

ANNUAL
Compliance
REPORT 2023

SLC *Agrícola*





Hello!

This is the third edition of our Compliance Report: **an annual document that describes the relevant aspects of Compliance-related activities.**

We are delighted to share our progress in managing this issue with you, which is so important for strengthening the culture of ethics and integrity at SLC Agrícola.

Enjoy the read!



INTEGRITY Program

SLC *Agrícola*

A person wearing a green SLC Agrícola uniform and a lanyard is using a tablet device in a field. The person's hands are visible, holding the tablet. The background is a blurred green field. A large orange curved shape is overlaid on the left side of the image.

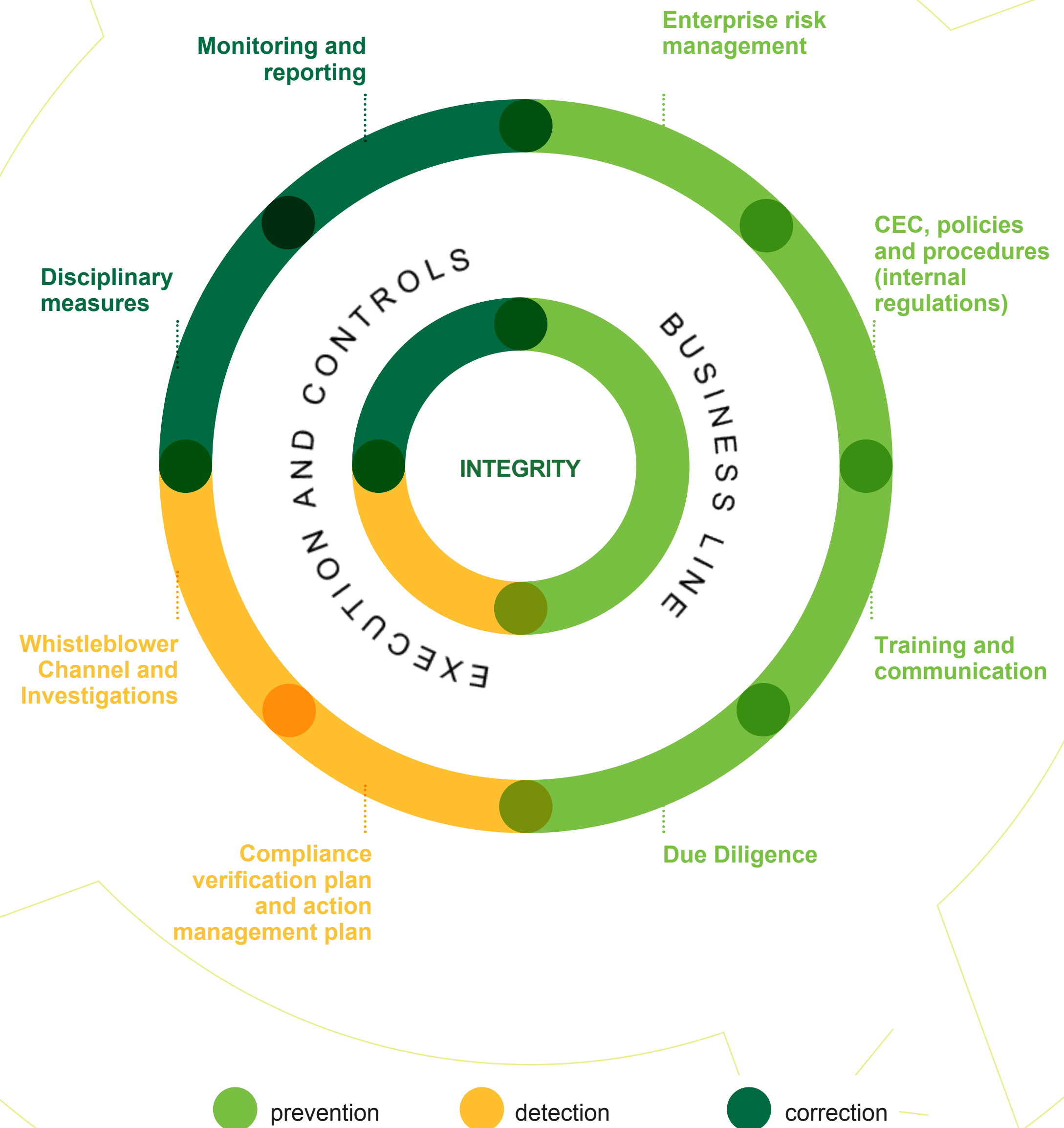
SLC Agrícola's Integrity Program is based on our Big Dream and our Values.

The Integrity Program includes a set of measures aimed at **preventing, detecting and correcting** inappropriate practices in the Company's operational and business activities, which include, but are not limited to, corruption and fraud. **The culture of Internal Controls and Compliance, ethical principles and good corporate governance practices are the basis of these pillars.**

The initiative was launched in the second half of 2018 and completed five years in 2023. Since then, **we have continuously worked on maintaining and improving our processes**, recording the steps that support our journey of continuous improvement.

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:**

-  Commitment and support from senior management;
-  Compliance with regulatory requirements;
-  Mitigation of business risks;
-  Dissemination of culture of Internal Controls and Compliance;
-  Prohibiting unlawful acts;
-  Reduction of financial losses;
-  Prevention of damage to the Company's reputation and image;
-  Continuous monitoring.



SLC Agrícola's Big Dream and Values inspire and make our actions coherent, guiding the daily lives of all employees. See some of the initiatives implemented in the last year:



We held our first **Integrity Week**, an event that became part of our corporate training and communications calendar and will continue to take place in the coming years;



At each of our production units, we selected the **Integrity Cultivators**;



We launched a new, robust and complete **Compliance training**, which is mandatory for all of the Company's permanent employees;



We conducted **specific training for members of senior management**;



We have released the first edition of the **Code of Ethics and Conduct for Third Parties**;



We presented the **new design of the characters Flora and Tony**, who represent SLC Agrícola's **Integrity Program**;



