

Anti-Competition Policy for the Mangrove Group of Companies

Our organisation, operating as a global distributor of renewable products across diverse markets including the United Kingdom, United States, European Union and Africa, is committed to trading in a consistent, fair and ethical manner.

Anti-competitive policies are essential frameworks implemented by governments and regulatory bodies to promote fair competition within markets, prevent monopolistic practices, and protect consumer interests. When considering a comprehensive group policy covering regions such as the United Kingdom (UK), United States (US), European Union (EU), and Africa, it is crucial to understand the unique legal and economic contexts of each jurisdiction while maintaining a cohesive overarching strategy.

Overview of Anti-Competitive Policies

Anti-competitive policies aim to curb practices that distort market competition, including monopolies, cartels, abuse of dominant positions, and unfair trade practices. These policies are designed to foster innovation, ensure consumer choice, and promote economic growth. The enforcement of such policies involves regulatory agencies, legal frameworks, and international cooperation.

Regional Perspectives

United Kingdom (UK)

The UK's competition policy is primarily governed by the Competition and Markets Authority (CMA). It enforces laws against anti-competitive agreements, abuse of dominant market positions, and mergers that could substantially lessen competition. Post-Brexit, the UK has maintained a regulatory framework under the CMA which is similar to the EU but has the authority to adapt policies independently.

In addition to the CMA, the Competition Act 1998 and the Enterprise Act 2002 govern the anti-competition environment within the UK.

United States (US)

The US enforces anti-trust laws through agencies such as the Federal Trade Commission (FTC) and the Department of Justice (DOJ). Key legislations include the Sherman Act, Clayton Act, and Federal Trade Commission Act. US policies focus on preventing monopolistic practices, price-fixing, and mergers that could harm consumer welfare.

European Union (EU)

The EU's competition policy is managed by the European Commission's Directorate-General for Competition. It emphasizes the prohibition of anti-competitive agreements, abuse of dominant positions, and control of mergers. The EU's approach is characterized by a proactive stance on digital markets and cross-border cooperation among member states.

Africa

In Africa, competition policies vary across countries but are increasingly harmonized through regional bodies such as the African Competition Forum. Many nations are developing or strengthening their legal frameworks to combat cartels, abuse of market dominance, and unfair trade practices. Regional economic communities like the East African Community (EAC) and the Economic Community of West African States (ECOWAS) promote cooperation and policy alignment.

Core Principles of Anti-Competitive Practices

Anti-competitive practices refer to actions taken by businesses or entities that distort market competition, ultimately harming consumers, other businesses, and the overall economy. Understanding the core principles behind these practices is essential for regulators, policymakers, and market participants to identify, prevent, and address such behaviours effectively.

1. Abuse of Dominant Position

This principle involves a dominant firm leveraging its market power to exclude competitors or exploit consumers unfairly. Common behaviours include predatory pricing, exclusive dealing, and refusal to supply essential facilities. Such actions undermine competitive processes and can lead to monopolistic dominance.

2. Collusion and Cartel Formation

Collusion occurs when competitors agree to coordinate their actions, such as fixing prices, rigging bids, or dividing markets. These agreements eliminate price competition, inflate prices, and reduce choices for consumers. Cartels are considered one of the most harmful forms of anti-competitive behaviour due to their direct impact on market efficiency.

3. Price Fixing and Market Allocation

Price fixing involves competitors agreeing to set prices at a certain level, rather than competing freely. Market allocation refers to competitors dividing markets geographically or by customer type to avoid direct competition. Both practices distort the natural functioning of markets and lead to higher prices and reduced innovation.

4. Predatory Pricing

This strategy involves setting prices below cost with the intent to eliminate competitors. Once competitors are driven out, the dominant firm can raise prices to recoup losses, often to the detriment of consumers and market health. Predatory pricing is considered a serious violation of fair competition principles.

5. Unfair Trade Practices

These include a range of deceptive or unethical behaviours such as false advertising, misrepresentation, or coercive tactics to gain unfair advantages. Such practices can mislead consumers and distort market dynamics, undermining trust and fair competition.

6. Barriers to Entry

Actions that create obstacles for new entrants, such as exclusive contracts, licensing restrictions, or control over essential infrastructure, hinder market entry and reduce competitive pressure. These barriers can entrench existing market power and limit innovation.

Understanding these core principles is vital for maintaining healthy market competition, fostering innovation, and protecting consumer interests. Regulatory authorities worldwide continuously monitor and enforce laws against anti-competitive practices to ensure fair and efficient markets.

Unified Group Policy Approach

Developing a group anti-competitive policy covering these diverse regions involves several key principles:

- Harmonization of legal standards to facilitate cross-border cooperation and enforcement.
- Adaptation to regional legal frameworks while maintaining core anti-competitive objectives.
- Promotion of transparency and fair competition practices across all jurisdictions.
- Training of our staff – particularly those that hold commercial interactions either with customers or suppliers.
- Documenting and reporting compliance (supplier code of conduct / training records)
- Engagement with regional and international bodies to ensure compliance and effective enforcement.
- Continuous monitoring and updating of policies to address emerging market challenges, especially in digital and globalized markets.

Information Sharing Within the Group

- There is a clear understanding of what information can and cannot be shared, for example, pricing, margins, customer strategies, costs
- There is a recognition that intra-group sharing can still create risk especially where entities operate within the same or similar markets
- Safeguards are in place to ensure data does not overlap entities without a review by the internal legal teams or senior manager/director

Whistleblowing

Whistleblowing plays a crucial role in the enforcement and integrity of anti-competition policies within various markets and industries. It serves as a vital mechanism for uncovering illegal or unethical practices that could harm market competition, consumers and fair-trade practices.

Reporting Procedures

- **Internal Reporting:** Employees or insiders are encouraged to report concerns through internal channels such as legal compliance departments, senior management or dedicated local hotlines.
- **External Reporting:** Whistleblowers can also report directly to regulatory agencies or authorities responsible for enforcing competition laws either regionally or at a group level (UK).

Effective group or local reporting mechanisms should ensure anonymity, confidentiality, and prompt investigation of any of the claims made.

Implementing such a comprehensive policy requires collaboration among regulatory agencies, legal experts, and industry stakeholders. It also necessitates a balanced approach that respects regional legal traditions while striving for a unified standard to prevent anti-competitive practices globally.

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