

# POLICY ON COMPETITION



# We are committed to the principle of vigorous but fair competition

## WHY THIS POLICY?

We strive to win, but we always compete in compliance with competition laws. Our business relations with customers and suppliers, as well as occasional contacts with competitors, require careful attention to competition rules.

This policy describes the main features of competition law to ensure that you are aware of the main do's & don'ts when doing business. Adherence to competition law is an integral part of how we conduct our daily business. Therefore, you must comply, at all times, with competition laws that apply in your country. Any violation of competition law can lead to severe consequences for both our company and you, as an employee. Adherence to this policy and applicable competition laws is taken very seriously. Any violation can result in large fines for the HEINEKEN global business (up to 10% of global turnover), third party damage claims and may lead to disciplinary measures.

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## WHAT IS COMPETITION LAW?

The main purpose of competition law is to create a level playing field between companies so that they can compete effectively and fairly. Fair competition benefits consumers, as it encourages innovation and leads to lower prices. Understanding competition law also helps our Company to maintain a competitive edge.

Almost all countries in which we do business have adopted laws that determine how companies should deal with competitors, customers, suppliers and other third parties. In most countries competition law:

- Prohibits anti-competitive agreements or practices
- Prohibits abuse of a dominant position
- Regulates proposed acquisitions and joint ventures

Competition law distinguishes so-called horizontal and vertical anti-competitive agreements or practices.

- 'Horizontal' means between competitors. Typical examples of prohibited horizontal arrangements are price fixing, exchanging commercially sensitive information and allocating markets or customers.
- 'Vertical' refers to agreements between companies operating at different levels of the supply and distribution chain, for example agreements between our company and a distributor. A typical example of a prohibited vertical arrangement is if a supplier does not just recommend but actually imposes minimum resale prices on its customers.

Competition law is complicated and often requires detailed legal and economic analysis on a case-by-case basis. So contact your Legal function whenever you are in any doubt whether a certain commercial practice is legal. Also, closely follow the do's and don'ts below on how to deal with competitors, customers and suppliers.



# DO'S AND DON'TS IN DEALING WITH COMPETITORS

Any contacts with competitors require careful attention to competition rules wherever we do business. Always consider whether contact with a competitor is really necessary. If not, try to avoid it. Whenever you are in doubt, seek legal advice. Refuse, report and document any approach from a competitor which gives grounds for concern. Do not attend or leave any (trade association or other) meeting immediately if prohibited matters are to be/or are discussed and insist that your non-attendance or departure is minuted. Inform Global Legal Affairs and your Legal function of the incident without delay.

## Do's

- Compete strongly and fairly.
- Discuss general industry-wide matters provided that no commercially or company sensitive information is disclosed.
- Research your competitors through public sources (but if you do, make a note of the source).
- Inform your Legal function if you have received by any non-public means any information that you assume might contain commercially sensitive information about a competitor.

## Seek legal advice before you

- Participate in or provide information to a trade association.
- Accept invitations from competitors outside normal business contact.
- Enter into any purchase, supply, distribution or licensing agreement.
- Enter into joint ventures (production, marketing, R&D).
- Enter into any arrangements or discussions on technical standards.
- Participate in any form of information exchange, benchmarking or standard setting.

## Don'ts

- Do not agree not to compete.
- Do not fix prices or any other commercial terms and conditions.
- Do not limit, control or share markets.
- Do not agree to limit production or supply.
- Do not agree not to supply certain customers.
- Do not discuss any aspect of pricing discounts, margins, rebates, credit terms or customer quotes.
- Do not exchange (directly or via a third party) commercially sensitive information other than through a legally approved scheme.
- Do not reach any 'understanding' in relation to any of the above.
- Do not meet with one or more competitors except for lawful purposes within a legitimate, approved trade association.
- Do not agree to rig bids.

