

**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 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] will be retiring, effective from [X] and that Veolia has commenced searching for a replacement to take over [X] role, and anticipates advertising the role imminently.

Until a suitable replace is found, Veolia submits that [X] management responsibilities will be temporarily reallocated among current members of Veolia UK & Ireland's [X] that report to [X], as well as some [X].

Veolia submits that there is no risk that [X] retirement 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. The [X] will also be supported by [X], as the [X]. [X] is highly qualified, having been at Veolia UK & Ireland for over [X].
- For a short period after [X], Veolia anticipates that [X] will take up a [X] at Veolia UK & Ireland in order to ensure a smooth transition upon [X] retirement. Under this contract, [X] will be available to assist if anything arises that requires [X] specific knowledge.
- Each of the [X] will receive targeted training to enable them to undertake additional responsibilities.
- [X] responsibilities will be distributed across several members of staff, thereby ensuring that no member of staff will be over-worked 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.

Helen Townley

Legal Director

24 May 2022