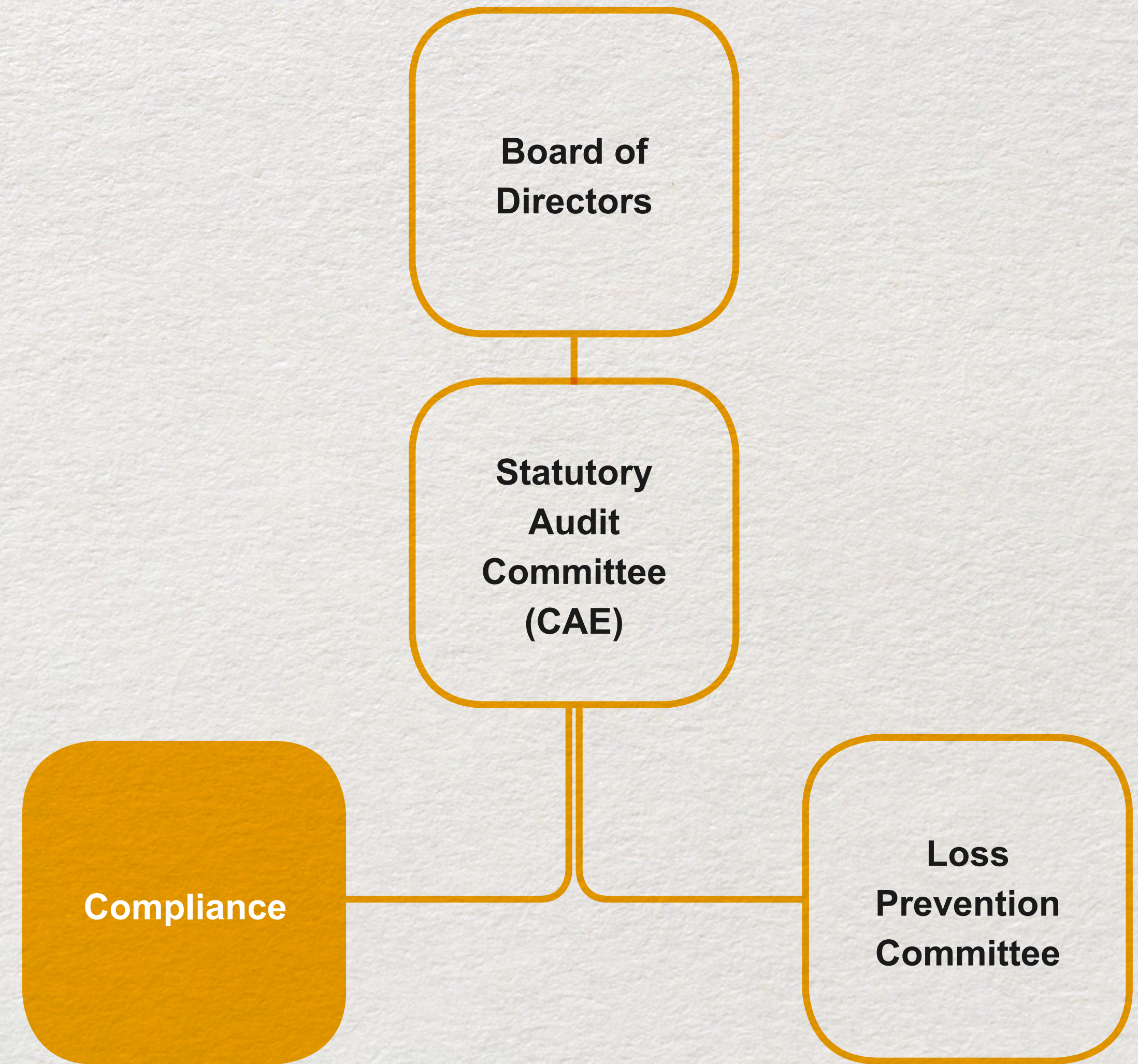
And, we began to prepare to take over the **activities related to Internal Controls**.



COMPLIANCE GOVERNANCE

The commitment of our entire workforce to our Big Dream and our values is a prerequisite for the effectiveness of the Integrity Program. Therefore, we have structured governance to **ensure the independence and autonomy of the departments** responsible for the Program.

The Compliance department is responsible for the Integrity Program. The department reports to SLC's **Board of Directors**, either directly or through the **Statutory Audit Committee**. Functionally, the department is linked to the **Financial and Investor Relations Board** and has an exclusive team to conduct the topics on a daily basis. Compliance acts in an independent manner involving specific procedures and controls, implementing measures aimed at reducing the Company's exposure to risks.





WHAT
guides us

SLC *Agrícola*

Learn about the Policies and Procedures that guide our actions

CODE OF ETHICS AND CONDUCT

Our Code of Ethics and Conduct **expresses our core principles and defines the meaning of integrity**. These guidelines guide everyone who acts on behalf of SLC Agrícola to comply, not only with the text of these premises, but also the spirit behind such concepts.

The Code is available on SLC's [Integrity](#) page and on the [Investor Relations](#) website, in Portuguese and English.

Throughout 2023, maintenance and reinforcement actions were implemented regarding the importance of the Code of Ethics and Conduct, with emphasis on **Integrity Week** and **monitoring the completion of the e-learning training** of the Code.

Click
here to
access



POLICY FOR PREVENTING AND COMBATING CORRUPTION

The Policy for Preventing and Combating **Corruption** observes the provisions of **Federal Law No. 12.846/2013** and other national and international legislation and agreements that prohibit all forms of corruption.

SLC Agrícola's Policy for Preventing and Combating Corruption, which was published in 2021 and updated in 2023, with approval at a meeting of the Board of Directors on December 20, 2023, aims to **establish guidelines and rules for the development, maintenance and continuous improvement of practices to prevent, monitor and combat acts of corruption**, including, but not limited to, deviations, fraud, irregularities and unlawful acts committed against the national or foreign government. It also seeks to **reinforce the Company's commitment to cooperate with anti-corruption initiatives**.

