



INVESTANCIA

# Third Party Due Diligence Policy

Investancia



## 1 Introduction

**Investancia** is committed to maintaining the highest standards of integrity and ethical conduct in all its business dealings. This Third Party Due Diligence Policy is designed (i) to ensure there is an understanding of who Investancia Group B.V., or any of its affiliated entities (“Investancia”) is doing business with and (ii) to help mitigate risks associated with third-party relationships, such as vendors, suppliers, clients, government officials, contractors, and other counterparties (“Third Parties”). The policy ensures that all Third Parties are subjected to a reasonable and proportionate level of scrutiny based on the risks they present.

## 2 Objective

The objective of this policy is to outline Investancia's approach to conducting due diligence on Third Parties. This policy is risk-based and considers the scale of the risks associated with each counterparty and the size of the company in terms of implementation and affordability. The policy helps Investancia comply with Anti-Bribery and Corruption (ABC) laws and other relevant legal and regulatory frameworks and makes sure Investancia's standards of ethical behaviour are maintained.

## 3 Counterparty Risk Types

Before Investancia transacts with a Third Party, the Legal & Compliance department of Investancia shall classify a Third Party into one of two risk categories – low risk or high risk – based on the nature of the business relationship and the country in which the counterparty operates.

**Low Risk Counterparties:** Include landlords for land leasing, suppliers, contractors, customers, law firms, banks, and prospective employees. These counterparties are generally considered to pose minimal compliance risks.

**High Risk Counterparties:** Include landowners for land purchases, acquisition targets, government departments for permits/licenses, government officials, social investment partners, investors, customs agents, and business partners interacting with government officials on Investancia's behalf. These counterparties pose higher compliance risks, particularly in countries with a Corruption Perception Index (CPI) below 60 as listed by [Transparency International's Corruption Perception Index: https://www.transparency.org/en/cpi/2022](https://www.transparency.org/en/cpi/2022).





## 4 Counterparty Information Collection

**Investancia** requires (as a next step) that relevant information about the Third Party is collected. The depth of information gathered will depend on the risk classification.

### **Low Risk Counterparty (Basic Information):**

- Registered company name
- Company registration number
- Country of incorporation
- Company address
- Bank details
- Any history of bankruptcy or dealings with sanctioned countries

### **High Risk Counterparty (In-Depth Information):**

- Basic information (as above)
- Ownership and management structure
- Code of conduct
- Anti Bribery & Corruption/Trade Compliance/Tax Evasion/Data Privacy/Human Rights programmes
- Compliance history, including involvement with government officials or politically exposed persons (PEPs)

All information collected must be documented and stored securely in the company's records.

## 5 Third Party Screening

As a next step, the Legal & Compliance department of Investancia will ensure the Third Party is further screened, using a proportionate, risk-based approach. Screening methods include:

**Google search:** Conduct Google searches using specific search strings such as "[counterparty name] (AND fraud OR bribe OR corrupt OR sanction OR money laundering OR crime OR violation OR politician OR government)." The first three pages of results should be reviewed for each Third Party.

**Country-specific searches:** For high-risk Third Parties, searches should be conducted using the search engine and language of the counterparty's country of incorporation.

All search strings and results should be documented and stored as part of the company records.



## 6 Due Diligence Requirements

The due diligence requirements vary according to the counterparty's risk level:

### Low Risk Counterparties:

- Gather basic counterparty information
- Conduct a Google search based on a simplified search string
- Store all information as part of company records
- Responsible party: the Legal & Compliance department

### High Risk Counterparties:

- Gather in-depth counterparty information
- Conduct Google searches on both the counterparty and its owners/managers
- Obtain counterparty references
- Store all information as part of company records
- Responsible party: the Legal & Compliance department

## 7 Red Flags

**Investancia** will identify and escalate potential issues ("Red Flags") during the due diligence process for further review:

### Low Risk Counterparties:

- Incomplete basic information (e.g., missing registration number, confusion over counterparty name)
- Negative findings from counterparty screening (e.g., involvement in fraud or corruption)

### High Risk Counterparties:

- Incomplete in-depth information (e.g., reluctance to share ownership details)
- Adverse findings from screening (e.g., links to bribery or politically exposed persons)
- Absence of a code of conduct, absence of ABC policy

All red flags should be documented, escalated, and assessed by the appropriate reviewer.



## 8 Review and Mitigation

Red flags will be reviewed by Investancia's Head of Legal and/or the CFO. The reviewer will determine the materiality of the risks and propose mitigation actions, such as (but not limited to):

- Seeking clarifications or additional documentation from the Third Party;
- Obtaining statements or warranties from the Third Party regarding their compliance program;
- Adding additional integrity and compliance clauses to the contract with the Third Party;
- Recusing politically exposed persons from the decision making process and/or
- Requesting references or proof of compliance programs.

Mitigations may vary and should be designed to provide sufficient assurance to the company on the integrity and compliance standing of the Third Party.

## 9 Approval

Once all of the above steps have been completed, the Legal & Compliance department shall (i) present its findings in the Third Party Due Diligence Report (see Annex I of this Third Party Due Diligence Policy) and (ii) request the Board for a formal approval for the clearance of a Third Party and the completion of the due diligence process:

**Automatic approval:** If no Red Flags are identified, the counterparty will be automatically approved for engagement.

**Escalated approval:** If Red Flags are identified, the reviewer (e.g. Investancia's Head of Legal and/or the CFO) must approve the Third Party only after all Red flags have been reviewed, mitigations agreed/actioned and the reviewer has received sufficient assurance on the integrity and compliance standing of the Third Party.

