

# General Purchasing Guidelines

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## 1. Purpose

This Policy has the purpose of complementing the requirements of the Code of Ethics and Conduct of SLC Agrícola S.A. and the Code of Ethics and Conduct for Third Parties. The Purchasing Policy of SLC Agrícola has the purpose of establishing clear guidelines for all the purchases made by the Company.

## 2. Scope

External.

This policy complies with the Internal Purchasing Policy of SLC Agrícola and applies to the Company and its controlled societies, as well as its stakeholders: employees, suppliers, customers, shareholders, government, among others.

## 3. Guidelines

SLC Agrícola prioritizes to keeping relationships with reliable, transparent companies, committed to ethical principles, seeking to establish long-term partnerships. Relationship with third parties is segregated in three phases, namely i) quotation and contracting; ii) approval and registration; iii) monitoring. In any phase of the relationship, the key principles to be observed include:

- Promote communication of the Company guidelines to suppliers;
- Guarantee ethics and transparency in decision-making processes, always in compliance with the [Code of Ethics and Conduct of the Company](#) and with guidelines of the [Corruption Prevention and Combat Policy](#);
- Fulfill the terms and conditions agreed and defined in contracts and/or purchase orders, observing the provisions of the [Term and General Conditions for Contracting Suppliers](#);
- Encourage competition in an environment of equality among suppliers, by an approval and selection process supported by regulatory, reputation, social-environmental, technical and organizational requirements;
- Assure that purchases and contracts are executed with suppliers previously approved, according to the Company needs.
- Foster local economy, whenever cost-benefit is viable, thus promoting the development of suppliers close to the farming regions and streamlining the supply.
- Use monitoring data of critical suppliers, achieving clear and objective information on their performance, behaviors and practices to support purchase decisions, as well as to provide feedback to these suppliers;
- Promote combat to corruption, slave/analog to slave and child labor, or any other form of involuntary work, all forms of discrimination, moral and sexual harassment;
- Respect free trade union association and the right to collective bargaining;

- Allocate resources properly and provide internal and external training to allow access to new technologies and to enable ongoing improvement of the Collaborators;
- Guarantee the confidentiality of technical and commercial information in purchasing or contracting processes, restricting the disclosure of company data for internal use only.

### 3.1. Quotation & contracting

In the internal flow, the need for purchase begins with the demand from the requester area. From the registration of demand, the Procurement area is responsible for the flow from quotation to contracting. The general guidelines for the commercial process are:

- All purchasing documents (quotation, contract and/or purchase order) must reflect the negotiations agreed with suppliers, their terms and conditions. Any commercial change that impacts the financial burden or changes the scope must be submitted to the approval hierarchy established in the Company's system;
- Criteria for selecting the supplier comprise the best cost/benefit, in technical, price, deadline and quality terms, regarding the requester unit. In order to do that, the following is necessary:
  - a) Conduct least three (3) quotations before buying any product or contracting any service;
  - b) Formalize quotations via email or purchasing portal of SLC Agrícola and obtain the same requested data, thus assuring impartiality in the quotation process and supplier selection;
  - c) Perform Supplier assessment (registration and technical approval, history of non-compliances, relationship and service capability, ESG practices);
  - d) Obtain approval of the Purchase Order according to previously defined competences, and before its formalization to the supplier.

### 3.2. Supplier approval and registration

To make a company to become a supplier to SLC Agrícola, it must meet the technical, administrative, financial, legal, fiscal, environmental, social and governance requirements provisioned in the supplier approval process, as well as to present the documents required for approval and integration of suppliers in the Farms, when necessary, observing the nature of the contract.

Supplier registration must be requested in the [registry portal](#).

### 3.3. Monitoring

SLC Agrícola may conduct new assessments of suppliers with a current contract, observing the approval requirements, at a frequency defined by the Company. Suppliers that receive alerts with high risk levels may be guided in regard to their weaknesses. The Company may terminate the relationship in cases of legal infraction, corruption, or any other illicit practices and/or non-fulfillment of values and guidelines of SLC Agrícola.