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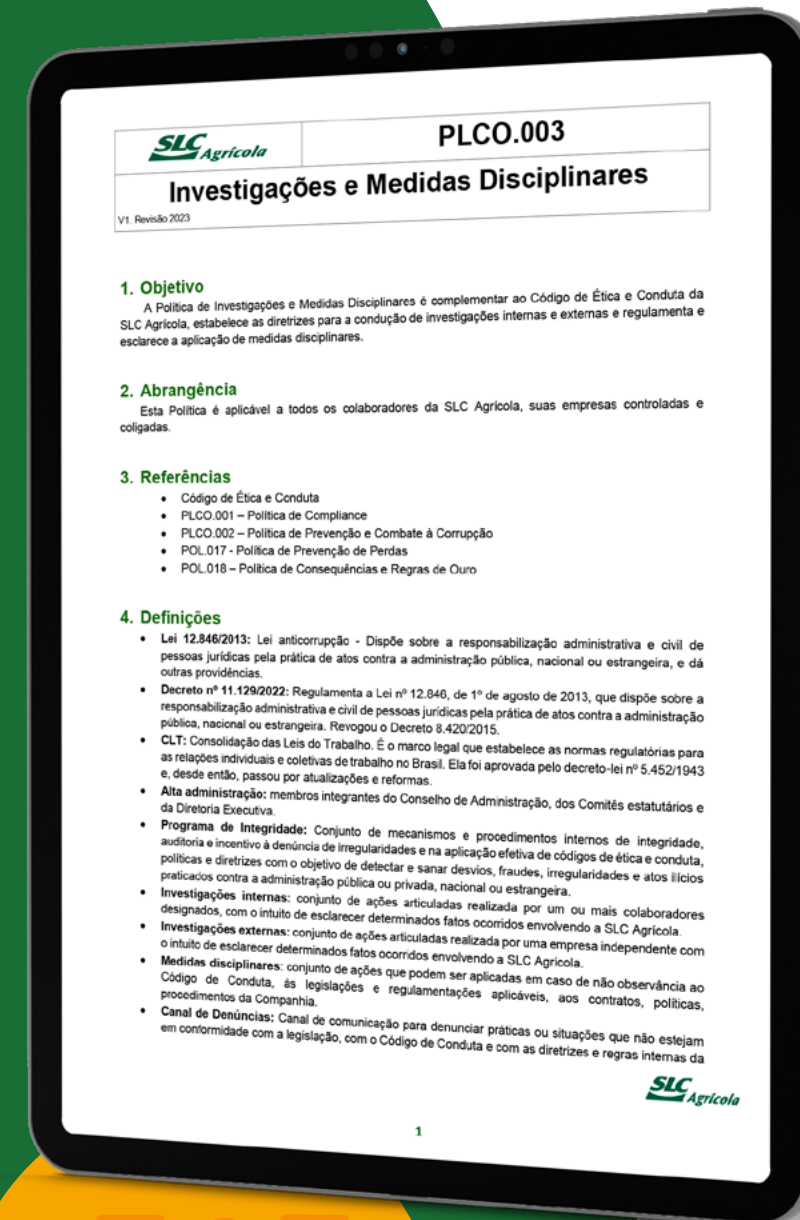
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COMPLIANCE POLICY

SLC Agrícola's Compliance Policy establishes the company's Integrity Program, as well as Compliance-related guidelines and regulations, as well as the responsibilities regarding the Integrity Program. SLC Agrícola's Compliance Policy was published in 2021 and updated in 2023, with approval at a meeting of the Board of Directors on December 20, 2023.

INVESTIGATIONS AND DISCIPLINARY MEASURES POLICY;

The Investigations and Disciplinary Measures Policy establishes the guidelines for internal and external investigations and regulates and clarifies the application of disciplinary measures. SLC Agrícola's Investigations and Disciplinary Measures was published in 2021 and updated in 2023, with approval at a meeting of the Board of Directors on December 20, 2023.



Click here to access

CODE OF ETHICS AND CONDUCT FOR THIRD PARTIES

Launched in 2023, the Code of Ethics and Conduct for Third Parties is mandatory for all new suppliers. The Code has been emailed to all active companies in our supply chain. The identification of practices misaligned with the guidelines of the document may result, among other actions, in the end of the relationship.

Among its premises are the prohibition of any form of exploitation of child labor or slave labor on SLC Agrícola's premises or operations, as well as of third parties, and the legal compliance that, according to Brazilian law, provides for respecting regular working hours and overtime, the commitment to suitable compensation for employees, according to the minimum criteria established by law or by trade union category, and ensuring decent conditions of accommodation in lodgings and acceptable living conditions.

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INTERNAL REGULATIONS

The Compliance regulatory framework, composed of its **Policies** and **Procedures**, documents **SLC Agrícola's commitment to Ethics and Integrity**. These documents establish the strategic direction and regulate the processes under the responsibility or with direct participation of the Compliance department.

The documents mentioned herein are available in the SE Suite and are updated at most every two years, according to their effectiveness/ validity.



Policies

- Compliance
- Preventing and Combating Corruption
- Investigations and Disciplinary Measures
- Donations, Sponsorships and Contributions
- Data Protection
- Personal Data Protection Committee
- Loss Prevention Committee



Procedures

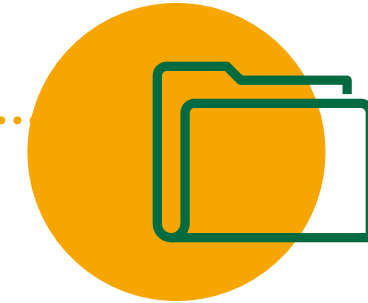
- Relationship with Competitors
- Relationship with Suppliers
- Conflicts of Interest
- Facilitation Request or Payment
- Compliance Risk Management
- Money Laundering Prevention
- Merger, Acquisition, and Company Restructuring
- Related Party Transactions
- Incident Management - Personal Data
- Whistleblower Channel

OFFICIAL REGULATIONS (EXTERNAL)

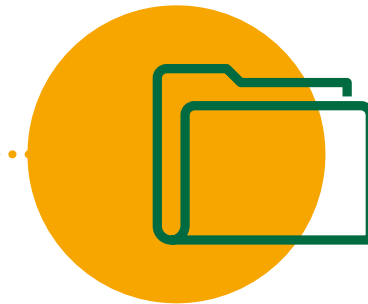
We monitor regulatory changes at the federal level and publications of the Brazilian Securities and Exchange Commission (CVM), with a relevant impact on the Company's business environment. SLC Agrícola's fiscal and sustainability departments have external support to monitor the laws and changes applicable to our business, considering the municipal, state and federal levels.

In 2023, **73 new external regulations applicable to the Company were identified**, comprising federal legislation (ordinary laws, supplementary laws and decrees), CVM and B3.

