

**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 (the Act) 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. of a minority shareholding in Suez S.A. (the 'Transaction').

We refer to Veolia and Suez's joint request of 26 April 2021 that the CMA consent to a derogation to the Initial Enforcement Order of 1 February 2021 (the '**Initial Order**'). The terms defined in the Initial Order have the same meaning in this letter, except that the term '**Suez UK business**' has the same meaning as defined in the CMA's Revocation Letter of 19 March 2021.

Under the Initial Order, save for written consent by the CMA, Suez S.A. ('**Suez**') and Ondeo Industrial Solutions UK Ltd, Suez Water Tech & Solutions UK Limited and Suez UK Group Holding Ltd (together, '**Suez UK**') are required to hold separate the Suez business from the Veolia Environnement S.A. ('**Veolia**') (Veolia and Suez together being the '**Parties**') 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 Veolia and Suez's joint request for a derogation from the Initial Order, based on the information received from Veolia and in the particular circumstances of this case, Suez and Suez UK may carry out the following actions, in respect of the specific paragraph:

1. Paragraph 7(l) of the Initial Order

On 11 April 2021, Veolia and Suez announced that they had reached an in-principle agreement on the key terms and conditions in respect of Veolia's acquisition of the remaining share capital in Suez (the '**Anticipated Transaction**') and the creation of a 'new Suez' from certain Suez assets ('**New Suez**'). Veolia and Suez have committed to reach a final agreement by 14 May 2021.

Veolia and Suez have submitted that in order to facilitate the agreement in principle announced on 11 April 2021, Veolia needs certain information from Suez to enable it: (i) to monitor the various actions of Suez in the formation of New Suez (including, for example, which Suez assets would be included in New Suez and therefore would not be included in the Suez assets acquired by Veolia pursuant to the Anticipated Transaction); (ii) to obtain regulatory approvals in a timely manner; and (iii) to prepare for the integration of the Parties following the completion of the Anticipated Transaction. Veolia and Suez have submitted that the information will be shared in a way that respects its confidentiality and is in full compliance with competition law.

In order to facilitate the transfer of the relevant information, Veolia and Suez have submitted that the obligations in paragraph 7(l) of the Initial Order should be limited so that they apply only in respect of the Suez UK business. This derogation is granted on the basis that it will significantly ease the administrative burden on Suez, is proportionate given the particular circumstances of this case, is in line with the aims of the Initial Order, and will not impede the taking of any action under the Act by the CMA.