



# Antitrust Policy



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## Context

The **Puig**<sup>1</sup> Ethical Code establishes the values and commitments assumed internally and externally by the organisation. Through the framework of these commitments, **Puig** reaffirms its respect for all companies operating in the market, and especially for its competitors.

**Puig** promotes a business environment characterised by free competition, and expresses its strongest opposition to any behaviour, decision, or situation, internal or external, that damages effective competition in the market.

This Policy establishes a set of principles and behaviours through which **Puig** projects its compliance culture into the area of competition.

<sup>1</sup> “**Puig**” refers to the **Puig Brands, S.A.** company and its subsidiaries and other entities that may be incorporated in the future in which **Puig Brands, S.A.** holds or may hold direct or indirect control, according to article 42 of the Spanish Commercial Code.

## Purpose and scope

This Policy reflects the strong desire of the governing body of **Puig Brands, S.A.** and of its managers and legal representatives to incentivise and promote a culture of ethical business behaviour and compliance with competition protection legislation, and it defines the company’s responsibilities to its clients, suppliers, and consumers in general.

This Policy applies to all **Puig** employees, regardless of their hierarchical level or functional or territorial scope, members of the governing body of the companies which comprise **Puig**, and shareholders.

All these people, especially those in positions of responsibility, are obliged to follow this Policy and translate its contents into their areas of action and interaction both internally and externally to ensure it is followed at all times.

This Policy has been approved by the Board of Directors of **Puig Brands, S.A.** and applies to all **Puig** companies and activities.

The various **Puig** divisions and local business units are permitted to develop this Policy within a divisional or local policy and in such situations such divisional or local policy will comply with the terms, principles and behaviours contained within this Policy.



## Principles for action

This Policy is based on the following principles which derive from the commitments set out in the Ethical Code and applicable legislation.

- **Desire for compliance**

**Puig**, its governing body, its managers, and all those who act for the company, recognise the importance of operating according to the highest standards of integrity and ethics in business and commercial transactions within a culture of responsible business which respects free competition.

For this reason, **Puig** confirms its desire to comply with the competition protection legislative framework and to make its employees and others subject to this Policy aware of its importance so that through their daily activities and direct personal participation they ensure it is followed.

- **Raising Awareness**

Compliance with competition protection legislation requires the active participation of employees and others connected to **Puig**. For this reason, the company promotes accessible training on how to remain compliant with competition protection legislation which is adapted to the scope and function of each person.

- **Trust and transparency**

**Puig** encourages reporting of any inappropriate, illegal, or ethically questionable behaviour without fear of reprisal. **Puig** provides a secure and confidential Reporting Channel <https://puigreportingchannel.ethicspoint.com/> which allows non-compliance to be reported anonymously so behaviour or situations which are illicit or ethically questionable can be detected and responded to.

However, where possible non-compliance with competition protection legislation is suspected, it is recommended to contact the legal department immediately by telephone, as they are best placed to analyse the information reported adequately due to their specialised knowledge.



- **Control and supervision**

**Puig** has an internal compliance structure comprising three layers or 'lines of defence'. The first line of defence is the operational teams and their managers, whose involvement is critical to guarantee the standard of compliance that **Puig** aims for. The Corporate Legal Services area and the legal departments of the Business Divisions are especially important in ensuring compliance with competition protection legislation. The second line of defence is the Chief Compliance Officer and the compliance area, and the third line of defence is the Internal Audit function which supervises the compliance model and provides independent and objective assurance to the Audit and Compliance Committee and the Board of Directors.

Specifically, control of the compliance structure is assigned to the Chief Compliance Officer and the compliance area who carry out their functions independently and autonomously and with a specific assignment of resources. The Chief Compliance Officer and the compliance area report directly to the Audit and Compliance Committee which reports to the **Puig** Board of Directors.

Finally, **Puig** has a risk map which identifies risks associated with the company's business activity and establishes mitigation controls. Identified risks are reviewed and revised periodically.

