

2021

INTEGRATED REPORT

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Presentation

Our Integrated Report, published annually, is part of our commitment to transparency and accountability for all audiences with whom we relate. The document aims to inform about the results, challenges and strategic plans to make SLC Agrícola an increasingly efficient company, with high productivity and responsible with our commitments in relation to sustainability – or ESG (environmental, social and governance).

As in the most recent edition, published in March 2021, this Integrated Report was prepared in accordance with the standards of the Global Reporting Initiative (GRI), in the Essential option. The GRI, an organization based in the Netherlands, consolidated principles and criteria that strengthen the dissemination of information on sustainability management in all production chains.

The Report was also prepared based on the structure and principles of the Integrated Report (IR), a framework used in over 75 countries to guide the dissemination of ESG information and economic-financial management in an integrated manner. To this end, we adopted and responded for the first time to the standards of the Sustainability Accounting Standards Board (SASB) for

the Agricultural Products industry. SASB is a U.S.-based entity recognized for developing ESG reporting standards focused on different industrial segments.

We have additionally incorporated the standards and criteria of the Task Force on Climate-Related Financial Disclosures (TCFD), an initiative of the Financial Stability Board (FSB) focused on the disclosure of reliable information about the companies’ strategy to manage risks and opportunities related to climate change.

In line with the basis for preparing the Financial Statements, the financial and operating information covers all our units, including Terra Santa Agro S.A. and Agrícola Xingu S.A. Due to the recent business expansion, detailed in the Our Strategy chapter, it has not yet been possible to integrate the new units resulting from the contracts with Terra Santa and Agrícola Xingu into the scope of the GRI contents and SASB indicators. The expectation is to overcome this limitation in the 2022 Report.

The data we present in response to the adopted standards refer to the period between January 1 and December 31, 2021 – covering part of the 2020/2021 and 2021/2022 harvest years. This information



was determined and consolidated by the company’s areas and reviewed by the governing body. In addition, for the first time ever we submitted our Integrated Report to external verification by an independent company, whose scope of assurance included the frameworks of GRI, SASB and Integrated Reporting. Relevant information has not been omitted from this document.

+ Talk to us

Comments and consultations on the content of the Integrated Report can be sent to the company at the e-mails sustentabilidade@slcagricola.com.br and ri@slcagricola.com.br.

Material topics

In 2021, we conducted a new study to map and prioritize the most relevant topics on the sustainability agenda to manage our business and accountability to stakeholders. This work resulted in the new **Materiality Matrix**, which we used to structure the content of this Report and identify priority indicators for our governance.

In order to prioritize the audiences to be engaged in the study, we invited a multidisciplinary group of leaders and managers to reflect on the company's interactions and assess the demands and expectations of the different types of stakeholders with which we relate. Based on this assessment, we established the types of audience to be engaged in an active listening process through qualitative interviews.

At the same time, we provided an online questionnaire open to all interested parties for assessment of an initial list of ESG topics proposed for prioritization. We also conducted interviews with officers and managers of the company, to align the Matrix with the corporate strategy.

The inputs raised in the research and engagement phase were used in the consolidation phase of the topics, considering the current macro trends and changes in pro-

duction chains impacted by externalities such as the Covid-19 pandemic, the impacts of climate change, among other aspects.

At the end of the study, we identified ten topics that make up our Materiality Matrix. These topics were grouped into the three pillars of the ESG agenda and directed prioritization of the GRI, SASB and TCFD content items used to prepare the Report.

We also assessed how material topics connect to the goals of the 17 Sustainable Development Goals (SDGs), proposed by the United Nations (UN) under the 2030 Agenda, structured to engage countries and organizations in promoting sustainable development.

The Materiality Matrix was constructed in four stages:

1. Assessment of theoretical frameworks and benchmarks
2. Prioritization of strategic audiences
3. Engagement of internal and external audiences
4. Consolidation of the results

Materiality Matrix Topics

E (Environmental)	S (Social)	G (Governance)
Climate change Environmental management system	Socioeconomic impacts People development Diversity and inclusion Health and safety	Product certifications and traceability Ethics and compliance Innovation and productivity Risk management



Engaged audiences

Financial sector	Regulatory agencies	Shareholders and investors
Capital markets	Government	Customers
Collaborators	Partners	Suppliers

10
material topics identified

23
qualitative engagement interviews conducted



Action for sustainability

Our company is one of the largest producers of agricultural commodities in the world and is engaged in collaborating towards sustainable development. One of the main measures to boost this commitment is our voluntary participation in the Brazil Global Compact Network, a UN initiative to promote ten universal principles on work, environmental preservation and combating corruption in corporate strategies.

Our company, a signatory of the Global Compact since 2015, is part of the Ação pelo Agro Sustentável [Sustainable Agro Actions] platform, which develops projects to disseminate and strengthen the Food and Agriculture Business Principles (PEAA) and related SDGs.

Since 2007, we have participated in the Round Table on Responsible Soy Association (RTRS), which promotes the joint action

of producers and customers globally with a focus on the production, marketing and responsible use of soy, helping to combat illegal deforestation and encouraging a more sustainable production chain.

Since 2018, we have been part of the Brazilian GHG Protocol Program, which encourages the preparation and disclosure of greenhouse gas inventories in accordance

with the premises and principles of the main emissions accounting platform.

Since 2020, we have also participated in the Sustainability Committee of the American Chamber of Commerce – Amcham, in Porto Alegre (RS). In this forum, interaction with other companies promotes debate and the exchange of information on good practices and innovations aimed at sustainability management.

As signatories to the Global Compact, we respect and strengthen the ten universal principles:

Human Rights

1. Businesses must support and respect the protection of internationally recognized human rights.
2. Ensure non-participation in the violations of these rights.

Work

3. Companies should support freedom of association and the effective recognition of the right to collective bargaining.
4. The elimination of all forms of forced or compulsory labour.
5. The effective abolition of child labour.
6. Eliminate discrimination in employment.

Environment

7. Businesses should support a preventive approach to environmental challenges.
8. Develop initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10. Businesses must combat corruption in all its forms, including extortion and bribery.

Message from the Chairman of the Board of Directors

SLC Agrícola's history of pioneering and innovation, which began in 1977, is marked by different growth cycles of the company. In 2021, we reached a new stage in our strategic planning, focused on the development of mature lands and technological innovation to increase productivity and efficiency.

With growing production records, we reached the end of the 2020/2021 harvest with a production of 914.3 thousand tons of soy, with an average of 66.3 bags produced per hectare and 202.5 thousand tons of plume cotton. This performance is the result of high performance and innovative agricultural techniques, which increase soil fertility and avoid the need to open new areas to meet society's demand for food and textile fibers.

Therefore, in 2021, we assumed the commitment to conclude the land transformation phase with native vegetation. Our company will grow organically, with the increase of productivity and through acquisitions and leases of already mature farms, in which we will use our skills and technical knowledge to achieve maximum efficiency, in addition to the conversion of pastures for agriculture.

“

Productivity is directly related to digitization and innovation in the field, as well as the adoption of best agricultural practices.



Eduardo Logemann
Chairman of the Board of
Directors of SLC Agrícola

This strategic direction, which began to be designed in 2015, has a direct connection with the sustainability agenda. From an environmental perspective, we contribute to the reduction of atmospheric emissions, make the use of fuels, electricity and water more efficient, reduce the use of pesticides and fertilizers and help preserve biodiversity, maintaining the areas of native vegetation on our farms.

In the social sphere, our greatest contribution is in the care and development of people in agribusiness. Productivity is directly related to digitization and innovation in the field, as well as the adoption of best agricultural practices. The reflection occurs in continuous investments in continuing education and digital inclusion programs and in actions to strengthen the safety culture and reduce the risk of accidents in operations.

This evolution is also aligned with the expectations of the capital market and investors. As a publicly traded company listed in the Novo Mercado segment, we adopt unique corporate governance practices and rely on efficient management systems to support decision making.

The performance of the advisory committees provides decisive support for the delib-

eration of the Board of Directors, covering topics relevant to business continuity. In 2021, the ESG Committee had its first year of operation. The body was established to accelerate the corporate strategic vision on sustainability management topics. In 2022, we will set up the Audit Committee to give even more robustness to this governance structure.

This integrated thinking that we apply in business direction, considering the generation of value in different capitals, is materialized in our Integrated Report. Within the scope of the Board of Directors, we accompany the preparation of this publication to ensure its completeness and adherence to the Integrated Report (IR) framework.

Agribusiness is one of the main growth levers of the Brazilian economy and has shown resilience to overcome the social and economic challenges of the Covid-19 pandemic in the last two years. It is a source of pride to be recognized as one of the best companies in this sector and to reap, each harvest, positive results delivered by a team committed to our Big Dream to positively impact future generations, being a world leader in efficiency in the agricultural business and respect for the planet.

Message from the Chief Executive Officer

“

The main benefit of this technology-driven movement is to use the full potential of professionals to plan and improve our processes.



Aurélio Pavinato
Chief Executive
Officer of SLC Agrícola

In 2021, SLC Agrícola reached a new record in its history, with net revenue totaling BRL 4.4 billion and a net profit of BRL 1.1 billion. This result, although driven by a scenario of high demand and prices of agricultural commodities, first and foremost reflects all the correctness of our strategy of intensive investment in technology and innovation to increase productivity and efficiency in our operation.

We started the 2021/2022 harvest with a prospect of planting 675.4 thousand hectares, an increase of 45.8% compared to the previous harvest, due to the new businesses for the acquisition and lease of new farms – with Terra Santa Agro S.A. and Agrícola Xingu S.A., respectively. All these areas had already been converted to agricultural operations a few years ago, have great productive potential and will help us strengthen our company as a reference in Brazilian agribusiness.

Our investment in innovation and digitalization does not just occur in the field. The management systems we implement increase efficiency in the management of different areas. This is the objective of the Mais Agro [More Agro] Program, aimed at updating the entire software and data base that we use to manage the various fronts of our com-

pany, from people management to treating and disposing of waste on the farms.

The main benefit of this technology-driven movement is to use the full potential of professionals to plan and improve our processes. Our team consists of collaborators who, from operating the equipment to agricultural planning, have technical knowledge that becomes competitive advantages that lead us to achieve productivity rates significantly above the national average.

Therefore, investing in collaborator development programs is one of the strategic pillars of our company. We have been systematically recognized as one of the best companies to work for in recent years, expanding efforts to promote education and training of teams, especially with a focus on digital inclusion.

People are also the engine that directs the advancement of our management to environmental risks and impacts. The processes we design to reduce emissions, increase efficiency in the use of inputs and fuels and control waste generation and other aspects of our business materialize with a responsible and sustainable performance of the teams on the farms we have in seven different states.



One of our main points of attention in relation to environmental management are the impacts of climate change. Extreme weather events have great potential to impact our business. To answer these questions, we act on two fronts. The first concerns adaptation, consolidating a diversified portfolio of land in different regions of Brazil, to reduce climate

risks and take advantage of regional potential. The second is related to mitigation of impacts, with projects to reduce greenhouse gas emissions and maintain carbon in the soil – such as no-tillage, precision agriculture and the preservation of natural areas.

Another highlight of 2021 was the continuity of our plan to confront Covid-19

and preserve the health of collaborators. We maintained the safety protocols established in the previous year, as well as the management meetings of the Pandemic Contingency and Combat Committee. We encourage vaccination among our professionals and remain attentive to prevent outbreaks on our farms, keeping administrative

professionals in remote work systems.

Despite the challenges still present, the different productive sectors signal a trend of recovery and resuming activities. International logistics, impacted in the last two years, is a risk for the flow of national agricultural production. Our governance and risk management mechanisms will be of

great importance to monitor the dynamics of the main consumer markets and continue to generate value for shareholders and society, with responsible and sustainable production.

Aurélio Pavinato
Chief Executive Officer of SLC Agrícola



Our strategy

Our strategy

Our agricultural productivity growth strategy, seeking maximum efficiency in the cultivation of mature areas and developed with the use of innovative technologies, is aimed at meeting the global demand for more food and cotton fibers. According to estimates by the United Nations, agricultural production will have to increase by about 70% to meet the needs of a population that is expected to reach almost 9.7 billion by 2050.

This growth is accompanied by a solid vision of responsibility towards people and the environment. Our commitment to sustainability is translated into concrete actions to manage the use of energy and water, the generation and disposal of waste, the correct management of soil with a focus on reducing carbon emissions and protecting biodiversity preservation areas, among other examples.

This is the vision synthesized by our **Big Dream**, the purpose that guides the performance of all our collaborators and managers to generate value with sustainability and responsibility.

Therefore, we continuously invest in the incorporation of new technologies and in-

novations that accelerate productivity and efficiency in our crops. The use of digital solutions, combined with farm connectivity, boosts our ability to increase grain and cotton production and generate value for shareholders and society.

Strategic planning cycle

We engaged our managers and directors in a cycle of lectures that improved our critical analysis of the scenario in which we operate and subsidized the identification of risks and opportunities for the sustainable development of the business. These meetings were based on the PESTAL methodology, an acronym that consists of assessing the positive and negative impacts that political, economic, sociological, technological, environmental and legal changes may have on our activities.

Participants' perceptions and insights were consolidated in two discussion sessions, under the SWOT analysis logic (acronym that stands for the assessment of strengths, weaknesses, opportunities and threats). The result is the definition of our strategic map with a short, medium and long term vision, approved by the Board of Directors, which brings together indicators to monitor the generation of financial and non-financial value.



In the 2020/2021 harvest, we closed the land transformation cycle and opened areas with native vegetation for agricultural production.



Our values



EVOLUTION OF OUR STRATEGY



We believe that those who have a passion for what they do are committed and do so with the highest quality, preserving their integrity through ethical, coherent and unquestionable conduct. These combined attitudes generate lasting and respectful relationships between all stakeholders, producing sustainable results that are economically viable, socially fair and environmentally responsible.

Zero Deforestation Policy

In 2021, we approved our Zero Deforestation Policy, which formalizes SLC Agrícola’s commitment not to convert areas with native vegetation for agricultural use, even those eligible in the respective environmental licensing processes*. The document establishes rules for the rational use of soil, aiming to maintain the integrity of natural systems.

This strategic definition marks an important moment in our trajectory. The positioning shows the maturity of our business and the expansion of the use of technology to ensure more productivity in our farms. It is also fully aligned with the ESG leadership driver of Phase 3 of our corporate strategy and contributes to the generation of value to our shareholders in the short, medium and long term. All these factors combined ensure that SLC Agrícola is distanced from the market average, setting our company apart by the quality of management and the delivery of superior results.

General Zero Deforestation Policy Guidelines

08/31/2021

From this date on, native vegetation areas cannot be converted to develop agricultural and livestock activities.

This definition is valid both for private areas and for acquisitions, leases and joint ventures and even if the conversion is done by third parties.

07/22/2008

For areas located in the Amazon biome, the prohibition date of land use conversions is earlier, as our Policy considers the Soy Moratorium as an integral part of the document.



*Cutting isolated fragments of vegetation, suppressions for gravel extraction, installation of an electricity grid, roads, structures for water abstraction, dams and any other uses not intended for the establishment of agricultural or livestock projects are not part of this restriction.

Business model

Main inputs

Natural capital

- 98% of farms with rainfed agriculture

Manufactured capital

- 23 farms (1 of them leased)
- 675.4 thousand hectares of area planted in the 2021/2022 harvest

Human capital

- 2,917 permanent collaborators
- 1,244 seasonal harvesters

Social and relationship capital

- BRL 2.4 billion in expenditures with suppliers

Financial capital

- BRL 450.8 million in Capex
- BRL 780 million raised in operations with sustainability criteria

Intellectual capital

- 515 thousand hectares of farming with 4G connection

Governance

Novo Mercado
ESG Committee
Compliance Program
Learn more on page 34

Innovation

SLC Ventures
AgroX
Ideas&Results
Learn more on page 26

Our value generation levers in the short, medium and long term

Agricultural planning and digital agriculture contribute to increasing productivity in the field

Best practices in cultivation and research investment reduce our carbon footprint

Optimization in the consumption of natural resources and investments in preservation minimize the environmental footprint of the business

Inclusive and motivating work environment strengthens pride in belonging and collaborator development

Social investment focused on education promotes new opportunities and transformation in people's lives

Strategy

Our Big Dream and Our Values
Distance from average
Learn more on page 9

Certifications

Integrated Management System
Learn more on page 30

Value generation

Natural capital

- 118 thousand hectares of preserved areas

Manufactured capital

- 14 machines with technology to reduce fuel consumption acquired in the year with CRA resources

Human capital

- GPTW recognition and people management awards
- 52.4 hours of training, on average, per collaborator

Social and relationship capital

- BRL 2.2 million in donations for educational projects and campaign to combat hunger

Financial capital

- BRL 4.4 billion of net revenue
- BRL 1.1 billion in net income

Intellectual capital

- 3rd edition of AgroX (startup connection program)

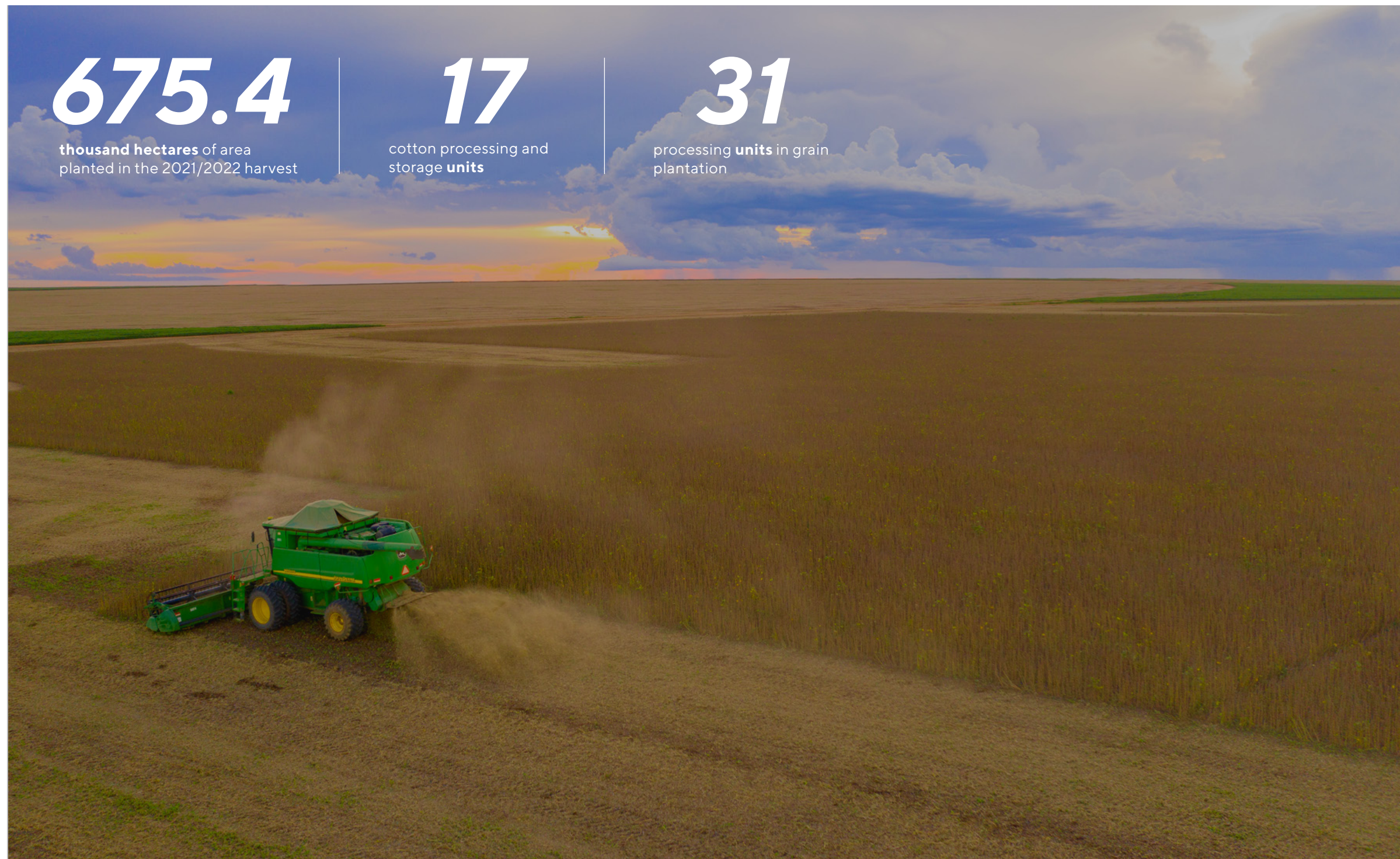


Our business

Our company, SLC Agrícola S.A., is one of the largest producers of soy, corn and cotton in Brazil. Based in Porto Alegre (Rio Grande do Sul), we have 23 farms, in which, in addition to these main commodities, we develop livestock in a sustainable crop-livestock integration model and produce high quality soy and cotton seeds for Brazilian producers, sold by SLC Sementes.

