

**DEROGATION LETTER  
IN RESPECT OF INITIAL ENFORCEMENT ORDERS ISSUED  
PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002**

**Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 1 February 2021.**

**Completed acquisition by Veolia Environnement S.A. (Veolia) of a minority shareholding in Suez S.A. (the 'Transaction')**

We refer to your letter and accompanying note dated 19 February 2021 requesting that the CMA consents to derogations to the Initial Enforcement Order of 1 February 2021 (the '**Initial Order**'). The terms defined in the Initial Order and the derogation granted to Veolia on 1 February 2021 have the same meaning in this letter.

Under the Initial Order, save for written consent from the CMA, Veolia Environnement S.A. ('**Veolia**') and Veolia UK Limited ('**Veolia UK**') are required to hold separate the Veolia business from the Suez business and refrain from taking any action which might prejudice a reference under section 22 of the Enterprise Act 2002 or impede the taking of any remedial action following such a reference.

After due consideration of your request for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, Veolia and Veolia UK may carry out the following actions, in respect of the specific paragraphs:

**1. Paragraph 10 of the Initial Order**

Veolia submitted that paragraph 10 of the Initial Order should exclude material developments arising in the ordinary course of business relating to: (i) the Veolia UK business (with the exception of Comgen)<sup>1</sup> and (ii) the UK-related assets. This derogation is granted on the basis that it is proportionate given the particular circumstances of this case and in line with the aims of the Initial Order. This derogation will significantly ease the administrative burden in a proportionate manner.

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<sup>1</sup> Pursuant to paragraph 1 of the CMA's derogation letter of 1 February 2021, a number of paragraphs of the IEO, including paragraph 10, already do not apply to Comgen.

## **2. Paragraphs 4(a), 4(c), 5(a), 5(g), 5(l) of the Initial Order**

Veolia submitted that paragraphs 4(a), 4(c), 5(a), 5(g), and 5(l) should exclude joint tendering agreements with Suez made in the ordinary course of business. This derogation is granted on the basis that it is proportionate given the particular circumstances of this case and in line with the aims of the Initial Order. The CMA notes that such a derogation will not result in integration of the Veolia and Suez businesses.

## **3. Paragraphs 4(a), 4(c), 5(a), 5(l) of the Initial Order**

Veolia submitted that paragraphs 4(a), 4(c), 5(a) and 5(l) should exclude supply relationships with Suez made in the ordinary course of business. This derogation is granted on the basis that such a derogation is proportionate given the particular circumstances of this case and in line with the aims of the Initial Order. The CMA notes that such a derogation will not result in integration of the Veolia and Suez businesses.