

SLC AGRÍCOLA S.A.

RISK MANAGEMENT POLICY

1. Objective

1.1. This Risk Management Policy ("Policy") aims to establish principles, guidelines and responsibilities to be observed in the enterprise risk management process of SLC Agrícola S.A. ("Company"), to identify, analyze, evaluate, treat and monitor the risks related to the Company and its sector of operation.

2. Scope

2.1. This Policy applies to the Company and its controlled companies, as well as to all employees, managers, statutory and non-statutory officers, members of the Board of Directors, members of committees, members of the Fiscal Council, representatives and third parties, directly or indirectly related to the Company and its controlled companies.

3. Concepts

3.1. For the purposes of applying this Policy, the following concepts should be used:

Risk Limit: is the maximum exposure and/or impact of the Risk that the Company is willing to accept, in pursuit of its objectives and value generation.

Risk Matrix/Modeling: aims to establish an individual comparison of Risks based on the degrees of potential impact and likelihood of occurrence for prioritization and management purposes. The risk matrix is a tool constantly improved and

updated, at least annually, along the review of the Company's strategic planning and in a timely manner with the evolution of mitigation measures as well as with the appearance of emerging Risk events.

Risk(s): the possibility that an event will occur and adversely affect the achievement of the company's objectives.

Risk(s) Source(s): is an element which alone or in combination has the intrinsic potential to give rise to a risk.

4. References

4.1. This Policy is based on the following standards and policies: (i) the corporate governance rules of the Company's Bylaws; (ii) the Company's Code of Conduct; (iii) Information Disclosure and Securities Trading Policy; (iv) Related Party Transactions Policy; (v) the Brazilian Code of Corporate Governance – Publicly Held Corporations; (vi) the Novo Mercado Regulation of B3 S.A. – Brasil, Bolsa, Balcão; (vii) the ISO 31000:2018 – Risk Management standard; (viii) the Enterprise Risk Management – integrated framework (COSO-ERM or COSO II); and (ix) the Brazilian Institute Corporate Governance – IBGC Enterprise Risk Management guidance.

5. Guidelines

5.1. The Company is committed to the dynamics of Risk management to preserve and develop its values, assets, reputation, competitiveness, and business continuity.

5.2. The Risk management aim is to identify, understand, evaluate and establish response actions so that any losses are predicted and reduced, thus keeping the Risks at minimum acceptable levels. The Risk analysis should assist the decision-making process at the various levels of the Company's management.

5.3. Risk management contributes to monitoring and achieving the Company's objectives. The Company's approach is to integrate day-to-day risk management into the conduct of its business through a structured process.

5.4. Risks are categorized as follows according to its nature:

(i) Strategic Risk: risks associated with the strategic decisions of the organization to achieve its business objectives, and/or arising from a lack of ability or skill to reach the targeted returns.

(ii) Operational Risk: risks related to the Company's operation (people, process, technology) that affect operational efficiency and effective and efficient use of resources, and that make the exercise of the Company's activities improper.

(iii) Financial Risk: risks associated to the Company's financial operations, can be materialized as a result of the ineffectiveness in the management of cash flows and in the funding/investment of financial resources, exposing the Company to fines and penalties.

(iv) Compliance Risk: risks related to compliance with standards and legislation, considering laws applicable to the sector of operation, general, national and international laws (accounting, environmental, labor, civil and tax/fiscal), agreements, regulations, anti-corruption law, antitrust law, code of ethics and conduct, Compliance policies and procedures, and/or other applicable policies.

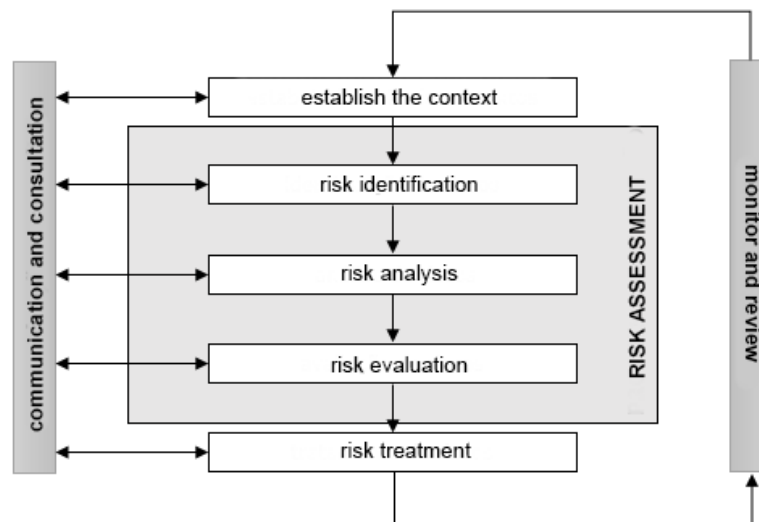
(v) Environmental, Social and Governance (ESG) Risk: risks related to negative effects on the environment and society, generating impacts on native peoples and communities, human health, cultural properties and biodiversity; risks related to corporate governance, which include situations that could undermine the Company's basic foundations, harming its image and reputation.

