



SLC *Agrícola*

Sustainability Report 2017



Sustainability Report 2017



3 Message



6 Introduction



9 Overview



15 Corporate governance



21 Strategic management



26 Operational and financial performance



33 Social performance



45 Environmental performance



55 GRI Summary

61 Corporate information

2016's legacy confirms our team's capacity to face crisis

GRI 102-14

The year of 2017 was excellent for SLC Agrícola, demonstrating our capacity to generate future results. We had one of the best performances in the entire history of the company. We recovered productivity indicators, lowered production costs and, as a consequence of the efficiency in all the operation, we obtained economic results.

In the 2016/17 crop, the Company's main product, cotton, broke a historic record of productivity, with 1,807 kg/ha of cotton in feather (an average between the 1st and 2nd crops), which represents 12.7% above the projected and 11% above Brazilian average. Soybean productivity was 7% above the expected. With that, the net revenue was of R\$ 1.85 billion, while the operational net profit was of R\$ 289 million.

2016's performance is behind us, but the impact caused by the "El Niño" effect left us a legacy. That severe situation confirmed our team's capacity to face crisis, with solutions that helped us become more efficient, increasing the Company's profitability.

And we continued on, even more committed to sustainable production systems, according to our Big Dream. Our responsibility to the future generations is translated in concrete actions. Direct planting, which increases the carbon sequestration from the soil, is an example. A second one is the gradual replacement of the equipment for machines that add more and more technology and consume increasingly less. Those measures resulted in the reduction of 26% of the diesel oil consumption in the last five years, simultaneously to the increase in production, with immediate effect over the emissions of greenhouse effect gases, which were reduced in the same proportion.

All those good results are the consequence of a very fine-tuned team. The team's development and commitment are the foundation of the Personnel Management Policies, and we are proud to highlight them through two key indicators in the Human Resources area. We

closed 2017 with a turnover index of 16.7%, well below our 20% goal. A few years ago, faced with an unacceptable index of 40%, the company decided to face the issue with a global solution of investment in human capital, in-line with the business strategy. The training of the teams was a decisive element for the realization of that project.

The same can be said of the SQP (Safety, Quality and Productivity) Program, which bundles the worker's safety to quality in all stages, but with special attention to field operations. Workers who are more conscious about risks not only produce more, but also contribute for a safe environment, and that can be checked in the numbers. In the last five years, we obtained a 38% increase in the hectares/collaborator indicator, while the accident frequency per hour of exposure to risk dropped from 8,65 to 3,19. That represents a reduction of 63%, but we are not satisfied, because we seek to achieve the zero-accident goal in all units.

2016's legacy confirms our team's capacity to face crisis

GRI 102-14

Quality and productivity gains of a crop are built step by step, through the entire productive process (tillage, processing and storage), and the efficiency in the Farms depends on the support of many other professionals, present in different areas, of technical and administrative nature. The catalyzing element of that systemic operation is the organizational culture.

Therefore, we are committed to building a company with a very robust culture, which we believe is essential for our next growth cycle. In 2017, during the strategic planning, we reviewed the Company's values. The pillars are the same, but we polished the seven values in order to get to the essence of each attribute, regrouping them in four, which synthesize the organization's foundations, like: integrity, passion for what you do, lasting relationships and sustainable results. That movement made

the organization's values more palpable, because everyone understands what we seek and how we seek it.

What does the future expect from us?

The current stage projects the company to the future, with focus in increasing efficiency, which may be translated as doing more with less, meaning optimization of all assets. Until now, SLC Agrícola used all its capacity to perfect itself and to advance in its management model. Certifications are part of that context, which drives a system of evolution and continuous improvement, submitted to internal audits which ensure the reduction of nonconformities in all sectors of the Farms operated by the company. In one year, we achieved certifications in two more farms by the SGI (Integrated Management System),

which incorporates ISO 14001, OHSAS 18001 and NBR 16001, and we kept the goal of arriving in 2020 with 10 certified units, attesting our high standards of operation and production. Aside from that, the processing and storage of grains and cotton in Planalto Farm was certified by ISO 9001 in last December.

Questioning ourselves about what does the future expect from us, we started a deeper discussion about innovation processes in SLC Agrícola. Which will be the productive standards required 10 or 20 years from now? We devoted ourselves to discussing the subject of digital agriculture. We brought to the Administration Council a professional with formation and experience in that area. During 2017, we visited the Silicon Valley, trying to understand in a broader perspective the digital challenge, because it's there the world is building, today, what shall be our future.

In SLC Agrícola, innovation has already been happening, and one example is the renovation of the fleet for machinery with embedded technology, however, that movement is something much bigger. We plan to intensify our investments in digital agriculture tools.

Our first goal is to connect the operation of the 14 Farms. We envision the possibility of getting all the crop activities online, connecting data with the Farm's headquarters, and connecting those 14 farms in six states to SLC Agrícola headquarters in Rio Grande do Sul. That will allow us to measure the efficiency and correct deficiencies in real time. With digital meteorological stations, we will have more precision in decision-making, so we can adequate to the remediation measures in face of climatic changes. The handling of crops from connectivity tools shall help us climb a new step

2016's legacy confirms our team's capacity to face crisis

GRI 102-14

concerning operation. With spacial management information, it will be possible to maximize the use of inputs, using exact quantities instead of application calculated by the total area; the process will also be safer due to traceability during the entire cycle, benefiting all the links of the chain, from the field to the consumer's table.

The optimization of assets represents a significant reduction of environmental impact in medium term, and generates less need of area increase, thanks to the set of actions already mentioned. It is important to stress that this model creates a virtuous cycle of productivity increase and, simultaneously, reduction of operational costs and inputs (including natural). The intensification of crops is already a reality in areas operated by SLC Agrícola, thanks to the maturation of lands, a consequence of those good practices.

As we look to a new future, connected, we see increasing demands

for self-sufficiency in clean energies. We have projects towards that goal, but we are evaluating carefully what is the best energy matrix for SLC Agrícola, considering the location of our Farms. All those actions will make SLC Agrícola increasingly more capable to face challenges of sustainable agriculture.

In 2017, the Company worked towards evolving in the pricing by market value, a movement that shall advance further in 2018. SLC Agrícola is a reference in Brazilian production and exporting of grains and fibers, joins that industry with what the company considers two strategic aspects for Brazil. On one side, increasing the scale in terms of production volume; on the other, consolidating themselves as a reference in standards of technical excellence and production sustainable practices. For that, the focus must be on high productivity and efficiency with global-level standards.



Aurélio Pavinato
CEO

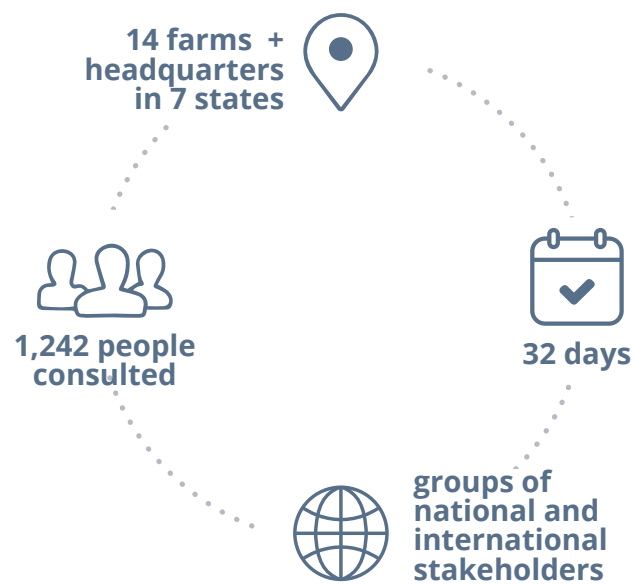
Introduction

- 7 About this report
- 8 Engagement and prioritizing of material topics
- 8 Material topics prioritized



About this report

GRI 102-45, 102-50, 102-51
102-52, 102-54



Committed to transparency and good practices, SLC Agrícola publishes its second cycle of sustainability report, including its economic, social and environmental performance, encompassing its management approaches for material topics considered more relevant by its stakeholders. In a pioneer fashion, since its first report, the Company adopts Global Reporting Initiative's (GRI) Standards rule.

Social and environmental data are referenced by Brazilian labor and legal standards, followed in all 14 of SLC Agrícola's units of operation. The In-

tegrated Management System (SGI), which includes OHSAS 18001, NBR 16001 and ISO 14001 certifications, certifies seven of those Farms.

The financial indicators were obtained from consolidated demonstrations, audited by KPMG until the first quarter and from the second quarter of the year by Ernst & Young. The elaboration followed the international rules for financial report (IFRS), submitted by the International Accounting Standards Board (Iasb), and the accounting practices adopted in Brazil (BRGaap), including

the accounting pronouncements submitted by CPC (Committee of Accounting Pronouncements).

They encompass, besides from the headquarters, 14 productive units, SLC LandCo (an operation in partnership with the Valiance English private equity fund) and two joint-ventures, SLC Roncador and SLC Mit, which has a partner one of the biggest business groups in Japan, Mitsui & Co. Although Paineira Farm (PI) is SLC Agrícola's property, it is not contemplated by this report, because it is leased by third parties. [GRI 102-45]



This second cycle encompasses the period of January 1st to December 31st of 2017, according to the Essential option, preserving the publishing perspective of annual reports.

Engagement and prioritizing of material topics

GRI 102-40, 102-42, 102-43
102-44, 102-46, 102-47

Material topics prioritized

GRI 102-47

Economic performance

GRI Standards 201-1 and 201-2

Market presence

GRI Standards 202-1

Anti-corruption

GRI Standards 205-3

Water

GRI Standards 303-1 and 303-3

Biodiversity

GRI Standards 304-1 and 304-3

Effluents and waste

GRI Standards 306-1, 306-2 and 306-4

Environmental compliance

GRI Standards 307-1

Employment

GRI Standards 401-1 and 401-2

Occupational health and security

GRI Standards 403-1 to 403-4

Training and education

GRI Standards 404-1 to 404-3

● Economic ● Environmental ● Social

The engagement for definition of the materiality matrix was realized in 2017. The results obtained revealed the matrix with the topics of most interest and strategic importance for the several stakeholders. The mapping was performed based on the Social Aspects and Impacts Survey (Lais) of NR 16001. [GRI 102-42]

A degree of relevance was assigned for each identified group of stakeholders, reflecting its level of influence for decision-making, the definition of strategies and the Company's results. Most of the consultations were online, however, specific surveys were created for each group of stakeholders. [GRI 102-43]

There was no specific consultation for the current report cycle, because there were no reports

of significant changes, internal or external, that require a new consultation process. At the same time, the company keeps open channels for dialog with the interested parts listed, by means of satisfaction researches for collaborators, events with the external public and, especially, the proximity with government agencies and the communities in which it acts, as part of its permanent dialog policy. [GRI 102-44]

On the other side, the company is evolving in its processes of report governance and perfecting the mapping of data, such as the consolidation of disclosures, seeking to improve the internal standards for socio-environmental data management.

Groups of stakeholders

GRI 102-40

Internal public

- Shareholders
- Joint venture
- In-house collaborators
- Operational
- Seasonal workers
- Board

External public

- Suppliers
- Customers
- Specialists
- Tenants and lessors
- Rural producers
- Associations and syndicates
- Schools, technical schools and universities
- ONGs
- Government agencies

Overview

- 10** SLC Agrícola's operation
- 11** Historic records in productivity and in fuel consumption reduction
- 12** SLC Agrícola in the Brazilian production and exports scenario
- 13** Certifications
- 14** Recognition in 2017



SLC Agrícola's operation

GRI 102-1, 102-2, 102-3
102-4, 102-5, 102-7

SLC Agrícola S.A., founded in 1977, is part of the SLC Group. It is one of the biggest producers of agricultural commodities, focused in the production of cotton, soybean and corn. In 2017, it celebrated 10 years of open capital, listed in the “New Market” segment of B3 (Brazil, Exchange, Over-the-market). It was one of the first companies in that industry to have its shares negotiated in the Brazilian stock market and, since it went public, its production volume doubled.

It holds a diversified land portfolio in the Brazilian Cerrado. The company seeks to leverage the property appreciation offered by agricultural lands. That is especially valid when considering the comparative advantages against the main agricultural producers in the world, such as USA, China, India and Argentina.



GRI 102-7 | ORGANIZATION'S SIZE

2017	
Net equity	R\$ 2.70 BI
Total assets	R\$ 5.29 BI
Net income	R\$ 1.85 BI
Total collaborators	2,800

Historic records in productivity and in fuel consumption reduction

SLC Agrícola is amongst the biggest Brazilian producers in terms of cultivated area, and grows committed to sustainable production processes, with reflex on productivity.

