

Annual Compliance Report

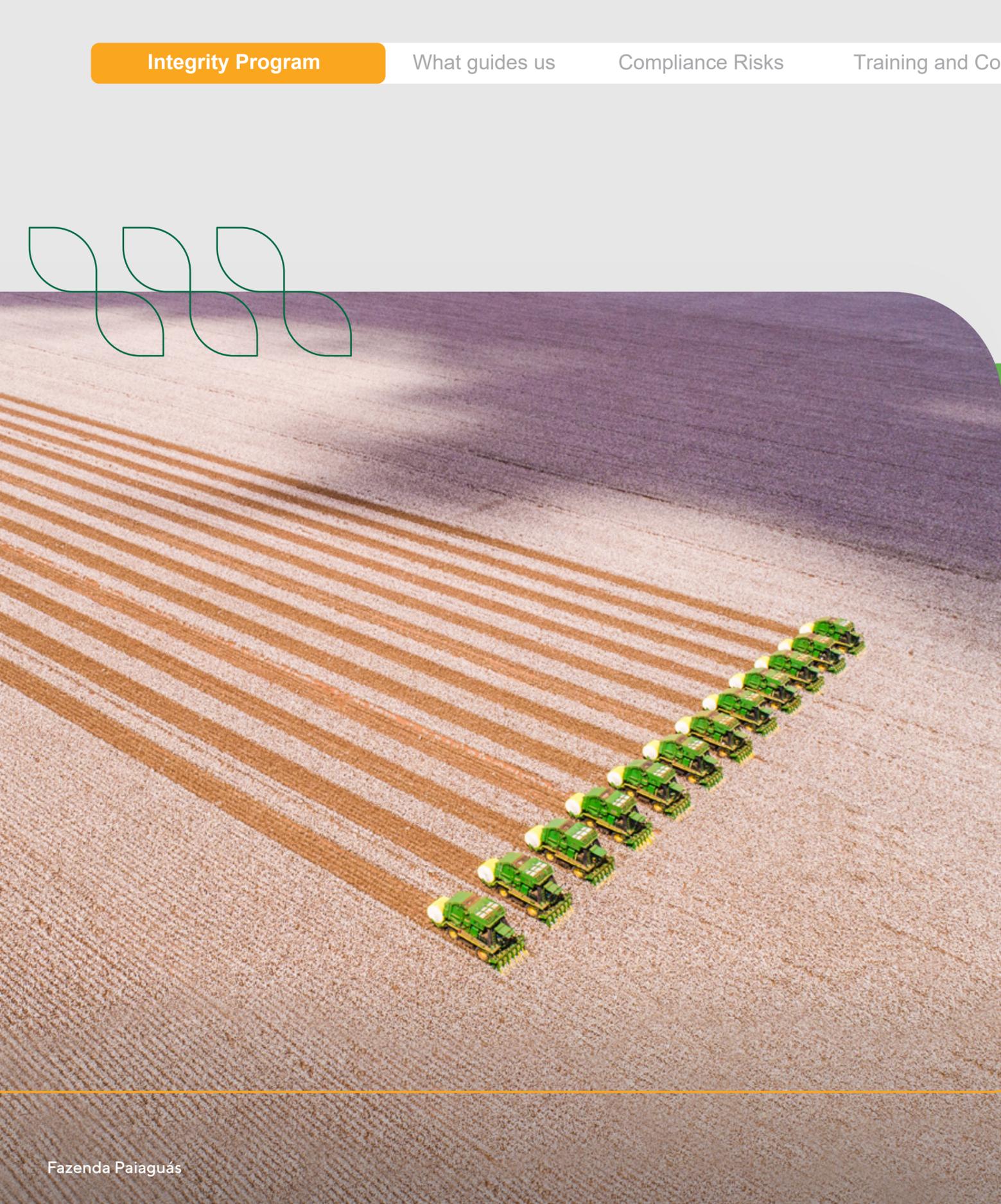
2022



Fazenda Pamplona



SLC *Agrícola*



Integrity Program

This is an annually report that presents the relevant aspects of Compliance related activities at SLC Agrícola.

The data presented in this report is a result of monitoring Compliance activities throughout 2022.

Situations involving potential exposure to Compliance risks were the subject of initiatives implemented in order to adhere to specific determinations, or **monitoring of development in terms of adjustments made through the registration of action plans.**

Our guidelines

Code of Ethics and Conduct

SLC Agrícola's Code of Ethics and Conduct describes the principles that guide those acting on behalf the Company. We all must comply not only with the text of these guidelines, but also the spirit."

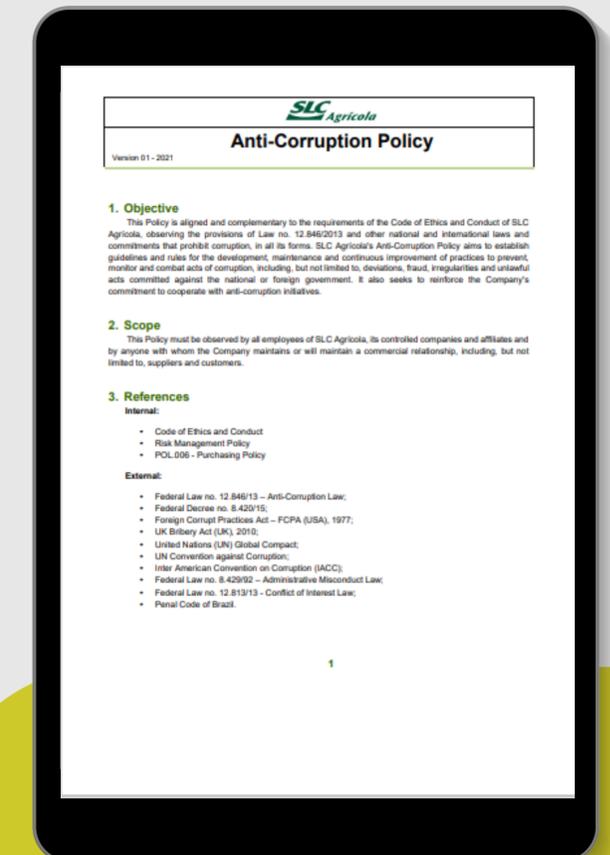
SLC Agrícola's Code of Ethics and Conduct can be accessed in both a Portuguese and English version.



