

SUSTAINABLE DEVELOPMENT **2009 COMMITMENTS & PERFORMANCE REPORT**



To fully understand this report, in particular the Group's policies, management systems and performance in terms of ethics, governance and human rights, it is recommended to refer to section 4.2.5, chapters 14, 15, 16 and 17, as well as the appended *Report of the Chairman of the Board of Directors*, sections 1.3.2, 2.2.1 and 2.3.2 of the *2009 Reference Document*, the *2009 Activities Report*, and the Group's website:

- Ethics: www.suez-environnement.fr/fr/profil/ethique/politique-ethique/politique-ethique/
- Governance: www.suez-environnement.fr/fr/profil/gouvernement-entreprise/instances-direction/instances-de-direction-comite-de-direction/

Lastly, SUEZ ENVIRONNEMENT responded to the recent consultation by the United Nations High Commission on Human Rights on the private management of water services and human rights. The Group's contribution is available on the following website: http://www2.ohchr.org/english/issues/water/iexpert/docs/written-contributions/Suez_1.pdf



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PROFILE

Natural resources are not infinite. Each day, SUEZ ENVIRONNEMENT and its subsidiaries deal with the challenge of **protecting resources** by providing **innovative solutions** to industries and to millions of people.

SUEZ ENVIRONNEMENT supplies drinking water to 90 million people, provides wastewater treatment services to 58 million, and collects the waste produced by 46 million people.

SUEZ ENVIRONNEMENT, a 35.4% GDF SUEZ affiliate, has 65,900 employees and, with its presence on a global scale, is the **world's leader** exclusively dedicated to environmental services.

2009 REVENUE: €12.3 BILLION



Revenue by activity

Waste management, Europe: 43%
Water Europe: 33%
International: 24%



Revenue by geographic region

Europe: 78 %
Africa & Middle East: 7%
North America: 6%
Asia: 4%
Oceania: 3 %
South America: 2 %

WATER AND WASTEWATER MANAGEMENT

10,000 water treatment plants built in 70 countries

90 million people supplied with drinking water by SUEZ ENVIRONNEMENT

58 million people benefiting from SUEZ ENVIRONNEMENT's wastewater treatment services

1,888 drinking water production plants

1,643 wastewater treatment plants

1,581 million m³ water supplied

2,588 million m³ drinking water produced

1,978 million m³ wastewater treated

Approximately **150,000 km** of drinking water **distribution networks**

WASTE COLLECTION AND TREATMENT

46 million people benefiting from SUEZ ENVIRONNEMENT's waste management services

464,985 customers in services and industry

40.8 million tonnes (metric tonnes) of waste treated

1,073 waste treatment sites, including:

- **313 sorting centers**
- **142 landfills in operation** (113 for non-hazardous waste, 15 for inert waste, 14 for hazardous waste)
- **110 composting platforms**
- **137 hazardous waste platforms**
- **49 non-hazardous waste** incineration sites
- **13 hazardous waste** incineration sites
- **10 medical waste** treatment sites
- **268 transfer stations**
- **31 recycling facilities** for electrical and electronic equipment waste (WEEE)



JOINT INTERVIEW

JEAN-LOUIS CHAUSSADE, Chief Executive Officer of SUEZ ENVIRONNEMENT

BERNARD GUIRKINGER, Senior Executive Vice President of SUEZ ENVIRONNEMENT, in charge of Water Coordination, Research and Sustainable Development

How would you sum up 2009?

Jean-Louis Chaussade: *In a difficult macro-economic environment, SUEZ ENVIRONNEMENT posted solid results for 2009 and laid a basis for growth in 2010. The Group also continued to pursue its environmental, corporate and social objective. This drive was recognized primarily by the positive assessments of extra-financial rating agencies who placed SUEZ ENVIRONNEMENT among the leaders in its sector, and was also reflected in the Group's inclusion in the DJSI World and Stoxx indexes.*

Bernard Guirkinger: *2009 also demonstrated our ability to innovate and offer new services, on the one hand, to meet our customers' needs to reduce greenhouse gas emissions (for example, the Lyonnaise des Eaux Degrés Bleus solution in Levallois-Perret) and on the other hand, to meet the challenge to preserve water resources and provide alternative resources (for example, the desalination plant in Melbourne, Australia, and the renewal of the West Basin contract in California). At the same time, we have continued developing materials recycling (with the launch of France Plastique Recyclage), as well as energy recovery in France and Europe and through international initiatives. Finally, the Group performed well on social issues with virtually all indicators showing improvement in 2009.*

What is the outlook for 2010?

Jean-Louis Chaussade: *The 15th meeting of the "Conference of the Parties" (COP 15) in Copenhagen in 2009 demonstrated the scientific and political complexity of achieving a joint vision of the solutions that need to be put in place to fight climate change. Although businesses have been perceived as relatively reticent, they are effective at implementing solutions on the ground in terms of products and services that allow their customers to optimize their "energy / climate" efficiency, and at revising their business models to provide solutions to the challenge of reducing and adapting energy use and seize opportunities for "green growth".*

Our activities lie at the heart of the challenge to achieve green growth. SUEZ ENVIRONNEMENT's sustainable development policy must continue to match the company to the demands of its customers and society, as well as promoting innovation. We have incorporated in our strategy a sustainable urban development offer, and are participating – through our know-how, products and services – in designing and building eco-boroughs. This offer adds to our contractual commitment to our Edelway environmental performance program.

Bernard Guirkinger: *Biodiversity, and related ecological services, have become key issues of equal importance as climate change. In 2010 SUEZ ENVIRONNEMENT will step up its actions, continuing to reinforce its managers' awareness, boosting its own efforts to limit impact on biodiversity and offering its customers innovative solutions to meet their water and waste management needs, while ensuring the maintenance and growth of biodiversity. The Group also intends to continue sharing its know-how and to dialog with local authorities, its customers, and its stakeholders in general; for example, participating in the national consultation on adaptation to climate change and the launch early this year of the debate on "New ideas on Water" by Lyonnaise des Eaux, a 12-month program of work and dialog with consumers and all players in water in France. Lastly, I want to emphasize the Group's extraordinary ability to apply its know-how to urgent and crisis situations in France and abroad (such as Haiti, Padang, the Xynthia windstorm, etc.).*

Jean-Louis Chaussade: *Our water and waste management businesses are entering a new era, which is why SUEZ ENVIRONNEMENT has galvanized itself to offer new models to meet new challenges.*





INNOVATING AND ADAPTI

The world is changing and waiting for innovative and effective answers that take a global and comprehensive approach, with the ability to adapt strategies to local contexts. SUEZ ENVIRONNEMENT has empowered this vision.

SUEZ ENVIRONNEMENT's ambition is to reinforce its position as the reference player in environmental protection and sustainable development, by offering its customers comprehensive water and waste management solutions. Its industrial initiatives exemplify its desire to develop all its business lines through sustainable and profitable management, along with a balanced risk profile. SUEZ ENVIRONNEMENT's strategy falls naturally in line with the broader framework of the GDF SUEZ Group, an international industrial group able to deliver effective technical solutions to meet the key challenges in deve-

loping sustainable energy, water and waste management. In 2009, SUEZ ENVIRONNEMENT proved the solidity and durability of its model. In a difficult economic context, SUEZ ENVIRONNEMENT posted solid results with steady overall global performance and strong free-cash generation. Revenues were €12.3 billion, up 0.6% excluding fx, and EBITDA was €2,060 million, down slightly by -1.2% excluding fx. The Group also announced a major operation to take control of Agbar, the leader in water in Spain, scheduled for mid-2010.

RECONCILING SUSTAINABLE ECONOMIC PERFORMANCE AND ENVIRONMENTAL PERFORMANCE

The growth in demand for the supply and distribution of drinking water, wastewater services and waste management and recycling, is linked to structural trends, demographic expansion, urbanization, and regulatory requirements. The increasing scarcity of raw materials has also impacted demand in the waste sector. SUEZ ENVIRONNEMENT is in a position to contribute directly to improving the environmental performance of its customers, whether they are local authorities, industrial customers or individuals.

SUEZ ENVIRONNEMENT's goals are to:

- Support its customers by promoting the rational use of resources to help them limit their environmental impact and identify alternative resources;
- Offer optimal solutions for energy consumption, the majority of which are renewable energy solutions, and, where applicable, solutions that combine environmental protection with the production of renewable energy;

- Develop innovating technologies with leading experts to:
 - adapt to climate change, preserve natural resources, and protect the environment and quality of life;
 - improve the quality of services to the consumer;
 - extend its technological leadership to new areas, particularly in areas linked to waste treatment and recovery.



NG TO PERFORM

GREEN GROWTH DRIVEN BY INNOVATION

Innovation is a source of differentiation and an essential lever for competitiveness. Our Edelway initiative, emblematic of our approach, was launched in 2008 by the Group throughout its subsidiaries. Edelway brings an additional dimension to its service offerings by making a contractual commitment to environmen-

tal performance based on three essential criteria: Greenhouse gas reduction, protection of resources, and the preservation of biodiversity. Edelway's offers and services are the fruits of the research that the Group's various entities are conducting to meet their customers' environmental challenges.

PRESERVING A BALANCED INDUSTRIAL MODEL AND IMPROVING OPERATING PERFORMANCE

One of SUEZ ENVIRONNEMENT's main strengths lies in its diverse and balanced exposure: short-, medium- and long-term contracts, local authorities and industrial customers, regulated and non-regulated, mature countries and emerging markets.

SUEZ ENVIRONNEMENT seeks to allocate its capital investments in a way that preserves the diversity and balance of its business portfolio, based on the expected profitability and risks incurred by each activity. The company also has a strategy of positioning itself throughout the entire water and waste value chains, by encouraging greater integration between the water and waste businesses in order to take advantage of the potential for synergies:

- Joint research programs (treatment of odors, energy recovery);
- Implementation of common technologies (composting, methanization, sludge treatment and recovery, treatment of leachates at wastewater treatment plants);

- Business development, including a joint management department in France, or outside Europe, where a number of subsidiaries assume management responsibilities for both businesses;
- Savings in overheads by combining corporate functions (finance, strategy, human resources, IT, communications, legal, development).

The company also plans to pursue operational synergies with GDF SUEZ energy businesses.



A SUSTAINABLE DEVELOPMENT FOCUSSED ON 12 COMMITMENTS

SUEZ ENVIRONNEMENT's core imperative, its *raison d'être*, is to provide services and equipment that are essential for people's lives, for their health and for environmental protection, in water and waste management: To produce drinking water, distribute it to consumers (households and companies); collect and treat their wastewater as well as rainwater; collect, recycle and treat refuse from domestic and industrial activities.

The Group strives for excellence in its businesses, in all regions of the world where it operates:

- Its expertise and professionalism are uncontested and highly appreciated by customers;
- It is an operator that has the public's ear when it discusses its vision and the nature of its activities;
- Its employees are committed to the company's values;
- Its professionalism is unanimously recognized.

Its industrial plan is to pursue consistent, well-managed, profitable growth, with a balanced risk profile, covering all water and waste cycles and aiming at being a leader in one and/or both businesses wherever it operates.

