

**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 19 April 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, Veolia UK, Suez and Suez 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.

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), 6(i) and 6(j) of the Initial Order

Suez submits that following the resignation of [X] of Suez Water Technologies & Solutions ('**SWTS**'), it intends to appoint [X]. [X] was previous [X] of [X]. Suez submits that [X] is an accomplished executive with over [X] experience working in and leading [X] teams at [X] and in his prior role at [X]. Suez also submits that its current intention is for [X] to be formally appointed on [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].

Suez requests a derogation from paragraphs 6(c), 6(i) and 6(j) of the Initial Order to permit the appointment of [X] as SWTS' [X].

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

- a) prior to joining SWTS, Suez will inform [X] that his duties will be to SWTS only and that he will not hold any role in [X] at the same time;
- b) [X] has the necessary capability and experience to effectively take on the responsibilities of the role of SWTS [X]. As a result, this derogation will not disrupt Suez's business and will not impact its ability to compete effectively;
- c) no other management or key staff changes will be made to the Suez UK business or UK-related assets; and
- d) this derogation will not lead to any integration of the Suez businesses and the Veolia businesses.

Tim Geer

Director, Mergers

22 April 2022