

2023
Sustainability
Report

SCHAEFFER
More life on earth



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About the Report

The **2023 Scheffer Sustainability Report** discloses the performance of the company, from January 1st to December 31st, 2023, in Brazil. This document was inspired by the methodology of the Global Report Initiative (GRI), Core Option, and delivers relevant information about Scheffer, registering its progress throughout the year. The data presented here resulted from the analysis of information collected through interviews with different sectors of the company.

In this edition, we started to apply the concept of double materiality in presenting the subjects, considering the topics of interest to the company and its stakeholders, and the effects of our activities on the communities in which we operate. Our priority themes and actions are aligned with the Sustainable Development Goals (SDGs) of the United Nations (UN).



Requests for additional information or suggestions regarding the content presented in this report can be sent to the email **sustentabilidade@scheffer.agr.br**.

Message from the Board

We entered 2023 with confidence, even though we were aware of the challenges in the business environment. Ultimately, our risk management strategy proved itself to be efficient in mitigating fluctuations of the market. Once again, resilience was fundamental to achieving positive results.

The measures we took to optimize our financial resources were essential for mitigating the impacts of cost increases and volatility in commodity prices. Thus, despite the hardships, we managed to achieve substantial growth in our annual results, compared to the 2022 results.

In terms of agricultural production, **we registered the highest cotton yields of our history, exceeding the state average. This achievement resulted from multiple factors, starting with our care for the soil.** Over 16% of our CAPEX was allocated to soil correction, which, along with the biodiversity of our soil and the technical knowledge of our team, was fundamental for us having achieved such results.

Our good cotton crop culminated in our participation in COP-28, in Dubai, at the invitation of the Brazilian Association of Cotton Producers (ABRAPA). We shared our history and sustainable practices, reinforcing our leading position in cotton farming and the adoption of Regenerative Agriculture on a large scale.

Also, **we presented the Brazilian cotton as a sustainable solution for the global textile chain.** The 2022/23 crop cycle was marked by an even stronger commitment to sustainability, with our participation in international working groups dedicated to debating regenerative agriculture and climate change.

At the same time, we took significant steps that demonstrate our commitment to producing in co-operation with nature, based on scientific evidence and experimentation. In this sense, we remodeled our Research & Development department, expanded the team of specialists and the experimentation area, and started building another laboratory, to focus on research and development of biological tools. These initiatives support our long-term strategy, which seeks to increase yields and, at the same time, respect biodiversity.

Still in 2023, we invested in developing our team, worked on meritocracy, contributed to the training of new talents through learning, internship and trainee programs, and increased the number of female leaders in our company by 9%. Moreover, we maintain our social responsibility towards the communities where we operate, with actions that focus on improving education.

As we look towards 2024, we recognize the consequences of El Niño, which resulted in one of the biggest droughts in recent years and impacted the planting of our soybean crop. Nevertheless, we are confident of achieving significant results for next year as well. This stance is based on our pillars, like our regenerative practices and the in-house production of biologicals and thermophosphate, which assures high quality inputs and reduces our dependence on external sources.

We also trust in the solidness of our governance, built over years with a focus on results and commitment to the sustainable growth of the company. Audited financial statements, robust compliance policies, due diligence practices of integrity with suppliers, and standard procedures that reinforce the reliability and transparency of our operations. We also count on the active role of our shareholders in the company's management, which boots, among other things, agile and strategic decision-making, allowing us to be prepared for challenges and opportunities.

The efficient management of resources, allied with our highly qualified team, will keep us on with the next 366 days, as we are certain that, with determination, courage, hard work, and responsibility, we will overcome challenges and become even stronger.

2023 Highlights



USD
414 million



Over
USD 800
thousand
invested in 74.225 training
hours for employees



Adhesion to the
Employee Support
Program
147 employees
were assisted



2.411
permanent employees



495
temporary employees



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Who We Are

Core
Business

Agricultural
Production

Governance

Certificates

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Who We Are





We are a **family business** and have been involved in agricultural production since 1986.



Today, our operations include the **cultivation of soybeans, corn and cotton**, as well as **livestock farming and** mining for **thermophosphate production**.



We invest in **innovation, technology and**, above all, **in the qualification of our employees**, with the aim of continually improving our practices.



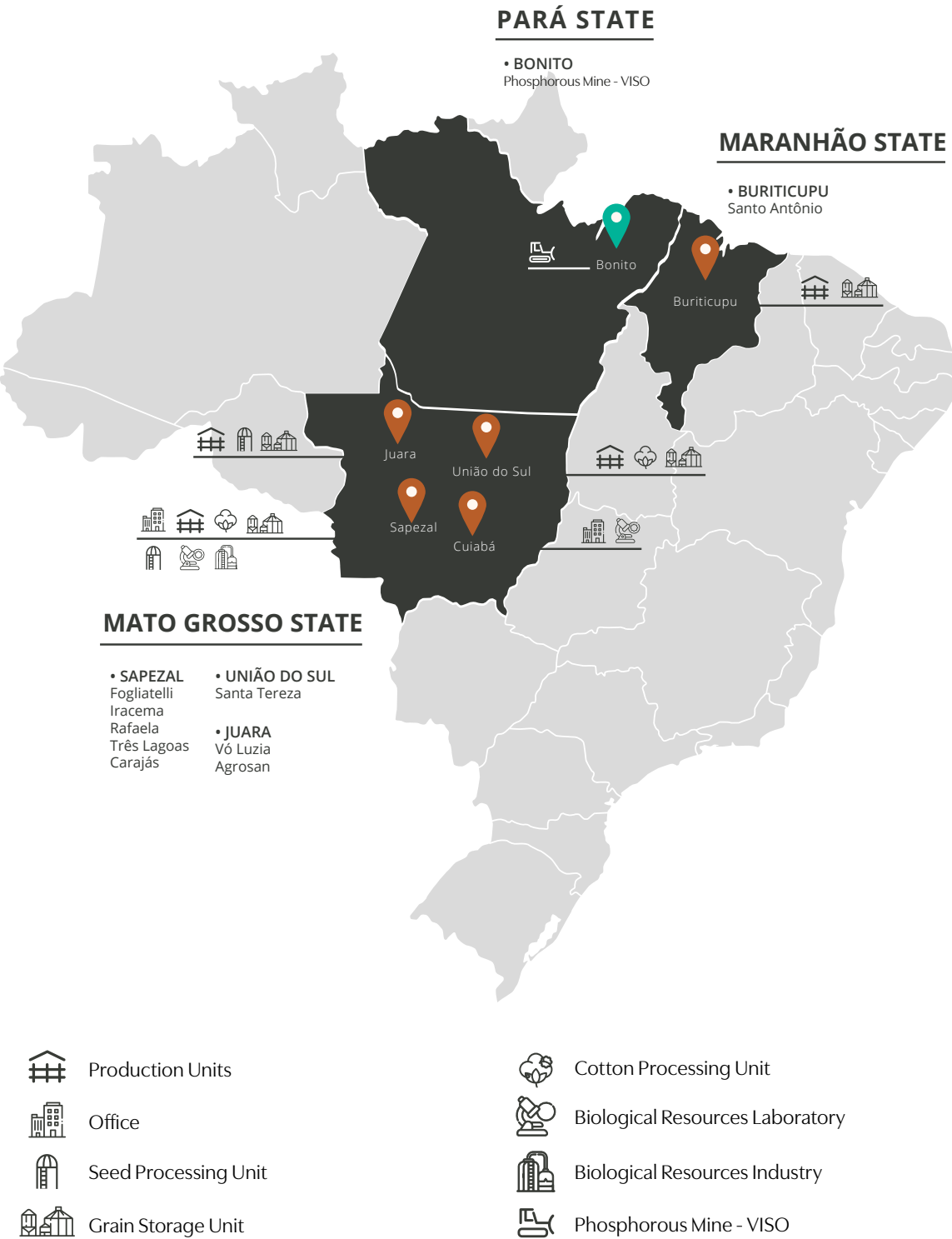
We have **9 production units in Brazil**, of which **8 are located in Mato Grosso State**, where we farm soy, cotton, corn and cattle, and 1 in Maranhão State, for growing soy and corn.

VISO, our thermophosphate mining company, is located in Pará State and its production is mainly consumed by the company itself.



Our two **administrative headquarters are located in Mato Grosso State, in Cuiabá, and Sapezal**, the city in which we began our activities.

Who We are



Our Purpose To Regenerate life on earth

Our Values

Our vision is long-term

We have a clear vision of our future, over the long term, but we take great care every step of the way. We always act responsibly, whether in the short-term or long-term interests of our business.

We work best as a team

We firmly believe we are stronger together. Long-term success means we must work collaboratively, as a team, towards our common goals.

We demonstrate courage and discipline

We believe we must innovate, constantly challenging the status quo to improve how we operate. We must all work as owners of the business, never settling for anything less than the goals we set ourselves. Because we take risks, we accept that mistakes will be made on this journey, mistakes that we will learn from.

We are participative

We are enthusiastic and proud of participating in the business, giving 100% to our daily responsibilities, open to experimenting and sharing ideas, so that we can achieve the best return on our endeavours to drive farming in a regenerative direction.

