

**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 submission of 2 August 2021 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 1 February 2021 (the '**Initial Order**'). The terms defined in the Initial Order and the derogations granted 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. Paragraphs 5(c) and 5(f) of the Initial Order

Veolia submits that prior to the imposition of the Initial Order, Veolia acquired the following companies: [X] (the **Subsidiaries**).

Veolia submits that it intends to [X], and to [X]. Veolia states that the purpose of this [X] is to make Veolia's business more efficient, and that the changes will have no adverse effect on Veolia's ability to compete effectively and will not result in any pre-emptive action.

This derogation is granted based on the representations made by Veolia to the CMA that a derogation is proportionate and in line with the aims of the Initial Order, and strictly on the basis that:

- (a) The derogation will not disrupt Veolia's business and will not impact its ability to compete effectively;
- (b) No other management or key staff changes will be made to the Veolia UK business or UK-related assets; and
- (c) This derogation will not lead to any integration of the Suez business and the Veolia business.