

**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 15 July 2021 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 1 February 2021 (the '**Initial Order**'). The terms defined in the Initial Order and the derogations granted on 1 February 2021 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 paragraph:

**1. Paragraphs 5(c) and 5(i) of the Initial Order**

Veolia submits that Veolia UK has offered [X] ([X]) an expanded role as [X]. [X] is key staff for the purposes of the Initial Order and therefore Veolia is seeking a derogation from paragraphs 5(c) and 5(i) of the Initial Order.

Veolia submits that under [X] expanded role, [X] will continue to perform [X] current responsibilities as [X], but will also be responsible for managing a larger team with responsibility for [X]. In [X] new role, [X] will also have a "dotted" reporting line to [X] ([X]).

The CMA consents to a derogation from paragraphs 5(c) and 5(i) of the Initial Order for the proposed expansion of [X]'s role, strictly on the basis that:

- (a) [X] is an experienced employee who is well qualified to take on the expanded responsibilities; and
- (b) [X] will be assisted in [X] expanded role by an enlarged team. As such, the expansion of [X] responsibilities will not impact the viability or ongoing operation of the Veolia UK business;
- (c) No other organisational or key staff changes will be made to the Veolia UK business or UK-related assets as a result of the abovementioned changes; and
- (d) This derogation will not lead to any integration of the Suez business and the Veolia business.