

10.12.20

SUEZ Shareholders – Protect your rights

Dear SUEZ Investors,

Since we first announced our acquisition of 29.9% of SUEZ from Engie on October 5 2020 we have been clear about our intention to launch a voluntary public takeover bid at €18 per share for the remaining SUEZ shares and complete a merger of the two companies.

Despite several attempts to engage with the SUEZ board and management team to discuss our offer and the proposed merger, our requests have been consistently blocked. It is clear the SUEZ board, with their obvious legal stalling tactics, does not intend to allow shareholders to decide whether to accept it. You, as a shareholder, should ask why the Board is acting in a way that prevents you from exerting your rights.

A compelling rationale and firm commitments

Our ambition is to create the world champion of ecological transformation, built on complementary foundations in established European markets and shared potential in key growth regions of Asia and the Americas.

We have a long-term vision and will protect ALL jobs and benefits of SUEZ's employees in France as well as integrate SUEZ's executives into the management team of the enlarged entity.

SUEZ board made their position clear

Our cash offer of €18 per share represents a 75% premium over the closing share price on July 30, 2020 and is over 35% above the share price when the *Shaping SUEZ 2030* plan was announced in October 2019. It is aligned with the price paid to Engie and higher than SUEZ's share price at any point in the past five years.

During our engagement with the *Autorité des Marchés Financiers (AMF)*, we made a commitment to engage constructively with the SUEZ board. Yet, repeated requests to discuss our offer have been systematically blocked and met with repeated stalling maneuvers that demonstrate that SUEZ's board has no intention to study our offer.

We respect the right of the CEO and other members of SUEZ's management team to defend their strategy for the business. However, by failing to engage in a constructive dialogue and focusing its energy on destructive tactics, the board and management of SUEZ are undermining your rights as a shareholder.

SUEZ shareholders will suffer from value destructive actions

We are very concerned by the actions of the SUEZ board, especially the value destructive use of a Dutch-based foundation to ring-fence SUEZ Eau France. It is our legal position that this "poison pill" mechanism is illegal in France and violates laws designed to protect the interests of the shareholders. We are pleased by the decision of the Nanterre Commercial Court in November, which decided to block this measure until a shareholder meeting is held allowing you to make your decision.

Shareholders have the power to prevent further reckless acts and the SUEZ board should consult them before taking additional self-destructive measures.

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Veolia is committed to its strategy and timeline

The terms of our offer are well known and we have a clearly defined roadmap to completion. We have voluntarily provided SUEZ's works councils with an extended data room well beyond our legal obligations to help employees better understand and assess our plans and commitments. And the pre-notification work with all the relevant antitrust authorities is already under way.

None of the scorched earth tactics deployed to date have had a material impact on our timeline.

The time has now come for SUEZ shareholders to ask:

- **Is the board acting for my benefit, or for its own?**
- **Why are they blocking my right to decide on the offer?**
- **Is there a realistic, alternative offer?**
- **Can they offer a certain path to superior share performance?**

SUEZ's next General Meeting of shareholders is therefore a critical moment for all stakeholders. By law, the General Meeting must be held, by the end of June 2021 at the latest. In the interest of all shareholders, the sooner it happens the better.

If, like me, you believe in strong corporate governance and shareholder democracy, you can make your voices heard at any time, and send a clear signal to SUEZ's Board of Directors that they must answer the legitimate questions of the ultimate decision makers: their shareholders.

Antoine Frérot
Chairman and Chief Executive Officer of Veolia

Find out more on our website: <https://suez-merger.veolia.com/>.