Cultivated area 2016/17 crop



230,160 ha



87,440 ha



71,789 ha

Other cultures 3,564 ha

Total 392,921 ha

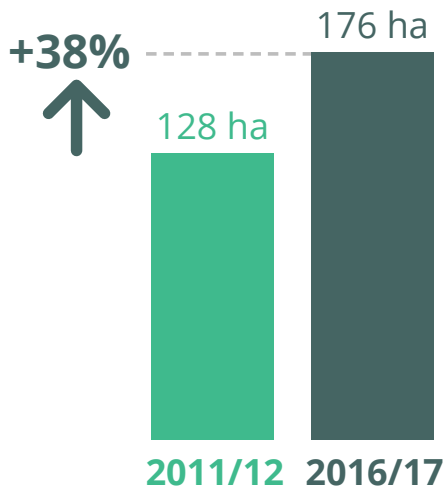
The business pillars join a financial management with a high-scale production system, standardization of production units and research to adjust the technological bundle to the local soil and climate conditions in each Farm. As a result, our productivity is superior.

DATA ABOUT THE CROP YEAR 2016/17

Culture	Realized crop year 2016/2017 (kg/ha)	Growth above the anticipated
Cotton (weighted average)	1,807	12.7%
Cotton in plume, 1st crop	1,859	14.8%
Cotton in plume, 2nd crop	1,705	8.6%
Cottonseed	2,305	12.2%
Soybean	3,291	7.0%
Corn, 2nd crop	6,680	-2.9%

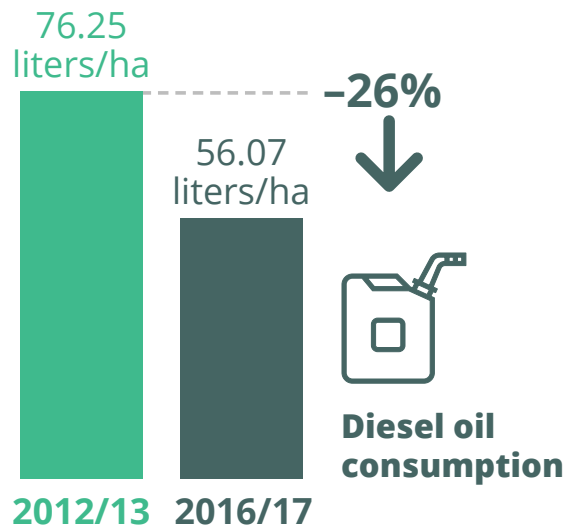
*Base when calculating the volume produced per hectare, in the Brazilian and international agricultural market.

11% + Brazil average



Hectares per worker in the last 5 years-crop

Average of the sum of production, processing and administrative



Diesel oil consumption

SLC Agrícola in the Brazilian production and exports scenario

GRI 102-4, 102-6

SLC Agrícola is responsible for around 10% of all Brazilian cotton production. In exports, its share is bigger, varying between 18% and 20%, according to the crop. Of every five bales exported, one has SLC Agrícola's brand. That proportion gets even bigger when the destination is Indonesia, one of the three main buyers of Brazilian cotton, a country in which SLC holds 30% of exports.

In 2017, the net revenue grew 16%, impacted mainly by the bigger volume of sales in all cultures. The causes of that growth are related to the bigger volume of soybean and corn sold, commercialized to the internal and external markets by means of tradings,

with prices in dollars in the Chicago Board of Trade (CBOT).

The rise of cotton's unitary price also contributed to that performance, because that's SLC Agrícola's main product in sales income – and in 2017, the volume and the quality ensured the elevated amounts. From 2010 to the present day, the Company developed a continuous process of market opening and commercial relationships with Asian countries, becoming the only Brazilian company to sell directly to end customers in Asia. In cotton, the quotation's price reference is based on the ICE (Intercontinental Exchange Futures US), in New York.

Main export destinations of SLC Agrícola (% of income)

GRI 102-6

Indonesia	27.0%
Vietnam	18.5%
Turkey	11.1%
Bangladesh	10.5%
China	10.1%
Malasya	6.0%
South Korea	5.9%
Pakistan	4.3%
India	1.3%
Other	5.3%



Net income
16% growth

Internal market 2017
28.49% of net income

External market 2017
71.51% of net income



SLC commercializes their products in Brazil and exports to around 20 countries, in four continents.

Certifications

GRI 102-12

The high production standard of SLC Agrícola, confirmed by their several certifications, which attest product quality and socially fair, environmentally responsible production processes, has no direct financial impact on prices, but generate value to the Company due to liquidity and access to demanding markets, such as Europe and Asia.

The certifications are inserted in the business model of high performance, standardization and sustainable production processes. In 2012, Planalto Farm

became the first company in the agricultural industry to obtain simultaneously ISO 14001, OHSAS 18001 and NBR 16001 certification. Since then, the SGI (Integrated Management System) already certified seven Farms, and the goal is to reach 10 until 2020. The adoption of certifications demonstrates the Company's purpose and confirms their commitment to go beyond legal obligations, acting to be in compliance with the best practices in what regards environment, safety, occupational health and social responsibility.



Cotton certification

Soybean certification

Process

Recognition in 2017

Highlight A Granja do Ano

Conferred by the A Granja Magazine, in the categories of Soybean and Corn.

Lide Prize Agribusiness

Organized by Lide – Leaders Group. Category: Agricultural Commerce.

Great Place to Work

7th place among the companies of the state of Rio Grande do Sul.

Melhores do Agronegócio, Globo Rural Magazine

1st place in Agricultural Production category.

Public Annual Meeting and celebra- tion of 10 years of SLC Agrícola's partici- pation in the listing of the New Market

In November 21st of 2017, in B3 headquarters, in São Paulo, the celebration took place with the realization of the Annual Public Meeting.

Transparency Trophy Anefac Fipecafi Serasa Experian Prize

Awarded the prize in the category for Companies with Net Income of up to R\$ 5 billion.



Participation in associations

GRI 102-13

- Abrapa – Associação Brasileira dos Produtores de Algodão¹
- ABRH-RS – Associação Brasileira de Recursos Humanos²
- Agopa – Associação Goiana dos Produtores de Algodão³
- Amapa – Associação Maranhense dos Produtores de Algodão⁴
- Ampa – Associação Mato-Grossense do Algodão⁵
- Ampasul – Associação Sul-Mato-Grossense dos Produtores de Algodão⁶
- Aprosoja – Associação Brasileira de Produtores de Soja⁷
- Council Boars from Parque das Emas and Parque das Nascentes do Rio Taquari
- Fapcen – Fundação de Apoio à Pesquisa do Corredor de Exportação Norte “Irineu Alcides Bays”⁸
- UN’s Brazilian Network of the Global Compact
- Senar – Serviço Nacional de Aprendizagem Rural⁹
- SRB – Sociedade Rural Brasileira¹⁰

1. Brazilian cotton producers association; 2. Brazilian human resources association; 3. GO cotton producers association; 4. MA cotton producers association; 5. MT cotton association; 6. MS cotton producers association; 7. Brazilian soybean producers association; 8. Research Support Foundation of the North Export Corridor “Irineu Alcides Bays”; 9. National Service of Rural Learning; 10. Brazilian Rural Society.

Corporate governance

- 16 Corporate governance
- 17 Values reflect the essence
- 18 Ethical behavior
- 19 Integrity and anti-corruption
- 20 Recycling and training about the Ethics and Conduct Code



Corporate governance

GRI 102-18

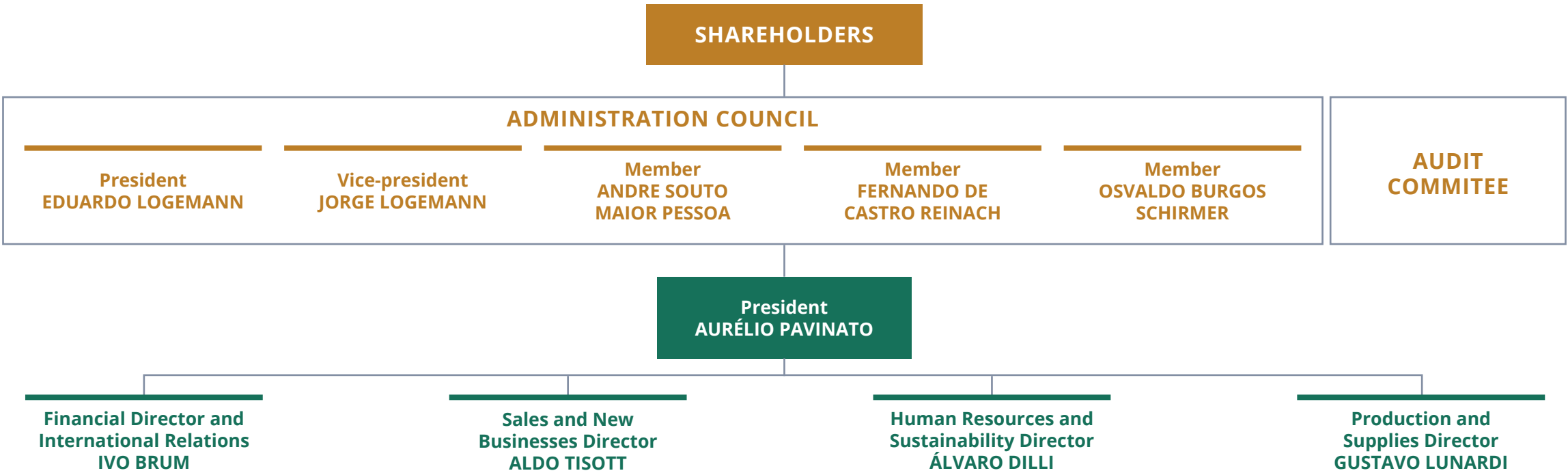
In 2017, SLC Agrícola celebrated 10 years of open capital, listed in the “New Market” segment of B3 (Brazil, Exchange, Over-the-market). Companies in that segment commit, voluntarily, to follow the principles of the best practices of corporate governance, with demands of information disclosure superior to those already imposed by the Brazilian law. SLC Agrícola was one of the first to join and, since the company went public, its production volume doubled. That performance reflects both the consolidation of its strategy and the perfecting of its governance structure.

The company’s actions are based on corporate responsibility, as well as on the principles of transparency, accountability and fair treatment in the relationship and obligations with all concerned parties. Strategic planning is supported by a consolidated corporative structure, with a high level of corporate governance.

The Administration Council is formed by five councilors, two of them being independent members. The Audit Committee was installed and had its members elected in the last General Shareholders

Meeting. It falls to the Executive Board, elected by the Administration Council, to take care of the internal organization, the deliberative processes and daily operations, as well as the implementation of policies and general guidelines established periodically by the Administration Council. The Company has three committees:

- Committee for the Company’s Options Plan Management
- Committee of Disclosure Policy for the Company’s Information
- Risk Management Committee



Values reflect the essence

GRI 102-13, 102-16



In 2017, the Company's values were reviewed and grouped in the simplest way to make them easier to understand and experience. The four values synthesize the organization's foundations and guide its relationship policies with customers, suppliers and other interested parties, integrating the code of conduct and serving as basis for SLC Agrícola's entire strategic management.



People with passion for what they do are committed and do it with maximum quality, preserving its integrity by means of an ethic, coherent and unquestionable conduct. The sum of those attitudes generates lasting relationships of respect between all interested parties, producing sustainable results that are economically viable, socially fair and environmentally responsible. [GRI 102-16]



Our causes

GRI 102-13

Since 2015, SLC Agrícola is a signatory of UN's Brazilian Network of the Global Compact (Work Group of Food and Agriculture). Some of the social commitments undertaken are the pact against forced labor, exhaustive work hours and child labor; safety policies and occupational health; freedom of association and collective negotiations; up-to-date policies and practices in human resources; competitive remuneration; training and development of collaborators; projects and social actions among communities of interest; improvement in the quality of life; and legal compliance.

For their social-environmental commitment, SLC Agrícola is part of the Council Boards from Parque das Emas and Parque das Nascentes do Rio Taquari. The park's creation, in 1999, came from the initiative of Costa Riquean community, in Mato Grosso do Sul, for the Protection of the water sources of Taquari River, which form the Taquari water basin, one of the most important basins in the Pantanal region.



Ethical behavior

GRI 102-16



Get to know the trajectory and the history of the SLC Group on the [website](#).

The governance and relationship policies with Company's capital market may be learned in the Corporate Governance section of the International Relations [website](#).

Obtain other information by the e-mail ri@slcagricola.com.br

The Code of Ethics establishes SLC Agrícola's conduct and sustainability commitments, guiding the daily actions of each collaborator, reinforcing the values and principles of the organization.

It provisions governance rules for the collaborators conduct to avoid situations involving conflict of interests, and regulates the relationship with suppliers and service providers, as well as the search for lasting relationships with customers, based on transparency and products quality.

On what concerns sustainable development, the code includes the guidelines to achieve economic, environmental and social equilibrium in all of the organization's levels, indicating how each area that composes the structure is aligned to that commitment.



Integrity and anti-corruption

GRI 103-1, 103-2, 103-3, 205-3

MATERIAL TOPIC

Integrity is one of SLC Agrícola's four values, expressed by doing what is right on pure conviction, even if that represents an anticipation to legal or contractual requirements. The company's vision is that anti-corruption mechanisms are essential in the relationships with third-parties, strengthening the management with corporate responsibility, aligned to a global movement.