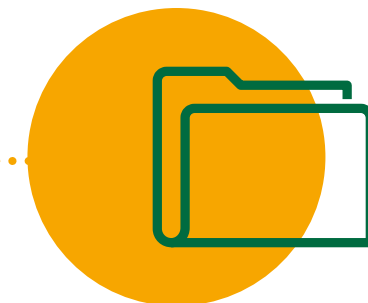
As a result of this monitoring, we highlight the **main changes and advances in the Compliance department**, in the legal/regulatory scope, identified during 2023.



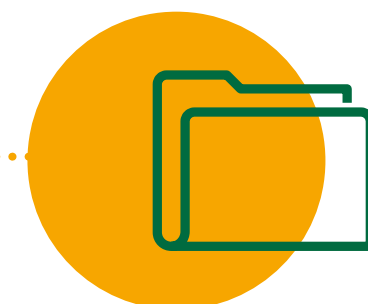
Regulatory Standard No. 5 (NR-5), updated in 2023.



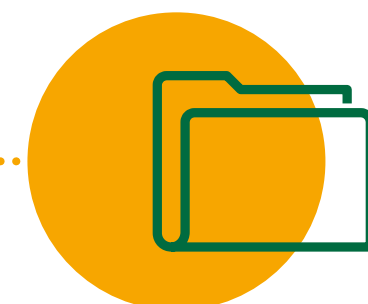
CGU Regulatory Ordinance No. 54, of February 14, 2023: amends Regulatory Instruction No. 13, of August 8, 2019, which defines the procedures for determining the administrative responsibility of legal entities.



Anti-Corruption Law has been in force for 10 years (Law No. 12.846/2013).



Law No. 14.540, of April 3, 2023: establishes the Program for Preventing and Combating Sexual Harassment and other Crimes against Sexual Dignity and Sexual Violence within the scope of direct and indirect federal, state, district and municipal public administration.



Decree No. 11.856, of December 26, 2023: establishes the Brazilian Cybersecurity Policy and the National Cybersecurity Committee.



COMPLIANCE
Risks

**The
Compliance
Risk Matrix is
updated with
the
identification
of new risks or
control
measures**



→ Planeste
Farm (MA)

The Compliance risk matrix had its first version approved in 2018, with revisions in December 2021 and September 2023, observing the guidelines of the **Risk Management Policy**, available on the Company's Investor Relations website. **It is a living document, which may be updated as new risks or control measures are identified and implemented.**

The 2023 Compliance risk matrix was reviewed in conjunction with the update of the Corporate Risk Matrix, following the methodological improvements recorded in the Risk Management Policy.

The update included the restructuring of the matrix, aligned with transformations in the business environment.

In the 2023 review, **65 risk factors were identified, grouped into 06 Compliance risks,** which are:



In this update, we looked at risks through interviews with the company's different management levels, from unit and head office managers to members of the Board of Directors.

Risk assessment mainly goes through the following steps:



Identification of risk factors (causes/events) and implications on business and projected objectives (goals and results).



Analysis of the main risks that may affect our objectives, by determining the degree of impact (low, medium and high) and probability of occurrence (low, medium and high).



Prioritization and definition of the limit of each risk that the company and its shareholders are willing to run in the search for value generation.

COMPLIANCE PROCEDURES - ROUTINES

The following **Compliance procedures** can be highlighted from among those that undergo the monitoring of routine activities:



RELATIONSHIPS WITH THIRD PARTIES

With regards to aspects of SLC Agrícola's reputation, approximately **2,700 suppliers** were analyzed upon being registered on the portal, of which **15 were denied** because they were classified as very high risk.



CONFLICTS OF INTEREST

In 2023, **217 forms** were completed. Of these, **10 have reports of situations** with the possibility of conflict of interest for which, when applicable, an action plan was requested. **One situation of conflict of interest** was identified in the period, referring to the second paid activity, which was assessed and, due to the existence of a conflict of interest, was not recommended. In the period, **2 situations of rehiring** former employees were assessed.



FACILITATION PAYMENTS

In 2023, no facilitation payments were reported.









TRAINING AND
communication

Fundamental actions for a solid culture based on ethics and integrity

20
groups

16h
in-person
training

In 2023, 20 in-person training classes were held, totaling 16 hours of training in this format throughout the year. **Below, see the list of training classes held in online format on the Microsoft Teams or Zoom platforms or in face-to-face format, on-site at the Units.**

-  Harassment | Discrimination | Conflicts of Interest | Undue Advantage
-  DDS (Daily Safety Dialog) chat
-  Administrative employees chat
-  Integrity Program - general aspects
-  Lecture - Ethics: Clóvis de Barros Filho
-  Dialogues on ethical dilemmas



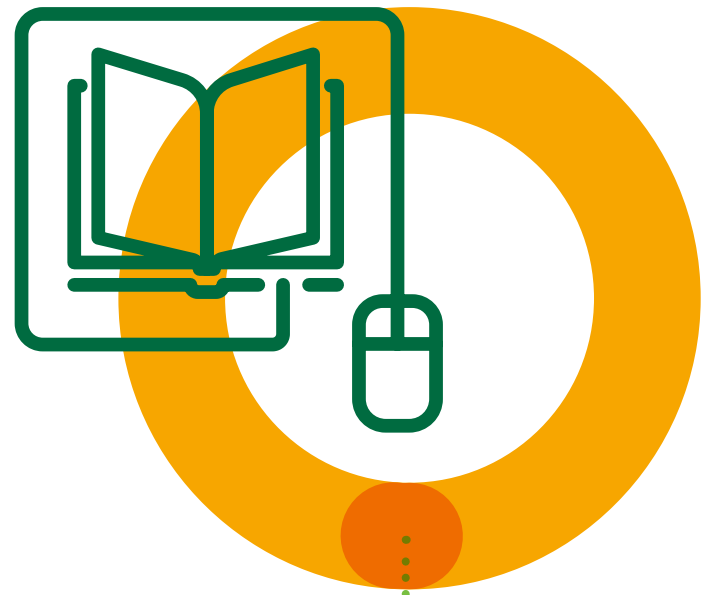
We **visited 06 farms** and during these visits, aspects of the Integrity Program and the Code of Ethics and Conduct were addressed.

We gave **Compliance training to Senior Management.** The speech was given by Marcos Fraga (Founding partner of Trend Jus Gestão Corporativa and Member of the Board of Directors and Advisory Board, with certification in the Board Member Development Program of Fundação Dom Cabral - FDC). Thus, **we trained 100% of our members of the governance bodies in person**, considering the Board of Directors, the Statutory Audit Committee and the Executive Board.