In the event sufficient assurances cannot be obtained or Red Flags cannot be mitigated, or the potential risks to the company are too great, the company should not proceed with the Third Party relationship.

All approval decisions and related documentation must be stored as part of the company records.



## 10 Record keeping & audits

**Investancia** will maintain accurate and complete records of all due diligence activities, including the information collected, screening results, identified red flags, mitigation actions, and approval decisions). These records will be stored securely in the company's database Legisway and made available for audit or regulatory review if required.

## 11 Periodic Review

This policy will be periodically reviewed and updated as necessary to ensure it remains effective, proportionate, and compliant with all relevant laws and regulations.





## **ANNEX I – THIRD PARTY DUE DILIGENCE REPORT**

This report ensures compliance with Investancia's Third Party Due Diligence Policy and maintains a transparent record of the risk assessment, review, and approval process for third-party engagements.

### **A. REPORT INFORMATION**

<b>Report Date</b>	[Insert Date]
<b>Prepared By</b>	[Insert Name/Title]
<b>Counterparty Name</b>	[Insert Counterparty Name]
<b>Counterparty Type</b>	[Insert Counterparty Type]
<b>Risk Tier</b>	[Low Risk / High Risk]

### **B. COUNTERPARTY INFORMATION COLLECTION**

<b>Registered Company Name</b>	[Insert Company Name]
<b>Company Registration Number</b>	[Insert Registration Number]
<b>Country of Incorporation</b>	[Insert Country]
<b>Date of Incorporation</b>	[Insert Date]
<b>Company Address</b>	[Insert Address]
<b>Director(s):</b>	[Insert Name(s)]
<b>Bank Details</b>	[Insert Bank Details]
<b>Involvement Bankruptcy Proceedings</b>	[Yes / No] – [Provide Details if Yes]
<b>Dealings with Sanctioned Countries</b>	[Yes / No] – [Provide Details if Yes]

Additional Information for High-Risk Third Parties (if applicable):

<b>Ownership and Management Structure</b>	[Insert Details]
<b>Code of Conduct</b>	[Yes / No] – [Provide Details if Yes]
<b>Compliance Programs:</b>	
<i>Anti-Bribery &amp; Corruption Policy</i>	[Yes / No] – [Provide Details if Yes]
<i>Trade Compliance</i>	[Yes / No] – [Provide Details if Yes]
<i>Tax Evasion</i>	[Yes / No] – [Provide Details if Yes]
<i>Data Privacy</i>	[Yes / No] – [Provide Details if Yes]
<i>Human Rights</i>	[Yes / No] – [Provide Details if Yes]
<b>Compliance History:</b>	[Insert Details]
<b>Dealings with Government Officials</b>	[Yes / No] – [Provide Details if Yes]



### C. COUNTERPARTY SCREENING

<b>Search Engine/Language Used</b>	[Insert Details]
<b>Search String Used</b>	[NAME COMPANY] AND fraud OR bribe OR corrupt OR sanction OR money laundering OR crime OR violation OR politician OR government
<b>Search Results page 1</b>	[Screenshot]
<b>Findings Summary page 1</b>	[Yes / No] – [Provide Details if Yes]
<b>Search Results page 2</b>	[Screenshot]
<b>Findings Summary page 2</b>	[Yes / No] – [Provide Details if Yes]
<b>Search Results page 3</b>	[Screenshot]
<b>Findings Summary page 3</b>	[Yes / No] – [Provide Details if Yes]

### D. RED FLAGS

<b>Information Gaps</b>	[Yes / No] – [Describe Gaps if Yes]
<b>Negative Screening Results</b>	[Yes / No] – [Describe Findings if Yes]
<b>Previous Compliance Violations</b>	[Yes / No] – [Describe Findings if Yes]

Additional High-Risk Counterparty Red Flags (if applicable):

<b>Incomplete Ownership Information</b>	[Yes / No] – [Provide Details if Yes]
<b>Reluctance to Share Information</b>	[Yes / No] – [Provide Details if Yes]
<b>Significant Links to Government Officials</b>	[Yes / No] – [Provide Details if Yes]

### E. REVIEW AND MITIGATION

<b>Reviewer Name</b>	[Insert Reviewer's Name]
<b>Reviewer Title</b>	[Insert Reviewer's Title]
<b>Review Date</b>	[Insert Date]
<b>Mitigation Actions:</b>	
<i>Clarifications/Additional Information Requested</i>	[Yes / No] – [Describe Actions]
<i>Integrity/Compliance Clauses in Contract</i>	[Yes / No] – [Describe Clauses]
<i>References Obtained</i>	[Yes / No] – [Provide Details]
<i>Proof of Compliance Program Requested</i>	[Yes / No] – [Describe Proof Requested]
<i>Other</i>	[Yes / No] – [Describe Actions]
<b>Outcome of Mitigation</b>	[Provide summary of outcome and whether red flags were successfully mitigated or not]





#### F. APPROVAL

<b>Approval Status:</b>	[Approved / Not Approved]
<b>Approval by:</b>	
<i>Name</i>	[Insert Name]
<i>Title</i>	[Insert Title]
<i>Date</i>	[Insert Approval Date]
<b>Signature</b>	[Insert Approver's Signature]
<b>Comments</b>	[Insert any additional comments or considerations for approval or rejection]

#### G. RECORD KEEPING

<b>Location of Stored Records</b>	Legisway database Investancia
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#### H. FOLLOW-UP/PERIODIC REVIEW

<b>Next Review Date</b>	[Insert Date, if applicable]
<b>Additional Actions Required</b>	[Yes / No] – [Provide Details if Yes]



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