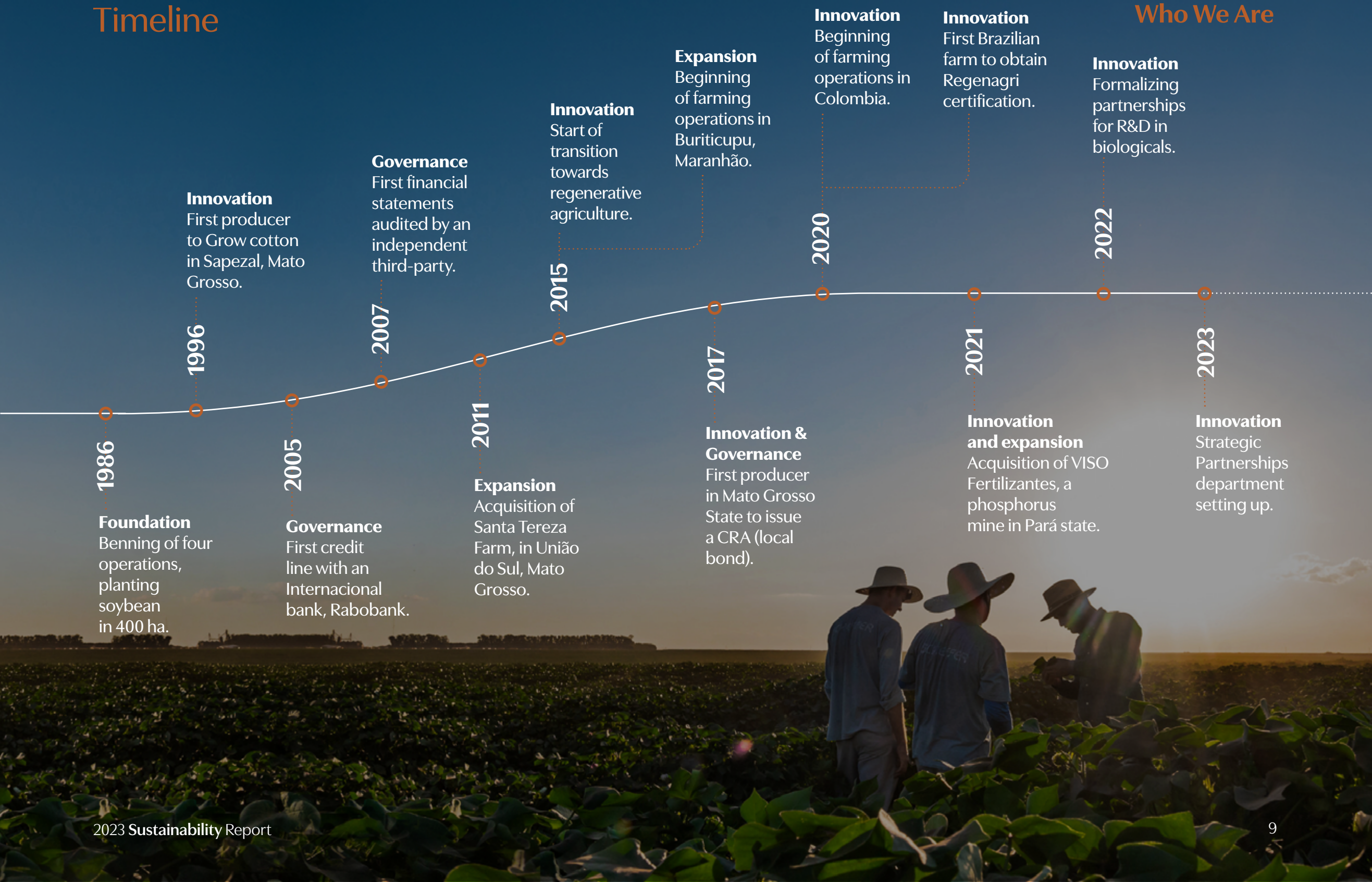
We are committed to integrity

We put trust, ethics and commitment at the heart of our business and of our decisions. We honour our commitments, keep our promises, and look after ourselves and each other.

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Timeline



Who We Are

Our Material Themes and Priority SDG

In 2023, we identified the actions of the company that can effectively contribute to the United Nations’ 2030 Agenda. Composed of 17 Sustainable Development Goals (SDG), the agenda aims to promote people’s prosperity and well-being, protect the environment and combat climate change.

Considering the activities we identified, together with our material themes, we defined the following SDG as priorities:



Zero Hunger: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.



Good Health and Well-Being: Ensure healthy lives and promote well-being for all at all ages.



Quality Education: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



Decent Work and Economic Growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Responsible Consumption and Production: Ensure sustainable consumption and production patterns.



Climate Action: Take urgent action to combat climate change and its impacts.



Life on Land: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.



Partnership for the Goals: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.



Core Business

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ZERO
HUNGER


12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION


13
CLIMATE
ACTION

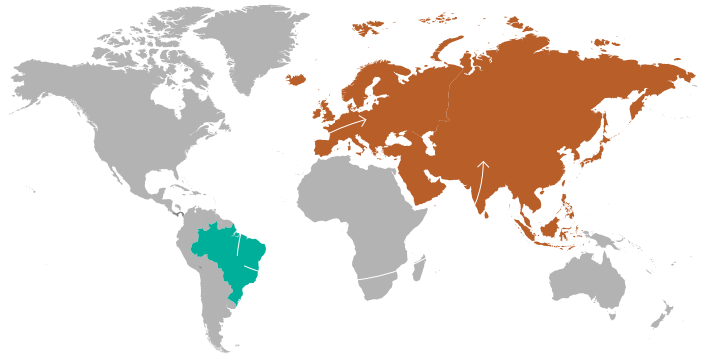

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LIFE
ON LAND


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PARTNERSHIPS
FOR THE GOALS




Agricultural Production

The grains and fibers we produce are used for countless industries around the world, mainly in Asia and Europe, in addition to the Brazilian market.



We produce soy, corn and cotton, in farms located in Mato Grosso and Maranhão States.

Our grain operations include everything in between farming to storage and the cotton production also includes ginning.

Core Business

Livestock Farming

We raise nelore and other crosses of cattle, in intensive finishing system on pasture (TIP), which are sold to slaughterhouses.



Research and Development

In 2023, we remodeled the Research and Development sector and integrated it into the new Strategic Partnerships department.

In this first year of operation, the new department focused on building qualified team, as well as the necessary structures for Research and Development activities. Among the work carried out in 2023, we highlight:

• **Consolidation of the field research área**, located at UP Três Lagoas, in Sapezal, Mato Grosso. Currently, we have 50 hectares of experimentation area and plan on reaching 100 hectares. The work is subdivided into two fronts:

- 1 Evaluation and validation of the effectiveness of our biological products, including nematicides, solubilizers, growth promoters, among others.
- 2 Management and cultivar tests. Among other activities, we analyze plant population density, to support the farming team and ensure the best results.

• **Setting up of the Applied Research Laboratory**, in Cuiabá-MT, for prospecting and studying new forms of biological products for crop protection.

• **Investment in human capital**, we are focusing on structuring the team with the necessary technical capabilities, having formed a multidisciplinary team, with more than 40 professionals specialized in biological and agricultural experimentation, which includes operational collaborators, technicians, masters, doctors and post-doctorates.

• **Advancement in production**, along with partners, we have evolved in the quality control and technical validation processes of biological inputs.

Core Business



Laboratories and Industry of Biological Resources

In 2023, we created the Applied Research Laboratory, in Cuiabá (MT), which allowed us to implement Scheffer’s end-to-end R&D strategy. The starting point is the new laboratory, where we carry out applied research and select the best microorganisms. These are taken for field tests, at UP Três Lagoas.

After being properly tested and validated, the solutions are multiplied in the Laboratory and Biological Resources Industry, both located in Sapezal (MT).

All activities of the Biological Resources Labs and Industry are subject to strict quality control, ensuring the quality and safety of our production.



In 2023, we produced 2,3 million liters of biological products, which were used by Scheffer itself, in the farms located in Mato Grosso State.

2022 Production: 2,6 million liters.



Core Business

What are biological products?

In general terms, biological products are agricultural **inputs developed from a natural ingredient**, considered a ‘biological active’. Because of their low toxicity, biological inputs are **used to protect crops**, controlling pests and diseases, **without causing damage to the environment**.



Partnerships and Initiatives

Research on good agricultural practices and biological inputs production



Partnership to develop regenerative agriculture



Biological products research and development



Partnership for investment in sustainability projects



Aiming to improve the quality of public education in Mato Grosso State



Pro Carbono Commodities (Bayer):

Aims to measure carbon footprint and implement best regenerative and low-carbon agriculture practices in areas that are part of the project



Research on carbon soil



Core Business

We are also members of global entities



Thermophosphate Production

Our **mining facility** is located in Pará State and **produces thermophosphate** through thermal solubilization, **without adding chemicals and water**.

Thermophosphate is a natural fertilizer that helps plant development, contributing to soil health by providing slow-release nutrients, as they react to soil microorganisms and roots when receiving water.

In 2023, we invested in remodeling and improving **VISO's physical structures and production process**, which caused a significant reduction in production. Thus, we produced 20 thousand tons of phosphate, of which we used approximately 50%, with the remainder of production having been sold.

Production in 2022: 90 thousand tons of thermophosphate.



Core Business



Agricultural Production



We began **farming** in 1986, with **soybean**. Then came **corn, cotton and livestock**.

We use qualified labor and advanced technology to ensure **good yields, efficiency and sustainability** in our operations.

In Mato Grosso, we harvest two crops within the same year, using **crop rotation**.*

Our farm in Maranhão State has either soybean or corn as the first crop, and the planting window for both products is between December and February; and the harvest happens between April and June.

In 2023, our grain yields were lower than estimated, which was caused by atypical climate conditions such as drought, cold waves and excessive rain during the harvest period in some of our farms.

Cotton crops, conversely, had the highest average yield in our history, as result of planning and favorable weather conditions from planting to harvesting the fiber.