- **Reaction**

**Puig** adopts necessary and adequate legal measures, including appropriate disciplinary measures, when non-compliance with competition protection law is detected, as well as any other deviation from internal ethical standards.





## Expected behaviour and possible consequences

### Expected behavior

To apply the principles of this Policy, **Annex 1** provides a guide to specific behaviour which can help **Puig** employees and others subject to this Policy avoid situations which generate competition risk. The contents of **Annex 1** are a guide and limited to certain situations which have been identified as having special practical relevance and/or are higher risk from a competition law perspective. In the event you have any questions or require additional support please contact Corporate Legal Services or Legal Department.

### Possible Consequences

Non-compliance with the principles of this Policy and with competition protection legislation can have serious consequences for **Puig** and for the persons in breach of the legislation. **Annex 2** provides a summary of these consequences.

## Approval, publication and revision

This Policy has been approved by the Board of Directors of **Puig Brands, S.A.** on 30 of May of 2023 and came into force at that time. This Policy is also available on the intranet, on the **Puig** website and will be communicated to **Puig** employees and other stakeholders where appropriate.

This Policy may be reviewed and revised when necessary and replaces and supersedes any previous policy.

In case of non-compliance with this Policy, **Puig** will take legal measures (including of a disciplinary nature) or contractual measures, according to the nature of the non-compliance.



