



Taking brands further

## Code of Conduct

**Brussels, Belgium**

*19 March 2025 - by AdaStone*

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## ↳ INTRODUCTION

United Brands Association (“**UBA**”) unites brand builders and represents their interests. We are committed to supporting, inspiring, and connecting our members. We create a space for them to meet, exchange experiences, to learn from one another and train on specific topics tailored to brand builders’ and their teams’ needs. In doing so, we provide ambitious brands with the opportunity to grow sustainably.

We believe that a vibrant network is the ideal breeding ground for new ideas, innovation, and strategic insights. We provide an inspiring environment where to connect. Because sharing knowledge, creating opportunities, and fostering collaborations works better when we unite.

In pursuing this mission, UBA recognises that the success and growth of our community depends on maintaining a fair and competitive marketplace.

We are therefore dedicated to maintaining high legal and ethical standards in our platform and activities, which brings together businesses associated with the industry, including competitors. While collaboration within a trade association can offer market benefits and foster competition, it also poses competition law risks. The greatest risk arises when UBA’s platform, whether formal meetings or informal gatherings, are misused to facilitate or even suggest anti-competitive agreements. UBA, its members, and all participants in UBA’s programs and events share a collective responsibility to uphold competition law and practice fair trade, aiming to encourage innovation, higher-quality products and fair prices for both consumers and businesses.

The principle of this Code of Conduct is to outline the most important principles governing the conduct of members in trade associations which form the basis for best practices. It applies both to activities within UBA and any joint activities that involve UBA with other entities or trade associations. Moreover, members and UBA will ensure that persons working for them also comply with this Code of conduct.

This Code of Conduct reflects our commitment to promoting lawful and ethical behaviour. It serves as a central guideline for UBA’s employees, members, governing bodies, and external partners to understand their obligations under competition law and to raise awareness towards situations that may pose compliance risks. By providing clear standards on appropriate conduct, it empowers all parties to identify potential violations and act responsibly within the boundaries of competition law.

This Code of Conduct is therefore general in nature and cannot anticipate every legal issue that might be faced. Accordingly, it is important for members to seek legal advice in case questions arise.

## ↳ WHAT CONDUCTS ARE PROHIBITED UNDER COMPETITION LAW?

Many functions of trade associations may fall outside the scope of antitrust and competition laws altogether, since they do not restrict the commercial freedom of members or foreclose the opportunities of non-members in relation to any relevant markets. Trade associations are namely representing the relevant industry's view and interests, promoting standard education and training, adopting industry standards, and undertaking industry-wide research. Therefore, many legitimate and pro-competitive arrangements between competitors may be undertaken under the auspices of a trade association.

However, because a trade association is, by definition, a joint activity engaged in by players within the same industry (including actual and potential competitors), some activities of a trade association and its members can give rise to concerns under EU competition law.

### ✎ Anti-competitive agreements

It is prohibited to make any agreements between competitors that restrict competition. In competition law, "agreements" are interpreted very broadly. Any form of discussion or interaction between competing businesses is covered by this notion. An actual or formal agreement is therefore not required for a violation to occur. An agreement can be inferred from patterns of conduct, communication, discussions, or other contextual factors. A tacit coordination between competitors can also fall within this prohibition, as well as speeches or announcements. Exchange of sensitive information from a competition law point of view can also suffice to be considered as violating competition law.

Additionally, it is sufficient that the agreement *could* potentially restrict competition. Therefore, it is not necessary that an agreement has an actual impact on the market in order to qualify it as an anticompetitive agreement.

Common forms of anti-competitive agreements include fixing or coordinating prices, fixing trading conditions, controlling supply or production, as well as dividing markets or customers.

### ✎ Abuse of dominant position

The abuse of a dominant market position by one or more businesses is prohibited under competition law. Dominance occurs when a single business or multiple businesses, either individually or collectively, hold at least 40% of the market share (which can occur in the context of a trade association where members together account for a significant proportion of the market).

It is important to note that holding a dominant market position itself is not illegal. However, exploiting such a position in a way that eliminates competition or harms customers constitutes an abuse and violates competition law.

Common forms of abuse include restricting a competitor's access to the market or exploiting market strength to gain market share or undue advantages (excluding a competitor without objective reasons, collectively refusing to deal with a competitor, imposing burdensome or unilateral trading conditions or selling at a loss to drive competitors out of the market).