Cattle production also increased when compared to the previous year, due to good management practices in the nutritional process, as well as the increase of new areas of intensive pasture finishing.

| Calendar of planting, harvesting and ginning in Mato Grosso | | | | | | | | | | | | |
|---|------|------|------------------------------|------|------|-------------------------------|------|------|------|------------------------------|-------------------------------|------|
| Product | APR. | MAY. | JUN. | JUL. | AUG. | SEP. | OCT. | NOV. | DEZ. | JAN. | FEB. | MAR. |
| Soy | | | | | | 1 st crop planting | | | | 1 st crop harvest | | |
| Cotton and Corn | | | 2 nd crop harvest | | | | | | | | 2 nd crop planting | |
| | | | Cotton Ginning | | | | | | | | | |

Agricultural Production

215 thousand hectares of farming area in 2021/2022 and 2022/2023 crops

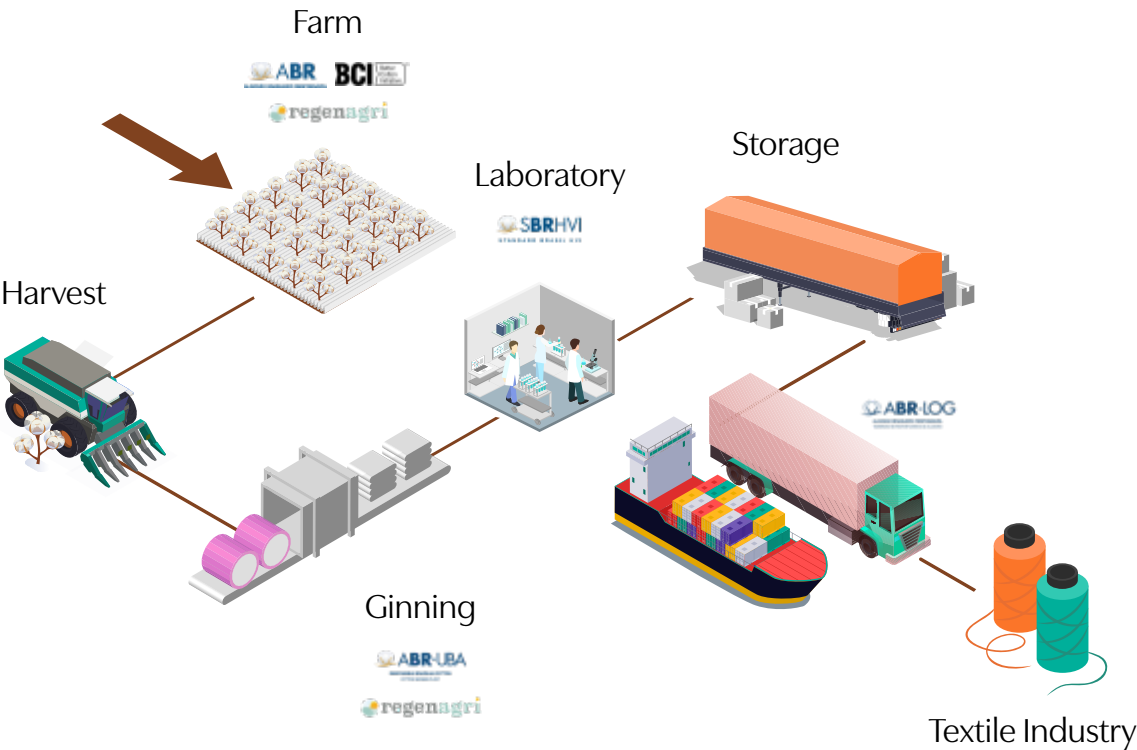
| Grain Production | |
|------------------------------------|-------------------------------------|
| Crop 2021/2022 | Crop 2022/2023 |
| 414 thousand tons. of soy | 393 thousand tons. of soy |
| 194 thousand tons. of corn | 233 thousand tons. of corn |
| Cotton Production | |
| Crop 2021/2022 | Crop 2022/2023 |
| 97 thousand tons. of cotton lint | 135,3 thousand tons. of cotton lint |
| 120 thousand tons. of cotton seeds | 172 thousand tons. of cotton seeds |
| Cattle heads | |
| Slaughter/year 2022 | Slaughter/year 2023 |
| 16 thousand heads | 21,6 thousand heads |

Usually, soybean is the first crop* and cotton or corn or cover crops as second crop*. Cotton may also be first crop in some cases.
* First crop is planted in September/October and harvested between January and March.
** Second crop is planted in January and harvested between June and August.

Cotton Quality and Traceability

Agricultural Production

Starting in the fields throughout shipment, we guarantee full traceability of the cotton we produce. We test 100% of our cotton in labs that are certified by the SBRHVI- Abrapa program. Our re-generative production also has full traceability, from planting to ginning, and later shipment of cotton bales to spinners.



Governance

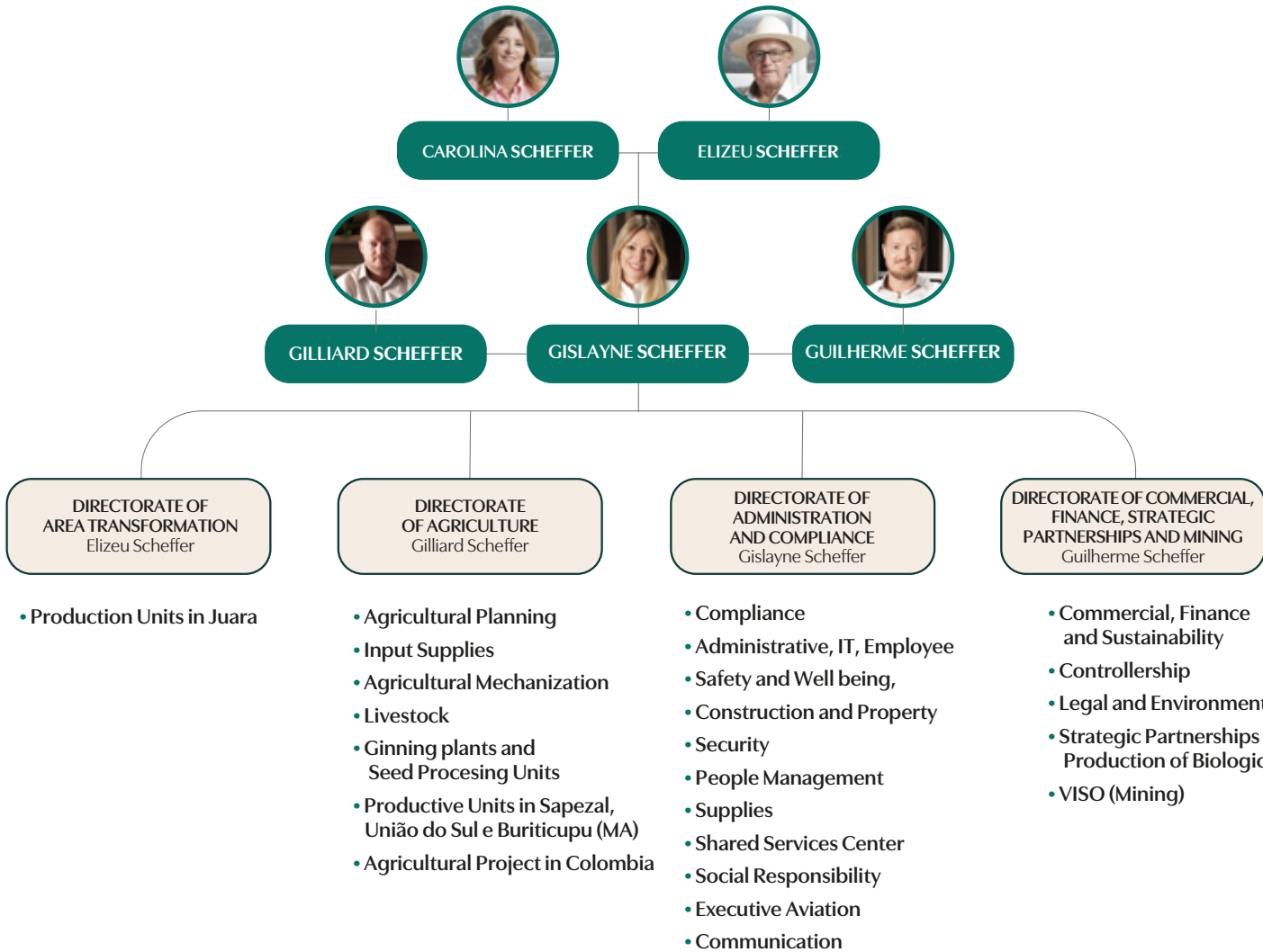


Ethics, transparency and commitment to standards are the foundation of our growth. We aim for sustainable and long-term business by implementing Governance practices, to keep an environment of trust and reliability for all stakeholders.

Governance practices support our management by providing indicators, preventing fraud and errors, ensuring cost reduction and eliminating conflicts of interest.

Our Governance is structured by the Board of Partners and the Executive, Ethics and Safety and Accident Prevention Committees. The activities and decisions of these bodies are guided by our Code of Ethics and Organizational Conduct, our Supplier Manual and internal policies, in addition to being aligned with pertinent legislation.

Leadership Organogram



Board of Partners

Responsible for defining and leading the business strategy, supervising activities of the company to ensure the appropriateness of strategic decisions and the interests of partners are met. In addition, it supervises executive management and its efficiency, by monitoring activities and work ethics. Also, the Board reviews financial reports on a regular basis, to ensure accuracy and transparency, as well as approval of the annual budget and financial statements.

