



Tradelink

MADEIRAS LTDA.

We thank you for your communication and the surveys carried out by *Record Brasil* and we affirm, as a genuine company from Para State, our commitment to the defense of workers' rights and welfare, the conditions of employability and the minimization of labor risks inherent to our activity.

We emphasize some points:

Tradelink Madeiras Ltda was founded in 1989 and is dedicated to the industrialization of floors, deckings and other products that use wood as raw material. The Company does not have forests or sawmill extraction. Its industrial park is located in the Municipality of Ananindeua, approx 15 kilometers of the center of Belém.

Regarding the questions presented, we believe it is important to present the profile of Tradelink Madeiras Ltda in relation to employees and labor issues and, later, to respond objectively to each of the two questions.

Tradelink's Commitment with its Employees:

· Tradelink Madeiras Ltda. Employs 95% of its employees who reside in the municipality of Ananindeua, directly and actively supporting local development. Some characteristics of the importance of the generation of labor in the Municipality of Ananindeua are:

Basic Sanitation. According to a recent survey released recently by the *Trata Institute of Brazil* - the most respected in the industry - it shows that "Ananindeua has the most serious problems in basic sanitation framework among all cities in the country." [Http://www.tratabrasil.org.br/Ananindeua-and-worse-city-of-Brazil-in-sanitation](http://www.tratabrasil.org.br/Ananindeua-and-worse-city-of-Brazil-in-sanitation)].

Crime Indexes. According to *Exame* magazine, using the United Nations survey as an information source, Ananindeua is the city with the second highest homicide rate in Brazil. [Http://exame.abril.com.br/brasil/as-250-cidades-more-violentas-do-brasil](http://exame.abril.com.br/brasil/as-250-cidades-more-violentas-do-brasil).

The Municipality of Ananindeua also presents unsatisfactory results in HDI (Human Development Index), Education and other indexes linked to the well-being of the population.

· As part of the human resources policy, Tradelink Madeiras Ltda, regardless of position and salary level, grants the following benefits to all its employees:

- Medical Health Plan
- Life Insurance Policy for all employees.
- Meal Scheme consists of breakfast and lunch for all employees.
- Medical examination and annual evaluation of employee health.
- Transportation provided by the Company's own vehicle.
- Uniform for all employees.
- Recreation areas for leisure time.



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- In line with its role as an employer, and in almost 30 years of operation, the Company has *never* delayed any labor obligation, religiously paying the salaries of all its employees on the last business day of each month. In addition, the Company has never delayed a single payment of any type of employee tax, INSS, or FGTS, to present in the attached files its labor and tax certificates on time, regardless of the impact crisis on Brazil and specifically on the forestry sector.
- Tradelink Madeiras Ltda is a company that has FSC Chain of Custody (Forest Stewardship Company) and recently had its Certification extended after an extensive audit process in which points were validated:
 - The adherence of Tradelink to ILO Core Conventions as defined in the ILO Declaration on Fundamental Principles and Rights at Work, 1998.
 - Occupational Health and Safety, in which the Company has demonstrated excellence in its commitment to these issues.

These are some of the points that confirm the importance to Tradelink of its employees. In continuity, we present the answers to your queries.

1) What is the position of the company in relation to the above facts and its commercial relationship with Bonardi da Amazônia Ltda?

The Company's procedure regarding the acquisition of raw material (rough sawn wood) from the supplier Bonardi Madeiras da Amazônia passed through the due diligence process of Tradelink Madeiras Ltda. In this procedure the following aspects were validated:

- **Environmental Compliance** of the volume of wood sold by Bonardi da Amazonia Ltda to Tradelink Madeiras Ltda. This procedure consists of the following checks:
 - Verification of the Forest Management Plans which is the origin of the raw material sold to Tradelink Madeiras Ltda.
 - Verification of the regularity of the Company with regard to the environmental agencies and competent authorities:
 - Secretary of Environment and Sustainability of the State of Pará. (SEMAS)
 - IBAMA
 - The Logistic compatibility / conformity check of the wood, checking the type of transport used, vehicle registration plates, and distance between the forest and the sawmill.



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- Conformity of Bonardi da Amazônia Ltda Industrial Enterprise to commercialize wood products. This procedure consists of the following checks:
 - Documentation of the Industrial Enterprise's Operating Licence (L.O.), operating permit, copy of CEPROF, photos of the industrial enterprise and the identification plates.
 - Business & Workplace Suitability Verification. In this case, the check appeared on site, and the related information was requested, which we present below:
 - After the appropriate request, Bonardi da Amazônia Ltda submitted a TAC (Adjustment of Conduct Term), signed on 16th October, 2012, with the Public Ministry of Labor, represented by the Labor Attorney, Mr. Allan de Miranda Bruno, in which the the company assumed the commitment to regularize the workers involved in this term and, in addition, there was compensation for collective moral damages caused by the working conditions exercised by the employees.
 - On 13th October, 2015, the Public Prosecutor's Office, through its Attorney General, Mr. Allan de Minanda Bruno, ordered the dismissal and archiving of the case, after the adjustments of conduct term and related commitments had been carried out, as per document attached below:



Processo : 000383.2012.08.003/4

REPRESENTADO: BONARDI DA AMAZÔNIA LTDA, BONARDI DA AMAZÔNIA LTDA.

Considerando o cumprimento do TAC, determino o arquivamento do presente procedimento.

Santarém, 13 de outubro de 2015

Allan de Miranda Bruno
PROCURADOR DO TRABALHO



These procedures, which are standardized for each volume of wood received by Tradelink Madeiras Ltda, were fully applied to the case of Bonardi da Amazônia Ltda, authorizing, after careful evaluation of the existing documents, the commercialization of timber for Tradelink Madeiras Ltda.



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2) Does Tradelink Madeiras Ltda. adopt actions to avoid the use of slave labor in its supply chain? Which are these actions ?

Tradelink has a wide process of verification of its suppliers which is part of the conformity described in point 1) of this document, to which are added periodic visits of the representatives of Tradelink to the industrial sites of its suppliers; Periodic evaluation with visits at the beginning of each supply season. In essence, the Company's purchase process has 04 principle procedures:

1. **Onsite visits**, in which the general criteria of the supplier (identification of the industrial enterprise, suitability of the owners, quality of products to be supplied, conditions of work in the industrial enterprise, etc.) are evaluated.
2. **Registration of the Supplier**, in which an extensive process of verification of information related to the Company and its owners is carried out, at this point the tax issues are evaluated, regularity of the industrial enterprise
3. **Supplier's Environmental Registration**, in which an assessment is made of the origin of the raw material to be supplied and marketed
4. **Periodic field visits to the supplier**, in which the points listed in points (1-3) described above.

We understand that the "Transparency List" that you sent to us had its publication suspended in 2014 but was legally approved in May / 2016, so we will include it with immediate effect as a tool for risk identification and mitigation in our Due Diligence procedure.

Due to the rigorous selection process, Tradelink has been strengthening its commercial relationship with an ever smaller number of suppliers, which meet the company's demanding prerequisites.

As mentioned at the beginning of this text, Tradelink Madeiras Ltda appreciates the inquiries presented, which serve to verify, evaluate and reinforce our procedures in relation to the Company's most important asset, which is its employees, the defense of life and the working conditions .

Sincerely

DAVID SERFATY