FOR REASONED DEVELOPMENT

The yearning for harmonious, sustainable development is an increasingly deep-seated aspect of contemporary society.

This yearning means carefully protecting the natural environment, safeguarding a pleasant and healthy lifestyle, a clear focus on social balance, and access for people to services that ensure their well-being in their everyday lives.

The provision of drinking water and wastewater services, as well as the management and the recycling of the waste produced by human, industrial, commercial or household activities, are part of the services essential to the well-being of people, but can mean real challenges in certain parts of the world. In all of this, SUEZ ENVIRONNEMENT's primary concern is **PEOPLE AND THEIR HEALTH**: Providing drinking water that is good to drink, purifying wastewater, ensuring that their cities are clean, collecting and recycling solid waste, preventing nuisances including noise, odors and health risks.

But the yearning for balanced development and shared, sustainable prosperity is hampered today by some increasingly pressing factors, including the depletion of non-renewable natural resources, the structural increase in energy prices, climate change now recognized as being the result, among other factors, of increasing levels of greenhouse gas emissions, impacts on biodiversity which are still discussed too little, and fears generated by chronic "invisible" pollution such as nano-pollutants. SUEZ ENVIRONNEMENT must therefore also help, as much as its intervention capacities allow, to maintain **NATURAL BALANCES**, by protecting rivers, soil, aquifers, and seas, by respecting landscapes and biodiversity, by preserving resources, and by reducing greenhouse gas emissions into the atmosphere.

The role of a socially responsible enterprise is to take action to face these new challenges, and to help remedy these threats, wherever its competences allow it to intervene today by anticipating the needs of tomorrow.

MENT POLICY ENTS



NEW COMMITMENTS FOR NEW CHALLENGES

At SUEZ ENVIRONNEMENT we therefore intend to continue to do our job well, which involves helping to improve standards of living and protect the environment: It consists of providing an irreproachable quality of service in water, wastewater and waste management, in line with the expectations of consumers and customers alike, and guaranteeing a high level of environmental protection, by ensuring in particular that the facilities and services managed by the company comply with the increasingly stringent requirements of health and environmental regulations.

But at SUEZ ENVIRONNEMENT we intend to do our job better by taking action to meet peoples' expectations for sustainable growth:

- By integrating these new challenges in our management of water and waste cycles, and in particular by making a major contribution to safeguarding resources;
- By applying the principle of the "circular economy", which permits the reasoned and responsible management of non-renewable resources through recycling and recovering the products and by-products of our business activities (waste, the sludge output by wastewater treatment plants, etc.);
- By reducing the environmental impact of our activities and in particular the impact of greenhouse gas emissions, and by promoting energy efficiency and the increasing use of renewable energy.

In the fields where we are equipped to act legitimately and effectively, we intend to behave as a socially responsible company and to deploy a continuous improvement program based on four main priorities and twelve commitments.

Monitoring objectives and performance indicators over many years is a complex task for a group like SUEZ ENVIRONNEMENT whose scope is constantly changing (full consolidation of SITA Waste Services in 2009, full consolidation of Agbar planned in 2010, etc.) and whose business activities also tend to evolve to adapt to market changes. SUEZ ENVIRONNEMENT increasingly strives to provide rigorous, reliable, independently-verified data and to demonstrate continuous performance improvement. In particular, the performance indicators corresponding to the various commitments have been carefully defined to ensure the most thorough coverage possible. This definition may change depending on advances in technical knowledge and research findings that the Group makes. Similarly, the reporting scope, which includes its fully consolidated companies, may change as the company changes. In all cases, SUEZ ENVIRONNEMENT is committed to providing all the information needed to track and compare data.

THE GROUP'S 4 PRIORITIES BROKEN DOWN INTO 12 COMMITMENTS

1 CONSERVE RESOURCES AND ENGAGE IN THE "CIRCULAR ECONOMY"

- › Optimize waste recycling and recovery rates
- › Increase the yield of drinking water networks

2 INNOVATE TO RESPOND TO ENVIRONMENTAL CHALLENGES

- › Reduce greenhouse gas emissions
- › Improve energy efficiency through all operations
- › Increase and promote renewable energy generation
- › Incorporate biodiversity in site management

3 EMPOWER OUR EMPLOYEES AS ACTORS OF SUSTAINABLE DEVELOPMENT

- › Foster professional knowledge
- › Improve health and safety in the workplace
- › Support diversity

4 BUILD OUR DEVELOPMENT WITH ALL STAKEHOLDERS

- › Promote an active dialog with our stakeholders
- › Be a key actor of local sustainable development
- › Provide regular and easily accessible information about our sustainable development actions



CHALLENGES AND COMMITMENTS

2009 REPORT AND OUTLOOK ON PROGRESS

SUMMARY

Against the backdrop of the economic crisis, the Group has posted improved or steady environmental performance, which is reflected mainly in the increase in the overall rate of recycling, steady greenhouse gas emissions and avoided emissions, in waste management activities in particular. It must, however, continue its efforts in improving drinking water yields and the useful production of renewable energy. The Group's overall social performance has improved on 2008, with an increase in the proportion of staff trained, an increase in the proportion of

women in the workforce (overall and in management positions) and a reduction in the frequency of workplace accidents. It has also pursued its transparency initiatives [consultation with stakeholders, extension of the ESG indicators (Environment, Social, Governance) verified by the statutory auditor].

The Group was included in the Dow Jones Sustainability World and Stoxx indexes in September 2009 and has received strong evaluations from ESG rating agencies.

PROGRESS ON OUR 12 COMMITMENTS¹

We increased our **material recycling rates** in municipal and non-hazardous industrial waste from 31.6% in 2008 to 31.9%, allowing us to put back into the market 12.8 million tonnes of secondary raw materials and compost extracted from the 37.6 million tonnes of waste we treated.

The **linear loss index** increased adversely from 9.5 to 9.7 m³/km/day.

We stabilized our **direct and indirect greenhouse gas emissions (GHG)** at 5.9 Mt. eq. CO₂². At the same time, we improved our contribution to avoided emissions by some 12% to 6.4 Mt eq. CO₂³. This change is linked primarily to the increase in secondary raw materials (steel and non-ferrous metals) put into the market. Total energy consumption (as a proportion of pertinent revenues) increased due to changes in consumption and to a decline in revenues.

Our useful production of **renewable energy** obtained from waste incineration, energy recovery of biogas at landfill sites and biomass from wastewater treatment plants remained steady at approximately 2,500 GWh⁴. We continued our efforts in the inventory and implementation of action plans for the preservation of **biodiversity**.

We have continued to improve **workplace safety**, reducing the frequency of accidents to 15.35%, down from 17.45% in 2008, which meant around 10,000 fewer days absence over the period 2008-2009. The proportion of our staff receiving training increased from 57.2% to 59.4%. The **number of hours of training per employee** declined by 4% on a like-for-like basis, from 13.5 in 2008 to 12.9 in 2009⁵. The **proportion of em-**

ployees with disabilities remained steady at 1.5% in 2009. The **gender ratio** is also steady (18.2% in 2008 vs. 18.3% in 2009⁶). At the same time, the **gender ratio in management** roles declined from 23.7% to 24.3% at like-for-like consolidation⁷.

We maintained strong efforts in **communication** with our stakeholders and local players.

We made progress in having **our indicators verified** by our statutory auditors. Compared to 2008, a larger number of social indicators were verified by the auditors who delivered reasonable assurance without reserves on a number of different indicators and moderate assurance on a number of others. In 2009 they accepted all environmental indicators with reasonable assurance.

We were included in the Dow Jones Sustainability World and Stoxx indexes in September 2009, rated B-, "Prime" status by the German agency Oekom, and were judged "best in class" in 4 areas out of 6 in the Vigeo ratings.

NB: We made the decision to report the Group's 2009 performance figures excluding the impact of SITA Waste Services. This Hong Kong-based company manages landfill sites and transfer centers. It has very few recycling activities. (Note also that the Group's targets were set in 2008 without taking this subsidiary into account).

¹ "Scope" effects: Entry and exit of companies from the consolidation scope of major subsidiaries (Lyonnaise des Eaux, SITA France, etc.) are not isolated in the reporting. However, we do point out where necessary the changes caused by the full consolidation of SITA Waste Services (waste business in China, Hong Kong in 2009). This

subsidiary can have a significant impact given its size in relation to the Group (some 20% of tonnages sent to landfill sites) and it can affect the published trends and revenues for 2008. For a detailed explanation of the reporting principles, see "methodology for reporting and scope" at the end of this document.

² 6.3 Mt eq. CO₂ with SITA Waste Services.
³ Figures similar with or without SITA Waste Services.
⁴ 2,600 GWh with SITA Waste Services.
⁵ 13.9 hr including SITA Waste Services.
⁶ 18.5% including SITA Waste Services.
⁷ 24.2% including SITA Waste Services.

CONSERVE RESOURCES AND ENGAGE IN THE “CIRCULAR ECONOMY”



In a world where natural resources are not infinite, achieving more sustainable development means using these resources efficiently: less waste in the production cycle and more new resources in the form of materials and energy extracted from waste and end-of-life products. This process, which is applicable to consumer goods and durable and semi-durable equipment alike, is also appropriate for natural substances such as water. Unlike fossil fuels, water is not an exhaustible resource, yet it is unequally distributed throughout the world, with some regions suffering severe shortages. Water is essential for many purposes (domestic, agricultural and industrial), and such a precious resource must not be wasted.

COMMITMENT 1

OPTIMIZE THE WASTE RECOVERY AND RECYCLING RATE

OBJECTIVE FOR 2012

Raise the global recovery rate of household and non-hazardous industrial waste to 36%

CHALLENGE

SUEZ ENVIRONNEMENT is committed to increasing the proportion of materials that are reused, recycled or recovered in the form of secondary materials from the waste volumes it handles.

This objective is encouraged by regulatory changes, by heightened public awareness of environmental issues, and by the structural increase, albeit volatile, in natural resource and energy prices. In Europe in particular, the revised waste framework directive adopted in 2008 encourages waste reduction, waste recycling and waste recovery⁸. It sets ambitious targets that need to be transposed into law in the various Member States. This change is reflected at national level by the adoption of fiscal incentives for waste recovery. In France the targets set by the Grenelle Environment Forum are accelerating this movement, as well as, for example, the rollout of incentivizing energy prices.

Businesses are already recycling a high proportion of their waste (60-70% in many countries). The same is true for the recycling of packaging material in household waste. However, the recycling of building materials, biowaste, furniture, clothing, bulky items, etc., are bound to develop further.

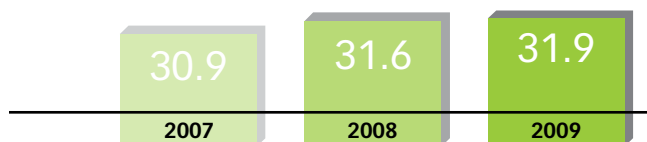
Although recycling is an integral part of waste treatment, we must realize that some waste cannot be transformed into a resource. This is why SITA continues to develop solutions for eliminating this non-recyclable residual part of waste, known as “final waste”, under conditions that respect the environment and are cost-effective.