Committees

Dedicated to advising the Board of Partners, as well as discussing, analyzing and evaluating specific issues within their responsibilities. They also help ensure that the actions of the company are in accordance with its principles and strategic plan.

Executive Committee

Composed of the main leaders of the company, the Committee’s mission is to make well-informed strategic and operational decisions. It is responsible for promoting organizational cohesion and ensuring the alignment of stakeholders’ actions with the company’s strategic objectives.

Following are some of the responsibilities of the committee:

- Development and implementation of business strategies
- Discussion of critical issues
- Management of crises and emergency situations

Ethics Committee

Formed by company employees, the Ethics Committee receives suggestions for strengthening the ethics in the work environment, as well as complaints related to crimes/criminal misdemeanors, or of actions that are not compatible with our Code of Ethics and Organizational Conduct or internal policies.

Occupational Accident Prevention and Safety Committee

With a mission to promote a safer and healthier work environment, by preventing accidents and occupational illnesses, the Committee is made up of strategic leaders who assess safety risks to discuss and find alternatives to mitigate them.



Ethics and Transparency

Guided by our values, we perform with total transparency, responsibility and respect. Our operations are guided by ethics and integrity in all internal or external relationships. Transparency, equity, accountability and corporate responsibility are the foundation of our actions.

Our Compliance sector plays a fundamental role in Scheffer’s management, to ensure all our relationships are guided by ethics, trust and the highest standards. The sector works together with the Ethics Committee and, through constant monitoring of activities, ensures that procedures and conducts are aligned with our values. It also develops due diligence mechanisms of integrity for suppliers, to ensure they act in accordance with our values and principles.

Focusing on preserving the reputation and longevity of the company, the sector is structured around three pillars:

- 1 Prevention
- 2 Detection
- 3 Response

Aware that the regulatory scenario is constantly changing, and new challenges arise all the time, our Compliance department has an adaptive approach and is prepared to anticipate possible impacts impacts of changes in the regulatory environment and promptly respond to them.

We have established guidelines to ensure our actions comply with internal policies and legislation. Learn more about the main ones.

• **Code of Ethics and Conduct:** Consolidates and formalizes that, compliance and respect are the base of our relationships. The document reinforces our principles and registers our stance against child and slave/forced labor. We repudiate moral and sexual harassment and ensure the highest social standards, with respect in relationships between employees. The Code is presented and made available to 100% of employees upon joining the company and can be accessed by other interested parties on our website.

• **Privacy and Data Protection Policy:** Clarifies the handling of complaints received through Scheffer Ombudsman channels, due to the company’s commitment to transparency, integrity and reliability in its internal investigation processes.

• **Policy for Receiving and Handling Complaints:**

Governance

Clarifies the handling of complaints received through Scheffer Ombudsman channels, due to the company’s commitment to transparency, integrity and reliability in its internal investigation processes.

• **Compensation Policy:** Determines the guidelines for managing employees’ compensation and establishes the criteria for movement within the company structure and levels of responsibility of managers. The policy reinforces our commitment to salary equity, to ensure that there are no unfair disparities in remuneration based on gender, race, age or other factors unrelated to performance, in accordance with applicable legislation.

• **Disciplinary Policy:** Establishes general rules for applying disciplinary measures to employees who disrespect company regulations or applicable legislation.

• **Supplier Conduct Manual:** In order to promote ethics, integrity and sustainability in each part of our production chain, the manual details the behaviors we expect from our suppliers and service providers.

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Ombudsman

We encourage our employees and any interested party to anonymously register comments/complaints with our Ombudsman, as we believe that attentive listening is one of the requirements for good corporate governance. We have two channels that work 24 hours a day, seven days a week, and are managed by an independent third party, to guarantee confidentiality of records.

Ombudsman reports help us to detect failures, re-align strategies, evaluate internal processes, mitigate reputational risks, identify and correct conducts contrary to our values and the Code of Ethics.

Scheffer Ombudsman



0800 512 6633

Electronic form to be completed on the website contatoseguro.com.br/scheffer

Ombudsman Flow

Learn more about the steps of investigating reports/complaints:



Internal investigation

All enquires are made within the limits of current legislation, with confidentiality and secrecy of the information accessed.



Management of Complaints

Based on results of investigations, the Ethics Committee deliberates, with impartiality and integrity, on the applicable measures.



Responses to Complainant

After investigations are completed, the results are shared with complainants through the registration protocol on the Ombudsman channel.

Risk Management

We acknowledge the challenges and risks related to our activities, for which we use tools and methodologies to identify, analyze and mitigate potential dangers to our business and stakeholders. The Risk Management of our activities is made by the Compliance sector of the company, to guarantee the solidity of our operations. To decide the approach to use, our risks are categorized as:

- Institutional
- Operational
- Agronomic
- Financial
- Market

After identifying the risk, the competent area of the company will critically analyze, diagnose, prioritize, monitor and control the risk in a dynamic and continuous process.

For fortuitous cases or force majeure, we have Contingency Plans to guide actions during unexpected events. An example of this is the Production Units Emergency Assistance Plan (PAE), which formalizes and standardizes procedures to be followed by employees and visitors in cases of emergencies, enabling quick and effective interventions, aiming at the physical integrity of employees, the safeguard of facilities and the minimization of environmental risks.

Information Security

We are committed to respecting and guaranteeing the confidentiality, integrity and availability of the data we collect and/or have access to. We ensure that all processing is carried out in accordance with the General Data Protection Law (LGPD), thus consolidating a relationship of trust with employees, customers and partners.

At the same time, we implement measures to protect our data and systems against unauthorized access, accidental loss, misuse or any other form of inappropriate treatment.

Due to the importance of this topic, we have implemented several actions to put into practice our commitment to preventive measures:

- Clear guidelines for the use of resources, including software, hardware and data of the company
- Mapping of possible risks and threats
- Periodic tests to monitor and improve our systems
- Investment in training of employees
- Resources and structure to quickly respond to incidents

Governance

To guarantee information security and data protection, we have guidelines and policies to describe the expected behavior of employees acting on behalf of the company:

- Privacy and Data Protection
- Information Security
- Data Processing



Certificates



We are committed to continuous improvement of our activities, which is why we voluntarily submit ourselves to audits carried out by independent third parties, that evaluate our Operations. Learn more about the certificates that attest to the sustainability and quality of our products.



Regenagri: certification that covers all aspects of regenerative agriculture, including soil health, biodiversity and greenhouse gas emissions. The certificate has different scopes, which evaluate all agents in the cotton supply chain, from the farm to the industries.

Scheffer is regenagri certified in two scopes:

- Farm certificate, attesting to regenerative practices
- A ginning unit scope certificate, attesting to the segregation, transparency and traceability of the regenerative cotton chain of custody.



Algodão Brasileiro Responsável (ABR) and Better Cotton Initiative (BCI): Operating in benchmark, both ABR and BCI promote fair labor relations and socio-environmental responsibility of cotton producers. **Scheffer cotton is 100% ABR BCI certified.**



Sustainable, Sourced and Supplied (3S), by Cargill: Program that aims to continuously improve the sustainability of soybean production.

