

Presidência_186/2023

Fl.1-9

Brasília/DF, September 29, 2023.

To Earthsight

Ref.: Response to Earthsight's letter sent to Abrapa's sustainability manager on September 27, 2023.

Brazilian cotton farmers are very proud to have launched the Responsible Brazilian Cotton (ABR) program in 2012. We have been looking for the best sustainability standards during this period, we have sought international partnerships and we continue in the process of improvements and updates when necessary for the ABR.

The ABR program has voluntary adhesion and, by doing so, the interested producer undertakes to comply with a strict protocol of legal diligence and good agricultural practices on their farms, which includes 224 items in the verification phase for diagnosis that precedes certification, and resulting in 178 items for certification by third-party audit. These requirements range from the managerial aspects of agricultural enterprises, to compliance with Brazilian Environmental and Labor legislation, which are considered among the most advanced in the world. They also include the observance of occupational safety standards, the prohibition of the use of child labor and forced or slave-like labor, in addition to the protection of the environment, with the application of good agronomic practices in production.

Abrapa does not approve, does not issue certificates and also does not disqualify farms from the ABR/*Better Cotton* program. This step is carried out by third-party auditing firms. We have full confidence in the integrity and independence of the ABR and *Better Cotton* auditing process. As far as the land issue is concerned, we cannot judge or condemn producers whose cases are being judged by the judiciary. The Brazilian constitution does not allow such a procedure. Regarding the Principles of the adversarial process and the broad defense, the Brazilian Federal Constitution in art. [5th](#), [LV](#), establishes:

"Litigants, in judicial or administrative proceedings, and defendants in general, are assured the adversarial and full defense, with the means and resources inherent to it."

On the principle of due process of law, the same Charter provides in its art. [5th](#), [LIV](#), the following:

"No one shall be deprived of liberty or his liberty without due process of law."

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Please be advised that we are supporting *Better Cotton's* initiative for a new audit to strengthen the diligence of the social, environmental and good practice criteria cited in your letter, a study that has not yet begun. The non-conformities of the protocol pointed out in this process may be subject to disaccreditation of the farms, at the same time we will fully support the producers in lawsuits if damages caused by false or mistaken publications are proven.

Regarding the content of the letter sent by you, we forward to the Horita Group, and attached to SLC, the evidence of the producers cited, as well as what was considered to apply for ABR certification and *Better Cotton licensing*:

Response from HORITA GROUP

The Judiciary of the State of Bahia, on more than one occasion, for example, in Judicial Proceedings No. 0000037-76.1994.8.05.0081, No. 0000047-86.1995.8.05.0081 and 8000199-

21.2020.8.05.0081, pending before the Civil Court of the District of Formosa do Rio Preto/BA, after complete judicial inspections and covering all points of these rural areas, expressly recognized that the HORITA GROUP fulfills the social function of the ownership of its rural properties, as determined by articles 5, XXIII, and 186, I to IV, of the Federal Constitution of 1988. And, for this reason, the Judiciary has granted legal protection to the property and possession of HORITA GROUP in its rural properties, in particular that the real estate registrations of all its rural areas are not blocked or canceled.

All rural properties of the HORITA GROUP are private lands, with private property titles regularly issued by the State of Bahia. There is no overlap with vacant lands or with lands traditionally occupied by *geraizeira* communities. Political bodies of the State of Bahia tried to rediscuss this issue, in Discriminatory Action No. 8000499-51.2018.8.05.0081, in progress in the Civil Court of the District of Formosa do Rio Preto/BA, but, in addition to the HORITA GROUP having property titles that regularly detach themselves from the Public patrimony in accordance with the legislation, as well as fulfilling the social function of the property, Article 38 of the Act of Transitional Provisions of the Constitution of the State of Bahia of 05.10.1989, provided for a "*period of three years from the promulgation of this Constitution, (to) promote discriminatory actions of rural vacant lands*".

The HORITA GROUP does not have any hectare in its private property complexes, intended for agriculture, in violation of environmental legislation. All the notes made by inspection agencies in the past had their regularity promptly demonstrated or were subject to subsequent regularization, in accordance with environmental regulations.

The HORITA GROUP does not operate on 200,000 hectares and does not operate in the municipality of Riachão das Neves/BA, as stated in the Earthsight Letters. The rural areas owned by the HORITA GROUP,

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in the municipality of Formosa do Rio Preto/BA, they are not part of the Estrondo Condominium, but the Centúria Condominium. It is important to clarify that the rural properties of the Centúria Condominium were acquired by the HORITA GROUP in 2011. It is untrue to say that the deforestation reported in 2007 occurred on the farms of the Horita GROUP.

The following are specific clarifications of Earthsight's allegations:

Imóvel Rural	Alegação da Earthsight	Subsídio do Grupo Horita
Fazendas em São Desidério/BA, Barreiras/BA, Luís Eduardo Magalhães/BA e Correntina/BA	Entre 2002 e 2019, o Grupo Horita recebeu 21 multas do IBAMA	Essa informação não é verdade. Praticamente, todos os autos de infração ambiental lavrados pelo IBAMA, com aplicação de multa, contra o Grupo Horita foram julgados insubsistentes.

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Imóvel Rural	Alegação da Earthsight	Subsídio do Grupo Horita
Fazenda Timbaúba	Há 02 embargos do IBAMA, de 2018, por irregularidade na pulverização de agrotóxicos; houve 10 pousos e decolagens nas pistas entre 2021 e julho de 2023.	<p>Em 05.07.2018, o IBAMA revogou todos os embargos. A pulverização de agrotóxicos, bem como as decolagens e pousos em todas as pistas do Grupo Horita, entre 2021 e 2023, foram lícitos.</p> <p>Sobraram apenas 02 embargos. Em relação ao Termo de Embargo n. 828048-E, o Grupo Horita obteve nova licença ambiental em 17.08.2023. E em relação ao Termo de Embargo 828049-E, o órgão ambiental municipal está prestes a emitir nova licença ambiental, cuja sinalização já foi positiva.</p> <p>Esses dois embargos que restaram estão sendo cumpridos integralmente, até que sejam revogados.</p>

Imóvel Rural	Alegação da Earthsight	Subsídio do Grupo Horita
Fazenda Austrália	O Ministério do Trabalho encontrou 39 trabalhadores reduzidos a condição análoga a de escravo, nesse imóvel, em 2009.	Essa informação não é verdadeira. O Grupo Horita tem mais de 1.000 empregados diretos e todos laboram em condições dignas de trabalho.

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Imóvel Rural	Alegação da Earthsight	Subsídio do Grupo Horita
Fazenda Lote 16	Durante a Operação Veredas, do IBAMA e da Polícia Federal, realizada em novembro de 2008, houve o embargo de 881 hectares, já pertencentes ao Grupo Horita na época.	Essa alegação é inverídica. Esse Lote 16 não pertencia ao Grupo Horita.

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Imóvel Rural	Alegação da Earthsight	Subsídio do Grupo Horita
Fazenda Sagarana	Há 01 embargo do IBAMA, de 2019, por cultivo de algodão transgênico em 253,5 ha em zona de amortecimento de Unidade de Conservação. Apontou imagem de satélite de 2017.	<p>Em 23.09.2019, o IBAMA revogou o embargo, após a apresentação de regularização ambiental.</p> <p>O Grupo Horita adquiriu esse imóvel antes da criação dessa Unidade de Conservação (RESEX Recanto das Araras de Terra Ronca), pelo Decreto Federal de 11.09.2006. Essa área de 253,5 ha, antes da criação da RESEX, já estava antropizada e consolidada para o uso alternativo do solo, desde 2003.</p> <p>Houve notícias de que o governo federal não poderia pagar a indenização pela desapropriação indireta, com a criação da RESEX e, portanto, uma alternativa seria a alteração do perímetro da UC e sua zona de amortecimento.</p>

Imóvel Rural	Alegação da Earthsight	Subsídio do Grupo Horita
Fazenda Querubim	A Juíza Cassinelza da Costa Santos Lopes e o Promotor de Justiça Alex Moura Santos foram acusados de atuarem irregularmente em processo de usucapião, em favor do Grupo Horita, na comarca de São Desidério/BA.	<p>Ninguém do Grupo Horita nem seus advogados tiveram pessoalmente com essa juíza e esse promotor. Não houve pedido de favor pessoal nem qualquer relação espúria.</p> <p>O processo judicial de usucapião n. 80000462-25.2019.8.05.0231, em trâmite em São Desidério/BA, foi muito bem instruído na fase extrajudicial. Eles se convenceram da procedência do pedido do Grupo Horita, até porque a área usucapiante, de pouco mais de 400 hectares, é encravada em área maior, que já era da propriedade do Grupo Horita.</p> <p>Esse Promotor deu Parecer Ministerial quando realmente era o substituto legal e, depois, diante da contínua ausência da promotora substituída, apenas deu ciência da sentença emitida conforme seu parecer e dispensou o prazo recursal. E essa juíza proferiu sentença conforme seu livre convencimento motivado.</p> <p>Há notícias de que os procedimentos investigatórios abertos contra eles foram arquivados em relação a suas pessoas. E a Força Tarefa da Operação Faroeste decidiu que esses supostos fatos não guardam relação com aquela investigação.</p>

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Imóvel Rural	Alegação da Earthsight	Subsídio do Grupo Horita
Fazenda Alegre	A fazenda Alegre seria uma reserva legal de fazendas localizadas em outros lugares, o que configuraria uma prática de "grilhagem de terras verdes".	A localização da reserva legal orienta-se pelos critérios do art. 14 do Código Florestal vigente, entre eles, localização no mesmo bioma e de acordo com o plano da bacia hidrográfica. O Grupo Horita tem todas as suas reservas legais inscritas no CAR e declaradas ao CEFIR, sob a gestão do INEMA, com memoriais descritivos apresentados. É juridicamente possível a instituição de reservas legais fora da localização do imóvel rural, como compensação por área rural já antropizada, com a aquisição de cotas de reserva ambiental (CRA), averbadas à margem das matrículas dos imóveis beneficiados, ou, ainda com a aquisição de outra área no mesmo bioma exclusivamente para que funcione como Reserva Legal extrapropriedade, conforme o art. 12, III; o art. 16; e o art. 66, §6º, todos do Código Florestal, e consoante as decisões de constitucionalidade do Plenário do STF na ADI 4.902, ADI 4.903 e ADC 42, de 28.02.2018.

Therefore, GRUPO HORITA warns that it is very important to check the information carefully and criteriously before publishing it to the general public, because, according to the jurisprudence of the Federal Supreme Court and the current Brazilian legislation, the offense to personality rights and the spread of *fake news* are unlawful acts subject to the determination of civil liability for losses and damages of all those involved.

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We would like to thank *EarthSight* for contacting us and would also like to propose a meeting with EarthSight

You stop for any further clarifications and if there are still points of necessary improvement that we can work on together.

Best regards



Alexandre Pedro Schenkel, President
of Abrapa,
Brazilian Association of Cotton Producers.



ASSOCIAÇÃO BRASILEIRA DOS PRODUTORES DE ALGODÃO

Brasília/DF, August 30, 2023.

Ref.: Response to Earthsight's allegations about Brazilian cotton

Brazil has a program that ensures the legal and social due diligence of cotton, the Responsible Brazilian Cotton (ABR) which operates in benchmark with Better Cotton. The program is based on the progressive increase of good social, environmental and economic practices, linked to the corresponding management of the production units that adhere to this program.

The program has voluntary adhesion and, by doing so, the interested producer undertakes to comply with a strict protocol of legal diligence and good agricultural practices on their farms, which includes 224 items in the verification phase for diagnosis that precedes certification, and resulting in 178 for certification by third-party audit. These requirements range from the managerial aspects of agricultural enterprises, to compliance with Brazilian Environmental and Labor legislation, which are considered among the most advanced in the world. They also include the observance of occupational safety standards, the prohibition of the use of child labor and forced or slave labor, in addition to the protection of the environment, with the application of good agronomic practices in production.