## Annex 1

Relationship with Competitors			Relationship with clients	Drafting documents
Anti-competitive agreements with competitors	Information exchanges with competitors	Industry meetings/ events	<p>It is vital that we maintain a good relationship with our customers. However, when dealing with Puig customers under no circumstances should your</p>	<p>Careful language will not avoid liability where anti-competitive conduct is involved, but it will prevent lawful conduct being treated as suspect because of a poor choice of words. You should avoid using certain words as part of your written vocabulary.</p>
<ul style="list-style-type: none"> <li><b>In general, any type of coordination of competitive activity between a group of competitors.</b> This includes coordination carried out indirectly via intermediaries (e.g., clients) if the end intention is to reach an agreement. Restrictive agreements with competitors are prohibited in general, including when they are not implemented or followed.</li> <li><b>Fixing prices or other commercial terms-</b> any coordination of prices (for instance, exchanges of price lists) or other trading terms to third parties is considered price fixing, not just setting prices. The agreement need not be explicitly to fix prices. The coordination of any commercial term can count as price fixing, for instance: an agreement to set particular levels of discount or to set ranges of prices or to set prices for different types of service or even commissions commonly paid to agents.</li> <li><b>Market sharing</b> - any allocation of territory or customer group or product group is prohibited. In its simplest form, market-sharing consists of competitors agreeing that Company A will have market/client X and Company B will in return have market/client or a percentage of them.</li> <li><b>Quota fixing</b> - any coordination of productivity or sales levels is likely to be detected, including, amongst others, agreements on new product launches or parallel marketing strategies.</li> <li><b>Boycotting</b> - Agreeing not to deal with a particular supplier or distributor for a given product or service or over a given product or service range is prohibited.</li> </ul>	<p>A very common way in which competition issues arise between competitors is in the mere exchange of sensitive Information. Significant fines have been imposed due to Information exchanges between competitors. The basic rule is that exchanging information that is current, non-aggregated and commercially sensitive is generally prohibited. Exchanging information (even without a clear agreement) on future intended prices is a hard-core infringement. As a general rule <b>you are not allowed to reveal any information to or exchange information with your competitors</b> (except those information exchanges that according to applicable law Puig may authorize) regarding:</p> <ul style="list-style-type: none"> <li>pricing, including discounts, rebates, credit terms or</li> <li>any other element of day-to-day financial policy such as credit terms/billing practices/cost expenditure/profit margin predictions or</li> <li>future commercial plans, specific customer or supplier deals, launches of products or</li> <li>other sensitive information such as investments or other information which you would generally consider confidential or which relates to factors (other than price) on which Puig competes, including customer lists and Puig terms of trade, which are not in the public domain.</li> </ul>	<p>Below are a few simple guidelines for dealing with potential competition law issues as they arise at any form of Industry gathering or in trade associations:</p> <ul style="list-style-type: none"> <li>Review the agenda of any trade association meeting beforehand to see if any competition-sensitive subject seems likely to arise.</li> <li>If sensitive subjects, such as those referred to above, are brought up during a meeting or conversation with competitors, you should specifically ask that the discussion of the subjects cease. If others present insist on discussing them, you should leave the room and ask that your disapproval of their discussion of such subjects be noted in the minutes of the meeting (if feasible). In case of doubt, you should leave the room. In any event you should inform Puig Corporate Legal Services immediately of all steps you have taken.</li> </ul>	<ul style="list-style-type: none"> <li><b>Fix retail prices or impose minimum retail prices.</b> It is permissible to propose recommended retail prices or impose maximum retail prices. You may also learn the terms and conditions which Puig retailers apply to their own customers. However, under no circumstances should you, directly or indirectly, interfere with the pricing strategy and/or other commercial terms applied by Puig customers to their own customers.</li> <li><b>Require customers to respect recommended retail prices and/or encourage the respecting of such recommended retail prices</b> (i.e. by granting discounts or gifts or threatening to withdraw the discounts or gifts if the recommended retail prices are not respected).</li> <li><b>Within the EU, restrict the territories or the customers to which customers may resell</b>, except with regard to selective products in which case the resale to unauthorized distributors may be prohibited by Puig. If you are located outside the EU, please consult with Puig Corporate Legal Services as this restriction may also apply to you.</li> <li><b>Limit or prevent Puig customers from reselling or advertising Puig products via the Internet</b>, whilst maintaining the right to impose conditions or limits intended to protect the image of Puig trademarks and products.</li> </ul> <p>If a Puig representative perceives that Puig has a significant market share in a given market, they should immediately communicate this to Puig Corporate Legal Services. For purposes of this paragraph, a significant market share refers to a market share equal to or above 30%. Exclusivity and non-compete obligations may raise certain competition law concerns. Prior to agreeing to exclusivity or non-compete obligation (in any form whatsoever) please contact Puig Corporate Legal Services.</p>	<ul style="list-style-type: none"> <li><b>Guilt complex words</b> - phrases such as "please destroy after reading" and "no copies" suggest the possibility of wrongdoing even though the objective being pursued in using such words is simply to preserve the confidential nature of a document. Wording such as "strictly confidential" or "company secret - restricted circulation" is preferable.</li> <li><b>Loose words about competition and prices</b> - loose or vague wording in relation to competition problem areas such as the prices of competitors can be dangerous. The competition authorities may construe such language against Puig. Be clear about what you are saying.</li> <li><b>Speculation as to the legal propriety or consequences of conduct</b> - for example, "these arrangements may well breach competition law so discretion is required". Such language immediately suggests illegal behaviour to the competition authorities where none may exist. You should not speculate about the lawfulness of arrangements. If you are unsure, please contact Puig Corporate Legal Services.</li> </ul>





## Annex 2

### Consequences for Puig

- **Fines** (i.e., in Europe up to 10% of worldwide turnover).
- **Actions for damages** - that may be brought by competitors or individuals suffering loss caused by anti-competitive conduct.
- **Costs of defending investigations** - being investigated is itself expensive, both in terms of the use of very valuable management time and legal and economists' expenses.
- **Reputational damage** - infringements and fines are widely reported in the popular media (i.e., not just in the trade or business press). They create bad relations with other parties and internally within companies.
- **Invalidity of agreements** - if a company enters into a contract which infringes competition law, that contract may be invalid and unenforceable. This could mean that the company has paid more than it should have or that the company is unable to rely on a valuable contractual commitment from another party, for example a long-term exclusivity commitment or a minimum volume requirement.

### Consequences for people who breach the regulations

- **Criminal liability** - in certain countries, prison sentences are possible (i.e., in the UK or US).
- **Damage to career** - including (i) disciplinary action (possible dismissal) and (ii) director disqualification.
- **Intrusion by enforcement authorities** - including entering your home and conducting covert surveillance.