Certificates



Social

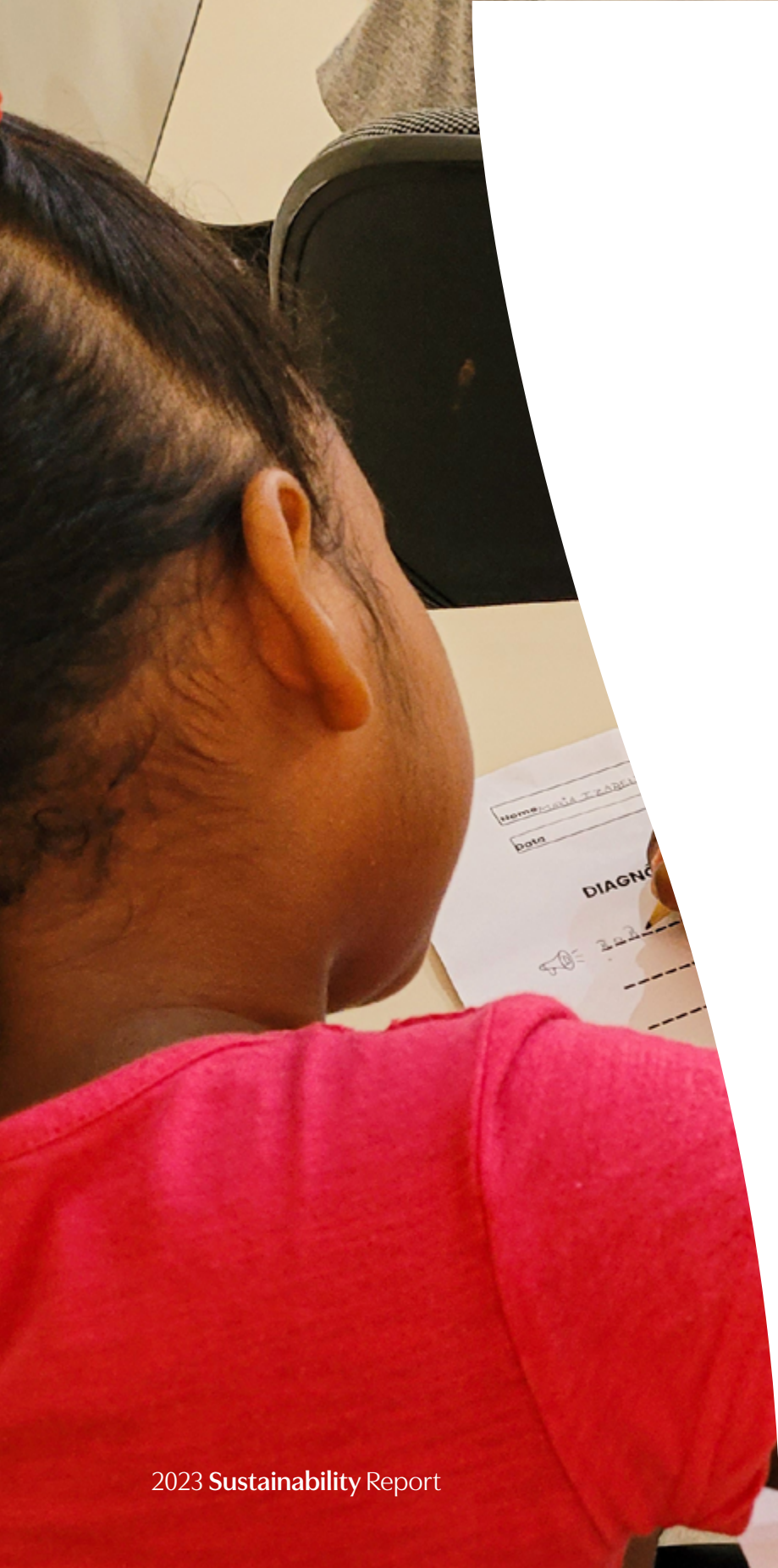
3GOOD HEALTH
AND WELL-BEING

4QUALITY
EDUCATION

8DECENT WORK AND
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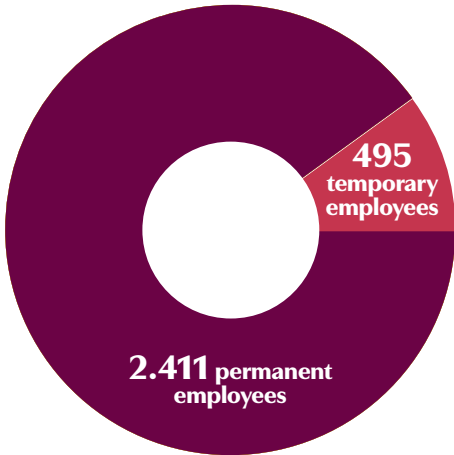




Human Resources Management

We care for the needs and well-being of our employees and their families, while striving to contribute to the communities in which we operate.

In 2023, we had 2,906 employees, of which 495 were temporary workers. Among permanent employees, 82% were men and 18% were women.

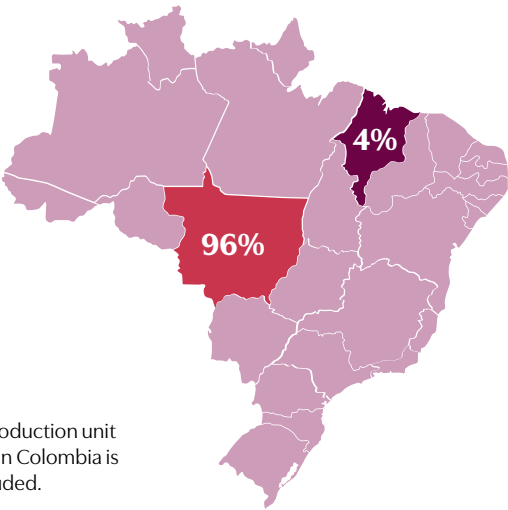


2022: 2,521 permanent employees. 266 temporary employees.

In 2023, we had 46 women in management positions, an increase of 9% compared to 2022, in which 42 women held management positions.

Social

Regarding the region, we had the same distribution of the previous year.



* The production unit located in Colombia is not included.

VISO: Staff of 110 permanent and 8 temporary employees, that have the same benefits as Scheffer's employees.

2022: 119 permanent and 23 temporary employees.

Our Benefits

We value the well-being and professional development of our employees, so that we can together continue to prosper and achieve our purpose of regenerating life on earth.

- **Health Insurance:** 100% funded by the company. In 2023, 5090 employees/dependents were benefited.
- **Food Allowance:** For all our employees.
- **Transportation or Fuel Voucher:** According to the type and place of work.
- **Life Insurance:** Provided to 100% of Scheffer and VISO employees.
- **Day Care Assistance:** The allowance represents 32% of the current minimum wage and is offered to employees who fulfill pre-established requirements. 39 employees received the aid.
- **Stork Kit:** Employees with newborns receive a kit with items for the baby. In adoption cases, the kit can be converted into a bonus, according to the age of the newly adopted child. In 2023, 80 employees received the kit.

- **Gympass:** Available free of charge to all employees and their families
- **Education Allowance:** All members of our staff are eligible to receive the aid, through which the company pays, partially or fully, for the employee's course of choice. In 2023, 36 employees received the aid.

The education aid was essential and allowed me fulfill a desire that already existed in me: to improve my academic training and complement my degree. This initiative not only allowed me to expand my technical skills, but also provided me the tools for new challenges within the company.



Sâmara da Silva Oliveira
(Environmental Analyst)

”

Social

- **Profit Sharing (PLR):** 100% of the company's employees can receive PLR, depending on the achievement of pre-established goals.
- **Employee Support Program (PAE):** In 2023 we joined PAE, which offers legal, psychological assistance and financial guidance for employees and their families.
- **Scheffer Learning Platform:** Tool that provides over 600 courses related to soft and hard skills.
- **Family Funeral Assistance:** The benefit aims to support employees and their direct dependents in times of loss, demonstrating commitment to well-being and supporting employees in difficult times.



*Benefits for temporary employees: health and life insurance, and food allowance.

Quality of Life and Welfare

We consider the characteristics of the regions in which we operate, as well as the nature of each activity, to provide benefits based on different work environments and promote the well-being of employees in the countryside and in cities. Learn more about our actions:

On farms:

- Free accommodation and housing for employees and their families on our farms.
- Free-of-charge canteens that serve meals for breakfast, lunch and dinner.
- Transportation to and from to farms for students who live on the farms and for employees who live in nearby cities.
- Soccer fields in all production units.
- Outdoor gym in 4 of our production units: Três Lagoas, Rafaela, Iracema e Santa Tereza.

In corporate offices:

- “Footvolleyball” classes and functional exercises for employees of the headquarters office in Cuiabá.
- Monthly leasing of soccer field for our employees in Cuiabá.
- Mutual collaboration agreements with 15 institutions throughout Brazil, aimed at providing our staff with language classes, graduate studies, professional training and extension courses.

Social



Rosicleia Rocha works in the cafeteria of Três Lagoas Farm, where she has been since 2021.

People and Transformation

In 2023, we launched the **Scheffer Learning Platform**, which offers technical and behavioral skills courses. Initially, the tool was accessible to managers and, throughout 2024, its access will be extended to all employees.

Motivated by a consistent search for innovation and excellence, we increasingly invest in training and qualifying our employees.

We understand it is essential to develop our intellectual capital, changing the culture of one-off training to a culture of continuous learning.



Camila Mognon Larsson
(Head of People)

”

We value the qualifications and professional development of our employees, who are essential to achieving our purpose of regenerating life on earth.

Our commitment to developing skills is reflected in different initiatives, such as training courses and conferences. In 2023, we invested R\$ 3.884.150,12 in 74,225 hours of mandatory* and non-mandatory** training.

2023 total training hours: 74,225 h

| Type of training | # of employees | Total hours |
|---|----------------|-------------|
| Mandatory | 2.118 | 43.660 |
| Fire Brigade | 310 | 12.932 |
| Internal Committee of Accident Prevention | 115 | 2.304 |
| Non-mandatory | 998 | 15.329 |

Social

Amount invested

| Type of training | Investment |
|------------------|------------------|
| Mandatory | R\$ 931.110,00 |
| Non-mandatory | R\$ 2.953.040,12 |
| Total | R\$ 3.884.150,12 |

Total hours of training in 2022: 82 824 hours



*Required by law and/or Regulatory Standard (NR) for employees to perform some functions and/or activities as established in applicable legislation. We have in our staff Occupational Safety instructors whose work is 100% focused on carrying out mandatory training, to guarantee the safety and integrity of our workforce.
**Aimed to develop or improve skills of employees.



2023 Sustainability Report

Social

Development of Talents

The **Apprentice, Internship and Trainee Programs** are aimed at students or recent graduates, offering participants opportunities to experience theoretical and practical challenges in a professional environment.

The partnerships with the National Rural Learning Service (Senar - MT) and the National Industrial Learning Service (Senai - MT) aim to promote agricultural technical training. Additionally, our partnership with the Business and School Integration Center (CIEE) focus on the administrative training of young people from public schools.

In 2023, we had 24 CIEE apprentices, 28 Senai/Senar apprentices, 30 interns and 9 trainees in different departments of the company.

2022: 51 CIEE e SENAI apprentices, 28 interns and 26 trainees.

I joined Scheffer in November 2019. I was welcomed and had support for everything, in every sector I worked in and with every person I talked to. I was a trainee for two years and, at the end of the contract, I received an offer to become a Technical Supervisor and take care of 3 thousand hectares of crops.

I grew a lot in these four years. I try to pass on to our interns and trainees everything I learned. I know they will carry these lessons with them for life, both in the company and outside of it. I am very pleased to know this is flowing in a positive way, as one of the interns I followed closely is back now, with the opportunity to become a trainee.



Thainara Souza
(Technical Supervisor of Agricultural Operations and Mentor)

”

Occupational Health and Safety

Social

The department of Occupational Health and Safety (SSO) operates in all areas of the company, and is responsible for mapping the risk of activities, to guide the management of occupational health and safety programs, in compliance with labor and social security legislation. The sector also promotes healthy habits among workers, taking care of their health and physical integrity.

