



Supplier Relationship Policy

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SUPPLIER RELATIONSHIP POLICY

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OBJECTIVE

At AgroAmerica, we are aware of the importance of promoting and maintaining relationships with our suppliers of goods and services based on an ethically responsible business culture that benefits all those involved and from which a relationship of mutual trust and sustainable growth can be built.

In accordance with our Code of Ethics and Corporate Policies, we seek to establish through this policy the different principles, requirements and corporate culture that all our suppliers must meet.

SCOPE

This policy is directed to:

- a) Managers;
- b) Supervisors;
- c) Any position within the organization and especially those who, due to their functions, have access to information that could lead to a conflict of interest;
- d) Relatives of employees who, in one way or another, have a business or a service relationship with the company, whether by consanguinity, affinity or civil relationship. Consanguinity is taken into account up to the fourth degree, affinity up to the second degree, and a civil relationship up to the first degree;
- e) Suppliers; and
- f) People who provide a technical or professional service to the corporation.

SUPPLIERS

- a) **Definition of a supplier:** Any person, company or partnership that provides products or services to one or more companies of the corporation, regardless of whether it is on a one-time or periodic basis.
- b) **Supplier code:** Registration number that is granted internally to a supplier and by means of which business transactions can be made. The code is for AgroAmerica's use only, as well as its granting and administration.

Without this code, no business transaction or donation can be made on behalf of AgroAmerica.



- c) **Obtaining the supplier code:** The compliance department will create procedures and requirements that suppliers must meet in order to have a supplier code created for them.

It is the supplier's responsibility to provide such paperwork and update it, as well as to cooperate with the information required by the Compliance Officer or his or her assistants in order to comply with the essential requirements to provide goods or services to the corporation.

On the other hand, all employees who, due to their activities, are involved in the creation of the supplier code, must verify and request the necessary documentation for the creation of codes. Employees who carry out this type of management may not register suppliers of personal companies or businesses, or family members or any other in which influence peddling is involved.

It is the employee's responsibility to report any anomaly to the Compliance Officer.

The code may be in the following statuses:

1. **Effective:** With which any business or charitable operation provided by the supplier can be carried out.
2. **Suspended:** No further orders or payments can be made. This status is transitory either due to an outdated document or failure to provide all the respective documentation, an ethical situation under investigation or any other reason that is subject to investigation.
3. **Canceled:** There is no possibility of purchasing or providing any service or good to any company from AgroAmerica.

Effective Code:

1. The effective code is for an indefinite term as long as it complies with the stipulations of this policy;
2. The suspended code will have a term of 60 days to clarify whether it will become effective again or canceled;
3. The canceled code has a term of 5 years, after this time, the supplier may request their code again and it is at the discretion of the ethics committee its acceptance or definitive rejection.



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Principles of responsible purchasing:

At the supplier level, AgroAmerica assesses and controls the risk be derived from its supply chain. For this reason, we have developed a global supply model based on responsible criteria according to the following principles:

- a) The supply process must be based on corporate values. This will be accomplished through proactive dialogue and trainings that help to ensure the continuous improvement for mutual benefit;
- b) Stimulate demand for socially responsible products, services and projects;
- c) Assess the implementation of a single purchasing procedure for the entire corporation. Considering how many suppliers there are;
- d) Provide complete, accurate and transparent information in the supply process;
- e) Ensure compliance with applicable legal requirements in human rights, labor, tax and environmental matters by all those involved in the supply chain, as well as their involvement in efforts aimed at preventing corruption;
- f) Ensure that the selection and contracting of suppliers complies with the internal regulations in force at all times and, in particular, with corporate values, the Code of Ethics and Corporate Policies;
- g) Permanent monitoring of the documentation of the suppliers with whom we have a relationship to verify compliance with the commitments acquired;
- h) Raise awareness on the topic of Corporate Social Responsibility (CSR) among all those involved in the supply process; and
- i) Ensure consistency of Responsible Purchasing principles with other corporate policies.

Engage with our suppliers in the development of economic, social, environmental and good governance issues and collaborate with them to improve their performance and ensure compliance with these principles.

