

**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 (the Act) 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.

We refer to your email dated 27 June 2022 requesting that the CMA consents to derogations 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 by the CMA, Suez S.A. ('**Suez**') and Ondeo Industrial Solutions UK Ltd, Suez Water Tech & Solutions UK Limited and Suez UK Group Holding Ltd (together, '**Suez UK**') are required to hold separate the Suez business from the Veolia Environnement S.A. ('**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, Veolia and Suez may carry out the following actions, in respect of the specific paragraphs:

1. Paragraph 6(c) 6(i) of the Initial Order

Veolia submits that the duties of [X] and [X] have been significantly reduced given that [X] is not required by either the Suez UK Waste or Suez WTS businesses, and [X] wishes to take up [X] planned position at Veolia Group, with responsibility for [X].

Veolia requests the CMA's consent to permit [X] to:

- a. Cease [X] duties as [X];
- b. [X]; and
- c. Take up [X] position within the [X] at Veolia.

Veolia submits that Suez has no need for a replacement for the [X] and that there would be [X], whose role is also greatly reduced following the integration of the relevant Suez non-UK business. It submits that there are currently [X] and [X] are more than sufficient given the reduced scope of the Suez business. [X].

Veolia submits that the request is proportionate and consistent with the aim of the Order to prevent pre-emptive action and, in particular:

- a. [X] has signed an NDA preventing the disclosure or use of any confidential information relating to the Suez UK waste business or the WTS business.
- b. Following integration of the relevant Suez non-UK business, [X] has a significantly reduced role in the Suez business. [X] is not required by either the Suez UK Waste business or WTS business.
- c. [X] departure from Suez and integration into Veolia therefore does not risk giving rise to pre-emptive conduct.
- d. There is a risk that a delay to the approval of [X] transfer could result in Veolia being unable to retain [X].

On the basis of Veolia's representations above, this derogation will not disrupt Suez's business and will not impact its ability to compete effectively and the CMA consents to a derogation from paragraph 6(c) and 6(i) to allow this change to take place.

Yours sincerely,

Tim Geer

Director, *Mergers*

4 July 2022