The accident affected the washing area, which represents about 5% of the total area of the property.
Impact on Stakeholders	As hazardous waste, oil and effluent discharges pose risks to flora, fauna and the quality of the ecosystem (e.g. soil, air, and water pollution, health problems to local species or humans, etc.) if not properly managed.
Resolution	The environmental agency was informed about the event. The contaminated soil was removed and environmental studies (Phase I and Phase II) were conducted and sent to the local environmental body. The reports showed there was no extension of contamination and that there was no contamination of the water table. The investigation process was finalized and the company was granted the environmental license.
Implemented Management Practices	To reduce the risk of further incidents, the company has implemented the following management practices: <ul style="list-style-type: none">• Mills modified the effluent treatment process from the washing area, installing a Water Treatment Station,• There is no longer any effluent discharge into the public network and/or sinks.
Related Incidents (Yes/No)	No



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Litigation and Penalties

Issued Date	Ongoing
Topic	Litigations filed against the company related to labor, contract disputes and tax issues
Summary of Issue	<p>In the last 5 years, labor suits were filed against the company involving a range of actions moved by former employees and employees relating to, among other things, overtime payments and additional payments. The company is involved in civil litigation that includes defaulting clients and claims for damages to its equipment.</p> <p>Additionally, there are tax litigations filed against Mills that are still ongoing.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>For the 107 labor litigation cases, the total projected payout from lawsuits amounts to R\$ 3,025,966.99, representing 0.2% of the company's annual revenue. For the 18 civil litigations, the projected payout is R\$ 1,643,568.30, which represents 0.1% of annual revenue.</p> <p>There were 19 tax litigations filed against Mills that are now closed. There are currently 25 tax litigations filed against Mills that are still ongoing. The total projected liability from these lawsuits amounts to R\$ 100,721,540.73., which surpasses 5% of the company's annual revenue.</p>
Impact on Stakeholders	The primary impact on stakeholders related to those issues is a financial impact on former employees and employees, clients and tax authorities.
Resolution	Of all the labor and civil lawsuits filed against the company in the last five years, 125 remain active. There have been 19 tax litigations closed, while 25 are still ongoing.
Implemented Management Practices	<p>The company shared the following practices to address risks associated with labor issues:</p> <ul style="list-style-type: none">• Mills have electronic points in all branches,• There is a management policy with guidelines on overtime,

	<ul style="list-style-type: none"> • There are compliance channels for all employees to submit complaints, • The company formalized Human Resources rules and benefits payments, providing all employees with access to these policies and guidelines. Mills conducts training of all leadership to comply with these rules and guidelines, • The company offers an online system to all employees to follow their electronic point and salary payments, • Mills conducts satisfaction surveys (Great Place to Work) with all employees. <p>To avoid new contract dispute cases, Mills has the following practices in place:</p> <ul style="list-style-type: none"> • For some years, Mills has been using amicable settlements with its clients as a strategy, to achieve quick cash recovery, refunds (when applicable), and as a form of de-judicialization, a common practice among large companies. • Formalized contracts with all clients, • Formalized its relationships and agreements with clients, • Monitoring of client satisfaction periodically (Net Promoter Score - NPS). <p>Those are the company's practices to reduce the risks of having tax litigations against them:</p> <ul style="list-style-type: none"> • Mills conducts annual external audit, • The company has Enterprise Resource Planning (ERP) Systems Applications and Products (SAP) in our process and business.
Report	Mills Investor Relations

Disclosure Questionnaire Statement

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

Issued Date	April 2018
Topic	Significant layoffs due to dismissals without cause.
Summary of Issue	Mills is a Brazilian company that leases equipment for working in heights, to companies carrying out high complexity construction projects. During an economic and political crisis in Brazil in 2018, in which several of the company's clients were involved in legal investigations, the company experienced lower revenues, and in order to cover costs was forced to reduce the budget in all operational lines.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	226 employees were laid off, representing 22% of the company's employees at that time.
Impact on Stakeholders	Primary impact was loss of employment for affected employees.
Implemented Management Practices	Mills provided the corresponding severance packages to all of the affected employees, including extension of the period of stay in the health and dental care plan (including dependents) and aid in finding a new job through outplacement. Mills did not carry out an investigation to evaluate the impacts caused to the individuals that were laid off.
Management Comments	"Since then, the company has not recorded any layoffs in its structure and has sought to enter more resilient markets to reduce its exposure to cyclical sectors of the Brazilian economy. As a result, over the last 5 years, it has shown growth in all its economic and financial indicators and has consistently expanded its workforce."
Related Incidents (Yes/No)	No



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Other - Clients in Controversial Industries

Topic	Company serves clients in Controversial Industries
Summary of Issue	Mills is a company that provides equipment for worker security to clients in controversial industries such as Agribusiness in Brazil, Alcohol, Animal Products and Services, Bottled Water, For-profit higher education, Fossil Fuels (coal and oil sands), Mining, Pharmaceutical, and Tobacco Industries. Those equipment can be used for controversial and non-controversial industries.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>So far in 2024, Mills' revenue derived from each controversial industries is as follows:</p> <ul style="list-style-type: none">• Agribusiness in Brazil: 9.14%• Alcohol: 0.11%• Animal Products and Services: 0.45%• Bottled Water: 0.01%• For-profit Higher Education: 0.04%• Fossil Fuels (coal and oil sands): 0.67%• Mining: 4.86%• Pharmaceutical: 0.23%• Tobacco: 0.09% <p>The company engages with those clients on an ongoing basis.</p>
Impact on Stakeholders	Companies that work with clients in controversial industries can indirectly increase the harmful impact on stakeholders of those businesses by enabling their business growth. Therefore, companies that work with clients in these industries should have practices in place to ensure that their impact is aimed at decreasing the negative impacts of the industry. Currently, B Lab does not have specific requirements for companies with clients in this/these industries. However, Certified B Corps are required to make transparent their involvement with such clients. As B Lab continues to evolve its standards and due diligence approach for companies with Clients in Controversial Industries, the updated criteria will be shared with the company once they are finalized.



	B Lab recognizes that the company began its verification process prior to B Lab developing standards for Clients in Controversial Industries, and, therefore, the company will be required to meet the new standards by their next recertification.
Implemented Management Practices	<ul style="list-style-type: none">• Mills offers formal training to all its customers on the proper use of equipment, aiming to provide users with safe and efficient working conditions. Also periodically inspects the use of the equipment as part of preventive and corrective maintenance routines. The company's internal controls are applied to all clients, with a focus on impact measurement, due diligence and legal monitoring. In addition, for agribusiness clients, the company's equipment cannot operate in preservation areas, such as the Atlantic Forest, Amazon, Cerrado, and indigenous lands,• The company conducts formal credit analysis of its customers to avoid losses and damages to its business.• Mill's commitments with its clients are legally aligned with the use of our equipment for lawful activities, as stipulated in the contract.• So far, there are no ESG goals related to customers.
Report	https://www.mills.com.br/treinamento https://www.mills.com.br/manutencao-e-assistencia-tecnica