



who we are

We are among the largest producers of grains and fibers in Brazil and have sustainability strongly linked to our Big Dream and our values. We were pioneers in the sector worldwide to go public on a stock exchange and we continuously evolve corporate governance, compliance and risk management practices

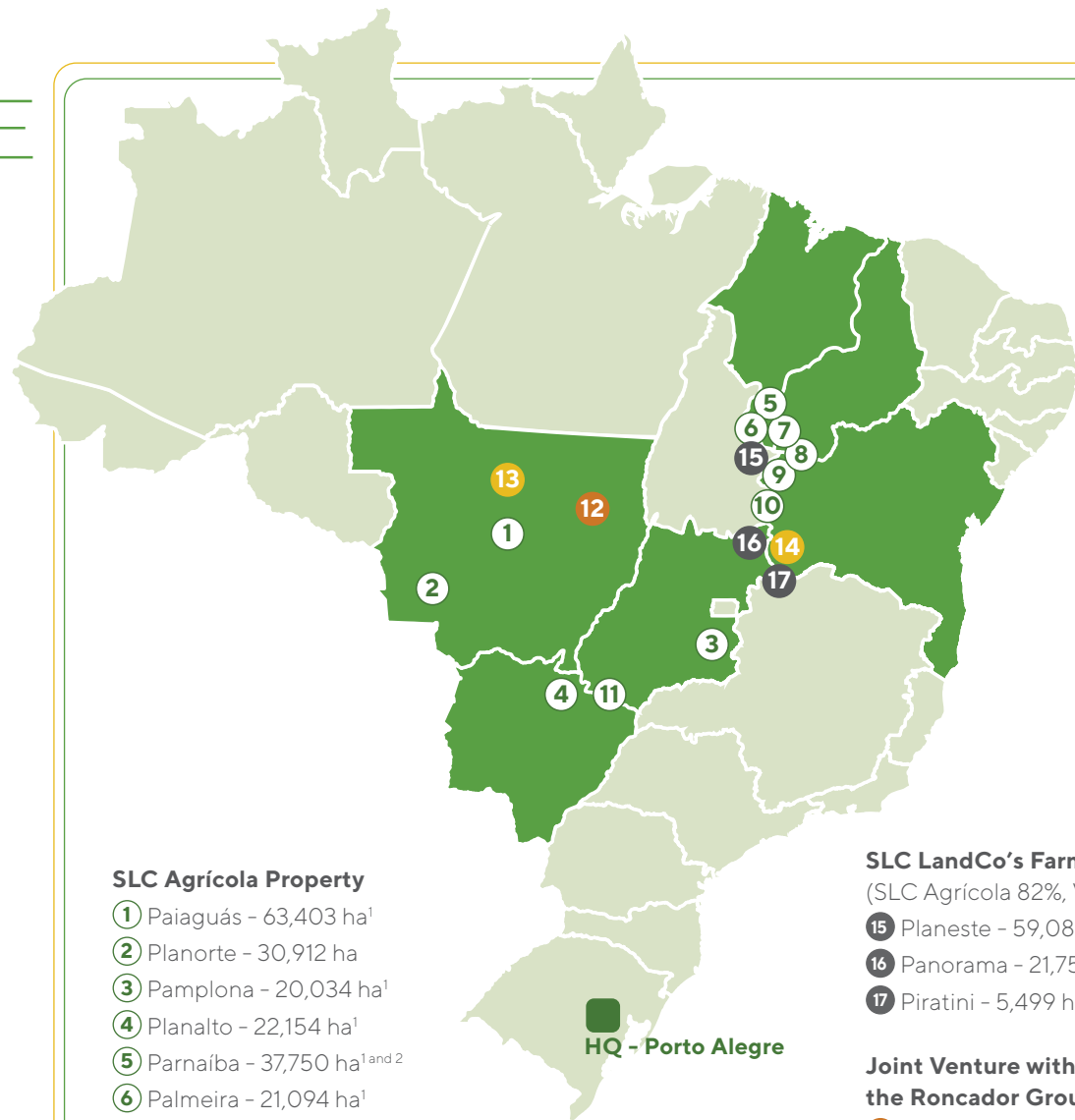


PERFORMANCE PROFILE

Our company, SLC Agrícola, is one of the largest producers of grains and fibers in Brazil and is part of the SLC Group, which, in 2020, will complete 75 years of existence. Over time, we have contributed to strengthen the agribusiness, a strategic sector for the country's economic growth and development. We operate in six different states, with 16 farms. In the 2018/2019 crop, we cultivated 459 thousand hectares in these units. Our planning, administrative and commercial teams work integrated in our headquarters, located in Porto Alegre (Rio Grande do Sul).

