

AML - Anti Money Laundering

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1. Objectives

This procedure complements the requirements contained in SLC's Code of Ethics and Conduct, observes relevant legal provisions, in particular Federal Law 12.846/2013 (Anti-Corruption Act) and Federal Law 9.613/1998 and aims to establish guidelines and rules to prevent, combat and prohibit any activities involving money laundering and the financing of terrorism.

2. Scope

This procedure must be implemented within all departments at SLC Agrícola, its subsidiaries and controlled companies.

3. References

- Code of Ethics and Conduct
- Code of Ethics and Conduct for Third Parties
- PLCO 001 – Compliance Policy
- PLCO 002 – Policy for Prevention and Combating of Corruption
- PLCO 003 – Investigations and Disciplinary Measures Policy

4. Definitions

- **Federal Law 12.846/13:** Anti-Corruption Act - Provides for administrative and civil liability among legal entities for the practice of acts against the government, whether national or foreign, in addition to other provisions.
- **Federal Law 9.613/1998:** Provides for the crimes of "laundering" or concealment of assets, rights-of-use and values; prevention of the use of the financial system for the offenses provided for under this Law; establishes the Financial Activities Control Council - COAF, in addition to other provisions.
- **Employee:** Generic term used in this document for Board of directors, Board of executive officers, management, employees, apprentices and trainees.
- **Money Laundering:** act of concealing or obscuring the nature, origin, location, available, movement or ownership of assets, rights-of-use or amount arising, directly or indirectly, from a criminal offense (definition given under Federal Law No. 12.683, of 2012).
- **Sanctioned Entities:** persons and/or entities identified under consolidated lists subject to financial or commercial sanctions based on national and international security policies implemented in relation to countries, regimes, terrorists and traffickers at the international level (e.g.: *Office of Foreign Assets Control* - OFAC).
- **Sanctioned Countries:** countries with which the carrying out of any transactions is prohibited under sanctions programs from the European Union (EU) and the United Nations (UN), subject to the rules for permission to trade items considered humanitarian in nature, such as food and medicines.
- **Tax havens:** regions with more liberal financial regulations that allow transactions of financial resources to be carried out without identifying those involved and at reduced or even non-existent rates. Confidentiality of accounts and high level of banking secrecy make these regions key hubs for money laundering, corruption and the financing of terrorism.

- **PEP:** Politically Exposed Persons (PEPs) are those holding government positions and functions listed in the PLD/FTP standards issued by regulatory and supervisory bodies.
- **Reputational Analysis:** Procedure consisting of conducting research in to the reputation of third parties that wish to or already maintain relationships with the Company, in order to understand the degree of risks that may be associated with them.

5. Description of activities

In compliance with SLC's Code of Ethics and Conduct, we understand compliance with current laws and regulations to be an essential aspect of affirming our ethical standards. We maintain policies and procedures aimed at preventing and combating all forms of corruption. We observe and comply with the provisions of Federal Law No. 12.846/2013 (Anti-Corruption Act), as well as laws that address money laundering and/or the financing of terrorism, fraud and other illegal or criminal acts.

Money laundering represents a significant threat to social development since there are usually crimes behind such acts, such as drug trafficking, illegal gambling, tax evasion, paid kidnappings, large-scale robberies and even corruption.

Money laundering is considered a crime under Brazilian law. It consists of a series of operations that aim to insert illicit money into a country's financial system or economy so that it appears to be of a legal origin. The Money Laundering process may involve three phases:

- **Placement:** Placement involves inserting money into the formal economy, for example, through the acquisition of goods or deposits, allowing funds to exit their source and remain "invisible" to authorities;
- **Concealment:** Concealment consists of making it difficult to track accounting processes for funds, usually by moving money several times, including through ghost companies or using "fronts";
- **Integration:** Integration involves formally incorporating investments into the economic system, with the appearance of legitimacy and legality, such as: the sale and purchase of assets, using shell companies, transferring money from tax havens through the appropriate payment of taxes, among other techniques.

5.1. General requirements

SLC Agrícola repudiates any and all criminal activity and acts in order to prevent its operations from being used for Money Laundering or the Financing of Terrorism.

All Employees must be committed to mechanisms and procedures for mitigating risks involved in asset operations and conduct processes in order to prevent the practice of Money Laundering and the Financing of Terrorism.

The Company must maintain books and accounting records duly completed and up to date in order to correctly reflect all transactions carried out and prepare financial statements in accordance with accounting principles and standards.

If evidence of suspicious transactions or organizations involved in Money Laundering or the Financing of Terrorism is identified, SLC Agrícola shall inform the authorities from the respective jurisdictions.

Company activities must not be conducted in order to commit any crimes. The procedures and controls described below are the means instituted by the Company to prevent the Financing of Terrorism and Money Laundering and may be complemented with training in identifying evidence of suspicious transactions or organizations, mainly by employees in the commercial, supply, compliance and financial departments.

5.2. Know your Customer and Know your Supplier

“KYC – *Know Your Customer*” and “KYS – *Know your Supplier*” are procedures used to verify the identity and risks involved in maintaining a business relationship with a particular customer or supplier.

In order to protect the Company, it is important that all employees, stakeholders and third parties, acting on behalf of the Company, are attentive and carefully implement prevention procedures. For this reason, the registration and collection of information from each third party that may maintain relationships with the Company is mandatory.

Assessment of the reputation of third parties is documented in procedure PRCO 002 – Supplier Relationships. During reputational analyses, any violations of laws and regulations in force and/or guidelines and rules contained in internal policies and procedures, situations involving conflict of interest, events that may harm the reputation of SLC Agrícola, among other information, are verified.