The Company's governance reflects that integrity, and in case of any

indication of any non-compliant actions, reparation actions are immediate. Maybe all that strictness when dealing with the subject is one of the reasons why no cases of corruption involving SLC Agrícola's collaborators were identified during 2017. At the same time, there was an increase on the investment in trainings for an ethical conduct. [GRI 205-3]

The Company began the process of recycling and training of its col-

laborators regarding the Ethics and Conduct Code. That initiative includes a training plan of 100% of the collaborators until the end of 2018. Another measure planned for the next year is the implementation of new policies and the identification of compliance risks, including fraud, corruption, issues involving competition and antitrust, data privacy, conflicting interests and relationship with third-parties.



Integrity and anti-corruption

GRI 103-1, 103-2, 103-3

MATERIAL TOPIC

SLC Agrícola engages its collaborators, suppliers and partners to establish relationships based on ethics and honesty.

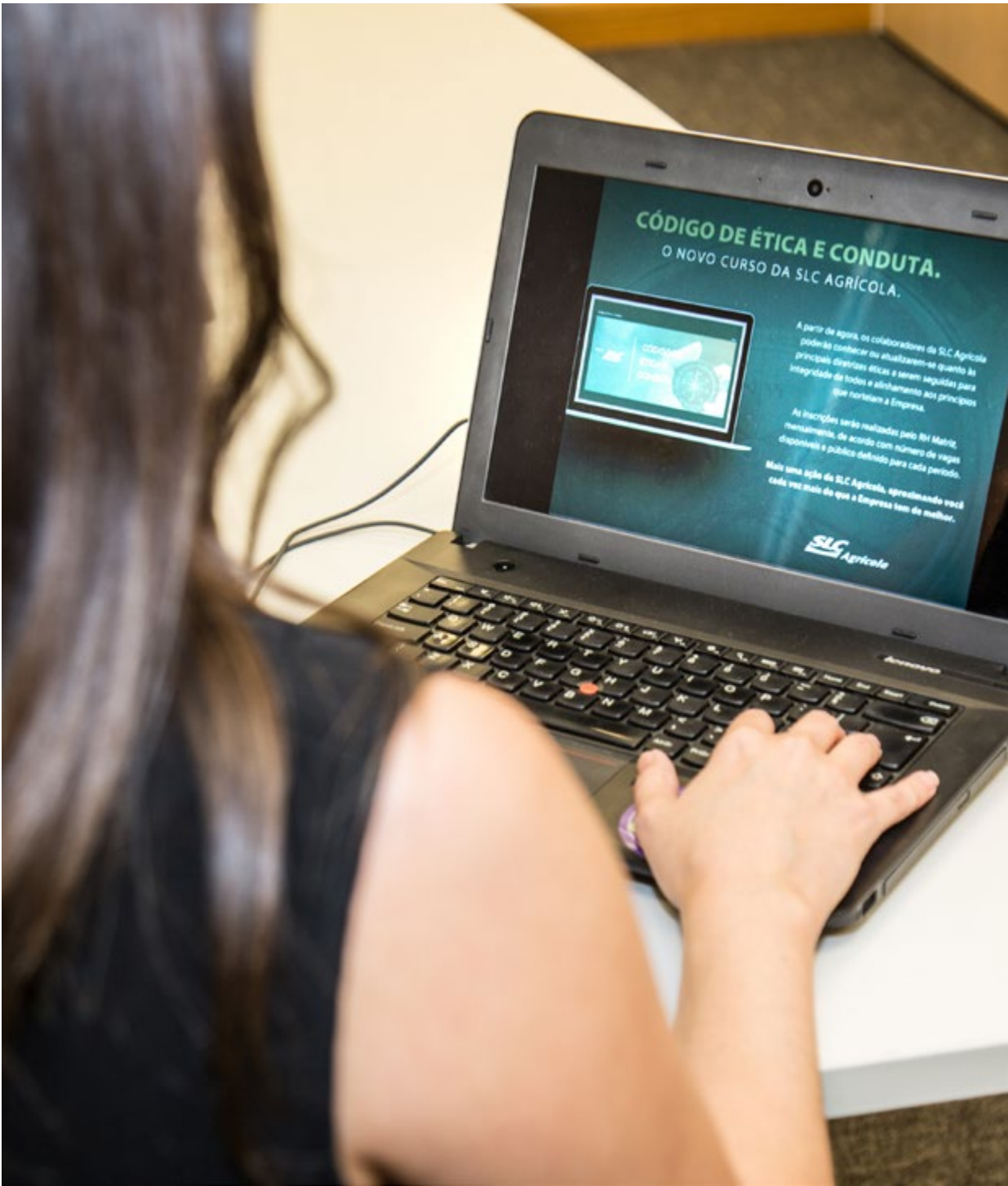
To ensure effectiveness regarding compliance with the Ethics and Conduct Code, the Company counts with a direct communication channel with the internal and external public, with anonymity option for receiving complaints, critics or reports of non-conformity with the company's guidelines. It is a third-party and confidential service platform, available 24 hours a day, by phone, site or email.

By means of a protocol number, it is possible to follow up on the service, in a transparent way. The committee in charge of ascertaining and investigating the cases received 88 calls in 2017, of which 100% were responded to, 99% were concluded, with 1% not applicable to the channel.

Recycling and training about the Ethics and Conduct Code

Formation becomes part of the training of Integration of New Collaborators and reinforces the ethical principles that must guide the daily conduct of SLC Agrícola's whole workforce. The ODL (Open and Distance Learning) format has been privileged, considering that the operation is distributed in seven Brazilian states and 15 units, including the headquarters. The content encompasses subjects as: legal compliance; relationship with public bodies, customers and suppliers; political activities and, for the first time, it directly addressed "anti-corruption practices".

During the course, several review activities are realized and a final evaluation is applied to demonstrate the understanding of the knowledge acquired, with a minimum performance of 70%. The collaborator's commitment with the document is made official by a term of responsibility.



Strategic management

- 22 Business model
- 23 Do more with less
- 24 The Great Dream
- 25 Risk management



Business model

GRI 102-4, 102-5

The consolidation of that hybrid business model made SLC Agrícola one of the country’s biggest producers of grains and fibers in volume, aside a reference in productivity, with indicators above the national and international averages.

SLC Agrícola’s expansion trajectory has been occurring in a planned and robust way, in which it is possible to grasp a sustainable 3-stage growth project:



Stage 1
From the foundation, in 1977, until IPO, in 2007, 30 years later. It focused on the gradual acquisition of arable lands in the Brazilian Cerrado, while the company consolidated a standardized and efficient production model to support the next stage.



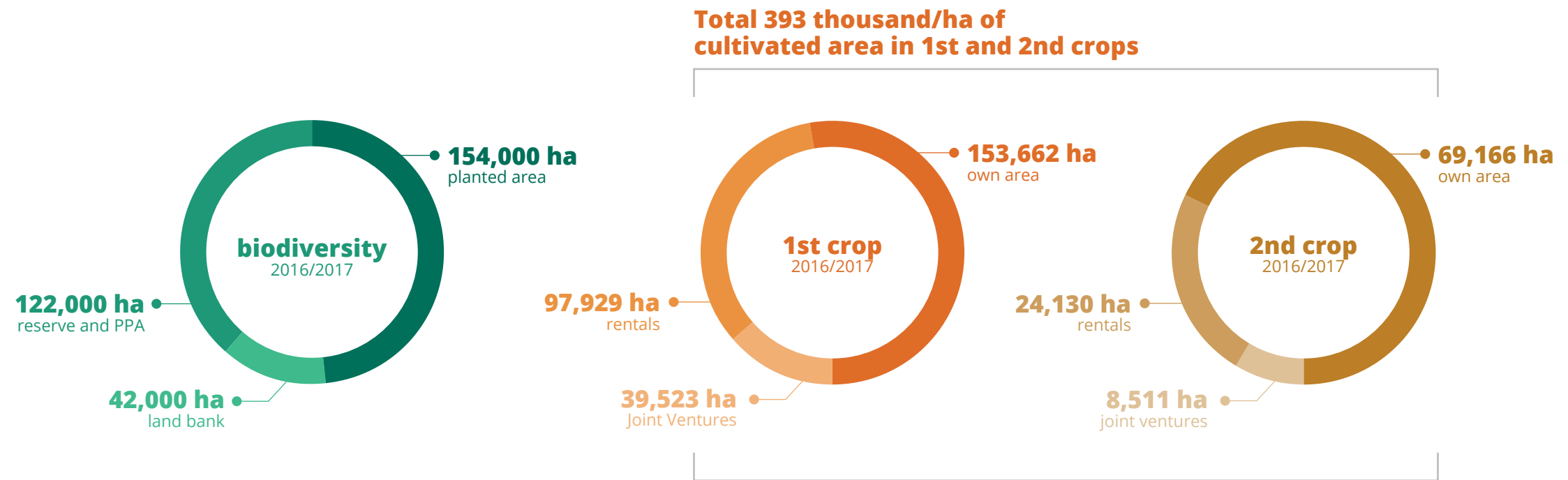
Stage 2
After the Company went public, it entered a phase of strong growth in planted area, with acquisitions and rentals, starting strategic partnerships (joint ventures). During that period, SLC Agrícola consolidated its expertise in prospection and acquisition of lands with high productive potential. Generating more value to its portfolio, and simultaneously investing in quality by intensifying voluntary certifications.



Stage 3
The current stage projects the company into the future, with focus on efficiency increase and less need of growth in planted area. It means doing more with less, by optimizing all assets. From good agricultural practices to digital agriculture, efficient management is leading to culture intensification, partly possible because of the maturation already achieved in the Company’s lands. In order to add value, the Company counts with investments in research and innovation projects, new businesses and profit from real-estate earnings.

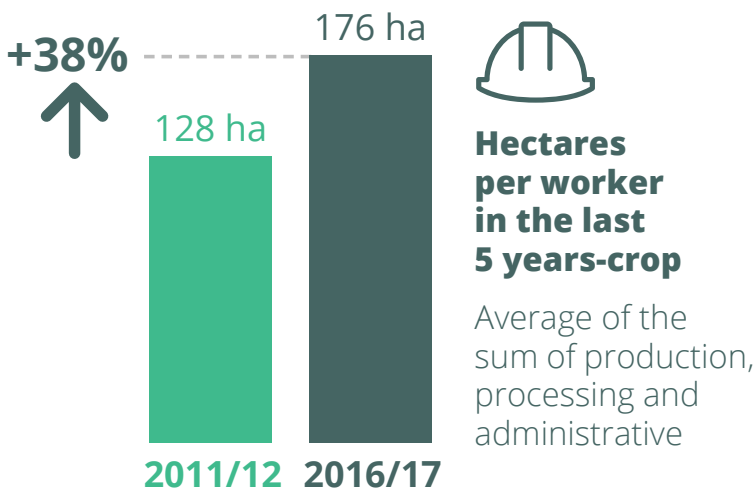
Do more with less

GRI 102-2



Working for 40 years with the production of agricultural commodities, SLC Agrícola operates large scale systems, cutting-edge technology, standardizing of productive units, strict control of costs and

social-environmental responsibility. That set of actions generates productivity increases and reduction of both operational costs and inputs. Those improvements make sustainable development possible.



The Great Dream



Turnover
average 16.7%



Operational team training
60 h/man



SQP Program accident frequency rate
3.19



Productivity in ha/employee
38% growth



Productivity above the expected
cotton 12.7%
soybean 7%

The Company’s Great Dream expresses SLC Agrícola’s commitment: “to have a positive impact on future generations, being a world leader in efficiency in the agricultural business and in respect to the planet”. That vision permeates the organizational culture and supports decision-making, having as its basis the Sustainability Policy, in which the Company makes commitments of generating economic, social and environmental value.

2017’s high performance is the result of the sum of those actions, in which the human factor is highlighted. The company invests fiercely in the training of its teams and in programs to strengthen the culture of behavioral safety, as well as to promote digital inclusion. As a result, in 2017 it is possible to notice a virtuous cycle that joins all the links of the production process, and generates economic results to SLC Agrícola and positive results to all the interested parties.



Sustainability Policy

By means of its Sustainability Policy, the Company makes commitments to its stakeholders:

- using natural resources effectively;
- reducing liquid and gas effluents;
- reducing waste, reusing materials and disposing of waste appropriately;
- eliminating conditions outside the work pattern and aim for “zero accident”;
- promoting ethics and sustainable development, with the involvement of the interested parties and tolerance towards divergent positions;
- acting without discrimination regarding human rights;
- remunerating fairly;
- counteracting forced child labor;
- acting with responsibility, transparency and ethical behavior.

Risk management

GRI 102-15, 201-2

SLC Agrícola is exposed to risks related to climatic changes, directly and indirectly. Just like global production and consumption variations of soybean, corn and cotton, subject to conditioning agents of climatic nature.

To mitigate impacts, the choice of areas is part of the business strategy, in which different parameters are considered, aside from the landholding and environmental regularization, such as ground profile and climatic characteristics of the region, especially the annual volume of rainfall and its distribution. SLC Agrícola prioritizes regions in which the rain volume is sufficient for maintaining cultures, without need of irrigation. Of SLC Agrícola's 14 agricultural units, only two have partially irrigated areas. The remaining ones are maintained only with the soil's humidity, dropped by rainfall distributed during the year.