In 2023, we carried out a survey of occupational hygiene in different sectors of the company, based on an analysis of the locations where activities are held. Then, we gave suggestions for improvements to ensure the safety and comfort for our staff and related parties. Find out more about the work of the SSO sector:

- Orientation talks with new employees (“**integration**”) and **internal campaigns** to present and discuss with workers relevant aspects of the health and safety at work, to instruct them about safe procedures for their roles.
- **Inspection and safety audits** in all our units and work stations.
- Weekly dialogue, during which managers of all units read the **Safe Work Manual**, that details the risks of different activities and teach how to prevent those risks.

- Forming of **Internal Committees of Prevention of Rural Work Accidents** (“CIPATR”), that work on accident prevention and investigation, through campaigns such as Week of Prevention of Rural Work Accidents (“SIPATR”). In 2023, 99 members of our staff participated in CIPATRs representing all of the company’s productive units and offices.
- Monthly analysis, by the **Safety Committee**, of statistical data and action plans for health and safety at work. The committee is composed by leaders of different areas of the company.
- Internal awareness health campaigns, to provide **guidance, clarification and support**.



Week of Internal Accident Prevention at Rural Work (“SIPATR”) UP Iracema



Week of Internal Accident Prevention at Rural Work (“SIPATR”) UP Fogliatelli



Week of Internal Accident Prevention at Rural Work (“SIPATR”) UP Santo Antônio

Community Relationship

In 2023, we defined our strategy for social actions, and established three pillars of action to allocate Scheffer's investment in the community. Find out more about the pillars of our social strategy and learn about some of the projects we develop within each area.

Axis: Together in the Present

In partnership with educational institutions and associations, programs of this pillar aim to develop projects that contribute improving education and preparing young people for the job market.

- **Learning Rescue Project**, in partnership with *Obras Sociais Seara de Luz* (Cuiabá - MT).

The goal is to help elementary school students to overcome learning difficulties and build up their knowledge, helping them to reach their maximum potential by providing extra classes in Portuguese and mathematics.

Annual Investment: R\$157,680

People impacted: 118 children and teenagers
Obras Sociais Seara de Luz Association is an organization that develops several social projects, promoting nutrition, training and assistance to people in economic and social vulnerability.

- **City School Gonçalves Dias** (Buriticupu - MA)

The partnership with the school aims to develop students' environmental awareness, encouraging the practice, by students and the community, of separating and correctly disposing of waste. The project also teaches how to reduce the amount and recycle waste.

Annual Investment: R\$10,000

People impacted: 443

- **Nina Zaque Creche**, in partnership with *Obras Sociais Seara de Luz* (Cuiabá - MT).

Donation of 600 uniform garments to the creche, that serves, free of charge, children aged in the first stage of early Childhood Education, between 1 year and 7 months and 3 years and 11 months. The Nina Zaque Chrèche is maintained by the *Associação Obras Sociais Seara de Luz*.

Annual Investment: R\$22,594

People impacted: 80 children

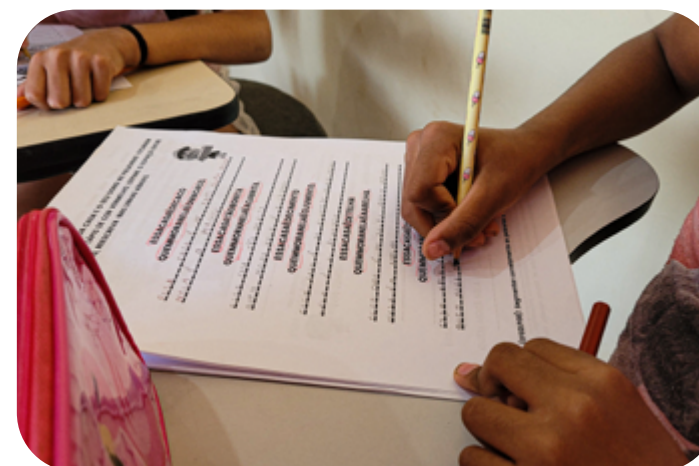
Social

- **City School Margem do Rio Galho Grande** (Bonito - PA).

Aiming to contribute to the rural students food security, we donate fruits on a weekly basis to complement the meals. Also, we provide training to the school kitchen staff, with workshops on how to make full use of food.

Annual Investment: R\$10,000

People impacted: 15 students



Learning Rescue Project, in partnership with *Obras Sociais Seara de Luz* (Cuiabá-MT).

Axis: Together for the Future

This axis aim to support advocacy networks, by promoting, together with philanthropic entities and social organizations, actions that contribute to the development and improvement of education in state public schools.

• Group of Entrepreneurs Mato Grosso in Evolution (GEMTE)

The program aims to support and monitor strategies to improve the public education system in Mato Grosso and lead the state in becoming a national reference in public education within 20 years.

Annual Investment: R\$240,000

People impacted: 330 thousand students from state schools, and from five cities in Mato Grosso: Canarana, Chapada dos Guimaraes, Campo Verde, Diamantino and Barra do Bugres.

Axis: Together for the Community

Donation of resources to programs of interest of local communities, associations, and social institutions that are aligned with our purpose, values, strategy and organizational policy.

•Noah’s Ark Animal Protection Association (Sapezal - MT)

Monthly donations to guarantee the rescue, treatment, neutering and responsible adoption of abandoned domestic animals of the city.

Annual Investment: R\$ 24,000

In 2023, 500 animals were recued and treated by the association.

• “This is Mato Grosso” Association (Sapezal - MT)

The association serves 79 teenagers and young people, ages between 12 and 18 years old, who study or have recently graduated from public schools in Sapezal. The participants take dance and music classes, with the aim of valuing and promoting cultural manifestations of Mato Grosso State, like Siriri (local dance), cuisine and traditional customs.

Annual Investment: R\$ 34,800

People impacted: 79



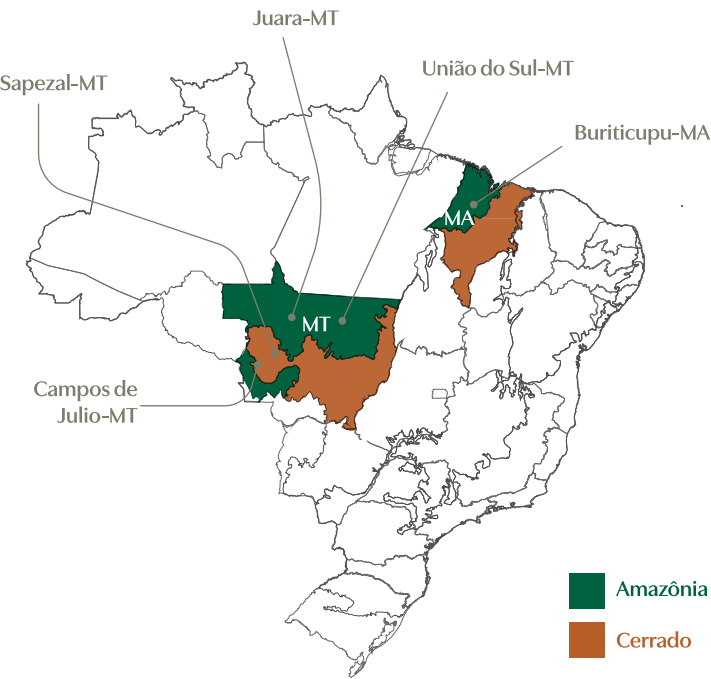
Environmental



Forests

We have specialized technical staff for environmental assessment and diagnosis of our areas, using geographic information systems and satellite images for remote monitoring.

We preserve over 160 thousand hectares of native vegetation, of which approximately 60 thousand ha are located in the Cerrado biome and 100 thousand ha are in the Amazon biome. These areas include areas of legal reserve, permanent preservation and surplus native vegetation existing in our various production units.



Check out some of our actions:

- 1) Due diligence on the acquisition of new areas or leases, considering the analysis of legal and sustainable aspects, including environment and tax compliance.
- 2) Fire prevention and combat in native vegetation areas within our farms.
- 3) Training of specialized brigades and construction of firebreaks to prevent the spread of fires.
- 4) Self awareness campaigns about the importance of forests and combating forest fires, as well as socio-environmental education for employees and the communities in which we operate.



Environmental

Soil Health and Regenerative Agriculture

We are pioneers in adopting regenerative practices, which have as their main focus soil health, fundamental to the success of our activities and the conservation of ecosystems. Therefore, we continually seek to improve our production, combining **good agricultural practices, with technology and environmental preservation.**

Why healthy soils matter?



Soil holds 3 times more carbon as the atmosphere
(Source: Global Soil Partnership, FAO)



Good agricultural practices can improve carbon sequestration into the soil, When compared with conventional farming systems*.



Covering soil with living plants can improve the soil functionality**, which increases carbon removal with photosynthesis and nutrient cycling***.

*Locatelli et al, 2023. ESALQ/USP.
**Garland et al, 2021.
***Bayer, C. 2023 UFRGS.

Learn more about our practices:



Direct
planting



Conservation
of native
vegetation



Crop
rotation



Zero
irrigation



Protection
and coverage
of soil



Reduction
in chemical
use



Cover
Crops



Use of
biological
products
for crop
protection



Precision
agriculture

In the 2022/23 harvest, we had a **reduction of 64% for soy and 38% for cotton** in the amount of active chemical ingredient used in our UP Três Lagoas, compared to the other units.

