

**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 your email and accompanying note dated 19 May 2021 and further information of 11 June 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 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**') 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, Suez and Suez UK may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 4(b), 4(c), 7(b), 7(c), 7(d), 7(e), 7(h), 7(i) and 7(k) of the Initial Order

Suez submits that Suez Advanced Solutions UK Limited ('**SAS**') intends to dispose of its [X]. SAS will however continue to offer [X] in the UK.

Suez notes that the [X] does not provide any services to the wider Suez UK waste or water businesses ([X]) and in general operates on an entirely separate and

standalone basis. SAS intends to enter into discussions [X] with [X] and if these discussions fail it intends to [X]. SAS intends to retain one [X] in order to ensure continuity of support for [X].

The CMA grants the request sought for a derogation from paragraphs 4(b), 4(c), 7(b), 7(c), 7(d), 7(e), 7(h), 7(i), and 7(k) of the Initial Order in relation to a disposal or closure by SAS of [X].

The CMA consents to this request strictly on the basis that

- SAS will continue to provide [X];
- SAS will retain or procure the services of an [X] or equivalent role in order to ensure continuity of support for its [X];
- the disposal of [X] will therefore neither impact the ongoing viability nor disrupt the operations of the Suez UK business; and
- this derogation will not impede the taking of any action under the Act by the CMA nor lead to the integration of the Veolia business and Suez business.