

**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 18 May 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.

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 6(c) and 6(i) of the Initial Order

Veolia submits that [X] resigned in order to take up a new position outside Veolia and that [X] will leave [X] current role on [X]. Veolia submits that it is searching for a suitable replacement to take over [X] role, and anticipates advertising the role in due course.

Until a suitable replacement is found, Veolia is proposing that [X] management responsibilities will be temporarily reallocated among members of the Veolia UK & Ireland [X] team. Veolia submits that this will include [X] and [X].

Veolia submits that there is no risk that [X] resignation and the temporary reallocation of [X] responsibilities will result in pre-emptive action because:

- each of the members of the [X] is highly qualified and will be supported in their additional roles by a large team of experienced professionals, as [X] is today;
- [X] is highly qualified to take over certain responsibilities from [X] having been at Veolia for [X], and [X] is also highly experienced and qualified to take over certain responsibilities, having been at Veolia for [X]; and
- [X] responsibilities will be distributed across several members of staff, thereby ensuring that no member of staff will be over-stretched as a result of the change.

On the basis of Veolia's representations above, the CMA consents to a derogation from paragraph 6(c) and 6(i) to allow this change to take place, subject to Veolia requesting a further derogation for the appointment of a permanent replacement for [X] once a suitable replacement has been identified.

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

Veolia intends to appoint [X], currently [X] for Veolia UK & Ireland, to a new position [X] for Veolia UK & Ireland. Veolia submits that under [X] new position, [X] will have a key staff role and will report to [X].

Veolia submits that the appointment of [X] as [X] for Veolia UK & Ireland will not give rise to pre-emptive action because:

- [X] is highly qualified to take on the role, and has extensive relevant experience in [X] current role as [X]. [X] has worked at Veolia for [X];
- [X] will be supported in [X] new role by a team of experienced professionals within Veolia UK & Ireland; and
- there is no prospect that the appointment of [X] to [X] new role might impede the CMA's ability to carry out its investigation.

On the basis of Veolia's representations above, the CMA consents to a derogation from paragraph 6(c) and 6(i) to allow this change to take place.

Tim Geer

Director, Mergers

20 May 2022