⁸ http://europa.eu/legislation_summaries/environment/waste_management/ev0010_fr.htm

SUEZ ENVIRONNEMENT'S PERFORMANCE IN 2009

We have increased the material recycling rate of the waste we handle from 31.6% in 2008 to 31.9%, allowing us to put back into the market 12.8 million tonnes of secondary raw materials and compost, extracted from the 37.6 million tonnes of waste we treated.

Indicators⁹:



1.1 Global recovery rate of household and non-hazardous industrial waste (%)

Percentage of household and non-hazardous waste treated by SUEZ ENVIRONNEMENT that is not eliminated in landfills or incinerators, but is instead reused, or recycled (organic or material).

	2008	2009	Variations
Tonnage sent directly to materials recycling facilities	3 204 116	2 821 415	- 11.9%
CARDBOARD/PAPER	2 662 135	2 730 708	2.6%
CONSTRUCTION MATERIALS & BOTTOM ASH	2 112 327	2 156 068	2.1%
ORGANIC MATERIALS	1 325 673	1 284 033	- 3.1%
SCRAP IRON	900 121	1 278 603	42.0%
WOOD	1 163 377	1 244 665	7.0%
GLASS	656 621	639 685	- 2.6%
PLASTICS	346 224	327 273	- 5.5%
NON-FERROUS METAL AND WEEE	105 961	225 029	112.4%
TIRES & RUBBER	56 511	55 551	- 1.7%
TOTAL (Mt)	12,5	12,8	+ 1.8%

1.2 Amount of recycled material put on the market (in tonnes)

by family: ferrous and non-ferrous metals, paper & cardboard, wood, plastics, glass, rubber, bottom ash, etc.

The Group strives to structure its reporting by type of material, but this is highly complex given the multiplicity of flows of material and the activities to consolidate. On a Group-wide scale, all materials considered together, there was approximately a 2% increase in recycled materials. The materials that were put back in the market are set out above (indicator 1.2). Material by material, the changes are attributable primarily to organic changes in activity and to changes in scope within an

This performance can be explained by the relatively steady quantities of materials recycled across the Group as a whole, and the slight reduction in tonnages sent to landfill sites. Looking at SITA's various subsidiaries, this increase reflects very different industrial realities, in particular because SITA develops tailored solutions for the local authorities and industrial customers whose waste the Group manages.

Local authorities: SITA helps its municipal customers to meet the recycling targets imposed on them by national regulations. For example, in the United Kingdom, SITA UK is helping the County of Northumberland to exceed the 40% target set by the Government for the end of 2010 for recycling municipal waste, via a 28-year Private Finance Initiative (PFI). Northumberland County and SITA UK have a joint objective to reduce to 8% the proportion of waste put into landfills in 2012, a target that should be achieved by the high recycling rate coupled with energy recovery from residual waste.

Industrial customers: SITA's approach to recycling is one of partnership. For example:

- Nexans, a cable manufacturer, is not only a minority shareholder of Recycâbles, a SITA France subsidiary specialized in shredding electrical cables, it also passes to SITA the 15,000 annual tonnes of production waste from all its plants in Europe, as well as consuming the copper pellets from the recycling platform.
- Renault and SITA France are joint 50:50 shareholders of the Indra Group which includes in particular the Re-source Industries and Re-source Auto Pièces sites, specialized in dismantling scrapped vehicles. In addition to processing scrapped vehicles sent by all Renault dealers in France, SITA France and Renault work together on improving the recycling of these vehicles. By 2015, recycling facilities should actually be able to recover 95% of the elements of a vehicle and recycle the extracted materials to build new automobile equipment (closed loop recycling).
- SITA France, alongside Airbus and other aeronautics players, is a player in Tarmac, a joint venture which offers a state-of-the-art facility in Tarbes (France) for dismantling scrapped aircrafts. It uses best industrial and environmental practices to make equipment re-airworthy and recycle as much of the material as possible.

activity (for example, the consolidation of part of the activities of Boone Comenor Metalimpex, a specialist in recovering and recycling ferrous and non-ferrous metals at industrial sites in France and abroad). Lastly, the Group has published and submitted to the European Commission the document *Twelve Key Recommendations to Solidify the Underlying Dynamics of the Recycling Market* to make its contribution to the EC's thinking on recycling.

⁹ In 2009, by integrating SITA Waste Services, the rate was 29.2% compared to 28% in 2008.



BEST PRACTICE The company France Plastiques Recyclage

On June 23, 2009, in the presence of Chantal Jouanno, the Secretary of State for Ecology, the Group inaugurated the company France Plastiques Recyclage (FPR) which implements the “bottle to bottle” concept on an industrial scale. FPR is owned 50:50 by SITA and the Paprec Group. The PET (polyethylene terephthalate) recycling plant at Limay (Yvelines) can process 40,000 tonnes

of bottles a year. Using innovative tools it produces recycled PET in the form of pellets (r-PET) usable in “food contact” applications. In addition to a contract with the Danone Group (and in particular Evian Volvic Sources), FPR is finalizing a long-term contract with Coca-Cola as well as with other potential customers.



COMMITMENT 2

INCREASE THE YIELD OF DRINKING WATER NETWORKS

OBJECTIVE FOR 2012

To save in four years the equivalent consumption of a French town of 700,000 inhabitants (Lyonnaise des Eaux scope).

Improving the yield of drinking water distribution networks and reducing leakage are ongoing goals for SUEZ ENVIRONNEMENT’s water business line. For this reason, changes in the linear loss index (LLI) are carefully monitored for each contract. However, it is unrealistic to expect this consolidated indicator

to keep showing improvement: the turn-over of contracts is such that new networks with mediocre yields are regularly introduced into our portfolio, and correcting leakage takes time. However, the network yields in mature contracts are already high and steady. SUEZ ENVIRONNEMENT therefore provides information on drinking water savings made possible by reductions in leakage.

CHALLENGE

Drinking water is a precious and increasingly costly resource. SUEZ ENVIRONNEMENT is committed to decreasing drinking water losses by reducing leaks in the water distribution system. However, we also need to take into account the issue of the availability of water resources and/or the capital intensive nature of producing it, issues which do not have the same significance everywhere. Fighting wastage in highly water-stressed regions is more important than doing so in areas where it is

abundant. Saving 1 m³ of water does not have the same value everywhere in the world : 1 m³ in Algeria (where water is produced partly by desalination) or 1 m³ in Casablanca where the resource is scarce, will not have the same value as 1 m³ saved in a region where it is abundant and where its production is not capital intensive. In the future, the Group will strive to highlight the actions taken in regions where managing water resources is most critical.

SUEZ ENVIRONNEMENT’S PERFORMANCE IN 2009

The linear loss index increased from 9.5 to 9.7 m³/km/day.

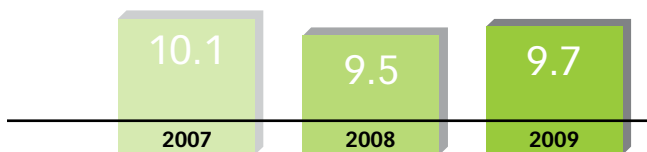
This change is attributable to a number of subsidiaries, in particular Lyonnaise des Eaux, United Water and Lydec. It is partially explainable by two major events:

- The heavy freeze in January 2009 which caused serious damage to pipes and increased the number of leaks;
- Damage caused by the winter storm Klaus on January 23, 2009 when it hit southwest France.

However, the extent of these two events was contained thanks to a major effort in finding and repairing the leaks. The number of prelocator base stations was increased in 2009, and this remains a priority for 2010.

As noted in 2008, the linear loss index is influenced by reductions and additions to scope (for example, 2010 performance will be impacted by the non-renewal of the Paris contract,

Indicator:



2.1 Linear loss index for the network (m³/km/day)

Ratio between the loss volume (difference between the volume injected into the network and the volume distributed) and the length of the distribution network.

which had a network yield of 97%).

In addition to combating wastage, in response to customer demand, the Group also participated in more-responsible water management by expanding its intervention scope – upstream with solutions to protect and preserve water resources, prescribing alternative water resources (reusing treated water, desalination, etc.) - and downstream with new services for customers (remote meter-reading to allow real-time water management). The Group also offers demand-management consulting services, advising its customers on various solutions for managing their consumption. Lastly, in France, it also intends to add its expertise to the search for a new mode of organizing water and wastewater services that will meet the new challenges and new expectations¹⁰.

* BEST PRACTICE **Dolce ô, a range of new services to households...**

... for a comfortable, more economical and ecologically-friendly home.

Since November 2009 Lyonnaise des Eaux has been offering households a range of new services including **Leak Alert, Remote Meter-reading as well as**

Leak Insurance and Assistance. The services offered illustrate the evolution of Lyonnaise des Eaux' economic model, which is turning increasingly to households and taking on the challenges to save water and preserve water resources.

TO GO STILL FURTHER

Combat wastage

www.lyonnaise-des-eaux.fr/developpement-durable/nos-12-engagements/lutter-contre-gaspillage-0

Guarantee a water supply despite unpredictable weather

www.lyonnaise-des-eaux.fr/developpement-durable/nos-12-engagements/garantir-l'alimentation-eau-periode-secheresse-0

Responsible water usage

www.unitedwater.com/conservation.aspx

www.eurawasser.de/umwelt.html

¹⁰ See additional information on the Lyonnaise des Eaux dialog platform at www.ideesneuveessurleau.net and page 28 (commitment 10).

INNOVATE TO RESPOND TO ENVIRONMENTAL CHALLENGES



Combating climate change, increasing energy efficiency, producing renewable energy when economically relevant, and preserving ecosystems are henceforth the requirements of any socially responsible market player.

SUEZ ENVIRONNEMENT is involved in this priority through its “climate / energy / biodiversity package”.

Although presented here as three distinct commitments, we should note the interdependency between mitigating/reducing greenhouse gas emissions (GHG), improving energy efficiency, and producing energy (mostly renewable). This interaction is reflected in the innovations, commercial offers and action plans deployed by the Group.

COMMITMENT 3 REDUCE GREENHOUSE GAS EMISSIONS

OBJECTIVE FOR 2012

Ninety-five percent of the waste landfilled by SUEZ ENVIRONNEMENT is sent to sites equipped with biogas collection and treatment systems.

For the record, SUEZ ENVIRONNEMENT has chosen an indicator based on waste management at landfill sites. In fact, emissions from the waste management business account for approxima-

tely 85% of the total emissions for SUEZ ENVIRONNEMENT and, among these, emissions from energy recovery plants are virtually “irreducible” as waste treatment is an obligation (but it is not possible to reduce emissions from combusting the fossil part of the waste).