Supplier profile:

- a) Share our values of diligence, honesty and responsibility;
- b) Comply with the code of ethics and corporate policies;
- c) Be a legally constituted company, sole proprietorship or a juridical entity, and in case of being a professional or technician, to accredit such quality;
- d) Issue invoices authorized by the corresponding tax authority;



- e) Comply with applicable health requirements, licenses and permits;
- f) Have a product or service of excellent quality;
- g) Not having any type of relationship with members of AgroAmerica that may cause a conflict of interest or improper benefit. If such a relationship exists, declare it in order to verify whether or not it constitutes a conflict of interest in accordance with our Conflict of Interest Policy;
- h) A supplier cannot be a politically exposed person (PEP)¹

Required documentation - Documentary Due Diligence

Statement of potential conflict of interest:

Any employee who is part of a supplier registration process, either on a one-time or ongoing basis, must sign the Statement of potential conflict of interest form. No employee may carry out activities related to suppliers without having signed the respective form.

The Compliance Officer shall verify and require that all employees comply with this document. In addition, mechanisms may be created to prevent corruption and influence peddling in relation to suppliers.

Forms:

The Compliance Officer, together with Corporate Management, will prepare record cards, forms or any type of documentation that will contain all the information of the suppliers, in order to create a supplier database. These may be completed by the supplier or an employee, as the case may be.

Suppliers' registration:

For the registration of suppliers, legal documentation will be requested physically and/or digitally, in order to corroborate that suppliers are in compliance with the law, according to the country where they operate. Additionally, information or documentation may be requested to prove that the supplier has no legal or tax non-compliance, if they have lawsuits, reports, or any event that may directly or indirectly affect AgroAmerica.

For all suppliers, regardless of their country of origin or the company that

¹ **Politically exposed people** are those who perform or have performed a relevant public service position in Guatemala or in another country, or a person who holds or has been trusted with a prominent role in an international organization, as well as the leaders of national and foreign political parties whose profile exposes them to risk inherent to their level or hierarchical position and are considered as such according to national regulations. This will be assessed on the basis of documentation provided by the third party.



registers them, the following documentation must be requested:

- Supplier registration application form, according to its type;
- Identification document;
- Document that accredits the representation that is being exercised;
- Certificate of registration of the company in the respective registry;
- Certificate of registration of the company in the governing entity in tax matters.

Classification of suppliers:

Suppliers may be classified as:

- Small
- Medium
- Large
- Business reputation

However, suppliers may be sub-classified according to the legal regulations of each country in accordance with legal, economic or business requirements.

a) **Documents and data required for small suppliers:**

- Application form for the creation and registration of suppliers;
- Personal identification document of the owner of the company;
- Patent of the company, business or similar;
- Copy of invoice or document stating that it is registered with the supervisory or tax administration entity;
- Solvency that accredits that it is up to date in its tax obligations.

b) **Documents and data required for medium or large suppliers:**

- Application form for the creation and registration of suppliers;
- Personal identification document of the legal representative;
- Document that accredits the appointment of the Legal Representative;
- Partnership's patent;
- Patent of the company, business or similar;
- Partnership deed;
- Solvency that accredits that it is up to date in its tax obligations.

Suppliers of well-known business:



It is any supplier that, due to its long trajectory or because it is recognized locally or internationally, is presumed to have good business ethics. Consequently, it is not required to attach legal documentation accrediting their legal or tax status, but in order for a supplier to qualify for this category, it must be agreed by the Compliance Officer.

Other provisions:

In all the cases of suppliers described above, such documentation must be requested in accordance with the entities and legal regulations of the country where operations are carried out. In the same context, documentation evidencing registration and compliance with legal and tax obligations must be requested from any supplier that provides goods or services in a country where there are no operations.

The Compliance Officer shall define the documentation required for each country where the corporation has operations or for suppliers from countries where there are no operations.

Computing platforms will be developed by the IT Department together with the Compliance Officer in order to comply with this policy.

Compliance checklist

The Compliance Officer or his or her designees shall be responsible for verifying that the required documents and data are submitted in order to authorize the supplier's code.