The location and diversification of cultures complement that strategy. Its 14 Farms are located in six Brazilian states, in the Cerrado, separated by a radius

of up to 1,5 thousand kilometers, with distinct regimens, avoiding a chain effect.

Aside from that, the annual agricultural planning is extensive and considers climatic risk factors. During the production process, good practices of agricultural handling, such as direct planting and culture rotation, are essential to improve the soil's quality and also contributes to breaking of the pests' cycle. For that, the company counts with the Integrated Monitoring of Plagues and Diseases (MIP/MID) and a specialized technical team. The Company uses varieties of seeds with protection against possible plagues in its genetic material, something that adds cost but also yields more productivity.

The research is focused on the adjustment of several cultures and varieties to the specific cha-

racteristics of each micro-climate and soil type. Those practices, associated to precision farming, something that has been on the rise, have the capacity of reducing both the production costs and the consumption of fertilizers and pesticides, affecting directly the mitigation of environmental impacts.

In a general way, Brazilian producers whose businesses are export-oriented face deficiencies in transport logistics, exchange risks, stock fluctuations, commodities prices' oscillation in internal and external markets and, on top of all that, variations in the costs of the main inputs, most of which are imported. For that, the company keeps a risk management policy. The Market Risk Management Policy encompasses the operational margin control.



Operational and financial performance

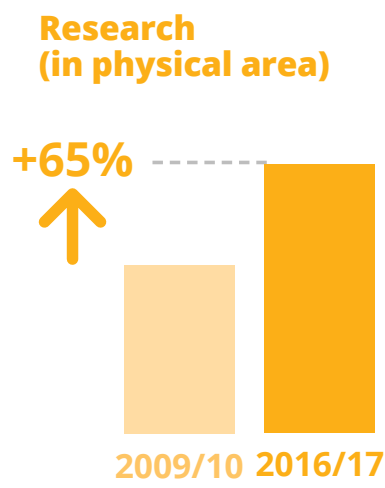
- 27** Innovation and connectivity: more efficient use of resources
- 29** Processing and storage

- 30** Main cultures
- 31** Economic performance
- 32** Direct economic value generated and distributed



Innovation and connectivity: more efficient use of resources

GRI 102-9



SLC Agrícola became a reference in products and processes certifications, because it has the conviction that sustainable development and profitability walk hand in hand. When the company envisions the future, it sees a connected Farm and desires to be more effective in the use of any type of asset.

In order to face the challenges of elevating the standards in the entire production chain, the Company created in 2016 the Multidisciplinary Agricultural Technology Committee, which has been leading several initiatives.

The research evolution shows SLC Agrícola’s alignment with innovation. Research is a key

element in the search for asset optimization, because the experiments confirm the development of the seeds and revert in better area usage. Currently, the planted area with trials is of 1.897 hectares, and in 43% of that area two crops are harvested. Aside from that, training in research became a component in the harvest’s accounting worksheet.

In machinery, implements and equipment, from 2016 to 2017, investments were incremented in 27.7%. Some machines are not only more efficient, but also have embedded technology to interpret and share data with the Farms’ headquarters.

Five projects implemented in 2017

Paiaguás Farm (MT) – use of digital indication of Auteq-John Deere machines.

QBEN project implementation – monitoring of cotton’s quality in all the Farms.

Pamplona Farm (GO) – implementing of mobility for digital indication of plagues and diseases.

Pamplona (GO) and Paiaguás (MT) Farms – tests for data transmission using connectivity.

Panorama Farm (BA) – collection of machinery data with the Climate Field View tool.

Chain and relationship with suppliers

GRI 102-9

Contracts and negotiations are corporate and centralized in the headquarters, in Porto Alegre, Rio Grande do Sul, considering the governance rules. Other three regional offices, strategically located in the states of Mato Grosso, Bahia, and Maranhão, support the process.

3,000 + suppliers registered and homologated

- Acquisition of production inputs (fertilizers, seeds and pesticides)
- Construction work and infrastructure
- Purchases related to production (machinery and implements, vehicles, inputs for cotton harvesting and processing, general purchases)
- Suppliers for environmental management

Innovation and connectivity: more efficient use of resources

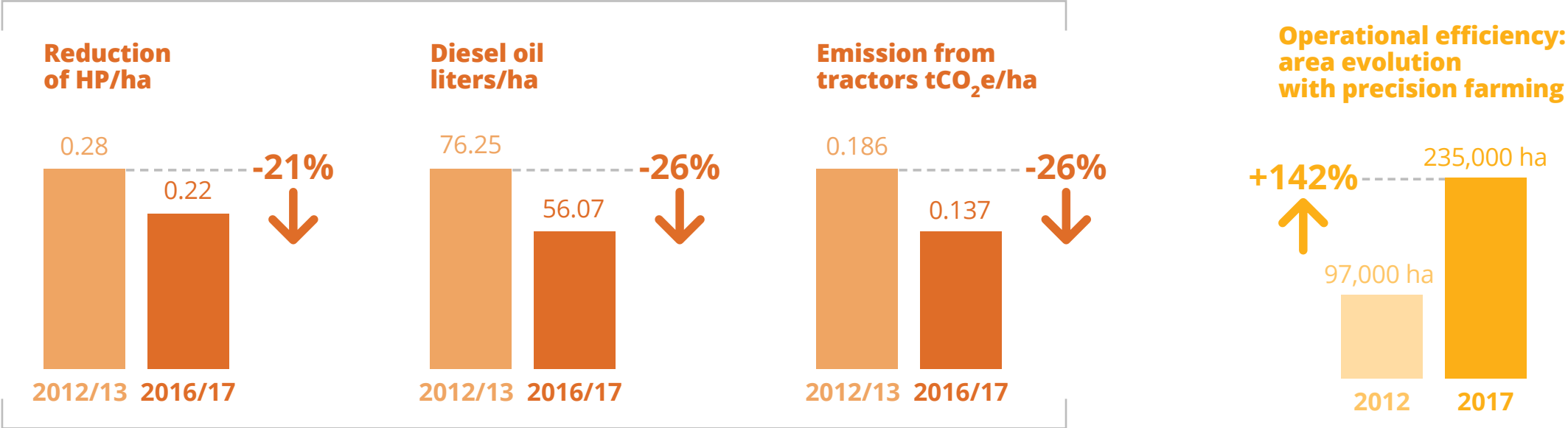
GRI 102-2

The reduction in the power of the tractor engines (HP/ha) results in a drop of fuel consumption and a reduction in the emission of greenhouse effect gases.



Second harvest: producing more without area expansion

The second harvest exemplifies well the purpose of producing more without area expansion, using better one of the company's main assets: the land. Among the benefits of second harvest is the cultures rotation, recommended amongst agricultural good practices due to its capacity of breaking the pests reproduction cycle, a natural way of preventing their multiplication, switching varieties that are not hosts of the same plagues, what directly results in a reduction in the use of agricultural pesticides. With a reduced cycle, those cultures allow for the second planting of cotton and, mainly, corn. That happens only in regions with favorable climatic conditions, within the agricultural zoning period of Mato Grosso, Mato Grosso do Sul and Maranhão.



Processing and storage

GRI 102-2



Cotton

Processing
5,900 bales/day

Storage (capacity)
170,540 (in plume)
26,800 tons (cottonseed)



Other grains

Processing
18 units of grain processing

Storage (capacity)
612,700 tons



The processing is a strategic step to ensure the products quality, therefore, the efficiency in drying and storage is guaranteed by facilities with controlled temperature and aeration. In 2017, the deployment of the Quality Management System, directed to that process. The system is based on ISO 9001, and currently has a certified unit, Planalto Farm (MS). The goal for 2018 is the implementation and certification in two more, Pamplona Farm (GO) and Panorama Farm (BA).

Since 2010, SLC Agrícola has been developing a strong movement towards trade opening in the Asian market for cotton, and ended up becoming the only Brazilian

exporter to sell directly to those markets. That is in part due to the rigorous selection process, which involves a two-step analysis. The first classification is visual, and a second classification is made by a High Volume Instrument (HVI), in third-party labs.

However, the biggest differential is in bale standardization, forming homogeneous bales, directed to specific profiles, from a database, to each customer. That selection adds value to the textile industry, because standardized bales influence the final product's quality. Currently, only SLC Agrícola and the North-American company Boswell meet that requirement standard.

Main cultures

GRI 102-2

Soybean



planted area 58%	revenue 36%	Ebitda* 46%
cultivated hectares 230,127	superior productivity 5% + BR and USA average** not including immature areas	

Soybean is the main culture when it comes to planted area and, aside from the expressive participation in the financial performance, the grain benefits other cultures because it allows direct planting, without revolving the soil and helping the biological nitrogen fixation and nutrient recycling. Where the climate is favorable, after the soy harvest, it is possible to cultivate a second harvest, with cotton, corn, sunflower seeds and sorghum.



Cotton



planted area 24%	revenue 53%	Ebitda* 47%
cultivated hectares 87,440	superior productivity 10% + BR average and almost 60% + USA average**	

Cotton is SLC Agrícola's main product in terms of financial margin, due to its high added value. Since it is a culture with a longer production cycle and demands more attention in handling, it is also the one that generates more job opportunities. In 2017, the elevated production and product of excellent quality reflected the good performance, with an improvement of 14.6% increase to the agricultural operation, finishing the period at 15.6%.



Corn



planted area 19%	revenue 10%	Ebitda* 2%
cultivated hectares 71,790	superior productivity almost 40% + BR average**	

Incorporating corn to the culture rotation system is strategic for the Company, since planting it generates benefits due to the accumulation of haystack, increasing the organic matter concentration and improving the soil's micro fauna and micro flora. Aside from that, 100% of the area cultivated with corn is of second harvest, by the direct seeding system, promoting the optimization of resources and the drop of operational costs.

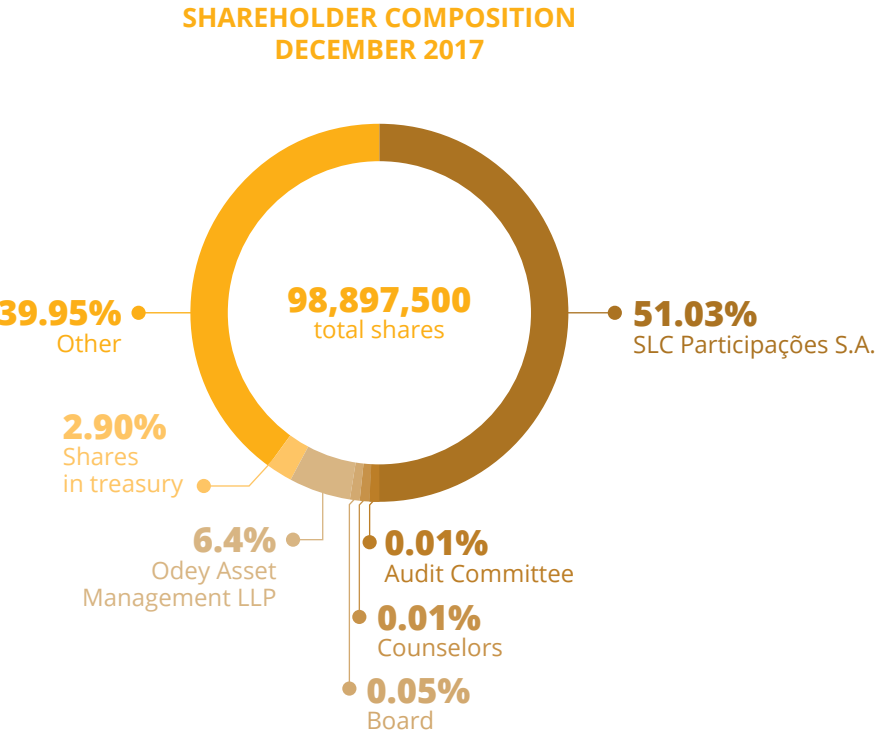


*Average of the last three harvests / **2007/08 – 2016/17 harvest

Economic performance

GRI 103-1, 103-2, 103-3

MATERIAL TOPIC



SLC Agrícola seeks to be a reference in good agricultural practices and sustainable development, because its purpose is to be a world leader in efficiency in the agricultural business and in respect to the planet. The Company’s essence guides the strategic foundations and supports the management model.

In 2017, the climate was very favorable for the good development of the three main cultures, soybean, cotton and corn in all Brazilian states in which SLC Agrícola operates, leading to a result of 393 thousand hectares harvested. In the culture of cotton, the 2016/17 harvest’s productivity broke a historic record, reaching 12.7% above the expected, which represents almost 11% above the Brazilian average. Soybean, in turn, exceeded the expected production by 7%. With that good performance on the field, the consolidated net result was of approximately R\$ 369 million, and the net margin reached 19,9%, a raise of 18,9% in comparison to 2016.