## ↳ KEY PRINCIPLES AND PROHIBITED PRACTICES

UBA is committed to pursuing its mission by providing a platform in a healthy competitive environment. UBA is inherently pro-competitive. However, like in any trade association, it could be abused and turned into a vehicle for anti-competitive conduct.

Therefore, UBA and UBA's members should be aware of the following areas of competition risk, and comply with the following principles:

➤ **Members should never discuss, exchange information or reach any agreement on any of the following topics:**

- **Pricing**
  - Discussing or agreeing on prices, including future price strategies, discount policies, profits or profit margins for products or services.
  - Exchange sensitive cost information that could (in)directly facilitate price-fixing.
- **Dividing markets or customers**
  - Allocating specific regions, customer groups, or market segments among members to avoid competition, including agreements not to compete in certain geographical areas or for particular customer segments.
- **Restricting supply, sales or market entry**
  - Limiting production, distribution or sales volumes to manipulate supply and demand dynamics.
  - Coordinating sales restrictions or set quotas to control market share.
  - Blocking market entry for new competitors or excluding current players from the market.
- **Bid rigging and tender coordination**
  - Discussing or aligning bidding strategies for tenders including pricing, contract terms or delivery schedules.
  - Sharing intentions or information about bids such as planned bid amounts or competitive advantages.
- **Exchanging sensitive information**
  - Detailed sales figures, turnover data or market share information that is not publicly available.
  - Cost structures, production capacities, inventory levels.
  - Plans for product launches, marketing campaigns or advertising budgets.
  - Strategic business plans.
  - Customer-specific information.

➤ **Members should not exchange information that may (be perceived to) facilitate coordination between competitors:**

UBA, as trade association, may collect commercial information in order to publish industry statistics, jointly compile market research and general industry studies or communicate with regulators. Commercial information will be aggregated to ensure that no individual member or company's data can be identified or inferred. Some precautions should however be followed:

- Voluntary participation of the members;
- Independent third party should be in charge of collecting and handling members' information;
- Confidentiality should be kept;

- Sufficient number of respondents should take part to the survey to enable aggregation of data and enable concealment of respondent's identities.

➤ **Members should not set standards, including best practices, which may lead to restrictions of competition:**

Standard-setting initiatives, such as best practices, can improve quality, technology, consumer's satisfaction and ensure that members adhere to basic rules of business ethics. The adoption of uniform standards can raise competition concerns since standard-setting efforts can dampen key aspects of market. UBA and members should therefore ensure that standard-setting activities pursue pro-competitive objectives. It is also important that all interested parties are given the opportunity to participate in the standard-setting process and that the standards are effectively accessible for anyone in the industry.

➤ **Members should not boycott, refuse to deal or exclude competitors without justified and objective and legitimate reasons:**

Collectively refusing to do business with specific suppliers, agencies, advertisers or customers, or agreeing to exclude certain companies from industry events, platforms, or professional networks without justified reasons can be qualified as anti-competitive.

This does of course not prevent the trade association to impose criteria for admitting new members into the association, as long as they are objective, reasonable and legitimate.

This is a non-exhaustive list of prohibited practices. All UBA members, participants in UBA activities, and external partners should act with caution and keep competition law principles in mind when interacting with each other or using UBA's platform.

If you encounter such situation, please resume the discussion immediately and report the situation to the competent department of your company.

## ↳ WHY COMPLIANCE IS IMPORTANT?

Compliance with competition law is not merely a legal obligation but a cornerstone of ethical and sustainable business practices. However, beyond ethical considerations, failing to comply with competition law exposes UBA, the members, external partners and any participants to UBA's activities to significant risks and consequences.

Competition authorities have the power to conduct lengthy, disruptive, and costly (unannounced) investigations, and they can impose substantial fines on both individual members and UBA. In fact, fines can reach up to 10% of a company's annual turnover. In addition, parties harmed by anti-competitive behaviour can seek compensation for damages.

Non-compliance also carries a high reputational risk. Even the perception of a breach can cause irreparable harm to the reputation of UBA and its members, affecting stakeholder trust and damaging business relationships.

UBA reserves the right to refuse and terminate a membership, or limit a member's participation in UBA's activities or platform if there are objective, reasonable, and legitimate grounds for doing so. All alleged and confirmed violations, along with the corresponding findings and imposed sanctions, will be documented in a central incident register maintained by UBA.

If there are any doubts or concerns about whether a topic or discussion could raise competition law issues, it is recommended to seek legal.