

**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 submission dated 15 July 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. Paragraph 7(e) of the Initial Order**

Suez has informed the CMA that it intends to dispose of the freehold of a site of land, owned by Suez Recycling and Recovery North East Ltd, a subsidiary of Suez, at [REDACTED] ([REDACTED]) that was formerly used as a landfill site by [REDACTED] (the '**Disposal**'). Suez submits that [REDACTED] has not been operative since [REDACTED].

Suez has received an offer for the freehold of the site from [redacted] ([redacted]) (the 'Buyer'). Due to [redacted], Suez submits that consideration for the Disposal will be [redacted]. Contracts are expected to be exchanged at [redacted], and completion will occur [redacted].

Based on Suez's representations, the CMA understands that, during negotiations for the Disposal, the Buyer indicated to Suez that it intends to use [redacted] as an inert landfill following the Disposal.

Accordingly, Suez is seeking a derogation from paragraph 7(e) of the Initial Order to permit the Disposal.

The CMA consents to a derogation from paragraph 7(e) of the Initial Order to permit the Disposal, strictly on the basis that:

- (i) The [redacted] has not been operative since [redacted] and is not used to support the ongoing operation of the Suez UK business. As such, the Disposal will neither impact the ongoing viability nor disrupt the operations of the Suez UK business; and
- (ii) the Disposal will not prejudice the outcome of a reference or impede the taking of any remedial action which may be justified by the CMA's decision on a reference.