

**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 18 and 25 May 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 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 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 and Veolia UK may carry out the following actions, in respect of the specific paragraphs:

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

Veolia is requesting a derogation to permit [X] to access certain of Suez Water Technologies and Solutions' ('**SWTS**') confidential information for the purpose of Veolia's [X]. Veolia submits that for the purpose of this request, the confidential information necessary for the [X] relates only to information on [X] relating to the SWTS business (the '**Relevant SWTS Information**') and does not relate to the Suez UK waste business.

Veolia submits that:

- the [X] is necessary for Veolia to comply with its accounting obligations;

- it is strictly necessary for [X], in [X] capacity as [X], to have access to the Relevant SWTS Information to enable [X] to estimate a [X]; and
- [X] will be supporting [X] on the [X], and that [X] is already authorised under the 'Financial Reporting Derogation' (granted 10 Jan 2022) to receive the information [X] needs for the [X], and has already entered into the relevant NDA.

On the basis of Veolia's representations above, the CMA consents to [X] receiving the Relevant SWTS Information strictly subject to the following conditions (which may only be amended with the prior written consent of the CMA, including by email):

- a) this derogation is strictly limited to authorising [X] access to the Relevant SWTS Information;
- b) the Relevant SWTS Information is strictly limited to information relating to [X] concerning the SWTS business and which is strictly necessary for the [X];
- c) [X] shall enter into a non-disclosure agreement in a form approved by the CMA;
- d) IT firewalls and/or other ring-fencing measures will be put in place to prevent any unauthorised individuals within the Veolia business from accessing the Relevant SWTS Information;
- e) Veolia will keep a detailed record of the Relevant SWTS Information shared by SWTS in accordance with this derogation which will be made available to the CMA at its request;
- f) should the Transaction be prohibited or Veolia be required or decide to divest all, or part of the Suez business or the Veolia business, any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Veolia business for the purposes of this derogation will be returned to the Suez business and any copies destroyed, except to the extent that record retention is required by law or regulation; and
- g) this derogation will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decisions on a reference.

Tim Geer

Director, Mergers

31 May 2022