
MENSSAGE

FROM THE CEO

Demand for Brazilian agricultural commodities remained high in 2020. At the end of the year, Brazil recorded an increase in exports of soybeans (+12%) and cotton (+30%) in relation to 2019, according to data from the Ministry of Industry, Foreign Trade and Services. The country also shipped around 34 million tons of corn, a volume that, despite being 20% lower in the annual comparison, was above the average of the last five years. Brazil strengthens itself as a major supplier of food to the world, and SLC Agrícola fulfills its role of producing sustainably to supply the domestic and international market.

The volatility of international prices, marked by a strong recovery in prices in the last quarter of the year, was another striking feature of 2020. The external scenario, associated with the devaluation of the real against the dollar, favored the economic and financial results of

our company, which for the first time surpassed the level of R\$ 3 billion in net revenue. This growth of around 22% reflects the higher billing prices in soybean and corn crops, and also the higher volume of cotton billed in comparison with the levels of 2019.

The resilience of demand and the recovery of prices in a period of economic and social uncertainties caused by the pandemic of Covid-19 is a factor that shows the importance of Brazilian agribusiness to the world. We, at SLC Agrícola, recognize our responsibility to produce grains and fibers that are at the base of the food and fiber production chains, with respect for people and care for the environment.

Since the beginning of the health crisis, we have been quick to put together an action plan and a control structure, coordinated by the Contingency Committee at our headquarters,

which allowed us to protect employees and third parties while continuing with our essential activities for supplying society. We quickly adapted our way of working to ensure that all activities that could be carried out remotely were performed by professionals working at their homes, maintaining the social distance recommended by specialists.

Following the safety protocols, we have advanced in our strategy of seeking maximum efficiency in business, supported by digitization and innovation. We increased the productivity of agricultural areas and invested in crops with higher added value, while seeking to reduce the use of fertilizers and pesticides with the use of new technologies in the field. The evolution of SLC Sementes, and the expansion of the model that integrates crops and livestock exemplify how we can differentiate ourselves in agribusiness.

Participating in sustainability-oriented initiatives, such as the **Global Compact**, strengthens our sense of commitment and the contribution of a responsible business in the agribusiness sector to the country's sustainable growth

In 2020, we completed the installation of internet systems on 8 of our 16 farms and set the goal of having 100% of the crops connected by the end of the first half of 2021. We intensified our relationship with agricultural innovation startups through the AgroExponencial program and the creation of SLC Ventures, a new business model to accelerate innovative and digital solutions in the field.

In addition to productivity and efficiency, our company has evolved in the management of environmental, social and corporate governance aspects - work fronts summarized in the English acronym ESG. Increasingly, investors and society in general expect the strengthening of our commitment to sustainable development and ethical behavior in everything we do. To respond to this demand, we rely on our Integrated Management System and seek internationally recognized certifications for both management systems and products.

We trust in Brazil's agricultural potential and in a productive model that combines value creation with environmental preservation and social growth. In the 2020/2021 crop year, we closed the opening of new areas for the formation of crops and we will continue to invest in solutions that will take our farms to an even higher level of productivity. Behind this evolution is a competent team of employees, to whom I thank you for believing in Our Long-Term Vision and working every day so that we can positively impact future generations, with business efficiency and respect for the planet.

Aurélio Pavinato
CEO of SLC Agrícola