The ABR program is managed in each of the 7 cotton-producing states by the state associations of cotton producers affiliated to Abrapa. Each state entity, through its technical team, acts in the preparatory stage – Property Diagnostic Verification (VDP) – where it guides the interested units, to ensure that all activities performed by the property are strictly aligned with the basic legislation of the protocol. The verification of compliance is carried out through interviews, document examinations, physical verification of working conditions, living areas, equipment and machinery, as well as the verification of procedures provided for in Brazilian labor legislation and recommendations of the ILO – International Labor Organization, occupational safety and environmental, in addition to other details that the association's technical team appropriate to enable the measurement of the level of compliance of the production unit. As an example of this evaluation, we can highlight the criterion that deals with the care of natural resources (Criterion 07), there are 11 indicators that promote the prevention of environmental risks and impacts. One of these indicators is about the maintenance of the Legal Reserve area on the property, if the team of the state association at the time of the pre-diagnosis visit, verifies any irregularity, the person responsible will be guided on how to proceed to adapt according to the current legislation, and can only participate in the third-party verification, if he has adjusted, since this item is a minimum criterion for the certification of the farm. **The farms participating in the program should follow in Full or Code Forest Brazilian** (<https://www.embrapa.br/en/codigoflorestal#:~:text=Forest%20code%20%2D%20Portal%20EmbrApa>), Any type of practice (illegal deforestation, clearing of areas through fires) in disagreement with the Forest Code under the certification program is not tolerated,

as well as labor and social issues, pillars of the ABR program. The production unit that in previous years and/or in the current harvest has signed a Conduct Adjustment Term (TAC) before the Labor Public Prosecutor's Office to correct labor and work safety irregularities, or of any other nature, must inform the State Association of this legal situation and prove that it is regularly complying with the obligations assumed in said instrument in order to participate of the ABR Program. Only after this stage of preliminary orientation does the farm undergo a third-party audit, for verification and, in case of approval, is it able to receive the concession of the certificate for the current harvest.

If non-conformities (NC) are found at the time of the VDP, a Non-Conformity Correction Plan (PCNC) will be prepared by the team responsible for the field visit, which will serve as a reference so that producers can raise the level of compliance of the sustainability of their production units. As soon as the production unit has made the adjustments signaled by the state team and has reached the necessary percentage according to its cycle of participation in the certification, the scheduling of the external verification is carried out.

The external verification process is systematic, independent and documented, carried out by a third party, which evaluates the reliability of the data declared by the cotton producer, based on criteria stipulated by the ABR program. The external verification process aims to assess the farm's compliance with the criteria of the Responsible Brazilian Cotton Program (ABR) and Better Cotton and the accuracy of the information reported, ensuring the credibility of the certification. External verification is carried out in situ, annually and on an individual basis, and information is obtained from interviews with farm management and workers, inspection and visual observation, and verification and analysis of documents and records. The success of each check depends heavily on the collaboration of the farm management, in providing full access to the property and pertinent records, as well as releasing the workers for interviews. The auditing firm is the one that grants the certification and/or has the power to cancel if non-conformities with the protocol are identified. Currently, two renowned certifiers participate in the program: ABNT and Genesis Certifications.

Considering the adoption of the principle of progressive, evolutionary and continuous implementation of compliance rates in the production units, it was established that the production unit that achieves the following levels of compliance in each successive harvest, from its adhesion to the ABR program, will be entitled to the ABR/Better Cotton certificate of conformity:

First harvest (crop year): All Minimum Production Criteria and 85% (eighty-five percent) compliance with criteria 1, 6, 7 and 8 contained in the Property Certification Checklist (VCP), namely, respectively: Employment Contract; Safety, Health and Environment of Rural Work; Environmental Performance; and Good Agricultural Practices.

Criteria 2, 3, 4 and 5 on the same List – Prohibition of Child Labor, Prohibition of Slave Labor, Freedom of Trade Union Association and Prohibition of Discrimination of Persons respectively, are of mandatory total compliance (100%), extended to all its items.

From the second harvest, the production unit must present a level of compliance with all Minimum Production Criteria (CMP) and a total compliance level equal to or greater than 87% and in the

Subsequent harvests equal to or greater than: 89% (third harvest) and 90% (fourth harvest) of compliance level, and the latter index must be maintained in the subsequent harvests to the fourth. Failure to achieve the established levels of compliance will result in the loss of the right to certification of the production unit. Regardless of the harvest, production units in which the evident practice of child labor or slave labor is found during the audit will be excluded from certification.

In addition to the mandatory compliance of criteria 2 to 5, there are also CMP – Minimum Production Criteria items in criteria 1, 6, 7 and 8, which when not fully complied with lead the production unit to immediate disapproval and cannot be contemplated with Better Cotton licensing.

Regarding the items mentioned in your letter, we highlight the following criteria of the ABR protocol audited in loco by the certifying companies:

Criterion 02 – Prohibition of Child Labor

Item	Description	Legal Basis	How to Highlight
2.1	Does UP/UBA not practice, solicit or allow the use of child labor (of children or adolescents under 16 years of age), under any pretext, even if occasional and without remuneration in its business activities? CMP	Law 8.069 Statute of the Child and Adolescent Article 4 It is the duty of the family, of the community, of society in general, and of the public authorities to ensure, with absolute priority, the realization of the rights related to life, health, food, education, sports, leisure, professionalization, culture, dignity, respect, freedom and family and community life. Sole paragraph. The priority guarantee comprises: a) primacy of receiving	Interviews: Interview or manager and The Foreman by the HR sector, the Employees and Families from Residents in the areas of experience. Physical Verification: Check in HR if the UBA No practice does not request and nor Allows The use of fromhand fromwork

		<p>protection and relief in any circumstances;</p> <p>b) precedence Attendance in the services public or of public relevance;</p> <p>c) preference in the formulation and implementation of public social policies;</p> <p>d) privileged allocation of public resources in areas related to the protection of children and young people. CLT Article 402 Sole Paragraph - The work of the minor shall be governed by by the provisions of this Chapter, except in the case of service in workshops in who work exclusively with people from the family of the minor and is under the direction of the father, mother or guardian, subject to the provisions of Articles 404,</p>	<p>children's, under any pretext, even that casual and unpaid in their business activities.</p>
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405 and Section

II. Article 403. It is forbidden

		<p>any work for minors of sixteen years of age, except as an apprentice, from the age of fourteen.</p>	
2.2	<p>The UP/UBA Does it expressly prohibit the practice of any type of child labour, paid or unpaid, in the workplace, with the exception of apprentices, by means of notices or internal rules? CMP</p>	<p>CLT Article 403 Any work is forbidden to minors under sixteen years of age, except in the condition of apprentice, from the age of fourteen.</p>	<p>Interviews: With the representative of UP/UBA, with The Responsible Professional by the HR sector and with employees.</p> <p>Verification Physics: Verify if There is an express determination Of prohibition chil d labor in UP/UBA's core activity by posting notices or in internal rules, prohibiting the practice of any type of child labor, paid or unpaid, in the workplace, wit h exception of the apprentice worker.</p>

Criterion 03 – Prohibition of slave labor

Item	Description	Legal Basis	How to Highlight
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3.1	When hiring workers in other states, UP/ UBA makes arrangements for the contracting and transport comply with the	Normative Instruction No. 90 of 28.04.2011 of the MTE	Interviews: With the representative of the UP/UBA, with the responsible professional by the HR sector and with
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	<p>rules established in MTb Ordinance No. 1,293/2017 and Normative Instruction 139/2018 of the MTb, without the intermediation of third party enticements, agents or "cats"? UP/UBA does not use deceit, false promises, threats violence, coercion, fraud or abuse, or Illusions about conditions location of the farm, supply of Utilities without discounts salaries and compensatory amounts, which already include overtime?</p> <p>MINIMUM CRITERION OF PRODUCTION - CMP</p>		<p>employees.</p> <p>Physical Verification: Request it in HR, if there is a hiring of workers in other states who have not worked in previous vintages, the exhibition documents, contracts and if applicable, the Declaratory Certificate of travel. Verify that the documentation Presented Meets labor standards for recruiting workers in a location other than their origin.</p>
<p>3.2</p>	<p>The non-practical UP/UBA any kind of restriction on the employee's right to come and go, or outsourced employee, and doesn't even keep it in place from work through actions of moral coercion, physical or psychological or surveillance Armada , Document Retention or personal belongings of the</p>	<p>Normative Instruction No. 139, from 22 January 2018 Section II - of the condition Analogous to the of a slave Article 6</p>	

	<p>labourer or by loan bondage</p> <p>or illegal debts, with the intention of denying the worker his or her right in leave voluntarily</p> <p>the place of work or accommodation, resign, Change jobs, return to your city of origin or restrict your use of any means of transport to get around?</p> <p>MINIMUM PRODUCTION CRITERION - CMP</p>	<p>condition analogous to that of slave or submitted worker, in isolation or jointly, to:</p> <p>I - forced labor;</p> <p>II - exhausting workday;</p> <p>III - Degrading condition of work;</p> <p>IV - restriction, by any middle from m Getting Around in reason from Debt incurred with employer or Chairman at the time of the hiring or in the course of the contract of work;</p> <p>V - On-site retention of work on the basis of:</p> <p>a) restriction of use from any</p>	
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	ASSOCIAÇÃO BRASILEIRA DOS PRODUTORES DE ALGODÃO	middle fro m transport; b) Surveillance Maintenance Ostentatious; c) seizure of documents or personal belongings.	
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Criterion 07 – Environmental performance

Item	Description	Legal Basis	How to Highlight
7.1	Is the farm registered in the CAR - Rural Environmental Registry?	Law No. 12,651, of May 25 of 2012. Decree No. 7,830, of 17 October 2012. Law 13.887, of 17 October 2019 - last updated.	Interviews: With the farm's representative, for Know if the farm has the CAR - Rural Environmental Registry. Document Analysis: Verify CAR - Rural Environmental Registry, or through of the registration protocol verification or confirm If the farm is still in the grace period for registration.
7.5	Does the farm have a legal reserve and prohibit hunting and fishing? MINIMUM PRODUCTION CRITERION - CMP	Law No. 9,605 of February 12 of 1998. Law No. 12,651, of May 25 of 2012. Decree No.	Interviews: With the farm representative and staff to find out If the farm prohibits hunting and fishing, it has a legal reserve, signs prohibiting hunting and fishing. Physical Verification: Verify

		<p>9,640 of 27 December of 2018. Decree No . 8,225, of 5 May 2014.</p>	<p>Through visits to the reserve areas, if the reserve areas are isolated, they have the reserve area signs, signs prohibiting hunting and fishing, or information</p> <p>inmates in easy-to-use locations</p> <p>people's access. In the Document Analysis: Analyze the Term of Registration of the Legal Reserve, or Registration of the Reserve in the</p> <p>Property Registration, or</p> <p>Training Protocol</p> <p>of the registration process in the environmental agencies, or CAR - Rural Environmental Registry, or CEFIR - Cadastro</p> <p>State Forest from Rural Property, or License</p> <p>Environmental. Guidance or instruction for employees on the prohibition of hunting</p> <p>and fishing.</p>
7.11	<p>The use and conversion of Land for cotton farming comply with national law related to the use of</p> <p>Farmland?</p> <p>CRITERION</p> <p>MINIMUM PRODUCTION - CMP</p>	<p>Law No. 12,651, of May 25, 2012.</p>	<p>Cotton production cannot be located outside zoning areas and/or agricultural occupation as determined by national legislation.</p>



ASSOCIAÇÃO BRASILEIRA DOS PRODUTORES DE ALGODÃO

Regarding the content of the letter sent by you, we forward for evaluation attached the evidence of the producers cited, as well as the documents submitted/audited to apply for ABR certification and Better Cotton licensing.

Abrapa has full confidence in the suitability and independence of the auditing process of the ABR and *Better Cotton* protocols. As far as the land issue is concerned, we cannot judge or condemn producers whose cases are being judged by the judiciary. The Brazilian constitution does not allow such a procedure.

We inform you that we will establish procedures aimed at improving the ABR protocol, aiming to strengthen the diligence of the social, environmental and good practice criteria mentioned in the letter of v.sas and at the same time we will fully support producers in lawsuits if damages caused by false or mistaken publications are proven.

Best regards

A handwritten signature in blue ink, appearing to read 'Alexandre Pedro Schenkel', with a long horizontal stroke extending to the right.

Alexandre Pedro Schenkel,
President of Abrapa,
Brazilian Association of Cotton Producers.

NOTE

To Mr.

Rubens Carvalho

Earthsight

rubenscarvalho@earthsight.org.uk

The **Horita Group**, represented by Mr. Walter Yukio Horita, in response to the Earthsight Letter dated 23.08.2023, makes the following clarifications.

For more than 40 years, the Horita Group has been developing agribusiness, with high technology and environmental sustainability, aiming to a large extent at the foreign trade of *commodities*.

The Horita Group's two rural property complexes, in São Desidério/BA and Formosa do Rio Preto/BA, have productivity rates above the national average; In all its rural properties and administrative headquarters, there are opportunities for more than a thousand direct jobs, in dignified conditions, not counting indirect employees; it is one of the largest tax collectors in the region, at the municipal, state and federal levels; All of its rural properties have their environmental protection areas preserved, regularly declared to the environmental authorities, and all of its agricultural enterprises have regular environmental licensing; there is respect for the traditional communities that are close to their rural properties, without having conflicts of any kind with them and without overlapping areas; Rural credits, raised in financial institutions, are used responsibly, so that all contracts are timely fulfilled and profits are injected into the business itself, with high investments for the growth and improvement of agribusiness.

