

**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 1 February 2021.**

**Completed acquisition by Veolia Environnement S.A. (Veolia) of a minority shareholding in Suez S.A. (the 'Transaction')**

We refer to your submission of 22 March 2021 requesting that the CMA consents to derogations to the Initial Enforcement Order of 1 February 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 22 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 5(i) of the Initial Order**

Veolia submits that prior to the imposition of the Initial Order and in line with Veolia's standard mobility policy, the [X] was offered the position of [X]. Veolia further submits that the role of [X] falls within the definition of key staff in the Initial Order.

The CMA understands that the process of finalising [X]'s proposed move to [X] and identifying [X] successor has been in progress for several months. Veolia has now identified a suitable replacement for [X] and is therefore seeking CMA consent to:

- (a) Permit [X] to leave [X] current role as [X]; and
- (b) Appoint [X] ([X]) as [X].

Based on Veolia's submissions, the CMA understands [X] will remain in post until [X] before taking up [X] new role. [X] will formally take up [X] new role as [X] on [X] but prior to this, will carry out a handover with [X].

The CMA consents to a derogation from paragraph 5(i) of the Initial Order to permit the key staff changes described above, strictly on the basis that:

- (i) Veolia represents that [X] has the necessary capacity and experience to effectively fulfil the role as [X]. Hence, the proposed change in key staff will not impact the viability or ongoing operation of the Veolia business;
- (ii) There will be a smooth handover of [X]'s responsibilities to [X] who will [X];
- (iii) No other organisational or key staff changes will be made to the Veolia UK business or UK-related assets (as defined in the derogation dated 1 February 2021) as a result of the proposed departure and replacement of the [X]; and
- (iv) This derogation will not lead to any integration of the Suez business and the Veolia business.