We are experts in the cultivation, harvest and processing of soybean, corn and cotton, with a business model that integrates modern technologies, high scale of production, standardization of units, efficiency in cost management and socio-environmental responsibility. Operations are conducted in own areas and leased areas and also by means of three strategic joint ventures (SLC LandCo, Fazenda Pioneira and SLC-MIT) with large agribusiness investor groups.

Our company employs around 3.6 thousand people, including fixed and temporary employees, which execute a strategy that adds value to the agribusiness in the Brazilian Cerrado and strengthens the company's competitive differentials.



SLC Agrícola Property

- ① Paiaguás - 63,403 ha¹
- ② Planorte - 30,912 ha
- ③ Pamplona - 20,034 ha¹
- ④ Planalto - 22,154 ha¹
- ⑤ Parnaíba - 37,750 ha^{1 and 2}
- ⑥ Palmeira - 21,094 ha¹
- ⑦ Parnaguá - 10,250 ha
- ⑧ Paineira - leased farm
- ⑨ Parceiro - 14,360 ha²
- ⑩ Palmares - 23,139 ha¹
- ⑪ Pantanal - 42,883 ha

SLC LandCo's Farms

(SLC Agrícola 82%, Valiance 18%)

- ⑮ Planeste - 59,089 ha^{1 and 2}
- ⑯ Panorama - 21,753 ha²
- ⑰ Piratini - 5,499 ha²

Joint Venture with the Roncador Group

- ⑫ Pioneira - 29,874 ha¹

Joint Venture with Mitsui Co.

- ⑬ Perdizes - 26,295 ha¹
- ⑭ Paladino - 20,673 ha

¹Units with 2nd crop.
²Planted area considers the total 2019/2020 crop.

Our numbers in 2019



Our Big Dream

The planet's current population is of 7.7 billion people and the expectation is that, until 2050, this number will grow to 9 billion, according to the United Nations projection. The agribusiness has an important role to face this accelerated increase by ensuring the offer of foods, clothes and energy, minimizing environmental impacts and contributing to reduce greenhouse gas emissions to the atmosphere.

At SLC Agrícola, our commitment is to put into practice a business model aligned to the agricultural sector's sustainability. We translate this purpose by means of "Our Big Dream", a declaration that synthesizes the ambition for the company's growth with balance and strengthening of positive impacts.

The corporate values practiced by our employees on a daily basis feed Our Big Dream. Driven by these beliefs, our teams create a production cycle that generates positive economic impacts on the region we operate, strengthens ethic and worthy relations with all publics, promotes respect to the environment and transforms the work on the land into wealth to be shared with the society.

OUR BIG DREAM

Positively impact future generations by being world leader in agricultural business efficiency and respect to the planet

OUR VALUES



PASSION
FOR WHAT WE DO

We believe that those who have **passion for what they do** are committed and do so with maximum quality, preserving their **integrity** by means of ethical, coherent and unquestionable conduct.



INTEGRITY



LASTING
RELATIONSHIPS

These attitudes altogether generate **long-lasting relations** and respect among all interested parties, producing **sustainable results** that are economically feasible, socially fair and environmentally responsible.



SUSTAINABLE
RESULTS

Awards 2019



Valor Carreira

We obtained the 1st position in the category of companies with 3,001 to 7,000 employees in *Valor Econômico* newspaper, which acknowledges the best companies in people management.



Best Companies to Work for in Rio Grande do Sul

For the third year in a row, we were acknowledged by Great Place to Work (GPTW) survey. In this edition we obtained the 8th position



150 Best Companies to Work for

We achieved the triple acknowledgement of practices in people management for appearing among the first positions of the ranking by *Você S/A* magazine in partnership with Institute of Management Foundation (FIA).



Destaques A Granja

We were acknowledged as the best corn products by *A Granja* magazine award. Defined by the magazine's readers' vote, this award is annually promoted and is already in its 34th edition.