5.5. The Risk Modeling must compose the analysis and support tools for the decisions of the Executive Board, and the Company's Risk and Internal Controls areas must provide the necessary support to the Executive Board to develop Risk management.

5.6. All identified Risks must be formalized in detailed reports, including the related responses and detailed action plans, if applicable, as well as the identification of those responsible and deadlines for completion.

6. Management Process

6.1. The Risk management process adopted by the Company was prepared in the light of the provisions of "ISO 31000 – Risk Management" and "Enterprise Risk Management – integrated framework (COSO-ERM or COSO II)":



Source: ISO 31000:2018

Assessment Process

6.2. The Risk assessment is mainly carried out in accordance with the provisions below:

- (a) identification of the sources (factors/consequences) of Risks and implications on the business and on the projected objectives (goals and results).
- (b) analysis of the main Risks likely to affect its objectives, by determining the degree of impact and likelihood of occurrence of the Risks, according to the Risk Matrix below:

Likelihood	High	Yellow	Red	Red
	Medium	Green	Yellow	Red
	Low	Green	Green	Yellow
		Low	Medium	High
Impact				

Source: Model prepared and adapted by SLC Agrícola

(b.1) the risk impact shall be evaluated considering the following aspects: (i) financial impact; (ii) reputational impact; (iii) business impact; (iv) regulatory impact. The likelihood of occurrence shall be evaluated based on: (i) complexity; (ii) changes in context; (iii) external factors; (iv) effectiveness of existing controls (people, process, technology).

(b.2) risk will be calculated as a combination of the likelihood of an event and its impact, in accordance with the Risk Modeling approved by the Executive Board.

(b.3) the risk to be treated and demonstrated will be the residual risk. The level of residual risk refers to the likelihood and impact of the risk occurring after careful consideration of the internal controls and other measures established by the Company, which include processes, procedures, among other actions, implemented to reduce the risk.

(c) prioritize and define the Limit of each Risk that the Company and its shareholders are willing to accept considering the desired return and value generation. Not all types of risks are acceptable. Therefore, the proposed limits

must be substantiated and formalized by the following analyses: (i) assessment of the tangible and intangible return related to the proposed Risk limit; (ii) the Company's ability to withstand the impact of the proposed Risk limit (iii) risk treatment plan; (iv) feasibility of implementing mitigation measures (cost and effort) versus effect on mitigating the Risk and its return; and (v) availability of resources (investment and effort) for implementation.

Treatment

6.3. After the assessment, Risks must be treated through initiatives defined and implemented by the business area managers and the process owners, with the help of the Company's Risk and Internal Controls areas, to maintain the Company's risk levels within the approved Risk Limits. Risk treatment plans must be approved by the Board prior to their implementation.

6.4. Risk treatment options may involve one of the following:

- (a) accept: actions already taken are sufficient to maintain the residual risk at its acceptable current level of impact and likelihood of occurrence.
- (b) avoid: actions are defined to not start or to fully eliminate the risk source.
- (c) reduce: actions are taken through internal controls or other measures to reduce the impact and/or likelihood of the risk.
- (d) share: actions are taken to share or transfer part of the risk to external parties, aiming to minimize the impact and/or likelihood of the risk.

Communication and Consultation

6.5. Communication and consultation between the Company's employees on Risks and their management must occur continuously, aiming at sharing information and improving management processes.

6.6. The Risk management process must be observed in all the Company's decision-making processes, including strategic planning, investment decisions and project management, from the moment they are created and throughout their development.

Continuous monitoring

6.7. Once Risks have been identified, they must be monitored continuously, according to the division of responsibilities described in item 7 below.