Click on image to access.

Anticorruption Policy

SLC Agrícola's Anticorruption Policy adheres to the provisions contained in Federal Law No. 12.846/2013 and other national and international legislation and agreements that prohibit all forms of corruption. With this Policy, we declare our commitment to combating the misapplication of funds, fraud, irregularities and unlawful acts committed against national or foreign governments.



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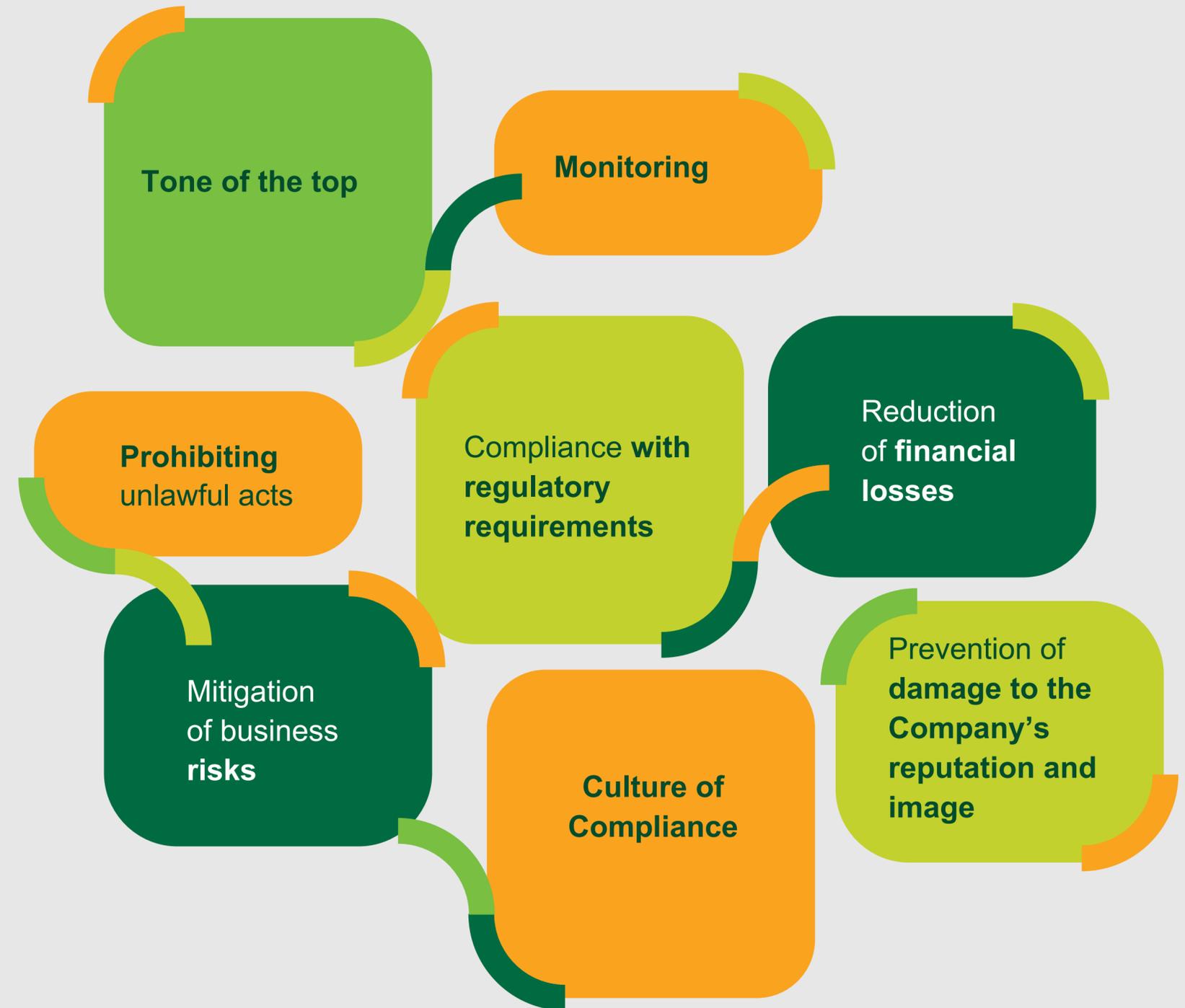
Compliance Policy

SLC Agrícola's Compliance Policy establishes the company's Integrity Program, as well as Compliance-related guidelines and rules.

The Integrity Program is based on SLC Agrícola's **Big Dream** and the Company's **Values**, which are the elements that inspire and provide a coherent vision of Company performance. SLC Agrícola's Integrity Program is an essential aspect of the company's activities and must guide employees' actions and day-to-day activities.

Guidelines

The requirements established under the Integrity Program constitute an **unwavering commitment to ethics and integrity** throughout the Company's operations and business activities. SLC Agrícola's Integrity Program was developed based on the following premises:





The Integrity Program includes a set of measures that aim to

prevent



detect



correct

improper practices during the Company's operational and business activities, which include, but are not limited to, corruption and fraud. A culture of Compliance, ethical principles and strong and proper corporate governance form the most fundamental key for SLC Agrícola's Integrity Program.