The Compliance department was present in the **Agroindustry (Cotton and Grains), Stocks, Mechanization and Trainees events**, reinforcing the importance and role of these professionals in the Integrity Program.





See the list of **training available in e-learning format** in the Success Factors below.

Compliance in the Supplier List

Day-to-Day with Ethics

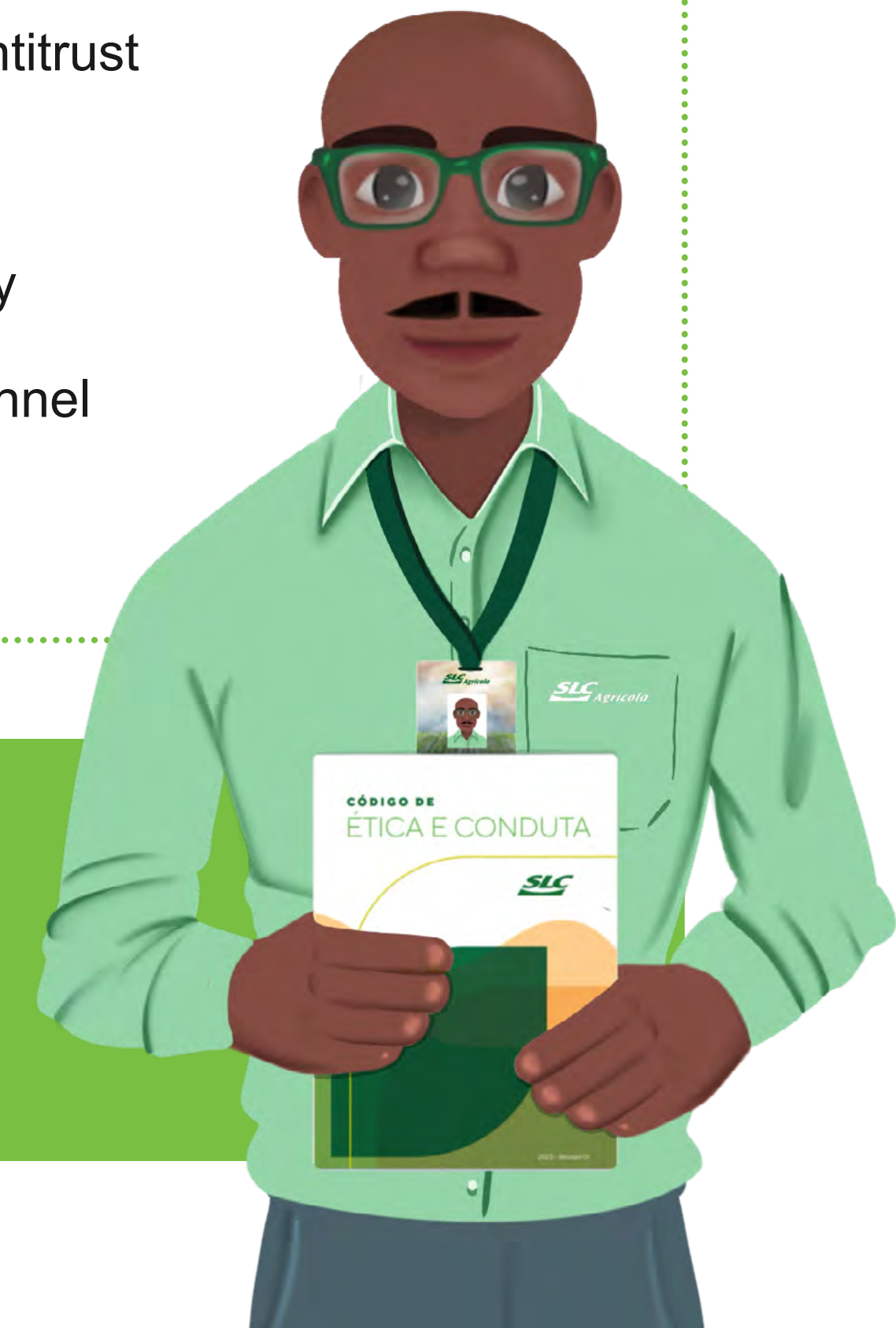
Brazilian General Data Protection Act (LGPD)

Code of Ethics and Conduct

In 2023, the main focus for e-learning training was on awareness and monitoring to complete the **"Day-to-Day with Ethics"** path, which is mandatory for all active employees and includes the following modules/themes:

- 🖱️ Compliance Concept
- 🖱️ Conflicts of Interest
- 🖱️ Moral Harassment
- 🖱️ Sexual Harassment
- 🖱️ Third parties
- 🖱️ Diversity
- 🖱️ Public Agents and Anti-Corruption
- 🖱️ Competition and Antitrust
- 🖱️ Privacy
- 🖱️ Information Security
- 🖱️ Whistleblower Channel

The **Code of Ethics and Conduct** e-learning training and the **LGPD** e-learning training were maintained as mandatory, according to the target audience of each one.



Until 12/31/2023:

3.800

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



of eligible employees receiving training.

144

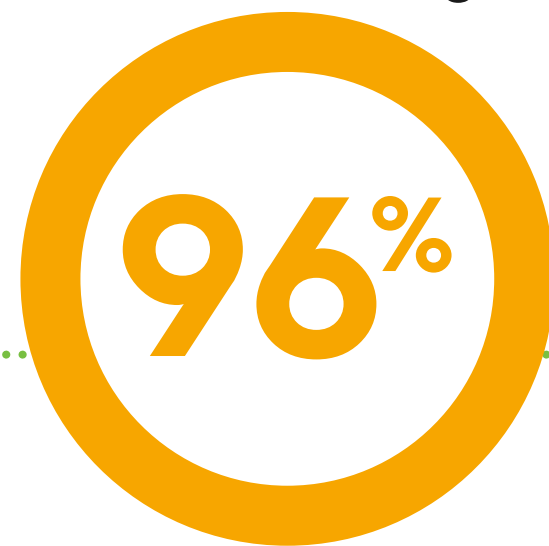
employees have completed the "Compliance in Relations with Suppliers" training.



of eligible employees receiving training.