For registration purposes, the Company must maintain, with the due level of confidentiality, an up-to-date record of customers and suppliers, containing at a minimum the following information:

- Full name or trade name;
- Address;
- CPF or CNPJ;
- State Tax Registration, when applicable.

5.3. Registration of commercial transactions

All commercial transactions must be preceded by extensive and prior verification of the parties involved. The company must maintain, with the due level of confidentiality, an up-to-date record of commercial transactions carried out with customers and suppliers, containing at a minimum:

- A complete description of the product or service purchased or sold;
- Transaction date and amount;
- Terms and payment method.

5.4. Warning Signs

When discharging their work duties, all employees must be aware of any signs that require greater attention before approving or carrying out work activities. “Red flags” represent evidence of money laundering or the financing of terrorism. These signs, whenever they arise, must be immediately brought to the attention of employees’ immediate supervisor and/or the Compliance department. Red flags include:

- Atypical or extremely complex contracting structures;
- Declaration of several bank accounts and/or regular modification of accounts;
- Fractioning of services across several stages, without any apparent advantage;
- Payment in cash or originating from unidentified accounts or a foreign domain;
- Evidence of sudden and objectively unjustified changes related to the operational modalities generally used by the person(s) involved;
- Transactions involving Politically Exposed Persons (PEPs), as well as their representatives, family members and other individuals with which they maintain a close relationship;
- Legal entities other than those maintaining a commercial relationship with the Company providing payment for any commercial transaction;
- Persons or companies known within the media for involvement in illicit activities;
- Business that appears “too good to be true” or exceeds normal market amounts and standards;
- Impossibility of identifying final recipient;

- Resistance in providing information necessary for the start of a business relationship or updating registration, as well as offering false information or providing information that is difficult or costly in verifying;
- Request for non-compliance or actions to induce employees not to adhere to regulatory or formal procedures for carrying out a transaction;
- Information from the same residential or business address provided by different individuals, without demonstrating the existence of a family or business relationship;
- Movement of funds incompatible with assets, economic activities or professional occupation and financial capacity of a third party.

5.5. Origin of Reception and Return of Funds

Any and all receiving of funds by the Company must be supported by documents providing proof of the operation that gave rise to the payment. Amounts must always originate from bank accounts held by the client with whom the Company has carried out business or from financing institutions related to the transaction in question. In exceptional cases it is acceptable to receive amounts remitted by third parties, provided that they have been submitted to the Company's *Know Your Customer* (KYC) processes.

In the event that SLC Agrícola receives funds from bank accounts that are not held by end customers or their financing institutions related to operations or third parties that have not been submitted to the *Know Your Customer* (KYC) processes, the Company must expressly notify the end customer that it does not recognize the receiving of funds as payment of the customer's debts and that the receiving of such funds will be rejected by the Company at the respective financial institution.

In cases in which the Company must return funds to its customers in any capacity, return may only be carried upon an express request being made by the customer and indication of bank accounts held by the customer and maintained in the jurisdiction from which the funds were remitted.

5.6. Providing Notice to Respective Bodies

Transactions that may constitute evidence of the occurrence of Money Laundering and/or Financing of Terrorism must be reported to the Company through its Ethics Hotline or directly to the Compliance department for analysis and due measures to be taken.

All records supporting the decision to provide notice must be made available and filed appropriately. The processes of registration, analysis and communication with the respective authorities regarding financial operations constituting evidence of Money Laundering and the Financing of Terrorism will be carried out confidentially by the Compliance department and reported to the Statutory Audit Committee, including in relation to those involved.

5.7. Assignment of Responsibilities

All managers and employees at SLC Agrícola requiring special attention in the exercise of functions related to negotiation with third parties, payments, receipts, commercial and financial activities are responsible for the following:

- Developing an in-depth understanding of the guidelines and rules set forth in this procedure;
- Discharge their work duties with care, diligence, and exemption, ensure they do not use the condition of administrator or employee to obtain any advantage for themselves or third parties;
- Ensure that internal activities are restricted to the Company's business and interests;
- Immediately report any situation involving warning signs in accordance with item 5.4 of this procedure;

- Seek support from their immediate supervisor and/or the Compliance department whenever doubt exists regarding aspects addressed in this procedure.

The employee's immediate supervisor is responsible for the following:

- Ensuring compliance with the guidelines and rules of this procedure and other related documents;
- Recurrently offering their team's employees guidance regarding the importance of awareness and compliance with legislation and internal guidelines, rules and guidelines.

The Compliance department is responsible for the following:

- Update this procedure according to pre-determined deadlines or whenever adjustments to the guidelines and rules are necessary;
- Provide clarifications related to this procedure, verifying adherence to the rules established herein at any time, without the need for prior notice;
- Evaluate high-risk contracting based on information obtained during reputational analyses;
- Receive and document reports.

6. Prohibited practices

Described throughout this procedure.

7. Exceptions

Described throughout this procedure.

8. Sanctions

A failure to comply with the rules contained in this procedure will constitute non-compliance with the company's internal rules and procedures, and employees may be subject to disciplinary measures in compliance with the provisions contained in the Investigations and Disciplinary Measures Policy.

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

- Telephone: 0800 648 6306
- Website: <https://www.contatoseguro.com.br/pt/slcagricola/>
- Through the Contato Seguro app.

9. Records

Queries through automated research sites for individuals and legal entities to evaluate suppliers, business partners, collaborators or related parties.