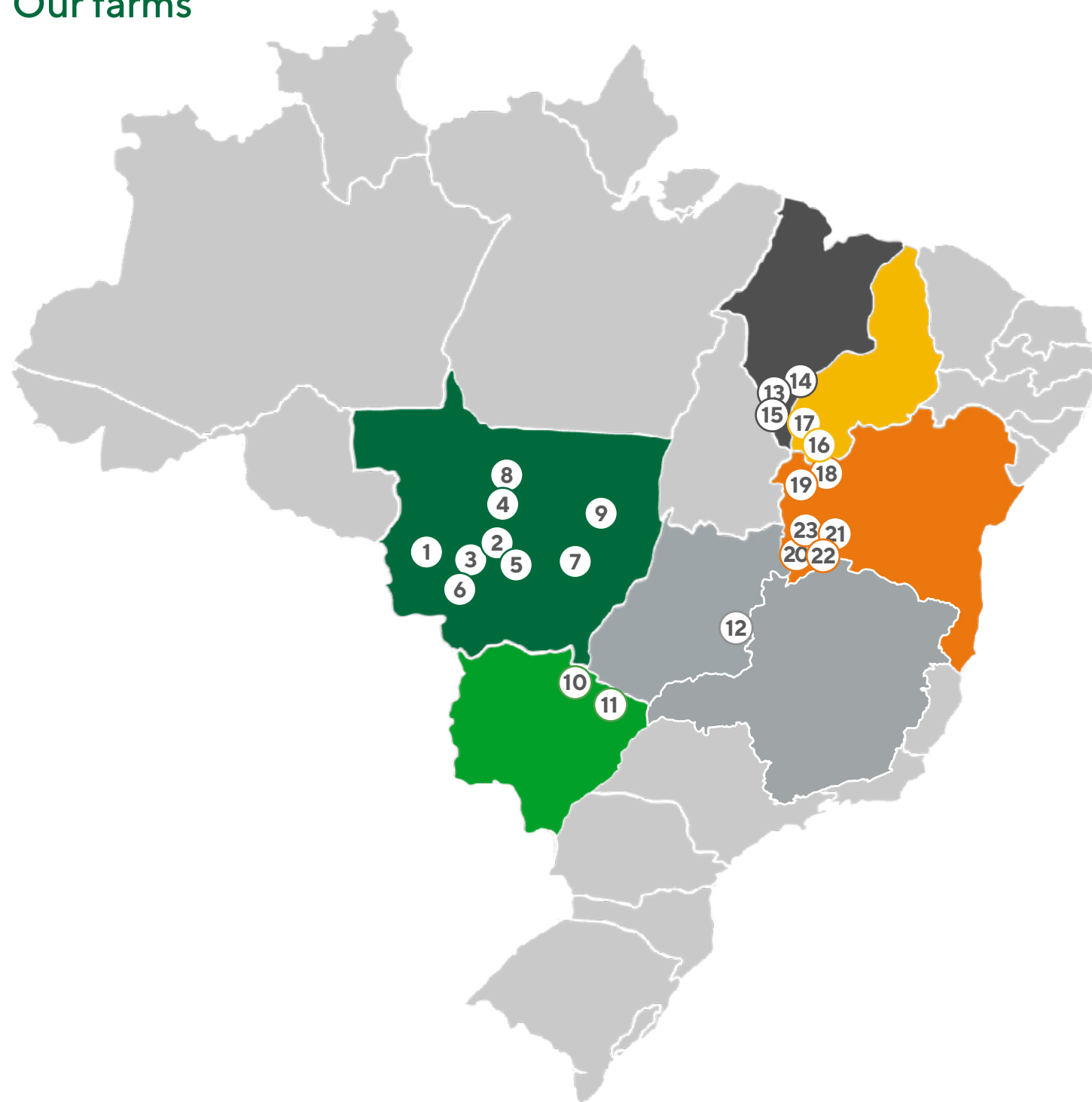
In the 2021/2022 harvest, we reached a new record for planted area, with 675.4 thousand hectares cultivated on private and leased lands, in seven different states of Brazil. Our goal is to continuously increase the productivity of these crops, through technology and innovation to achieve more efficiency in the use of inputs and natural resources.

Our commodities are traded in Brazil and abroad, serving customers from important consumer markets – such as China and countries in Europe. Through the tradings with which we relate, the soy, corn and cotton we produce come to the base of several production chains essential for the development of society, especially that of animal protein and that of the textile industry. Specifically for cotton, about one-third of our production is sold directly by SLC Agrícola to our customers in Asia.



*Data from the storage and processing units include the new Terra Santa and Xingu units.

Our farms



Mato Grosso

- 1 FAZENDA PLANORTE**
Location: Sapezal (MT)
Planted area: 31,716 ha¹
- 2 FAZENDA PEJUÇARA**
Location: São José do Rio Claro and Diamantino (MT)
Planted area: 28,093 ha¹
- 3 FAZENDA PAIAGUÁS**
Location: Diamantino (MT)
Planted area: 66,424 ha¹
- 4 FAZENDA PERDIZES**
Location: Porto dos Gaúchos (MT)
Planted area: 26,427 ha¹
- 5 FAZENDA PIRACEMA**
Location: Diamantino (MT)
Planted area: 23,914 ha¹
- 6 FAZENDA PAMPEIRA**
Location: Campo Novo do Parecis (MT) Planted area: 41,885 ha¹
- 7 FAZENDA PIRAPORA**
Location: Santa Rita do Trivelato (MT) Planted area: 20,724 ha¹
- 8 FAZENDA PRÓSPERA**
Location: Tabaporã, Nova Canaã do Norte and Itaúba (MT)
Planted area: 30,793 ha¹
- 9 FAZENDA PIONEIRA**
Location: Querência (MT)
Planted area: 34,255 ha¹

Mato Grosso do Sul

- 10 FAZENDA PLANALTO**
Location: Costa Rica (MS)
Planted area: 22,594 ha¹
- 11 FAZENDA PANTANAL**
Location: Chapadão do Sul (MS) Planted area: 44,032 ha¹

Goiás

- 12 FAZENDA PAMPLONA**
Location: Cristalina (GO)
Planted area: 27,469 ha¹

Maranhão

- 13 FAZENDA PALMEIRA**
Local: Tasso Fragoso (MA)
Planted area: 23,631 ha¹
- 14 FAZENDA PARNAÍBA**
Location: Tasso Fragoso (MA)
Planted area: 44,853 ha¹
- 15 FAZENDA PLANESTE**
Location: Balsas (MA)
Planted area: 63,707 ha¹

Piauí

- 16 FAZENDA PAINEIRA**
Location: Monte Alegre do Piauí (Leased)
- 17 FAZENDA PARNAGUÁ**
Location: Santa Filomena (PI)
Planted area: 9,862 ha¹

Bahia

- 18 FAZENDA PARCEIRO**
Location: Formosa do Rio Preto (BA)
Planted area: 11,083 ha¹
- 19 FAZENDA PALMARES**
Location: Barreiras (BA)
Planted area: 26,203 ha¹
- 20 FAZENDA PAYSANDU**
Location: São Desidério and Correntina (BA)
Planted area: 38,864 ha¹
- 21 FAZENDA PANORAMA**
Location: Correntina (BA)
Planted area: 21,810 ha¹
- 22 FAZENDA PIRATINI**
Location: Jaborandi (BA)
Planted area: 15,464 ha¹
- 23 FAZENDA PALADINO**
Location: São Desidério (BA)
Planted area: 21,547 ha¹

1. Considers first and second harvests

The 2021 figures



Financial performance

24.5%

growth in
net revenue
BRL 4.4 billion

57.0%

growth in
adjusted EBITDA
BRL 1.7 billion

153.3%

growth in
net income
BRL 1.1 billion

Commercialization

862.1
thousand
tons of soy

765.4
thousand
tons of corn

618.9
thousand
tons of cotton
(plume + seed)

847
thousand
bags* of soy and
cotton seeds



13,300
head of cattle

*Each sack has 200 thousand seeds

ESG Performance



7

units certified in ISO 9001

11

units certified in the IMS, in accordance
with ISO 14001, ISO 45001 and NBR 16601



40%

reduction in GHG emissions from
agricultural activities

138

thousand hectares with selective
application of pesticides

Digital agriculture



16

farms with crops connected to
the internet

57

accelerated startup projects

Financial performance

The challenges and uncertainties caused by the Covid-19 pandemic continued to generate volatility in agricultural commodity prices in 2021. The progress made with vaccinations in the main countries that consume soy, corn and cotton and the return of economic activities led to a resumption of demand for these products, which contributed to the increase in prices in the international market.

In the 2020/2021 harvest, China is estimated to have imported about 12.9 million tons of soy, the largest volume in the last six years. Despite the variation in the quotation, the premiums paid and the exchange rate depreciation allowed the oleaginous prices to reach levels higher than those observed in the last cycle, with quotations higher than BRL 170.00 per bag.

The price of cotton also rose, with the expectation of stabilization of global fiber consumption and the scenario of decreased production in the main exporting countries. According to estimates by the USDA (United States Department of Agriculture), the global balance between supply and demand is expected to close the 2021/2022 harvest with a deficit of approximately 3.4 million bales.

Financial highlights (BRL thousand, except where indicated)	2021	2020*	21/20 Variation
Net revenue	4,363,210	3,503,402	24.5%
Change in fair value of biological assets	1,961,159	867,068	126.2%
Net profit	1,130,759	446,354	153.3%
Net margin	25.9%	12.7%	13.2 p.p.
Adjusted EBITDA	1,685,247	1,073,195	57.0%
Adjusted EBITDA Margin	38.6%	30.6%	8.0 p.p.
Adjusted net debt	2,393,081	708,479	237.8%
Adjusted net debt/Adjusted EBITDA	1.42x	0.74x	-

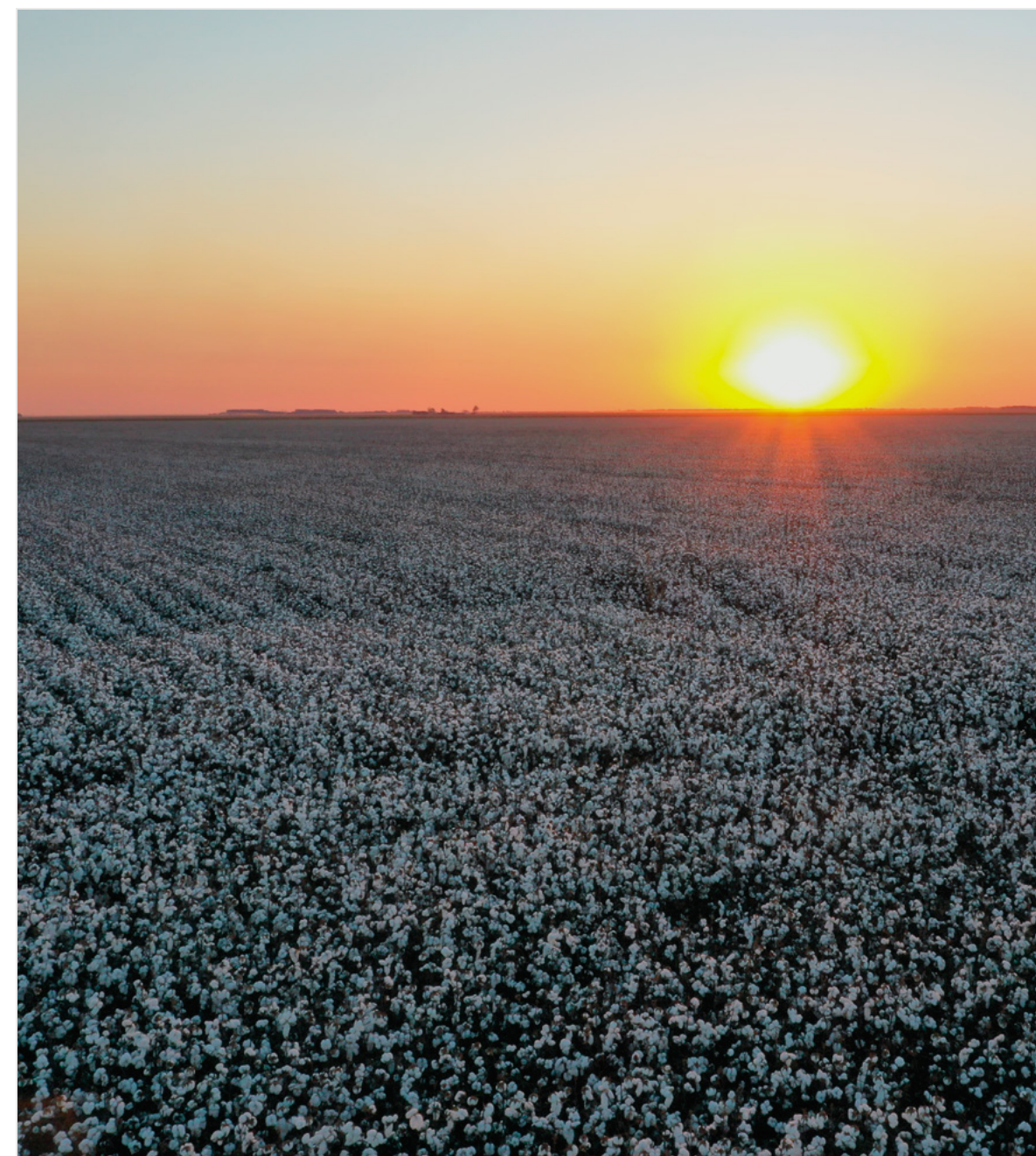
*2020 values consider the combined performance of SLC Agrícola and Terra Santa Agro S.A. (SLC Agrícola Centro-Oeste S.A.).

Corn prices, which started an upward trend in 2020, continued at prices higher than the historical average in Chicago and in the domestic market. The climatic conditions in Brazil that hindered the production of a second harvest corn and the forecast of global demand higher than production also influenced the formation of future prices at higher levels.

With these market conditions, high productivity in crops and efficiency in cost

management, our company ended 2021 with a new record in revenue. Net revenue totaled BRL 4.4 billion, an increase of 24.5% over the previous harvest.

We also recorded a record in net income, reaching the BRL 1.1 billion mark for the first time ever. This result reflects the highest prices billed for all crops and record productivity reached for soy.



The added value generated and distributed in 2021 totaled BRL 3.7 billion, an increase of 71.8% in the annual comparison, due to the growth of revenues proportionally higher than expenses with inputs acquired from third parties. In the distribution of added value, the most significant portion is related to the payment of interest and rent, representing 39% of the total in the year.

BRL 3,7

billion in value added generated and distributed in the year, an increase of 57.3% in the annual comparison

DISTRIBUTION OF VALUE ADDED IN 2021 (BRL million)

697.4

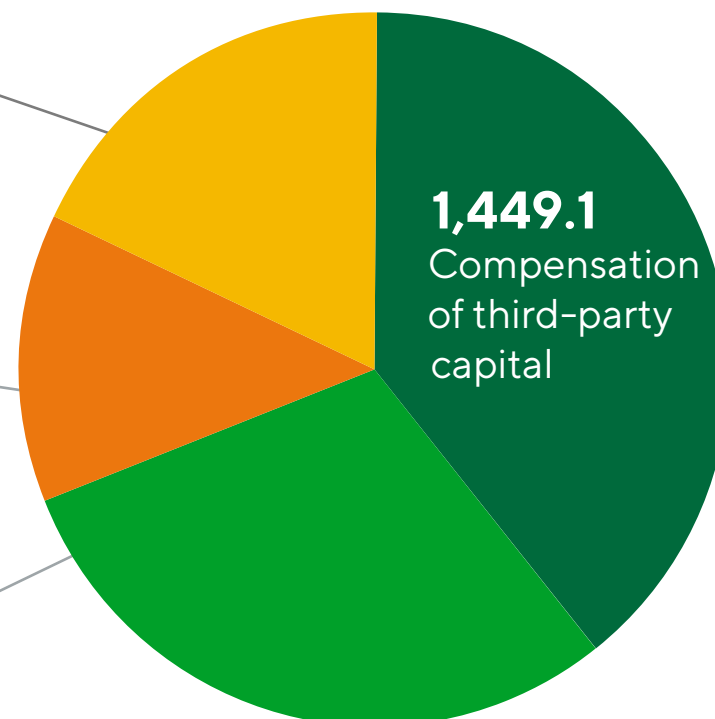
Taxes, fees
and contributions

489.7

Personnel

1,130.7

Compensation of
shareholders' equity



MAIN TAXES PAID IN 2021 (BRL million)

29.7

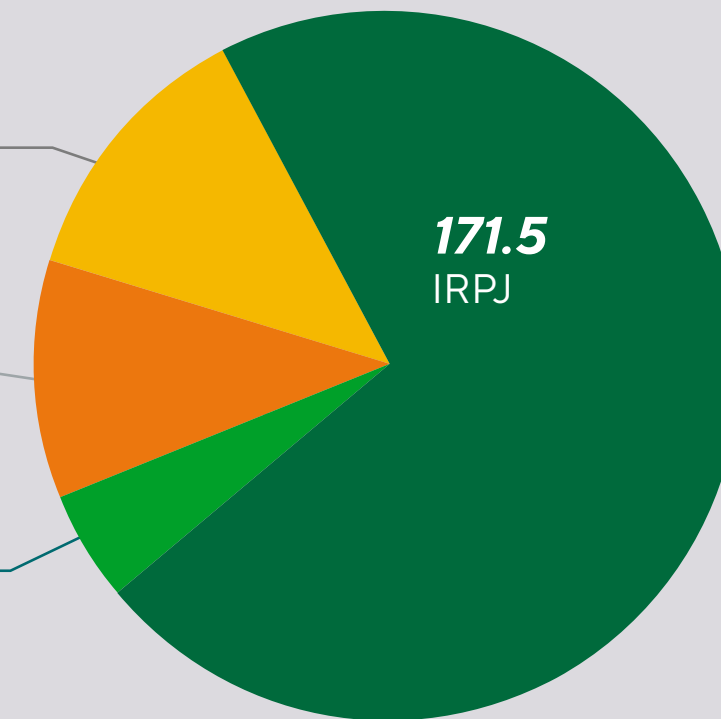
State funds

25.5

ICMS

12.4

PIS/Cofins



Economic impact from the collection of taxes

The main taxes on our operations are those of the federal (Corporate Income Tax - IRPJ and PIS/Cofins) and state (Tax on Operations related to the Circulation of Goods - ICMS) spheres. Fees related to state funds are also levied on our farms, mainly in Mato Grosso. In 2021, disbursements in these tax categories totaled BRL 239 million, of which 77% refer to federal taxes.