1.504

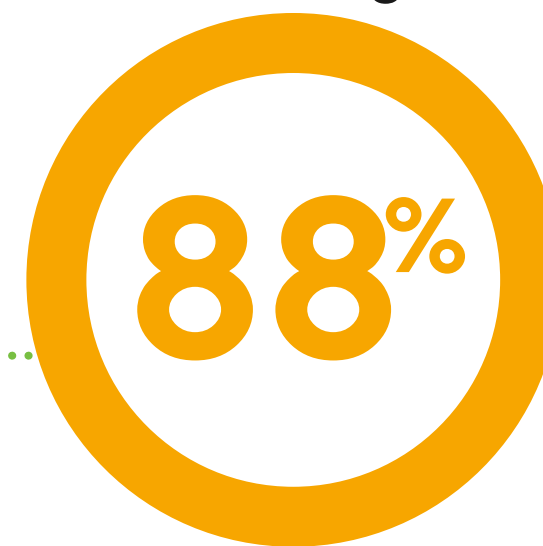
employees have completed the "Brazilian General Personal Data Protection Act - LGPD" training.



of eligible employees receiving training.

3.634

employees have completed the "Day-to-Day with Ethics" training.



of the number of employees.

As a general indicator



of eligible employees have completed the set of Compliance e-learning training.

In 2023, we held the first **Integrity week**. The date chosen was May 2, alluding to National Ethics Day. The Week kicked off with a **lecture on ethics and integrity from Prof. Clóvis de Barros Filho**, followed by interactive activities such as cine integridade, an event in which employees signed up to watch an excerpt from a series or movie and discuss the ethical dilemmas involved, as well as games.



Another highlight was the selection of **Integrity Cultivators**. In order to locally foster the culture of the theme, we structured the project with a group of **22 employees**, one representative per farm. The group participates in periodic schedules with the Compliance team and its main role is to reinforce actions related to the Integrity Program locally.

In total,
were
carried
out

47
communication
actions

impacting
5,757
employees.





DUE DILIGENCE

Maximum productivity in decision making, management and monitoring

2.700
suppliers

15
denieds

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

Approximately **2,700 suppliers** were analyzed upon being registered on the portal, of which **15 were denied** because they were classified at very high risk.

Verified national and international sources of risk include tribunals and proceedings, the accounting courts, the Ministry for Transparency, lists of 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.

LIVESTOCK CERTIFICATION

In 2023, we **acquired 22,875 head of cattle**, from previously approved producers. For this, 228 producers and properties were analyzed.

Of these, 152 were approved, 7 were approved with exceptions and 69 were not approved. The main risk factors that lead to the non-approval of the producer or the property include: **deforestation** after July 2008; **IBAMA's embargo** on the property under analysis or on another property of the same producer; **inconsistencies in the APF or in the CAR**; and the **existence of a notice of infraction**, among other aspects.



Cases of approval with exceptions and non-approval **are informed to producers, including the reasons and advising** the need for additional documentation and/or clarifications. When, after returning, compliance with the requirements and legislation is observed, the situation may change. As well as analyses for these cases again in the future.

The departments involved in the approval process are:

- ✔ **CSC and Livestock**
- ✔ **New Business**
- ✔ **Sustainability**
- ✔ **Compliance**

In the period, all purchases were made from approved producers.

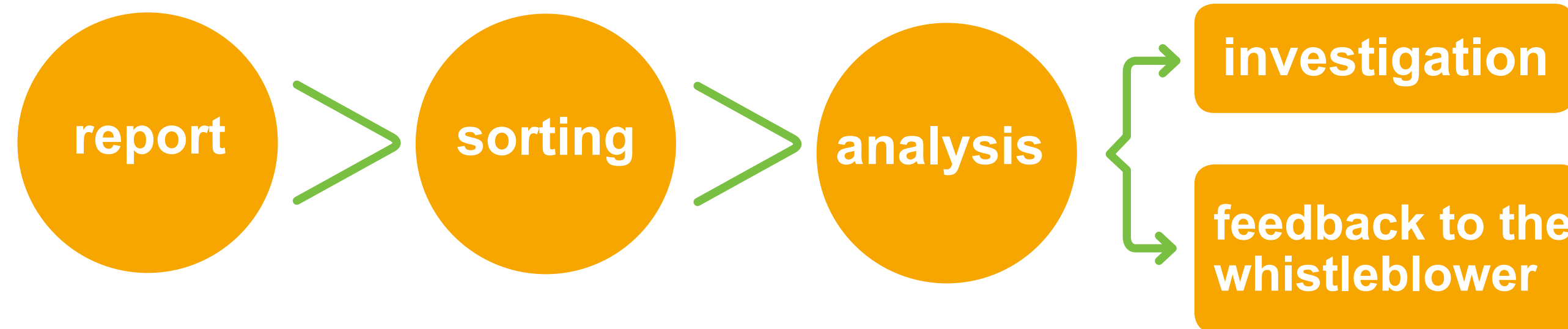


Whistleblower
Channel



Guarantee of confidentiality, possibility of anonymity and non-retaliation

Subject to the Loss Prevention Policy, which governs the actions of the Loss Prevention Committee, and the Whistleblower Channel Procedure -, **the whistleblower's report is registered under the Contato Seguro tool, through SLC's website, application or using the designated 0800 number.**



All communication with the whistleblower takes place via a protocol number, maintaining the premises of **confidentiality** and **possibility of anonymity**.

The Compliance department monitors the following aspects of Committee agendas:

- Management of themes pertinent to the Whistleblower's Channel;
- Providing an indication of cases that require intervention from the Compliance department;
- Offering support in management of the reports, as well as assisting the Committee's secretariat;
- Offering guidance to managers designated by the Committee as being responsible for conducting the investigation.

The Loss Prevention Committee **analyzes and investigates registered complaints** or suggestions upon their being screened by the company Contato Seguro, independently, 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 **whistleblower(s)** making the complaint.

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 a **permanent login**, and the tool identifies whether any of the members are connected to the report without making it available to the member in question

Between January 1, 2023 to December 31, 2023, a total of 224 reports were recorded in the Contato Seguro tool. Of this total, 217 were registered as a complaint, 3 as a suggestion and 4 as a doubt. **Based on the investigations, they were classified as:**



In the period, the Compliance department made **05 reports to the Statutory Audit Committee**. The CAE was constituted in May 2022, as approved under its Internal Regulations during a meeting of the Board of Directors held on May 11, 2022.



