

**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 email dated 21 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, Suez and Suez UK may carry out the following actions, in respect of the specific paragraphs:

**1. Paragraph 6(e) of the Initial Order**

The CMA understands that Suez UK owns the leasehold (the '**Leasehold**') of a [X] (the '**Site**'). The CMA also understands that the Site is [X].

The CMA understands that Suez UK intends to dispose of its interest in the Site [X] (the '**Buyer**') to assign the Leasehold for [X] (the '**Disposal**') and that the terms have been agreed with the Buyer for the Disposal and that the exchange of contracts is expected to take place between April and May 2022, once [X]. Suez UK submits that the disposal of the Site does not impact the services offered by Suez in the UK.

The CMA understands that completion of the Disposal will occur once [X]. The CMA also understands from Suez UK that Suez UK expects completion of the Disposal to take place between June and December 2022 [X].

The CMA consents to the Disposal to the Buyer on the basis that the Disposal:

- a) will not impact the services offered by Suez in the UK;
- b) will not undermine the CMA's ability to impose effective remedies; and
- c) will not lead to the integration of the Veolia business and Suez business.

Tim Geer

Director, Mergers

22 March 2022