Rigorously, the Horita Group complies with all national legislation and international regulations in the development of agribusiness; and has improved its internal systems of control and monitoring of any threats of corrupt practices, through efficient

compliance *and* environmental, social and governance *program*, with the preventive purposes and those provided for in article 39 of the United Nations International Convention against Corruption of 10.31.2003, ratified by Brazil with Decree No. 5,687/2006.

The Horita Group is submitted to *an independent external audit* on an annual basis, and all its financial transactions are recorded in Income Tax Returns and Cash Books. By way of illustration, in the last inspection by the Federal Revenue Service, all the bank transactions of Mr. Walter Yukio Horita were carefully analyzed, referring to the year 2019, and before the Federal Revenue Service it was clear that no movement without destination or origin was found.

Because of this, the Judiciary of the State of Bahia, on more than one occasion, for example, in Judicial Proceedings No. 0000037-76.1994.8.05.0081, No. 0000047-86.1995.8.05.0081 and 8000199-21.2020.8.05.0081, pending in the Civil Court of the District of Formosa do Rio Preto/BA, after complete judicial inspections and covering all points of these rural areas, expressly recognized that the Horita Group fulfills the *social function of the property* of their rural properties, as determined by Articles 5, XXIII, and 186, I to IV, of the Federal Constitution of 1988. And, for this reason, the Judiciary granted legal protection to the ownership and possession of the Horita Group in its rural properties, especially that the real estate registrations of all its rural areas are not blocked or canceled.

All of the Horita Group's rural properties are private lands, with private property titles regularly issued by the State of Bahia. There is no overlap with vacant lands or with lands traditionally occupied by *geraizeira* communities. Political bodies of the State of Bahia tried to rediscuss this issue, in Discriminatory Action No. 8000499- 51.2018.8.05.0081, pending in the Civil Court of the District of Formosa do Rio Preto/BA, but, in addition to the Horita Group having property titles that regularly detach themselves from the public patrimony in accordance with the legislation, as well as fulfilling the social function of property, Article 38 of the Act of Transitional Provisions of the Constitution of the State of Bahia of 10.05.1989, provided for a "*period of three years from the promulgation of this Constitution, (to) promote discriminatory actions against rural vacant lands*"; And that decadent period has passed.

Taking advantage of this scenario of legal uncertainty in the rural area of Formosa do Rio Preto/BA, aggravated by the reckless Discriminatory Action filed by the State of Bahia, other individuals, through various artifices, have tried, over the years, to fabricate false narratives, without the correct investigation – by the way, some information is under the secrecy of justice decreed in ongoing judicial proceedings, in the Judiciary of the State of Bahia and in the Superior Court of Justice, in

Brasília/DF – including financing, directly and indirectly, the publication of *fake news* in the national and international press, that the Horita Group could be involved in some kind of illegality; and – with greater irresponsible sensationalism – bringing the name of the Horita Group closer to some kind of violence against Traditional Communities, to co-opt public opinion and the feeling of the recipients of the fraudulent publications made, with actual losses to the legal entities and individuals that make up the Horita Group. Brazilian law provides for civil liability for the production and sharing of *fake news*, legal measures to be taken by the Horita Group on a timely basis.

The clash of *ideologies*, one of the political left, in defense of agrarian reform, and the other of the right, in defense of private property, was normatively equated by the Federal Constitution of the Federative Republic of Brazil of 1988. The public policy of agrarian reform has been constitutionally honored in Brazil, either by the expropriation of private lands by the State (art. 184), or by the collection of vacant lands by the State, provided that it proves, not only is its returnability presumed (arts. 26, IV, and 225, §5), even more so in view of the disorganization of the public registry system under the management of the State itself, with the redistribution of land among citizens. However, the Brazilian Federal Constitution itself also decided, in this harmonization of ideologies, that "*productive property*", that is, that which "*fulfills the social function of property*", will not be destined for agrarian reform (art. 185). That democratic decision must be respected.

The discussions, made by other private individuals, about the private property titles of the Horita Group, are the subject of lawsuits, which are still being processed in the Judiciary. It is not possible for the press, public opinion and ideological agencies to take sides on one side before these definitive judgments and, at the same time, want to appear that their conclusions are neutral of economic and political interests. It is one thing to *report* on social facts and social conflicts are being resolved by the competent bodies. It is another thing to *fabricate a narrative* stating that one of the *versions* of one of the parties is the absolute truth, to the detriment of the other version of the other party involved, before the final judgment by the constituted Powers of the Republic. *News* is lawful, because it stems from *freedom of information*; *fake news* is illicit and compensable, because it is driven by *freedom of aggression*, finding limits in the Democratic Rule of Law.

The Horita Group does not have any hectares in its private property complexes, intended for agribusiness, in violation of environmental legislation. All the notes made by inspection agencies in the past had their regularity promptly demonstrated or were subject to subsequent regularization, in accordance with environmental regulations.

A negotiation is still underway with the Public Prosecutor's Office of the State of Bahia on a few environmental questions, which do not embargo or compromise the business integrity of the Horita Group's agribusiness, in Formosa do Rio Preto/BA. Although it has all the elements for the success of its technical defense, with the demonstration of the total absence of environmental civil liability for any environmental liability, the Horita Group has already expressed to the Ministerial Body that it has an interest in the consensual, joint construction, without biased and arbitrary impositions by any side, as quickly as possible. Currently, the Horita Group is awaiting a response to its latest manifestation in this negotiation.

All of the negative allegations against the Horita Group in the Earthsight Charter as alleged 'findings' do not correspond to the truth. Henceforth, the Horita Group will focus only on some of these allegations. The following specific clarifications deserve attention, without the need to comment on all the points of the aforementioned Charter.

The Horita Group does not operate on 200,000 hectares nor does it operate in the municipality of Riachão das Neves/BA, as stated in Earthsight's Charter.

The rural areas owned by the Horita Group, in the municipality of Formosa do Rio Preto/BA, are not part of the Estrondo Condominium, but the Centúria Condominium.

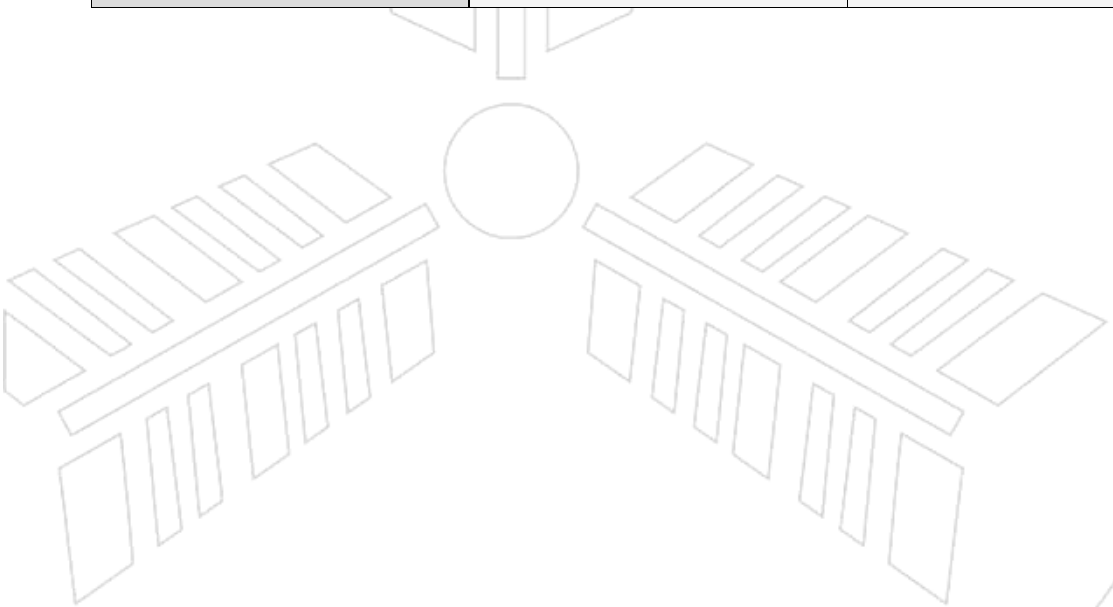
It is important to clarify that the rural properties of the Centúria Condominium were acquired by the Horita Group in 2011. It is untrue to say that the deforestation reported in 2007 occurred on the farms of the Horita Group.

And more.

Rural Property	EarthSight's claim	Horita Group Subsidy
<p data-bbox="98 297 304 327">Farms Sao Paulo</p> <p data-bbox="98 356 448 387">Desidério/BA, Barreiras/BA,</p> <p data-bbox="98 416 448 479">Luís Eduardo Magalhães/BA and Correntina/BA</p>	<p data-bbox="480 297 820 450">Between 2002 and 2019, the Group Horita received 21 fines from the IBAMA</p>	<p data-bbox="858 297 1212 678">This information is not truth. Pretty much all of them the notices of environmental infraction drawn up by the IBAMA, with the application of fine, against the Horita Group, have been tried non-subsistent.</p>

Rural Property	Earthsight's claim	Horita Group Subsidy
<p>Timbaúba Farm</p>	<p>There are 02 IBAMA embargoes, from 2018, for irregularities in the spraying of pesticides; There were 10 runway landings and takeoffs between 2021 and July 2023.</p>	<p>On 05.07.2018, IBAMA It has lifted all embargoes. The spraying of pesticides, as well as take-offs and landings on all Horita Group runways, between 2021 and 2023, were lawful.</p> <p>There were only 02 embargoes left. Regarding Embargo Term No. 828048-E, the Horita Group obtained a new environmental license on 08.17.2023. And in relation to the Embargo Term 828049-E, the municipal environmental agency is about to issue a new environmental license, whose signaling has already been positive.</p> <p>These two remaining embargoes are being fully complied with, until they are revoked.</p>

Rural Property	Earthsight's claim	Horita Group Subsidy
Farm Australia	The Ministry of Labor found 39 workers reduced to slave-like conditions in this building in 2009.	This information is not true. The Horita Group has more than 1,000 direct employees and all of them work in decent working conditions.



Rural Property	Earthsight's claim	Horita Group Subsidy
Farm Plot 16	During Operation Veredas, carried out in November 2008 by IBAMA and the Federal Police, 881 hectares were seized, which already belonged to the Horita Group at the time.	This allegation is untrue. This Lot 16 did not belong to the Horita Group.

Rural Property	Earthsight's claim	Horita Group Subsidy
<p>Sagarana Farm</p>	<p>There is 01 IBAMA embargo, from 2019, for the cultivation of transgenic cotton in 253.5 ha in a buffer zone of a Conservation Unit. He pointed to a satellite image from 2017.</p>	<p>On 23.09.2019, IBAMA revoked the embargo, after the presentation of environmental regularization.</p> <p>The Horita Group acquired this property before the creation of this Conservation Unit (RESEX Recanto das Araras de Terra Ronca), by the Federal Decree of 11.09.2006. This area of 253.5 ha, before the creation of the RESEX, had already been anthropized and consolidated for alternative land use since 2003.</p> <p>There were reports that the federal government could not pay compensation for indirect expropriation, with the creation of the RESEX and, therefore, an alternative would be to change the perimeter of the UC and its buffer zone.</p>

Cherubim Farm

Judge Cassinelza da Costa Santos Lopes and Prosecutor Alex Moura Santos were accused of acting irregularly in an adverse possession proceeding, in favor of the Horita Group, in the district of São Desidério/BA.

No one from the Horita Group or its lawyers had a personal relationship with this judge and prosecutor. There was no request for a personal favor or any spurious relationship.

The adverse possession court case no. 80000462-25.2019.8.05.0231, at procedure in São Desidério/BA, was very well instructed in the extrajudicial phase. They were convinced of the merits of the Horita Group's request, not least because the usucapient area, of just over 400 hectares, is landlocked in a larger area, which was already owned by the Horita Group.

This Prosecutor gave a Ministerial Opinion when he was really the legal substitute and, later, in view of the continued absence of the replaced prosecutor, he only gave notice of the sentence issued according to his opinion and waived the appeal period. And this judge handed down a sentence according to her free reasoned conviction.

There are reports that the investigative proceedings opened against them have been resolved. And the Operation Wild West Task Force has decided that these alleged facts are unrelated to that investigation.

