

# World Steel Association (worldsteel)'s competition law statement

February 2024

## Introduction

The aim of competition law is to preserve competition by prohibiting certain agreements between undertakings, decisions by associations of undertakings and concerted practices which may affect trade and which have as their object or effect the prevention, restriction or distortion of competition. Competition law thus prohibits all agreements and concerted practices between competitors that reduce strategic uncertainty in the market (i.e. price fixing, limit or control of production, market sharing etc.).

Moreover, trade associations, such as worldsteel, are or may be composed of companies that are competitors in all or part of their business; they are therefore subject to particular antitrust scrutiny.

Failure to comply with competition law may have severe consequences:

- substantial fines;
- third parties may be able to recover damages;
- possible criminal sanctions for individuals in some countries;
- reputational risk and damage.

## Purpose

The purpose of this statement is to reinforce the commitment of worldsteel to upholding all applicable laws and in particular competition rules, both European and international, and to stimulate awareness of all relevant persons with respect to competition rules which are applicable to the activities of worldsteel.

As worldsteel is based in Brussels, Belgium, EU competition rules, as provided in the EU Treaties, are applicable not only to worldsteel, but to all of the individuals employed by its member companies participating in all worldsteel committees, working groups and any other structures created by, managed by or affiliated with it.

It is the intention of worldsteel, both for its member companies and its own staff, to fully abide by these laws and to ensure the highest compliance with competition rules in all its activities, as well as to avoid any issues that could create an appearance of collusion.

## Policies and principles

1. worldsteel will not permit any discussions regarding prices, costs, capacity of production or any other price-related information at any of its meetings, physical or virtual.
2. worldsteel will not permit any discussions regarding the division or allocation of markets or other efforts of any kind to reduce competition between or among participants at any of its meetings, physical or virtual.
3. worldsteel will never invite its members to adhere to any particular commercial standard or guidelines, except for legal requirements or similar regulations required or within guidance issued by European or international institutions.
4. Where worldsteel issues principles and recommendations for sound industry practices, such principles and recommendations are not meant to be mandatory and should be, if appropriate, adapted by each member as best suits its business model and market situation.
5. On collection and dissemination of data and statistics, worldsteel activities and purposes will always be directed at providing general information and not restricting competition, according to the Guidelines on the applicability of Article 101 of the Treaty on the Functioning of the European Union (TFEU) to horizontal cooperation agreements. Participation will always be voluntary; data submitted should be historic, not forward-looking, and be reported in anonymised and aggregated form with the view to ensure that competitors do not receive information from which they could derive competitively sensitive information. Moreover, worldsteel will not accept or facilitate sharing of confidential commercial information among its members.
6. worldsteel will not sponsor or knowingly be a party to agreements or practices, expressed or implied, which restrict the members' freedom in any way to make independent decisions in matters that affect competition.
7. worldsteel will not participate in any common project with its members which will affect competition in any way or facilitate any form of coordination between members, in compliance with the provisions of Regulation EU 2023/1066 on the application of Article 101 TFEU to certain categories of R&D agreements.

In practice, the policies and principles listed above should be understood as strictly prohibiting the following practices/actions at any of the meetings/forums organised by, managed by or affiliated with worldsteel:

- a) It is prohibited to discuss or exchange (in any form) information regarding individual or competitors' prices, price changes, price differentials, discounts, margins, or any terms of sale that might affect prices with other representatives of other members.
- b) It is prohibited to discuss individual company figures on costs, capacity, compensation, business opportunities, products or services, or sales, except for industry data publicly available.

- c) It is prohibited to discuss what individual companies plan to do in particular geographic or product markets or with particular customers, including (i) the elimination, restriction, or limitation of the quantity or quality of any product or service to be sold, or (ii) the division or limitation of sales to particular territories, customers, or classes of customers.
- d) It is prohibited to discuss specific future plans of individual companies or other companies concerning the design, production, distribution, pricing terms or marketing of particular products, or investment, innovation and company strategy.
- e) It is prohibited to discuss matters relating to actual or potential individual suppliers or customers that might have the effect of excluding them from any market or of influencing the business conduct of other companies toward such suppliers or customers.
- f) It is prohibited to disclose to others any other strategic, competitively sensitive information.

This applies not only during the formal part of the meetings, but also during social gatherings incidental to meetings and to all communication taking place around the meetings.

### **Best practices**

Moreover, worldsteel and all its members and members of all worldsteel's committees, working groups and any other structures created by, managed by or affiliated with it, should implement the following best practices in relation to meetings:

- i. Each meeting should have a written agenda, which is specific and clear.
- ii. Ensure that the minutes are sufficiently circumstantial and accurately reflect the topics discussed and the scope of the discussions.
- iii. Avoid sensitive subjects in terms of competition law (see points (a) to (f) above).
- iv. Intervene if the meeting is showing undesirable signs of misconduct.
- v. Put an end to the discussion, ensure that the minutes reflect the objection(s) expressed, and if necessary, take legal advice through the legal counsel.
- vi. Distance yourself publicly and consult the legal counsel and if necessary leave the meeting.

## **Conclusion**

To ensure compliance with these policies and principles, antitrust Legal Counsel attends meetings of worldsteel's Executive Board of Members, Executive Committee, and Annual General and Special General Meetings of the Board of Members. In case of doubt or questions about the legality of any proposed actions, activities or any discussions at these or other worldsteel meetings, worldsteel members and staff are invited to consult and contact DWMC law firm, Brussels office:

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