

**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 20 December 2021**

**Acquisition by Veolia Environnement S.A. of Suez S.A. (the 'Transaction').**

We refer to your submission of 21 December 2020 requesting that the CMA consents to derogations from the Initial Enforcement Order of 20 December 2021 (the '**Initial Order**'). The terms defined in the Initial Order have the same meaning in this letter. Further, in this letter:

'**Degremont**' means Degremont Limited a company registered at Suez House, Grenfell Road, Maidenhead, England, SL6 1ES, with company number 02379878; and

'**Suez UK business**' means the business of Suez UK and its subsidiaries and the business of Degremont and its subsidiaries carried on as at the date of this letter.

the '**UK-related assets**' refers to any individuals, business activities, assets and contracts of the Suez business, which are related to the effective functioning of the Suez UK business, as at the commencement date of the Initial Order; and

the '**Suez Non-UK business**' means the Suez business excluding the Suez UK business.

Under the Initial Order, save for written consent from the CMA, Suez, Suez UK and their subsidiaries are required to hold separate the Suez business from the Veolia business and refrain from taking any action which might prejudice a reference under 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,

Suez and Suez UK may carry out the following actions, in respect of the specific paragraphs:

**1. Paragraphs 6(b), 6(c), 6(d), 6(e), 6(g), 6(h), 6(i), 6(j), 6(k), 6(l) and 10 of the Initial Order**

Suez has sought the CMA's consent to limit the scope of paragraphs 6(b), 6(c), 6(d), 6(e), 6(g), 6(h), 6(i), 6(j), 6(k), 6(l) and 10 of the Initial Order so that they only apply to the Suez UK business (thereby excluding the Suez Non-UK business from the abovementioned provisions of the Initial Order) until such time the Suez non-UK business puts in place the internal controls and procedures to comply with the Initial Order.

Suez submits that the viability and competitive capability of the Suez UK business on a standalone basis is not reliant on the Suez Non-UK business (other than the UK-related assets).

The CMA understands from Veolia that the voluntary public offer by Veolia for the remaining issued share capital of Suez is expected to complete on [X] January 2022.

[X], the CMA consents to a [X] derogation from the Initial Order to limit the scope of paragraphs 6(b), 6(c), 6(d), 6(e), 6(g), 6(h), 6(i), 6(j), 6(k), 6(l) and 10 of the Initial Order so that they only apply to the Suez UK business and the UK-related assets, strictly subject to the following conditions:

- (i) This derogation will not cause disruption to the Suez UK business nor impact its ongoing operation or viability on a standalone basis; and
- (ii) Unless withdrawn beforehand, this derogation shall remain in effect until the earlier of the date of completion of the Transaction (ie relating to Veolia's acquisition of the remaining issued share capital of Suez) or one month from the date of this derogation (unless amended with the prior written consent of the CMA, which can be provided by e-mail).

Tim Geer

Director, Mergers

22 December 2021