2022: Reduction of 55% for soybean and of 43% for cotton

The are various **benefits of regenerative practices**, as they contribute to improving soil in different aspects:

a) Physical aspects: With the **prevention and control of erosion** and greater resilience of the soil to external factors, avoiding segregation and leaching (the “washing”) of soil, which loses nutrients and organic matter);

b) Chemical aspects: Promotion of nutrient cycling and better nitrogen fixation; and

c) Biological aspects: **Increased biodiversity** and functionality of microorganisms.

In this way, we have **more health and life in the soil.**

Precision Agriculture and New Technologies

Environmental

In the past few years, the use of modern technology has allowed us to obtain better results, reducing costs, increasing yields and improving the quality of our crops. The use of precision agriculture tools and cutting-edge machinery, by dedicated and qualified employees, has helped us to increase yields in developed agricultural areas, and optimize the use of inputs and improve land use efficiency, resulting in lower production costs and more sustainable operations.



• **Agricultural Telemetry and Machine Management:** Agricultural operational monitoring, digital recording of spraying, planting and harvesting data. The information collected is used to optimize machine performance and use of inputs, fuel and hours worked.



• **Weather Monitoring:** We have meteorological stations distributed spatially in the Production Units, to monitor and register, on a daily basis, weather conditions, precipitation and temperature in different production environments. The data collected through the stations helps in defining adjustments to ensure good yields for the crops.



• **Altimetry Maps of The Plots:** Show differences in elevation of areas, to allow for planning operations.



• **Maps of Planting Lines and Spraying:** Increasing the efficiency of agricultural Operations, preventing unnecessary maneuvers on the ground and optimizing fuel consumption.



• **Integrated Pest and Disease Management (IPDM and MID):** Controls the use of chemical inputs, ensuring high yields and minimizing economic and environmental damage.



• **Inputs Application At Variable Rates:** We apply inputs at variable rates, using only the required dose of inputs where needed, avoiding waste and optimizing applications within the same area.



• **Maps of Crop Yield Potential:** Pointing out variability and/or anomalies for immediate corrective actions.



• **Maps of Harvest in The Main Crops:** Identifying the yield variability of different areas and the factors restricting yield, through analysis and studies of the specific plots.



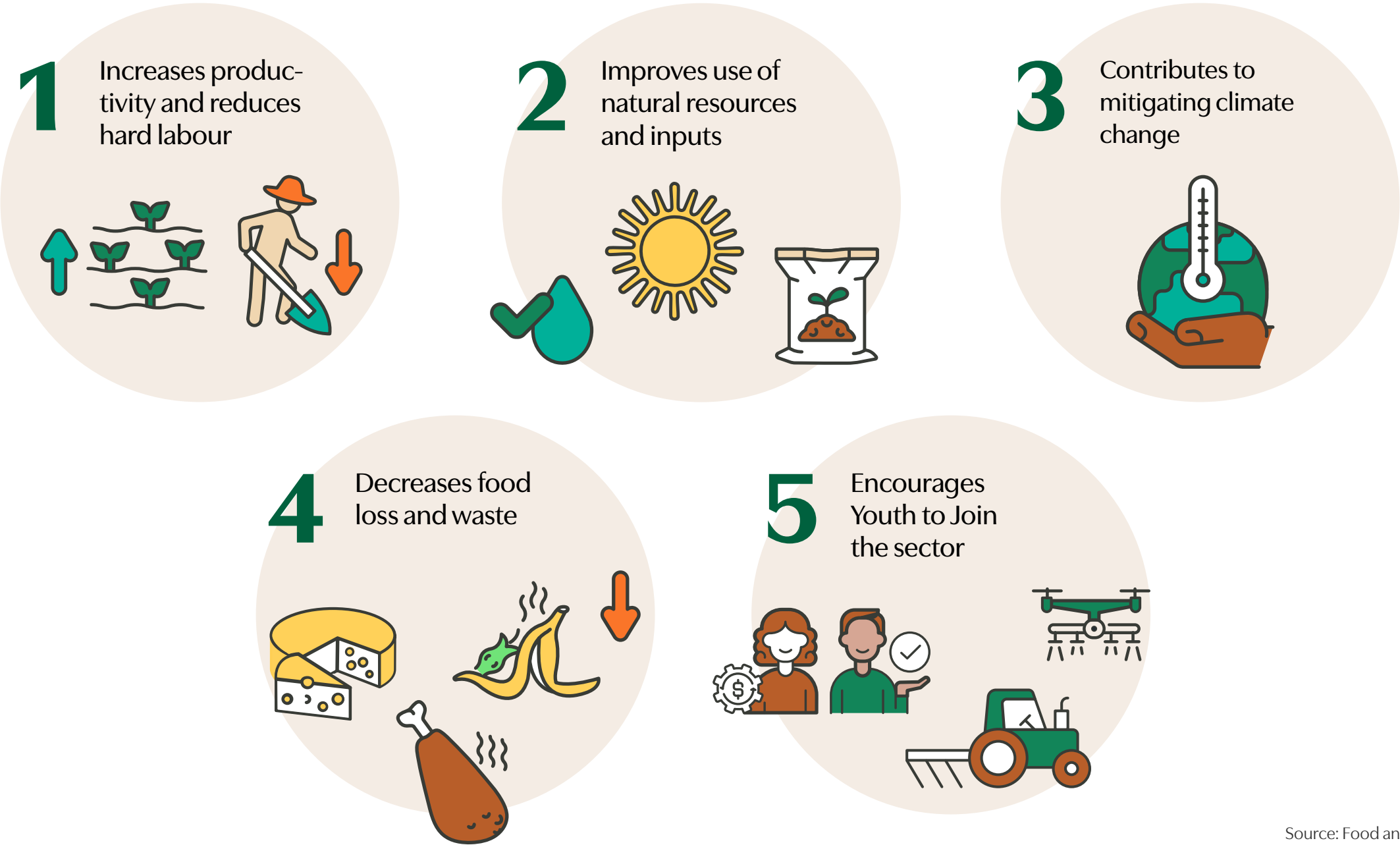
• **Variable Seed Rate:** Based on identification maps of different production potentials, and developed criteria, we standardize when planting the crops, to achieve consistent yield within the same plot.



• **Pest Monitoring:** Using digital platforms, we record and monitor pests and diseases of the crop, which guide us in the phytosanitary applications. The platform also maintains data on infestations in each of the plots.

Benefits of technology use in agriculture

Environmental



Source: Food and Agriculture
Organization of the United Nations

Biodiversity

Biodiversity is a broad concept and refers to the variability of species and their different genetic and functional characteristics, including all forms of life and their ecological interactions, from microorganisms and plants to larger animals, such as birds and mammals.

As being farmers, we understand the importance of the soil for the health of all living beings, since the microbial communities that inhabit it play fundamental roles in ecosystems. Therefore, the **conservation of biodiversity is directly related to the proper functioning of ecosystems and, consequently, our activities.**

Caring for soil health and biodiversity is part of our business strategy and the reason why **we continually invest in regenerative practices, as well as in research and technology, to identify and reduce potential risks to biodiversity.**

We use biological indicators, such as the presence of bees, analyses of microbial biodiversity and soil fauna to monitor the impact of our activities. Such indicators help us evaluate and compare samples from regenerative and conventional farming, and native vegetation areas so that we can identify changes resulting from the management practices adopted.

The results of the analyses we carried out in the field show that **regenerative practices contribute to improving biodiversity**, indicating that it is possible to reconcile agricultural activities with environmental conservation. Check out some of our projects in favor of biodiversity.

Learn about some of our projects on biodiversity:

Bees as bioindicators of environmental quality
The natural presence of bees indicates the environmental quality of the area, in addition to contributing to the pollination of native plants and commercial crops. In the past years, the number of hives established in our farming areas has increased, which highlights healthy environments. Following safety protocols, we invest in detecting and removing hives formed in risky areas, such as machines or warehouses, with their subsequent transfer to protected areas. In 2023, we had 55 preserved hives.

Environmental



Soil biodiversity assessment

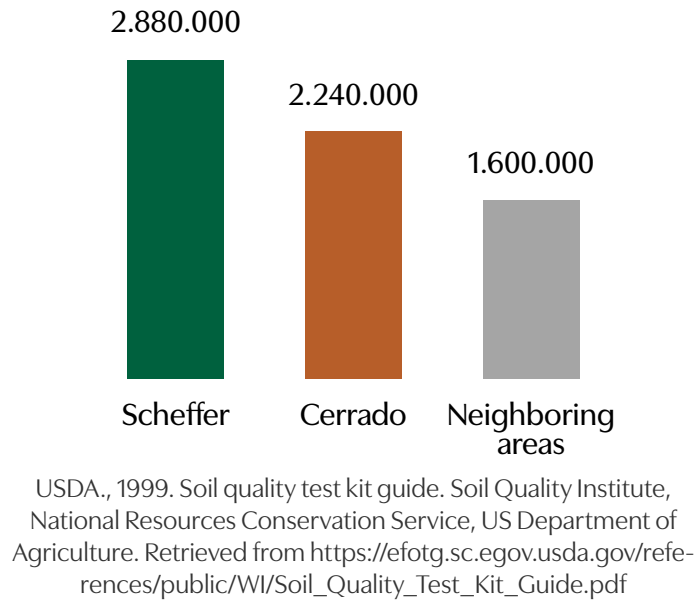
Aiming to highlight the differences resulting from the adoption of regenerative practices, we annually carry out soil DNA analyzes* of regenerative areas, conventional cultivation and native vegetation, all located in Sapezal (MT). As it happened in previous years, the 2023 results showed that **100% of the regenerative area samples present higher species richness** and functionality*** than samples from other areas.**

Assessment of the number of earthworms in the soil

Since 2021, we have been collecting soil samples to measure the number of earthworms in regenerative agriculture and native vegetation areas. The results showed that regenerative areas have a higher average number of earthworms/hectare than native vegetation areas in the same region.



