

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 with the Relevant Redactions (and other agreed redactions) redacted. 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 On 6 August 2024, we published a notice of provisional findings, a summary of our provisional findings and a non-confidential version of our provisional findings report on the inquiry [webpage](#). Interested parties were invited to comment on this document.
- B.15 A non-confidential version of our final report has been published on the inquiry [webpage](#).
- B.16 We would like to thank all those who have assisted our inquiry.

GLOSSARY

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

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