CHALLENGE

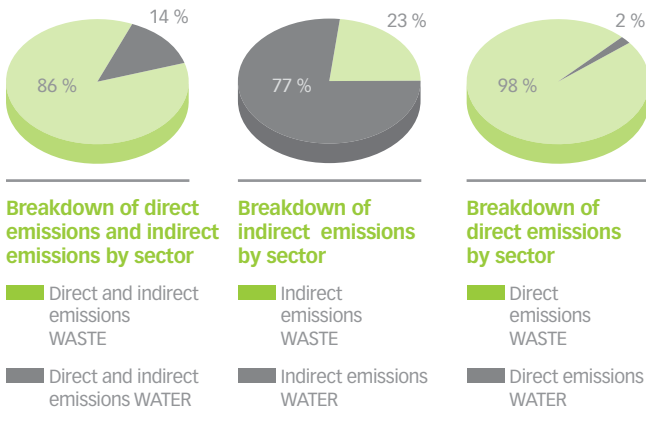
SUEZ ENVIRONNEMENT’s contribution to combating climate change is driven through a range of actions aimed at:

- Reducing GHG emissions - for an equivalent quality of service (see below) - via operational excellence (such as collecting biogas at landfills and wastewater treatment plants), and through innovation in the Group’s collection services and technical facilities;
- Improving the energy efficiency of its technical facilities;
- Increasing the contribution to avoided emissions through the Group’s material, agronomic and energy recovery activities.

SUEZ ENVIRONNEMENT provides information about the GHG emissions from the following sources:

- Direct emissions:
 - Transportation (waste collection, service vehicle fleet)
 - Landfill: diffuse methane emissions
 - Incineration: emissions from the combustion of the fossil part of waste
 - All activities: emissions related to the consumption of primary energy at our sites
- Indirect emissions related to electricity consumption.
- Avoided emissions.

Our emissions can be broken down as follows:



For an accurate analysis of the challenges of reducing SUEZ ENVIRONNEMENT's greenhouse gas emissions, a number of limiting factors related to our business must be taken into consideration:

- An increase in electricity consumption, reflecting more stringent environmental protection measures in both the water and waste businesses (more pollution to treat, the introduction of advanced treatment processes following inclusion in the regulations of emerging pollutants of concern, enhanced sorting efforts, etc.) ;
- The high number of:
 - Sites of various sizes
 - Businesses and processes
 - ... making it difficult to standardize strategies for reducing GHG emissions;
- Facilities operated on behalf of local authorities and industrial customers: SUEZ ENVIRONNEMENT can recommend solutions that emit lower levels of greenhouse gases, but in most cases the investment decision is made by the local authority or industrial customer. The scope of the assets actually owned by the Group, and thus on which it can act directly, is limited. In addition, some types of emissions cannot be reduced, such as those from incineration. However great the efforts to improve the energy efficiency of these facilities, they continue to emit the same amount of greenhouse gases.

In addition, SUEZ ENVIRONNEMENT's greenhouse gas emissions must be considered from the perspective of the emissions avoided through the Group's material recycling and energy production activities. To assess this contribution to avoided emissions, a comparison must be made between the emissions produced by transformation industries, which use recycled material and energy provided by SUEZ ENVIRONNEMENT, and the amount of greenhouse gases that these same industries would emit if they used virgin raw materials and the traditional energy sources that make up the regional energy mix.

For example, emissions from obtaining one tonne of virgin aluminum (extraction from bauxite ore, transportation and conversion to aluminum, etc.) are significantly greater than those from collecting, sorting and recycling one tonne of used aluminum. In the end, the carbon footprint of one tonne of aluminum is reduced even further because of its high content of recycled aluminum. The emissions avoided correspond to the difference between the emissions associated with the two industrial alternatives, one involving recovery, the other not.

Today, SUEZ ENVIRONNEMENT is helping to decrease emissions through:

- Secondary raw materials (SRM) from the following facilities:
 - Sorting centers/mechanical biological treatment plants/composting platforms: single-stream material (including compost), substitute fuels
 - pre-treatment platforms for hazardous industrial waste: substitute fuels
 - Incinerators for households and similar waste: bottom ash and scrap metal
- Energy recovered from incinerators, landfills for households and similar waste, wastewater treatment plants and other energy-producing facilities;
- Heat recovered from wastewater to heat buildings (Degrés Bleus) ;
- Conventional renewable energy produced at our sites (photovoltaic, etc.).

It should be noted that the contribution to avoided emissions via material recovery comes at a higher price in direct and indirect emissions for SUEZ ENVIRONNEMENT (see also commitment 4 for additional explanations): in organizing selective collection we use more fuel, and in sorting it we use more electricity. Our direct and indirect emissions generally rise, but ultimately result in lower emissions over the full life cycle of the product.

ABOUT

Methods and tools for calculating greenhouse gases

The Group contributes to developing protocols for measuring and reporting GHG emissions from its business activities, through various professional bodies (such as the protocol developed by the French business environmental association *Entreprises pour l'Environnement* for reporting waste-generated GHG emissions, or the methodology developed by ASTEE, the French scientific and technical association for water and the environment, for evaluating GHG emissions from water and wastewater management services. These in turn are working to have their tools recognized at European and international level (by the European Standardization Committee and by ISO, *the International Organization for Standardization*). The Group is also driving research into

improving the measurement of GHG emissions, in particular those which currently are relatively undocumented at world level, such as N₂O emissions from wastewater treatment plants or CH₄ and N₂O emissions from plants that treat organic waste and sludge. It has developed advanced measurement tools adapted to each business activity:

City Biose / LCA-Biose (SAFEGE Engineering Consultants)¹¹ : evaluation and visualization of the environmental performance of public services of a city (drinking water, wastewater treatment, waste, energy for public buildings, public lighting and public transport) and life-cycle analysis of services to help drive regional policies.

¹¹ <http://www.safege.fr/fr/a-propos-de-safege/publications/publications/>

Res'eau Carbone (Lyonnaise des Eaux): for calculating the carbon footprint from new construction works, renewal, renovation and maintenance of water and wastewater mains and distribution networks. Service Eau Carbone (Lyonnaise des Eaux) : for carrying out carbon audits at regional level (resources, production and distribution of drinking water, treatment of sludge, and administration of services).

O₂C™ (Degremont), carbon audit adapted for analyzing the various possible solutions during a design phase.

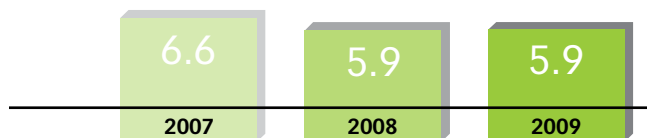
Waste Ecologic Footprint¹² (SITA), which models the impact of waste management on a regional scale.

The decrease in emissions through material or energy recovery is recognized based on the principle of substitution for virgin or fossil resources. For this decrease to be measured in a manner that is consistent throughout all Group operating entities, SUEZ

ENVIRONNEMENT in 2008 adopted a uniform methodology entitled "Rules for assessing greenhouse gas emissions for SUEZ ENVIRONNEMENT's environmental reporting". This methodology is based on the protocol for calculating GHG emissions developed by the association *Entreprises pour l'Environnement*¹³. It uses the emission factors published by AEA Technology¹⁴, which are much more "conservative" than those used by the US Environmental Protection Agency (EPA), which had generally been used in the past. This calculation method is extremely cautious and probably results in an underestimation of avoided emissions, particularly when other factors also come into play. (For example, not all recovered materials are broken down by category in SUEZ ENVIRONNEMENT's reporting, and some materials have no specific emission factor in the AEA table.) SUEZ ENVIRONNEMENT's contribution to avoided emissions has been calculated on the basis of this new protocol since 2008.

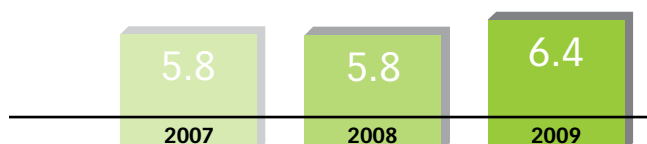
SUEZ ENVIRONNEMENT'S PERFORMANCE IN 2009

Indicators:



3.1 Direct and indirect GHG emissions (millions of tonnes of CO₂ equivalent)

Produced by processes or equipment that belong to or are controlled by the Group or that are related to the consumption of electricity and heat.



3.2 Contribution to avoided GHG emissions (millions of tonnes of CO₂ equivalent)

Through the use by industry of materials recycled by SUEZ ENVIRONNEMENT and also through the production of energy from incinerators, landfills and wastewater treatment plants.

We have stabilized our direct and indirect GHG emissions at 5.9 Mt. eq. CO₂¹⁵. This reflects:

- a slight reduction in direct emissions from waste and water activities;
- steady indirect emissions (more precisely, a slight increase in emissions linked to water offset by a slight reduction in emissions from waste).

CO₂

At the same time, we have improved our contribution to avoided emissions by approximately 12% to 6.4 Mt. eq. CO₂¹⁶. This change is due primarily to the increase in secondary raw materials (steel and non-ferrous metals) put into the market. At Group level, virtually all avoided emissions are achieved in the waste sector, as follows:

- 71% from recycling materials,
- 16% from energy recovery (including biogas – see below),
- 13% from recovering waste through co-incineration at cement factories.

FOCUS Methane emissions from landfill sites

At the end of 2009, the proportion of waste landfilled at sites which capture and treat the biogas was approximately 84%¹⁷. This proportion was in line with 2008. This rate varies from country to country (nearly 100% in France¹⁸ the landfilling activity of which represents 50% of all landfill activity of SUEZ ENVIRONNEMENT - or in Sweden), and depends on the regulations in the countries in which the facilities are located. The Group maintained the biogas capture rate for landfill sites at about 75%¹⁹ in 2009. The proportion of energy reco-

very (as opposed to flaring) was approximately 47%. SITA France, for example, increased the installed capacity of its biogas recovery plants by 15% in 2009: These produced 220 GWh of electricity as well as 168 GWh of thermal power which was primarily used to treat leachate. For the record, the biogas emitted by landfill sites is composed approximately of 50% of methane. This gas has a global warming potential (GWP) 21 times that of carbon dioxide: It is therefore essential to capture and treat it. Note that biogas is considered to

¹² www.empreinte.sita.fr

¹³ www.epe-asso.org

¹⁴ AEA Technology (www.aeat.co.uk) is a British consultancy specialised in energy and climate change.

¹⁵ 6.3 Mt eq CO₂ including SITA Waste Services.

¹⁶ Same order of size by including SITA Waste Services.

¹⁷ 87 % including SITA Waste Services.

¹⁸ This proportion is 100% if we only include sites operated in its own name, i.e. sites at which SITA controls investment, and new sites that are fully

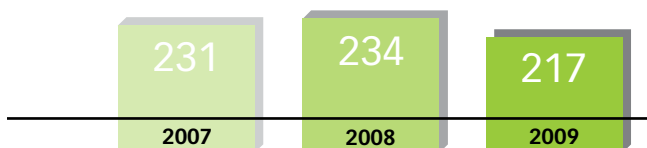
functional as soon as they are producing biogas.

¹⁹ Only an analysis spanning several years can assess the management quality of a landfill site; in fact, a new site not immediately producing biogas will not be immediately equipped although the tonnages received are immediately recorded.

FOCUS

► be biogenic and that, according to consensus, the emissions linked to the biogenic part of waste (the fraction from biomass defined as being non-fossil biodegradable organic material from plants, animals and micro-organisms) are not taken into account in quantifying GHG emissions. These emissions are in fact considered to enter into

the natural short carbon cycle and that the emissions from combustion or degradation of biomass are offset by the carbon that was consumed during the growth phase. The energy produced from this biogas is therefore considered to be 100% renewable.



