



# **COMPETITION POLICY OF THE INMOCEMENTO GROUP**

**7 November 2024**

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## 0. VERSION CONTROL

<b>Version</b>	<b>Date</b>	<b>Modifications</b>
1	7 November of 2024	Version version. Approved by the Board Board of Directors

## 1. INTRODUCTION

The Code of Ethics and Conduct of the group of companies of which INMOCEMENTO, S.A. is the parent company ("**INMOCEMENTO Group**" or the "**Group**") reflects the Group's commitment to the rules and principles of free competition in the sectors and markets in which it operates.

This commitment is a priority and is compatible with our strategic interests, requiring the INMOCEMENTO Group to have a corporate policy of compliance with antitrust regulations.

This document ("**Competition Policy**" or "**Policy**") has been designed as an effective instrument to ensure that the activities of the INMOCEMENTO Group are fully aligned with competition law.

## 2. SCOPE OF APPLICATION

This Policy must be applied by all the companies that form part of the INMOCEMENTO Group, as well as by its management team and employees.

In particular, the commercial, business development, strategic planning and control, bidding and purchasing departments must be particularly sensitive to these rules in the exercise of their activity, ensuring compliance with them, especially by those who have contact with competitors, customers or suppliers.

## 3. PURPOSE

The Competition Policy pursues the following objectives:

- To set out the basic principles of competition law with which the management team and all employees of the INMOCEMENTO Group should be familiar; and
- To provide INMOCEMENTO Group companies, the management team and their employees with guidelines for action to prevent a breach of competition law.

This Policy is integrated within the INMOCEMENTO Group's Compliance Model and must be considered in conjunction with the rest of the policies and procedures that apply to the companies that make up the Group.

The INMOCEMENTO Group's Code of Ethics and Conduct is the framework standard that establishes the mandatory guidelines for conduct in the ethical, social and environmental fields. The Competition Policy develops the Group's express commitment, contained in its Code of Ethics and Conduct, to respect free competition and good market practices.

## 4. LEGAL FRAMEWORK

### 4.1. Regulations

Competition law aims to guarantee the proper functioning of markets by ensuring that all economic operators decide their strategy and behaviour in the market in an autonomous and independent manner.

The rules applicable in the field of competition law are similar in most of the countries where the INMOCEMENTO Group operates, as they are based on the same principles.

In particular, the following conduct is prohibited:

- Anti-competitive agreements between undertakings which have as their object or effect the restriction of competition.
- Abuse of a dominant market position.

#### 4.2. Consequences

Non-compliance with competition law can have serious consequences for both Group companies and their employees.

##### **Consequences for Group companies:**

- **High fines:** A breach of competition law may be punishable by a fine of up to 10% of the Group's total turnover.
- **Prohibition to contract with the public administration:** the declaration of a serious competition infringement may lead to a prohibition to contract with the public administration for several years.
- **Damages claims:** a competition infringement may harm customers, competitors, suppliers or public administrations. Those harmed by an anti-competitive practice can claim damages. The amount of damages claims can be even higher than the fine that can be imposed by the competition authorities.
- **Nullity of agreements:** agreements contrary to competition law are null and void and cannot be enforced.
- **Reputational damage:** the decisions of the competition authorities are public and have a significant media impact. A sanction for a competition infringement or even the mere opening of a disciplinary proceeding damages the image of the company and the Group. This reputational damage may also affect the contracting of works or services, lead to the loss of potential investors or the early termination of contracts.

##### **Consequences for the Group's employees:**

- **Personal fines:** the management team or persons who take decisions or act on behalf of the undertaking in breach of competition law can also be individually sanctioned by the competition authorities.
- **Damage to personal reputation:** personal fines imposed by the competition authorities are also public and have repercussions in the press. Participation in a competition infringement damages the reputation of the person involved and may affect him/her professionally and even his/her personal relationships.

- **Liability at work:** Participation in anti-competitive behaviour by an employee of the INMO CEMENTO Group will result in disciplinary measures or even fair dismissal.
- **Potential criminal liability:** Some countries provide for criminal consequences for persons involved in a competition infringement.

## 5. PRINCIPLES OF BEHAVIOUR IN CONTACTS OR RELATIONS WITH COMPETITORS

Any agreement, understanding or cooperation with a competitor that has the object or effect, actual or potential, of restricting competition (e.g. an agreement on prices or market sharing) constitutes a very serious infringement of competition law.

