

**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. (Veolia) of Suez S.A.

We refer to your email dated 14 June 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(a) and 6(l) of the Initial Order

Veolia submits that the individuals listed in Annex I to this consent letter (the '**Authorised Veolia Individuals**') are required to access certain of Suez Water Technologies and Solutions' ('**WTS**') confidential information for the purpose of Veolia's internal audit [redacted] (the '**Permitted Purpose**').

Veolia submits that for the Permitted Purpose, the confidential information necessary relates only to information required for the [redacted] and does not relate to the Suez UK waste business. Veolia submits that the required information comprises the following categories of information:

[redacted]

(together, the '**Relevant WTS Information**')

Veolia submits that the Relevant WTS Information is strictly necessary in order for the Authorised Veolia Individuals to [redacted].

Veolia submits that there is no risk that allowing the Authorised Veolia Individuals to access the Relevant WTS Information will result in pre-emptive action because:

- The Authorised Veolia Individuals will not have access to Suez UK Waste Business confidential information as part of their role.
- The Authorised Veolia Individuals have already entered into an NDA prohibiting them from divulging information about the global WTS business to Veolia, other than pursuant to CMA derogations (including the Financial Reporting derogation of 10 January 2022 or HQ derogation of 17 January 2022) or not prohibited by the IEO.

The CMA consents to a derogation from paragraphs 6(a) and 6(l) to allow this change to take place. This derogation is granted based on the representations made by Veolia to the CMA that a derogation is proportionate and in line with the aims of the Initial Order and strictly on the basis that:

- i. the Relevant WTS Information received by Veolia from the Suez business for the Permitted Purpose will be limited to that which is strictly necessary for the Permitted Purpose;
- ii. the Relevant WTS Information will only be provided to the Authorised Veolia Individuals;
- iii. the Authorised Veolia Individuals do not have, and will not, for the duration of the Initial Order, have any commercial or strategic responsibility for the Veolia business;
- iv. the Authorised Veolia Individuals shall enter into non-disclosure agreements in a form approved by the CMA;
- v. IT firewalls and/or other ring-fencing measures will be put in place to prevent any unauthorised individuals within the Veolia business from accessing the information shared with the Authorised Veolia Individuals for the purposes of this derogation;
- vi. no additions or changes to the Authorised Veolia Individuals shall be made under this derogation without the prior written consent of the CMA (which can be provided via email);
- vii. no additions or changes to the Relevant WTS Information without the prior written consent of the CMA (which can be provided via email);
- viii. Veolia will keep a detailed record of the Relevant WTS Information shared by Suez in accordance with this derogation which will be made available to the CMA at its request;
- ix. should the Transaction be prohibited or Veolia be required or decide to divest all, or part of the Suez business or the Veolia business, any records or copies (electronic or otherwise) of business secrets, know-how, commercially-

sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Veolia business for the purposes of this derogation will be returned to the Suez business and any copies destroyed, except to the extent that record retention is required by law or regulation; and

- x. this derogation will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decisions on a reference.

Yours sincerely,

Tim Geer

Director, *Mergers*

27 June 2022

ANNEX I
THE AUTHORISED VEOLIA INDIVIDUALS

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