3.3 Alternative fuels from waste provided by SUEZ ENVIRONNEMENT

(kilo tonnes of oil equivalent [kTOE])

representing alternative fuels produced and supplied by SUEZ ENVIRONNEMENT that substitute for fossil fuels.

In 2009, the production of alternative fuels prepared from special industrial waste, essentially for supply to cement factories, suffered from the slowdown in the economic activity, the effects of which were felt upstream as well as downstream of this business, right from the sectors producing hazardous waste (chemicals, pharmaceuticals, petrochemicals) to cement-consuming activities (public works), which explains the 7% drop from 2008. The Group is now striving to develop the Refuse Derived Fuels (RDF) activity, from non-hazardous waste, with high operating and quality standards. This business will boost the traditional ranges from hazardous waste, sold by the Group's various subsidiaries.



BEST PRACTICE Aquaviva, the "carbon neutral" wastewater treatment plant...

... in the Cannes basin

The elected officials of the intercommunity association for wastewater treatment in the Cannes basin or "SIABC" (Syndicat intercommunal d'assainissement du bassin cannois) and Lyonnaise des Eaux have chosen to create a state-of-the-art public facility for controlling greenhouse gas emissions (GHG). The GHG emissions from the present SIABC treatment station represent some 9,500 tonnes eq. of CO₂ a year. Lyonnaise des Eaux "eco-designed" the Aquaviva plant so as to reduce GHG emissions by 90%, to an incompressible

emission rate of 960 tonnes eq. of CO₂ a year. However, Lyonnaise des Eaux wants to go further, by offsetting the 950 tonnes eq. of CO₂ a year by creating local carbon sinks. This carbon neutral approach constitutes an exemplary contribution to the climate plan of the local authorities in the Cannes basin, in the fight against GHG and global warming. This plant will recover energy from the cooling energy from the sludge dryers, and energy from wastewater to heat and cool buildings. It will also be equipped with the largest solar panel farm in the Alpes-Maritimes département (4,000 m² of photovoltaic panels).

FOCUS GHG emissions from water activities

In order to participate fully in the fight against global warming and respond to the concerns of municipalities (Agenda 21, climate plans, etc.), SUEZ ENVIRONNEMENT is supporting local authorities to help them reduce their greenhouse gas emissions.

The contribution of the drinking water and wastewater services to greenhouse gas emissions:

Local public services represent some 15% of greenhouse gas emissions in France. Among these, public water and wastewater services are the third-most emitting among local public services, after educational establishments and general administration. Every cubic metre of water produced or wastewater treated is estimated to produce greenhouse gas of 0.5 to 1 kg of CO₂ equivalent, or 50 kg of CO₂ per inhabitant per year. In terms of climate, the challenge is to reduce consumption throughout the Group's activities as well as help other actors in the country to "avoid" emissions. The Group can thereby contribute to the climate plans of local authorities by increasing its contribution to avoided GHG emissions: thermal or electrical recovery of biogas from the anaerobic digestion of sludge, recovery of heat from wastewater pipes (Degrés Bleus), and increasing conven-

tional renewable energy production (photovoltaic, water turbines in drinking water plants and wastewater treatment plants).

Reduce greenhouse gas emissions by 10% to 50%.

In order to reduce the environmental footprint of its services, Lyonnaise des Eaux automatically offers local authorities carbon audits (Bilans Carbone®) and associated action plans as part of its "Green Offer". Depending on the situation, it offers local authorities the ability to reduce by 10 to 50% the greenhouse gas emissions from the services it operates on their behalf and can thereby help reach their climate plan targets.

Lyonnaise des Eaux is the leader in this sector in its field:

Since 2006, Lyonnaise des Eaux has conducted more than 25 carbon audits (for wastewater treatment plants, the activities of its own regional centres, drinking water production plants) out of the 1,000 carried out in France (Source: Ademe). Lyonnaise des Eaux has created a variation of Ademe's Bilans Carbone® for water and wastewater services, as well as a special calculator to evaluate CO₂ linked to network management, which is one of the largest emission items.

FOCUS Carbon and procurement

The Group strives to take carbon-intensity into account in its procurement and works with its suppliers to reduce it.

These initiatives take various forms:

- In water and in buying reagents, for example, we along with our suppliers are studying products with a smaller carbon footprint (in terms of production and use). We are working with our sub-

contractors to promote “green” worksites, using lower-emission techniques (avoiding trenching, recycling rubble in situ, etc.).

- In waste management, in certain procurement categories, we have moved from buying products to buying services (e.g. tyres).
- We have also been studying, with our suppliers, ways of reducing packaging.

COMMITMENT 4

IMPROVE ENERGY EFFICIENCY THROUGH ALL OPERATIONS

OBJECTIVE FOR 2012

Improve energy efficiency by 5% against 2008

CHALLENGE

Improving the energy efficiency of our operations is a major challenge both for us and for our customers, and the stakes are economic as well as environmental. As indicated previously, SUEZ ENVIRONNEMENT’s activities are bound to show an increase in their energy intensity – when compared to traditional metrics of activity (m³ of water produced, tonnes of waste treated, etc.). This trend can be explained by the added value

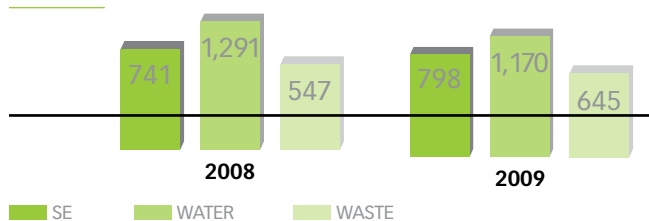
of the services rendered (pollution better treated, increased proportion of waste recycled), to meet both a growing amount of pollution (requiring more technologically-intense treatment solutions) and more stringent environmental protection regulations. In addition to this basic trend, we should also note the great fluctuations possible in energy consumption by water activities, year to year, linked mainly to climatic conditions.

SUEZ ENVIRONNEMENT’S PERFORMANCE IN 2009

SUEZ ENVIRONNEMENT has an on-going commitment to managing and optimizing energy consumption by, for example, conducting systematic energy audits or deploying remote-meter-reading systems. The productivity gains are, however, difficult to measure at consolidated Group level mainly because

of the context described above. However, at operational level they are clearly measurable. Thus, in 2009, Agbar carried out 132 audits which produced savings of the equivalent of over 8 GWh a year, representing savings of over €1 million and more than 4,000 t eq. CO₂.

Indicator:



4.1 Total energy consumption of SUEZ ENVIRONNEMENT (in Wh/€ of revenue) recognised in revenue in the relevant perimeter

During 2009, we saw:

- Water: Energy consumption vs. relevant revenue in this sector (Wh/€) declined by 10%. This is due to both a drop in energy consumed and an increase in relevant revenue.
- Waste: Energy consumption vs. relevant revenue in this sector increased. This is due to both an increase in consumption and a drop in relevant revenue in the sector

*** BEST PRACTICE Degrés Bleus**

Levallois-Perret is the first local authority in France to install "Degrés Bleus", a system for recovering energy from wastewater. This innovative and ecological system offered by Lyonnaise des Eaux heats the pools of the municipality's new aquacentre. The heat in wastewater (water from bathrooms, washing machines, etc.) is recovered via an 80-metre long heat exchanger installed at

the end of the wastewater system adjoining the aquacentre. The calorific value is then transported via a heat transfer fluid to a heat pump installed in the boiler of the aquacentre. By opting for this green energy solution, the municipality of Levallois-Perret will reduce by 25% the energy it consumes to heat its swimming pool and reduce the corresponding greenhouse gas emissions by 66%.

**COMMITMENT 5
INCREASE AND PROMOTE RENEWABLE ENERGY GENERATION**

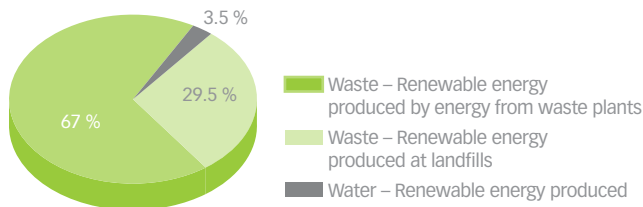
OBJECTIVE FOR 2012

Increase the production of renewable energy by 10% against 2008

CHALLENGE

For SUEZ ENVIRONNEMENT as a whole, the production of energy, which is principally of a renewable nature, is achieved mainly by recovering energy from waste incineration and from biogas at landfill sites and methanisation plants. Added to this is energy production from the water sector (primarily from biogas from wastewater treatment plants), but these sources are still minor (see graph below). The yield from biogas recovery should increase in the next few years, and the potential rate of progress is high. Nonetheless, certain technological barriers

need to be overcome through research, as many smaller wastewater treatment plants do not allow energy transformation by traditional techniques. For the record, by renewable energy we mean: 100% of the energy from biogas from landfill sites, methanisation facilities, or from the digestion of sludge in wastewater treatment plants and, by consensus, 50% of the energy recovered from waste incineration (of households and non-hazardous industrial waste).



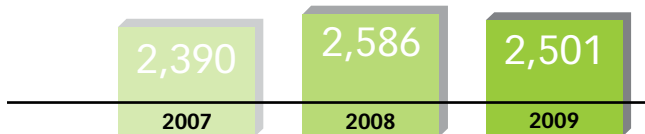
Breakdown of renewable energy production at SUEZ ENVIRONNEMENT
Total 2009: 2,500 GWh

The climate and energy package adopted at the end of 2008 by the European Union (EU) includes a renewable energy directive that should mean that by 2020²⁰, 20% of the EU's final energy consumption will be renewable energy.

²⁰ According to EurObserv'ER (9th report), in 2008, European production of primary energy was 7.5 Mtoe (87,200 GWh) from biogas, of which 38.7% was from landfills, 13.2% from wastewater treatment plants, and 6.8 Mtoe (79,000 GWh) from municipal waste incineration.

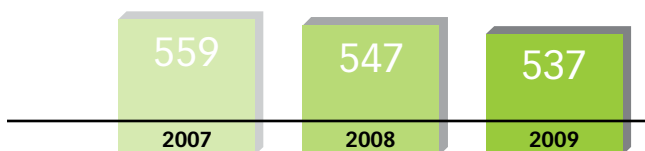
SUEZ ENVIRONNEMENT'S PERFORMANCE IN 2009

Indicators:



5.1 Useful renewable energy production (GWh)

from incineration plants, methanisation, and biogas recovery from landfills or wastewater sludge. Useful production is defined as the total of renewable electric energy produced and thermal energy sold. In the future, we intend to also include our own consumption of the renewable energy we produce, which is not currently isolated in our reporting.



5.2 Installed capacity (MW)

Installed capacity for energy recovery at incineration and methanisation plants and landfills.