Rural Property	Earthsight's claim	Horita Group Subsidy
<p>Cheerful Farm</p>	<p>The Alegre farm would be a legal reserve of farms located elsewhere, which would constitute a practice of "shackling green lands".</p>	<p>The location of the legal reserve is guided by the criteria of article 14 of the current Forest Code, including location in the same biome and according to the hydrographic basin plan. The Horita Group has all its legal reserves registered in the CAR and declared to CEFIR, under the management of INEMA, with descriptive memorials presented. It is legally possible to establish legal reserves outside the location of the rural property, as compensation for a rural area already anthropized, with the acquisition of environmental reserve quotas (CRA), recorded in the margin of the registration of the benefited properties, or even with the acquisition of another area in the same biome exclusively so that it functions as an extra-property Legal Reserve. according to art. 12, III; art. 16; and art. 66, §6, all of the Forest Code, and according to the decisions of constitutionality of the Plenary of the STF in ADI 4.902, ADI 4.903 and ADC 42, of 28.02.2018.</p>

In particular regarding the allegation of some involvement of Mr. Walter Yukio Horita with the facts investigated in Operation Faroeste, launched by the Federal Police, it is important to clarify that he was not the target of a complaint by the Federal Public Prosecutor's Office, in the Superior Court of Justice.

Justice. The facts, which justified, in the 1st phase of the Operation, the execution of a search and seizure in his office and residence, were the subject of a Complaint in Criminal Action 986/DF, in the STJ, and Mr. Walter Yukio Horita is not among the defendants in that criminal proceeding.

Finally, the Horita Group hopes to have collaborated in clarifying the questions raised in the Letter sent and, on this occasion, **warns, for the purposes of the constitution in arrears, if it occurs**, that excerpts or phrases should not be removed from the context of this explanatory note and published as if they validated versions of other people with economic and political interests about these rural areas. The creation and publication of *fake news*, with injury to the personality rights of the individuals and legal entities published exposed, may be subject to judicial requests for civil reparation of losses and damages, in addition to other legal measures, in accordance with Brazilian legislation and current international treaties.

Barreiras/BA, August 30, 2023.

Horita Group

NOTE

To Mr.

Rubens Carvalho

Earthsight

rubenscarvalho@earthsight.org.uk

The **Horita Group**, represented by Mr. Walter Yukio Horita, in response to Earthsight's new request, with the email sent on 18.09.2023, initially reiterates the clarifications made in the previous Note; soon after, it responds specifically to the three additional points; and, finally, it warns about civil liability for offenses and *fake news*.

I

Initial clarifications

For 04 decades, the Horita Group has been developing agricultural activity, with high technology, traceability and environmental sustainability, aiming to a large extent at the foreign trade of *commodities*.

The Horita Group's two rural property complexes, in São Desidério/BA and Formosa do Rio Preto/BA, have productivity rates above the national average; In all its rural properties and administrative headquarters, there are opportunities for more than a thousand direct jobs, in dignified conditions, not counting indirect employees; it is one of the largest tax collectors in the region, at the municipal, state and federal levels; All of its rural properties have their environmental protection areas preserved, regularly declared to the environmental authorities, and all of its agricultural enterprises have regular environmental licensing; there is respect for the traditional communities that are close to their rural properties, without having conflicts of any kind with them and without overlapping areas; Rural credits, raised in financial institutions, are used responsibly, so that all contracts are timely fulfilled and profits are reinvested in the business itself.

Rigorously, the Horita Group complies with all national legislation and international regulations in the development of agriculture; and has improved its internal control and monitoring systems for any threats of corrupt practices, through an efficient *ESG (environmental, social and governance)* program, for the purposes of prevention and those provided for in article 39 of the United Nations International Convention against Corruption of 31.10.2003, ratified by Brazil with Decree No. 5,687/2006.

The Horita Group is submitted to *an external audit* on an annual basis, and all its financial transactions are recorded in Income Tax Returns and in the Cash Book. By way of illustration, in the last inspection by the Federal Revenue Service, all of Mr. Walter Yukio Horita's bank transactions were carefully analyzed, referring to the year 2019, and the Federal Revenue Service expressly stated that no movement with no destination or origin was found.

Because of this, the Judiciary of the State of Bahia, on more than one occasion, for example, in Judicial Proceedings No. 0000037-76.1994.8.05.0081, No. 0000047-86.1995.8.05.0081 and 8000199-21.2020.8.05.0081, in
The proceedings in the Civil Court of the District of Formosa do Rio Preto/BA, after complete judicial inspections and covering all points of these rural areas, expressly recognized that the Horita Group fulfills the *social function of the ownership* of its rural properties, as determined by articles 5, XXIII, and 186, I to IV, of the Federal Constitution of 1988. And, for this reason, the Judiciary granted legal protection to the ownership and possession of the Horita Group in its rural properties, especially that the real estate registrations of all its rural areas are not blocked or canceled.

All of the Horita Group's rural properties are private lands, with private property titles regularly issued by the State of Bahia. There is no overlap with vacant lands or with lands traditionally occupied by *geraizeira* communities. Political bodies of the State of Bahia tried to rediscuss this issue, in Discriminatory Action No. 8000499-51.2018.8.05.0081, in progress in the Civil Court of the District of Formosa do Rio Preto/BA, but, in addition to the Horita Group having property titles that regularly stand out from the Public patrimony in accordance with the legislation, as well as fulfilling the social function of property, Article 38 of the Provisions Act

Transitional Decrees of the Constitution of the State of Bahia of 05.10.1989, provided for a "*period of three years from the promulgation of this Constitution, (to promote discriminatory actions of rural vacant lands*".

Taking advantage of this scenario of legal uncertainty in the rural area of Formosa do Rio Preto/BA, aggravated by the reckless Discriminatory Action filed by the State of Bahia, other individuals, by various artifices, have tried, over the years, to fabricate false narratives, without the correct investigation – by the way, some information is under the secrecy of justice decreed in ongoing legal proceedings, in the Judiciary of the State of Bahia and in the Superior Court of Justice, in Brasília/DF – including financing, directly and indirectly, the publication of *fake news* in the national and international press, that the Horita Group could be involved in some type of illegality; and – with greater irresponsible sensationalism – bringing the name of the Horita Group closer to some kind of violence against Traditional Communities, to co-opt public opinion and the sentiment of the recipients of the fraudulent publications made, with effective damage to the legal entities and individuals that constitute the Horita Group. Brazilian law provides for civil liability for the production and sharing of *fake news*, legal measures to be taken by the Horita Group on a timely basis.

The clash of *ideologies* was normatively equated by the Federal Constitution of the Federative Republic of Brazil of 1988. The public policy of agrarian reform has been constitutionally honored in Brazil, either by the expropriation of private lands by the State (art. 184), or by the collection of vacant lands by the State, provided that it proves, not only presumes its returnability (arts. 26, IV, and 225, §5), even more so in the face of the disorganization of the public registry system under the management of the State itself, with the redistribution of land among citizens. However, the Brazilian Federal Constitution itself also decided, in this harmonization of ideologies, that "*productive property*", that is, that which "*fulfills the social function of property*", will not be destined for agrarian reform (art. 185). That democratic decision must be respected.

The discussions, made by other private individuals, about the private property titles of the Horita Group, are the subject of lawsuits, which are still being processed in the Judiciary. It is not possible for the

The press, public opinion and ideological agencies take sides on some side before these definitive judgments and, at the same time, want to make it appear that their conclusions are neutral of economic and political interests. It is one thing *to report* on the facts and how social conflicts are being resolved by the competent bodies. It is another thing *to fabricate a narrative* by stating that one of the versions of one of the parties is the absolute truth, to the detriment of the version of the opposing party involved, before the final judgment by the constituted Powers of the Republic. *News* is lawful, because it stems from *freedom of information*; *fake news* is illicit and compensable, because it is driven by *freedom of aggression*, finding limits in the Democratic Rule of Law.

The Horita Group does not have any hectares in its private property complexes, intended for agriculture, in violation of environmental legislation. All the notes made by inspection agencies in the past had their regularity promptly demonstrated or were subject to subsequent regularization, in accordance with environmental regulations.

A negotiation is still underway with the Public Prosecutor's Office of the State of Bahia on a few environmental questions, which do not embargo or compromise the business integrity of the Horita Group's business, in Formosa do Rio Preto/BA. Although it has all the elements for the success of its technical defense, with the demonstration of the total absence of environmental civil liability for any environmental liability, the Horita Group has already expressed to the Ministerial Body that it has an interest in the consensual, joint construction, without biased and arbitrary impositions by any side, as quickly as possible. Currently, the Horita Group is awaiting a response to its latest manifestation in this negotiation.

All the negative allegations against the Horita Group contained in Earthsight's Letter dated 23.08.2023 as alleged "findings" do not correspond to the truth.

The Horita Group does not operate on 200,000 hectares and does not operate in the municipality of Riachão das Neves/BA, as stated in the Earthsight Charter.

The rural areas owned by the Horita Group, in the municipality of Formosa do Rio Preto/BA, are not part of the Estrondo Condominium, but the Centúria Condominium.

It is important to clarify that the rural properties of the Centúria Condominium were acquired by the Horita Group in 2011. It is untrue to say that the deforestation reported in 2007 occurred on the farms of the Horita Group.

Especially regarding the allegation of some involvement of Mr. Walter Yukio Horita with the facts investigated in Operation Faroeste, launched by the Federal Police, it is important to clarify that he was not the target of a complaint by the Federal Public Prosecutor's Office, in the Superior Court of Justice. The facts, which justified, in the 1st phase of the Operation, the execution of a search and seizure in his office and residence in Criminal Action 986/DF, in the STJ, and Mr. Walter Yukio Horita is not among the defendants in that criminal proceeding.

II

Additional clarifications to the three points requested

Additional Earthsight Points	New specific clarifications from the Horita Group
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<ul style="list-style-type: none"> • <i>"The revelations of Operation Faroeste resulted in the suspension of key figures in the judiciary of Bahia. Among them is Judge Marivalda Moutinho, who worked in Formosa do Rio Preto, a city that was considered by the Federal Prosecutor's Office as the "criminal epicenter" of the corruption scheme. In Moutinho's office, police allegedly found documents that contained the names of Mr. Walter Horita and Estrondo and a sum of R\$670,000. The judge allegedly acted with the support of Antonio Roque, who is also accused of negotiating amounts allegedly paid by Mr. Horita and other commodity producers to judges investigated by the authorities.</i> 	<p>The Horita Group has never had and does not have any lawsuit, referring to its rural areas in Formosa do Rio Preto/BA, that has ever been decided by Judge Marivalda Moutinho. This magistrate was a judge in another district, in Santa Rita de Cássia/BA. The Horita Group's lawsuits are being processed in the district of Formosa do Rio Preto/BA.</p>
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<ul style="list-style-type: none"> • <i>"Another defendant in the case is Judge Maria do Socorro Barreto Santiago. In March 2018, the judge decided to grant the request filed by lawyer Adailton Maturino and cancel land title 736 and all land titles related to it. The decision affected the Horita Group, as some of the company's farms in Estrondo would be affected. According to documents and press reports reviewed by Earthsight, with the unfavorable decision, Mr. Walter Horita allegedly reached an agreement with Maturino. According to the investigations, between March and July 2018, Mr. Horita allegedly transferred a total of R\$6 million to the lawyer. Together with his wife, Maturino managed a law firm and, according to the Public Prosecutor's Office, was the mastermind of the corruption scheme involving judicial decisions. Documents reviewed by the court indicate that part of the amount received by Maturino was used to buy expensive paintings and sculptures that were donated to Judge Maria do Socorro Barreto Santiago."</i> 	<p>Judge Maria do Socorro Barreto Santiago has never issued a decision that favored the Horita Group. On the contrary, this magistrate revoked an injunction in Interlocutory Appeal No. 8003357- 07.2018.8.05.0000, in the Court of Justice of the State of Bahia, to the total detriment of the Horita Group. All additional information can be found in process no. 8000199-21.2020.8.05.0081, where inserted the information and documents that prove the reasons for the questioned transaction, whose origin is based on the agreement with the Castro Family.</p>
<ul style="list-style-type: none"> • <i>"In 2021, the Brazilian press reported that Mr. Walter Horita offered to collaborate with the investigation related to Operation Faroeste through a plea bargain agreement and signed an out-of-court agreement with the Attorney General of the Republic. Mr. Horita allegedly paid \$20 million as part of the agreement."</i> 	<p>The Horita Group vehemently denies that Mr. Walter Yukio Horita has made any "plea bargain agreement" with the Attorney General of the Republic or the Task Force of the Federal Prosecutor's Office.</p>

Therefore, the Horita Group warns that it is very important to carefully and judiciously verify the information before publishing it to the general public, because, according to the jurisprudence of the Federal Supreme Court and the current Brazilian legislation, the offense to personality rights and the spread of *fake news* are unlawful acts subject to the determination of civil

liability for losses and damages of all those involved.

