

**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 (the Act) 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.

We refer to your letter and accompanying note dated 22 June 2022 requesting that the CMA consents to derogations 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 by the CMA, Suez S.A. ('**Suez**') and Ondeo Industrial Solutions UK Ltd, Suez Water Tech & Solutions UK Limited and Suez UK Group Holding Ltd (together, '**Suez UK**') are required to hold separate the Suez business from the Veolia Environnement S.A. 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

Suez submitted that a derogation should be granted from paragraph 6(e) to permit the surrender of Suez's headlease (the '**Headlease**') in a lorry park in [X] (the '**Lorry Park**') to [X] (the '**Lorry Park Disposal**'), [X] Suez expects to sign the Lorry Park Disposal in [X] and expects completion to take place [X]. The Lorry Park is not currently used by Suez to provide services in the UK. The CMA grants this derogation on the basis that it is proportionate to the aims of the Initial Order and that the Disposal will not impede the taking of any action under the Act by the CMA nor lead to the integration of the Veolia business and Suez business.

Yours sincerely,

Tim Geer

Director, *Mergers*

24 June 2022