

## **CONTENTS**

APPENDIX A: TERMS OF REFERENCE.....	1
APPENDIX B: CONDUCT OF INQUIRY.....	3
GLOSSARY .....	5

## APPENDIX A: TERMS OF REFERENCE

- A.1 In exercise of its duty under section 33(1) of the Enterprise Act 2002 (the **Act**) the Competition and Markets Authority (**CMA**) believes that it is or may be the case that:
- (a) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, in that:
    - (i) enterprises carried on by T&L Sugars Limited will cease to be distinct from the enterprise consisting of the UK packing and distribution site and business-to-consumer (**B2C**) business carried on by Tereos United Kingdom and Ireland Limited; and
    - (ii) the condition specified in section 23(2)(b) of the Act is satisfied; and
  - (b) the creation of that situation may be expected to result in a substantial lessening of competition within a market or markets in the United Kingdom (UK) for goods or services, including for the supply of:
    - (i) Packed granulated white sugar to B2C customers in the UK;
    - (ii) Packed white caster sugar to B2C customers in the UK;
    - (iii) Packed white vending sugar to B2C customers in the UK;
    - (iv) Packed standard icing sugar to B2C customers in the UK;
    - (v) Packed fondant icing sugar to B2C customers in the UK;
    - (vi) Packed royal icing sugar to B2C customers in the UK;
    - (vii) Packed jam sugar to B2C customers in the UK;
    - (viii) Packed preserving sugar to B2C customers in the UK;
    - (ix) Packed white sugar blends to B2C customers in the UK;
    - (x) Packed white sugar cubes to B2C customers in the UK;
    - (xi) Packed golden granulated sugar to B2C customers in the UK;
    - (xii) Packed golden caster sugar to B2C customers in the UK;
    - (xiii) Packed demerara sugar to B2C customers in the UK;
    - (xiv) Packed light soft brown sugar to B2C customers in the UK;
    - (xv) Packed dark soft brown sugar to B2C customers in the UK;

(xvi) Packed light muscovado sugar to B2C customers in the UK; and

(xvii) Packed dark muscovado sugar to B2C customers in the UK.

A.2 Therefore, in exercise of its duty under section 33(1) of the Act, the CMA hereby makes a reference to its chair for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 in order that the group may investigate and, within a period ending on 5 September 2024, on the following questions in accordance with section 36(1) of the Act:

- (a) whether arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and
- (b) if so, whether the creation of that situation may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.

Sorcha O'Carroll  
Senior Director, Mergers  
Competition and Markets Authority  
22 March 2024

## APPENDIX B: CONDUCT OF INQUIRY

- B.1 On 22 March 2024 the CMA [referred](#) the anticipated acquisition by TLS of certain assets of TUKI from Tereos for an in-depth phase 2 inquiry.
- B.2 We published the biographies of the Inquiry Group Members conducting the phase 2 inquiry on the inquiry [webpage](#) on 3 April 2024.
- B.3 We published the administrative timetable for the inquiry on the inquiry [webpage](#) on 10 April 2024.
- B.4 We invited a wide range of interested parties to comment on the Merger. These included the Parties' competitors and customers. Evidence was obtained from third parties using questionnaires and written requests. A number of them also provided us with information by video conference calls as well as by responding to supplementary written questions. Evidence submitted during the phase 1 investigation has also been considered in phase 2.
- B.5 We received written evidence from the Parties in the form of submissions and responses to information requests, including a substantial volume of internal documents.
- B.6 On 18 April 2024, Tereos/TUKI provided a recording of a virtual 'site visit' of TUKI's Normanton facilities to the Inquiry Group and CMA staff. On 19 April 2024, Tereos provided a teach-in for the Inquiry Group and CMA staff at the CMA's offices in London. Later that day, the Inquiry Group, accompanied by CMA staff, attended a site visit with TLS at its site at Thames Refinery in Silvertown, London.
- B.7 On 22 April 2024, Tereos made an application to the Competition Appeal Tribunal (the **CAT**) for a review under section 120 of the Act of decisions by the CMA to publish the Phase 1 Decision without redacting certain information that Tereos had asked the CMA to redact (the **Relevant Redactions**) and obtained an order requiring the CMA to stay publication of the Phase 1 Decision (the **22 April Order**). The Relevant Redactions related to the exiting firm counterfactual submissions which Tereos had advanced throughout phase 1 of the CMA's investigation.
- B.8 On 24 April 2024, the CAT varied the 22 April Order (the **Amended Interim Order**) to permit publication of a version of the Phase 1 Decision including the Relevant Redactions (and other agreed redactions). We published [this version](#) of the Phase 1 Decision on the same date.
- B.9 Thereafter Tereos also objected to the publication of a sentence in the issues statement that contained a generic reference to the relevance of an exiting firm counterfactual submission. The CMA rejected this redaction request (the **IS Redaction**) but, in light of the Amended Interim Order, agreed to publish a version

of the Issues Statement with the IS Redaction (and other agreed redactions) redacted, on condition that Tereos amended its claim to include a challenge to the IS Redaction decision (which it did on 30 April 2024). We published [this version](#) of the issues statement on 26 April 2024.