Compliance Governance

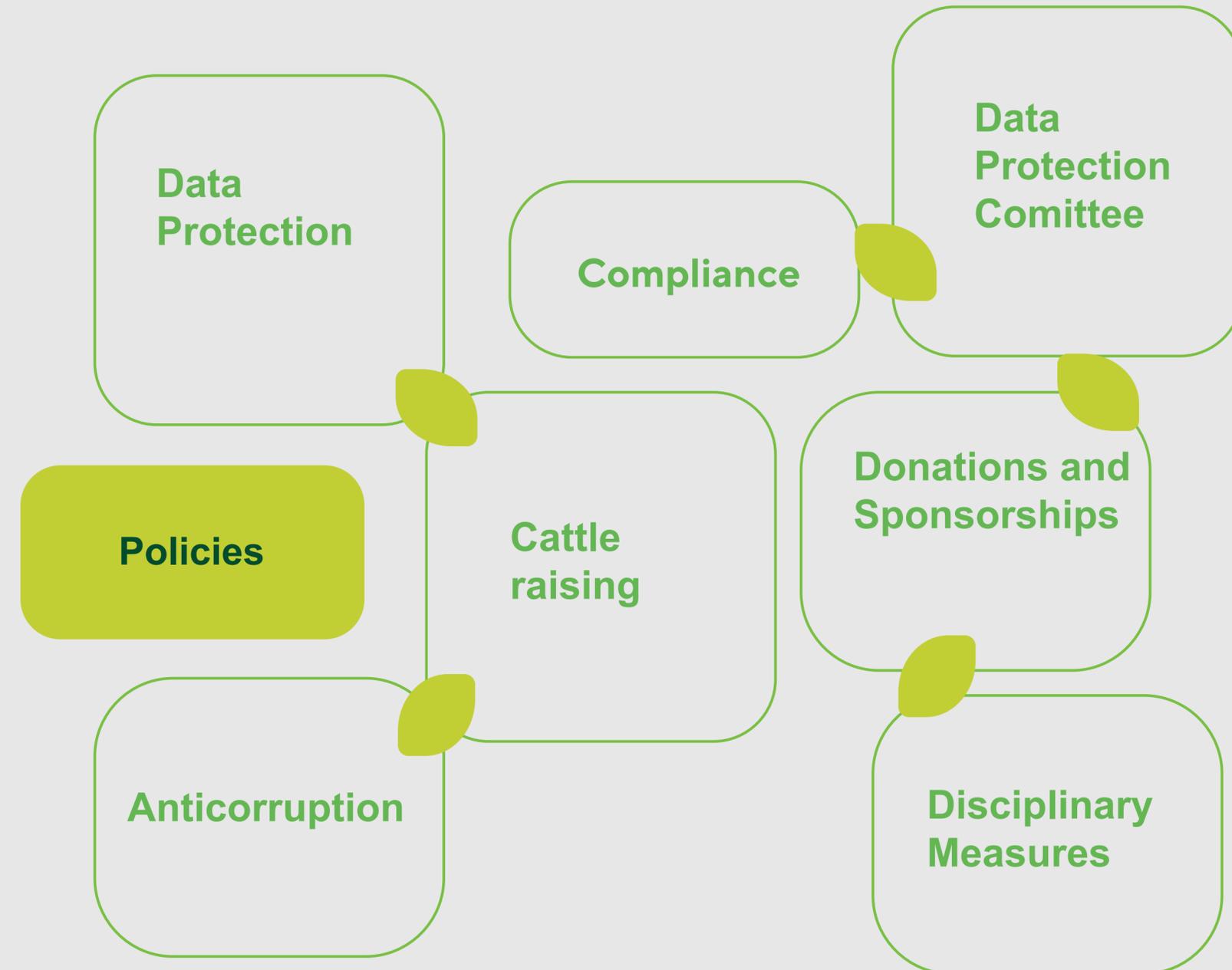
The Compliance team reports to **Legal and Compliance Department**. Compliance has an exclusive team responsible for handle issues on a day-to-day basis.

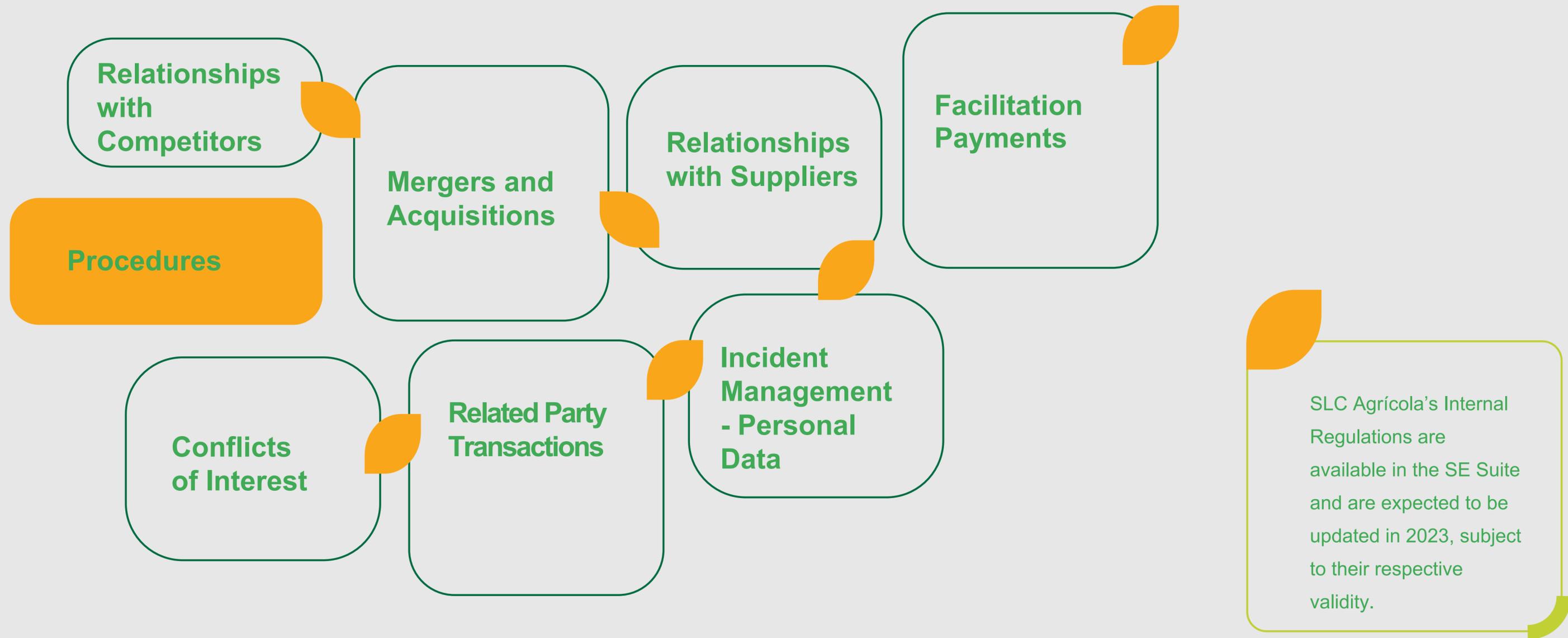
The Compliance department operates in an **independent** manner involving specific procedures and controls, implementing measures aimed at reducing the Company's exposure to Compliance risks. The department reports to Board of Directors, either directly or through the Statutory Audit Committee.