Sustainable financing

Since 2020, we have been operating in the financial market through issues and financing linked to sustainability criteria. This type of fundraising is relevant to highlight the alignment of our strategy with sustainable development and to expand SLC Agrícola's access to different sources of financial resources for investments. In all, we carried out three operations, two in 2020 and one in 2021, which totaled BRL 780 million raised.

Sustainability Linked Loans

Also in 2020, we raised BRL 100 million in bilateral operations classified as Sustainability Linked Loan with Banco Santander. The operation was conditioned to the achievement of the triple certification of the Integrated Management System (IMS) in ISO 14001 (environmental management), ISO 45001 (occupational health and safety) and NBR 16001 (social responsibility) in 11 units. This goal was achieved in 2021.

In the second half of the year, a second bilateral operation classified as Sustainability Linked Loan was completed. We raised BRL 200 million with Rabobank, conditioned to

three Key Performance Indicators (KPIs) of sustainability in the themes of health and safety, water consumption and GHG emissions. In 2021, we reached the goal related to the frequency rate of accidents, closing the year with a result of 1.90. Regarding the reuse of water, we reached the rate of 0.92% and scheduled actions for the coming years that will allow us to continue to exceed the target. The GHG emission reduction indicator was under investigation until the Integrated Report was released, as it depends on the completion of the greenhouse gas inventory with base year 2021.



Operation KPIs with Rabobank – committed and projected goals by 2023

7% reduction in GHG emissions by 2023 (base year 2019: 0.29 tCO ₂ e/ton produced)		
2021	2022	2023
0.28	0.27	0.26
Increase in the water reuse index by 0.75% (base year 2019: 0.53%)		
2021	2022	2023
0.65	0.70	0.75
Reduction in the frequency rate of lost time accidents between collaborators at a maximum of 1.90 (base year 2018/2019 harvest: 3.35)		
2021	2022	2023
2.30	2.08	1.90

Sustainable financing

Agribusiness Receivable Certificates (CRA)

In 2020, we completed our first issue of green bonds, in the form of Agribusiness Receivable Certificates (CRA). The operation raised BRL 480 million and had an assessment and report issued by the second part (second opinion). The bonds are due in 2025 and the complete resources will be applied to the approved eligible projects and members of the Digital Agriculture, Low Carbon and Soil Conservation and Green Fertilization programs.

Soil Conservation and Green Fertilization

In this program, we invest in the acquisition of inputs and soil cover activities, using materials such as millet, crotalaria and brachiaria, among others, to increase the amount of straw in the cultivated area. This coverage has the potential to reduce 10% of the global emissions of SLC Agrícola, as it contributes to the retention of carbon in the soil and decreases the demand for nitrogen fertilization.

Digital and Low Carbon Agriculture

In this program, we acquire equipment and machines that allow better efficiency in the consumption of natural resources combined with connectivity. For the four types of machinery, we have established consumption reduction potentials:

- Tractors and planters: 41% fuel (2.99 l/ha)
- Grain harvesters: 16% fuel (1.69 l/ha)
- Sprayers: 6% fuel (0.05 l/ha)
- Cotton combine harvesters: 20% fuel (4.78 l/ha)
- Timble – Weed Seeker/Weed It: 90% of agricultural inputs and water (liters/ha)

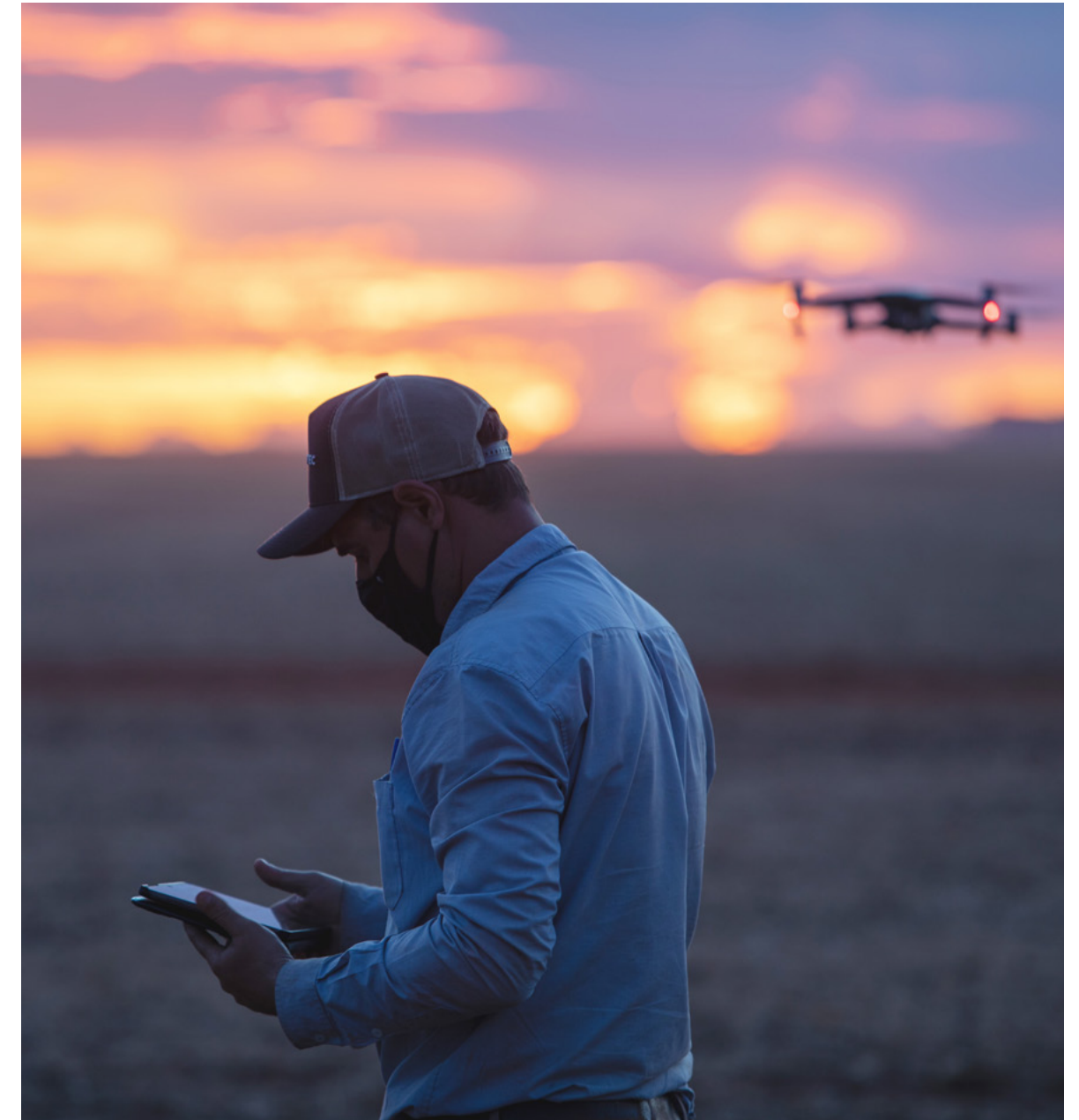
Under the CRA issued, we report annually on the results obtained in the KPIs defined for the operation. By the end of 2021, we considered the forecast of reduced consumption of fuels, agricultural inputs and water from the reduction potentials defined along with the manufacturer of the machinery. The measurement of the effective

performance in the crop is underway by the Mechanization sector of SLC Agrícola.

In 2021, we invested approximately BRL 19.2 million in the acquisition of machinery approved for the CRA. New disbursements will occur in the coming years in order to achieve the previously established environmental performance goals.

BRL 480

million was raised in the first issue of green bonds that we held in 2020



Digital and Low Carbon Agriculture

Tractors and planters

	Planned units (n°)	Units acquired (n°)	Reduction in fuel consumption (liters/ha)
2021	6	6	20.34
2022	14	-	47.46
2023	14	-	47.46
2024	15	-	50.85
Total	49	6	166.11

Sprayers

	Planned units (n°)	Units acquired (n°)	Reduction in fuel consumption (liters/ha)
2021	5	5	0.70
2022	17	-	2.46
2023	8	-	1.16
2024	13	-	1.88
Total	43	5	6.21

Cotton combine harvesters

	Planned units (n°)	Units acquired (n°)	Reduction in fuel consumption (liters/ha)
2021	0	0	0.00
2022	3	-	12.12
2023	11	-	44.44
2024	4	-	16.16
Total	18	0	72.72

Grain harvesters

	Planned units (n°)	Units acquired (n°)	Reduction in fuel consumption (liters/ha)
2021	0	0	0.00
2022	10	-	15.60
2023	0	-	0.00
2024	14	-	21.84
Total	24	0	37.44

Soil Conservation and Green Fertilization

Ground cover with millet, crotalaria and brachiaria, among others

	Planned area (ha)	Effective area (ha)	Reduction of the company's global emissions (Mg C ha ⁻¹)
2021	202,130	116,575	19,818
2022	202,130	-	34,362
2023	202,130	-	34,362
2024	202,130	-	34,362
Total	808,520	116,575	122,904

Timble - Weed Seeker/Weed It*

	Planned units (n°)	Units acquired (n°)
2021	3	3
2022	16	-
2023	9	-
2024	12	-
Total	40	3

*The volume of water saved will depend on the amount of weeds in the agricultural production area, so it is not possible to quantitatively estimate the expected reduction. Santa Agro S.A. (SLC Agrícola Centro-Oeste S.A.).

Growth of operations

Lease with Xingu S.A.

In April 2021, we signed a lease agreement with Xingu S.A. for production in an area of approximately 39 thousand hectares, distributed between the municipalities of Unai (Minas Gerais) and São Desidério and Correntina (Bahia), in areas already developed. The contract makes it possible to use the areas of Bahia for 15 years and Minas Gerais for ten years to produce grains and cotton.

The agreement also allows SLC Agrícola to use the existing operational facilities on the properties. The infrastructure includes irrigation on 6,618 hectares and processing and storage units for grains and cotton. Because of the size of the Bahia area (34,284 hectares), we have set up a new production unit, called Fazenda Paysandu. Due to the proximity, the leased area in Minas Gerais will be managed by Fazenda Pamplona (GO).

We estimate a planting potential of 42,342 hectares in the new regions, including soy, cotton and corn, considering that 50% of the irrigated area offers second harvest potential.



Business combination with Terra Santa

In August 2021, we completed the business combination with Terra Santa, an important step for the continuity of asset light growth and the increase of productive capacity in the next harvests. The transaction, concluded in July with a net consideration of BRL 193 million with goodwill of BRL 47.4 million, incorporated five farms of Terra Santa in Mato Grosso (potential of 145 thousand hectares) and enabled important synergies, due to the proximity between the new units and those we already had in the region. The procedure to finalize the sale was preceded by a solid due diligence process and approved by the Administrative Council for Economic Defense (CADE).

Above-average productivity

In the 2020/2021 harvest, we achieved new productivity records on our farms. We reached an average soy yield of 3,985 kg/ha, an index 13.0% higher than the national average. It was the fourth year in a row that we reached our highest level of productivity.

The productivity of corn and cotton in the 2020/2021 harvest was impaired by the irregularity in the volume of rainfall, especially on the farms of Mato Grosso, between the months of March and April. Still, we reached an average of 1,848 kg/ha for plume cotton (7.5% higher than the national average) and 5,880 kg/ha for second corn harvest (45.2% higher than the national average).

With 463.2 thousand hectares cultivated, the area planted in the 2020/2021 harvest presented an evolution of 3.3% compared to the previous period. Our goal is to reach a total of 675.4 thousand in the 2021/2022 harvest, a 45.8% jump compared to the last harvest, due to the acquisition of the Terra Santa farms and the agreement to lease the farms of Xingu S.A.

Production costs per hectare, when comparing the last two harvests, increased by 16.1%. The main factor for this increase was the devaluation of the real against the dollar, since approximately 60% of the costs are

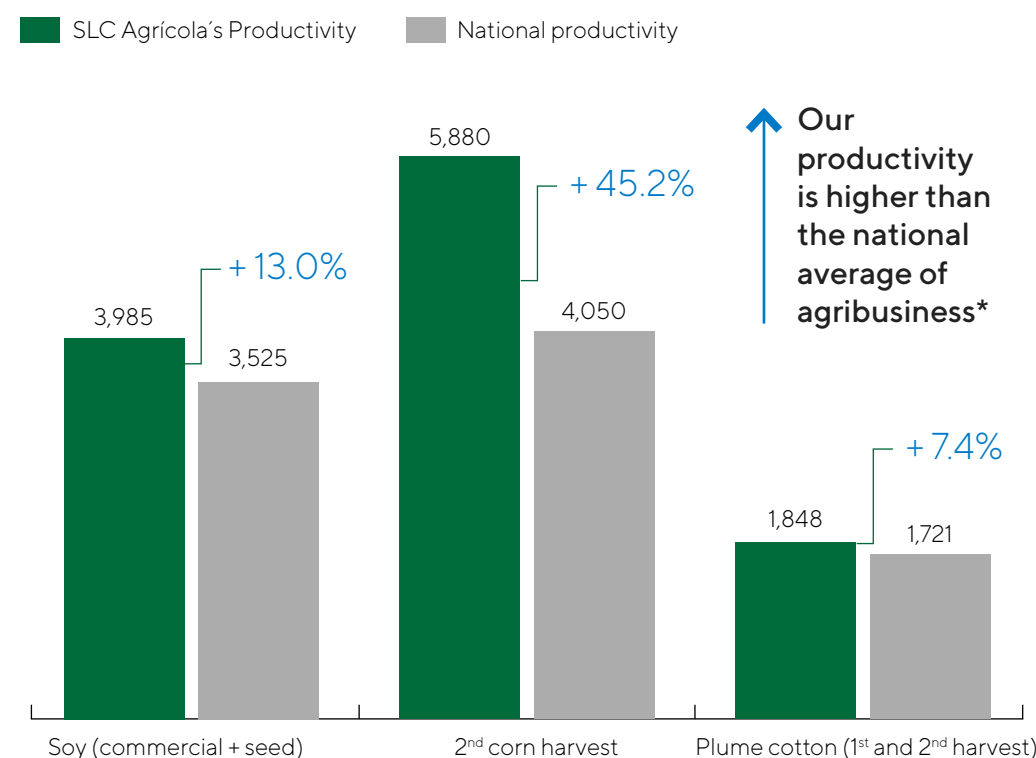
priced in the US currency. In our risk management, we have mechanisms to mitigate the effect of these variations, mainly with the future sale fixed in dollars, following the exchange rate curve.

The increase in fuel, freight and energy prices above the inflation forecast for 2021

also raised the production cost. Therefore, the efficiency in carrying out planning and agricultural operations, with innovation and new technologies to boost the management carried out by our collaborators, is strategic to ensure the generation of value in the long term.

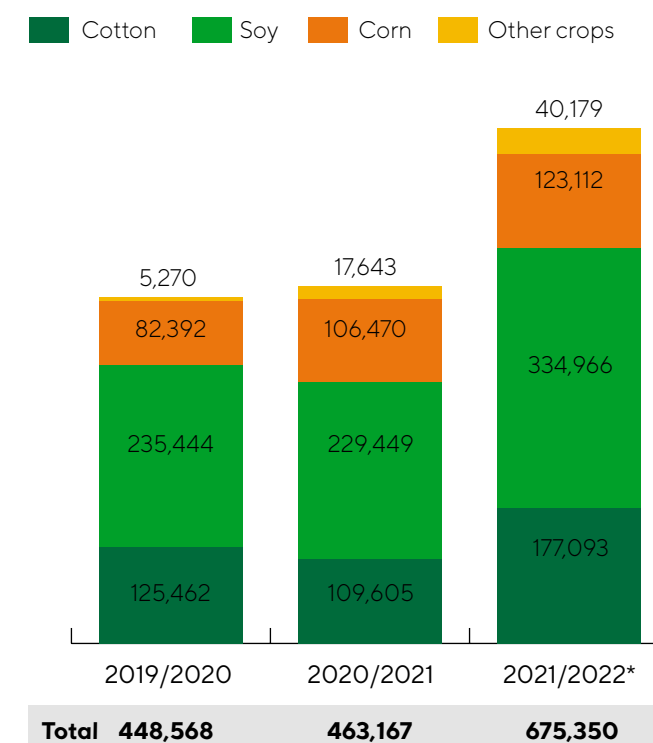
With above-average productivity, we set ourselves apart in the market, in line with our strategy. In the year, the acquisitions allowed the projection of planted area to be expanded for the 2021/2022 harvest.

PRODUCTIVITY IN THE 2020/2021 HARVEST



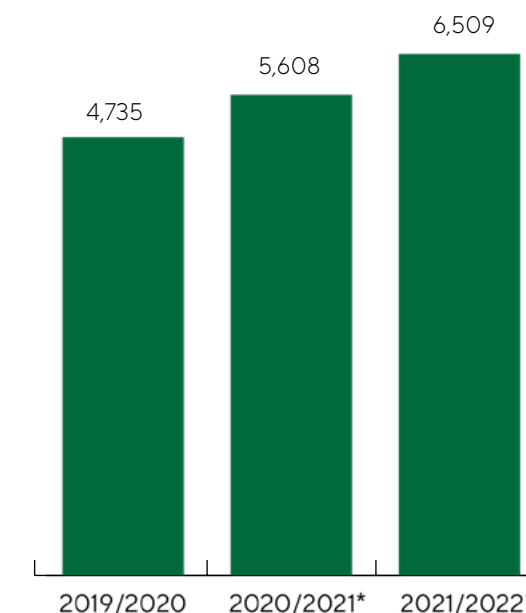
*Source: Companhia Nacional de Abastecimento (Conab).

PLANTED AREA (ha)



*Climatic factors may affect the projection of planted area.

AVERAGE PRODUCTION COST (BRL/ha)



*The values may change before the end of cotton processing and grain marketing.

**Weighted by the areas of the 2021/2022 harvest to avoid changes arising from variations in the product mix.

SLC Sementes

The production and marketing of seeds is a strategy for diversifying the portfolio and adding value to the business model, supported by our technical knowledge and field expertise. In the 2020/2021 harvest, we produced a total of 761.8 thousand bags of soy seed.

We also started producing and selling cotton seeds. In the 2020/2021 harvest, we sold 85.5 thousand bags, with a 3% commercialization index. In the portfolio, we also have brachiaria seeds (for pasture), sold externally under the SLC Sementes brand (181 tons sold in the 2020/2021 harvest).

SLC Sementes was created to provide Brazilian producers with access to varieties of cultivars that have the greatest productive potential, integrating the technical knowledge accumulated in our trajectory as one of the largest agribusiness companies.

To this end, we offer our customers the SLC Sementes Guarantee Program, which ensures a quality index of 90% in germination under appropriate sowing conditions. In the Program, SLC Sementes offers support in the after-sales and the Customer Portal, a digital platform for monitoring the shipments and the delivery schedule of the seeds purchased.



Crop-livestock integration

Raising livestock on our farms, in the crop-livestock integration model, expands the diversification of the product portfolio and productivity each harvest. Planting brachiaria for grazing and fattening up the animals contributes to the increase of soil fertility in areas where the corn cultivation or second

harvest cotton still has low productivity.

In the 2020/2021 harvest, crop-livestock integration was used in a total of 13 thousand hectares, a growth of over five times compared to the previous year (2 thousand hectares in the 2019/2020 harvest).