CONSEQUENCE
Management

The Compliance department conducted 25 actions to monitor investigations in 2023

25
actions

7
from the
Whistleblower
Channel

The Investigations and Disciplinary Measures Policy establishes the guidelines for internal and external investigations and regulates and clarifies the application of disciplinary measures.

Observing its premises, the Compliance department conducted 25 actions to monitor investigations, 7 of which originated in the Whistleblower Channel and the others were received by e-mail, WhatsApp or reported in person.

As a result of the investigations, **22 disciplinary measures** were recommended, 7 of which were dismissals (5 without just cause and 2 for just cause), 5 written warnings, 4 process improvement actions, 3 orientation talks related to processes, 1 suspension, 1 blocking of a third party and 1 announcement to the external public.

22
disciplinary
measures





OTHER
Initiatives

Learn about more initiatives implemented by the Compliance department



NEW FRONTS

Internal Controls

In February 2024, **the Compliance department absorbed the structure and attributions of Internal Controls.** This edition of the Compliance report includes the relevant aspects about the monitoring of activities related to Internal Controls, in the 2023 calendar year. As of 2024, all processes and reports will be unified under the umbrella of the Compliance structure.

Team in 2023:

Denis Moreno, Internal Controls Manager;

Stephani Weisheimer, Internal Controls Analyst;

Vanessa Depine, Internal Controls Analyst.



269
risk
factors

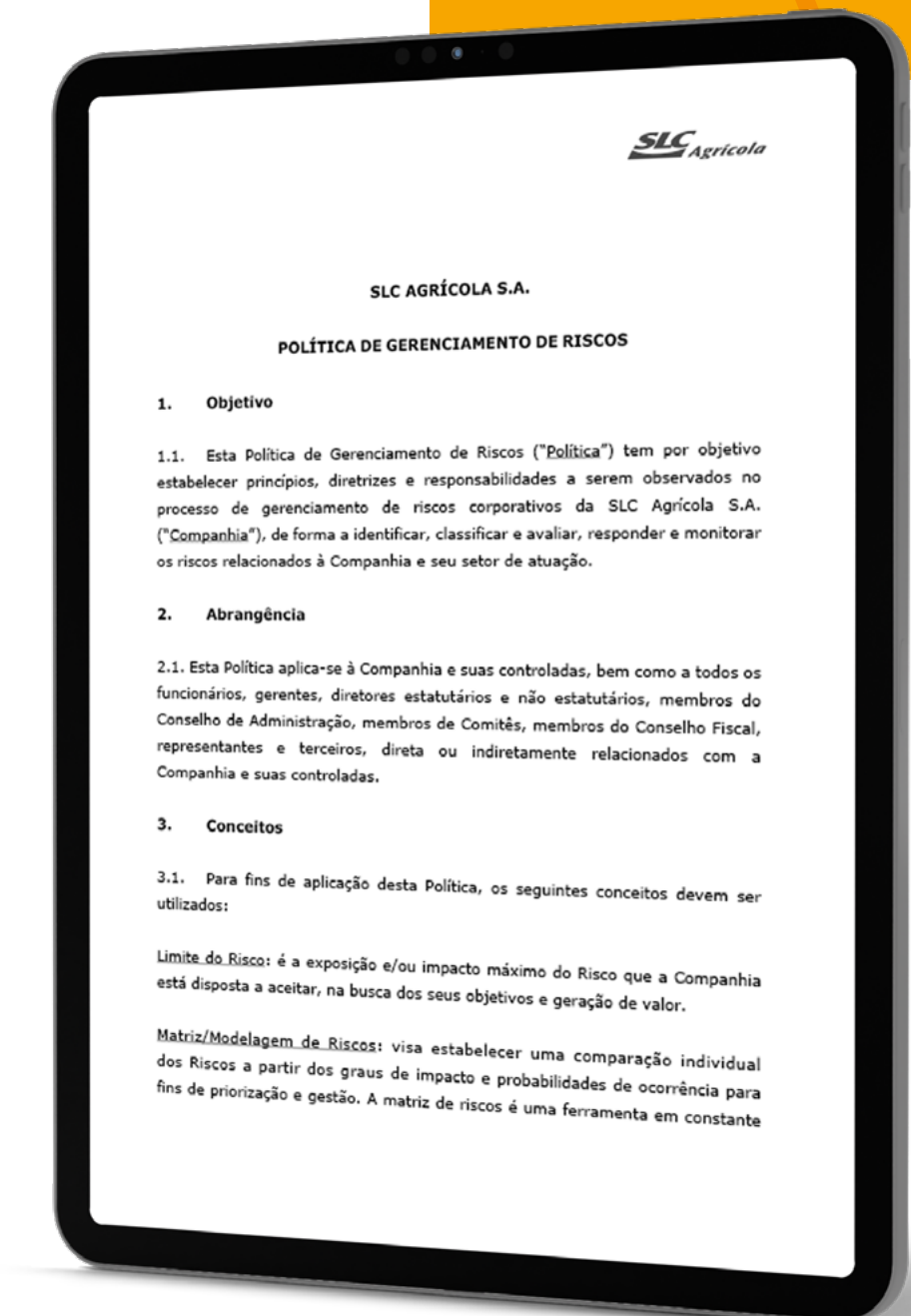
36
corporate
risks

MAIN DELIVERIES OF THE AREA 2023

Corporate risk matrix

- Dissemination of the **risk culture**, emphasizing and demonstrating to all employees and involved the importance of internal controls, which seeks to **ensure that the structure understands the main risks associated with the business**, ensuring that they are identified, evaluated, monitored and controlled.
- Elaboration of a **risk matrix**, with a survey and evaluation of 269 risk factors, grouped into 36 corporate risks.

Click here to see our Risk Management Policy



MAIN DELIVERIES OF THE AREA 2023

Internal Regulations

- Management of the regulatory framework ensuring the **updating and availability of the Company's Policies, Procedures and Manuals.**
- Preparation or updating of **200 documents**, including policies, procedures and operational manuals.
- Monitoring and managing the **SE Suite tool** - Document management module.

Process mapping and survey of improvement points

- Conducting **process mapping** with the purpose of identifying points for improvement and registering controls to mitigate risks.
- Participation in **more than 15 projects** or corporate demands, such as Seed Improvements, Standardization Bonus on Purchases, Standardization Cafeterias, Standardization Use and Consumption Capex, among others.