As Melhores da Dinheiro 2019

We achieved the 1st position of agribusiness in IstoÉ Dinheiro magazine ranking, which assesses aspects associated to financial sustainability, human resources, innovation and quality, social and environmental responsibility, corporate governance.

Latin America Executive Team (Small Caps) – agribusiness sector

For the fourth year in a row, we deserved highlight in North-American magazine Institutional Investor's annual survey. We appear among the three best Brazilian companies, occupying the top of the podium in categories Best CEO, Best Investor Relations' Team and Best IR Professional.

2019 Agribusiness Best Award

We obtained the position ("Champion of Champions") in the 15th edition of this award, promoted by Globo Rural magazine. The acknowledgement considers the financial results and sustainability practices of companies in 21 agribusiness sectors.

Estadão Empresas Mais 2019

We obtained the 1st position within the "Agriculture and Cattle Raising" sector in O Estado de S. Paulo newspaper ranking, which assesses indicators of size and financial performance.

GOVERNANCE AND COMPLIANCE

Our company, the first grain and cotton producer worldwide to have shares negotiated in a stock exchange, is listed in the B3's Novo Mercado segment, and adopts the best corporate governance practices to ensure transparency in the relations with shareholders, as well as the maximization in value generation. The 2007 IPO represented a milestone to our history, allowing fund raising to expand business with acquisition and development of lands.

Since then, the evolution of governance policies and system has led the management to a responsible and balanced growth of business, aligned to corporate ethics and values, as expressed in the Code of Ethics and Conduct.

In 2019, we advanced in this direction by implementing and consolidating the Compliance System, which disseminates and reinforces the culture of integrity among administrators and employees.

The Compliance System's guidelines, norms and procedures were structured according to the Clean Company Act (12.846/2013), Novo Mercado regulation and all internal policies approved by the Administrative Council. Thus, this platform ensures that we will have mechanisms to identify, prevent and fight not only illegal actions, but also misconducts that are not compliant with our internal values and requirements.



We were the **first** grain and cotton producer **in the world** to have shares traded on a **stock exchange** and, since then, we have evolved in our corporate governance and compliance practices

57%
of employees
were trained in the first
year of the Compliance
System



100% of
communications
received by Contato
Seguro were treated
with secrecy and
confidentiality



We count on a Compliance area dedicated to the System implementation and dissemination in our management structure. One of the activities developed is classroom and distance (digital) qualifications to employees from all units, with focus on the awareness for adoption to good practices and respect to ethics and integrity. In the first year, 57% of employees were trained on ethics, compliance and mechanisms to fight fraud and corruption.

Contato Seguro, a channel to receive complaints and communication of acts that violate our values and guidelines, complements the Compliance System structure. The tool, managed by an external company, ensures to all those that access it secrecy of information and anonymity, where requested. Our company also counts on a non-retaliation policy in order to safeguard the tool's integrity. A total of 114 records occurred in Contato Seguro in 2019. Investigations on critical complaints did not prove the mentioned irregularities.

The analysis of all communications to Contato Seguro is made internally by the Loss Prevention Committee. Where necessary, the interaction with the complainant is made by means of the platform, without compromising secrecy and confidentiality. The tool is also used to provide answer to the case conclusion. Though most communications in 2019 were associated to doubts and suggestions, our company values the channel as means to establish ethical and worthy relationships with employees, clients and suppliers.



Risk management

The management of risks associated to our business model was improved and reinforced in 2019 with the approval of the Risk Management Policy by the Administrative Council. This instrument establishes principles and guidelines, and also defines corporate responsibilities for identification, assessment and mitigation of factors that can negatively impact the company.

Moreover, our management is supported by the Market Risk Management Policy, which set forth guidelines to protect the company's operational margin in face of exchange rate variations and commodities' prices. This governance guideline, applied since 2008, is periodically reviewed to adapt structures to the changes in the context where we operate.

Among the main risk factors we manage is the exposure of the company to dollar variation and the impact of obligations in foreign currency on the company's cash flow, since large part of inputs have their price tied to the North-American currency and the products' destination is the foreign market. To face this exposure, we count on a patrimonial protection strategy (hedge) and use different instrument to keep exposure within acceptable risk limits.

The processes that we adopt to manage risks in an integrated way are aligned to the best practices and methodologies and allow that, with the involvement

of all areas; the main externalities are identified and categorized in a Matrix that will assess probability of occurrence and impact on the organization. Risks perceived are divided in six different categories and prioritized according to limit criteria as established by existing mitigation policies and actions.