Internal rules

The next two images, presents the current Compliance Policies and Procedures that **establish guidelines** and processes. Note that Compliance Department can be responsible or involved on the document.





Official regulations (external)

In 2022, the Compliance department monitored External Regulations, including federal legislation (standard legislation, complementary laws, government decrees), CVM (Brazilian Securities and Exchange Commission) and B3 (São Paulo stock exchange), as part of a pilot project. **145 new external regulations** applicable to the Company were identified during 2022.

The main changes and progress made in areas related to the Compliance department within the legal/ regulatory scope, during 2022 are highlighted to the right.

Provisional Measure No. 1.124, of June 13, 2022, subsequently converted into Federal Law No. 14.460, of October 25, 2022.

The National Data Protection Authority (ANPD), which completed two (2) years of operations, was transformed into a special autonomous government agency.

Federal Law No. 14.457, of September 21, 2022 – +Women Employment Program

Promoting and maintaining the presence of women within the labor market. Briefly, the Program consists of measures aimed at providing parenting support, providing female employees with training, combating sexual harassment and preventing other forms of violence within the workplace.

CD/ANPD Resolution No. 2,

of January 27, 2022, which regulates application of the Brazilian General Data Protection Act (LGPD) with small-scale data processing agents.

Federal Decree No. 11.129,

of July 11, 2022, which regulates the Anti-Corruption Act (Federal Law No. 12.846, of August 1, 2013). Replaces the previous standard (Federal Decree No. 8.420, of March 18, 2015).

Updated and improved regulation of integrity program requirements with supervision from the federal government.

Federal Law No. 14.470,

of November 16, 2022, which amends the Antitrust Act (Federal Law No. 12.529, of November 30, 2011).

This amendment mainly refers to compensation for damages stemming from violations of the existing economic order. The Law's provisions include a requirement that those affected will be entitled to compensation for damages in double, in addition to the application of sanctions. This provision does not apply to co-perpetrators that have entered into a leniency or termination agreement.

Compliance Risks

The Compliance risk map was reviewed in December 2021 in adherence to guidelines contained in the [Risk Management Policy](#), which is available on the Company's Investor Relations website, and the methodology indicated by the Internal Controls department.

During a [review](#) of the risk map carried out in [2021](#), [124](#) risk qualifiers were identified and grouped into [28](#) separate risks.

The Compliance risk map may be updated as new risks or control measures are identified and implemented.

The Compliance risk map review is ongoing and expected to be completed in August 2023 following the corporate risk map.

The 2022/2023 risk map updated count on interviews with leaderships from different departments and locations.

Compliance Processes

The following Compliance procedures can be highlighted from among the monitoring of routine activities at SLC Agrícola:



Conflicts of Interest

In 2022, the Compliance department requested that administrative employees complete the self-declaration form with regards to conflicts of interest.

This form is available in the Qualitor system. **296** forms were completed.

Of these 296 forms, **16** reported situations involving a potential conflict of interest. During the period, a situation involving a conflict of interest was identified. This specific situation involved a family relationship along a line of subordination within the Company's hierarchical structure. This employee's immediate supervisor implemented an action plan and the situation was closely monitored.



High Risk Payments

During 2022, the Compliance department responded to **21** requests for analysis of high-risk payments, which corresponds to the analysis of **259** Invoices.



Relationships with Third parties

The Due Diligence chapter (p. 15) of this report contains information regarding the monitoring of third parties. With regards to aspects of SLC Agrícola's reputation, approximately **5,700** suppliers were analyzed upon being registered in the portal.

Of these registered suppliers, **28** were rejected due to the fact that they presented risk factors that impede contracting.

In 2022, the Compliance department developed a Code of Ethics for Third Parties, which was approved and made available on SLC Agrícola's institutional website in 2023.



Facilitation Payments

In 2022, **1** request for facilitation payment was recorded. The employee involved demonstrated a commitment to the Company's Code of Ethics and Conduct, reporting the situation to the Compliance department, as well as making evidence of the request available in a timely manner.

Training and Communication

SLC Agrícola implemented training initiatives throughout 2022. Training sessions were held in an in-person format and may also be administered online using the platforms *Microsoft Teams* or *Zoom*, or *on-site* at Production sites. Training can also be provided as part of an *e-learning* format through *SuccessFactors* – the Company's *e-learning* platform.