We consider critical suppliers as the ones that provide items and services essential for the business continuity and have a direct impact on the quality of our final products. Thus, they can be evaluated based on the Supplier Qualification Index (IQF), which will include a detailed assessment of aspects that comprise the environmental, social and governance pillars. As a result of this evaluation, scores will be assigned and the best evaluated suppliers will be awarded with prizes. The ones presenting weaknesses will be invited to establish action plans.

For those suppliers who provide services at the Company's premises, it is necessary to present documents proving the employment status of their employees, as well as documents proving the payment of related taxes and duties applicable.

## 4. Roles and Responsibilities

a) The Board of Directors is responsible for:

- Performing strategic management of Environmental, Social and Governance (ESG) issues, under advice of the ESG Committee of the Company;
- Defining business strategies, considering the impacts of the company activities on the society and environment, aiming at the business perennality and creation of value in the long term;
- Evaluating periodically the exposure to risks of the Company and the effectiveness of risk management systems, internal controls and integrity/compliance system, and approving a risk management policy compatible with the business strategies;
- Reviewing annually the corporate governance system, so as to improve it.

The Board of Directors duties are fully set provisioned in its Regulations, which are available for reference in the Company's Investor Relations [website](#).

b) The Advisory Committee of the Board of Directors – Environmental, Social and Governance – “ESG Committee” is responsible for:

- Advising the Board of Directors and the Company Management on all aspects related to Environmental, Social and Governance (ESG) issues, by identifying, approaching and handling matters related to ESG themes or that may have a relevant impact on the business, long-term results, relationship with stakeholders and the Company image;
- Formulating recommendations and monitor the implementation of policies, strategies, investments and actions related to ESG management of the Company;
- Evaluating periodically the Company performance on matters related to sustainability of its business, as well as recommend policies, strategies and actions in ESG plans, relationship with stakeholders, among others;
- Evaluating and formulating recommendations for the communication strategy and relationship of the Company with its several publics (internal and external).

The ESG Committee assignments are fully provisioned in its Regulations, which are available for reference in the Company's Investor Relations [website](#).

c) The Executive Board is responsible for:

- Executing and enforcing the deliberations of General Assemblies and the Board of Directors;
- Establishing goals and objectives for the Company;
- Approving this Policy.

The Executive Board assignments are fully provisioned in its Regulations, which are available for reference in the Company's Investor Relations [website](#).

d) The Procurement Area Director is responsible for:

- Approving this Policy, as well as performing its supervision and implementation.

d) The Procurement Area Management is responsible for:

- Updating this Policy regularly;
- Conduct its processes and routines in accordance with the guidelines defined here;
- Perform communications and negotiations with suppliers, observing the ethical standards defined by the Company.

- f) The Suppliers are responsible for:
- Knowing this Policy and acting based on its guidelines;
  - Attending training events provided by the Company;
  - Reporting to SLC Agrícola any irregularities identified in its operations that may impact the Company.

The purchasing guidelines are part of the corporate governance system of the company and are reviewed at every two years or within shorter interval, whenever the Company considers it necessary.

## 5. Sanctions

Failure to comply with the guidelines contained in this policy will result in non-compliance with the internal rules and procedures of the Company, and may be subject to disciplinary measures in compliance with provisions of the Investigations and Disciplinary Measures Policy.

SLC Agrícola supports and encourages people to report any practices that may represent a violation of internal guidelines and rules, this Policy, the Integrity Program, or that are in disagreement with applicable national and foreign laws. The Company assures anonymity, confidentiality and non-retaliation to the whistleblower. Records must be made on the Whistleblower Channel, which can be accessed by phone, website or app.

- Phone: 0800 648 6306
- Website: <https://www.contatoseguro.com.br/pt/slcagricola/>
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