

**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 email dated 21 March 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, Suez and 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 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. Paragraphs 6(c) and 6(i) of the Initial Order**

Suez submits that following the departure of [X], the previous [X] for Suez Water Technologies & Solutions ('**SWTS**'), it intends to appoint [X]. Suez submits that [X] is [X] and therefore an accomplished executive with [X]. Suez also submits that its current intention is for [X] appointment to take place [X].

The CMA understands that the appointment of [X] as SWTS' [X] does not affect Suez's activities in the UK and does not disrupt Suez's business or impact its ability to compete effectively. Accordingly, Suez requests that the CMA consents to the appointment of [X] to the role of SWTS [X].

The CMA consents to the appointment of [X] to the role of SWTS [X] on the basis of Suez's representations that:

- a) [X] has the necessary capability and experience to effectively take on the responsibilities of the role of SWTS Head of India. As a result, this derogation will not disrupt Suez's business and will not impact its ability to compete effectively;
- b) no other management or key staff changes will be made to the Suez UK business or UK-related assets; and
- c) this derogation will not lead to any integration of the Suez businesses and the Veolia businesses.

For the avoidance of doubt, Suez should seek its own legal advice in relation to whether Veolia and/or Suez requires separate consent from the European Commission under Veolia's remedy commitments to the European Commission in respect of the appointment of [X] to the role of SWTS [X].

## **2. Paragraphs 6(c) and 6(i) of the Initial Order**

Suez submits that [X] will [X] of Suez Water Purification Systems Ltd ('WPS'), a wholly-owned subsidiary of Ondeo Industrial Solutions UK Ltd, on 31 March 2022. Suez also submits that it has followed a robust recruitment process and has identified a preferred candidate: [X] will take over the role of [X] WPS following [X] departure. Suez submits that [X] is suitable for this role as he has previously served as [X] and has a lot of experience working with the WPS team.

Suez requests that the CMA consents to the appointment of [X] to the role of [X] WPS.

The CMA consents to the appointment of [X] to the role of [X] WPS on the basis of Suez's representations that:

- a) [X] has the necessary capability and experience to effectively take on the responsibilities of the role of [X] WPS. As a result, this derogation will not disrupt Suez's business and will not impact its ability to compete effectively;
- b) no other management or key staff changes will be made to the Suez UK business or UK-related assets; and
- c) this derogation will not lead to any integration of the Suez businesses and the Veolia businesses.

For the avoidance of doubt, Suez should seek its own legal advice in relation to whether Veolia and/or Suez requires separate consent from the European Commission under Veolia's remedy commitments to the European Commission in respect of the appointment of [X] to the role of [X] WPS.

### 3. Paragraph 6(c) of the Initial Order

Following [X], the CMA understands that Suez would like to restructure the [X] business to better align with [X]. Suez submits that the proposed restructure will involve, amongst other things, [X] (the '**Proposed [X] Restructuring**'). Suez submits that this internal restructure within [X] is a much-needed development in the best interests of [X]. Given the characteristics of the [X] business, Suez considers these organisational changes within [X] are within the ordinary course of business of an informed commercial operator.

The CMA consents to a derogation from paragraph 6(c) of the Initial Order to permit the Proposed Restructuring.

This derogation is granted based on the representations made by Suez to the CMA that:

- a) the Proposed Restructuring will not affect the viability or ongoing operation of the Suez business and will not change how Suez engages with customers or its service offering; and
- b) this derogation will not lead to any integration of the Suez businesses and the Veolia businesses.

For the avoidance of doubt, Suez should seek its own legal advice in relation to whether Veolia and/or Suez requires separate consent from the European Commission under Veolia's remedy commitments to the European Commission in respect of the Proposed [X] Restructuring.

Tim Geer

Director, Mergers

30 March 2022