During the year, in-person training achieved the following reach:



42 in-person training sessions were held.



Totaling **36 hours** of in-person training throughout the year.



871 employees received training.

In 2022, the Compliance department concluded a round of in-person dialog with a visit to Regional 1, having visited all production sites between 2021 and 2022.

Results for 2022

14

units visited.

During these visits, aspects of the **Integrity Program** and the **Code of Ethics and Conduct** were addressed.

The production sites leaderships participated on a specific training that explained about:

Sexual harassment

Discrimination

Workplace harassment

Personal conduct

3,051

employees completed training in SLC Agrícola's "Code of Ethics and Conduct"



of eligible employees receiving training.

119

employees completed training in "Compliance in Supplier Relationships"



of eligible employees receiving training.

722

employees completed training in the "Brazilian General Personal Data Protection Act – LGPD"



of eligible employees receiving training.

Data collected up to 12/31/2022.

As a general indicator, 88% of eligible employees have completed the series of Compliance e-learning training sessions provided by SLC.

In absolute terms, this corresponds to

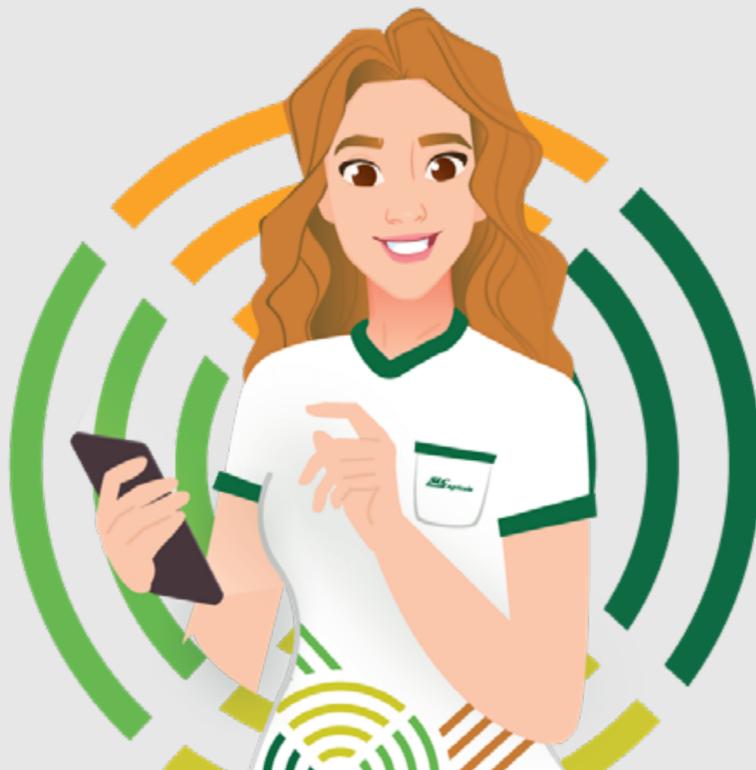
3,892 employees trained.

All active employees holding an indefinite employment contract and hired more than 90 days from the report cut-off date (12/31/2022) according to the target audience for each series of training are considered eligible.

A list of mandatory training is provided below according to the intended target audience. This training is available in an e-learning format on Success Factors.