Our useful production of renewable energy obtained from waste incineration, energy recovery of biogas at landfill sites and biomass from wastewater treatment plants remains steady at approximately 2,500 GWh²¹. In 2009, this will allow us to supply renewable energy to meet the annual energy needs of approximately 370,000 inhabitants (European standard of 6.7 MWh/inhabitant per year in EU 27²²).

However, we should note that our production of renewable energy is actually greater than the figures shown here, as some energy recovery plants have not been reported in the Group's environmental accounting, for instance the EVI waste incineration energy recovery plant on the border of Holland and Germany.

In 2009, about 60% of the energy produced by SUEZ ENVIRONNEMENT came from a renewable source.

Installed capacity in 2009 was 537 MWe, down 2% from 2008, mainly due to adjustments in reporting methods.

* BEST PRACTICE Sotrival final-waste landfill site in Clérac (17)

The recovery performance of this class 2 landfill site in south Charente-Maritime is second to none: With a capacity of 185,000 tonnes per annum and equipped to treat 70,000 tonnes of bottom ash and 14,000 tonnes of selectively collected waste in the same run, the facility has capitalised on its geographical proximity to the Imerys Group's AGS plant, the leading European producer of calcined clay, to develop a process to recover its biogas. The biogas is captured in layers of waste contained by 5 hectares of clay cover, and is then routed to a

pretreatment station where it is dried before being directly used as an alternative fuel in AGS's 35-metre long rotary kiln. The theoretical flow of 650 m³/h was doubled by optimizing the biogas capture network. A pre-capture unit combined with a flare stack balances the recovered fraction and removes harmful odours. Very recently, some of the biogas has also been used to heat the bio-lake for the new leachate treatment installation. The total recovery represents 3,000 tonnes of heavy fuel oil saved each year.

COMMITMENT 6

INCORPORATE BIODIVERSITY IN SITE MANAGEMENT

OBJECTIVE FOR 2012

100% of sensitive sites to have implemented a biodiversity action plan

²¹ 2,600 GWh with SITA Waste Services.

²² Calculation based on energy consumption of households, source Eurostat, base 2007.

CHALLENGE

Biodiversity and the related ecological services have now become as vital a consideration as climate change. In 2010, the International Year of Biodiversity, the Convention on Biological Diversity (CBD) will be particularly important and will very likely be reflected in the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES) which, in line with the IPCC, could become the reference worldwide for studies, and probably for public policies in the fight to safeguard biodiversity.

Climate change, biodiversity and ecological services²³ all interact: The ecological services offered by biodiversity contribute to alleviating, and adapting to, climate change - and climate change adversely affects biodiversity and ecological services.

As the CBD has not yet been reflected in major decisions globally, the regulatory drivers for now are:

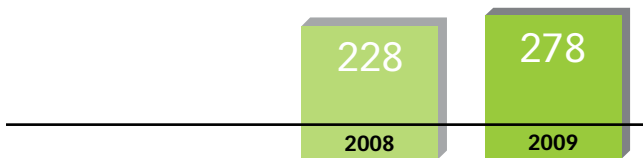
- The European Directive on Environmental Liability of 21 April 2004,
- The European Water Framework Directive (WFD) of 23 October 2000,
- The Environmental Impact Assessment Directive (1985, methodology for assessing the impact of a project),
- The French act of 1976 for the protection of nature (fauna/flora section of the impact studies).

When we look at the number of regulations we have had for climate change, we cannot exclude the possibility of the rapid introduction of an increasing number of biodiversity provisions when an entity like IPBES is brought in to guide policies around the world.

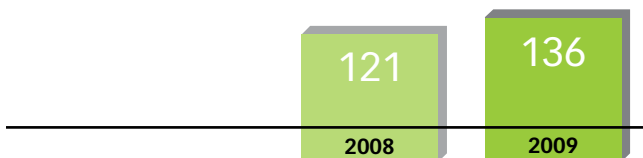
SUEZ ENVIRONNEMENT'S PERFORMANCE IN 2009

It is important to remember that SUEZ ENVIRONNEMENT's activities, offering water and wastewater treatment solutions, limit the physical, chemical and biological impact that human

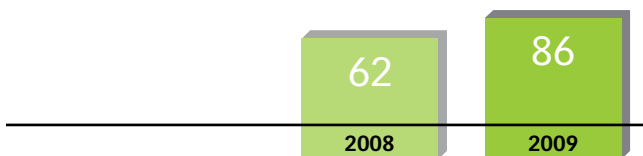
Indicators:



6.1 Number of sensitive sites inventoried



6.2 Number of sites for which a diagnosis has been carried out



6.3 Number of action plans adopted and implemented

activities could have in the absence of the treatment that the Group provides. They are thus an intrinsic part of environmental protection measures and consequently biodiversity protection measures. The continuous improvement of the service offered by SUEZ ENVIRONNEMENT to reduce anthropic pressure is therefore the Group's primary contribution to safeguarding biodiversity.

However, the Group is aware of the pressures it exerts on the natural environment, whether physical (the intrusion of its installations on fauna habitats and on the earth, local flora, the connectivity of spaces necessary for species migration, impact of drawing water from water resources) or chemical (management of vegetation, use of pesticides, impact of liquid and gaseous effluents on local fauna and flora, impact of brine from desalination on shorelines in coastal regions).

As the change in the three indicators shows²⁴, SUEZ ENVIRONNEMENT manages its land (ground surface) by increasingly seeking to preserve nature assets in its operating practices (see SITA France guide for conducting studies on fauna/flora, and protection/preservation/redevelopment/best practices). The Group seeks to improve how it takes into account the impact of its activities on the target milieu, by broadening its sphere of influence to encompass entire river basins (preservation of water resources, monitoring tools upstream of treatment stations, and shoreline impact assessments). Lastly, SUEZ ENVIRONNEMENT is developing, locally as well as nationally, collaborations and partnerships with various stakeholders (universities, NGOs) involved in this challenge (National Natural History Museum, Bird Protection League, France Nature Environment).

For its local authority and industrial customers, SUEZ ENVIRONNEMENT already has solutions to support their biodiversity policies:

²³ "Ecosystem" services are understood to mean the services nature delivers to man to fulfil its vital needs (known as "provisioning" services),

"regulating services" which include climate, the regulation of disease and sanitation, "supporting services" which support for the aforementioned

services such as the formation of soil, water cycles, etc.), and cultural services.

²⁴ Performance evaluation at the end of 2009.

- Diagnostic tools to assess the impact of services at local authority level (City Biose and LCA-Biose from SAFEGE, etc.),
- Development of broad offers at river basin scale:
 - wetland management (Lyonnaise des Eaux "Zones Libellules"),
 - Decision-making aid tool to put in place capture basins (Lyonnaise des Eaux),
 - Impact assessments on the aquatic milieu.

As regards research and innovation, apart from the work to characterise the physical-chemical pollution injected into the environment by human activity (notably the AMPERES programme), the Group is developing biological impact indicators of this pollution on the aquatic ecosystems, in particular those caused by micro-pollutants.

NB: The 2008 data has been recalculated as it proved necessary to incorporate these new «Biodiversity» indicators consistently among the subsidiaries. The Group will take advantage of 2010, the international year of biodiversity, to reshape its indicators

and objectives. Indeed, changes in European regulations, in particular Directive 2004/EC of 21 April 2004 (transposed into French law by the act of 1 August 2008) which enforces a new regime of environmental liability, led the Group to redefine the concept of «sensitive site» in its various activities. In addition, feedback from many of the Group's biodiversity actions highlights the extreme variability in the initiatives undertaken (local context, heterogeneity of analysis methods, necessary adaptation to expansion of protected zone, etc.). In this respect, the objectives to incorporate biodiversity into site management will need to change to render more visible the adequacy of the measures implemented for the specific characteristics of the milieu and their long term value, and to permit effective reporting of the company's ever improving performance in these complex themes.

* BEST PRACTICE The ecological quality index...

... of landfill sites

In order to achieve its goal to incorporate biodiversity into its landfill sites management, SITA France has developed an ecological quality index for its landfill sites in partnership with the French National Museum of Natural History. The aim is to provide a standardized diagnostic method for measuring the quality of the biodiversity of a site, as well as evaluate the performance of each landfill facility in biodiversity terms, the objective being

to apply this method to all the landfill sites it operates as well as to the largest sites now shut down, and to highlight the benefits of actions undertaken at these sites. In addition, the "SITA Biodiversity Trail" has been recognized by the French Ministry of Ecology, Energy, Sustainable Development and the Sea as part of the "International Year of Biodiversity" and features in the program of national events (www.biodiversite2010.fr).

TO GO STILL FURTHER

SITA Trust

Since 1997, SITA Trust has supported 2,751 projects with a total value of £72 million. In 2009, SITA Trust funded 630 projects to the tune of £6.8 million.
www.sita.co.uk

"Libellule" wetland management zones

Lyonnaise des Eaux through its subsidiary SDEI is launching its first "Libellule" wetland management zone at a site overseen by the SIVOM de Palus, a multi-commune association, located in the commune of Saint-Just in the Languedoc-Rousillon region. Literally meaning dragonfly, "Libellule" is a French pun-acronym for "biological freedom and fight against emerging pollutants". The wetland is a tertiary wastewater treatment solution consisting of successive basins (1.7 ha) relying on the purification capacity of certain plants to treat certain micro-pollutants (pesticides, metals, pharmaceutical residues). The wetland also harbors conditions that promote biodiversity.
www.lyonnaise-des-eaux.fr/actualite/collectivites/zone-libellule-utiliser-nature-reduire-nouveaux-polluants

"The Heroes of Biodiversity" Program

This is an external communication campaign to promote biodiversity among the general public in partnership with the Océanopolis ocean park in Brest. This partnership will allow the park to expand its infrastructure and its temporary public exhibition areas to back broadcasts and features on "The Heroes of Biodiversity" produced and directed by Allain Bougrain Dubourg with the active participation of Océanopolis Brest. The objective of these broadcasts, aired on the France 2 and France 3 TV networks, is to showcase the richness of biodiversity and the way it is sustained by surrounding environments and by scientists on the ground. At the same time, SUEZ ENVIRONNEMENT launched an internal competition to identify and promote the SUEZ ENVIRONNEMENT Heroes of Biodiversity.

PRIORITY

3

EMPOWER OUR EMPLOYEES AS ACTORS OF SUSTAINABLE DEVELOPMENT

The effectiveness and scope of our sustainable development programme depends on the mobilisation of the men and women who work for SUEZ ENVIRONNEMENT: The company is committed to providing them with a workplace that furthers their motivation and professional well-being, so that they are not only the players but also the first beneficiaries of the company's sustainable development policy.

At the start of 2010 SUEZ ENVIRONNEMENT set up a Social Development Department. Its mission is to collate the existing initiatives in this field, in the Group's various subsidiaries, and with their help construct a social, innovative, transversal, pragmatic project in liaison with the communication and sustainable development teams, to publicize the Group's commitment to social issues, its action principles and successes, and to measure the progress achieved in the medium and long term.