Innovation and digitization

Digital agriculture

Precision farming is a central pillar of our strategy to increase productivity and efficiency in our crops. With the use of digital technologies to monitor the routines in the field and the connectivity of crops to insert information in our databases with increasing agility, we have advanced in the monitoring of different types of indicators and in the identification of opportunities to be more efficient, with the reduction of fuel and water consumption, the use of fertilizers and pesticides, and the generation of waste and effluents.

The search for this efficiency begins in the planning phase of the crop, when we establish the parameters for planting crops each year.

Based on databases of historical series of productivity, satellite images and mapping of soil physical and chemical conditions, we defined the action plans to achieve the maximum productivity per hectare planted, applying the exact and necessary quantities of products for soil fertilization and pest and disease control.

Productivity maps indicate the crops with the greatest production variability. With this tool, we identify the areas and types of corrective actions that must be applied so that the places with the lowest productivity reach their maximum potential.

Another action we performed is the variable rate of application of potassium, limestone and phosphorus to correct soil fertility. After soil analysis, we produce fertility maps

that guide the machines, through satellite signal, to apply the correct dosage of nutrients in a variable way, according to the needs in each area of the crop.

The evolution of precision agriculture accompanies investments for the digitization of crops and equipment. The installation of 4G signal antennas on our farms, expanding coverage with an internet signal, accelerates the use of new technologies and the remote monitoring capacity of crops.

Several new technologies began to be used on our farms as a result of the connectivity of crops. All of them are aimed at increasing productivity and efficiency in the field, promoting the sustainable use of natural resources.

In the 2020/2021 harvest, precision agriculture was present in:

218.6 thousand

hectares worked with productivity maps

92.0 thousand

hectares with application of products with a variable rate

Preventing the consumption of:

96.0

tons of inputs (fertilizers, herbicides and insecticides)

34.3

tons of plastic packaging

24.8 million

liters of water

Solutions and technologies in connected crops

Use of tablets and smart phones for digital and georeferenced pointing of agronomic analyses

Real-time management of fleets and agricultural equipment

Adjustments of routes and procedures in crops to reduce fuel consumption

Digital monitoring of rainfall, soil moisture and other climatic conditions

Selective application to reduce the consumption of inputs and pesticides

515

thousand hectares of crops (considering the first and second harvest plantations) are covered with a 4G internet signal

Innovation management

Our company has a strategy aimed at pioneering the assessment and incorporation of innovations, new technologies and processes that boost productivity and efficiency in agribusiness. As early adopters in the integration of these innovative solutions and in the development of new businesses, we achieve competitive advantages and benefits that become scalable given the volume of our production and the amount of areas we cultivate.

Innovation management takes place in an integrated manner, connecting different initiatives to the common objective of increasing the productivity and efficiency of our activities.

Our innovation strategy was recognized in 2021, with the entry in the “100 Open Startups” ranking, which selects the leading companies in open innovation with startups. In addition to entering the ranking, our company was elected one of the top five in the agribusiness sector.



Productivity-driven innovation

The pilot project for structuring an intelligent yard exemplifies how the search for innovation, with technology and digitalization, is directed to increasing productivity and efficiency. At Fazenda Paiguás (MT), the integration of two software – one owned by SLC and another by a third-party company – has allowed several manual processes to become automated and digitized, improving the guarantee of traceability of the cotton we sell to customers.

With the use of RFID (Radio Frequency Identification) technology, storage, data entry, forklift handling, storage maps and control of entry and exit of bale operations are gaining more speed and reliability. The initial results indicate a reduction in costs, time and operational failures, in addition to expanding the complete traceability of the chain.



Our Startup Connection Program, AgroX, opened registration for its third edition in 2021. The initiative consists of proposing agribusiness challenges to be solved by startups with an open innovation approach.

AgroX is now structured in three selection cycles – or batches, as the process is known in the open innovation ecosystem. Two batches are intended to connect with Brazilian startups and the third aims to search for foreign partners, expanding the sweep for new alternatives.

On this international front, two challenges focusing on product quality were proposed to develop solutions. AgroX received 34 startup projects from 14 different countries, and six of them were selected for the presentation round (pitch day).

Our Startup Connection Program, AgroX, opened registration for its third edition in 2021.



Our collaborators also participate in the innovation and development of new solutions and businesses. For this audience, we have the Ideas&Results Program, which receives ideas, suggestions and projects focused on solving challenges and improvements.

Of the total ideas presented by 2021, ten projects were selected for rollout, after achieving positive results in the testing and assessment stages.



SLC Ventures was created to accelerate new businesses and innovative investments with growth potential to solve agribusiness challenges. This takes place on two fronts: Corporate Venture Capital and Venture Builder.

Through SLC Ventures, in 2021 it made its first contribution to a startup, participating in Aegro's third round of fundraising. Created in 2014, the company developed an agricultural management system already used at over 4 thousand farms in 20 different states. The platform has potential for scalability, a factor that has weighed on decision making.



It supports direct investments in startups. Investments can be in companies that have gone through the AgroX program, have already been invested with the fund (follow on) co-investing with third parties or resulting from active prospecting.



Projects selected with high impact potential aligned with an innovation thesis to be developed over a period of 6 to 12 months in an environment separate from SLC Agrícola's operations.

34

startup projects registered in AgroX

6

projects selected for pitch day, the presentation round

10

Ideas&Results projects selected for rollout

4 thousand

is the number of farms that already use Aegro's agricultural management system, in which SLC Ventures invests



Certifications and quality

In our strategic vision, product quality and care for people and the environment have the same importance of continuously increasing efficiency and productivity in crops. Our management is directed to ensure that, in all farms and in the Corporate Matrix, we apply standardized processes aligned with the best market practices in the management of quality, safety, environmental impacts and social responsibility.

Our Quality Management System is certified according to ISO 9001, ensuring the standardization and traceability of the process of storage and processing of grains and cotton in certified units. We ended 2021 with six farms and the Headquarters certified.

The Integrated Management System (IMS) is responsible for standardizing the policies and procedures for managing the ESG aspects of our business. The platform we use is ISO 14001 (environmental management), ISO 45001 (occupational health and safety) and NBR 16001 (social responsibility), already applicable in 11 units – the Headquarters and ten farms. The goal is, by 2026, to have the 22 units operated by SLC Agrícola certified under the IMS.

The expansion of certifications is a process that promotes the engagement and development of farm leaders. The prior



audit carried out at the units identifies opportunities for improvement, for which local leaders and teams establish action plans for continuous improvement.

The execution of this planning is monitored throughout an entire harvest before we begin the search for certification. Thus, we ensure that the best practices will be rooted and always present, generating productivity and efficiency gains, with responsibility in relation to the environment and society.

Digitization for ESG management

The management of aspects, risks and opportunities related to the ESG performance of our company has been carried out since 2020, with the support of a digital tool that gives more speed and reliability to the processes. With this platform, we have evolved in the organization of projects and documents of the different tasks and action plans mapped.

With this solution, we consolidated the management of documents, licenses and environmental conditions, the monitoring of projects and portfolio, the registration and investigation of accidents and incidents, audit and non-conformities, among other aspects.

The main benefits of this solution are the centralization of information on a single platform and the availability of data in real time for leaders and users, ensuring more speed and more collaborative decision-making.

Management pillars



-  **Project management**
-  **Environment**
-  **Occupational health and safety**
-  **Quality management**

Product certifications

In addition to the certifications of the management processes, we invest so that the commodities we produce are in accordance with the highest standards of quality and social and environmental responsibility. Certifications are platforms that add value to the relationship with customers, ensuring traceability and commitment to sustainable production.

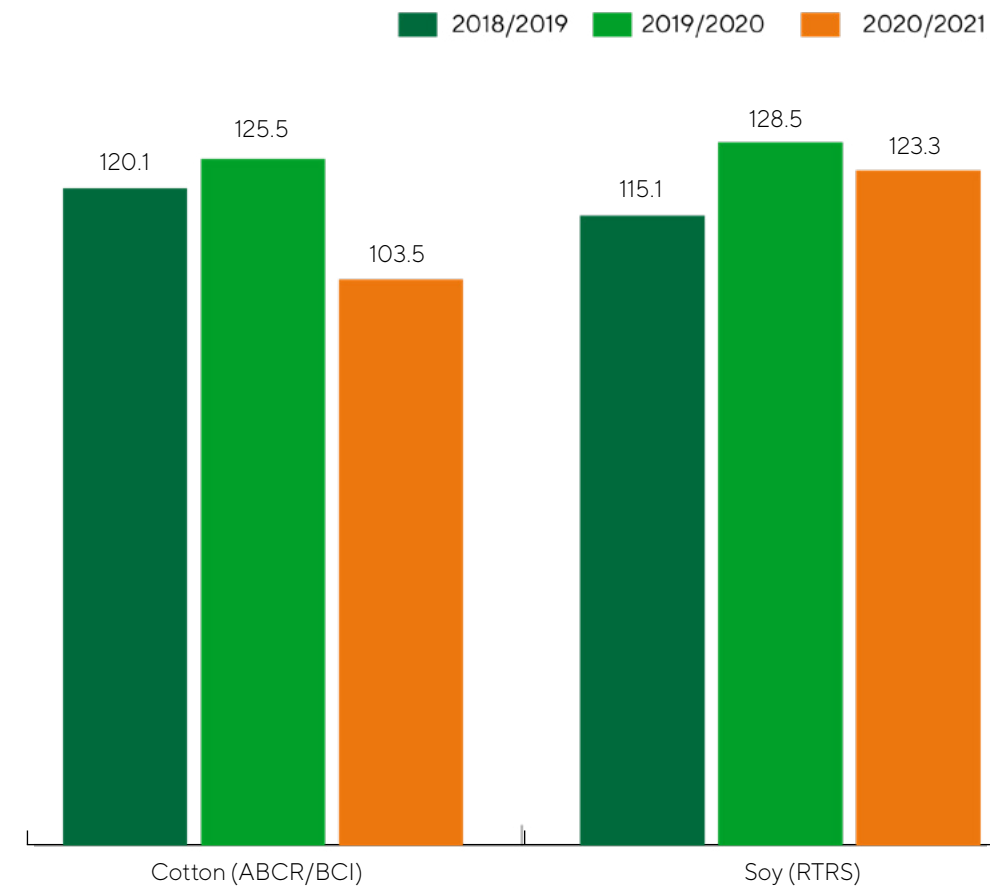
In 2021, we celebrated the ten years of RTRS (Round Table on Responsible Soy) certification for the production of responsible and sustainable soy. RTRS is one of the main certifications for oilseed worldwide, and our company has been one of the pioneers, since 2007, to contribute to its diffusion in Brazil.

We also have certifications to produce responsible cotton (BCI), following international standards to ensure a sustainable and responsible production of fibers.

Unit	Quality Management System		Integrated Management System	
	 Directs the adoption of policies and requirements to ensure the standardization, monitoring and documentation of the production process.	 Defines requirements for the implementation and improvement of the environmental management system of operations.	 Guides the structuring of standards and procedures for a management system of health and safety conditions in the workplace.	 Establishes requirements for the social responsibility management system, directing action towards the promotion of citizenship and social development.
Headquarters (RS)	✓	✓	✓	✓
Planalto (MS)	✓	✓	✓	✓
Pamplona (GO)	✓	✓	✓	✓
Panorama (BA)	✓	✓	✓	✓
Paiaguás (MT)	✓	✓	✓	✓
Planorte (MT)	✓	✓	✓	✓
Planeste (MA)	✓	✓	✓	✓
Palmares (BA)		✓	✓	✓
Parnaíba (MA)		✓	✓	✓
Perdizes (MT)		✓	✓	✓
Pioneira (MT)		✓	✓	✓



CERTIFIED AREA EVOLUTION (thousand hectares)



APR (Responsible Brazilian Cotton)

It promotes the sustainable production of cotton, encouraging the adoption of good environmental management practices, social responsibility and a vision of sustainability.

BCI (Better Cotton Initiative)

It stimulates the awareness of the entire production chain on the importance of fair labor relations and social and environmental responsibility in the field.

RTRS (Round Table on Responsible Soy)

It sets an international standard for soy production in an environmentally sound, socially fair and economically viable manner.

Genetically Modified Organisms (GMOs)

The use of genetically modified seeds (GMOs) increases productivity and efficiency in our crops. The soy, corn and cotton varieties we selected are more resistant to pests and infestations, reducing the use of pesticides and other

chemicals and water. The solution also helps to reduce the use of fuels and avoids risks to other insect species that are not harmful to plants.

Customers who purchase soy and corn are informed about this use of GMO

seeds and authorize receiving them through contractual clauses. In cotton marketing, this qualification is not carried out, as the products are sold in unlabeled bales.



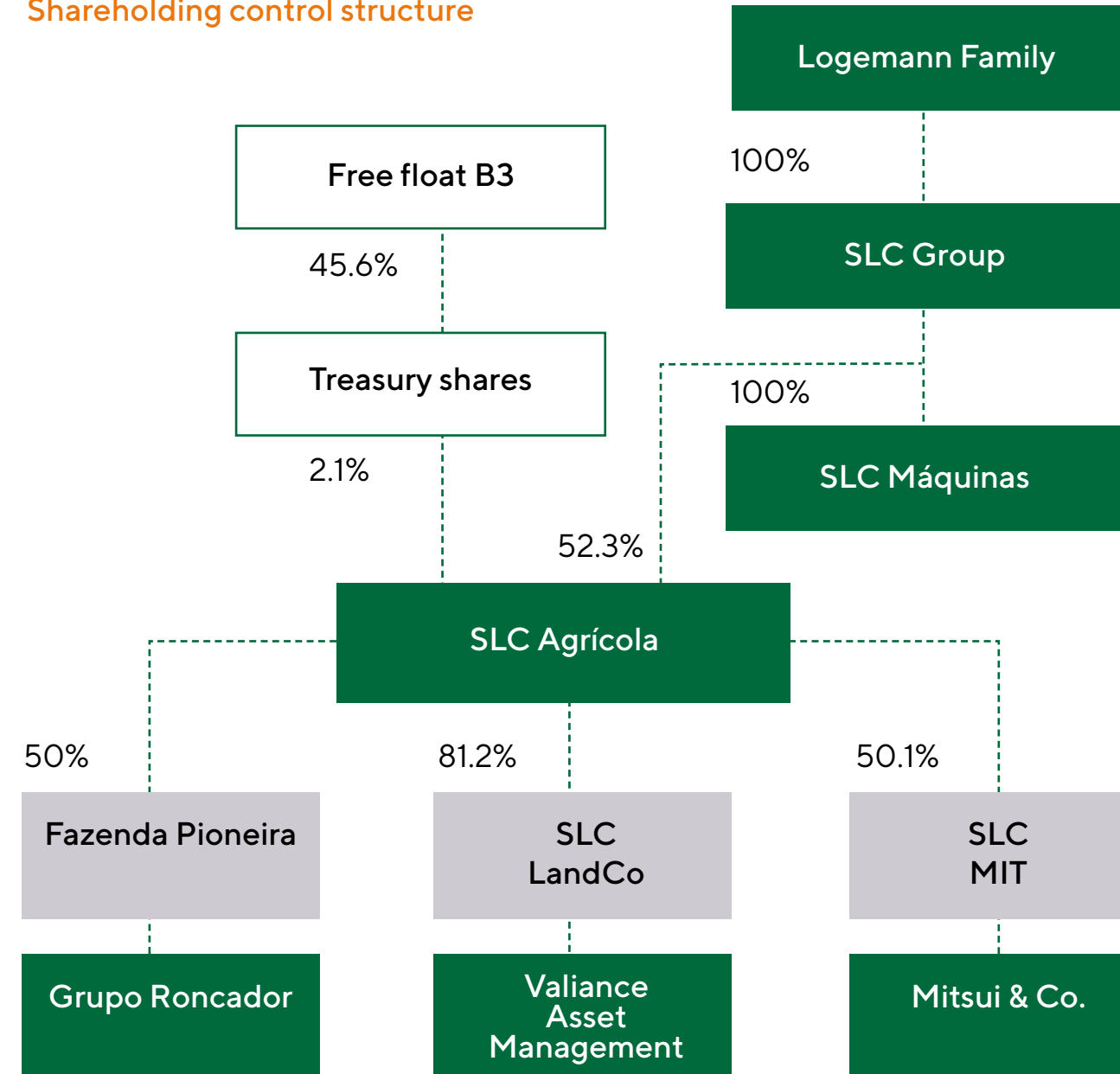
Governance and risk management

Governance and risk management

Our company is a company that has had its shares listed and traded on the São Paulo stock exchange, B3, since 2007. We were pioneers in the grain and fiber production sector to open corporate capital and, since then, we have evolved in policies, procedures and governance structure to ensure efficient management, business growth and corporate risk management.

Through our governance, we manage the risks that can impact business continuity, in an integrated manner and aligned with the expectations of the different stakeholders with which the company establishes long-term relationships. We also identified opportunities for business growth and solidification, based on the strategy designed from the long-term perspective and social and environmental responsibility of shareholders.

Shareholding control structure



Market risk management

One of the main risks of our business is the exposure to the volatility of quotations in Brazil and abroad of agricultural commodities and foreign exchange. As a large part of production costs and sales contracts occur in dollars, we have a strategy of hedging market risks to ensure that the company obtains operating margins that ensure the generation of value for shareholders and financial strength in the long term.

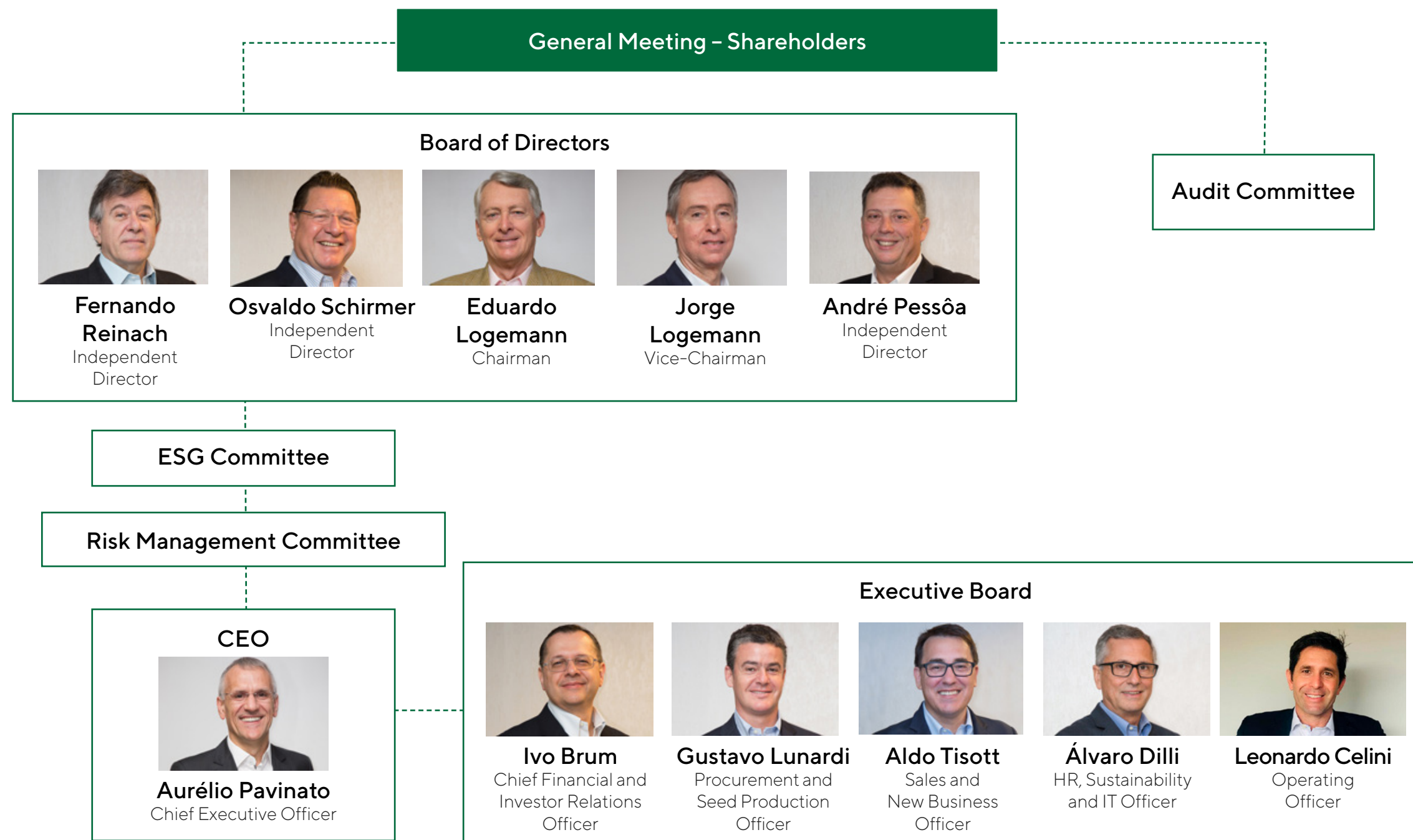
This form of action is in line with the guidelines and procedures established in our Market Risk Management Policy and monitored by the Risk Management Committee with approval from the Board of Directors.