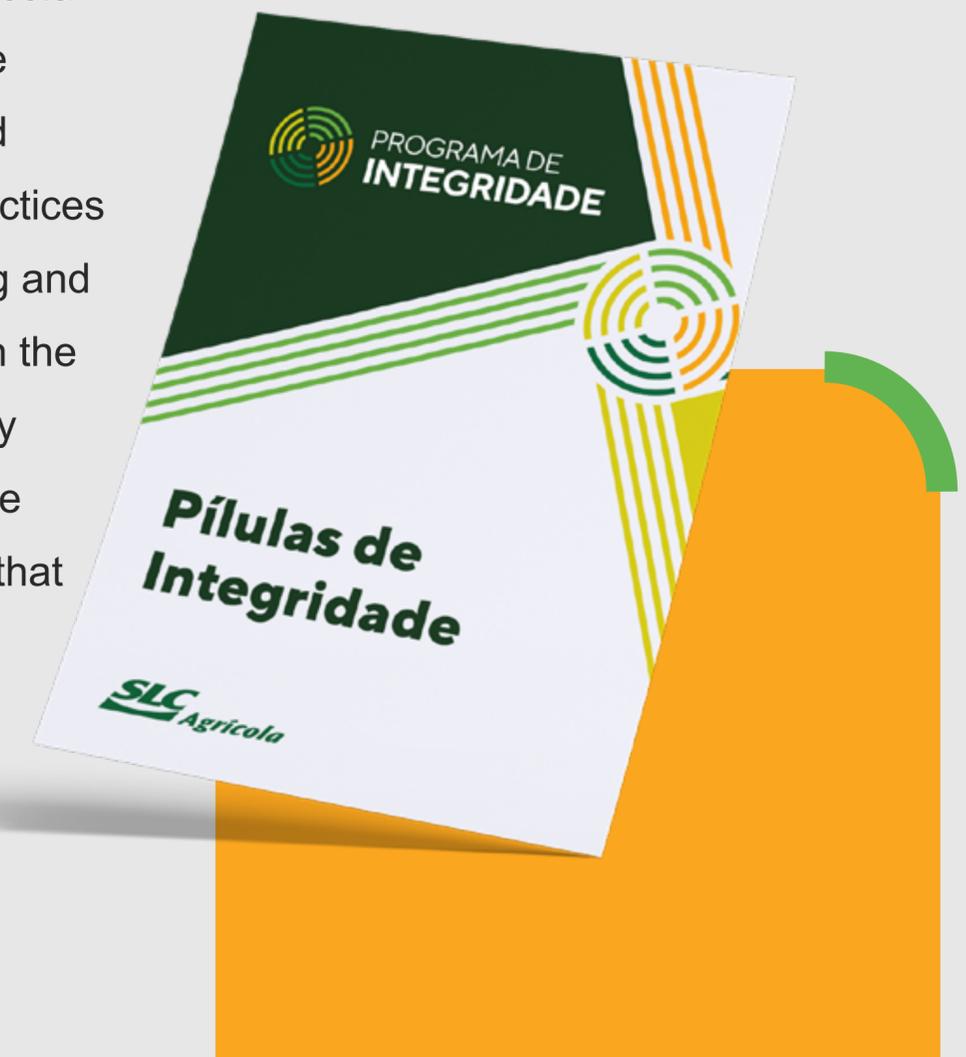


34 communication initiatives were implemented throughout 2022, through the company's internal communication channels – SLC Comunica (email and WhatsApp), TVs and physical bulletin boards, reaching all Company employees. In April, an initiative was implemented aimed at choosing a persona to represent the **Integrity Program**. The idea behind this persona was to offer support in disseminating initiatives under the program and the whistleblower channel. In June, SLC Agrícola's employees were introduced to **Flora**, a persona chosen to represent the Integrity Program.



On 08/12/2022, the Compliance department held an event for **International Anti-Corruption Day**, which is celebrated on December 9. At SLC Agrícola's Head Office, this date was commemorated with the circulation of the **Integrity handbook** to all employees, along with a speech from the Compliance department regarding the importance of this date.

With these initiatives, SLC Agrícola reinforce its commitment to the **development, maintenance** and **continuous improvement** of practices aimed at preventing, monitoring and combating acts of corruption. In the material delivered, the company highlighted that “a healthy future starts with the ethics practices that we put into practice today.”



Due Diligence

In 2022, suppliers were assessed when registering under the Paradigm tool (supplier portal). Between January and August 2022, KPMG's TPRM (Third Party Risk Management) tool was used for evaluations. Since November 2022, ICTS's Aliant tool is used to support this process.

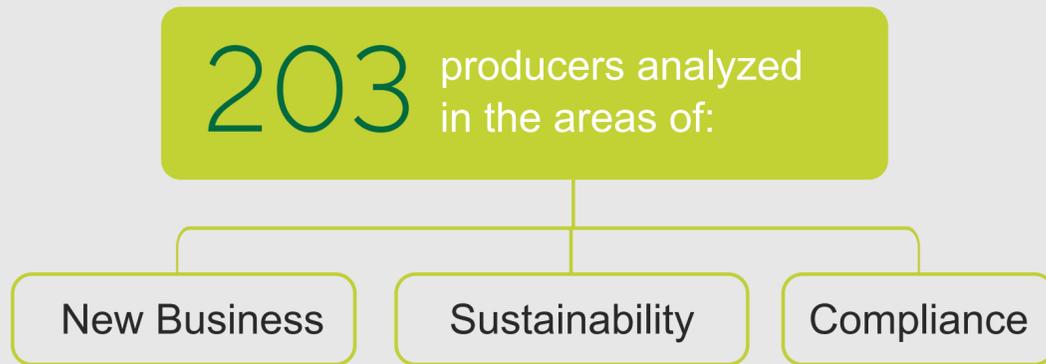
This due diligence tool combines a robust risk methodology, as well as automation and artificial intelligence, with **maximum productivity** in decision making and management and monitoring processes.

5,700
suppliers
analyzed

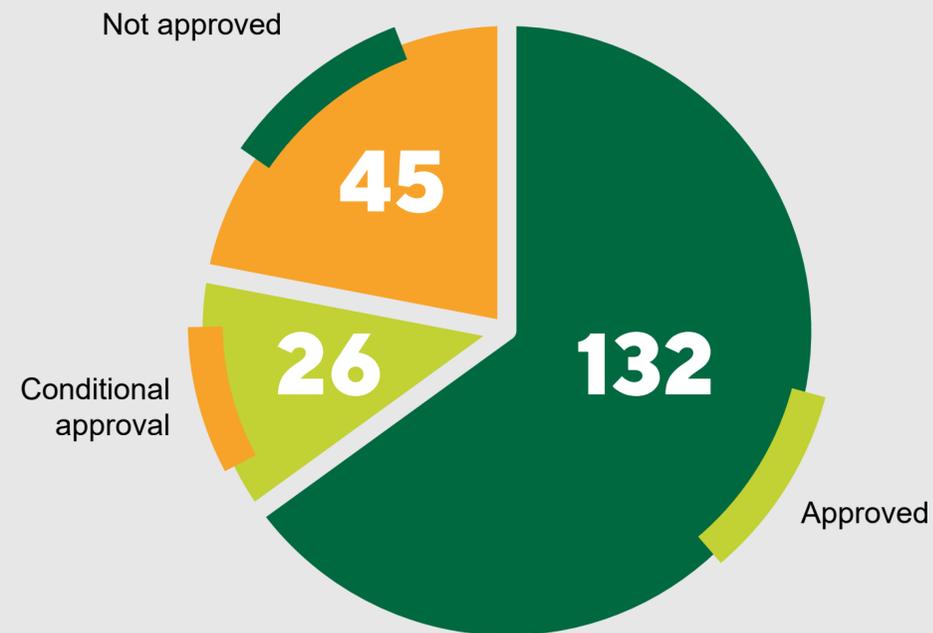
28
rejected due to
risk factors

Verified national and international sources of risk include tribunals and proceedings, the accounting courts, the Brazilian transparency website, PEPs, candidates for political office, donations to political parties, the Brazilian Federal Revenue Service, billing and protests, IBAMA (Brazilian Environmental Regulatory Agency), CVM, OFAC, Interpol, international sanctions lists and negative media national and international attention.