The company has been working to stretch payment deadlines, and, due to the trust and quality of the relationship with suppliers, that effort yielded good results. The year’s ending was crowned by the generation of a R\$ 202 million free cash flow. Considering the average of the last three years. The value reached R\$ 196 million, a positive result, considering the minimum goal was an average of R\$ 150 million for five years. In 2017, the agricultural operation reached a record adjusted Ebitda of R\$ 568 million, which means R\$ 319 over the previous year, with an adjusted Ebitda margin of 30.6%. That excellent growth of free cash flow generation in the agricultural operation is mainly a result of the productivity increase.

Reducing the exposition to the dollar has been a priority, since SLC Agrícola’s products are priced according to the market, in international commodities markets. To ensure operational margins, the Company protects itself

from the variations in commodities prices and the variation in the income exchange rate.

Since 2008, it counts with the Risk Management Committee and a policy that establishes its guidelines, approved by the Administration Council. According to that policy, the protection to the variations in commodities prices is basically performed by direct anticipated sales to the customer, with future physical delivery (forward contracts). Those operations are negotiated based on the reference of the commodities price in the future market.

The protection of the incomes from future sales, indexed to the exchange rate, is ensured by the hiring of financial instruments (hedge). Therefore, the impact on the result and the free cash flow of both the company and its subsidiaries occurs only in the contracts liquidation date.

Direct economic value generated and distributed

GRI 201-1

The pillars of economic development are the Market Risk Management Policy and the administration of the financial cycle. From a strategic point of view, the priority is to ensure safe margins for generation of free cash flow, aligned to financial solidity. The strategy means to balance growth and value generation for shareholders.

GRI 201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED				
ACCOUNT DESCRIPTION	2015	2016	2017	Variation (%)*
CONSOLIDATED BALANCE (R\$)				
Incomes	2,146,679,734.54	1,836,715,181.65	2,441,566,120.26	32.93%
Inputs acquired from third-parties	(1,156,158,432.02)	(1,183,910,985.40)	(1,439,542,397.26)	21.59%
Gross added value	990,521,302.52	652,804,196.25	1,002,023,723.00	53.50%
Retentions	(106,802,696.80)	(104,242,376.62)	(91,506,462.50)	-12.22%
Reduced net added value	883,718,605.72	548,561,819.63	910,517,260.50	65.98%
Added value received by transfer	434,645,188.73	409,408,105.29	307,264,203.64	-24.95%
Total added value to be distributed	1,318,363,794.45	957,969,924.92	1,217,781,464.14	27.12%
DISTRIBUTION OF ADDED VALUE (R\$)				
Personnel	188,094,295.36	213,028,621.92	233,916,107.18	9.81%
Taxes, fees and contributions	188,068,508.86	138,581,262.56	293,939,916.17	112.11%
Remuneration of third-party capital	821,031,116.67	590,719,467.41	320,663,821.32	-45.72%
Remuneration of own capital	121,169,873.56	15,640,573.02	369,261,619.51	2,260.92%

*Variation between the reported year and the last reported year.

Social performance

- 34 Strengthen the human capital
- 36 Social investment
- 38 Integrated management of appreciation and development
- 39 Transparent remuneration policy
- 40 Training and education

- 42 To produce with quality means to produce with safety
- 43 Occupational Health and Safety Management System
- 44 Policy of Consequences and Golden Rules



Strengthen the human capital

GRI 102-8

SLC Agrícola has the goal of advancing in policies that promote human development, because it considers its workforce to perform a significant role in its business model. The investments in people management seek to form and maintain a motivated team, ready to face challenges. The opportunities for growth within the company are concrete. More than 78% of the leadership positions are occupied by collaborators.

Considering that the 2,800+ collaborators are distributed in 15 units, in seven Brazilian states, including the headquarters in Rio Grande do Sul, communication and trust are foundations for the building of good work.

GRI 102-8 | TOTAL NUMBER OF EMPLOYEERS PER EMPLOYMENT CONTRACT, PER GENDER

	2015			2016			2017		
	Permanent	Seasonal workers**	Total	Permanent	Seasonal workers**	Total	Permanent	Seasonal workers**	Total
Men	2,087	664	2,751	2,010	467	2,477	2,050	542	2,592
Women	306	2	308	284	1	285	288	1	289

*Law # 5.889/73 and Decree # 73.626/79 establish the contract for seasonal workers. The contract per crop is signed for a fixed term and provides labor guarantees, according to art. 443 § 2º, letter “a”, of CLT.

GRI 102-8 | TOTAL NUMBER OF EMPLOYEERS PER EMPLOYMENT CONTRACT, PER REGION

	2015			2016			2017		
	Permanent	Seasonal workers**	Total	Permanent	Seasonal workers**	Total	Permanent	Seasonal workers**	Total
RS*	220	–	220	231	–	231	237	–	237
MT	568	160	728	595	176	771	618	201	819
MS	138	6	144	145	14	159	143	5	148
GO	182	10	192	162	21	183	168	19	187
MA	524	261	785	518	150	668	557	172	729
PI	54	41	95	49	24	73	51	2	53
BA	707	188	895	594	83	677	573	135	708

*In Rio Grande do Sul there are only permanent collaborators, because that’s the location of SLC Agrícola’s headquarters.

GRI 102-8 | TOTAL NUMBER OF EMPLOYEES PER TYPE OF EMPLOYMENT CONTRACT, PER GENDER

	2015			2016			2017		
	Full time*	Part-time**	Total	Full time*	Part-time**	Total	Full time*	Part-time**	Total
Men	2,717	34	2,751	2,450	27	2,477	2,534	58	2,592
Women	296	12	308	280	5	285	279	10	289

*Hired full time, including those who work in shifts. Include permanent and seasonal workers, exclude young apprentices and trainees. There’s no information about hired people from service providers.
**Employees hired for half-period work include only young apprentices and trainees. There’s no information about hired people from service providers.

To value means to offer a differentiated plan

GRI 103-1, 103-2, 103-3
102-43 , 401-2

SLC Agrícola takes care of its collaborators, and shows that offering houses/lodgings in the Production Units and a temporary assistance for rent. The residents' village offers adequate infrastructure and environment for the coexistence between the families.

Aside from basic items, SLC Agrícola's benefits package incorporates: participation in the profits, plan of positions and salaries, possibility of formation with the leaders academy, guarantee of a performance management, clarity in the succession plan, appreciation and real opportunities of continued education, aside from the certainty of a safe place due to the constant strengthening of the labor safety policies. To that, the Company adds transparency in communication and the recognition for dedication based on time with the company, because it seeks to additionally promote quality of life.

The Company stimulates continued education in all levels. One exam-

ple of that is the Palmares Farm (BA), which has 30 students enrolled in the EJA program (Education of Youngsters and Adults), in partnership with the Industry Social Service in Bahia. The Education Aid, aligned to the development project, is also highlighted, with investments of more than R\$ 224 thousand, which benefited more than 93 people in the last year, between:

- 53,76% – higher education
- 33,34% – postgraduate course
- 12,90 % – languages

After six months, the collaborators may plead for scholarships. The requirements and participation criteria are broadly disseminated and the grant is made by means of a committee. Directors and members of the Corporative

Committee also have support to go forward with continued education projects. The opportunities are offered in all education levels, including graduation and postgraduation, in the proportion described below:

- Elementary School – 100% of enrollments and monthly fees value
- Secondary School – 50% of enrollments and monthly fees value
- Higher Education in Private Institution – 1st semester, 40% of enrollments and monthly fees value; in the following semesters, the assistance varies from 40% to 80%, according to the averages obtained.
- Postgraduation, Master's and Doctorate – reimbursement of 50% over the enrollments and monthly fees. [GRI 401-2]



Social investment

GRI 102-43

SLC Agrícola has as a purpose contributing to the development of communities located close to its operations, in consonance with The Great Dream, of impacting future generations, and for that reason it supports non-profit organizations and social projects.

In order to have eligibility, such contributions may not have the purpose of obtaining any type of advantage, not be directed to entities with any history of corruption or fraud actions. The access to those resources is considered forbidden to companies considered as parties related to the Company. In the last financial year, R\$ 1,78 million was destined to that end.

The local conduction of that work falls to the GAS (Social-Environmental Action Group), formed by volunteers in the 15 units with the purpose of contributing to the development of the neighboring communities. In 2017, GAS counted with a budget of R\$ 400 thousand, and among its actions, supported two projects made possible by fund raising through the Rouanet Law, selected for promoting education and culture for the children and young people audience from isolated communities in the country.

MudaMundo Project

An initiative directed to the dissemination of of ethical values, focused on the children and young people audience. Students from public schools, from the 1st to the 5th year of primary school, in the cities of Luís Eduardo Magalhães, in Bahia, Posse, in Goiás, and Balsas, in Maranhão, had their first contact with the MudaMundo Project.

Reach

- 6 workshops for teachers
- 6 presentations of the MudaMundo Theater

Audience

- 382 teachers
- 2,290 children

Donations

- MudaMundo Collection – 1,200 copies for schools
- Activities notebooks – 450 copies for teachers (project continuity)



Social investment

GRI 102-43

Engagement and diversity

The company monitors collaborators’ satisfaction with the Pensa biannual organizational climate research (2016/global result of 76,7%), interleaved with participation in the Great Place to Work. With an index of 82% respondents, the company rose three positions in the ranking, climbing from 10th to 7th place among the

Best Companies to work in, in Rio Grande do Sul. [GRI 102-43]

One thing that has the Company’s attention is diversity, provisioned by the Integrated Policy of Environment, Health and Occupational Safety and Social Responsibility. More than acting in favor of non-discrimination, the Company seeks to promote opportunities for experience exchange, increasing the tolerance to differences.

To stimulate that environment, there is the Semear Program, grounded on the inclusion and development of people with special needs. Realizing actions towards awareness-raising, the program already counts with a booklet, a video and an annual calendar of lectures, workshops and training sessions on the subject. Aside from that, it instituted the hiring of Libras interpreters for meetings and trainings.

Projects for tax incentive in 2017

Funcrriança

- Santa Zita de Lucca Charitable Association – R\$ 24,400.00
- Menino Jesus de Praga House – R\$ 9 thousand
- Kinder – R\$ 10 thousand
- Santo Antônio home – R\$ 10 thousand

Rouanet Law

Total incentive – R\$ 213.6 thousand

Sports Law

- Social Indoor Soccer – indoor soccer classes for children in a socially vulnerable situation in Novo Hamburgo (RS) – R\$ 53.4 thousand

Elderly Law

- Santa Casa de Misericórdia of Porto Alegre – R\$ 53.4 thousand

Telling Stories Project

Itinerant puppet theater spectacles, aiming to stimulate reading amongst children, toured seven cities in three states: Luziânia (GO), Costa Rica (MS) and, in Mato Grosso, the cities of Querência, Americana do Norte, Sinop, Deciolândia and Sapezal.

Reach

- 17 presentations
- 4,345 spectators



Integrated management of appreciation and development

GRI 103-1, 103-2, 103-3, 401-1

MATERIAL TOPIC

GRI 401 – 1 | TOTAL NUMBER AND FEES FROM NEW EMPLOYEE hirINGS AND EMPLOYEE TURNOVER PER AGE GROUP, GENDER AND REGION

		# of new hirings	Rate of new hirings	# of employee turnover	Employee turnover rate
GRI 401-1 TURNOVER PER GENDER					
2015	Men	592	25.3%	481	20.6%
	Women	88	3.8%	46	2.0%
2016	Men	468	20.8%	393	17.5%
	Women	70	3.1%	39	1.7%
2017	Men	376	16.7%	314	14.0%
	Women	72	3.2%	61	2.7%
GRI 401-1 TURNOVER PER AGE GROUP					
2015	< 30 y/o	394	16.9%	212	9.1%
	30-50 y/o	263	11.3%	253	10.8%
	> 50 y/o	23	1.0%	62	2.7%
2016	< 30 y/o	310	13.8%	192	8.5%
	30-50 y/o	208	9.2%	194	8.6%
	> 50 y/o	20	0.9%	46	2.0%
2017	< 30 y/o	254	11.3%	167	7.4%
	30-50 y/o	182	8.1%	185	8.2%
	> 50 y/o	12	0.5%	23	1.0%
GRI 401-1 TURNOVER PER REGION					
2015	Center-West	270	11.6%	185	7.9%
	Northeast	339	14.5%	267	11.4%
	South	71	3.0%	75	3.2%
2016	Center-West	231	10.3%	158	7.0%
	Northeast	257	11.4%	220	9.8%
	South	50	2.2%	54	2.4%
2017	Center-West	193	8.6%	170	7.6%
	Northeast	205	9.1%	176	7.8%
	South	50	2.2%	29	1.3%

The company keeps a policy for turn-over control, establishing a 20% goal; however, it has been achieving better standards, such as 16,7% in 2017. The good result is due to an integrated management of appreciation and development, which is reflected in indicators in the last five years. An alert was given in 2013, when in face of the 39,7% index, considered unacceptable, the Company started a wide retention process.

The indicator is considered essential for management, because it influences the performance of other management parameters and helps to evaluate the return over investments in training. That correlation is corroborated by the recent gains of productivity in hectare/man and by the drop in the accident frequency rate.

