

**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. (Suez) (the 'Transaction')**

We refer to your submission of 3 December 2021 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 1 February 2021 (as varied on 9 December 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 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 from the CMA, 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 or section 33 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, Veolia UK and Suez UK may carry out the following actions, in respect of the specific paragraphs:

**1. Paragraphs 4(b), 7(c) and 7(e)(iii) of the Initial Order**

On 18 October 2021, the CMA granted a derogation permitting Veolia and Suez (the '**Parties**') to enter into a Share and Asset Purchase Agreement with the intention to transfer a number of Suez's non-UK businesses and also its Smart and Environmental Solutions ('**SES**') global business unit, which includes certain entities incorporated in the UK, to a consortium comprising Global Infrastructure Partners, Meridiam and Caisse des Dépôts et Consignations (the '**New Suez Acquisition**'). The CMA understands that the New Suez Acquisition is, principally, pursuant to a remedies offer to the European Commission in connection with its review of the public takeover by Veolia of Suez. This derogation was granted subject to a number

of conditions, including the requirement for Suez to seek a further derogation from the CMA to complete the New Suez Acquisition.

Accordingly, on 4 December 2021, Veolia and Suez sought CMA consent to complete the New Suez Acquisition.

The CMA consents to a derogation from paragraphs 4(b), 7(c) and 7(e)(iii) of the Initial Order for the Parties to complete the New Suez Acquisition, on the basis of the representations previously provided by Suez to the CMA in support of the derogation granted by the CMA on 18 October 2021, and strictly on the basis that:

- (i) The perimeter of the New Suez Acquisition has not been amended since the derogation granted by the CMA on 18 October 2021 to include additional Suez UK business assets (ie beyond the SES UK business and Metalimpex) or Veolia UK business assets; and
- (ii) this derogation will not prejudice a CMA reference or impede the taking of any action which may be justified by the CMA's decision on a reference.

14 December 2021