Earthworms/ha



Earthworms are very important for the soil, acting as “natural plows”, which renew nutrients in the topsoil. When eating, earthworms decompose organic waste into humus, an excellent natural fertilizer. Furthermore, the movement of earthworms facilitates water infiltration and root penetration. (Source: Embrapa Agrobiologia, 2014)

Environmental



Monitoring and preservation of wild animals

We plant fruit trees, which are sources of food for wild animals. We monitor the presence of these animals using cameras installed at different points in the farm. The records are used to guide the conservation strategy for animals at risk. Hunting and fishing activities are prohibited in our areas.

*Total DNA is extracted from soil and subjected to next-generation sequencing (NGS), using the Illumina MiSEQ platform (Illumina Inc., San Diego, CA, EUA).
**Richness: number of microorganism species found in the soil. Species richness is a measure of diversity, without considering the individual number of each species, that is, the abundance of each species. It is important to note that the number may vary throughout the year.
***Functionality: Ability of soil microbial communities to perform multiple functions. It is evaluated based on the predicted functional profile for each identified microorganism species. The functionality does not vary throughout the year.

Water Resources

Our agricultural production uses rainwater only, which is possible because of the characteristic rain-fall cycles of the regions in which we operate. Therefore, we do not use artificial irrigation in our agricultural activities.

For the maintenance of our production units, we collect groundwater through tubular wells, whose licensing, maintenance and monitoring are carried out by our environmental department. In 2023, we captured 785,606 m³, a volume 16% lower than that captured in 2022. (2022 data: 940,443 m³)

Volume of groundwater captured by tubular wells

Based on data from the Rural Environmental Registries (CARs) and reference bases from the State Secretary of Environment, we identified approximately 400 springs located in our production units, of which 100 are in the Cerrado Biome and 350 in the Amazon Biome.

Treatment of Effluents

Effluents from the support activities of production units are treated in specific treatment systems, according to their characteristics.

Oily effluents: Treatment in water and oil separator boxes.

Biological pesticide effluents: Compact physical-chemical treatment station.

Sanitary effluents: Treatment in septic tank + filter + sink.

Chemical pesticide effluents: Ozonizers and evaporation pond.

Environmental



Waste

We have waste management in all of our production units, in compliance with applicable legislation and the Standard Operating Procedures (SOP) of the company. We promote environmental education in production units, through awareness campaigns and employee training on selective collection and its importance.

The selective collection follows the stages of classification, segregation, storage and final disposal of all solid waste, which is properly stored in order to avoid contamination of recyclable waste. Subsequently, the waste is collected by specialized companies, whose control of licenses and authorizations are part of our waste disposal management.

Organic waste from crop processing, the biological industry and farm canteens are sent for composting and, after quality control, used as natural fertilizer.

In 2023, we generated 1,3 thousand tons of solid waste and 12,6 thousand liters of used lubricating oil, of which 88% is recyclable waste and 12% is hazardous waste.

Data for 2022: 1,3 tons of solid waste and 112 thousand liters of used lubricating oil.

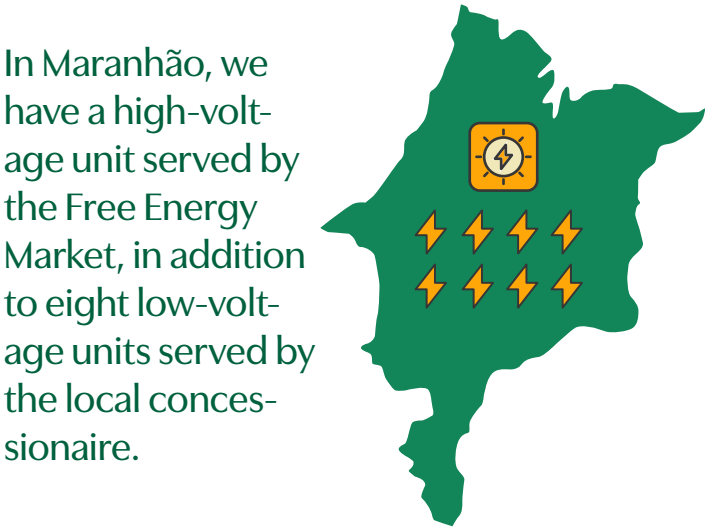
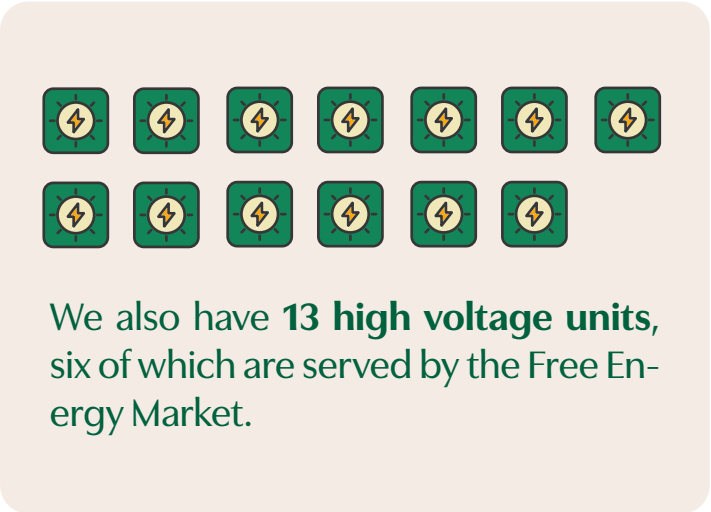
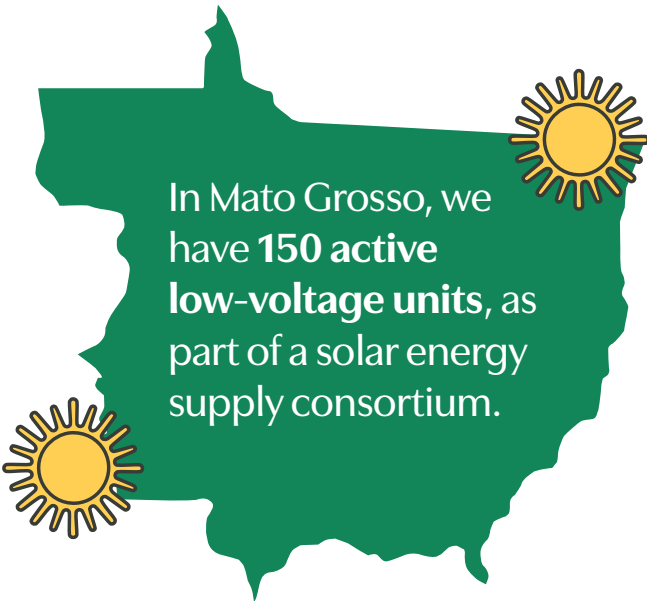


Energy Matrix

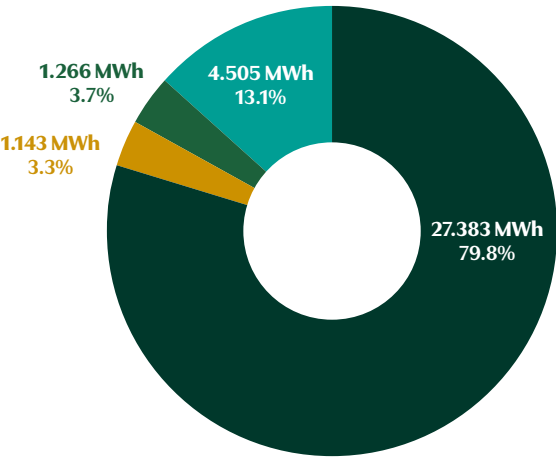
We do not use thermoelectric energy and prioritize investments in alternative renewable energy sources for the rational and renewable use of energy. In 2023, the majority of our energy consumption (79.8%) was supplied by the open energy market*, followed by energy from the Energisa concessionaire (13.1%), the Equatorial concessionaire (3.7%) and solar energy (3.3%).

*Energy purchased from other suppliers.

In recent years, we began in our larger production units, to transition from the high-voltage energy supply to the free market. Thus, we have a direct relationship with energy generators from renewable sources, such as hydroelectric plants, wind and solar energy providers.



Environmental



Total consumption 34.297 MWh

■ Open market ■ Energisa Captive Consumption
■ Equatorial Captive Consumption ■ Distributed Generation (Solar)



Carbon and Climate Change

One of the most present topics on current global agendas, climate change causes major impacts, such as: floods, heat waves and long and intense droughts, which make agricultural production even more challenging, requiring great adaptation and mitigation capacity for the crops. At the same time, the changes create opportunities for the sector, as good agricultural practices have the potential to remove greenhouse gases from the atmosphere into the soil, in addition to the removal by trees on productive farms, which store carbon in their structure.

Attentive to the sustainability of our agricultural activities, we are improving our greenhouse gas emissions management, from the information collection, processing and calculation of emissions/removals linked to our activities, products and value chain, aiming to carry out our corporate inventory of greenhouse gases. To this end, in addition to being based on the main globally recognized measurement methodologies, such as the Brazilian GHG Protocol Program and guidelines from the Intergovernmental Panel on Climate Change (IPCC), we are part of relevant initiatives of the

Environmental

agricultural industry, such as Pro Carbono, a program led by Bayer in partnership with teaching, research and extension institutions, which seeks to strengthen low-carbon agriculture and develop tools for calculating emissions and modeling carbon stocks.

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