Table data
1. Calculations were carried out in relation to permanent employees.
2. Turnover rate: total # of employees departed per year/total picture of the year (ex: 31/12/2014)
3. New hirings rate: total # of new hirings per year/total picture of the year (ex: 31/12/2014)

Transparent remuneration policy

GRI 103-1,103-2,103-3, 202-1



GRI 202 - 1 | VARIATION IN PROPORTION OF THE LOWEST WAGE, DISCRIMINATED BY GENDER, COMPARED TO LOCAL MINIMUM WAGE IN OPERATIONAL UNITS

Operational unit	MT		MS		GO		MA		PI		BA		RS	
2015														
Gender	M	W	M	W	M	W	M	W	M	W	M	W	W	W
Lowest wage paid	942	980	1,035	1,035	872	960	880	880	941	979	855	855	1,049	1,323
National minimum wage	788	788	788	788	788	788	788	788	788	788	788	788	788	788
Percentage difference (+)	16.3%	19.6%	23.9%	23.9%	9.6%	17.9%	10.5%	10.5%	16.3%	19.5%	7.8%	7.8%	24.9%	40.4%
2016														
Gender	M	W	M	W	M	W	M	W	M	W	M	W	M	W
Lowest wage paid	1,104	1,059	1,035	1,035	975	1,029	972	972	1,051	1,022	968	968	1,516	1,429
National minimum wage	880	880	880	880	880	880	880	880	880	880	880	880	880	880
Percentage difference (+)	20.3%	16.9%	15.0%	15.0%	9.7%	14.5%	9.5%	9.5%	16.3%	13.9%	9.1%	9.1%	42.0%	38.4%
2017														
Gender	M	W	M	W	M	W	M	W	M	W	M	W	M	W
Lowest wage paid	1,126	1,219	1,195	1,112	1,070	1,254	1,056	1,056	1,106	1,370	1,030	1,036	1,317	1,513
National minimum wage	937	937	937	937	937	937	937	937	937	937	937	937	937	937
Percentage difference (+)	16.8%	23.1%	21.6%	15.7%	12.4%	25.3%	11.3%	11.3%	15.3%	31.6%	9.0%	9.6%	28.9%	38.1%

1. In relation to the data disclosed in the last report (2016), there was a change in the way the indicator is presented. The current value is related to the percentage difference from the lowest wage paid to the national minimum wage.
2. Young apprentices and trainees are not included into the results.

The company keeps a clear and transparent way of acting in relation to the remuneration policy, which seeks balance in comparison to the market, remaining attractive. As such, it seeks to remunerate in a fair way, compatible with its size and the local realities of each region where it operates. The Company considers correct to recognize people with differentiated performances.

In order to recognize its competitiveness, it performs periodic salary surveys and specific studies on remuneration in different markets. In the next table, the existence of salary variations between men and women in some states is due to the position profile, with no relation to gender.

Training and education

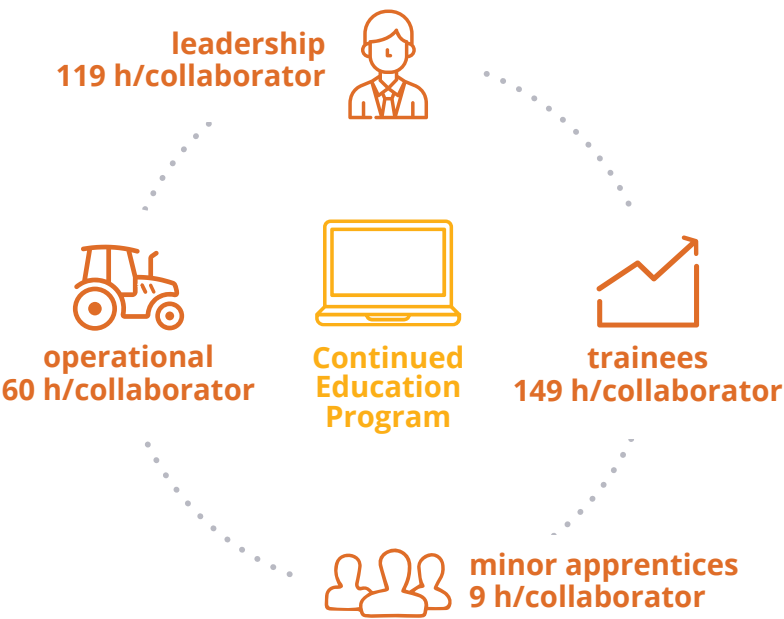
GRI 103-1, 103-2, 103-3, 404-2

MATERIAL TOPIC

The contemporary understanding of training seeks an integral formation between technical and behavioral competencies based on the challenges of each role. SLC Agrícola endorses this perception and bases its strategy in five programs in order to satisfy these peculiarities, according to the professional life’s progression. They are: Technical Training, Leaders Academy, Specialists Training Program, Trainees Training Program and Interns Training Program. The

contents are transmitted by senior collaborators or external consultants. [GRI 404-1]

Each productive unit elaborated and executes its annual budget for training, with supervision from the headquarters. The training activities schedule follows the harvest activities, adjusting demands from the collaborators and respective areas, and being accompanied by assessment indicators which feed the Company’s management platform. [GRI 404-1]



Digital inclusion

GRI 404-2

In the journey towards the connected farm, nobody may stay behind. For that reason, in August 2017, the pilot project Digital Inclusion Space was launched in the Palmares Farm (BA). The program, which since the beginning of 2018 reaches other farms, seeks not only to give access to the digital environment, but also to integrate collaborators not currently reached by the distance learning processes. The introductory class was taught by GAS team.



Training and education

GRI 103-1, 103-2, 103-3, 401-4, 404-3

MATERIAL TOPIC

Career performance and development analysis

GRI 404-3

Annually, 100% of the collaborators go through some formal process of evaluation, according to the Company’s Human Resources policies. All leaderships go through competencies evaluation, considering a 180° cycle with application of self-assessment, evaluation of the immediate supervisor and of the subordinate team, with elaboration of an Individual Development Plan (PDI) and final feedback with the immediate manager.



GRI 404 - 1 | AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE

Training hours			Number of employees		Average per employee		
2015							
Gender	Men	Women	Men	Women	Men	Women	General
Leadership	28,591	1,649	228	15	125	110	124
Operational	107,370	13,695	1,769	272	61	50	59
Trainees	2,713	684	17	5	160	137	154
Minor apprentices	236	91	16	16	15	6	10
Total	138,910	16,119	2,030	308	68	52	66
2016							
Gender	Men	Women	Men	Women	Men	Women	General
Leadership	26,340	1,658	224	17	118	98	116
Operational	106,896	9,530	1,766	256	61	37	58
Trainees	2,328	723	15	5	155	145	153
Minor apprentices	140	39	14	14	10	3	6
Total	135,704	11,950	2,019	292	67	41	64
2017							
Gender	Men	Women	Men	Women	Men	Women	General
Leadership	24,963	1,888	206	19	121	99	119
Operational	110,357	11,099	1,770	259	62	43	60
Trainees	2,387	0	16	0	149	0	149
Minor apprentices	191	127	26	10	7	13	9
Total	137,900	13,115	2,018	288	68	46	65

Calculations carried out with the collaborators list of 31/12/2017, without seasonal workers.

To produce with quality means to produce with safety

GRI 103-1, 103-2, 103-3
MATERIAL TOPIC



As one of the biggest agricultural endeavors of the country, SLC Agrícola considers people’s safety and occupational health a non-negotiable value.

To internalize the philosophy that producing with quality means also to produce in a safe environment, the Company implemented in 2016 the SQP (Safety, Quality and Productivity) Program. The program establishes the worker’s safety as a priority, followed by the products’ and processes’ quality, and high

productivity is the consequential result of those two actions. That perception reflects The Great Dream and SLC Agrícola’s values: “no profit or production will be more important than the physical and psychological integrity of our collaborators”. Such perception is

endorsed by the Integrated Environment, Health and Occupational Safety and Social Responsibility Policy, which establishes: the minimum legal compliance of all activities; the elimination of unsafe conditions; the continuous search for improvement; the never ending search for “zero accidents”.

Occupational Health and Safety Management System

GRI 103-1, 103-2, 103-3

MATERIAL TOPIC

- The Occupational Health and Safety Management System counts with key indicators such as:
- Accident frequency rate
 - Severity rate
 - Safe Practices Index (IPS)
 - Number of alerts: behavioral observations expected versus realized
 - Percentage of deviations resolution
 - Absenteeism rate

The management is made by means of the Occupational Health and Safety Management System, based on the OHSAS 18001:2007 rule requirements, already certified in seven production units.

It is undisputed that, in order to achieve a safe environment, it is necessary for individuals to become aware; therefore, one of the supports comes from the Behavioral Safety Program, that managed to increase the awareness regarding personal conduct standards. The methodology is based on reflection by the own worker about the possible consequences of deviations from the health and safety rules, elevating the worker's perception of the risk.

The indicators provide grounds for actions plans, and also for correction of deviations generated by the work environment's conditions.

The monitoring is monthly for every sector and the information feeds the database integrated to the SQP Program, already structured in all the 14 Farms. The committees, formed by workers and leaderships from all sectors, and having as leader the Unit's manager, has its actions focused on the monthly management of indicators, legal compliance and certifications.

When any deviation is identified, correction measures are immediate. Besides, (almost) all accidents which involve occupational damage or critical deviations are shared by the leaderships of all Units, with the purpose of engaging everyone in preventive actions, avoiding recurrences in the other units. That work is supported by other actions, making safety and occupational health a subject of constant mobilization.



Policy of Consequences and Golden Rules

GRI 403-2

Data from the last five years are really positive; however, in the 2016/2017 crop, the average number of accidents with leave was 3% above that of the previous crop. This indicates a plateau effect that has already been reported by Occupational Health and Safety (OHS) specialists and demands intensifying routines that have already been developed, in addition to implementing new practices. Among the measures is the launch of the Policy of Consequences, scheduled for 2018, along with the definition of the Golden Rules.

A lasting educational activity with the objective to establish guidelines to standardize all operations concerning good OHS practices.

The initiative provides application of disciplinary sanctions for violating pre-established standards and procedures and appreciation for teams and leaders for overcoming the Company's established OHS standards. The Golden Rules are norms related to critical activities. If they are not met, it may potential lead to very serious losses.

To learn from mistakes in order to prevent their recurrence

The Integrated Policy – Environment, Health and Occupational Safety and Social Responsibility – establishes that all accidents involving occupational damage undergo a rigorous investigation. Immediately after the date of the accident's occurrence, an Investigation Committee is formed, with participation of the Farm's manager, who has a deadline to produce and disclose a report and a plan of action in order to prevent a new occurrence.

1. In 2017, SLC Agrícola S.A. still didn't segregate occupational safety and health indicators per gender.
2. Light injuries (on first-aid level) are not included in the injury rate.
3. Deaths are included in the injury rate.
4. Lost days: days passed from the day after the date of the accident.
5. The absenteeism rate was not monitored in the 2014/2015 harvest.
6. For rates of injury, absenteeism and lost days, only own employees are considered, since there are no freelancers performing any activities at SLC Agrícola S. A.'s units.
7. There has been no report of occupational diseases during the last three crops.
8. There was a rectification to the absenteeism rate for the 2015/2016 harvest.

GRI 403-2 | TYPES AND RATES OF INJURIES, OCCUPATIONAL DISEASES, LOST DAYS, ABSENTEEISM AND NUMBER OF DEATHS RELATED TO WORK

	Crop 2014/2015			Crop 2015/2016			Crop 2016/2017		
	Northeast	Center-West	South	Northeast	Center-West	South	Northeast	Center-West	South
Injury rate (%)	6.27	6.72	0	3.67	1.88	1.73	2.66	4.45	0
Lost days	2,173	1,445	0	1,020	531	4	424	937	0
Absenteeism rate (%)	–	–	–	8.92	6.03	3.77	9.25	5.81	4.06
Number of deaths	1	0	0	0	1	0	0	1	0

Environmental performance

- 46** Water withdrawal
- 48** Water disposal
- 50** Certified suppliers
- 51** Environmental compliance
- 52** Biodiversity
- 54** Protected areas



Water withdrawal

GRI 103-1, 103-2, 103-3, 303-1, 303-3

MATERIAL TOPIC



The Company’s perception about the impact on water resources is prior to the management itself. To prioritize regions with well-distributed rainfall regimens, avoiding irrigation-dependent systems, is part of the business model, which is consonant with the goal of being a world leader in agricultural efficiency and in respect to the planet (read more in The Great Dream). For that reason, only two units, Pamplona Farm (GO) and Palmares Farm (BA), operate with part of their area under irrigation, and count with a central pivot irrigation system. Even so, the water receives special attention, and SLC Agrícola has been

perfecting its management models. That resource is applied on the cultures processing, on the cleaning and decontamination processes and on what regards the use of fertilizers and pesticides, as well as other uses in human consumption. Eventually, there may be the need of using water when fighting fires in forest areas or other disasters.

The installation of hydrometers in underground water collection is a condition established by state law, however, even though it doesn’t apply to all regions, SLC Agrícola believes flow measurement equipments are essential.