In 2022, SLC Agrícola acquired **22,875 head of cattle**, that were exclusively purchased from previously approved suppliers (producers and properties). **203 producers** were analyzed throughout the year.

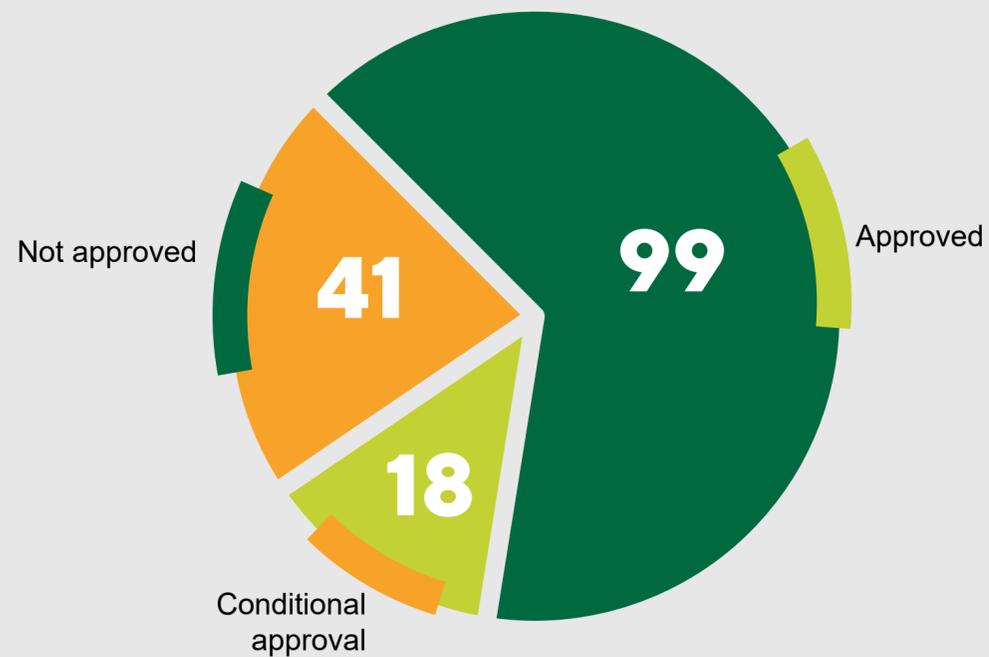


Results:



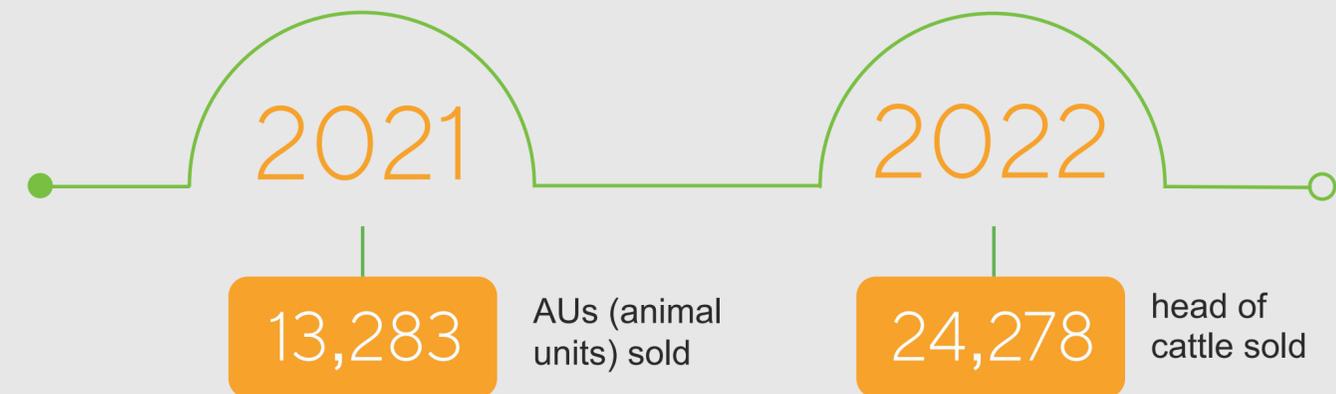
158 properties were analyzed during the same period. A distinction is made between producers and properties due to it being possible that more than one individual or legal entity involved in business activities owns the same property, as well as the possibility of the same individual or legal entity owning more than one property.

Results:



As part of SLC Agrícola’s commitment to compliance, we are optimizing our process for evaluating livestock suppliers, completing an analysis of both the property and the owner of the property and the supplier/producer prior to confirming purchases.

Optimization of our approval process has contributed to increased sales.



Whistleblower Channel

Subject to the Loss Prevention Policy, set the guidelines and responsibilities for the Loss Prevention Committee, the whistleblower's report is registered under the **Contato Seguro** tool. The Loss Prevention Committee receives and analyzes registered complaints or suggestions upon their being screened by the company Contato Seguro, subjecting them to **an investigation** whenever there is enough information available in moving forward with the process. The Committee requests any required additional information from the individual(s) making the complaint.

All communication is carried out through the Contato Seguro tool. In order to follow up and carry out the investigation, employees that are not members of the Committee receive temporary login information providing restricted access to the information contained in the report in question.

Committee members are provided with permanent access, and the tool identifies whether any of the members are connected to the report without making it available to the member in question.

