

**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. (Suez) (the 'Transaction').

We refer to your letter dated 24 June 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.

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 ('**SWTS**') and Suez UK Group Holdings Ltd (together, '**Suez UK**') 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 Act 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. Paragraphs 5 and 6 of the Initial Order

Veolia and Suez request a derogation from paragraphs 5 and 6 of the Initial Order to permit [X].

Veolia submits that this derogation will have no consequential impact on Suez's UK waste business or Suez's WTS businesses in the UK, and that [X] is a purely administrative step. Veolia also submits that [X]. Following the [X], Veolia submits that [X] for the Suez UK waste business and global WTS business. Veolia also submits that the derogation will not impact the [X] process for the Suez UK waste business or the WTS business in the UK, [X].

On consideration of the specific facts and circumstances of this case, the CMA consents to a derogation from paragraphs 5 and 6 of the Initial Order allowing [X] strictly on the basis of Veolia's representation that granting this derogation will not have any impact on [X], or any other consequential impacts on:

- a) Suez's UK waste business; and
- b) Suez's WTS businesses in the UK.

Tim Geer

Director, Mergers

22 July 2022