In 2022, risk management in our company will be strengthened with the installation of the Audit Committee to advise the Board of Directors. With this evolution, our Internal Audit will respond directly to the new body, strengthening the assessment of the company's mechanisms and controls.

Governance structure

Our corporate governance structure includes the Board of Directors, the body responsible for establishing strategic guidelines and policies for conducting business. Following the best market practices, three members of the Board of Directors are independent and have professional backgrounds and experiences that ensure a comprehensive view of the risks and opportunities for the company in the context of Brazilian agribusiness.

The Board of Directors has its performance and deliberations supported by advisory committees, specialists in the topics that are under its scope of analysis. In 2021, the ESG Committee, created to assist in the assessment of aspects related to the theme of sustainability, completed its first year of operation. The body held six meetings throughout the year, discussing topics related to business adaptation to the context of climate change, environmental management, investments in social projects, among other relevant topics.



Ethics and compliance

The values and principles that guide the development of our business are expressed in the Code of Ethics and Conduct, updated and approved by the Board of Directors in 2021. Together with this document, we have different corporate policies that guide the conduct of the company, with ethics, legal compliance and transparency as pillars of governance.

In 2021, we also approved the Anti-Corruption and Prevention Policy, available to 100% of collaborators and external audiences. It establishes guidelines and rules for the development, maintenance and continuous improvement of practices to prevent, monitor and combat acts of corruption, such as deviations, fraud, irregularities and unlawful acts committed against the government of Brazil or foreign countries.

This set of regulations makes our commitment to respecting human rights in our operations and throughout the value chain clear. We do not tolerate and we combat any degrading form of labor, including the use of

child labor or in conditions analogous to slave labor. Likewise, we combat any act or behavior of corruption or fraud, especially in situations involving agents and public servants.

To ensure all collaborators, officers and members of the Board of Directors adhere to these guidelines and principles, we developed our Compliance System, structured in accordance with the Anti-Corruption Law (12.846/2013). The operation and rules of the Compliance System, as well as the values of the Code of Ethics and Conduct, are disclosed through training, communication campaigns and awareness actions.

The Compliance System also relies on the Reporting Channel (Contato Seguro) for receiving communications and reports of unethical behavior or involving corruption and fraud. The platform, managed by an external and independent company, is open to collaborators, suppliers, customers and all other audiences of the company.

The reports received on the Reporting Channel are forwarded to the company and assessed by the Loss Prevention Committee, which directs the investigations according to the subsidies informed by the notifiers, without any risk to secrecy or confidentiality. One of the actions we carried out in 2021 was greater dissemination of the Channel on our institutional website, reinforcing our commitment to ethical performance and integrity.

In 2021, we received 160 reports on the Reporting Channel, none of them related to a confirmed case of corruption. Another nine were related to complaints about discrimination – of which three were founded and three partially founded. In these cases, disciplinary measures were applied as provided for in the Investigations and Disciplinary Measures Policy, approved last year. Two other investigations into discrimination allegations were still ongoing in early 2022 and one could not be initiated due to lack of sufficient information for the investigation.

In 2021, we approved the Policy on Preventing and Combating Corruption and adhered to the Business Pact for Integrity and Against Corruption, a multisectoral initiative to promote integrity in the organizations' strategy.

Action

Reporting Channel

- Receiving reports of corruption, fraud and unethical behavior, with confidentiality and non-retaliation ensured

0800 648 6306
www.contatoseguro.com.br

Guidance

- Code of Ethics and Conduct
- Policy on Preventing and Combating Corruption

Loss Prevention Committee

- Internal investigation of communications received, establishment of corrective actions or punishments and feedback to communicants

Ethics management

Training

Communication and dissemination of the Code of Ethics and Conduct

- E-mail, corporate WhatsApp number, bulletin boards in the units
- Mandatory e-learning platform training for 100% of collaborators
- Dialogs with teams on ethical principles and values

Prevention

Compliance Matrix

- Mapping out corruption or fraud risks in internal operations and in the value chain
 - 8 risks associated with 36 factors
- 100% of the operations covered by the risk analysis

Third party risk management

- 286 suppliers classified as high risk
- 778 payments assessed due to these classifications in 2021

Training and engagement

Our Code of Ethics and Conduct and the Anti-Corruption and Prevention Policy are widely disseminated to our internal audience. Disclosure actions to collaborators are carried out by the various internal communication channels and daily by the leaders, covering 100% of the professionals. In 2021, these initiatives counted on a specific campaign, started in September, to reinforce the Integrity Program, including pieces on inter-

nal channels, a video with the participation of the Board and signaling in the work areas. In addition, the farms received visits to give presentations about the Program in person.

For external audiences, the disclosure of conduct and anti-corruption guidelines is also comprehensive, with the Code and policies made available on the institutional website and the inclusion of specific anti-corruption clauses in contracts with suppliers.

Anti-corruption training in 2021*

By region	Number of people trained	Percentage on the headcount on 12/31
Northeast	585	44.97%
Midwest	660	35.39%
South	434	65.60%
Total	1,679**	43.86%
By operational level		
Leadership	371	83.75%
Operational	1,308	38.66%

*There was no training for governance members. In some cases, the percentages exceed 100% due to headcount variation throughout the year: some people were trained throughout the period, but did not work at the company at the end of 2021 (percentages calculated on the staff on 12/31).

**The 1,679 people trained correspond to a total of 2,804 participations in training in 2021.





Social performance

Strengthening the relationships we establish with collaborators, suppliers, service providers and communities is a pillar of our business growth strategy. Our production units are present in seven Brazilian states and we have the ambition, expressed in our Big Dream, to positively impact future generations, contributing to sustainable development.

To this end, we invest in the construction of an inclusive work environment that offers opportunities for the growth and development of our collaborators. We also work to strengthen the values of our corporate culture and the alignment of our professionals with the strategic objectives focused on productivity and efficiency, with responsibility and sustainability.

The quality of the company's human capital management processes we practice has been continuously recognized in recent years, with awards and certifications that positively impact its brand and reputation.

Recognition in people management



“Amazing Places to Work” Award,
from Fundação Instituto de Administração (FIA) and UOL,
for the second consecutive year



The Best in People Management
Valor Carreira and Mercer, for the fourth consecutive year



Great Place To Work (GPTW)
• Member of the “Best Companies to Work for in Rio Grande do Sul” ranking | GPTW RS. The company won the award for the 5th time, the last three in a row.
• Member of the GPTW Agro ranking, for the second consecutive year



Chosen for the list of the “100 most inspiring HRs” in the Gupy Destaca Award
Our company was featured in the Development and Innovation in Attraction categories



Recognition for the ESARH Award – South American Human Resources Summit
The “Inclusive Education in SLC Agrícola” case was chosen the best in the Projects – People Management Modality category



Winner of the “Top Ser Humano” award
2020/21 edition, in the Organization category, carried out by the Brazilian Association of Human Resources (ABRH-RS), with the “Inclusive Education: continuous learning to challenge and transform” case

People development

Technology is a lever for the evolution of efficiency and productivity in the agricultural operation, but people are indispensable in this evolution. At our company, management is focused on preparation and training, so that our professionals develop the skills, innovation capacity and creativity to make a difference in light of

the trend of digitalization and modernization of agribusiness.

To accelerate this development, we created the Inclusive Education Program, a platform that covers different projects aimed at integrating collaborators of different levels of positions and functions with new technologies.

Inclusive Education Program



SuccessFactors

We provide an online corporate education platform (EAD) to expand the institutional knowledge of our teams and leaders. Currently, there are over 200 distance learning courses available on the company's intranet and can be accessed by tablets, cell phones and computers. In addition to the aspects of self-knowledge, there are courses for technical training, such as software widely used in corporate environments (Excel, Power Point and other examples). In 2021, the courses related to the Gen-

eral Data Protection Act (LGPD), turnover and the Code of Ethics and Conduct stood out.

In 2021, we promoted over 146 thousand hours of training for collaborators, resulting in an average of 52.4 hours per professional. It is worth mentioning the operational training, which represented 78% of the total hours applied. The greater representativeness of this type of training explains the higher average hours of training per collaborator among men when compared to women.

SuccessFactors platform courses were accessed by 2,300 collaborators in 2021.

Average hours of training per collaborator¹

	2021	2020	2019
<u>By gender</u>			
Men	52.5	36.1	78.3
Women	44.5	28.1	52.5
Total	52.4	35.3	75.2
<u>By operational level</u>			
Leadership	93.4	53.3	131.2
Trainees	136.4	71.1	161.5
Operational	45.8	33.1	69.3

¹Calculated as the total hours of training divided by the average headcount of the year.

Leaders' Academy

The Leaders' Academy is the front on which we promote the development of leaders and their potential successors. The focus is on process and people management, considering the demands for the execution of the company's strategic planning and the opportunities for improvement mapped in the assessments of skills and satisfaction surveys.

The training actions are structured in modules that make up specific programs for each type of leadership. We rely mainly on the Knowledge Management Program, the Matrix Development Program and the Farm Development Program. In 2021, 523 leaders and potential successors participated in the Leaders' Academy.

Each year, we identify a current theme connected to the business context for the customization and preparation of content. In 2021, the focus was on training leaders to work with their teams in adapting to the context of new technologies in agribusiness. The previous year, as a result of the Covid-19 pandemic, we focused on the issue of mental health care and agility in an environment of involuntary and profound transformations.

Digital Inclusion Space

On our farms, the Digital Inclusion Spaces were created to offer collaborators more access to technology and development opportunities. The units have adapted rooms or containers, with free computers with internet connection. Farm leaders are prepared to encourage professionals to use the spaces, focusing on the importance of continuity of studies and opportunities in Distance Learning format.

We have 16 Digital Inclusion Spaces, equipped with computers connected to the internet. In 2021, the use of the sites exceeded 2,400 hours.



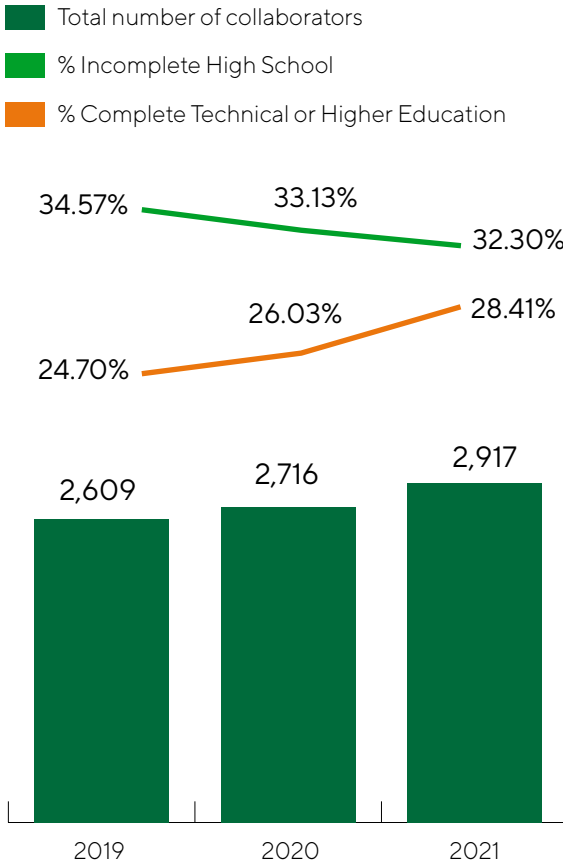
Youth and Adult Education (EJA)

EJA is a teaching modality created by the federal government so that young people and adults who did not have access to school at the conventional age can complete formal education, with their own teaching methodology. Thus, we create classrooms on our farms so that collaborators can attend EJA, in person or online, and complete Elementary and High School.

In addition to the physical space, our company also provides the basic material (notebooks, pencils and pens, for example) and transportation for testing and leveling tests in locations outside the farms.

The result of this initiative is perceived in the schooling indicators of our team of professionals. The increase in the number of people with higher education levels and the reduction in the number of illiterate people are continuous in recent years. In 2021, we had 251 active students in EJA classes and 10 of them graduated.

EVOLUTION OF SCHOOLING



Education Assistance

Our company offers education assistance to encourage collaborators to resume their studies or enter higher education courses, focused on the development of technical and scientific knowledge. The financial investment made turns into greater collaborator engagement and improved quality and performance, benefiting 159 collaborators in 2021.

Capacity Building for Digital Agriculture

The program is aimed at collaborators working in the operational areas of the farms and aims to promote engagement in the new technologies applied in the agribusiness, enabling them to work in the context of Agriculture 4.0 and digitalization. The trained professionals occupy positions of coordinators in production and farming, agricultural technicians, machine operators and mechanics.

In 2021, we started the Agricultural Technical Improvement School, with the objective of promoting continuing education for collaborators in the processes of agricultural operations and to improve the level of qualification and performance.

145

collaborators participated in the Training for Digital Agriculture program in 2021



Skill Assessment

The Skill Assessment process complements the collaborator development strategy, allowing professional performance to be assessed transparently and promoting greater integration of leaders with their teams.

All collaborators hired up to the last day of the previous year are eligible for the Skill Assessment. The process includes the preparation of a self-assessment and an assessment of the immediate manager, which are compared and mediated to form a final score and subsidize individual feedback, with guidelines and plans for development. The final scores of the coordinators, managers and officers also have a third assessment, carried out by the teams they lead, as a way of analyzing leadership skills.

In 2021, 86.2% of collaborators participated in the Skill Assessment process. Among the leaders, this percentage was higher, reaching 89.1%.

Since 2020, we have adopted the Career Dialogs methodology in order to promote reflection among collaborators on professional development. Through an app, we provide content for reading and reflection.

The platform also allows you to schedule conversations with the manager to formally develop action plans and gain support in career planning. This approach contributes so that each professional can plan their trajectory and define directions and transitions in their career. For executive board positions, we also have an outplacement plan, with support from a specialized supplier in professional relocation.

Percentage of collaborators participating in the Skill Assessment process

	2021	2020	2019
<u>By gender</u>			
Men	87.6%	89.0%	na
Women	78.1%	73.7%	na
Total	86.2%	86.9%	95.2%
<u>By operational level</u>			
Leadership	89.1%	94.0%	85.4%
Trainees	100.0%	na	na
Operational	85.7%	86.9%	96.5%

Compensation and benefits

Periodically, we promote market surveys in order to offer competitive compensation to our collaborators. In addition, we ensure compliance with the base wages defined in the respective collective bargaining agreements, which exceed the minimum wage. With this approach, entry wages offered at the headquarters and on farms are higher than the national benchmark.

In farms, the lowest wage paid in the period was 11.8% higher than the minimum wage, considering the positions occupied by both men and women. At the Headquarters, in Porto Alegre (RS), this distance from the national reference was greater, 69.2%

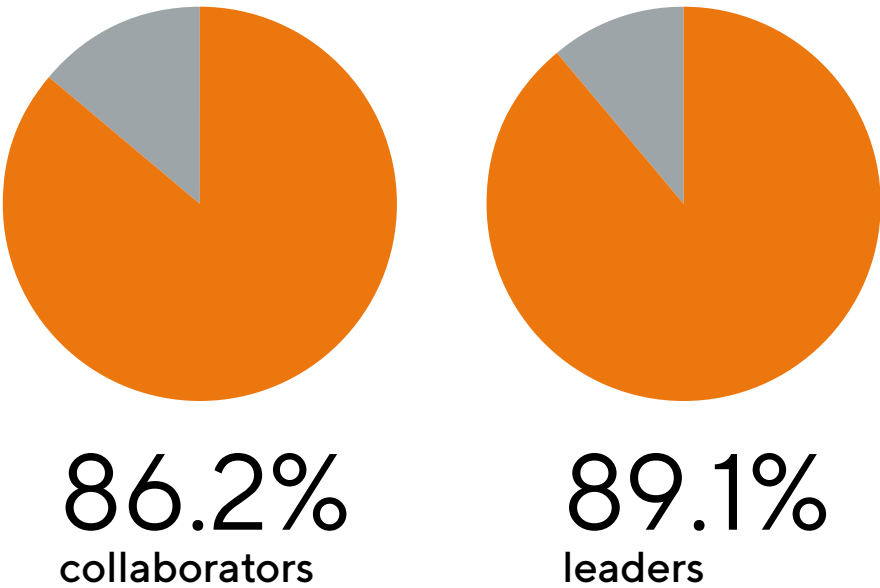
among women and 90.1% among men. The difference between genders occurs because the lowest wages paid at headquarters refer to people who occupy different positions, since there is no differentiation in compensation between men and women who occupy the same role.

We offer permanent collaborators and harvesters a set of benefits that contributes to the attractiveness of the total compensation. Among these benefits, we highlight the Profit Sharing Program (PPR), transportation vouchers/chartered transportation, food vouchers/meal vouchers/cafeteria at the units, education assistance and agreements

with universities and educational institutions, extended maternity and paternity leave, housing/accommodations on farms and remote work model (according to individual agreements made during the pandemic).

Only a few benefits are offered exclusively to permanent collaborators and are not available to seasonal harvesters: temporary rent assistance, education assistance, agreements with universities and educational institutions and the SLC Foundation package (medical and dental assistance, funeral assistance, life insurance and reimbursement of medical expenses, medication and lenses for eyeglasses).

PARTICIPATION IN THE SKILL ASSESSMENT PROCESS (in 2021)



Diversity and inclusion

The promotion of diversity and the inclusion of all types of professionals at our company has always been a priority, driven mainly by actions to curb any type of discrimination. With the evolution of the topic in the corporate agenda, we are advancing in the assessment and development of initiatives to give even more focus to the agenda of diversity in our people management strategy.

One of the actions already consolidated is the Sowing Program, created for the development and professional growth of people with disabilities (PWD). We hold educational lectures, leadership training for the practice of inclusion and offer Brazilian Sign Language (Libras) courses to other interested collaborators.

One of the challenges to be worked on in 2022 is the expansion of the presence of women, mainly in technical and operational activities on the farms. Currently, women represent about 15% of the total number of permanent collaborators and 12% of leadership positions.

To accelerate this evolution, we have invested in actions to increase the attraction of women in the selection processes of the positions we open to the market and worked more closely with managers to allow an assessment even more focused on technical and behavioral criteria, regardless of gender.



