Completed acquisition by Ecolab Inc. of The Holchem Group Limited.

Notice of proposal to accept Final Undertakings pursuant to sections 41, 82 and 90 of and Schedule 10 to the Enterprise Act 2002 and public consultation on the proposed Final Undertakings

Background

1. On 30 November 2018, Ecolab Inc. ('**Ecolab US**') acquired 100% of the issued share capital of The Holchem Group Limited ('**Holchem**'). As a result, Ecolab US has ownership and control of Holchem (the '**Merger**').

2. On 24 December 2018, the Competition and Markets Authority (the '**CMA**') made an initial enforcement order ('**IEO**') pursuant to section 72(2) of the Enterprise Act 2002 (the '**Act**') for the purpose of preventing pre-emptive action in accordance with that section. On 10 May 2019, the CMA issued directions pursuant to paragraph 10 of the IEO requiring Ecolab US, Ecolab U.S. 2 Inc. ('**Ecolab US 2**') and Ecolab (U.K.) Holdings Limited ('**Ecolab UK**' and together with Ecolab US and Ecolab US 2, '**Ecolab**') to appoint a monitoring trustee. ✂ was appointed as monitoring trustee on 17 May 2019.

3. On 24 April 2019, the CMA, in accordance with section 22(1) of the Act, referred the Merger to a group of CMA panel members to determine, pursuant to section 35 of the Act:

    (a)   whether a relevant merger situation has been created; and

    (b)   if so, whether the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition ('**SLC**') in any market or markets in the United Kingdom ('**UK**') for goods or services.

4. On 8 October 2019, the CMA published a final report pursuant to section 38 of the Act (the '**Report**') which concluded that:

    (a)   the Merger has created a relevant merger situation;

    (b)   the creation of that situation has resulted in, and may be expected to result in an SLC in relation to the supply of formulated cleaning chemicals and ancillary services to food and beverage ('**F&B'**) customers in the UK; and

    (c)   the CMA should take action to remedy the SLC and any adverse effects resulting from it.

5. The CMA has reached agreement with Ecolab and Holchem (**the Parties**) as to the terms of Final Undertakings for the purpose of remedying, mitigating or preventing the SLC it has identified and any adverse effects arising from it. The proposed undertakings are attached to this Notice.

Notice of proposal to accept undertakings

6. The CMA now hereby gives notice of the proposed undertakings under paragraph 2 of Schedule 10 of the Act and that:

    a.   the CMA proposes to accept the attached proposed undertakings; and

    b.   the proposed undertakings seek to address the SLC identified in the Report and the adverse effects that may be expected to result from it.

7. The CMA invites written representation on the proposed undertakings from any person or persons who wish to comment. Representations should reach the CMA by 11 December 2019 (15 days starting on the date of the publication of this Notice) and should be addressed to:

Ecolab Holchem Merger Investigation
Competition and Markets Authority
The Cabot,
25 Cabot Square,
London
E14 4QZ

or by email to EcolabHolchem@cma.gov.uk

8. The CMA will consider any written representations made in accordance with this Notice and may make modifications to the proposed undertakings as a result. In the absence of any written representations, or in the event that the CMA decides, on consideration of representation made and not withdrawn, not to amend the proposed undertakings, the CMA proposes to accept the undertakings in their present form pursuant to section 82 of the Act. If the CMA considers that any written representation necessitates any material change to the proposed undertakings, the CMA will give notice of the proposed modifications.

9. Once accepted, the Final Undertakings may be varied, superseded or released by the CMA under section 82(2) of the Act.

10. This Notice and a non-confidential version of the proposed undertakings will be published on the CMA website.

Signed by authority of the CMA

Kirstin Baker

Group Chair

27 November 2019