COMMITMENT 7 FOSTER PROFESSIONAL KNOWLEDGE

OBJECTIVE FOR 2012

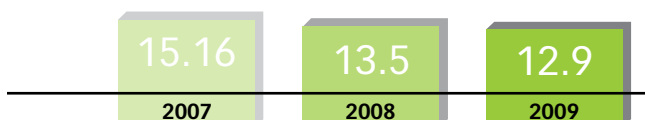
Maintain the effort to provide an average of 15 hours of annual training per employee

CHALLENGE

SUEZ ENVIRONNEMENT constantly strives to support training, and in particular to give its employees the means to become involved in improving its sustainable development performance.

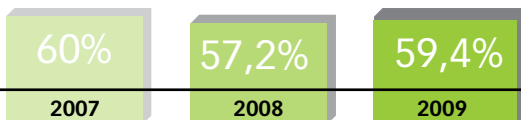
SUEZ ENVIRONNEMENT'S PERFORMANCE IN 2009

Indicators:

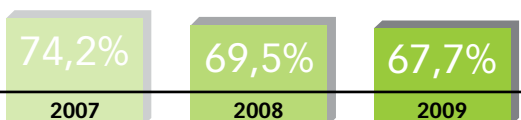


The trend indicated by indicator 7.1 is adverse. We should note, however, that a year-on-year analysis on a consolidated basis is not necessarily pertinent. In fact, a subsidiary can train its

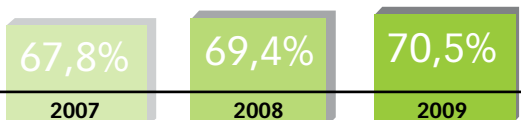
7.1 Annual number of training hours per employee



7.2 Percentage of employees in the overall workforce receiving training



7.2a Percentage of managers receiving training



7.2b Percentage of senior technical and supervisory staff receiving training



7.2.c Percentage of workers, employees and technicians receiving training

employees intensively one year and reduce its training efforts the next and this will impact on consolidated data. The Group will therefore be upgrading this indicator with other data to refine its results.

The decline in the average number of training hours (from 13.5 in 2008 to 12.9 in 2009) is due mainly to two subsidiaries:

1. SITA NEWS, which reduced its training program by a third due to adverse economic conditions;
2. LYDEC, which, having invested heavily in training (average number of hours per employee fluctuating between 20 and 30 a year over 2005-2008), is focusing its training on adapting to needs.

With the exception of these two subsidiaries, the average number of training hours per employee in other entities (83% of employees) is steady.

In addition, this change must be seen in perspective, with three favorable movements:

1. The percentage of employees trained increased significantly from 57.2% to 59.4%.
2. It is largely non-managerial staff who have benefited from this change, as shown in indicators 7.2b & 7.2c.
3. The proportion of training devoted to business staff and to Quality, Environment and Safety themes has increased.



BEST PRACTICE WIKTI™, documentation of knowledge transfer

After applying WIKTI™ to the Algiers contract, SUEZ ENVIRONNEMENT and JCBU (Jeddah City Business Unit) signed a management contract including a knowledge transfer component. The project was launched in July 2009 and is based on version 2 of the WIKTI™ kits. The knowledge transfer will initially focus on 17 priority business areas. In

October 2009, a discussion workshop was organized with the future Saudi and the Algerian business experts. The aim of this meeting was to share the experience of the WIKTI™ led by the Société des eaux et de l'assainissement d'Alger (SEAAL) with the participants in the JCBU knowledge transfer.

COMMITMENT 8 IMPROVE SAFETY AND HEALTH IN THE WORKPLACE

OBJECTIVE FOR 2012

Reduce the frequency rate of workplace accidents to below 14

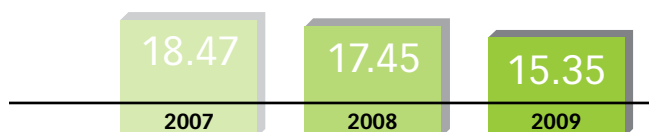
CHALLENGE

For SUEZ ENVIRONNEMENT, operating its business in a professional manner means ensuring the safety of its employees, customers and subcontractors. To do this, the company constantly demands control, progress and transparency in this area. These demands are manifested in action plans based on 15 safety management principles that apply to all Group employees. Applying these principles to all subsidiaries, as well as regular audits by the Health & Safety Department and the inclusion of

safety performance indicators when assessing managers' performance have all contributed to tremendous improvements in recent years. However, SUEZ ENVIRONNEMENT is mindful that these successes are fragile, that safety suffers whenever vigilance is relaxed, and that further progress is increasingly difficult to achieve. The company is therefore particularly watchful in keeping all its employees continually engaged in greater workplace safety.

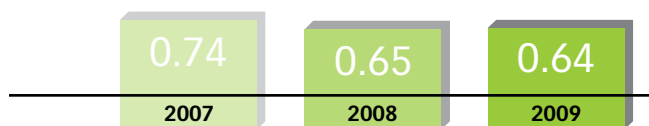
SUEZ ENVIRONNEMENT'S PERFORMANCE IN 2009

Indicators:



We have continued to improve workplace safety, reducing the frequency of accidents to 15.35 from 17.45 in 2008. Over the period 2008-2009 this has let us avoid some 10,000 days of employee absence, reducing operating costs by more than €4 million.

8.1 Frequency rate (FR) of workplace accidents



8.2 Severity rate of workplace accidents²⁷

* BEST PRACTICE Promote management safety inspections

Management at Lyonnaise des Eaux and SITA France conducted some 5,000 inspections in 2009. The progress in safety data at the regional centers of Lyonnaise des Eaux and of SITA subsidiaries is directly linked to these inspections. Visits are key opportunities for discussion between the senior management of the subsidiaries and agents on the ground. Such "open" discussions deal with safety

as well as working conditions (hygiene, health), risk assessment, preventive actions and to pass on best practices and difficulties on the ground. SITA France has put in place a one-day training session for its operations managers (morning dedicated to workplace ergonomics and afternoon to real-world practices).

²⁷ Note : As it is not pertinent to consolidate this indicator at Group level, the change should be viewed country by country.

OBJECTIVE FOR 2012

Increase the proportion of women in the workforce to 20% and women in management to 26%

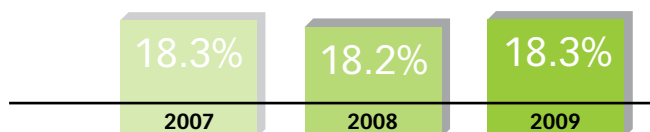
CHALLENGE

By further embracing cultural and gender diversity, SUEZ ENVIRONNEMENT enriches its range of profiles, talents, sensitivity and knowledge, making it better prepared not only to unders-

tand the expectations of the people it serves but also to operate its businesses efficiently across all five continents.

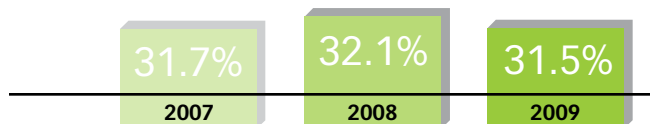
SUEZ ENVIRONNEMENT'S PERFORMANCE IN 2009

Indicators:



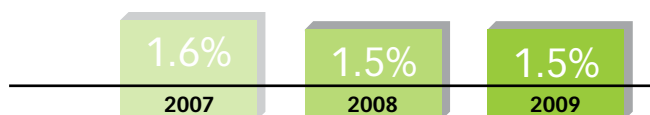
9.1 Gender ratio

Distribution of men/women in the workforce with breakdown by professional category (senior managers, managers, senior technicians and supervisors, workers, employees and technicians).



9.2 Percentage of international (not French) employees

among senior managers («Topex»).



9.3 Percentage of disabled employees in the workforce

The gender ratio improved very slightly to 18.3%²⁸. Looking at it by category, the increase is significant within management, where the proportion of women rose from 23.7% to 24.3%²⁹.

The notion of staff with disabilities remains difficult to measure on a Group-wide scale. This notion is well defined in countries with regulations on the subject (such as France and Germany) but it is often not treated appropriately by some of our international subsidiaries.

	2007	2008	2009
Percentage of staff with disabilities at period-end	1.6%	1.5%	1.5%
of which France	2.1%	1.9%	2.1%
of which Germany	3.6%	4.1%	4.1%

In France, the Group had 61 more staff with disabilities at the end of 2009 than at the end of 2008. This increase was due primarily to more people with disabilities hired during 2009.

*** BEST PRACTICE Boosting "Mission Handicap" at Lyonnaise des Eaux**

Disability is a major issue and constitutes a part of our commitment to sustainable development. Two thirds of our staff with disabilities are in France. Within Lyonnaise des Eaux, a 3-year agreement signed in 2006 has just been renewed for a further three, signaling the parties' attachment to ongoing long-term action. "Mission Handicap" has focused on developing actions for hiring, induction and career

progression with the stated objective of doubling the number of new hires with disabilities. Note also that various initiatives have been entered into with AGEFIPH (the French fund management association for the occupational insertion of people with disabilities) to support and develop hiring programs and partnerships with the protected sector.

²⁸ 18.5% including SITA Waste Services.

²⁹ 24.2% including SITA Waste Services.

PRIORITÉ

4

BUILD OUR DEVELOPMENT WITH ALL STAKEHOLDERS

All companies have to report on their activities, commitments and performance, and, in an increasingly interactive world, nothing can be built in isolation. SUEZ ENVIRONNEMENT pledges to take the reasonable expectations of its stakeholders and partners into account when developing its strategy and to foster open dialogue and constructive cooperation with them.

COMMITMENT 10

MAINTAIN AN ACTIVE DIALOGUE WITH OUR STAKEHOLDERS

OBJECTIVE FOR 2012

Generalise the dialog with the stakeholders of our operating subsidiaries

CHALLENGE

SUEZ ENVIRONNEMENT organises stakeholder meetings on a regular basis at all relevant levels of the organisation to help

align the company's strategy with the expectations of civil society.

SUEZ ENVIRONNEMENT'S PERFORMANCE IN 2009

At corporate level:

Since 2007 SUEZ ENVIRONNEMENT's head office has carried on a dialog with the stakeholders in the water sector. At the first meetings, some themes and expectations emerged (intervention in emerging countries, transparency of information, etc.). The year 2009 provided the first opportunity to take stock of the actions taken on these issues, via two focus sessions:

- In April 2009, a session was organized on the issue of universal access to water. Non-commercial aspects were discussed - humanitarian, philanthropic - as well as the new 4P contract model for intermediate agreements (in between standard and humanitarian contracts).
- In October 2009, a further session addressed ethics and transparency. It dealt with extra-financial reporting, as well as the

way in which environmental issues are taken into account in our commercial offers (such as our Edelway environmental performance contractual clauses), and the Group's new ethics charter.

SUEZ ENVIRONNEMENT is also contributing to the tools GDF SUEZ has implemented for listening to stakeholders, such as the annual "sustainable development barometer".

At subsidiaries and sites level:

At our subsidiaries and sites level, since 2008 SUEZ ENVIRONNEMENT has been facilitating dialog with stakeholders - via a simple operational tool, the Stakeholder dialog Toolkit. The aim is to promote and professionalise dialog as a fundamental activity for water, wastewater and waste management. In 2009

this tool was rolled out in three languages. It is available on a secure web chat forum.

