



COMPETITION POLICY

July 2021

INTRODUCTION

Grupo Nutresa S. A. and its subordinate companies (hereinafter the “Companies”) make their corporate decisions and operate based on the law and regulations, specifically based on the law that protects competition and prohibits unfair competition and anti-competitive behavior. Moreover, all of the Companies’ actions are governed by ethics, transparency and good business practices. Therefore, the premise for its Companies to respect the participation of all other companies in the market, business loyalty, consumers’ well-being and economic efficiency has been established.

With the purpose of fulfilling this commitment, Grupo Nutresa has implemented this competition policy (hereinafter the “Competition Policy” or simply the “Policy”), which is applicable to all of the Companies’ employees and managers with the aim of ensuring the consistency of all their actions with the aforementioned principles and regulations.

In general terms, the objective of the Competition Policy is to provide its recipients with tools that allow avoiding punishable behaviors, as well as identifying risks in this context in order to determine the actions that will be taken, thus protecting both the recipients of this Policy and the Companies.

WHAT ARE THE BEHAVIORS THAT MAY NEGATIVELY AFFECT COMPETITION AND WHICH ONES CONSTITUTE UNFAIR COMPETITION?

Broadly speaking, the behaviors that may adversely affect competition and the business loyalty principle are the following:

- **Anti-competitive Agreements**



The Anti-competitive Agreements may be both oral or written, explicit or implicit, and may be materialized through a contract, covenant, agreement, joint practice and even the parallel behaviors that would demonstrate that the market participants have stopped competing among themselves.

The law punishes any type of agreement, both explicit and implicit, among competitors that consist in or have the following outcomes:

- Direct or indirect price-fixing of goods or services;
- Establishment of sales or commercialization terms that are discriminatory;
- Allocation of markets among producers and/or distributors;
- Assignment of production and/or supply quotas among competitors;
- Assignment, division, allocation or limitation of sources of or suppliers that provide production supplies;
- Technical development limitation;
- Tied sales;
- Agreements dealing with the conditions under which two or more participants will bid in a public tender or call for bids, or agreements establishing the allocation of the tender processes said agents will be bidding for;
- Third parties' inability to access the markets or commercialization channels;
- Price parallelism.

🟡 **Abuse of Dominant Position**

The dominant position in the market is not illegal by itself and, therefore, it is not anti-competitive except when the following behaviors occur:

- Price reduction below the costs with the aim of eliminating one or multiple competitors or impeding their entry and/or expansion;
- Treating a consumer or supplier that is similar to another one differently in such a way a disadvantageous situation is created for one of them without prejudice to any existing benefit programs established by the Companies;
- All tied sales in which the client of a product is forced to compulsorily purchase another product, and without the purchase of such product it is not possible to acquire the sought-after product;
- Selling or rendering services at a price different to the one offered elsewhere in the Colombian territory when the intention or effect of this practice is to diminish or eliminate the competition in such location and when the price does not correspond to the cost structure of the transaction, to business strategies or to particular conditions of said territory;
- Inappropriately blocking third parties from or impeding them the access to the markets or commercialization channels.

🟡 **Anti-competitive Actions**

Anti-competitive actions are one-sided actions that, without the need to hold a dominant position in the market, result in any or all of the following:

- Infringement of the advertisement regulations established in the Consumer Protection Statute;

- Influence over a company so that it increases the prices of its products or services, or so that such company abandons its intention to reducing said prices;
- Refusal to sell or render services to a company or discrimination against such company as a retaliation or punishment due to its pricing policy.

✔ **Unfair Competition and Anti-Competitive Behavior**

Act 256 of 1996 establishes that anti-competitive behaviors occur every time a competitor tries to attract customers or clients, or to defeat its competitors through actions that go against the good faith, business reasonableness or the market customs. Nevertheless, aggressive and innovative business behaviors and the use of the advantages or strengths a competitor has legitimately acquired in the market are not considered unfair competition or anti-competitive behavior.

✔ **Business integrations outside the provisions of the law**

An integration refers to any merger, spin-off, partnership, business collaboration, acquisition of assets, shares or stock interests in companies focused on the same business activities (horizontal integrations) or companies that participate in the same production chain (vertical integrations) with the aim of carrying out joint operations. These integrations are outside the provisions of the law when there is an improper restriction to competition, thus creating concentration of economic power in the market that destabilize the natural balance of commercial competition.

HOW TO ACT TO PREVENT OR AVOID THIS TYPE OF CONDUCT?