Action plan monitoring

- Promotion of the systematic monitoring of the **improvement recommendations** contained in the control reports of SLC Agrícola, of the definition of the action plans corresponding to their implementations.
- Implementation of **129 improvements** in Internal Controls.
- Monitoring of **4 recommendations** of the External Audit and **279 non-conformities** of the Internal Audit.

ESG rating agencies






In April 2023, the Compliance department became responsible for monitoring and interacting with ESG rating agencies. They are **independent evaluation agencies, based on pre-established requirements in their methodologies, the ESG (environmental, social and governance) aspects** of publicly traded companies. These assessments are primarily read by investors in general, whether they are funds, assets or individual investors.

The ratings monitored throughout 2023 were Sustainalytics ESG Risk Rating, MSCI ESG Rating Report and Standard & Poors (S&P) ESG Risk Ratings.



Seeking to achieve an assessment that adheres to the practices of SLC Agrícola S.A., throughout 2023, the Compliance department, along with the Sustainability, Human Resources, Supplies, Occupational Health and Safety departments and Instituto SLC, worked on **the publication of relevant documents that ensure the Company's commitment to the best ESG practices.**

Thus, the main deliveries throughout the year included:

-  **14 documents** translated and made available on the Investor Relations website: [click here](#) to check it out;
-  Structuring of the **Integrity Page** on the Investor Relations website: [click here](#) to check it out;
-  Schedules with **rating agencies** and participation in webinars to understand the methodology of each one;
-  Review and availability of **indicators** in the integrated report;
-  Structuring of **a working group to survey and address the GAPS** identified based on the analysis of each of the agencies: 180 monitoring items;

The departments involved in this initiative are: **Human Resources | SSO | Sustainability | Supplies | Institute | Compliance.**

It is also the role of the Compliance department on this front, the interaction and recording of feedback for each aspect evaluated, on a specific platform, made available by each of the agencies monitored.



This is **continuous monitoring**, which began in 2023 and should extend over the years, interacting with these important stakeholders and maintaining transparency in the publication of our results and information.

Indicators and Certifications



BUSINESS PACT FOR INTEGRITY AND AGAINST CORRUPTION

SLC Agrícola joined the Corporate Agreement for Integrity and Combating Corruption on May 12, 2021.

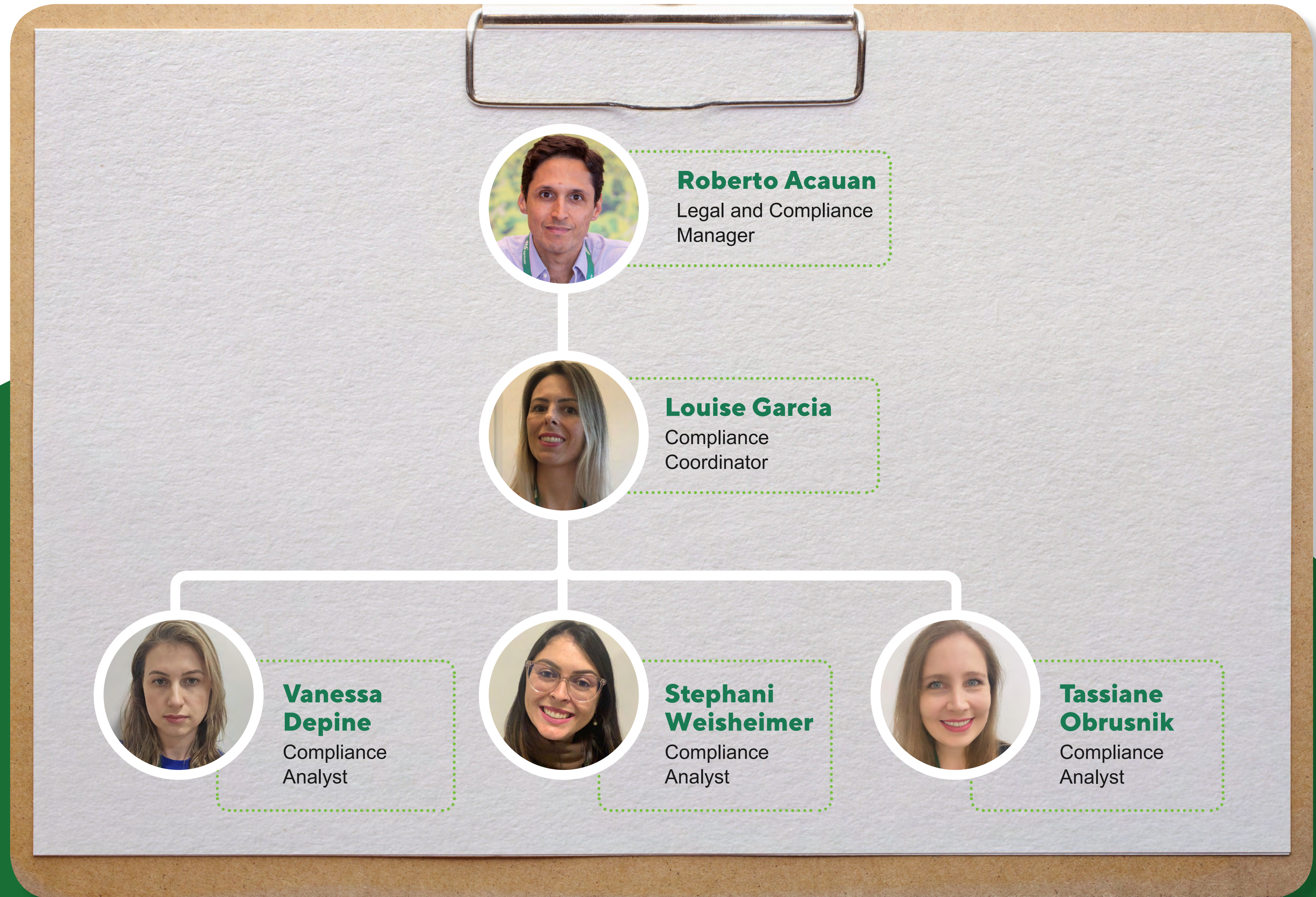
In 2023, the Company completed the third series of indicators for the questionnaire “**Building upon Relevant Themes - Ethics - Integrity Indicators, preventing and combating corruption**”.



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, to participate in 1 Working Group. The Company opted to participate in the **Integrity Working Group**.

COMPLIANCE TEAM



SLC *Agrícola*