

**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 emails dated 24 February and 2 March 2022 requesting that the CMA consents to a derogation to 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

Under the Initial Order, save for written consent from the CMA, Veolia, Veolia UK, Suez and Suez 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 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, Suez and Suez UK may carry out the following actions, in respect of the specific paragraphs:

**1. Paragraphs 5(a), 6(a), 6(c) and 6(l) of the Initial Order**

The CMA understands that Suez is proposing to submit a [X]. The CMA understands that [X] is a [X] that will require [X].

The CMA also understands that pursuant to Annex 5 of the CMA's derogation granted on 10 January 2022 (the '**Delegation of Authority Derogation**'), Suez escalated its proposed bid for [X] to the Designated NE Individuals (as defined in the Delegation of Authority Derogation) for Veolia's approval.

Veolia submits that given that [X] will entail a [X], it is necessary for the Designated NE Individuals to be provided with a risk assessment from Veolia individuals with expertise in [X].

Veolia submits that this risk assessment will cover: [X] (the '**Risk Assessment**').

Veolia also submits that the Risk Assessment will only be used to inform the decision by the Designated NE Individuals (and if necessary, [X]) whether to approve [X], rather than having any role in Suez's internal analysis or bidding (the '**Specified Purpose**').

Veolia is proposing the following Veolia individuals with the relevant experience and knowledge to carry out the Risk Assessment:

- [X]; and
- [X] (together, the '**Veolia Risk Assessment Individuals**').

In order to enable [X] to undertake the Risk Assessment, Veolia submits that it is necessary for them to liaise with the relevant Suez team.

The CMA consents to a derogation permitting [X] to undertake the Risk Assessment, including liaising with the relevant Suez team, for the Specified Purpose, strictly subject to the following conditions:

- a) no amendments can be made to the Veolia Risk Assessment Individuals without the prior written consent of the CMA (including by email);
- b) any Suez information provided to the Veolia Risk Assessment Individuals must be the minimum strictly necessary for the Specified Purpose;
- c) the purpose and contents of any communications between the relevant Suez team and Veolia Risk Assessment Individuals must be limited to what are strictly necessary for the Specified Purpose;
- d) prior to accessing any Suez information, each of the Veolia Risk Assessment Individuals will enter into a non-disclosure agreement (in a form approved by the CMA) requiring them not to share any Suez confidential information (including the Risk Assessment report) with Veolia employees other than the Designated Veolia Individuals and, if necessary, [X]; and
- e) this derogation will expire once the Specified Purpose has been satisfied.

Tim Geer

Director, Mergers

4 March 2022