III

Warning to prevent civil liability and constitute a default from now on for possible offense and *fake news*

The Horita Group hopes to have collaborated in clarifying the questions raised in the Letter sent and, on this occasion, warns, for the purposes of arrears, if it occurs, that excerpts or phrases are not removed from the context of this explanatory note and published as if they validated versions of other people with economic and political interests about these rural areas. The creation and publication of *fake news*, with injury to the personality rights of the individuals and legal entities published exposed, may be subject to judicial requests for civil reparation of losses and damages, in addition to other legal measures, in accordance with Brazilian legislation and current international treaties.

Finally, the Horita Group is available for any further clarifications, including making our legal department also available.

Barreiras/BA, September 21, 2023.

Horita Group

Porto Alegre, 30 de agosto de 2023.

Posicionamento em relação aos questionamentos enviados pela ONG Earthsight

1. Em relação a Comunidade Capão Modesto

Afirmações ONG Earthsight:

- Desde 2021, a SLC arrendou uma fazenda que chama de Paysandu da empresa Agrícola Xingu (em fevereiro de 2023, a SLC comprou parte do imóvel).
- A Agrícola Xingu possui reserva legal em Capão do Modesto (mesma comunidade onde o Grupo Horita possui reserva legal, veja acima). A propriedade em questão chama-se Tabuleiro VII e possui 3.015 hectares. O Tabuleiro VII é a reserva legal da fazenda Paysandu, operada pela SLC Agrícola.
- Tabuleiro VII é implicado na mesma ilegalidade como o Horita Grupo Fazenda Alegre, sendo fruto da grilagem de terras verdes. Agrícola Xingu é ré no Ministério Público ação judicial contra agricultores no Capão Modesto.
- Em 2015, a comunidade Capão do Modesto relatou uma série de violações de seus direitos fundiários, incluindo a construção de cercas delimitando reservas legais, incluindo a da Agrícola Xingu.
- A SLC Agrícola é beneficiada pela reserva legal do Paysandu em Capão do Modesto, pois a fazenda produtora de algodão é operada pela empresa.

Respostas da SLC Agrícola:

- *O imóvel citado na localidade de Capão do Modesto, no município de Correntina (BA), não possui **nenhuma relação** com os imóveis adquiridos e/ou arrendados pela SLC Agrícola da Agrícola Xingu, e está distante das nossas operações no Estado da Bahia.*
- *No **anexo 1**, evidenciamos, através de um mapa, a localização da comunidade de Capão Modesto em relação aos imóveis que compõem a operação das Fazendas Paladino e Paysandu. A referida comunidade está distante a aproximadamente 37 km em linha reta das nossas operações. Os perímetros em laranja referem-se aos imóveis arrendados e em verde, os imóveis próprios. Na posição superior direita, trata-se de reserva legal pertencente ao imóvel próprio da Fazenda Paysandu, ou seja, igualmente distante da localidade de Capão do Modesto.*

2. Em relação a incêndios e desmatamentos

Afirmações ONG Earthsight:

- Várias fazendas operadas pela SLC Agrícola no oeste da Bahia apresentam um padrão de queimadas ou desmatamento em suas reservas legais/áreas protegidas nos últimos 10 anos.
- A SLC desmatou 10.617 hectares da Fazenda Piratini em 2015. A Fazenda Palmares V perdeu 1.365 hectares de vegetação nativa em setembro de 2022, sendo 685 hectares dentro da reserva legal da propriedade. Entre 2011 e 2014 a SLC desmatou 15.356 hectares da Fazenda Parceiro. Em 2018 a SLC desmatou outros 1.132 hectares na fazenda, e no primeiro trimestre de 2020 a SLC desmatou outros 5.200 hectares na mesma fazenda (na parcela denominada Fazenda Bom Jardim). Em outubro de 2020 a Chain Reaction Research revelou que incêndios destruíram cerca de 6.500 hectares na Parceiro (incluindo na Fazenda Bom Jardim).
- Imagens de satélite mostram incêndios em 2013 no que parece ser parte da reserva legal da fazenda Paladino. O Global Forest Watch mostra alertas de incêndio na reserva legal da mesma fazenda em 2019 e 2022, com a aparente abertura de uma via elétrica na reserva legal em 2019.
- Alertas de incêndio da Global Forest Watch apontam incêndios na aparente reserva legal da fazenda Panorama em diversas ocasiões em 2012, 2014, 2018, 2019, 2020, 2021 e 2022. O que aparenta ser uma reserva legal da fazenda Piratini teve perdas de vegetação em 2011, 2012, 2015, 2019, 2021, 2022 e 2023. A parcela maior da Piratini (denominada Jatobá) também perdeu parte de sua reserva legal em 2015 e 2016.
- As parcelas da fazenda Palmares tiveram incêndios em áreas que aparentam ser reservas legais e/ou APPs em 2014, 2015, 2016, 2017, 2018, 2019, 2021 e 2022. Toda a perda de vegetação na Palmares II/Califórnia entre 2013 e 2022 aparenta ter sido em áreas de reserva legal, a maioria devido a incêndios.
- A fazenda Parceiro parece ter perdido áreas de reserva legal em incêndios em 2014, 2015, 2017, 2019, 2020, 2021. A parcela denominada Bom Jardim perdeu cerca de 500 hectares de aparente reserva legal/APP em 2014, majoritariamente devido a incêndios. A parcela denominada Cabeceira do São José perdeu outros 40 hectares de reserva legal no mesmo ano. A parcela Barigui da fazenda Parceiro perdeu cerca de 270 hectares de reserva legal/APP devido a incêndios em 2015-2016. Outros 60 hectares da reserva legal da Barigui foram aparentemente desmatados em 2019. A parcela denominada Nativa da fazenda Parceiro parece ter perdido cerca de 125 hectares de sua reserva legal/APP em 2017 devido a incêndios.

Respostas da SLC Agrícola:

- *A história da SLC Agrícola é marcada pelo pioneirismo e inovação em diferentes ciclos de crescimento. Em 2015, iniciamos uma nova fase de nossa estratégia, focada no desenvolvimento de terras maduras e na inovação tecnológica para o aumento da produtividade e da eficiência. Esta nova etapa é orientada por crescimento Asset Light, solidez financeira e geração de valor ao acionista e protagonismo ESG. O percentual de áreas maduras dentro do portfólio da Companhia é, atualmente, de 96%, e a área plantada na safra 22/23 foi de 668 mil hectares.*
- *Todas as conversões de área com vegetação nativa seguiram os limites estabelecidos por lei. Além disso, a SLC Agrícola conta com mais de 113 mil hectares de áreas nativas preservadas. Isso equivale a extensão territorial da Grécia ou 143 mil campos de futebol.*
- *Como sabemos, o bioma Cerrado consiste em um sistema natural complexo e que possui interações singulares entre fenômenos naturais e sua biodiversidade. Dentre estes fenômenos naturais, o fogo é um dos elementos de destaque, muitas vezes ocorrendo de forma espontânea, sem depender da ação antrópica.*
- *Nos casos citados, informamos que os incêndios florestais detectados não possuem qualquer tipo de vinculação a processos de desmatamentos ou conversões de áreas naturais. Igualmente, não foram originados por nenhuma atividade desenvolvida pela SLC Agrícola. Ou seja, os incêndios tiveram origem por causas naturais ou, eventualmente, originados em propriedades vizinhas.*
- *O bioma Cerrado possui característica de forte regeneração natural de suas áreas florestais, com espécies endêmicas de resistência natural ao fogo, bem como de espécies que apresentam germinação de sementes que propagam na exposição direta ao alto calor. Por estes motivos, somados aos esforços da SLC Agrícola em evitar ou conter incêndios florestais em suas áreas de operação, os processos de regeneração natural nos casos pontuados estão em estágio inicial ou pleno atualmente. Nos **anexos 2 e 7** é possível evidenciar o estado de conservação atual de cada uma das fazendas citadas.*
- *Em termos de governança sobre seu patrimônio fundiário, em especial no que tange a áreas de alta relevância ambiental, a SLC Agrícola realiza investimentos vultosos destinados a ações que visam evitar ou mitigar incêndios florestais, como: construção e manutenção de estradas e aceiros para combate a incêndios; tratores com tanques de combate a incêndios e caminhões pipas; tratores com grades para abafamento de chamas; demais implementos, ferramentas e equipamentos de proteção individual e coletiva. Adicionalmente, são realizados treinamentos de equipes das Brigadas de Emergências para combates a incêndios florestais e, sobretudo, o monitoramento integral e constante de áreas ambientalmente sensíveis é realizado por empresas contratadas especializadas em vigilância patrimonial. Nesta linha de monitoramento de áreas, a companhia possui sistema de gerenciamento remoto por imagens em alta resolução*

com atualização diária, o que permite verificar de forma instantânea qualquer tipo de degradação ambiental em suas áreas.

- No ano de 2021, a empresa também desenvolveu o software denominado "Monitoramento de Focos de Calor", que monitora, em tempo real, todos os eventos de possíveis pontos de chamuscas em florestas ou lavouras, com possibilidade de evoluírem e se tornarem incêndios florestais. Esse monitoramento possibilita uma tomada de ação com maior rapidez e acionamento das equipes, mitigando possíveis incêndios com mais agilidade e eficiência. Em áreas de Reserva Legal e de preservação permanente, a empresa efetua a instalação de placas indicativas sobre os locais, alertando sobre a impossibilidade do acesso de pessoas não autorizadas. A vigilância patrimonial assegura o isolamento destas áreas.
- A SLC possui políticas internas que proíbem colaboradores e demais pessoas a efetuarem atividades de pesca e caça em suas Fazendas, sejam elas próprias ou arrendadas, propiciando a conservação de habitats em suas unidades produtivas. Ao final de cada evento de incêndio florestal, a companhia efetua os devidos registros com o objetivo de gerir cada caso, seja em seu sistema corporativo por meio de Alertas corporativos com indicadores próprios, ou através de Boletins de Ocorrência em delegacias regionais.
- Na consolidação do seu protagonismo em ESG, a SLC Agrícola, por meio da sua Política de Desmatamento Zero, adotada em 2021, formalizou o compromisso em não converter áreas com vegetação nativa para o uso agrícola ou pecuária, mesmo que sejam elegíveis pela legislação ambiental. A política estabelece as regras para o uso racional do solo, visando manter a integridade dos sistemas naturais e vigora tanto para áreas próprias quanto para aquisições, arrendamentos e joint ventures e mesmo que a conversão seja feita por terceiros. Vale ressaltar que as aberturas de áreas pela SLC Agrícola cessaram antes do final de 2020, o que demonstra correspondência com o Green Deal da União Europeia.
- Um dos principais pilares da Companhia é o investimento intensivo em tecnologia e inovação para o aumentar ainda mais a produtividade e a eficiência na nossa operação. Além do investimento em pesquisa e adoção de melhores práticas no cultivo, que nos últimos anos vêm propiciando a otimização no consumo de recursos naturais, minimizando a pegada ambiental de nossos negócios.
- Dessa forma, seguimos em nossa trajetória voltada para atender à demanda global por mais alimentos, pois, de acordo com estimativas FAO (Organização das Nações Unidas para a Alimentação e Agricultura), a produção de grãos e alimentos terá que aumentar até 70% para nutrir a população, que deverá chegar a quase 9,7 bilhões de pessoas até 2050.
- Esse crescimento é acompanhado de uma sólida visão de responsabilidade com as pessoas e o meio ambiente. Nosso compromisso com a sustentabilidade é traduzido em ações concretas para gerenciar o uso da energia e da água, a geração e a destinação de resíduos, o correto



manejo do solo com foco na redução das emissões de carbono e a proteção das áreas de preservação da biodiversidade, entre outros exemplos.

- *A SLC Agrícola é signatária do Pacto Global da ONU (desde 2015), integra o Programa Brasileiro GHG Protocol (desde 2018) e a Ação pelo Agro Sustentável, que desenvolve projetos para a divulgação e fortalecimento dos Princípios Empresariais para Alimentos e Agricultura – PEAA, e dos ODS relacionados, e a Associação Internacional de Soja Responsável (RTRS). A empresa possui Certificações ISO 14001, ISO 45001 e NBR 16001 em 13 de suas Unidades e certificação ISO 9001 em sete Fazendas.*

3. Em relação a autuações

Afirmações ONG Earthsight:

- A base de dados pública do Ibama mostra seis autuações contra fazendas da SLC Agrícola em Barreiras, Correntina e Jaborandi (todas na Bahia), totalizando mais de R\$ 750. A maior parte das autuações data de 2015 e 2017, com uma emitida em 2008. Ao menos R\$ 330 mil das multas são relacionadas a infrações às regulamentações sobre vegetação nativa (Jaborandi e Barreiras).