We promote equal pay for men and women. At the administrative and operational levels, their compensation is 100% equivalent to the amounts paid to men. At the leadership levels, there is a difference between the average amounts, due to different roles occupied by men and women at these levels. For coordinating positions, the average base wage for women is equivalent to 95% of the base salary for men. At the management level, this proportion is 98%.

At the end of 2021, our staff consisted of 2,917 permanent collaborators, an increase of 7.4% in the annual comparison, in addition to 93 apprentices and 62 trainees. In 2021, we recorded an average of 1,244 seasonal harvesters under contract, an increase of 21.2% compared to the previous year.

Their compensation is

100%

equivalent to the amounts paid to men, at the administrative and operational levels.



Proportion of women's pay in relation to that of men¹

	2021		2020		2019	
	Base wage	Total compensation	Base wage	Total compensation	Base wage	Total compensation
Management	98.3%	95.2%	94.6%	86.5%	83.2%	76.8%
Coordination	94.7%	82.6%	85.1%	105.9%	97.5%	83.2%
Administrative	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Operational	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1. It does not apply to the Executive Board level, which is composed exclusively of men.

Collaborators per employment contract¹

	2021			2020			2019		
	Permanent	Seasonal harvesters ²	Total	Permanent	Seasonal harvesters ²	Total	Efetivos	Seasonal harvesters ²	Total
<u>By gender</u>									
Men	2,492	1,221	3,713	2,347	1,012	3,359	2,269	1,010	3,279
Women	425	23	448	369	14	383	340	11	351
Total	2,917	1,244	4,161	2,716	1,026	3,742	2,609	1,021	3,630

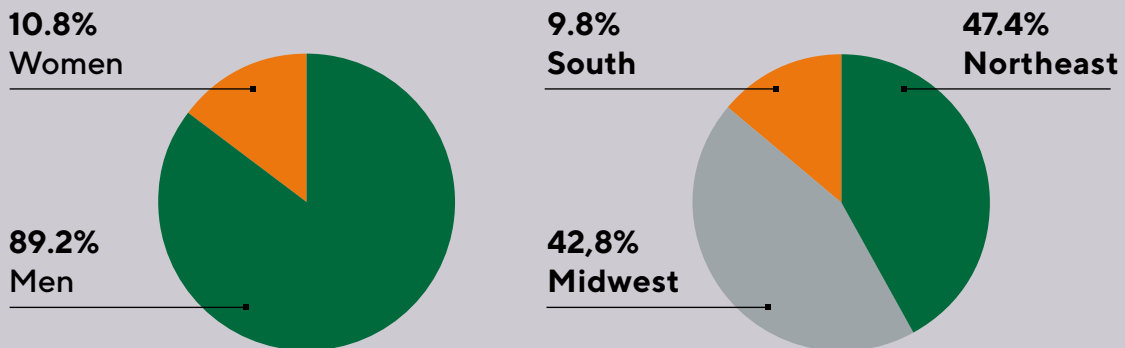
By region

Northeast	1,228	744	1,972	1,175	565	1,740	1,194	513	1,707
Midwest	1,290	490	1,780	1,228	450	1,678	1,151	500	1,651
South	399	10	409	313	10	323	264	8	272

1. All professionals are covered by collective bargaining agreements or conventions and work full-time. The data on permanent workers consider the base date of 12/31 in each period. For seasonal harvesters, an annual average is used. Data from 2020 resubmitted due to the update in the BI (Clickview), which in the previous period considered PWD removed from the 2020 asset base.

2. Law no. 5.889/73 and Decree no. 73.626/79 establish the contract for seasonal harvest workers. The harvest contract is signed for a fixed term and provides for labor guarantees, as determined by art. 443, paragraph 2, letter "a", of the CLT.

PERMANENT COLLABORATORS BY GENDER AND REGION



Health and safety

Occupational health and safety management is carried out in a standardized and centralized manner at our company, with local action to ensure effectiveness in the implementation of the processes and practices of excellence that we establish through the Integrated Management System (IMS). Our IMS covers 100% of the permanent collaborators, seasonal harvesters and other workers at all our units.

All farms have their own Occupational Health and Safety (OHS) teams and 11 of them are already certified according to the standards of ISO 45001. We have developed the Behavioral Safety Program, aimed at promoting behavioral changes and strengthening the safety culture. The focus is on leadership awareness, so that standards and procedures are disseminated and practiced daily, in all operations, mitigating existing and previously identified risks.

This mapping and prioritization is done through the Occupational Hazards and Risks Survey (LPRO), meeting one of the requirements of ISO 45001. We also prepare and maintain all documentation required by la-

bor and social security legislation, in accordance with the identified risks and collective bargaining agreements signed with the unions representing the workers.

We guarantee, at all units, the supply of Personal Protective Equipment (PPE) and the installation of Collective Protection Equipment (CPE) to offer more safety in activities that present some type of risk. We also promote training of professionals in applicable regulatory standards and operational procedures, focusing on higher risk tasks. There are 39 health and safety courses available and applied according to the needs surveyed for each role.

To strengthen the safety culture, we rely on the Consequence Policy and Golden Rules. The document establishes a set of rules of conduct to prevent accidents in operations and the consequences and penalties that can be applied to collaborators who disrespect them, in accordance with labor legislation. In addition to the penalties, the Policy values and recognizes collaborators who stand out in adherence to the stipulated premises.



Participatory management

At all our units, different committees are formed to ensure that collaborators can submit suggestions for improvement in the safety conditions of operations. In this way, we ensure that 100% of collaborators and third parties are represented by these bodies.

The SQP Committee (Safety, Quality and Productivity) has multidisciplinary training, involving managers

and coordinators from different areas. Collaborators are instructed to send suggestions for improvement to the representatives of this Committee, which meets monthly to address the issues related to their performance.

The Internal Commission for the Prevention of Rural Labor Accidents (CIPATRs) are present in all units. These Committees have members elected by

collaborators and discuss process and infrastructure improvements to prevent accidents and occupational diseases.

CIPATRs are also responsible for organizing the Internal Week for the Prevention of Rural Labor Accidents (SIPATR), an event in which safety actions and culture are reinforced through thematic events, lectures and other awareness-raising activities.

Safety performance

The occurrence of an accident is immediately reported, via the system, to the Health and Safety teams, the Board of Directors and other leaders. Soon after the communication, a multidisciplinary group of collaborators with experience in the area where the event occurred is formed to investigate the incident. Calculation of the factors that caused the accident follows predefined steps recorded in the system, culminating in the definition of an action plan whose monitoring is accompanied by the technical teams and the leadership of the area involved. In the end, a Learning Report is prepared and shared with the Executive Board and other leaders, in order for everyone to learn and for similar events to be avoided in the future.

In 2021, we recorded 21 accidents involving our collaborators, compared to 25 occurrences in the previous year. As a result, we achieved a reduction of 17.4% in the frequency rate of lost time accidents, reaching the best historical level of the company: 1.90. In the year, five farms reached the goal of zero accidents. Most accidents are related to cuts and abrasions due to falls or errors in handling tools and equipment. Among the accidents of the period, two had leave periods of over 90 days for the collaborator involved, which increased our severity rate by 65.5% in the annual comparison. No fatal accidents were recorded in the operations.



Health and Covid-19

The health of collaborators is promoted through the health teams and occupational physicians who work in each of our production units and serve both collaborators and third parties. Health conditions are monitored through the Medical Control and Occupational Health Program (PCMSO).

The management of the health conditions of professionals has been further strengthened since 2020, due to the Covid-19 pandemic. We created the Pandemic Contingency and Combat Committee, which is responsible for assessing the scenarios and establish guidelines to ensure operational continuity and reduce the risk of contamination of people.

The Committee established, for example, the procedure for actions to combat Covid-19, with several

rules to be followed by all collaborators and third parties – such as the mandatory use of masks, respect for the limit of people in certain spaces and other items.

We developed a guide for confronting the disease, distributed to managers of all units, with strict protocols to be followed to prevent infection outbreaks. We conducted tests with collaborators and the nursing teams monitored suspected cases for medical referral.

The administrative teams, at the Headquarters in Porto Alegre and on the farms, continued to work remotely, as a form of disease prevention. With the progress made with vaccinations and the reduction in the number of cases in 2021, training was also created with guidelines for the return to face-to-face work.

Occupational safety indicators¹

	2020/21 Harvest	2019/20 Harvest	2018/19 Harvest
Number of person-hours worked	11,057,494	10,848,961	11,341,684
Number of accidents with high severity (except death) ²	2	2	0
Frequency rate of accidents with high severity (except death) ²	0.18	0.18	0.00
Total number of recordable accidents	21	25	38
Recordable accident frequency rate (total)	1.90	2.30	3.35
Severity rate of lost time accidents	62.22	37.60	69.30

1. Considers all permanent collaborators and seasonal harvesters, third-parties are not accounted for. The rates are calculated on the factor of 1 million person-hours worked.

2. Accidents with high severity are those with a leave period of over 90 days.

Relationship with communities

Our Big Dream and strategic business vision also drive the proactive and sustainable way we build sustainable relationships with the communities in the municipalities where we operate. Since 2020, to maximize the positive impact we generate, actions have been carried out in a structured and integrated manner by the SLC Institute.

A private non-profit entity, the SLC Institute was created with the purpose of organizing the private social investments made by SLC Agrícola and SLC Máquinas, companies that are part of the SLC Group. Its focus is the promotion of education as a means to generate new opportunities and transform people's lives. The selection of education projects to be developed considers criteria such

as the Human Development Index (HDI) and the Basic Education Development Index (IDEB) of the municipalities.

Because of the Covid-19 pandemic, the first actions of the SLC Institute were directed to combating the disease and emergency support to vulnerable families. Since 2020, BRL 1 million has been donated to help hospitals and municipal medical centers acquire equipment and medications to serve the population.

In 2021, we allocated BRL 1.2 million to SLC Institute education initiatives, including the Educating for Life and Education Training projects. Another BRL 1 million was directed to donations of basic food baskets to charitable associations and families in over 30 dif-

ferent municipalities, totaling about 180 tons of donated food. In this action, we had support from the Socio-environmental Support Groups (GAS) existing at each of our farms.

The GAS, which has existed since 2003, brings together collaborators from the units who volunteer to participate in social initiatives. The groups hold monthly meetings to plan and execute activities such as toy donation and interactions with youth groups to promote education and citizenship. In 2021, we started the process of building a strategic plan for dialog and social investment actions, in partnership with Herkenhoff & Prates Consultoria Social, which will contribute to the performance of GAS in the coming years.



Relationship with suppliers

Our activities for the production of agricultural commodities move an extensive supply chain, generating value for small, medium and large companies, in Brazil and abroad. In 2021, the purchases and contracts we made involved expenditures of around BRL 2.4 billion, of which 99.9% were spent on Brazilian companies.

Our main expenses are related to machinery, implements and equipment for agricultural operations. Another line of action are the inputs for soil correction. In our structure, we count on professionals specialized in these areas to conduct technical negotiations, aiming to achieve the highest quality and the highest possible efficiency in cost management.

The supplier selection process also considers the performance and management

of these partners on ESG aspects. We apply a risk management tool for third parties that allows the consultation of different databases, in order to obtain information on about 40 assessment topics.

One of the topics assessed is the risk of child or slave-like labor. After entering the registration data informed by the suppliers, we assess whether the company or the partners have sanctions related to these irregularities and apply the corrective action plans and controls provided for in our internal policies.

All suppliers contracted in 2021 were assessed in our tool and we did not identify risks related to degrading work practices. As of 2022, our objective is to carry out this analysis still in the registration approval phase for new suppliers, before the contracts are made effective.

In 2021, our expenses with suppliers totaled BRL 2.4 billion, of which 99.9% were spent on Brazilian companies.



Environmental performance

The management of environmental impacts related to our activities boosts our productive and value-generating capacity. With efficiency and the development of innovations, we conducted an operation that shows an adequate coexistence between crops and environmental protection areas.

Our priorities are to reduce greenhouse gas emissions associated with agricultural operations, the efficient consumption of water and energy and the correct disposal of residues in cotton, soy and corn crops. We also act to ensure the preservation and reforestation in protected areas located within our units, investing in actions to combat fires and other types of incidents that may harm the development of local biodiversity.

At the current stage of our strategy, we end the crop expansion cycle through land transformation. Since the 2020/2021 harvest, no new area of native vegetation has been

converted for planting on our farms, even if there is provision and legal authorization for the removal of vegetation. This commitment is in line with the growing demand for environmental conservation and maintenance of carbon stock in natural areas.

We have also gradually invested in the use of biotechnologies to replace synthetic products in crop care. We have 11 biofactories to produce natural pesticides, which use microorganisms to combat pests and diseases in soy, corn and cotton crops. These solutions contribute to maintaining the natural balance of ecosystems and reducing the use of materials and water in operations.

The management of environmental aspects in our units is carried out through the Environmental Management System, certified in accordance with ISO 14001. In 2021, of the total of 22 farms, ten were already certified – the others follow the same standards and are in the process of obtaining certification.

Since the 2020/2021 harvest, native area has not been converted for crops on our farms, even if there is provision and legal authorization for the removal of vegetation.



Climate change

Climate change caused by the effects of global warming has an effect on all production chains. In agribusiness, the main risks are associated with changes in rain patterns and the increase in extreme weather events, such as prolonged droughts, frosts and floods. These occurrences impact planting and harvest planning and can affect productivity and value generation in the long run.

The attention global society has been giving the subject has led to a maturation of discussions on mechanisms for carbon pricing. The valuation of greenhouse gas (GHG) emissions creates opportunities for companies that, due to the nature of their business and with innovation, offer solutions to reduce the carbon footprint.

Governance on aspects related to climate change is the responsibility of our Sustainability Director, with the semiannual reporting of advances, challenges and initiatives to the company's CEO. Within the scope of the Board of Directors, the discussion on the subject is conducted at the monthly meetings of the ESG Committee, which advises the highest governance body in the strategic direction of operations.

The management of risks and opportunities associated with the context of climate change occurs in an integrated manner with the corporate risk management process (learn more on page 35). Due to the



complexity involved in this topic, it is not yet possible to estimate the financial implications associated with these risks and opportunities.

In terms of mitigation, the main opportunity mapped is to reduce GHG emissions associated with agricultural activities, management and land use. For this, in 2021 we assumed the commitment not to convert new areas of farms for cultivation, formalized in the Zero Deforestation Policy. We also work to be more efficient in the incorporation of carbon into the soil – with the adoption of conservation and green fertilization practices – and in the consumption of energy and fuels. These actions are fundamental to ensure the commitment to reduce our carbon footprint by 25% by the year 2030, considering the base year 2019, reducing our carbon footprint from 0.29 tCO₂e to 0.22 tCO₂e/ton of products (sum of all crops produced by SLC Agrícola in the harvest year).

Regarding adaptation, the most significant risk is associated with changes in rainfall regimes. In this context, the geographical diversification of farms in seven states, located in regions with greater climatic stability, is a protective lever. We also monitored, with a specialized team, the precipitation levels at the units, comparing them with a historical series database and included these climate criteria in agricultural planning and crop selection.



GHG Inventory

We prepare and disclose our GHG Inventory annually. This tool is essential to identify and quantify the types of gases with global warming potential that we emit and in which processes, as well as in which activities biogenic carbon capture occurs. The emissions cover the activities of the three main crops of SLC Agrícola: cotton, soy and corn. With this information, we can study and assess alternatives to reduce our carbon footprint, improving efficiency in productive activities.

The document follows the guidelines of the Brazilian GHG Protocol Program and covers emissions related to direct operations (scope 1) and the acquisition of electricity (scope 2). In the inventory for the year 2021, we will expand this quantification to third-party activities in our value chain (scope 3), such as logistics operations, and submit the data for third-party verification, aligned with best market practices.

In the inventory released in 2021 (base year 2020), our agricultural emissions were 40% lower than in the previous period, reflecting the decrease in soil management activities, especially harrowing (carried out after plowing to make the soil more uniform). Added to scopes 1 and 2, total GHG emissions reached 749.9 thousand tCO₂e (tons of carbon equivalent), an increase of 23% in the annual comparison. This increase was caused by the conversion of land on the Parceiro and Palmeira farms, which occurred in the period covered by the inventory. For this reason, our emission intensity indicator in 2020 reached 0.37 tons of carbon per ton of product produced. By 2030, our goal is to reach the GHG emission intensity index of 0.22.

One of the main sources of carbon emissions in our activities is the use of fertilizers that have nitrogen in their composition. The application of these products generates, through anaerobic bacteria action in the

soil, nitrous oxide (N₂O), a gas with high global warming potential. Therefore, one of the alternatives we studied is the use of inputs that replace urea with other sources that supply nitrogen, such as ammonium sulfate. This assessment considers, in addition to the environmental aspect, the efficiency and financial impact of the solutions.

We also work to perfect and improve the energy supply in our company. At the Bahia units, we are investing in the construction of photovoltaic plants to supply our operations with solar energy, a renewable source with lower GHG emissions.

In 2021, energy consumption from fuels totaled 1.4 million GJ, an increase of 3.2% compared to 2020. Of this total, 95.5% are associated with diesel consumption by the machinery and vehicles of the operation. In relation to electricity consumption, the variation between the periods was 37.5%.

Our goal is to reduce the intensity of GHG emissions by at least 25% by the year 2030 (base year 2019).

GHG Inventory (tCO₂e)¹

	2020	2019
Scope 1 (gross)	746,446.5	573,497.6
Scope 2 (location approach)	3,427.5	3,758.4
Total	749,874.0	577,256.0

1. Historical data resubmitted.

Scope 1 emissions by gas type (tCO₂e)

	2020	2019
CO ₂	504,519.1	97,160.4
CH ₄	9,363.1	2,704.8
N ₂ O	232,307.1	477,195.7
HCFs	257.2	195.2
Total	746,446.5	573,497.6

Energy consumption (thousand GJ)¹

	2021	2020	2019
Ethanol	13.0	0.0	0.0
Gasoline	40.9	21.5	19.6
Diesel	1,343.9	1,341.3	1,250.8
Kerosene	9.3	0.0	0.0
Fuel subtotal	1,407.1	1,362.8	1,270.4
Electricity acquired	235.3	171.1	192.1
Total	1,642.4	1,533.9	1,462.4

1. Only ethanol is considered as a renewable fuel, representing 0.9% of the subtotal of fuels in 2021. Biofuel mixtures in gasoline and diesel were not considered. Electricity is 100% purchased from local distributors. Fuel information is controlled by the EBS and SAP systems, and purchased electricity information was obtained from local utility bills. SLC Agrícola does not acquire other types of energy, nor does it sell energy in any form. The following tool was used for conversion calculations: <https://www.converter-units.info/unit-converter.php?type=oelaequivalent>.

Soil management and emission reduction

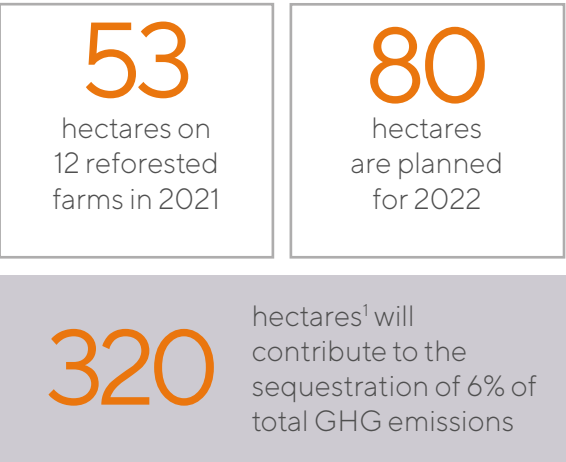
The agricultural techniques we use on our farms contribute to a more sustainable operation from the perspective of GHG emissions. The use of natural cover and the direct planting of seeds, without revolving the planting area, contribute to the fixation of carbon in the soil.