Efficiency in water use for irrigation

Sophisticated management systems are used for the reduction of the water and energy consumption, connected to meteorological stations. The irrigation system combines and consolidates, automatically, indicators from data collected by sensors in the crops, such as soil humidity, air temperature and evapotranspiration, considering peculiarities about the cultures’ stages. That data is treated according to the predictions on rainfall. Based on those analysis, the systems are activated or not.

GRI 303-1 and 303-3 | TOTAL WATER WITHDRAWAL BY SOURCE AND RECIRCULATION INDEX

	Volume (thousand m³)	Recirculation index (%)	Volume (thousand m³)	Recirculation index (%)	Volume (thousand m³)	Recirculation index (%)
	2015		2016		2017	
Superficial water	24,453		23,150		19,811	
Underground water	2,106		1,114		1,088	
Total	26,559	–	24,264	0.43	20,898	0.59

1. In 2015, there was no control of the recirculation index.
2. In 2017, there was an increase in the hydrometers installation and control of the underground water collection consumption. The monitored data proved to be more efficient than the prediction by means of the concession.

Water withdrawal

GRI 103-1, 103-2, 103-3, 306-1

MATERIAL TOPIC

By means of the effluents treatment stations is reused to wet gardens and wet roads, with the purpose of reducing dust in the streets close to the headquarters and internal routes between the crops after the cotton plant bud opens.

Only with assertive indicators about the collected volume it is possible to establish goals and mitigation plans. Currently, 50% of the water collections, underground and superficial, count with installed hydrometers.

The monitoring is performed by means of the FORM 176 form, which gathers information on the volume collected and reused. Where there are no hydrometers, consumption is estimated in compliance with the collection concession and pumping hours, during the periods of greatest and smallest demand in the year. In the last year there was a considerable raise in collections, with the installation of hydrometers.

Effluents management and reuse

GRI 306-1

The systemic management of effluents is made by the SQP (Safety, Quality and Productivity) Program, which integrates the data, allowing transversality of analysis through the entire chain and promoting increments in the reduction, in reuse and in recycling. SLC Agrícola has been intensifying the deployment of Effluents Treatment Stations (ETEs) in its units, in order to allow the treatment of the domestic effluent and the reuse of water. Currently, there are eight in operation, with 100% reuse of the treated effluent, in Planalto (MS), Planorte (MT), Pio-

neira (MT), Perdizes (MT), Pamplona (GO), Parnaguá (PI), Parceiro (PI) and Planeste (MA) farms.

However, the Company still didn't manage to implement flow meters in most of those ETEs, which prevents the volume of water reuse from being measured with precision, allowing it only to be estimated based on the flow data from the treatment stations' executive projects.

The residual waters, of industrial origin, come from different sources. The decontamination of aircrafts and land pulverizers, involved in the application of agricultural pesticides/fertilizers, is one of them. Another of those sources is the washing of IPEs (Individual Protection Equipment).



Water disposal

GRI 103-1, 103-2, 103-3, 303-3, 306-1

MATERIAL TOPIC

Good practices avoid underground water and soil contamination risks

In 11 Farms, the decontamination includes not only agricultural aircraft, but also land pulverizers, which is not a legal obligation. Therefore, every effluent contaminated by pesticides coming from the washing yard passes through purification systems with ozone, proceeding to a covered and sealed tank, where it suffers evaporation. That initiative avoids underground water and soil contamination risks. The Farms are: Pamplona (GO), Planalto (MS), Parnaíba (MA), Planeste (MA), Panorama (BA), Planorte (MT), Paiaguás (MT), Piratini (BA), Palmares (BA), Paladino (BA) and Parnaguá (PI).

GRI 306-1 | TOTAL WATER DISPOSAL, DISCRIMINATED BY QUALITY AND DESTINATION

	Destination	Treatment method	Volume (m³)
2015	Infiltration into the soil (pit)	CSAO (separator box for water and oil)	13,608.0
	Evaporation	Ozonizer and solarization/evaporation tank	2,721.6
	Total	–	16,329.6
2016	Infiltration into the soil (pit)	CSAO (separator box for water and oil)	13,716.0
	Evaporation	Ozonizer and solarization/evaporation tank	2,743.2
	Total	–	16,459.2
2017	Infiltration into the soil (pit)	CSAO (separator box for water and oil)	15,132.0
	Evaporation	Ozonizer and solarization/evaporation tank	2,968.2
	Total	–	18,100.2

1. The quality of the water disposed is analyzed according to the parameters in Conama 430/11 Resolution. To identify possible sources of contamination in effluents treated by separator boxes, there is an annual analysis of: pH, settleable solids, effluent temperature, total phenols, COD, oils and grease, BTEX and TPHGRO.
2. In the publication of the last cycle, there was an inversion of the consolidated data relative to 2015 and 2016, which were adjusted.

Those effluents are treated by an ozonizer system (treatment with ozone) with evaporation in solarization tanks (sealed and covered pools).

In the mechanical workshop, the washing of parts and vehicles also generates residual waters. Those effluents are treated by a box responsible for separating water and oil, and disposed for infiltration in a pit and a filter.

The quality of the disposed water, on the other turn, is analyzed by hired laboratories, according to the parameters established in Resolution # 430/11 of the Environment National Council (CONAMA). The domestic effluents are not counted in that indicator, because they are being presented in another material topic. [GRI 303-3]



Waste management

GRI 103-1, 103-2, 103-3, 306-2

MATERIAL TOPIC



Operation impact: waste sources

Organic and recyclable
Residents' village, lodgings, headquarters, refectory

Recyclable and dangerous
Agroindustrial area

The solid waste management, from its generation, going through segregation until the final disposal, is organized to meet the guidelines of the PNRS (Solid Waste National Policy). The Farms already count on the 5S Program, which is managed inside the SQP committee. The 5S Program is focused on the management of waste from all units. Even though there is a control system, the Company has no established goals regarding the reduction of solid waste generation.

The organic and non-recyclable material is disposed in pits, lo-

cated close to the units. It is estimated that 465 tons are generated every year, considering the entire operation. The selective collection is systematized in all 15 units, farms and the matrix, and its destination is recycling. The goal for the next year is implementing indicators for solid waste volume in all units.

The residues that come from agroindustrial production in the 14 farms are classified, weighed and destined, obeying the company's Solid Waste Management Plan. The recyclable and

hazardous residues control is performed through weighing and destination, with emission of an invoice and other specific documents for each kind of residue destined for recycling, incineration, co-processing or landfill.

Only in three of the four units in Bahia (Palmares, Panorama and Paladino Farms) the Company didn't find a viable solution for destination of the hazardous residues for incineration, so they are disposed into an industrial landfill.

Strictness when disposing packaging and oil

The packaging of pesticides undergo a triple washing process and, after being made useless, they are temporarily stored and follow to the Agricultural Pesticides Packaging Collection Center of InpEV (National Institute of Empty Packaging Processing). The oil used in agricultural machinery is stored in the Farms temporarily and then collected by accredited suppliers with the purpose of recycling it, generating basic oil again.

GRI 306-2 | TOTAL WEIGHT OF HAZARDOUS WASTE, WITH A BREAKDOWN BY THE FOLLOWING DISPOSAL METHODS (IN TONS)

	Not hazardous	Hazardous	Not hazardous	Hazardous	Not hazardous	Hazardous
	2015		2016		2017	
Recycling	371.79	535.44	517.78	860.38	479.43	412.05
Incineration	0.00	82.86	0.00	88.30	0.00	218.79
Landfill	551.43	8.20	556.92	4.40	565.00	0.00
Total	932.22	626.50	1,074.70	953.08	1,044.43	630.84

Certified suppliers

GRI 103-1, 103-2, 103-3, 306-4

MATERIAL TOPIC

GRI 306-4 | TRANSPORT OF DANGEROUS RESIDUES

Total weight for each of the following (in tons)			
	2015	2016	2017
Hazardous waste transported	626.5	953.08	630.84
Hazardous waste treated	626.5	953.08	630.84



In SLC Agrícola, 100% of the residues are treated, and the company encourages its suppliers to seek improvement in their legal compliance processes. In 2017, that action was intensified with the formalization of corporate contracts, encompassing 85% of the Units with treatment and destination of non-contaminated residues (class II).

The units that were still not reached by that modality continue hiring locally until they are included, which should happen still in 2018. Aside from the residues (class II), a specific contract

was signed for contaminated residues (class I), encompassing all Center-West regions, where six farms are located: Paiaguás (MT), Planorte (MT), Perdizes (MT), Pioneira (MT), Pamplona (GO) and Planalto (MS).

The hiring of transport service for contaminated residues undergoes a documented process, including standardization for the homologation of providers considered essential in the management processes for the areas of environment, health, safety and social responsibility.

The first private sanitary landfill in a rural unit in Brazil

SLC Agrícola implemented the first private sanitary landfill in a rural unit in Brazil. In operation since 2016, in the Paiaguás (MT) farm, the landfill receives in average 500 kg of non-contaminated residues per day.

The project satisfies the Company's Sustainability Policy, by means of the 5S Program, in which the company takes responsibility for the residue generated in its operation in the absence of a sanitary landfill in the city. The SGI certification served as a basis for the correct acting in residue management and on what concerns the compliance with the new environmental legislation. The initiative also promoted environmental education actions, with engagement of collaborators and their relatives, suppliers and visitors.

Environmental compliance

GRI 103-1, 103-2, 103-3, 307-1

MATERIAL TOPIC

SLC Agrícola believes that acting in a transparent and ethical way, close to the regulating agents, is a way to contribute to augment the efficiency of the entire system, consolidating more sustainable standards for the entire productive chain.

SLC Agrícola’s values and Sustainability Policy guide the environmental compliance management, with consistent monitoring and control processes, ensuring legal compliance and other requirements applicable to the agricultural activity.

Management is structured in three tiers: Farms, legal area and SSMA (safety, health and environment) area in the headquarters, besides an external legal consulting. Due to the comprehensiveness of its operation, in six Brazilian states, the Company counts on a database and monitors monthly the occurrences in municipal, state and federal scopes.

Even though the preventive management minimizes risks and the possibility of sanctions related to environmental compliance, due to the complexity and breadth of its operation, it is not possible to ensure the absence of cases. In 2017, two

penalties were applied, with a total sum of R\$ 83.5 thousand in fines.

In Piratini Farm (BA), the fee was due to incomplete data in the Forestry Inventory and to the cutting of 47 Pequi trees without authorization. Concerning cutting the trees, the company assumed its responsibility and the fee was paid, however, the company is contesting, through administrative procedures, the fine due to the Forestry Inventory data considered incomplete. [GRI 307-1]

The second fine occurred in Panorama Farm (BA), due to the presence of expired pesticides for more than six months in the company’s stocks. Measures for removal and correct destination were immediately taken. The Company is recurring, through administrative procedures, because the volume informed in the reports do not match what was on stock. [GRI 307-1]

To act in a transparent way, seeking engagement

In a transparent way, SLC Agrícola is committed to demonstrate its production processes, in dialog with environmental agencies through the concession and licensing processes. The goal is to present the management strategy for mitigation of environmental impact inherent to its operation. During 2017, two meetings were realized in two of the six Brazilian states in which the company operates. In those meetings, the company reports information and shows evidences of its good practices. That includes investments in technology and plans to reduce the impact over natural environments.

That action also extends to the discussion about the water basins management. SLC Agrícola is present in the meetings of Pamplona Vale Producers Association, APROVALE (GO), in which projects for shared management are being discussed, in search for solutions for rational use of water.

Biodiversity

GRI 103-1, 103-2, 103-3, 304-3

MATERIAL TOPIC

SLC owns 122.634 ha of protected area in their own lands, between Legal Reserve and Permanent Preservation Area. That total corresponds to 37% of all its Farms.

Aside from complying with the Brazilian Forestry Code, the Company regulates its actions based on The Great Dream’s values, on what concerns the aspects related to biodiversity. The Permanent Preservation Areas are directly linked to the preservation of water resources, the landscape and geological stability, and the gene flow of fauna and flora, protecting the soil.

All SLC Agrícola’s farms have protected areas, whether they be Legal Reserves or Permanent Preservation Areas. They are separated from the crops by strips of cleared land, and have specific signaling concerning use restrictions. All units maintain structure and team trained in firefighting in protected areas and crops. Aside from vigilance, communication and environmental education actions are performed regularly on the importance of preservation.

The monitoring is made by remote sensing through satellite images, with resolution compatible with the images them the CAR (Rural Environmental Registry), seeking to ensure the integrity of those areas, quarterly. In case any deficit is identified, compensation measures are part of the environmental management process, following the legislation.



Biodiversity

GRI 103-1, 103-2, 103-3, 304-3

MATERIAL TOPIC

Zero Carbon Program and creation of nursery and native seedlings

Created in 2016, the Zero Carbon Program neutralizes emissions of greenhouse effect gases (GEI) generated in the main events realized by SLC Agrícola, and stimulated the creation of nurseries with native seedlings from Cerrado, with the purpose of reforestation of degraded areas inside and outside its farms.