✔ **Regarding suppliers and clients:**

Not holding parallel meetings or communications with suppliers or clients, at the same time, with the purpose of addressing matters such as:

- Territory or marketing channel restrictions;
- The selection or election of a new wholesaler or retailer;
- Pricing practices of a specific wholesaler or retailer;
- Pricing practices in the marketing channels;
- Exchange of information that may determine the incorporation of an anti-competitive practice.

✔ **Regarding competitors:**

Not participating, allowing or enabling meetings with competitors, except when:

1. Such meetings are held within the framework of trade and/or industry associations;
2. Such meetings are focused on discussing or working on joint ventures or projects within the bounds of the corresponding law, including but not limited to agreements for the collaboration among competitors¹.

In said cases, the following rules must be fulfilled:

¹ Superintendency of Industry and Commerce, Resolution number 4851 of 2013.

- Limiting the matters that will be discussed to topics related to the trade associations, public policies or legislation activities that affect the industry in general or the specific projects that will be developed jointly;
- Ensuring the meetings fully comply with the summoning and quorum regulations, as well as appointing the person who will be in charge of taking the minutes and report of the meeting;
- Carrying out the corresponding review of the minutes and reports of the meeting with the aim of confirming they reflect the matters addressed in the meeting, that they are unabridged and that they have been duly dated and signed by all the attendees or the people appointed for such purpose;
- Ensuring no specific information on markets, prices, client lists, discounts, profit margins, future plans or any other business or commercial information that is not considered public information is disclosed;
- Not making comments that could be interpreted as an invitation for the competitors to take anti-competitive actions;
- For statistical data, it is possible to deliver general and aggregated information that corresponds to past data with the objective of enabling the furtherance of general studies or analyses of the Companies' market information, conditioning such studies and analyses to not refer to specific brands or products.

WHAT ACTIONS CAN BE IMPLEMENTED TO PREVENT THE ENGAGEMENT IN ANTI-COMPETITIVE CONDUCT BY THE COMPANIES?

The Companies must take the following actions, among other, with the objective of preventing and avoiding behaviors that adversely affect competition and the business loyalty principle:

- ✔ Projecting the results of their actions and discussing them before their execution;
- ✔ Carefully reviewing in advance the content of the interventions that will be carried out in meetings where representatives of the competitors will participate, with the purpose of ensuring that, based on an adequate use of language, only public information or other type of information that cannot be used to adversely affect competition is disclosed or shared;
- ✔ Making sure that all communications with the competitors have a clear and legal purpose, which will require an authorization from the President of the corresponding Business, as well as clearly and concisely preparing in advance the matters that will be discussed;
- ✔ Reviewing the content of all written communications that are addressed to the competitors;
- ✔ Submitting to Grupo Nutresa's CEO any decision that will be made regarding the competitors;
- ✔ Knowing and disclosing the content of this Competition Policy, as well as the Company's principles and values, to all its employees;
- ✔ Keeping records of both the employees' and the Companies' actions regarding competition and the business loyalty principle, which can be used as evidence to prove the legality of the Company's conduct and shall reflect the reality of the corporate behavior. Among other mechanisms, the following resources shall be used: i) records of the interventions in the meetings held with competitors; ii) records of the communications with competitors; and iii) minutes of the meetings held with the CEO of Grupo Nutresa within the framework of this Policy.

WHERE SHOULD THE COMPANIES' ACTIONS THAT THREATEN OR ADVERSELY AFFECT COMPETITION AND THE BUSINESS LOYALTY PRINCIPLE BE REPORTED?

The employees, suppliers, customers, clients and third parties in general who intend to submit complaints or report actions that they consider go or may go against the regulations in terms of competition shall do so through the Ethics Hotline.

The Ethics Hotline is a communication mechanism that allows reporting activities or behaviors considered to go against the law or the interests of both Grupo Nutresa and its subsidiary companies.

It operates independently, thus guaranteeing both the confidentiality and anonymity of the person submitting the report.

The following are the phone Ethics Hotline numbers by country:

Country	Telephone number
Colombia	018000518188 4443699 in Medellín
Chile	188 800 226 828
Costa Rica	008000572037
Panama	8001570890
Dominican Republic	18007510202
El Salvador	050321133751
Venezuela	8001007401
United States	18444398706
Nicaragua	00018002202420
Mexico	18000623042
Guatemala	023786934
Peru	080055928

The Ethics Hotline is available from 7:30 a.m. to 5:30 p.m. (Colombian time, GMT-5) Monday through Friday.

E-mail: lineaetica@gruponutresa.com

Regular mail, which should be addressed to Servicios Nutresa's Internal Audit Management Office, shall be posted to the following address: Carrera 52 # 2 - 38, Medellín, Antioquia.