The concept of "agreement" is very broad. It is not necessary for there to be a written agreement, the existence of an "understanding" (even if tacit) between competitors being sufficient.

### 5.1. Anti-competitive agreements

#### 5.1.1. Prohibited practices

The following agreements with competitors are strictly prohibited, even if they are not ultimately implemented, as they constitute a very serious infringement of competition law:

- **Coordination of commercial or strategic policy in the market** with competitors, except in the framework of co-operation agreements that are justified from a competition perspective.
- **Bid-rigging or bid-rigging**, e.g. by coordinating bids with competitors, aligning bidding terms, agreeing not to bid or to submit artificially high or low bids, fixing compensation to unsuccessful bidders, etc.
- **Exchanges of commercially sensitive information** with competitors, including the mere receipt or provision of information (e.g. information on prices, costs, commercial or service conditions, supply of suppliers or bidding for tenders).
- **Allocations of customers or territories** with competitors.
- **Agreements on sales volumes or market shares.**
- **Agreements limiting production.**

#### 5.1.2. Rules of engagement

- If there is contact with a competitor that constitutes a competition infringement, the contact should be terminated by stating in writing (e.g. by e-mail) that such contact is inappropriate and indicating that it should not be repeated.

- Pay particular attention to the vocabulary used in verbal or written communications with competitors. In particular, avoid expressions that could be misinterpreted and mislead a competition authority into believing that anti-competitive conduct may have taken place.

## 5.2. Exchanges of information

### 5.2.1. Prohibited practices

Antitrust law prohibits exchanges of commercially sensitive information between competitors because they reduce uncertainty about their current or future market behaviour.

Such exchanges of information are prohibited regardless of whether they take place directly between competitors or indirectly (via third parties). The medium used is irrelevant (even if it takes place in a conversation, an email or an instant messaging application).

It is also prohibited to demand from customers or suppliers information about specific commercial conditions offered by competitors.

#### What information is commercially sensitive?

The confidentiality of information from a competition perspective depends on the specific characteristics of the market, the strategic nature of the data, the frequency of exchange, as well as the scope and age of the information exchanged.

Any exchange of information between competitors that reduces uncertainty about the commercial or strategic behaviour of undertakings in the market constitutes a competition infringement.

Increased risk	Lower risk
Information on <b>current</b> behaviour <b>or future</b>	<b>Historical</b> information
Information on <b>trade strategy</b>	<b>Public</b> information
<b>Individualised</b> information	<b>Aggregate</b> information
In a <b>concentrated market</b>	In an <b>under-concentrated market</b>

### 5.2.2. Rules of engagement

- If commercially sensitive information is received from a competitor, it must be recorded in writing (e.g. by e-mail) that the communication is inappropriate because it violates competition law.
- If we receive commercially sensitive information about a competitor (e.g. prices), even from lawful sources (such as in a negotiation with a customer), the source and date should be indicated in the internal document so that we can prove, if necessary, that it has not been received from a competitor.

### 5.3. Sectoral associations

#### 5.3.1. Prohibited practices

Within the framework of industry associations there are often contacts with competitors. Therefore, extreme care must be taken to avoid any infringement of competition. In particular, the following practices are strictly prohibited:

- Coordination of commercial or strategic policy in the market with competitors.
- Exchange of commercially sensitive information.
- Collective actions against companies that are not members of the association.

#### 5.3.2. Rules of engagement

- Mere attendance or presence at a meeting where an anti-competitive practice takes place may be considered by competition authorities as participation in anti-competitive conduct.
- If possible, the agenda should be requested in advance of the meeting and it should be checked that no exchange of commercially sensitive information is planned and that no agreement is to be reached that could be considered anti-competitive (see section 5.1).
- It is advisable to ask for minutes of meetings attended by competitors and to obtain a copy of the minutes.

### 5.4. Business cooperation between competitors

#### 5.4.1. Justification

Cooperation agreements between competitors (alliances, consortia, joint *ventures*, etc.) entail a risk of infringement of competition law and caution should be exercised when they are concluded.

Co-operation agreements between competitors, such as joint ventures, are fully justified where there is an objective need for undertakings to team up in order to carry out a project or participate in a tender, due to a lack of sufficient technical, professional, economic, organisational or operational capacity. They may also be justified where it is unreasonable or less attractive to go it alone because it is not possible to achieve the same economic efficiencies, operational advantages or excessive financial risks.