In recent years, we have invested in improving the mechanisms for quantifying and improving estimates of emissions and carbon capture, considering the environmental variability present in each of the plots of our farms.

In 2021, an innovation project initiated in partnership with Universidade Federal de Santa Maria (UFSM) and involving the improvement of the daycent methodology for the Brazilian Cerrado was highlighted. The initiative will make it possible to obtain forecasts of scenarios for agricultural emissions, considering the climatic and soil conditions in each region. As a result, we will have better assertiveness in the calculations of emissions associated with agricultural activities.



Another advance is the Forest Enrichment project, which aims to expand carbon sequestration in vegetation areas maintained by the farms, such as the Legal Reserve and permanent preservation areas, among others. In 2021, we started this action with the reforestation of 53 hectares on 12 farms. Another 80 hectares are planned for 2022, with the expectation for the coming years to total 320 hectares of restoration, which will contribute to the sequestration of 6% of the company's total GHG emissions. For these plantations, we use seedlings grown in nurseries installed in eight of our farms.



Biodiversity

Our commitment to the preservation of biodiversity was reinforced in 2021 with the disclosure of the Zero Deforestation Policy, which formalizes the closure of the land transformation cycle with native vegetation for agricultural use. In practice, this means the natural maintenance even of areas that could be converted into crops, following the guidelines and parameters of environmental licensing.

With the high level of technology we use in our crops to increase productivity, along with the strategic expansion plan through acquisitions and partnerships in mature areas, our company has the capacity to maintain value generation in the long term, without having to convert native vegetation areas.

Eight of our units have nurseries to produce tree seedlings, with a predominance of native species from the Cerrado. The seedlings are used in our own areas (learn more on page 54) or donated to local communities and municipalities, contributing to the expansion of the biodiversity conservation effort.

To increase the generation of positive impacts, we work in partnership with universities and civil society organizations that develop projects aimed at preserving



the fauna and flora of the Cerrado. In 2021, we maintained our adherence as signatories of the Pact in Defense of the Headwaters of the Pantanal and the Biodiversity Conservation project in the Cerrado, two outstanding initiatives carried out in the Midwest region. The activities planned for the period could not be carried out in the context of the Covid-19 pandemic, because they required face-to-face engagement in schools in the region. They were suspended and may be resumed in 2022.

The Biodiversity Conservation Project, carried out since 2019 at Fazenda Planalto (MS), had the field survey activities completed in 2021. Flora data were collected at two strategic points of typical Cerrado vegetation: in the Legal Reserve area of the farm and in an area adjacent to the Taquari River Spring State Park.

The purpose of this survey is to assess the impact of agricultural activities on the quality of the remaining native vegetation of the farm. To date, 368 plant species have been accounted for at the study sites. Of

this total, 317 were identified in the Legal Reserve of Fazenda Planalto and 257 in the area adjacent to the State Park – some species appear in both environments.

In the preliminary assessment, the areas showed signs of biodiversity similar to other studies conducted in the region, presenting species characteristic of the Cerrado biome. However, the researchers emphasize the need for further studies, including research on fauna, to obtain definitive results.

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thousand hectares in our farms consist of preserved areas*

*Data collected by SLC Agrícola georeferencing system and crossed with bases of Instituto Nacional de Colonização e Reforma Agrária (Incra) and the National Rural Environmental Registry System (Sicar).

Firefighting

Fighting fire outbreaks, especially in areas with native vegetation, is part of our commitment to preserving biodiversity on our farms. The investments we make annually on this front are directed to the construction and maintenance of roads and firebreaks, the installation of tractors with grid tanks for fire suppression, water trucks and acquisition of implements, tools and equipment for individual and collective protection.

We also conduct training for the Emergency Brigade teams and count on surveillance companies for the integral and constant monitoring of environmentally sensitive areas. Our internal policies prohibit collaborators and other people from carrying out fishing and hunting activities on our own or leased farms.

In 2021, we developed a new software for monitoring hot spots in real time. The system uses georeferencing bases and satellite images to identify possible flame points in areas with native vegetation or in crops, allowing faster and more effective action by the Brigades to prevent outbreaks from evolving into forest fires.

Most of our farms are far from Conservation Units or areas of high biodiversity value. Only seven of them are close (less than 10 kilometers) or are adjacent to this type of area, following criteria defined by the legislation or by the management plans of the units to avoid environmental impact.

In 2021, we invested in a real-time heat spot monitoring system, which ensures more agility in identifying fire spots to trigger the Emergency Brigades. This investment is in addition to good fireplace maintenance practices and Brigade training.

Unit/Farm	Farm size (ha)	Position in relation to the Conservation Unit	Characterization of the relevance of the Conservation Unit
Fazenda Planorte (MT)	23,454	Adjacent	Indigenous land, anthropic site
Fazenda Parceiro (BA)	38,177	Near	Located 5 kilometers from the Environmental Protection Area (APA) of Rio Preto and 9 kilometers from the Nascentes do Parnaíba National Park
Fazenda Palmares (BA)	33,975	Near	Part of its area is inserted in the APA of the Rio de Janeiro Basin and is located around the APA of Rio Preto
Fazenda Perdizes (MT)	42,181	Near	Located just under 10 kilometers from the Indigenous Barge territory, not yet approved by FUNAI (only declared)
Fazenda Planalto (MS)	16,641	Adjacent	Located near the Nascentes do Rio Taquari State Park and Emas National Park
Fazenda Pamplona (GO)	26,590	Near	Located just under 10 kilometers from the Central Plateau APA
Fazenda Panorama (BA)	24,642	Near	Located just under 10 kilometers from the APA of the Serra Geral de Goiás and the Terra Ronca State Park

Water

Of the 22 farms we operate (one farm in our portfolio is leased to a third party), only three use water as a direct resource for the production of soy, corn and cotton. In 98% of crops grown in the 2020/2021 harvest, we use rainfed agriculture – only rain is sufficient to ensure crop productivity. In the areas that use irrigation, specifically the Pamplona (GO) and Paysandu and Palmares (BA) farms, we have digital systems that monitor the need for irrigation and control the amount of water to be used every 24 or 48 hours. This system ensures that irrigation occurs only in a supplementary way, i.e., part of the crop’s water requirement comes from irrigation and part comes from precipitation (rainwater). Irrigation is only performed during periods without sufficient precipitation to meet the demand of the implemented crop.

Reuse
water
from
treatment
in ETEs

137,283 m³
representing
0.92% of the total
captured

At all farms, we collect water from underground wells or water bodies, using this resource for human supply and support activities, such as washing machines and vehicles and diluting pesticides. In addition, we continuously promote internal campaigns to encourage the conscious use of water by our collaborators.

We monitor the volume of water used, mostly, by means of water meters installed at the collection points. Some units do not have such equipment installed, so we consider the maximum allowed by the granting of the environmental agency for consumption management purposes – based on the monitoring of the other units, it is possible to estimate that the actual consumption is always lower than that granted. Our goal is to install water meters on all farms.

In 2022, we will implement a pilot project at the Pamplona (GO) farm to collect, in an automated manner, water consumption and sewage and effluent generation data. The expectation is to obtain great performance of the equipment and thus expand the technology to all other farms.

Innovation and actions to increase efficiency in crops also contribute to reducing the volume of water used. Precision farming makes it possible to reduce the

use of pesticides and, consequently, the water necessary for the application of these products.

On nine farms, we have Sewage Treatment Stations (ETEs), focused on sewage treatment to be destined for reuse. After treatment, the water is stored in ponds, from where we supply trucks to humidify unpaved access roads. In 2021, the water reused from the treatment in the ETEs totaled 137,283 cubic meters, representing 0.92% of the total collected. The absolute volume treated is estimated from the daily treatment capacity of the plants. The division of this volume by the total captured in the year results in the reuse percentage index. In the previous year, we mistakenly reported the percentage of water reuse of 0.53%, since the calculation considered a volume of surface water granted, but not collected, at Fazenda Planorte due to the fact that the collection system is deactivated. As of 2021, the calculation began to disregard the volume of 109 thousand cubic meters of water related to this catchment grant.

We also have systems for water and oil separation, in order to prevent effluents generated in mechanical workshops and machine supply points from causing some type of contamination.

The quality parameters of the effluents we generate are defined by the National Environment Council (Conama) and the respective agencies responsible for the environmental licensing of the units, as well as the monitoring frequency, which usually occurs every six months or once a year. For

domestic effluents treated in the ETEs, we monitored indicators such as Biochemical Oxygen Demand (BOD), ammoniacal nitrogen and sedimentable solids. In the case of effluents treated by water and oil separation systems, the main parameters analyzed are phenols, sedimentable solids and benzene.

Water abstraction by source (thousand m³)¹

	2021	2020	2019
Superficial	13,417.7	17,104.9	24,743.4
Underground	1,558.3	1,507.3	1,307.4
Total	14,975.9	18,612.2	26,050.8

1. In addition to these sources, the headquarters in Porto Alegre (RS) receives water from the local supply company, whose volume was 62 m³ and 146 m³ in 2021 and 2020, respectively. All water is collected with a total dissolved solids concentration less than or equal to 1,000 mg/l.

Water abstraction in areas with water stress by source (thousand m³)¹

	2021	2020	2019
Superficial	7,195.2	3,154.4	10,874.3
Underground	168.0	205.2	170.8
Total	7,363.2	3,359.6	11,045.1

1. Only Fazendas Pamplona and Panorama are in areas with a general level of high water stress, according to the WRI Water Aqueduct Risk Atlas assessment methodology. The volume raised in these units represents 49.2% of the total raised in 2021.

Waste

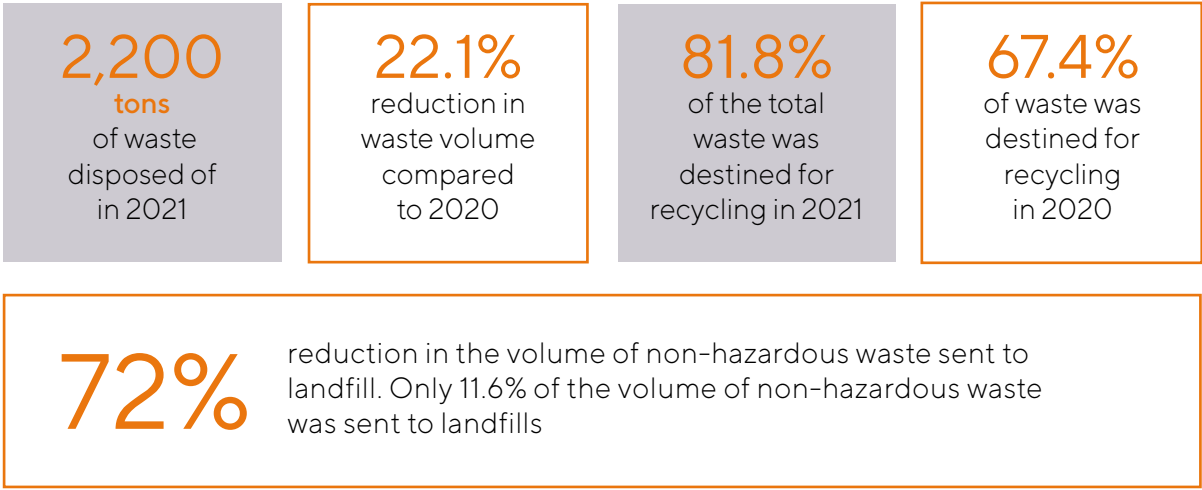
Our Environmental Management System establishes the procedures for classification, storage and disposal of all waste that we generate at our units. On farms, the main waste generated is plastic tarpaulins used to harvest and process cotton and organic waste, such as food waste and garbage from restrooms.

Waste classified as hazardous (class I) is separated from non-hazardous (class II), as provided for in ABNT 10.004, and stored

in temporary plants on farms. Periodically, outsourced and authorized companies are brought in to collect these materials and dispose of them correctly, as provided for in environmental legislation. In managing this process, we control the licenses and authorizations of suppliers for this service provision.

In 2021, we started the Circularity and Zero Waste project at Fazenda Pamplo-na, with the objective of increasing the recyclability index and eliminating was-

te being sent to landfills. In 2021, we dis-carded 2,200 tons of waste, a reduction of 22.1% compared to the previous year. Of this total, 81.7% were destined for re-cycling, a significant advance compared to 2020, when 67.4% of the waste was des-tined for this treatment. One of the main factors for this increase was the separation of materials and consequent reduction of 72% in the volume of non-hazardous waste sent to landfills.



Waste disposal by method (t)¹

	2021	2020	2019
Non-hazardous			
Recycling ²	1,672.3	1,733.3	1,333.3
Landfill ³	219.0	786.3	528.3
Non-hazardous subtotal	1,891.3	2,519.6	1,861.6
Hazardous			
Recycling ²	148.2	195.1	194.0
Incineration ³	189.6	147.5	110.5
Hazardous subtotal	337.8	342.6	304.5
Total	2,229.1	2,862.2	2,1661

1. In addition to the volumes in the table, in 2020 2,200 batteries and 1,400 bulbs were allocated, whose weight could not be calculated, since the control is done per unit. In addition, empty pesticide packaging could not be accounted for. They are intended for reverse logistics, with differentiated management processes. The expectation is to include them in the waste accounting in the next reporting cycle. All waste is destined for treatment outside the company.

2. Treatment methods (GRI 306-4).

3. Final disposal methods (GRI 306-5).

Composition of disposed waste in 2021 (t)

Plastic	1,077.8
Metals	481.1
Class I waste (hazardous)	189.6
Tailings	219.0
Used oil	148.2
Paper/Cardboard	93.6
Tires	19.8
Total	2,229.1

Annexes to the report

Complement to GRI disclosures and SASB indicators

GRI 102-13 | Membership of associations

We participated in the main agribusiness sector associations, discussing with other agents key themes for the competitiveness of Brazilian soy, corn and cotton and common agendas in the articulation of public policies.

In this category, the Brazilian Association of Cotton Producers (Abrapa) and the re-

gional associations of Goiás (Agopa), Bahia (Abapa), Maranhão (Amapa), Mato Grosso (Ampa) and Mato Grosso do Sul (Ampasul), the National Association of Cotton Exporters (Anea) and the Brazilian Association of Agribusiness (Abag) stand out. Regarding sustainability issues, participation in the Brazil Global Compact Network and engagement with the

Round Table on Responsible Soy (RTRS) stand out. In the context of people management, we also share experiences and practices with the market through participation in forums and associations, such as the Brazilian Association of Human Resources (ABRH-RS), the National Rural Learning Service (Senar) and Junior Achievement Rio Grande do Sul (Jars).

GRI 207-1, 207-2, 207-3 and 207-4 | Approach to tax, Tax governance, control, and risk management, Stakeholder engagement and management of concerns related to tax and Country-by-country reporting

Our tax and fiscal management team is also structured in areas directed to both federal and state spheres. We monitor tax and fiscal legislation updates through online platform monitoring, expert consultancy support and weekly team discussions. The approach strategy for the theme is to ensure the compliance of operations with the collection requirements and their ancillary obligations, optimizing cost management whenever possible.

Our activities benefit from public tax incentive policies, such as offsetting ICMS credits and the exemption or reduction of export rates. In line with our strategy of optimizing expenses associated with taxes, we submit requests to the bodies responsible for compliance with tax benefit laws. However, we do not have any specific agreement from SLC Agrícola for the individual benefit of the company related to taxes.

Monitoring governance bodies on tax management occurs through the monthly monitoring of financial records and the quarterly audit of the Financial Statements, which include data related to tax payments.

GRI 201-4 | Financial assistance received from government

In 2021, SLC Agrícola obtained BRL 1.8 million in grants for investment, research and development and other relevant types of concessions.

GRI 419-1 | Non-compliance with laws and regulations in the social and economic area

Pursuant to Federal Law no. 12.529/11, there weren't any non-conformities associated with laws and regulations in the socioeconomic area in 2021.

Tax indicators in 2021 (BRL thousand)

Profit/loss before tax payments	1,560,180
Tangible assets other than cash and cash equivalents	9,216,791
Corporate income tax paid on a cash basis	36,310
Corporate income tax levied on profits/losses	144,175
Total compensation for collaborators	235,985
Taxes withheld and paid on behalf of collaborators	25,608

GRI 303-1, 304-2 and 306-1 | Interactions with water as a shared resource, Significant impacts of activities, products, and services on biodiversity and Waste generation and significant waste-related impacts

Stage of the production cycle	Main environmental aspects and impacts and their mitigation measures
Agricultural planning	This is when the variables for crop production are sized, including cost planning, machinery, labor and inputs. The main environmental aspects of this stage are related to the use of fuel to transport the team and energy consumption for the meetings. The use of fuel and energy, even on a small scale, result in the need to use natural resources, contributing to the reduction of the availability of these resources. The use of fuels results in the emission of air pollutants that can contribute to the increase of greenhouse gases. To minimize them, we adopted the practice of videoconferencing and optimized trips.
Purchase of inputs	Phase necessary to ensure the execution of agricultural planning. The main environmental aspects of this stage are related to energy consumption and waste generation by the Supply team in the offices, which, although occurring on a small scale and magnitude, can contribute to the reduction of natural resources and possible contamination generated by inadequate waste disposal, if this occurs. We continuously strengthen campaigns for conscious consumption and selective collection at the units in order to minimize these impacts.
Receiving inputs	Arrival of inputs to the farm, so that they can be used in the activities. In order for inputs to reach farms, carriers use fuels and generate atmospheric emissions. In addition, vehicle maintenance generates waste, which are the main environmental aspects of this phase. Such aspects can generate impacts of smaller magnitudes, such as the contribution to the reduction of natural resources, air contamination through emissions and contamination if waste is not disposed of properly. Managing our suppliers provides environmental criteria to be respected, in addition to monitoring the atmospheric emissions of vehicles before accessing the farms.
Soil preparation	Preparation of the planting areas aims to maintain soil health, generating good productivity. The impacts that may occur at this stage are the contribution to the reduction of natural resources, since mineral sources of fertilizers are used as well as fuel. Emissions from machines can generate air contamination. The waste generated, if improperly disposed of, can generate contamination. Use of technology in the fleet reduces the demand for fuel, and precision agriculture minimizes the use of fertilizers and natural resources. Another precaution is the separation of waste, through selective collection and proper waste treatment.
Planting	This phase includes planting the crops themselves, along with fertilization, when necessary. The main environmental aspects during this stage are the consumption of natural resources, since water, fuel and fertilization of mineral origin are used for soil fertilization, atmospheric emissions from the machines and waste generated from performing maintenance on machines. The impacts are similar to those of soil preparation, as well as the mitigation measures adopted. In this way, we reduce the consumption of fuels, fertilizers and correctives as much as possible and expand the selective collection and correct disposal of contaminated waste.
Crop treatments	For the proper growth of crops, this step covers the application of pesticides and fertilizers that contribute to keep the soil and plants healthy. The environmental aspects and impacts are similar to those of the previous two stages, related to the consumption of water, fuels, fertilizers and pesticides, waste generation and atmospheric emissions. This stage is where the highest amount of water for irrigation is used, which is when the pesticides are applied. For irrigation, impacts are mitigated through the application of technology, allowing the need for an area considering the variables of soil moisture, need for crop water and prediction of rainfall, for example, to be identified. In addition to the measures adopted in the other two stages to mitigate these impacts, the integrated management of pests and diseases stands out in the crop treatment phase.
Harvest	The removal of crops and delivery to the grain and cotton storage and processing units require the use of fuels to move machines and generate waste and atmospheric emissions, which can contribute to the reduction of natural resources and air contamination and, in case of inadequate waste disposal, of the soil. We plan the routes in the crops and use technologies embedded in the fleet to minimize the need for displacement – and, consequently, the consumption of fuels –, in addition to properly carrying out preventive maintenance and the disposal of waste generated by the exchange of parts and operational activities.
Processing and drying	Before being stored, the grains go through a drying stage. Cotton, on the other hand, undergoes processing, when it is ginned and cleaned. During these processes, we consume energy, biomass and natural gas, and waste and atmospheric emissions are also generated. This can generate air contamination, reduction of natural resources and contamination if the waste is improperly disposed of. We optimize the consumption of energy sources for these activities through conscious consumption campaigns. We also have filters in the units to avoid the emission of pollutants and we have been very disciplined in the adoption of selective collection and adequate separation and disposal of waste.
Shipping	Delivering commodities to customers generates impacts associated with logistics, as occurs in the stage of receiving inputs, but in this case, to transport our products. The vehicles used by the carriers consume fuels and generate emissions, in addition to requiring periodic maintenance, in which parts and other waste are discarded. To manage our suppliers, we require adaptation to sustainability parameters, such as monitoring emissions prior to entering the farms. Thus, we encourage the adoption of appropriate environmental practices among the carriers that serve us.