In 2017, the emissions were calculated in five events: the Quality Meet-

ing, the Knowledge Management Program (Modules I and II), the Strategic Planning and the Farm Day, totalizing 27,65 tCO₂e. To compensate for those emissions, the planting of 198 native trees was realized. It is worth highlighting that the first event gathered representatives from all 15 units of SLC Agrícola, including the headquarters, and for the first time, it was made by video conference. That initiative avoided the emission of 14,09 tCO₂e, which would demand the corresponding planting of 100 trees. The successful experience opens the pos-

sibility of realizing future events over distance, aiming to save resources and reduce impacts to the climate.

The nurseries were already implemented in seven Farms, and have as their purpose producing native seedlings from the Cerrado to recompose degraded areas, in SLC Agrícola's areas and their surroundings. The Company contributes frequently, adopting seedlings for projects of recuperation and enrichment of areas, whether in neighbor farms, conservation units or other areas, public or private.



The main native seedlings produced are: floss silk tree, anjico, jatoba, canafistola, pink and purple ipê, cagaita, flamboyant and cashew.

Protected areas

GRI 304-1
MATERIAL TOPIC

GRI 304-1 | OPERATIONAL SITES OWNED, LEASED, MANAGED OR ADJACENT TO, PROTECTED AREAS OR AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS

Farm Name¹	Location	Own lands managed by the organization in ha (cultivation area)	Position in relation to the protected area or to the area with high biodiversity value located outside protected areas	Type of operation (production)	Size of the operational unit in ha (of own area)	Biodiversity value according to Alerce Report³
Paineira	Monte Alegre and Bom Jesus (PI)	5,015.12	10 km from the federal C.U.²	Grains	12,040.08	No research realized
Planalto	Costa Rica (MS)	12,728.41	Part of the farm's area was donated for C.U. The farm is in its adjacencies	Grains and cotton	17,437.32	Most of the Farm has low value. Part of the Farm as extremely high value.
Pamplona	Cristalina and Luziânia (GO)	12,270.61	10 km from the federal C.U.	Grains and cotton	16,797.11	More than 90% of the Farm has low value. Less than 10% has extremely high value
Planorte	Sapezal and Campos de Júlio (MT)	16,769.08	Located in the adjacencies of indigenous areas	Grains and cotton	23,783.56	Low value
Paiaguás	Diamantino (MT)	24,350.01	Located approximately 35 km from indigenous area	Grains and cotton	34,257.10	Low value
Perdizes	Porto dos Gaúchos and Tabaporã (MT)	14,583.43	Located approximately 30 km from indigenous area	Grains	41,012.69	–
Panorama	Correntina and São Desidério (BA)	7,534.63	Located approximately 10 km from state C.U.	Grains and cotton	10,374.08	No research realized
Piratini	Correntina and Jaborandi (BA)	8,445.79	In the adjacencies of a state C.U., 60 km from it, and 25 km from a federal C.U.	Grains and cotton	25,355.71	Very high value
Palmares	Barreiras (BA)	7,373.43	Located in the adjacencies of a state C.U. Part of the farm inserted in the APA of the Rio de Janeiro Basin	Grains and cotton	16,709.26	Low value
Parceiro	Corrente (PI) and Formosa do Rio Preto (BA)	6,033.04	In the adjacencies of a federal C.U., 9 km, and 5 km from a state C.U.	Grains	36,664.59	No research realized
Parnaguá	Santa Filomena (PI)	8,309.64	Located in the adjacencies of a federal C.U., 25 km from it	Grains	24,603.77	No research realized
Parnaíba	Tasso Bragoso (MA)	24,076.76	Located in the adjacencies of a federal C.U., 75 km from it	Grains and cotton	47,380.62	Most of the Farm has low value. Part of the Farm has extremely high value
Planeste	Balsas (MA)	10,489.65	Located in the adjacencies of indigenous land, 45 km from it, and of a Federal C.U., 100 km from it	Grains and cotton	23,325.80	Low value

1. In the two leased areas, Paladino and Pioneira farms, SLC Agrícola doesn't have management rights of the PPA and reserve areas.
2. CU – Conservation Unit.
3. The Alerce Report was elaborated in 2008/9 to fulfill a requirement from IFC (International Finance Corporation), financial arm of the World Bank and a reference to identify areas of high biodiversity value.

GRI table of contents

GRI Standards	Dissemination	Page	Global Compact	Omission	
GRI 101 FUNDAMENTALS 2017: GENERAL CONTENT					
GRI 102 General content 2017	PROFILE				
	102-1	Organization name	10		
	102-2	Activities, brands, products and services	10, 23, 28, 29, 30		
	102-3	Location of the organization headquarters	10		
	102-4	Location and # of operations	10, 12, 22		
	102-5	Property nature and legal form of the organization	10, 22		
	102-6	Markets served	12		
	102-7	Size of the organization	10		
	102-8	Information about employees and other workers	34	6	
	102-9	Supply chain	27		
	102-10	Significant changes to the organization and its supply chain	During the period comprised by this report, there has been no change in the structure and other activities of formation, maintenance or altering of the social capital.		
	102-11	Precautionary approach	Doesn't adopt		
	102-12	Letters, principles or other initiatives that the organization subscribes to or endorses	13		
	102-13	Involvement in associations and national or international advocacy organizations	14, 17		
	STRATEGY				
	102-14	Statement by the main decision-maker	3, 4, 5		
	102-15	Main impacts, risks and opportunities	25		
	ETHICS AND HONESTY				
	102-16	Values, principles, standards and rules of conduct	17, 18, 19, 20		
GOVERNANCE					
102-18	Governance structure	16			

GRI table of contents

GRI Standards	Dissemination	Page	Global Compact	Omission
GRI 101 FUNDAMENTALS 2017: GENERAL CONTENT				
GRI 102 General content 2017	STAKEHOLDERS ENGAGEMENT			
	102-40	List of groups of stakeholders engaged by the organization	8	
	102-41	Collective negotiation agreements	100% of the employees	6
	102-42	Base used to identify and select stakeholders for engagement	8	
	102-43	Approach adopted by the organization in order to involve stakeholders	8, 35, 36, 37	
	102-44	Main topics and concerns raised while engaging stakeholders	8	
	REPORTING PRACTICE			
	102-45	Entities included in the consolidated financial statements	7	
	102-46	Explanation about the process adopted to define the content of the report and the topics thresholds	8	
	102-47	List of material topics	8	
	102-48	Information reformulation	There was no change	
	102-49	Significant changes from periods covered by prior reports in scope and limits	There was no change	
	102-50	Period encompassed by the report	7	
	102-51	Date of the latest report	7	
	102-52	Report issuance cycle	7	
	102-53	Contact point for questions about the report or its content	ssma@slcagricola.com.br	
	102-54	Option “Agreed” chosen by the organization	7	
	102-55	GRI table of contents	55, 56, 57, 58, 59, 60	
	102-56	External assurance guarantee	Financial indicators, including the table “Direct economic value generated and distributed”, were audited until the first quarter by KPMG Auditores Independentes; after the second quarter, by Ernst & Young. All other data didn’t go through external assurance.	

GRI table of contents

GRI Standards	Dissemination		Page	Global Compact	Omission
GRI 200 STANDARD ECONOMICAL SERIES – SPECIFIC CONTENTS: MATERIAL TOPICS					
FINANCIAL PERFORMANCE					
GRI 103 Management approach 2017	103-1	Explanation about the material topic and its limits	31		
	103-2	Management approach and its components	31		
	103-3	Evolution in management approach	31		
GRI 201 Economic performance 2017	201-1	Direct economic value generated and distributed	32		
	201-2	Financial implications and other risks and opportunities for for the organization's activities due to climatic changes	25		
MARKET PRESENCE					
GRI 103 Management approach 2017	103-1	Explanation about the material topic and its limits	39		
	103-2	Management approach and its components	39		
	103-3	Evolution in management approach	39		
GRI 202 Market presence 2017	202-1	Variation in proportion of the lowest wage, detailed by gender, compared to the local minimum wage in important operational units	39		
ANTI-CORRUPTION					
GRI 103 Management approach 2017	103-1	Explanation about the material topic and its limits	19, 20		
	103-2	Management approach and its components	19, 20		
	103-3	Evolution in management approach	19, 20		
GRI 205 Anti-corruption 2017	205-3	Confirmed cases of corruption and measures taken	19	10	

GRI table of contents


GRI Standards	Dissemination		Page	Global Compact	Omission
GRI 300 STANDARD ENVIRONMENTAL SERIES					
WATER					
GRI 103 Management approach 2017	103-1	Explanation about the material topic and its limits	46		
	103-2	Management approach and its components	46		
	103-3	Evolution in management approach	46		
GRI 303 Water 2017	303-1	Total water withdrawn per source	46	7	
	303-3	Percentage and total volume of water	46	7/8	
BIODIVERSITY					
GRI 103 Management approach 2017	103-1	Explanation about the material topic and its limits	52, 53		
	103-2	Management approach and its components	52, 53		
	103-3	Evolution in management approach	52, 53		
GRI 304 Biodiversity 2017	304-1	Operational units owned, leased or managed inside or close to protected areas or areas of high biodiversity value, located outside protected areas	54	7/8	
	304-3	Protected or restored habitats	52, 53		
EFFLUENTS AND WASTE					
GRI 103 Management approach 2017	103-1	Explanation about the material topic and its limits	47		
	103-2	Management approach and its components	47, 48, 49, 50		
	103-3	Evolution in management approach	47, 48, 49, 50		
GRI 306 Effluents and waste 2017	306-1	Total water disposal, discriminated by quality and destination	47, 48, 49, 50	7/8/9	
	306-2	Total waste weigh, discriminated by type and disposal method	49	7/8	
	306-4	Transportation of hazardous residues	50	8	

GRI table of contents

GRI Standards	Dissemination	Page	Global Compact	Omission
GRI 300 STANDARD ENVIRONMENTAL SERIES				
ENVIRONMENTAL COMPLIANCE				
GRI 103 Management approach 2017	103-1	Explanation about the material topic and its limits	51	
	103-2	Management approach and its components	51	
	103-3	Evolution in management approach	51	
GRI 307 Environmental compliance 2017	307-1	Compliance with laws and environmental regulations	51	7
GRI 400 STANDARD SOCIAL SERIES				
EMPLOYMENT				
GRI 103 Management approach 2017	103-1	Explanation about the material topic and its limits	34	
	103-2	Management approach and its components	34	
	103-3	Evolution in management approach	34	
GRI 401 Employment 2017	401-1	New hirings and employee turnover	38	6
	401-2	Benefits granted to full-time employees not offered to temporary or part-time employees	35	6
OCCUPATIONAL HEALTH AND SECURITY				
GRI 103 Management approach 2017	103-1	Explanation about the material topic and its limits	42, 43	
	103-2	Management approach and its components	42 ,43	
	103-3	Evolution in management approach	42, 43	

GRI table of contents

GRI Standards	Dissemination		Page	Global Compact	Omission
GRI 400 STANDARD SOCIAL SERIES					
OCCUPATIONAL HEALTH AND SECURITY					
GRI 403 Occupational health and security 2017	403-1	Percentage of the workforce represented in formal occupational health and safety committees	Each unit counts with an Internal Committee of Accidents Prevention in the Rural Environment (CIPATR), composed by representatives appointed by the unit's management and elected by the employees. In average, 5% of the workforce is represented in formal occupational health and safety committees.	6	
	403-2	Types and rates for injuries, occupational diseases, days lost, absenteeism and number of deaths related to work	44	6	
	403-3	Employees with high incidence or high risk of diseases related to their occupation	Even though in the scope of SLC Agrícola's activities there are critical activities, that are no posts with a high incidence or high risk of diseases. All the other posts are monitored, and the collective, administrative and individual control measures necessary to mitigate or eliminate the risks involved are provided.	6	
	403-4	Topics related to health and security comprised by formal agreements with syndicates	Local or global agreements, established between the company and syndicates, have health and occupational safety clauses. The collective conventions of Mato Grosso do Sul and of the West of Bahia have a specific chapter on the topic, and, in average, 21% of the general total of subjects are specific topics on health and occupational safety.	6	
TRAINING AND EDUCATION					
GRI 103 Management approach 2017	103-1	Explanation about the material topic and its limits	40, 41		
	103-2	Management approach and its components	40, 41		
	103-3	Evolution in management approach	40, 41		
GRI 404 Training and education 2017	404-1	Training hours average by year by employee	41	6	
	404-2	Programs to update skills and that contribute to the employees' employability, as well as transition assistance programs	40	6	
	404-3	Percentage of employees who are submitted to regular performance and career development analysis	41	6	



Corporate information

SLC Agrícola
Bernardo Pires st, 128
Santana, Porto Alegre – RS, 90620-010
Phone: +55 (051) 3230-7799
www.slcagricola.com.br

How to contact SLC Agrícola about the contents of this report

Requests for clarification about contents of this publication can be sent to the e-mail ssma@slcagricola.com.br

Thanks to

General coordination – SLC Agrícola's HR and Sustainability Board
Sustainability advisory – GSS Sustainability Advisory and ekmkt
Content and design – ekmkt
Iconography – Cosmonauta
Pictures – SLC Agrícola's collection

We thank everyone's contribution for this publication, both in the stage of consultation of interested parties, with participations and suggestions, and the stage of content, with the supplying of information and images.