#### **Situations in which the formation of a joint venture is always anti-competitive:**

- If the purpose of the joint venture is to avoid competition between the companies that form it.
- If the joint venture is formed to alter or manipulate a tender (e.g. by determining the winning bid, avoiding the qualification of low bids, etc.).

#### **Situations in which caution should be exercised when forming a joint venture:**

- When any of the companies that form part of the joint venture has in the past been



the sole bidder in similar tenders and has been awarded the contract. In this case,

it is desirable to record in the preparatory documents of the joint venture (e.g. memoranda, MOUs, etc.) the specific circumstances of the company or the market which justify the need to bid jointly with other companies.

- When any of the companies that form part of the joint venture has the required technical, professional and economic capacity and/or the availability of material resources and personnel necessary to compete alone.
- When the company goes individually to the tender and subcontracts the execution to competitors who could have bid for the tender.

#### 5.4.2. Rules of engagement

- It must be documented that the cooperation is justified in order to be able to prove, if necessary, that it does not have an anti-competitive purpose. To this end, a **report** must be prepared that justifies the collaboration on the grounds of **(i) lack of technical capacity or availability of resources** (impossibility of competing alone) or **(ii) economic or operational reasonableness or efficiency** of entering into a joint venture (e.g. financial risk, ensuring a profitability margin or loss limit, operational capacity or the convenience of having the knowledge or experience of a local partner, etc.).
- Extreme caution should be exercised in prior contacts with competitors before the formation of a joint venture, and any exchange of information outside the joint venture should be avoided.
- Avoid concluding global joint venture agreements or agreements covering more than one project, and each agreement to form a joint venture must refer to specific works or projects.
- The participation of the companies in a joint venture must be maintained only for the duration of the project or work for which it was formed, except in exceptional and justified situations.

## 6. ACTIONS IN THE INMOCEMENTO GROUP

The INMOCEMENTO Group's management team and employees must be aware of and respect competition law. To this end, access to training materials and specific advice will be provided to ensure a culture of compliance with competition regulations.

In this regard, the INMOCEMENTO Group undertakes to provide its personnel with the appropriate tools to carry out their work without infringing competition law. In addition, each business area or subsidiary of the Group may develop additional specific actions according to its degree of exposure to a possible infringement.

In general, the following lines of action will be developed in the INMOCEMENTO Group:

- **Training:** knowledge and sensitivity in the INMOCEMENTO Group in antitrust matters is essential to limit the exposure to a risk of

infringement. Therefore, a regular training programme will be implemented, including training materials and behavioural guidelines.

- **Advice:** those responsible for regulatory compliance and the legal counsel of each business area or subsidiary of the INMOCEMENTO Group will resolve any doubts or queries that may arise regarding compliance with this Policy and competition law.
- **Ethical Channel:** possible anti-competitive actions in the INMOCEMENTO Group must be reported through the Ethical Channel, guaranteeing anonymity.
- **Detection:** the businesses that make up the INMOCEMENTO Group will carry out controls of their business activity with the aim of detecting possible infringements.

The degree of development of these instructions will be periodically assessed in order to implement complementary actions, if necessary.

In addition, specific procedures may be laid down for the management of certain situations that may entail a higher risk of exposure to competition infringements, in particular as regards

- **Sectoral associations:** establishment of a register identifying the sectoral associations or professional forums in which they participate, as well as a review of their membership.
- **Business cooperation:** any project involving business cooperation with competitors (consortia, commercial agreements, joint ventures or joint ventures) must include prior justification for such collaboration. In particular, a memorandum or report including a technical and economic assessment must be drawn up for internal approval.
- **Commercial distribution agreements:** those business areas or subsidiaries of the INMOCEMENTO Group that conclude distribution agreements shall pay special attention to avoid specific infringements such as resale price fixing, allocation of final sales territories or exclusive distribution agreements that may restrict competition (when the market share exceeds 30% or the duration of the agreement exceeds 5 years).
- **Dominant position:** in order to prevent abuse of a dominant position, dominant companies must act in the market avoiding unilateral actions that could be classified as abusive. To this end, the INMOCEMENTO Group will periodically check its position or market power in the markets in which it operates, in order to avoid abusive conduct that could lead to the exclusion of competitors (such as predation, loyalty discounts, product tying, etc.) or the abusive exploitation of customers (such as abusive prices, discrimination or refusal to supply).

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