- B.10 The hearing of Tereos' amended application took place before the CAT on 23 May 2024. On 16 July 2024, the CAT issued an order allowing the CMA to publish versions of the Phase 1 Decision and issues statement that disclose the Relevant Redactions and the IS Redaction in unredacted form. Accordingly, on 17 July 2024, we published further unredacted versions of the [Phase 1 Decision](#) and the [issues statement](#).
- B.11 We published TLS' response to the issues statement on the inquiry [webpage](#) on 14 June 2024 and Tereos' response on 29 July 2024.
- B.12 We held separate main party hearings with each of TLS and Tereos/TUKI on 5 June 2024.
- B.13 Prior to the hearings, we sent the Parties a number of working papers for comment. The Parties were also sent an annotated issues statement, which outlined our emerging thinking prior to their respective main party hearings. TLS provided comments on the annotated issues statement and working papers on 13 June 2024. Tereos did not provide any written comments on these documents.
- B.14 A non-confidential version of our provisional findings report has been published on the inquiry [webpage](#). Interested parties are invited to comment on this document.
- B.15 We would like to thank all those who have assisted our inquiry so far.

## GLOSSARY

Term	Definition
<b>22 April Order</b>	The <b>CAT</b> 's order of 22 April 2024 requiring the <b>CMA</b> to stay the publication of the <b>Phase 1 Decision</b>
<b>Act</b>	<a href="#">Enterprise Act 2002</a>
<b>Amended Interim Order</b>	The <b>CAT</b> 's order of 24 April 2024 varying the 22 April Order to permit publication of a version of the <b>Phase 1 Decision</b> with the <b>Relevant Redactions</b> (and other agreed redactions) redacted
<b>ASR Group</b>	ASR Group International, Inc.
<b>B2B</b>	Business-to-business (ie industrial) customers
<b>B2C</b>	Business-to-consumer customers
<b>BPA</b>	Business Purchase Agreement
<b>CAT</b>	Competition Appeal Tribunal
<b>CMA</b>	Competition and Markets Authority
<b>CMA2</b>	<a href="#">Mergers: Guidance on the CMA's jurisdiction and procedure (January 2021 (as amended on 4 January 2022))</a>
<b>CMA17</b>	<a href="#">CMA rules of procedure for merger, market and special reference groups (March 2014 (corrected in November 2015))</a>
<b>CMA129</b>	<a href="#">Merger Assessment Guidelines (18 March 2021)</a>
<b>Exiting firm counterfactual</b>	Counterfactual in which, absent the <b>Merger</b> , <b>Tereos</b> would have closed the <b>Target</b> and exited the <b>UK B2C</b> channel
<b>Export Parity price</b>	Price at which <b>Tereos</b> sells sugar that is exported to markets outside Europe via its internal trading platform, Tereos Commodities
<b>FMN</b>	Final Merger Notice submitted to the <b>CMA</b> on 18 January 2024
<b>FY</b>	Financial Year

<b>Inquiry Group</b>	The group of independent panel members appointed by the <b>CMA</b> to investigate and report on the <b>Merger</b> in accordance with section 36(1) of the <b>Act</b>
<b>IS Redaction</b>	Certain information in the issues statement that <b>Tereos</b> would like the <b>CMA</b> to redact, which formed the subject of litigation before the <b>CAT</b>
<b>Merged Entity</b>	The merged entity including <b>TLS</b> and the <b>Target</b> which will be created in the future if the <b>Merger</b> was to proceed
<b>Merger</b>	The anticipated acquisition by <b>TLS</b> of the <b>Target</b> of <b>TUKI</b> from <b>Tereos</b>
<b>Parties</b>	<b>TLS, TUKI and Tereos</b>
<b>Phase 1 Decision</b>	The <b>CMA</b> 's phase 1 decision document, entitled ' <a href="#">Decision on relevant merger situation and substantial lessening of competition</a> ', dated 8 March 2024
<b>Relevant Redactions</b>	Certain information in the <b>Phase 1 Decision</b> that <b>Tereos</b> would like the <b>CMA</b> to redact, which formed the subject of litigation before the <b>CAT</b>
<b>SLC</b>	Substantial lessening of competition
<b>Target</b>	The <b>UK</b> packing and distribution site and <b>B2C</b> activities of <b>TUKI</b>
<b>Tereos</b>	Tereos SCA
<b>TLS</b>	T&L Sugars Limited
<b>TUKI</b>	Tereos United Kingdom and Ireland Limited
<b>TUPE</b>	Transfer of Undertakings (Protection of Employment) Regulations, 2006
<b>UK</b>	United Kingdom