

**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 of 21 June 2022 requesting that the CMA consent to a derogation from 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:

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

Suez Waters Technologies & Solutions ('**SWTS**') intends to appoint [X] to the role of [X]ⁱ at SWTS, in place of [X].

[X] is presently the [X] at SWTS and has considerable experience and background in the [X]. [X] has been with SWTS and its predecessors for [X], holding numerous roles with considerable responsibility. Prior to holding the [X], [X] was the [X]. Before this, [X] for SWTS globally based in [X] and, prior to this, led [X] for SWTS based in the [X].

In addition, SWTS intends to appoint [X] as [X], in place of [X]. [X] was identified as the replacement for the [X] position 2 years ago. [X] has been in the business for [X] and currently leads the [X] for SWTS, which is the largest part of the [X] in

Europe. [X] previously had key leadership roles leading [X], then [X] and the [X] prior to his current position.

The CMA understands that the appointment of [X] to the role of [X] at SWTS and [X] to the role of [X] at SWTS (the '**Appointments**') will not affect Suez's activities in the UK and will not disrupt Suez's business or impact its ability to compete effectively. Accordingly, Suez requests that the CMA consent to the Appointments.

Suez requests a derogation from paragraphs 6(c) and 6(i) of the Initial Order to permit the Appointments.

The CMA consents to the Appointments on the basis of Suez's representations that:

- a) [X] has the necessary capability and experience to effectively take on the responsibilities of the role of [X] at SWTS;
- b) [X] has the necessary capability and experience to effectively take on the responsibilities of the role of [X] at SWTS;
- c) this derogation will not disrupt Suez's business and will not impact its ability to compete effectively; and
- d) this derogation will not lead to any integration of the Suez businesses and the Veolia businesses.

Tim Geer

Director, Mergers

23 June 2022

ⁱ In this consent letter, any references to [X] job title should be read as being [X] as opposed to [X].