

**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 letter dated 30 September 2022 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 20 December 2021, as amended by the Variation Order dated 5 August 2022 (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.

Under the Initial Order, save for written consent by the CMA, Suez S.A. (now renamed Vigie S.A.) ('**Suez**') and Ondeo Industrial Solutions UK Ltd, Suez Water Tech & Solutions UK Limited ('**SWTS**') and Suez UK Group Holding Ltd (together, '**Suez UK**') are required to hold separate the Suez business from the Veolia Environnement S.A. business and refrain from taking any action which might prejudice a reference under section 33 of the Act 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 following specific paragraphs:

1. Paragraphs 6(c), 6(i) and 6(j) of the Initial Order

Veolia and Suez submit that [X] wishes to leave [X] position at Vigie S.A. (**Vigie**) to take up [X] planned position as [X], at Veolia.

Veolia and Suez jointly request the CMA's consent to permit [X] to:

- a) Cease [X] duties as [X] of Vigie;
- b) [X]; and
- c) Take up her position as [X], at Veolia.

Veolia and Suez submit that [X] is already subject to an NDA in respect of confidential information relating to the Suez divestment businesses and will be instructed not to share any information relating to the Suez divestment businesses with Veolia.

Veolia and Suez submit that granting the requested derogation would be proportionate and consistent with the aim of the Initial Order to prevent pre-emptive action, and that this request could not adversely affect the CMA's ability to impose remedies or otherwise prejudice the CMA's investigation.

- a) There is no longer any need for [X] role in the Suez business.
- b) There is a risk that a delay to the approval of [X] transfer could result in [X].

The CMA consents to a derogation from paragraphs 6(c), 6(i) and 6(j) to allow this change to take place. This derogation is granted:

- a) Subject to the condition that [X] signs a non-disclosure and non-use agreement (in a form approved by the CMA) in respect of confidential information relating to all of the Suez UK waste business and the Suez WTS UK industrial water and wastewater O&M business (together, the **Suez Divestment Businesses**), which are required by Veolia to be divested in accordance with Chapter 15 of the CMA's final report on the Merger; and commits to returning to Suez all information relating to the Suez Divestment Businesses; and
- b) On the basis that this derogation will not lead to any integration between Veolia and Suez.

Alistair Thompson

Director, RBFA

20 October 2022