Respostas da SLC Agrícola:

- *Em relação às multas aplicadas pelo Ibama, a SLC Agrícola recorreu administrativamente de todas as autuações, com fortes argumentos e apresentando documentos que contestam os motivos alegados para as autuações. As multas que foram objeto de recurso estão em tramitação e não houve, até o momento, um julgamento definitivo.*
- *O detalhamento de cada uma delas está disponível para consulta pública no Formulário de Referência e Cadastral de cada ano: <http://ri.slcagricola.com.br/publicacoes-e-documentos/formulario-de-referencia-e-cadastral/>*

4. Em relação ao percentual mínimo de reserva legal

Afirmações ONG Earthsight:

- A parcela Novo Horizonte da fazenda Palmares aparenta já não ter 20% de reserva legal, já que quase todo o remanescente de vegetação nativa foi desmatado entre 2016 e 2018 (quase 700 hectares).

Respostas da SLC Agrícola:

Todos os imóveis da Companhia possuem Cadastro Ambiental Rural protocolado junto aos órgãos ambientais competentes. A Companhia conta com percentual de reserva legal superior ao mínimo exigido por lei, que na região citada é de 20%. A consulta a esses documentos é pública e está disponível no site do órgão competente.

*Em relação a citação (Fazenda Palmares/Novo Horizonte), no **Anexo 4**, é possível evidenciar a regularidade do imóvel em relação a reserva legal.*

5. Comentários Adicionais

- *A SLC Agrícola possui uma produção alicerçada em padrões internacionais de sustentabilidade e qualidade como a já citadas certificações ISO 14001 (ambiental), ISO 45001 (segurança ocupacional) e NBR 16001 (responsabilidade social) e ISO 9001 (gestão da qualidade) que garantem uma produção justa, economicamente viável, ambientalmente correta e com elevado padrão de qualidade.*
- *Em relação a cultura do algodão, destaca-se a certificação ABR (Algodão Brasileiro Responsável) e o BCI (Better Cotton Initiative). O Brasil é o líder mundial na produção sustentável de algodão e licenciado pela Better Cotton Initiative (BCI), responsável por 42% da produção mundial aprovada pela ONG suíça. O país ocupa o primeiro lugar no ranking mundial desde 2013. No protocolo brasileiro, 183 itens de certificação são exigidos pela legislação trabalhista e ambiental do país, considerada uma das mais completas e rígidas do mundo.*
- *Cada fardo de algodão brasileiro carrega um código de 20 dígitos que pode ser usado para identificar as seguintes informações, fardo por fardo: fazenda, ano-safra, descaroçamento, laboratório de classificação e resultados de testes de HVI. Informa também se o algodão foi certificado pelo programa Algodão Brasileiro Responsável (ABR) e licenciado pela Better Cotton Initiative (BCI), que atestam a sustentabilidade do algodão.*
- *A SLC Agrícola possui 100% da sua produção de algodão certificada ABR/BCI.*
- *Essas e outras práticas de gestão estão disponíveis no nosso relatório integrado: <https://www.slcagricola.com.br/en/ri2022/>*

(Abaixo, a lista de anexos)

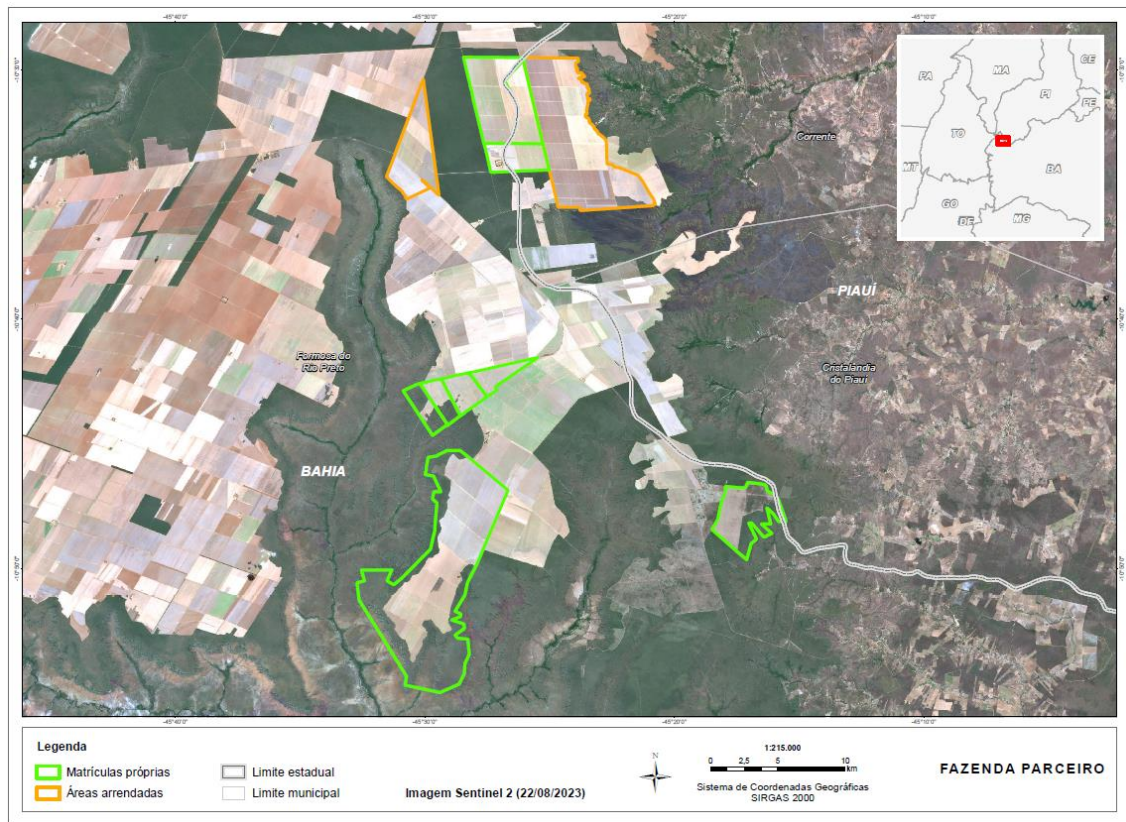
ANEXO 1

Distância da Fazenda Paysandu em relação as áreas em litígio do Capão Modesto



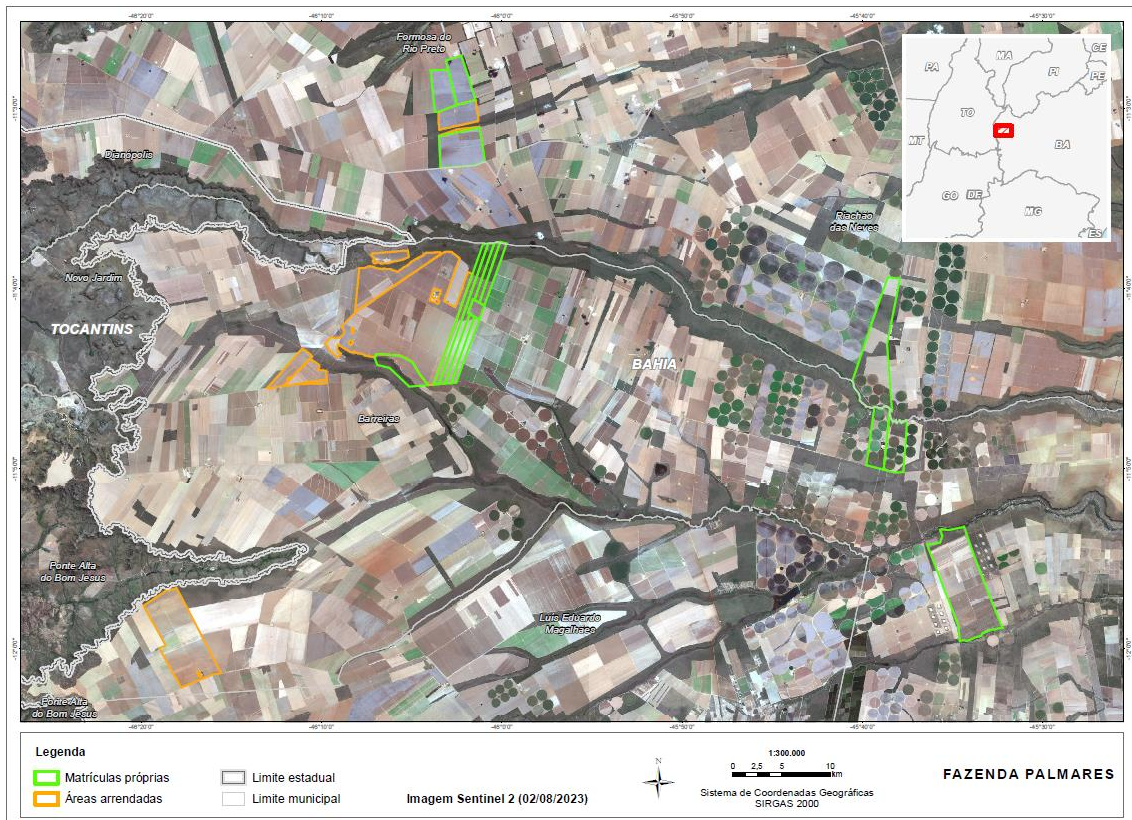
ANEXO 2

Estado de conservação atual das áreas com vegetação nativa da Fazenda Parceiro e suas subdivisões



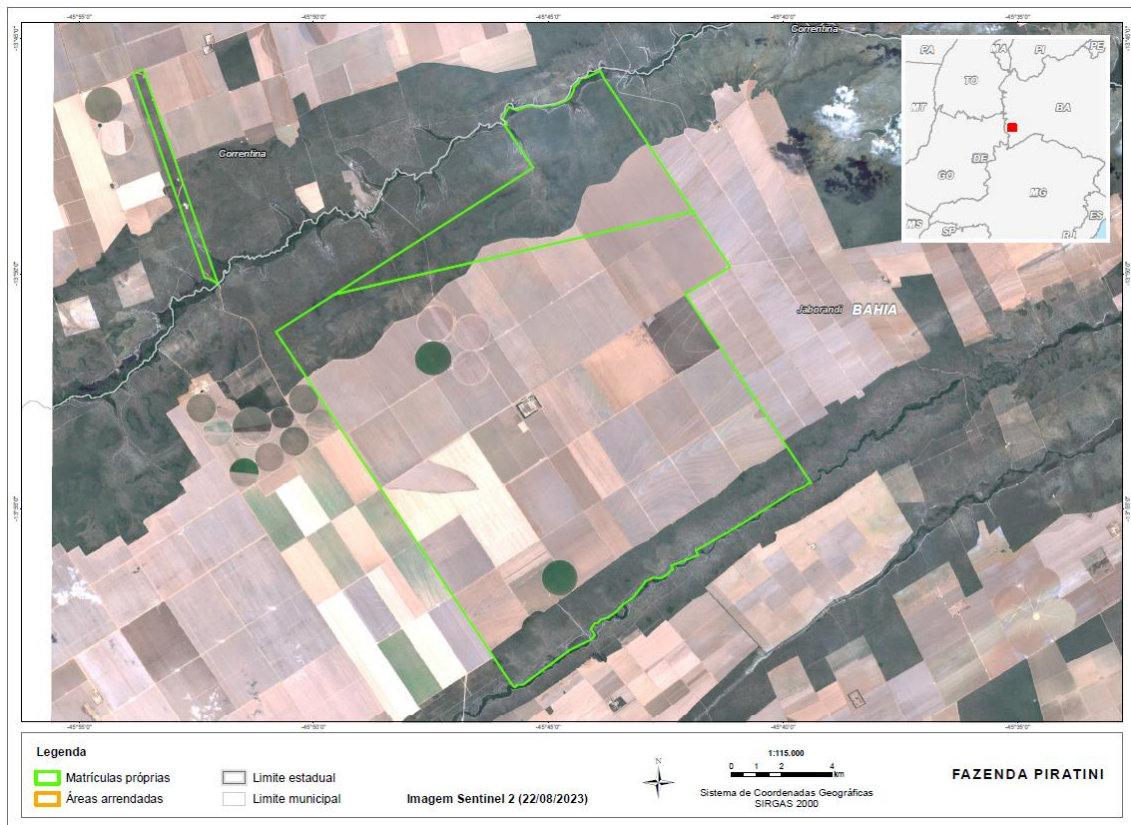
ANEXO 3

Estado de conservação atual das áreas com vegetação nativa da Fazenda Palmares e suas subdivisões