The Compliance department responsibilities regarding Loss Prevention Committee include:

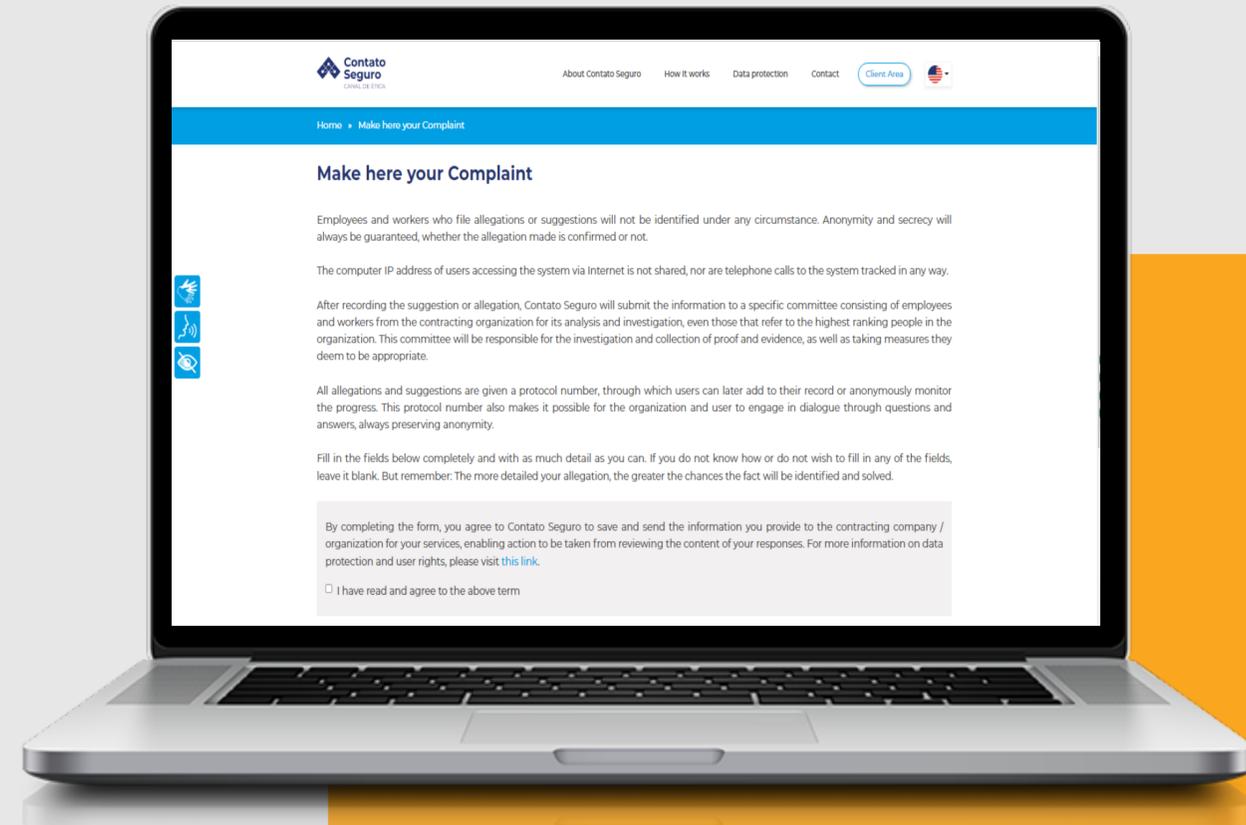
- a Whistleblower channel tool management.
- b Support for reports, as well as assisting the Committee's secretariat.
- c Providing an indication of cases that require intervention from the Compliance department.
- d Offering guidance to managers designated by the Committee as being responsible for conducting the investigation.

Between January 1, 2022 and December 31, 2022, there were a total of:



Throughout 2022, 3 reports were made to the Statutory Audit Committee as part of the agendas for meetings held on June 28; August 09; October 04. The Statutory Audit Committee was constituted in May 2022, as approved under its Internal Regulations during a meeting of the Board of Directors held on May 11, 2022.

In 2022, Compliance Department followed by the Loss Prevention Committee members, worked to update the Contato Seguro webpage.



Click on the image to access the Reporting Channel webpage.

Disciplinary Measures

The Policy for Investigations and Disciplinary Measures establishes guidelines for conducting investigations, as well as regulates and provides clarification for the application of disciplinary measures. The Compliance department conducted **29 investigations** throughout 2022 while adhering to established protocol. It is important to note that 3 of these investigations originated from Whistleblower Channel. The remaining investigations stemmed from notices received by email, WhatsApp, or through auditing or in-person reports.

The Compliance department is not responsible for applying disciplinary measures.

The department recommends that the immediate supervisor of the employee subject to investigations proceed in applying disciplinary measures and registers such proceedings with the Human Resources department.



Other initiatives

Commitments and Certifications

Instituto Ethos (Ethos Institute) - Pacto Empresarial pela Integridade e Contra Corrupção (Agreement)

SLC Agrícola joined the **Pacto Empresarial pela Integridade e Contra a Corrupção** on May 12, 2021.

The Agreement is a voluntary for Integrity and Combating Corruption is a voluntary commitment made by private and public companies, with the objective of uniting these organizations in promoting ethical practices on the market and eliminating corruption.

As a signatory to the agreement, SLC Agrícola has committed itself to disseminating Brazilian anti-corruption legislation among employees and stakeholders. In addition, the Company strives to prohibit any form of bribery and guarantee transparency in information and collaboration during investigations.

Ethos Institute Association

In July 2022, the Company became part of the Ethos Institute under the Essential plan, which offers the company, among other benefits, a right to participate in 1 working group. The Company decided to become part of the Integrity Working Group.

Participation in Events

External Event

- 9th International Compliance Congress, organized by LEC – Legal Ethics & Compliance.



What we do:

- We exchange experiences with the main players on the market under the themes of governance, risks and Compliance.
- We participate in workshops in order to be updated on Compliance news.

Internal Events

- Human Resources Meeting
- Mechanization Meeting
- Trainees Meeting
- Accounting Meeting



What we do:

- Address the important role that these areas under the Integrity Program.

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To learn more [click here](#) to
accesss SLC Agrícola's
Integrity webpage



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