press release

Paris, September 10th, 2020

# The Board of Directors of SUEZ considers Veolia's hostile approach is against the best interests of the company and its stakeholders.

# The Board reaffirms the strong value creation embedded in SUEZ' strategic plan as a standalone company.

**The Board of Directors of SUEZ met yesterday and, after a thorough review, unanimously[1] concluded that the hostile approach, announced by its competitor Veolia on August 30th 2020, is against the best interests of SUEZ and all its stakeholders, and in particular its shareholders, its employees and its clients. The Board affirms its full support to the management team.**

**The Group will shortly update the market on the progress of the SUEZ 2030 plan and is reviewing options to accelerate this strategy in the interest of all its stakeholders.**

## A HIGHLY VALUE-CREATIVE STRATEGIC PLAN

The Board of Directors reviewed the execution progress of the SUEZ 2030 plan and unanimously[1] reiterated its full support for SUEZ' standalone strategic plan and the management team delivering this highly value-creative plan.

SUEZ 2030 reinforces the Group as global leader in environmental services, best positions it to address future growth opportunities as an agile, innovative and highly technological company. It is endorsed by clients, municipalities and employees.

The strong value creation of this plan is primarily driven by accelerated organic growth, improved operational performance and portfolio rotation. The quality of SUEZ' businesses and valuation references from recent transactions or from upcoming ones as part of SUEZ' disposal program, lead to a value that is significantly above that implied by current share price levels.

The Board of Directors concluded that the price offered by Veolia to Engie wholly undervalues SUEZ.

## VEOLIA'S HOSTILE AND OPPORTUNISTIC APPROACH RAISES SIGNIFICANT FUNDAMENTAL CRITICISM

As communicated in the press release dated August 31st, 2020, and based on available information, the Board of Directors has continued its thorough review of Veolia's proposed transaction, which carries significant uncertainties and is subject to criticism on a number of fundamental aspects.

- The overall structure of the transaction contemplated by Veolia is questionable and exposes SUEZ and its shareholders to a long period of disruption for the Group with a risk of a takeover on an unacceptable basis;

[1] Mrs Judith Hartmann and M. Franck Bruel did not participate to the Board meeting because of their current roles at Engie. All other Board members voted unanimously. The Board confirmed that Ms. Isabelle Kocher was entitled to participate.

- Veolia’s takeover project comes with major antitrust and regulatory issues in France and abroad; specifically, the acquisition of the 29.9% stake will be, according to SUEZ, subject to several specific regulatory approvals;
- The concept of a “Global Champion” lacks fundamental substance in the environmental services industry, and as such Veolia’s project ignores major execution risks and dissynergies. It would lead to a break-up of SUEZ group with substantial asset disposals that would put the Group’s footprint and technological know-how at risk. This could weaken its position for upcoming contract renewals;
- The value creation strategy of the contemplated project is primarily driven by significant cost synergies which has led SUEZ’ 90,000 employees to voice valid concerns over their employment and future within the Group;
- Clients, municipalities and communities in France and abroad, with whom SUEZ interacts on a daily basis, expressed strong reluctance about Veolia’s project as it threatens to destabilize the competitive dynamics at play and puts at risk the quality of service and innovation legitimately expected by end-consumers;
- Concerning SUEZ’ French water business, the intended disposal process for these activities to Meridiam is not clear; its specific terms should have been made public. It is doubtful that it brings the appropriate level of credibility to make it an acceptable remedy to comply with antitrust rules and reassure our clients who have already voiced their opposition to this project.

**As such, the Board of Directors of SUEZ affirms its full support to the management team to execute and accelerate the SUEZ 2030 strategic plan and to explore alternatives to Veolia’s proposal that are in the interests of the group and all its stakeholders.**

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***About SUEZ:***
*Since the end of the 19th century, SUEZ has built expertise aimed at helping people to constantly improve their quality of life by protecting their health and supporting economic growth. With an active presence on five continents, SUEZ and its 90,000 employees strive to preserve our environment’s natural capital: water, soil, and air. SUEZ provides innovative and resilient solutions in water management, waste recovery, site remediation and air treatment, optimizing municipalities’ and industries’ resource management through “smart” cities and improving their environmental and economic performance. The Group delivers sanitation services to 64 million people and produces 7.1 billion m3 of drinking water. SUEZ is also a contributor to economic growth, with more than 200,000 jobs created directly and indirectly on an annual basis, and a provider of new resources, with 4.2 million tons of secondary raw materials produced. By 2030, the Group is targeting 100% sustainable solutions, with a positive impact on our environment, health and climate. SUEZ generated total revenue of €18.0 billion in 2019.*

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