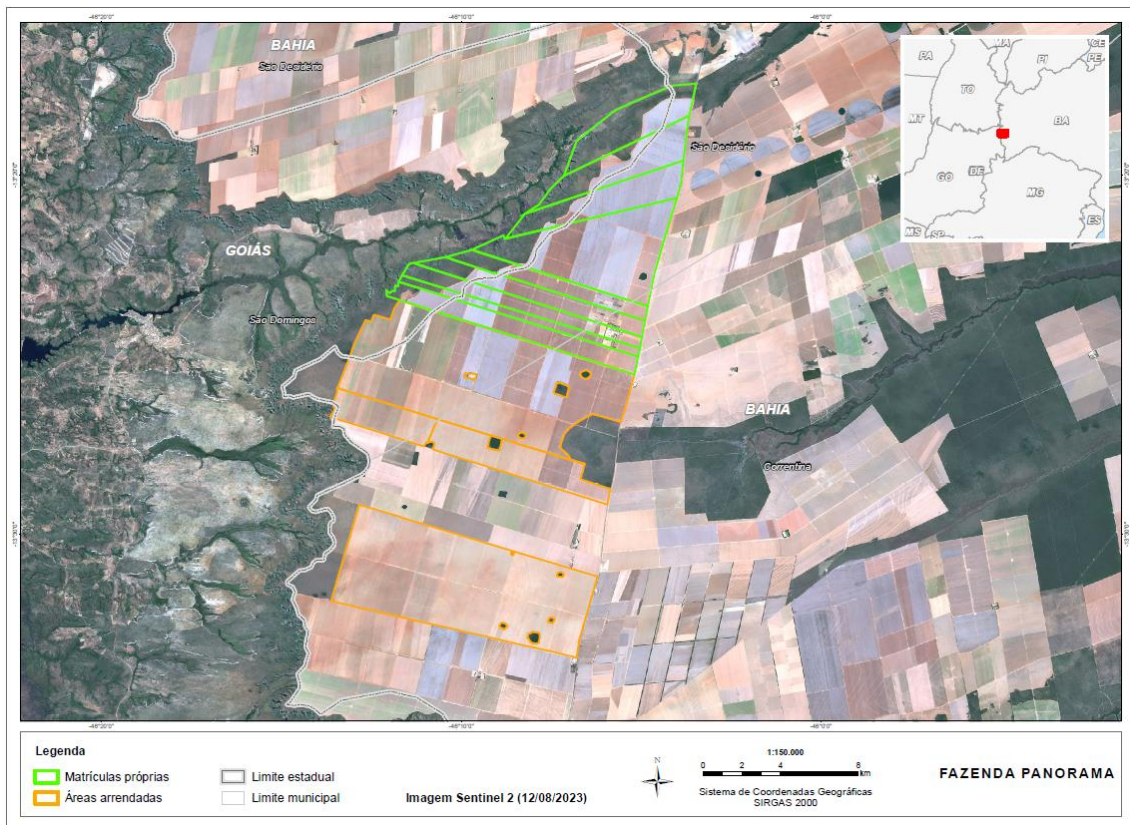
ANEXO 4

Estado de conservação atual das áreas com vegetação nativa da Fazenda Piratini



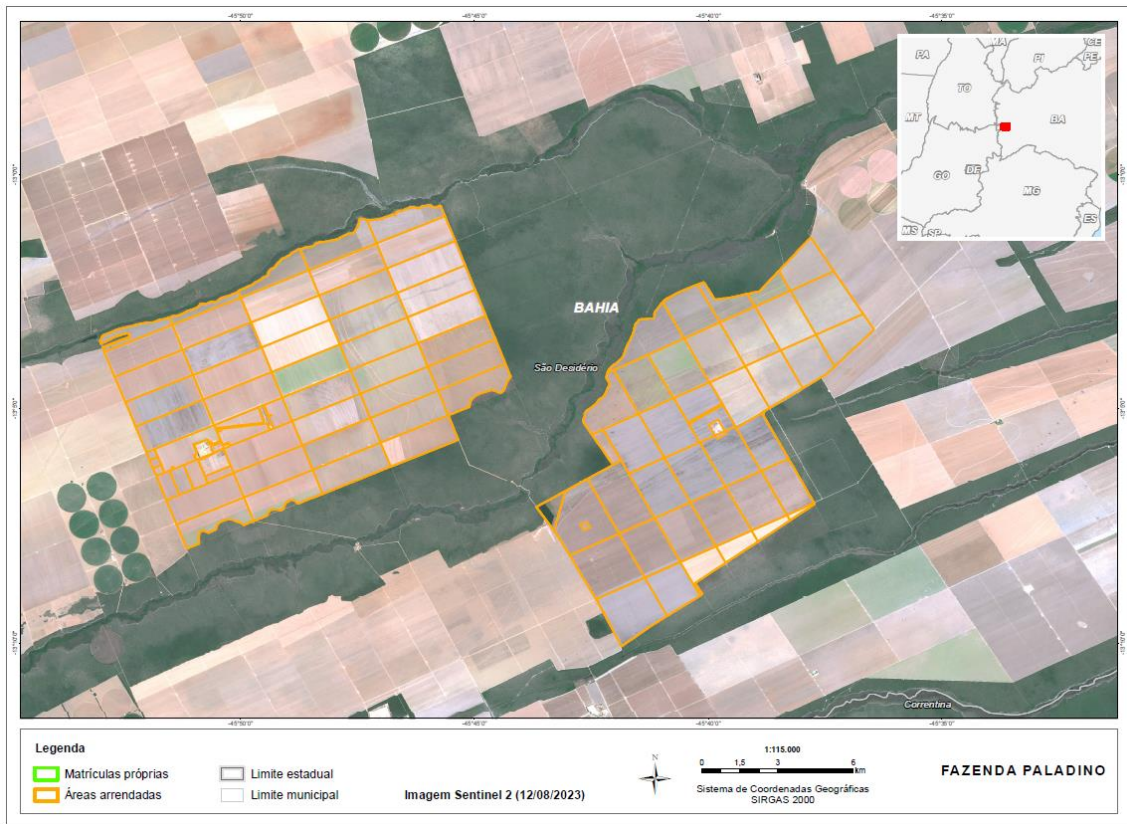
ANEXO 5

Estado de conservação atual das áreas com vegetação nativa da Fazenda Panorama



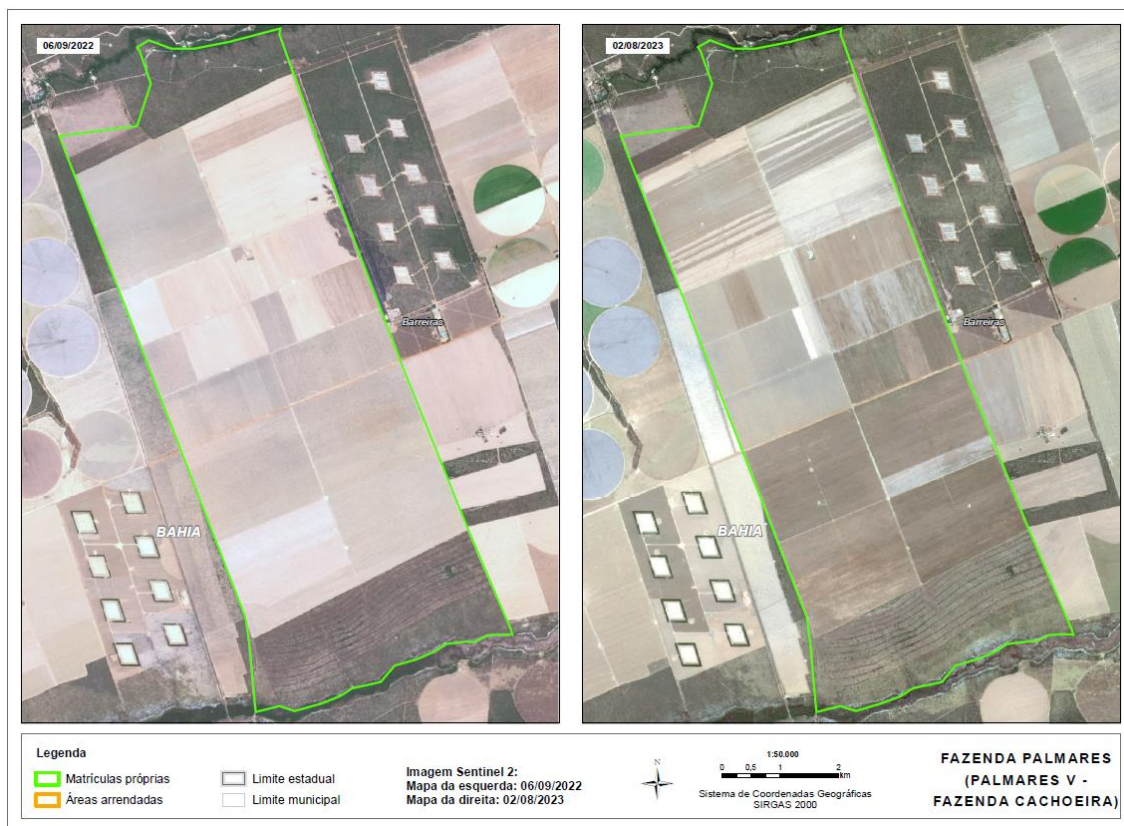
ANEXO 6

Estado de conservação atual das áreas com vegetação nativa da Fazenda Paladino



ANEXO 7

Estado de conservação das áreas com vegetação nativa da Fazenda Palmares V (posição em setembro de 2022 e atual)





ANEXO 8

**Relatório de Situação do CEFIR (Cadastro Ambiental Rural) da Fazenda Palmares,
subdivisão Novo Horizonte.**

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DADOS GERAIS

Requerente

FAZENDA PALMARES EMPREENDIMENTOS AGRÍCOLAS LTDA

CNPJ/CPF

19.765.573/0001-34

CONTATO PARA ASSUNTOS RELACIONADOS AO REQUERIMENTO

Nome

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tiago.1980@outlook.com

Procurador/Representante Legal

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CNPJ/CPF

738.665.800-10

Telefone

(51) 8162-6419

E-mail

paula.silverio@slcagricula.com.br

ITR/Receita Federal

8175886-3

Denominação

FAZENDA PALMARES - MATRÍCULA 237

Forma do vínculo com o titular

Proprietário

Área registrada em cartório (ha) Quantidade de módulos fiscais

818,1200

12,5800

CEP

47.990-000

Bairro/Distrito

area rural

UF

Bahia

Município

Formosa do Rio Preto

Logradouro

Estrada Estadual BA 459

Número

0

Complemento

KM 40 + 5 A ESQUERDA

Ponto de Referência

NÃO HÁ PONTO DE REFERÊNCIA

DOCUMENTAÇÃO

Tipo de Documento

Escritura pública

Data do documento

28/11/1990

CARTÓRIO**Número de matrícula**

237

CCIR/INCRA**ITR/Receita Federal**

8175886-3

UF**Município/Comarca**

BA Formosa do Rio Preto

Nome	Livro	Folhas
FORMOSA DO RIO PRETO	2A	NÃO INF.

PROPRIETÁRIO(S) ATUAL(IS) DO IMÓVEL

Nome	CPF/CNPJ
FAZENDA PALMARES EMPREENDIMENTOS AGRÍCOLAS LTDA	19765573000134

Documento de Propriedade

posse_propriedade	
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Procuração

Procuracao	
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QUESTIONÁRIO

Existe Termo de Ajuste de Conduta (TAC) aprovado referente à regularização de APP, Reserva Legal ou área de uso restrito? NÃO

Existe Programa de Recuperação de Áreas Degradadas (PRAD) ou outro documento aprovado referente à regularização de APP, Reserva Legal ou área de uso restrito? NÃO

Existem infrações cometidas até 22 julho de 2008, relativas à supressão irregular de vegetação em APP, Reserva Legal ou área de uso restrito do imóvel, objeto de autuação? NÃO

Possui Cota de Reserva Florestal - CRF? NÃO

Ocorreu alteração no tamanho da área do imóvel após 22/07/2008? NÃO

ÁREA DE PRESERVAÇÃO PERMANENTE

O imóvel possui área de preservação permanente? NÃO

ATIVIDADES DESENVOLVIDAS

É desenvolvida alguma atividade no imóvel? SIM

É utilizado Agrotóxico? SIM

VEGETAÇÃO NATIVA

O imóvel possui outras áreas com vegetação nativa, além de Reserva Legal(RL) e Área de Preservação Permanente(APP)? NÃO

Houve supressão de vegetação nativa depois de 22/07/2008? NÃO

RESERVA PARTICULAR DO PATRIMÔNIO NATURAL

Existe Reserva Particular do Patrimônio Natural - RPPN - no interior do imóvel rural? NÃO

INFORMAÇÕES DE USO DA ÁGUA

Qual(is) a(s) origem(ns) da Água utilizada(s)?

