

**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 emails dated 28 and 29 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(i) and 6(k) of the Initial Order

Suez WTS is proposing to make a number of changes to the [X] of certain of its UK entities as set out in Annex 1.

Suez submits that these changes are being made in the ordinary course of business and in order to align the operations of the entities with the responsibilities of the Suez WTS employees.

Suez also submits that all of the [X] in Annex 1 are Suez WTS employees and none of the individuals being [X] is leaving Suez WTS, but rather being replaced with [X].

The CMA consents to the changes to the [X] in accordance with Annex 1 on the basis of Suez's representations that:

- a) all of the [X] in Annex 1 are Suez WTS employees; and
- b) none of the individuals being [X] is leaving Suez WTS, but rather being replaced with [X].

Tim Geer

Director, Mergers

10 May 2022

Annex 1: Changes to Suez WTS [✂]

[✂]