Treatment of residual risks is made through action plans defined by the Board and implemented by leaders of areas impacted by these factors. The policy provides for the installation of an internal audit area, directly linked to the Administrative Council, to continuously assess the efficacy of the processes developed for this management.

ESG (Environmental, Social and Governance) risk management is grounded on the Integrated Management System (IMS) and its certifications associated to environment (ISO 14001), occupational safety (OHSAS 18001), social responsibility (NBR 16001) and quality (ISO 9001). These norms have specific requirements to survey critical aspects and impacts in each of these themes, ensuring the identification of hazards and risks and the definition of respective applicable control measures. The IMS also includes periodic internal audits and external verifications to expand the number of certified farms (learn more on page 26). Associated to this management, we monitor with a specialized team and periodic inspections two

water dams in Pamplona Farm, thus ensuring compliance of preventive maintenances and the safety of these facilities. The farms also count on a trained team to respond to emergency situations associated to accidents and other events that may put at risk the patrimony or the physical integrity of employees.

In the context of climate changes, we count on business differentials that contribute to our adaptation capacity. Besides the 99% of areas cultivated in dry farming, we distribute our farms geographically across six states of the Brazilian Cerrado, biome characterized by higher stability of rainfall regime. Aiming at mitigating our impacts to global warming, we defined, in 2019, a plan for reduction of greenhouse gas emissions, in order to reduce them by 25% in the coming decade.

**25%
reduction**
in GHG emissions is
one of our goals for the
next decade



Our risk management practices



Formal guidelines

Risk Management Policy
Market Risk Management Policy



Risk categories

Strategic
Operational
Financial
Regulatory and/or Compliance
Socio-environmental
To the image



Risk management structure

Risk Management Committee

Formed by the Board of Directors, meets weekly

Executive Committee

CEO report to the Board of Directors, according to schedule of meetings of the governance body



Instruments for hedge

Swap contracts (B3 and CETIP)
Non-deliverable forward (NDF)
Futures contracts (B3, CBOT and NYBOT - ICE)
Plain vanilla options contracts (stock exchange and counter)
Dollar debt contracts



Instruments for continuation of operations

Integrated Management System (IMS)
Certifications
Internal and external audits

Governance structure

Our governance bodies are responsible for defining the corporate strategy and monitoring of tools and processes for management and protection against risks to the business. The Board of Directors is the highest decision instance of the administration and works to establish the general orientations to the company's development in the agribusiness ambit.

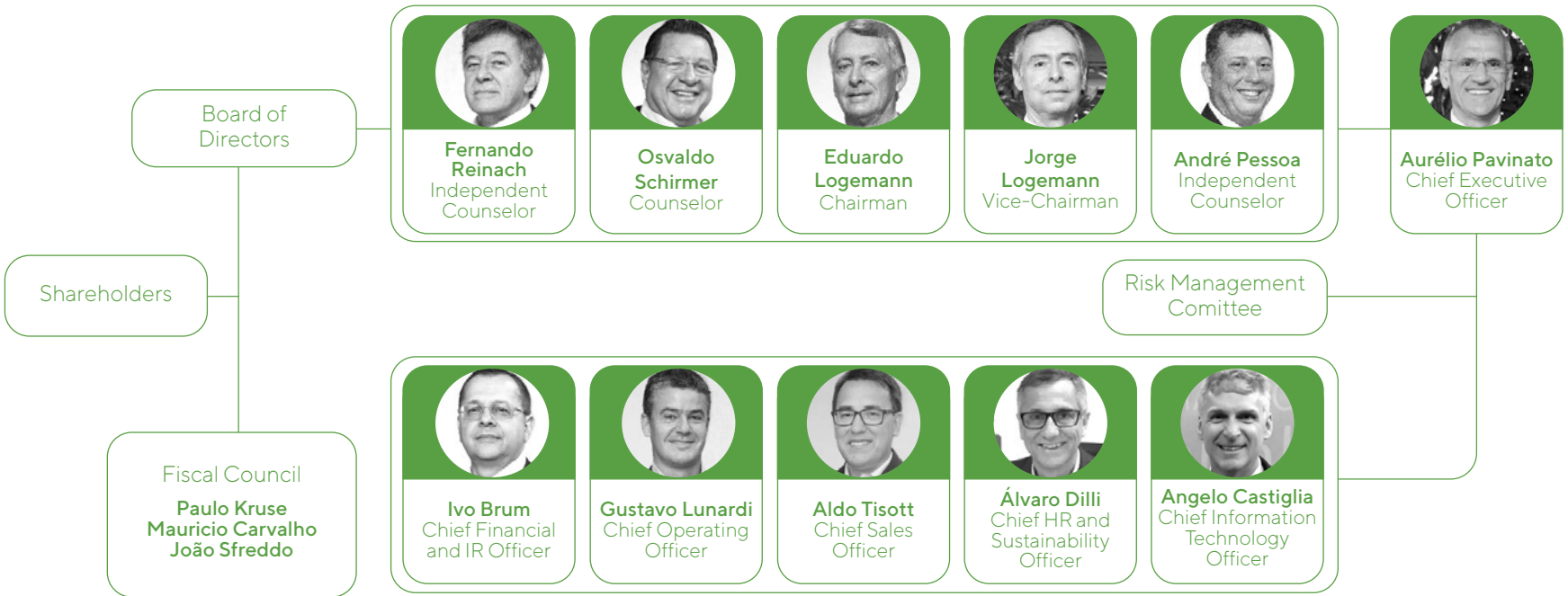
The Board members are elected at the Shareholders' General Meeting for a two-year term, and can be re-elected. The body comprises five members; three of them being independent, with acknowledged professional experience.