GRI 401-1 | New employee hires and employee turnover

Hiring and turnover in 2021	Number of new hires	Hiring rate ¹	Number of dismissals	Turnover rate ²
By gender				
Men	531	21.9%	371	15.3%
Women	133	33.8%	76	19.3%
Total	664	23.6%	447	15.9%
By age group				
30 years and under	400	42.1%	203	21.4%
Between 30 and 50 years	249	15.4%	221	13.7%
Over the age of 50	15	6.0%	23	9.2%
By region				
Northeast	241	20.1%	174	14.5%
Midwest	305	24.3%	231	18.4%
South	118	33.1%	42	11.8%

1. Hiring rate = number of collaborators hired in the average category / headcount of the category in the year.
2. Turnover rate = number of collaborators dismissed in the category / average headcount of the category in the year.

SASB FB-AG-320a.1 | (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) seasonal and migrant employees

Occupational safety indicators*	2021	2020	2019
Number of person-hours worked	11,057,494	10,848,961	11,341,684
Number of recordable accidents	21	25	38
Number of fatalities	0	0	1
Number of near misses	12	3	na
Recordable accident frequency rate (TRIR)	0.38	0.46	0.67
Frequency rate of fatalities	0.00	0.00	0.02
Near miss frequency rate	0.22	0.06	na

*Considers all permanent collaborators and seasonal harvesters, there is no accounting of third parties. The rates are calculated on the factor of 200 million person-hours worked.

GRI 405-1 | Diversity of governance bodies and employees

The Board of Directors consists of five members, all male and over 50 years of age.

Diversity by occupational level in 2021	Leadership	Trainees	Operacional	Total
By gender				
Men	88.4%	67.6%	85.3%	85.4%
Women	11.6%	32.4%	14.7%	14.6%
By age group				
30 years and under	22.8%	78.4%	37.0%	36.0%
Between 30 and 50 years	72.3%	21.6%	55.4%	56.7%
Over the age of 50	5.0%	0.0%	7.6%	7.2%

GRI 307-1 | Non-compliance with environmental laws and regulations SASB FB-AG-140a.3 | Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations

In 2021, we received four infraction notices issued by state agencies due to the emergency drilling of wells for water abstraction at Fazendas Planorte and Planeste. In these two cases, we subsequently initiated ad-

ministrative processes for regularization and grant application, which await approval from the competent authorities. No other significant fines or sanctions related to environmental aspects were recorded.

GRI content index

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
GRI 101 Foundation 2016 – General disclosures					
GRI 102 General disclosures 2016	Organizational profile				
	102-1 Name of the organization	15	-	-	-
	102-2 Activities, brands, products, and services	SLC Agrícola does not sell prohibited products or services. More information on page 15.	-	-	-
	102-3 Location of headquarters	Porto Alegre (RS)	-	-	-
	102-4 Location of operations	16	-	-	-
	102-5 Ownership and legal form	35	-	-	-
	102-6 Markets served	15	-	-	-
	102-7 Scale of the organization	15, 17 and 46	-	-	-
	102-8 Information on employees and other workers	46	-	6	8 and 10
	102-9 Supply chain	49	-	-	-
	102-10 Significant changes to the organization and its supply chain	23	-	-	-
	102-11 Precautionary Principle or approach	31, 32, 48 and 51	-	-	-
	102-12 External initiatives	5	-	-	-
	102-13 Membership of associations	60	-	-	-
	Strategy				
	102-14 Statement from senior decision-maker	7 and 8	-	-	-
	102-15 Key impacts, risks, and opportunities	10, 11, 12 and 35	-	-	-
	Ethics and integrity				
	102-16 Values, principles, standards, and norms of behavior	11 and 37	-	10	16
	102-17 Mechanisms for advice and concerns about ethics	37	-	10	16
	Governance				
	102-18 Governance structure	36	-	-	-
	Stakeholder engagement				
	102-40 List of stakeholder groups	4	-	-	-
	102-41 Collective bargaining agreements	46	-	3	8
	102-42 Identifying and selecting stakeholders	4	-	-	-
	102-43 Approach to stakeholder engagement	4	-	-	-
	102-44 Key topics and concerns raised	4	-	-	-

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
GRI 102 General disclosures 2016	Reporting practice				
	102-45 Entities included in the consolidated financial statements	3	-	-	-
	102-46 Defining report content and topic Boundaries	4	-	-	-
	102-47 List of material topics	4	-	-	-
	102-48 Restatements of information	46	-	-	-
	102-49 Changes in reporting	3	-	-	-
	102-50 Reporting period	3	-	-	-
	102-51 Date of most recent report	3	-	-	-
	102-52 Reporting cycle	3	-	-	-
	102-53 Contact point for questions regarding the report	3	-	-	-
	102-54 Claims of reporting in accordance with the GRI Standards	3	-	-	-
	102-55 GRI content index	63, 64, 65, 66 and 67	-	-	-
	102-56 External assurance	3 and 70	-	-	-
Material topic Climate change					
GRI 103 Management approach 2016 ¹	103-1 Explanation of the material topic and its Boundary	12, 20, 21, 22, 52, 53 and 54	-	-	-
	103-2 The management approach and its components	12, 20, 21, 22, 52, 53 and 54	-	-	-
	103-3 Evaluation of the management approach	12, 20, 21, 22, 52, 53 and 54	-	-	-
GRI 201 Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	52 and 54	-	7	13
GRI 304 Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	56	-	8	6, 14 and 15
	304-2 Significant impacts of activities, products, and services on biodiversity	55, 56 and 61	-	8	6, 14 and 15
	304-3 Habitats protected or restored	55	-	8	6, 14 and 15
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	53	-	7 and 8	3, 12, 13, 14 and 15
	305-2 Energy indirect (Scope 2) GHG emissions	53	-	7 and 8	3, 12, 13, 14 and 15
	305-3 Other indirect (Scope 3) GHG emissions	53	-	7 and 8	3, 12, 13, 14 and 15
	305-4 GHG emissions intensity	53	-	8	13, 14 and 15

1. The management approach refers to all GRI topics in the material topic "Climate change."

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
Material topic Environmental management system					
GRI 103 Management approach 2016 ²	103-1 Explanation of the material topic and its Boundary	20, 21, 22, 51, 55, 56, 57 and 58	-	-	-
	103-2 The management approach and its components	20, 21, 22, 51, 55, 56, 57 and 58	-	-	-
	103-3 Evaluation of the management approach	20, 21, 22, 51, 55, 56, 57 and 58	-	-	-
GRI 302 Energy 2016	302-1 Energy consumption within the organization	53	-	7 and 8	7, 8, 12 and 13
GRI 303 Water and effluents 2018	303-1 Interactions with water as a shared resource	57 and 61	-	8	6 and 12
	303-2 Management of water discharge-related impacts	57	-	8	6
	303-3 Water withdrawal	57	-	7 and 8	6
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	58 and 61	-	8	3, 6, 11 and 12
	306-2 Management of significant waste-related impacts	58	-	8	3, 6, 11 and 12
	306-4 Waste diverted from disposal	68	-	8	3, 11 and 12
	306-5 Waste directed to disposal	68	-	8	3, 11 and 12
GRI 307 Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	62	-	8	16
Material topic Socioeconomic impacts					
GRI 103 Management approach 2016 ³	103-1 Explanation of the material topic and its Boundary	18, 19, 44 and 49	-	-	-
	103-2 The management approach and its components	18, 19, 44 and 49	-	-	-
	103-3 Evaluation of the management approach	18, 19, 44 and 49	-	-	-
GRI 201 Economic performance 2016	201-1 Direct economic value generated and distributed	19	-	-	8 and 9
	201-4 Financial assistance received from government	60	-	-	-
GRI 202 Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	44	-	6	1, 5 and 8
GRI 207 Tax 2019	207-1 Approach to tax	19 and 60	-	-	1, 10 and 17
	207-2 Tax governance, control, and risk management	60	-	-	1, 10 and 17
	207-3 Stakeholder engagement and management of concerns related to tax	60	-	-	1, 10 and 17
	207-4 Country-by-country reporting	19 and 60	-	-	1, 10 and 17
GRI 413 Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	49	1	-	

2. The management approach refers to all GRI topics in the material topic “Environmental management system.”

3. The management approach refers to all GRI topics in the material topic “Socioeconomic impacts.”

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
Material topic People development					
GRI 103 Management approach 2016 ⁴	103-1 Explanation of the material topic and its Boundary	40, 41, 42, 43 and 44	-	-	-
	103-2 The management approach and its components	40, 41, 42, 43 and 44	-	-	-
	103-3 Evaluation of the management approach	40, 41, 42, 43 and 44	-	-	-
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	62	-	6	5, 8 and 10
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	44	-	-	3, 5 and 8
GRI 404 Training and education 2016	404-1 Average hours of training per year per employee	41	-	6	4, 5, 8 and 10
	404-2 Programs for upgrading employee skills and transition assistance programs	44	-	-	8
	404-3 Percentage of employees receiving regular performance and career development reviews	44	6	5, 8 and 10	
Material topic Diversity and inclusion					
GRI 103 Management approach 2016 ⁵	103-1 Explanation of the material topic and its Boundary	45 and 46	-	-	-
	103-2 The management approach and its components	45 and 46	-	-	-
	103-3 Evaluation of the management approach	45 and 46	-	-	-
GRI 405 Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	46 and 62	-	6	5 and 8
	405-2 Ratio of basic salary and remuneration of women to men	46	6	5, 8 and 10	
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	37	-	6	5 and 8
Material topic Innovation and productivity					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	24, 27, 28 and 29	-	-	-
	103-2 The management approach and its components	24, 27, 28 and 29	-	-	-
	103-3 Evaluation of the management approach	24, 27, 28 and 29	-	-	-
Material topic Risk management					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	35	-	-	-
	103-2 The management approach and its components	35	-	-	-
	103-3 Evaluation of the management approach	35	-	-	-

4. The management approach refers to all GRI topics in the material topic "People development."

5. The management approach refers to all GRI topics in the material topic "Diversity and inclusion."

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
Material topic Health and safety					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	31, 32, 33, 47 and 48	-	-	-
	103-2 The management approach and its components	31, 32, 33, 47 and 48	-	-	-
	103-3 Evaluation of the management approach	31, 32, 33, 47 and 48	-	-	-
GRI 403 Occupational health and safety 2018	403-1 Occupational health and safety management system	47	-	-	8
	403-2 Hazard identification, risk assessment, and incident investigation	47 and 48	-	-	8
	403-3 Occupational health services	48	-	-	8
	403-4 Worker participation, consultation, and communication on occupational health and safety	47	-	-	8 and 16
	403-5 Worker training on occupational health and safety	47	-	-	8
	403-6 Promotion of worker health	44	-	-	3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	47	-	-	8
	403-8 Workers covered by an occupational health and safety management system	47 and 48	-	-	8
	403-9 Work-related injuries	48	-	-	3, 8 and 16
Material topic Product certifications and traceability					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	31, 32 and 33	-	-	-
	103-2 The management approach and its components	31, 32 and 33	-	-	-
	103-3 Evaluation of the management approach	31, 32 and 33	-	-	-
Material topic Ethics and compliance					
GRI 103 Management approach 2016 ⁶	103-1 Explanation of the material topic and its Boundary	37 and 38	-	-	-
	103-2 The management approach and its components	37 and 38	-	-	-
	103-3 Evaluation of the management approach	37 and 38	-	-	-
GRI 205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	37	-	10	16
	205-2 Communication and training about anti-corruption policies and procedures	38	-	10	16
	205-3 Confirmed incidents of corruption and actions taken	37	-	10	16
GRI 408 Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	37 and 49	-	5	8 and 16
GRI 409 Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	37 and 49	-	4	8
GRI 419 Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	60	-	-	16

6. The management approach refers to all GRI topics in the material topic "Ethics and compliance."



SASB content index

Agricultural Products

SASB Topic	SASB Code	Metrics requested by SASB	Page
Greenhouse Gas Emissions	FB-AG-110a.1	Gross global Scope 1 emissions	53
	FB-AG-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	52 and 53
	FB-AG-110a.3	Fleet fuel consumed, percentage renewable	53
Energy Management	FB-AG-130a.1	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	53
Water Management	FB-AG-140a.1	Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	57
	FB-AG-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	55 and 57
	FB-AG-140a.3	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	62
Food Safety	FB-AG-250a.1	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for a) major and (b) minor non-conformances	Not applicable ¹
	FB-AG-250a.2	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	Not applicable ²
	FB-AG-250a.3	(1) Number of recalls issued and (2) total amount of food product recalled	Not applicable ³
Workforce Health & Safety	FB-AG-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees (b) seasonal and migrant employees	62
Environmental & Social Impacts of Ingredient Supply Chain	FB-AG-430a.1	Percentage of agricultural products sourced that are certified to a third-party environmental and/or social standard, and percentages by standard	Not applicable ²
	FB-AG-430a.2	Suppliers' social and environmental responsibility audit conformance: (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Not applicable ²
	FB-AG-430a.3	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	Not applicable ²
GMO Management	FB-AG-430b.1	Discussion of strategies to manage the use of genetically modified organisms (GMOs)	33
Ingredient Sourcing	FB-AG-440a.1	Identification of principal crops and description of risks and opportunities presented by climate change	52
	FB-AG-440a.2	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	Not applicable ²
Acticity Metrics	FB-AG-000.A	Production by principal crop	17
	FB-AG-000.B	Number of processing facilities	15
	FB-AG-000.C	Total land area under active production	24
	FB-AG-000.D	Cost of agricultural products sourced externally	Not applicable ²

1. SLC Agrícola does not perform GFSI audits.
2. SLC Agrícola does not originate agricultural products.
3. SLC Agrícola does not market food products.

TCFD content index

Key elements of the climate risk and opportunity disclosures recommended by the TCFD

TCFD Recommendations	Page
Governance	
a) Describe the board’s oversight of climate-related risks and opportunities.	52
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	52
Strategy	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	12, 52 and 54
b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	12, 52 and 54
c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	52 and 54
Risk management	
a) Describe the organization’s processes for identifying and assessing climate-related risks.	52
b) Describe the organization’s processes for managing climate-related risks.	52
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	52
Metrics and targets	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	53
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	53
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	53



Assurance report



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Limited assurance report issued by independent auditors

To the Board of Directors and Shareholders of
SLC Agrícola S.A.
Porto Alegre - RS

Introduction

We were engaged by SLC Agrícola S.A. ("SLC" or "Company") to apply limited assurance procedures on the sustainability information disclosed in its 2021 Integrated Report ("Report"), in the accompanying information to this report related to the period ended December 31, 2021.

Responsibilities of SLC's Management

The Management of SLC is responsible for adequately preparing and presenting the sustainability information in the 2021 Integrated Report in accordance with the Standards for Sustainability Report of Global Reporting Initiative – GRI, with the Orientation CPC (Brazilian Accounting Pronouncements Committee) 09 - Integrated Report (which is correlated with the Basic Conceptual Framework of the Integrated Report prepared by the International Integrated Reporting Council - IIRC), with the Sustainability Accounting Standard – Agricultural Products of the Sustainability Accounting Standards Board (SASB), with the Sustainable Financing Framework at SLC Agrícola and the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

Independent auditors' responsibility

Our responsibility is to express a conclusion about the information in the Report based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared based on NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC equivalent to international standard ISAE 3000, issued by the International Federation of Accountants and applicable to Non-Financial Historical Information. These standards require compliance with ethical requirements, including independence ones, and the engagement is also conducted to provide limited assurance that the information disclosed in the Report, taken as a whole, is free from material misstatement.



A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of questions and interviews with the Management of SLC and other professionals of the Company involved in the preparation of the information disclosed in the Report and use of analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues which may lead them to believe that the information disclosed in the Report taken as a whole could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the Report, on other engagement circumstances and also on our considerations regarding areas and processes associated with material sustainability information disclosed where relevant misstatement could exist. The procedures consisted of:

- a. engagement planning: considering the material aspects for SLC's activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the SLC's Report. This analysis defined the indicators to be checked in details;
- b. understanding and analysis of disclosed information related to material aspects management;
- c. analysis of preparation processes of the Report and its structure and content, based on the Principles of Content and Quality of the *Standards* for Sustainability Report of Global Reporting Initiative – GRI, the Orientation CPC (Brazilian Accounting Pronouncements Committee) 09 - Integrated Report (which is correlated with the Basic Conceptual Framework of the Integrated Report prepared by the International Integrated Reporting Council - IIRC), the Sustainability Accounting Standard – Agricultural Products of the Sustainability Accounting Standards Board (SASB) and the Sustainable Financing Framework at SLC Agrícola;
- d. evaluation of non-financial indicators sampled, and specific indicators, linked to the Sustainable Financing Framework at SLC Agrícola, "Water reuse index", "Frequency rate of accidents with lost time among employees", "Sustainable Production: Integrated Certification (ISO 14.001, ISO 45.001 and NBR 16.003)" and "CRA – (Soil Conservation and Green Manure, Digital and Low Carbon Agriculture)";
- e. understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
- f. application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the Report;
- g. analysis of evidence supporting the disclosed information;
- h. analysis of whether the performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the Company;



- f. comparison of financial indicators with the financial statements and/or accounting records;

We believe that the information, evidence and results we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied to a limited assurance engagement are substantially less extensive than those applied to a reasonable assurance engagement. Therefore, we cannot provide reasonable assurance that we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the Report.

Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretation of the data's materiality, relevance and accuracy are subject to individual assumptions and judgments. Additionally, we have not examined data related to prior periods, to evaluate the adequacy of policies, practices and sustainability performance, nor future projections.

Conclusion

Based on the procedures performed, described in this report, we have not identified any relevant information that leads us to believe that the information in the 2021 Integrated Report is not fairly stated in all material aspects in accordance with the Standards for Sustainability Report of Global Reporting Initiative – GRI, with the Orientation CPC (Brazilian Accounting Pronouncements Committee) 09 - Integrated Report (which is correlated with the Basic Conceptual Framework of the Integrated Report prepared by the International Integrated Reporting Council - IIRC), with the Sustainability Accounting Standard – Agricultural Products of the Sustainability Accounting Standards Board (SASB), with the Sustainable Financing Framework at SLC Agrícola and with the records and files that served as the basis for its preparation.

São Paulo, March 25th, 2022

KPMG Auditores Independentes Ltda.
CRC 2SP-023228/O-4

Original report in Portuguese signed by
Sebastian Yoshizato Soares
Accountant CRC 1SP257710/O-4

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Credits

Coordination

SLC Agrícola HR, Communication,

Investor Relations and

Sustainability Teams

Consulting, content and design

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