- Captação de concessionária pública
- Captação de precipitação meteorológica/pluvial
- Captação subterrânea
- Captação superficial

Existe lançamento de resíduos líquidos no imóvel? NÃO

Existe intervenção em corpo hídrico no imóvel tais com barragem, ponte ou desvio de curso de rio? NÃO

OUTROS PASSIVOS AMBIENTAIS

Existem Outros Passivos Ambientais fora de APP e RL? NÃO

Dados Específicos

RESERVA LEGAL

Tipo de Reserva legal (regularizada ou pretendida): Em compensação por Servidão Ambiental**Área de Reserva Legal (ha):** 163,7943**O imóvel possui reserva legal averbada?** NÃO**O imóvel possui reserva legal aprovada?** NÃO**O imóvel possui processo de regularização de reserva legal em trâmite no INEMA?** NÃO

ATIVIDADES DESENVOLVIDAS

Atividades desenvolvidas	
Tipo de atividade desenvolvida	Área
Produtos da Agricultura: Agricultura de sequeiro	818,7900

LOCALIZAÇÃO GEOGRÁFICA



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DADOS GERAIS

Requerente

FAZENDA PALMARES EMPREENDIMENTOS AGRÍCOLAS LTDA

CNPJ/CPF

19.765.573/0001-34

CONTATO PARA ASSUNTOS RELACIONADOS AO REQUERIMENTO

Nome

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Procurador/Representante Legal

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738.665.800-10

Telefone

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paula.silverio@slcagricula.com.br

ITR/Receita Federal

4033154-7

Denominação

FAZENDA PALMARES - MATRÍCULA 238

Forma do vínculo com o titular

Proprietário

Área registrada em cartório (ha) Quantidade de módulos fiscais

1.499,6100

23,0700

CEP

47.990-000

Bairro/Distrito

area rural

UF

Bahia

Município

Formosa do Rio Preto

Logradouro

Estrada Estadual BA 459

Número

0

Complemento

KM 40 + 5 A ESQUERDA

Ponto de Referência

NÃO HÁ PONTO DE REFERÊNCIA

DOCUMENTAÇÃO

Tipo de Documento

Escritura pública

Data do documento

28/11/1990

CARTÓRIO**Número de matrícula**

238

CCIR/INCRA

3010860171593

ITR/Receita Federal

4033154-7

UF**Município/Comarca**

BA Formosa do Rio Preto

Nome	Livro	Folhas
FORMOSA DO RIO PRETO	2A	481

PROPRIETÁRIO(S) ATUAL(IS) DO IMÓVEL

Nome	CPF/CNPJ
FAZENDA PALMARES EMPREENDIMENTOS AGRÍCOLAS LTDA	19765573000134

Documento de Propriedade

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Procuração

Procuracao	
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QUESTIONÁRIO

Existe Termo de Ajuste de Conduta (TAC) aprovado referente à regularização de APP, Reserva Legal ou área de uso restrito? NÃO

Existe Programa de Recuperação de Áreas Degradadas (PRAD) ou outro documento aprovado referente à regularização de APP, Reserva Legal ou área de uso restrito? NÃO

Existem infrações cometidas até 22 julho de 2008, relativas à supressão irregular de vegetação em APP, Reserva Legal ou área de uso restrito do imóvel, objeto de autuação? NÃO

Possui Cota de Reserva Florestal - CRF? NÃO

Ocorreu alteração no tamanho da área do imóvel após 22/07/2008? NÃO

ÁREA DE PRESERVAÇÃO PERMANENTE

O imóvel possui área de preservação permanente? NÃO

ATIVIDADES DESENVOLVIDAS

É desenvolvida alguma atividade no imóvel? SIM

É utilizado Agrotóxico? SIM

VEGETAÇÃO NATIVA

O imóvel possui outras áreas com vegetação nativa, além de Reserva Legal (RL) e Área de Preservação Permanente (APP)? NÃO

Houve supressão de vegetação nativa depois de 22/07/2008? NÃO

RESERVA PARTICULAR DO PATRIMÔNIO NATURAL

Existe Reserva Particular do Patrimônio Natural - RPPN - no interior do imóvel rural? NÃO

INFORMAÇÕES DE USO DA ÁGUA

Qual(is) a(s) origem(ns) da Água utilizada(s)?

- Captação de concessionária pública
- Captação de precipitação meteorológica/pluvial
- Captação subterrânea
- Captação superficial

Existe lançamento de resíduos líquidos no imóvel? NÃO

Existe intervenção em corpo hídrico no imóvel tais com barragem, ponte ou desvio de curso de rio? NÃO

OUTROS PASSIVOS AMBIENTAIS

Existem Outros Passivos Ambientais fora de APP e RL? NÃO

Dados Específicos

RESERVA LEGAL

Tipo de Reserva legal (regularizada ou pretendida): Em condomínio

Área de Reserva Legal (ha): 318,6528

O imóvel possui reserva legal averbada? NÃO

O imóvel possui reserva legal aprovada? NÃO

O imóvel possui processo de regularização de reserva legal em trâmite no INEMA? NÃO

ATIVIDADES DESENVOLVIDAS

Atividades desenvolvidas	
Tipo de atividade desenvolvida	Área
Produtos da Agricultura: Agricultura de sequeiro	1.455,5700

LOCALIZAÇÃO GEOGRÁFICA



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DADOS GERAIS

Requerente

FAZENDA PALMARES EMPREENDIMENTOS AGRÍCOLAS LTDA

CNPJ/CPF

19.765.573/0001-34

CONTATO PARA ASSUNTOS RELACIONADOS AO REQUERIMENTO

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ITR/Receita Federal

5470237-2

Denominação

FAZENDA PALMARES - MATRÍCULA 467

Forma do vínculo com o titular

Proprietário

Área registrada em cartório (ha) Quantidade de módulos fiscais

857,9700

13,1900

CEP

47.990-000

Bairro/Distrito

area rural

UF

Bahia

Município

Formosa do Rio Preto

Logradouro

Estrada Estadual BA 459

Número

0

Complemento

KM 40 + 5 A ESQUERDA

Ponto de Referência

NAO HÁ PONTO DE REFERENCIA

DOCUMENTAÇÃO

Tipo de Documento

Escritura pública

Data do documento

08/10/1992

CARTÓRIO**Número de matrícula**

467

CCIR/INCRA

2610410577038

ITR/Receita Federal

5470237-2

UF**Município/Comarca**

BA Formosa do Rio Preto

Nome	Livro	Folhas
FORMOSA DO RIO PRETO	2B	1560

PROPRIETÁRIO(S) ATUAL(IS) DO IMÓVEL

Nome	CPF/CNPJ
FAZENDA PALMARES EMPREENDIMENTOS AGRÍCOLAS LTDA	19765573000134

Documento de Propriedade

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Procuração

Procuracao	
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QUESTIONÁRIO

Existe Termo de Ajuste de Conduta (TAC) aprovado referente à regularização de APP, Reserva Legal ou área de uso restrito? NÃO

Existe Programa de Recuperação de Áreas Degradadas (PRAD) ou outro documento aprovado referente à regularização de APP, Reserva Legal ou área de uso restrito? NÃO

Existem infrações cometidas até 22 julho de 2008, relativas à supressão irregular de vegetação em APP, Reserva Legal ou área de uso restrito do imóvel, objeto de autuação? NÃO

Possui Cota de Reserva Florestal - CRF? NÃO

Ocorreu alteração no tamanho da área do imóvel após 22/07/2008? NÃO

ÁREA DE PRESERVAÇÃO PERMANENTE

O imóvel possui área de preservação permanente? NÃO

ATIVIDADES DESENVOLVIDAS

É desenvolvida alguma atividade no imóvel? SIM

É utilizado Agrotóxico? SIM

VEGETAÇÃO NATIVA

O imóvel possui outras áreas com vegetação nativa, além de Reserva Legal (RL) e Área de Preservação Permanente (APP)? NÃO

Houve supressão de vegetação nativa depois de 22/07/2008? SIM

Área da Supressão de Vegetação Nativa (ha): 12,6400

A supressão foi autorizada por órgão ambiental competente? NÃO

RESERVA PARTICULAR DO PATRIMÔNIO NATURAL

Existe Reserva Particular do Patrimônio Natural - RPPN - no interior do imóvel rural? NÃO

INFORMAÇÕES DE USO DA ÁGUA

Qual(is) a(s) origem(ns) da Água utilizada(s)?

- Captação de concessionária pública
- Captação de precipitação meteorológica/pluvial
- Captação subterrânea
- Captação superficial

Existe lançamento de resíduos líquidos no imóvel? NÃO

Existe intervenção em corpo hídrico no imóvel tais com barragem, ponte ou desvio de curso de rio? NÃO

OUTROS PASSIVOS AMBIENTAIS

Existem Outros Passivos Ambientais fora de APP e RL? NÃO

Dados Específicos

RESERVA LEGAL

Tipo de Reserva legal (regularizada ou pretendida): Em condomínio

Área de Reserva Legal (ha): 143,4000

O imóvel possui reserva legal averbada? NÃO

O imóvel possui reserva legal aprovada? NÃO

O imóvel possui processo de regularização de reserva legal em trâmite no INEMA? NÃO

ATIVIDADES DESENVOLVIDAS

Atividades desenvolvidas	
Tipo de atividade desenvolvida	Área
Produtos da Agricultura: Agricultura de sequeiro	857,9656

LOCALIZAÇÃO GEOGRÁFICA



Porto Alegre, April 10, 2024

Position in relation to the Earthsight report

- Regarding the report from the NGO Earthsight scheduled for publication on April 11, SLC Agrícola reiterates a few clarifications that had already been made to the NGO in **August 2023**:
- The property mentioned, in Capão do Modesto in the municipality of Correntina, Bahia, is situated far from the company's operations in the Brazilian state of Bahia. This information was provided to Earthsight in August last year (vide attachment). We reiterate that the property in Capão do Modesto, mentioned in the report, is owned by Agrícola Xingu and that SLC Agrícola does not operate in that area.
- Our report submitted to Earthsight included a map showing the location of the Capão do Modesto community in relation to the properties that make up the Paladino and Paysandu Farms. Said community is located about 37 km away (in a straight line) from the company's operations, as the map shows. (The contours in orange refer to leased properties while those in green are own properties. At the top right is a legal reserve belonging to the owned property of Paysandu Farm, **located in the municipality of São Desidério**, which is equally distant from Capão do Modesto and is in **another municipality**)



- SLC Agrícola reiterates that all conversions in the area with the company's native vegetation followed the limits established by law. The company has more than 113,000 hectares of preserved native areas.
- As we all know, the Cerrado biome is a complex natural system marked by unique interactions between natural phenomena and its biodiversity. Prominent among these natural phenomena is fire, which often occurs spontaneously, without any human action. This is the case of an area spanning 1,365 hectares at the Palmares Farm, ravaged

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by fire in 2022. It was a **natural fire and was not caused by the clearing** of new areas for cultivation.

- We wish to reiterate that in the cases mentioned in the Earthsight report, the forest fires in the Cerrado region **are in no way related to deforestation or conversions of natural areas**. Similarly, they were not started by any activity carried out by SLC Agrícola. In other words, the fires were caused by natural factors or probably originated in neighboring properties. Below is a map of the area, which shows the regeneration of the area (*the complete material is attached to the answers.*)



- Note that the Cerrado biome's characteristics include a strong natural regeneration of its forest areas, endemic species that are naturally resistant to fire, and species whose seed germination propagates upon direct exposure to high temperatures. Due to these reasons, combined with SLC Agrícola's efforts to prevent or contain forest fires in its areas of operation, the natural regeneration processes in the cases highlighted are currently either in the initial stage or are complete. Attachments 2 and 7 show the current status of conservation of each of the areas mentioned.
- Regarding the fines imposed by Ibama, the Brazilian environmental authority, SLC Agrícola has filed administrative appeals against all the fines based on solid arguments and documents that dispute the alleged reasons for the fines. The appeals are currently in progress and no final judgment has been delivered to date.
- The details of each of them can be consulted in the Reference and Registration Form for each year: <http://ri.slcagricola.com.br/publicacoes-edocumentos/formulario-de-referencia-e-cadastral/>
- SLC Agrícola also clarifies that cotton production is one of its core activities and follows strict quality standards. The company has several quality certificates for the cotton produced on its farms, including the SAI label from the Brazilian Cotton Producers Association (Abrapa), the Brazilian Responsible Cotton



Program (ABR) and the international certification from the Better Cotton Initiative (BCI).

- Currently, 99% of the cotton produced by SLC Agrícola is exported, mostly to industries in Asia. SLC Agrícola strives to deliver a high quality product to its customers and the company is already a reference worldwide.
- Moreover, SLC Agrícola reaffirms its commitment to transparency and respect for the environment and the local communities where it operates, always seeking to comply with regulations and good social and environmental practices.