The Board is supported by three advisory committees. These structures are responsible for assessing in depth the critical aspects to the company's management and providing recommendations for the members' decision making process.

The Board of Executive Officers, responsible for executing the company's strategic plan, is composed of four executives, appointed by the Board of Directors for a two-year term, and two non-statutory executives. The four Senior Executives represent our company in administrative proceedings and monitor the work of internal management structures, focused on continuous improvement and maximization of assets' value.

In 2019, the General Meeting determined the installation of the Fiscal Board, responsible for inspecting the administration acts. Though not permanent, the Fiscal Board has been recurrently constituted since 2012. Comprising three external members with one year term, the Fiscal Board is independent and works according to the Corporation Act and the company's Bylaws.

60% of members in the Board of Directors are independent, which overcomes the B3 Novo Mercado's requirements



SUSTAINABILITY MANAGEMENT

Our sustainability view is aligned with Our Big Dream. It is transversal to operations and is materialized in several initiatives, like the efficient use of inputs driven by technology, qualification and digital inclusion of our employees, development of communities where we operate and environmental preservation as necessary condition to the future development of our activities.

In 2019, we improved the integration of sustainability aspects to the company's strategy. In a workshop involving all corporate and farms' directors and managers, we identified our priority axes and their respective correlation with UN Sustainable Development Goals (SDG) and Food and Agriculture Business Principles (FABP). Based on that, we incorporated sustainability issues to our strategic map, like aspects associated to farms certification and environmental

constraints of operation. These themes started to be considered in performance assessment and variable remuneration of employees.

This management is supported by transparency in accountability to the society and by the interchange of knowledge and practices with other entities and companies. In this context, we have prepared, since 2016, our Integrated Report, aligned with the Integrated Reporting framework of the International Integrated Reporting Council, and GRI Standards, the most adopted model worldwide for this type of document and proposed by the Global Reporting Initiative (GRI). We are signatory of the Global Compact and participate in the Brazilian Food and Agriculture Network Working Group of the Global Compact.



Priority axes of action

Water and biodiversity

Involves initiatives for optimization of water consumption and preservation of water resources and biodiversity. For such, we invested in eco-efficient production systems and promoted initiatives for conservation and reforestation, in addition to ensuring the adoption of best management practices by means of certifications of our activities.

Stakeholders' expectation

Gathers investments and approaches to promote the socio-economic and cultural development of the regions where we operate, based on transparent dialogue with all publics and training of our leaders and other employees for them to better understand the challenges of local communities.



Climate changes and soil

Comprises all efforts to mitigate climate changes, with two main approaches: minimizing agricultural inputs consumption, generation of wastes and use of fossil fuels, reducing our carbon footprint; and improving soil quality in cultivation areas, contributing to carbon sequestration in the soil.

PEAA principles prioritized



Economic feasibility and values



Food security, health and nutrition



Environmentally responsible



Human rights and rural communities