**Q: We just hired a new colleague who worked for a competitor very recently. She told me in confidence that she still has information about her old employer, including a copy of her old employer's pricing strategy. She asks me if I want to see it, can I do that?**

**A: No, this is not allowed. Explain to her that you cannot discuss or accept any commercially sensitive information concerning competitors, and neither can anyone else in our Company.**

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## DO'S AND DON'TS IN DEALING WITH CUSTOMERS AND SUPPLIERS

If in doubt, seek advice from the Legal function or Global Legal Affairs immediately.

### Do's

- Actively promote your products.
- Recommend or suggest resale prices.
- Impose maximum resale prices.
- Treat all customers and suppliers fairly.

### Seek legal advice before you

- Enter into an exclusive supply or purchase agreement.
- Apply different terms and conditions to customers without a legitimate, objective, commercial justification.
- Make any public announcement about prices or costs.
- Link the supply of one product to the supply of a different product.
- Agree with a customer that you will match any cheaper offer from another supplier.
- Require customers to take a minimum quantity or percentage of their requirements from you.
- Enter into an agreement with a term longer than 5 years.
- Prevent customers from stocking competing products.
- Refuse to supply a customer, terminate an agreement or offer discounts or rebates without objective justification.
- Prevent distributors from accepting orders from outside their territory/customer group.
- Impose export bans.

### Don'ts

- Do not agree fixed or minimum resale prices with your customers.
- Do not ask your customers or suppliers to provide you with commercially sensitive information concerning your competitors.
- Do not exchange any commercially sensitive information with your customers or suppliers that could lead them to coordinate their commercial behaviour with their competitors.

**Q: While we are preparing a proposal for a deal for a customer, they offer us a presentation containing one of our competitor's proposals so that we can respond to that with a competing price. Are we allowed to accept this?**

**A:** Yes, provided that you immediately discuss this matter with your Legal function and that in your subsequent internal and external correspondence you always refer to the source and purpose of this particular information exchange.

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## DO'S AND DON'TS IN COMMUNICATIONS

Poor use of language can cause regulators and enforcement agencies to think you are violating competition law even when you are not. Any written communication, including email and WhatsApp messages, constitutes a permanent record and may be read by others. In all communications, you must take care to avoid creating an incorrect impression or suspicion that you are violating competition law.

### Do's

- Use standard forms and contracts whenever you can.
- Seek legal advice regarding any communication with a competition authority.
- Make a note explaining anything that might be viewed as suspicious (e.g. source of information on a competitor).
- Mark written communications with lawyers as 'privileged legal advice'.
- Make sure you and those reporting to you are up-to-date with HEINEKEN's policy on competition.

### Don'ts

- Do not use language that could give a misleading impression of improper or unlawful behaviour, for instance adding a warning like 'destroy after reading'.
- Do not exaggerate or use hyperbole when discussing your market shares or use ambiguous language.
- Do not refer to competition or parallel trade as a problem to solve.
- Do not write anything in an email (or other document) that you could not later justify to your line manager or a competition authority.
- Do not disclose legally privileged documents to third parties.
- Do not delete any e-mails or documents which you think may contain anti-competitive language, but seek legal advice on what to do with them.

# SPEAK UP

If you have any concern regarding a possible violation of this policy, speak up. Raise any concern you have through your manager, Trusted Representative, Global Business Conduct or through our internal Speak Up service: online (<http://speakup.heineken.com>) or by phone through the Integrity Line in your country. All reporting is done confidentially and you can share your concerns anonymously (if allowed by the laws of your country) or not. Whatever feels comfortable to you.



▶▶▶ For more guidance see the [HEINEKEN Speak Up Policy](#)

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## QUESTIONS?

If you have any concerns about the business practices or behavior of your customers, competitors or colleagues, or if you have any questions about competition law in your country, please contact the Legal function or Global Legal Affairs.

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- Note that not acting in accordance with this policy may lead to disciplinary measures, including dismissal  
▶▶▶ For more guidance see the [HEINEKEN Policy on disciplinary measures](#)
- This policy applies to all individuals as described in the HEINEKEN Code of Business Conduct.