7. Responsibilities

7.1. Following the "Three Lines of Defense" model, Risk management must be carried out under the responsibility of the governance bodies, managers and those directly responsible for the processes, as described in this item.

7.2. The Company's Board of Directors must:

- (a) approve the policies, guidelines, Risk Matrix/Modeling and exposure limits as presented by the Board of Executive Officers and previously assessed by the Statutory Audit Committee;
- (b) provide the Board of Executive Officers and Statutory Audit Committee, when necessary, with its perception of the degree of exposure to Risks that the Company is exposed to (shareholder's view) and opine the prioritization of the Risks to be treated;
- (c) assess when necessary, changes in the exposure limits of Risks that have been approved by the Board of Executive Officers and Statutory Audit Committee;
- (d) assess the adequacy of the operating structure and internal controls for Risk Management.

7.3. The Statutory Audit Committee must:

- (a) advise the Board of Directors on the monitoring and quality control of risk management;
- (b) recommend to Board of Directors the approval of risk policies, risk matrix/modeling and exposure limits guidelines;

- (c) provide the Board of Directors, when necessary, with its perception of the degree of exposure to Risks that the Company is exposed to and guide the prioritization of the Risks to be treated;
- (d) assess and recommend to the Board of Directors, if necessary, changes in the exposure limits of Risks that have been approved by the Board of Executive Officers;
- (e) assess and recommend to the Board of Directors, if necessary, the adequacy of the operating structure and internal controls for Risk Management.

7.4. The Company's Board of Executive Officers must:

- (a) define the structure for the Risk management system within the Company;
- (b) propose policies, risk matrix/modeling and exposure limits guidelines, supported by the Risk and Internal Controls areas;
- (c) define, along with the Risk and Internal Controls areas, the action plans to respond the Risks;
- (d) supervise the Risk assessment process and monitor the evolution of Risk exposure and Risk management systems;
- (e) disseminate the culture of Risk management throughout the Company.

7.5. The managers of the business areas and those directly responsible for the business processes, as the first line of defense, must:

- (a) identify and manage the Risks of the respective business areas and processes in accordance with the Risk Limits;
- (b) promptly notify the Company's Risk and Controls area management area that the Risk events present a tendency to occur and/or possible extrapolation of the Risk Limits;
- (c) implement and monitor the action plans for risk treatment and monitor corrective actions in the respective areas and processes.

7.6. The Company's Risk and Internal Controls, as the second line of defense, must:

- (a) manage the Risk management system;
- (b) provide methodological support to the Company's operational and

functional departments through on-demand tools and services;

- (c) promote and share methodological and operational knowledge with other areas that make up the Company's Governance structures;
- (d) provide accurate, complete, and sufficient information for Risk modeling;
- (e) present perception regarding exposure to Risk (magnitude of the impact and likelihood of occurrence), if possible, also based on market indicators;
- (f) propose limits for exposure to Risks and suggest, assess, implement and monitor actions with the objective of reducing exposure to Risk;
- (g) conduct the identification and updating of Risks in a systematic and periodic manner;
- (h) supervise the Risk assessment process along with the Executive Board and ensure constant monitoring of Risks from external sources, with foresight on emerging Risks;
- (i) accompany the Executive Board in the implementation of this Policy through the dissemination of tools and good practices;
- (j) assess the Risks associated with certain strategic projects, partnerships or mergers and acquisitions transactions;
- (k) ensure compliance with the Risk limits approved by the Board of Directors;
- (l) communicate, in a timely manner, Risk events that tend to occur and/or possible extrapolation of limits, for discussion in the appropriate forums and groups;
- (m) ensure the information are made available to the Executive Board on Risks or incidents, as well as coordinate the Risk management system in case of major crisis events.

7.7. The Company's Internal Audit area, as the third line of defense, must:

- (a) review the Internal Audit Plan and ensure the Company's main risks are included in its analysis and testing procedures;
 - (b) assess the quality and effectiveness of the Company's Risk management processes, suggesting changes to the Statutory Audit Committee and Board of Directors, when necessary;
- present, when requested, accurate, complete, and sufficient information about the effectiveness of the risk treatment implemented by the Company.

8. Effectiveness

This Policy will enter into force on its approval date and may only be modified by resolution of the Company's Board of Directors.

Porto Alegre, September 27, 2023.
