

## **Veolia's hostile takeover of Suez: jobs, workers' rights and quality public services must come first!**



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(7 September 2020) Management of two French-based multinational environmental services companies, Suez and Veolia, are currently locked in a battle over leadership in the sector. Veolia recently announced plans to buy the 32% stake in Suez belonging to Engie (a former energy subsidiary of Suez) before bidding to buy all remaining Suez shares. Veolia also proposes to sell parts of the Suez French water business to a private equity fund in order to avoid anti-trust regulation. Suez is resisting Veolia's actions and workers have announced work stoppages to block the take-over.

EPSU, the European Federation of Public Service Unions which represents workers in Veolia, Suez and Engie, notes that the merger is not driven by the workers in these companies. It does not stem from the need to create more jobs, nor to ensure existing workers receive higher pay and better conditions. It is doubtful that the takeover will result in better quality services for businesses, municipalities and

people, as efficiency and savings plans will likely be announced. The merger of activities and the dismantling of Suez will lead to cycles of restructuring, with the aim of recouping the sums paid to buy shares and making more money for company shareholders.

EPSU urges the management of all three groups – Veolia, Suez and Engie – to fully respect information and consultation rights. All three companies should be transparent and provide details of their projects, long-term investments and employment strategies. EPSU will support workers to protect their jobs, working conditions and collective agreements. We will stand by the workers, their unions and EWCs when rights and agreements are not respected and jobs not guaranteed.

It must be stressed that the motivation behind the merger is interests of the companies, not the public. All three companies operate services to the public (water, waste, energy, etc.), amongst others. There are alternatives available to such private operators and to private equity funds running public services, and in many countries these services have been remunicipalised. It is far more sensible to spend funds on improving the quality of public services rather than on take-over operations and increasing dividends to shareholders.

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