To date, 11 pilot-sites in France and internationally have opted to use this tool to structure their dialog with the various stakeholders:

- Aguakan: water and wastewater concession contract with Cancun in Mexico ;
- SITA Ile-de-France: implementation of joint action upstream to set up a landfill facility ;
- SITA Rhône-Alpes: implementation of joint action upstream to set up a recycling facility ;
- SEAAL: water and wastewater management contract in Algeria ;
- Lyonnaise des Eaux: process prior to the SEDIF contract and the Bordeaux and Dunkirk contracts being put out to tender again ;
- United Water New York: joint consultation process prior to the

implementation of a drinking water production plant including a desalination process ;

- Jeddah: water management contract at Jeddah, Saudi Arabia ;
- Two Degrémont Build Operate Transfer contracts: Amman (Jordan) and Maribor (Slovenia).

In 2009, experience sharing meetings were organized with the key actors at the sites and we can today begin capitalizing on them for the rest of the Group. Support was also provided for all subsidiaries throughout the year in the form of technical assistance, as well as training days for managers (SITA, for example).

* BEST PRACTICE **The Club Eau +...**

... for implementing sustainable development at a local level

Created in 2007 by Lyonnaise des Eaux, the Club Eau + ("Water Club +") is for local authorities a place to meet and discuss best practices in sustainable development, the protection of biodiversity, and the sustainable management of water and wastewater treatment. It has some 250 members including local and national elected officials, managers of local authority utilities, experts, representatives of voluntary associations and water management actors in France.

In 2009, it addressed biodiversity in urban environments and issues relating to land and water corridors as part of the Grenelle Environment Forum. It also worked on implementing Agenda 21 initiatives at local level, evaluating them and making them take shape in eco-boroughs. It also participated in developing thinking on eco-boroughs with a visit to Stockholm. It demonstrated its interest in the water/energy link with a visit to the Hammarby Sjostadwerk wastewater treatment plant in Stockholm (a "zero nuisance" plant producing biogas used as fuel)

TO GO STILL FURTHER

www.ideesneuvessurleau.net
www.waterblog.suez-environnement.com

COMMITMENT 11 BE A KEY ACTOR OF LOCAL SUSTAINABLE DEVELOPMENT

OBJECTIVE FOR 2012

Implement a dedicated system for this commitment

CHALLENGE

SUEZ ENVIRONNEMENT intends to participate actively (employment, reintegration into the workplace, etc.) in the social and economic life of the communities in which the company operates,

partnering with local authorities in sustainable development initiatives related to its activities.

SUEZ ENVIRONNEMENT'S PERFORMANCE IN 2009

SUEZ ENVIRONNEMENT promotes dialog with its stakeholders at all levels of the Group, which is reflected in concrete action and in its involvement in local and regional development. The challenge today is to ensure that this dialog with stakeholders remains effective to jointly define social action plans that structure our contribution to local development along lines consistent with the Group's businesses. Since 2009, the Group has been developing indicators for evaluating this initiative, to assess the impact of the work undertaken, with respect to local development in particular. The point of vigilance is to avoid binary indicators (yes/no) and to give managers desirable progress milestones. They will be announced in 2010 and will be detailed for commitments 10 and 11. Below are some examples of initiatives and partnerships in 2009 illustrating our contribution to local development.

SUEZ ENVIRONNEMENT supports the actions of GDF SUEZ, such as the setting up of an observatory to monitor water and energy situations of precariousness, allowing the emergence of business offers with a solidarity content.

The "Water For All" SUEZ ENVIRONNEMENT foundation has helped fund a business Chair for the management of water and wastewater treatment services. Endowed for Agro-ParisTech, this Chair provides an Executive MBA program to educate future managers of water and wastewater services in the cities of emerging and developing countries. Entitled MANWAS (*Management of Water Services*) it is a one-year work/study course and satisfies a crucial need. It welcomed its first graduate in September 2009.

As part of a long-term partnership with the University of Tsinghua, SUEZ ENVIRONNEMENT has just opened a research laboratory in the science and experimentation of environmental engineering. Boasting the best equipment and the most advanced instrumentation in the country, this laboratory is the leading center for knowledge transfer and expertise transfer in China. It aims at becoming one of the leading research laboratories in the world and is training future experts in China's environment industry. In addition to co-managing the laboratory, the cooperation set up with the University of Tsinghua is providing scientific dialog and joint workshops in water, wastewater treatment and solid waste, as well as training programs for students in the Environment course. Its success will enrich SUEZ ENVIRONNEMENT's technical and scientific network around the world, which now numbers some 400 researchers and experts.

As for SITA France, its partnerships with the French National Museum of Natural History continued in 2009 with the signing of the research agreement in May 2009 with the museum's natural heritage service. In addition to continuing the first agreement signed in May 2008, their joint work has produced an index of the ecological quality of landfill facilities. This index was presented to various scientific conferences (SARDINIA, REVER.), the aim being to provide a standardized assessment of biodiversity at any site and the ability to monitor it over time. There were 64 environmental partnerships set up at a regional level. Some of these partnerships had originally been national partnerships between the French National Museum of Natural History and the Bird Protection League.

* BEST PRACTICE SITA Rebond

In 2009 SITA Rebond contributed to long-term integration by helping 222 people return to work.

Since its creation in 2004, SITA Rebond has helped 2,500 individuals return to work.



COMMITMENT 12

PROVIDE REGULAR AND EASILY ACCESSIBLE INFORMATION ABOUT OUR SUSTAINABLE DEVELOPMENT ACTIONS

OBJECTIVE FOR 2012

Obtain a statement of reasonable assurance on all verified environmental and social indicators

CHALLENGE

SUEZ ENVIRONNEMENT strives to report on its environmental, social and governance performance by publishing reliable and pertinent consolidated data, respecting the guidelines in

the Global Reporting Initiative and the Global Compact and enriching it with remarks and requests made by ESG rating agencies.

SUEZ ENVIRONNEMENT'S PERFORMANCE IN 2009

We have progressed in the verification made by our statutory auditors, by having a larger number of social indicators verified and obtaining a reasonable assurance without reserves on a number of indicators and a moderate assurance on a number of others. In 2009 all environmental indicators obtained a reasonable assurance.

Listing in this register is voluntary and constitutes the first stage in the Group's transparency initiative for its relations with European institutions. It involves publishing standardized information on the topics treated along with the means implemented, and commits us to complying with a code of conduct.

SUEZ ENVIRONNEMENT is also on the European Commission's register of "interest representatives".

Indicators:

12.1 Information available on environmental, social and corporate governance (ESG) indicators

via websites or annual sustainable development reports at each significant operating level.

12.2 Verification of transparency and completeness of the sustainable development reports by external auditors

Additional indicators:

12.3 Non-financial indicators with reasonable assurance

12.4 Dissemination of sustainable development good practice, and a dedicated sustainable development section on local websites.

ENVIRONMENT

Level of assurance / Environmental indicators	Reasonable 2009	Moderate 2009	Reasonable 2008	Moderate 2008
Installed capacity – Energy recovery	●			●
Generation of useful renewable energy	●			●
Direct and indirect GHG emissions	●		●	
Energy consumption	●		●	
Linear loss index of the drinking water network	●		●	

● Verified indicators that improved or that were added in 2009

SOCIAL

Level of assurance / Social indicators	Reasonable 2009	Moderate 2009	Reasonable 2008	Moderate 2008
Total number of employees / Managerial / Non-managerial				
Proportion of women / Women in management				
Age pyramid / Turnover / Resignation rate / Hiring rate				
Frequency Rate / Severity Rate / Number of fatal accidents				
Average annual number of training hours per employee / Proportion of employees trained				

Verified indicators that improved or that were added in 2009

In addition, favorable assessments of SUEZ ENVIRONNEMENT by ESG rating agencies reflect the Group's communication efforts for its environmental, social and societal performance³⁰. In September 2009 the Group was included in the Dow Jones Sustainability World & Stoxx indexes, rated B-, "Prime" status by the German agency Oekom, and was assessed as "best in class" in 4 domains out of 6 in the VIGEO evaluation.

SUEZ ENVIRONNEMENT is also on the European Commission's register of "interest representatives". Listing in this register is voluntary and constitutes the first stage in the Group's transparency initiative in its relations with European institutions. It involves publishing standardized information on the topics treated along with the means implemented, and commits us to complying with a code of conduct.

TO GO STILL FURTHER

Lyonnaise des Eaux is publishing for the third time a full evaluation of its sustainable development actions. Evaluated and rated by VIGEO, Lyonnaise des Eaux' 12 commitments for sustainable water management include concrete and quantified targets to be achieved by the end of 2010. VIGEO reviewed all the internal documentation and interviewed some 50 staff and external stakeholders (customers, associations, institutions). It gave a rating of 73/100 two years after the 12 commitments were launched, 8 points higher than in 2008 (65/100) and 14 higher than in 2007 (59/100), which reflects an improvement in Lyonnaise des Eaux' performance as regards sustainable development.

www.lyonnaise-des-eaux.fr/evaluation-annuelle-12-engagements

www.lyonnaise-des-eaux.fr/tendances-et-opinions/tribunes-et-debats/developpement-durable-et-notation-par-nicole-notat-presidente-vigeo

New Lyonnaise des Eaux website on sustainable water management

In March 2009, Lyonnaise des Eaux launched its new website, an information portal offering different content for the different types of users. An education page has been developed. This is a real mine of information which, bringing together an extremely broad range of content focused on water and environment, aimed at both children and teachers, has become a reference on these issues. Since the website was launched, in March 2009, some 2,000 new visitors have logged on to this educational space every month.

SITA France – Awareness, communication and training actions

- **Biodiversity:** In partnership with the French League for the Protection of Birds (LPO) a large number of regions including SITA Dectra, Alsace, Centre-Est, have trained their staff to keep a watch out for red kites. Their staff is thereby helping to monitor this declining species.
- **Ecological Footprint Booklet:** Intended for internal and external distribution, the aim of this document is to:
 - present the concept of Ecological Footprint and the SITA Waste Ecological Footprint program;
 - describe the Footprint calculation tools applied to the various business lines in the waste sector;
 - provide examples of how these tools are applied.

www.sita.fr

³⁰ <http://www.suez-environnement.fr/fr/developpement-durable/performances/la-notation-extra-financiere/la-notation-extra-financiere>

³¹ <https://webgate.ec.europa.eu/transparency/reg/in/consultation/listlobbyists.do?letter=S&alphabetName=LatinAlphabet&d-7641134-p=3>

A SUSTAINABLE DEVELOPMENT ORGANIZATION THAT MEETS THE GROUP'S CHALLENGES

SUEZ ENVIRONNEMENT's Sustainable Development Policy is established and steered by the following entities:

- the Ethics and Sustainable Development Committee (a committee of the Board of Directors),
- the Sustainable Development Steering Committee,
- the Group's Sustainable Development Department.

The Ethics and Sustainable Development Committee (ESDC)

The Committee consists of three members, two of whom are appointed from among the independent directors and one from among the directors proposed by the shareholders who signed the Shareholder Pact. The Committee currently consists of Guillaume Pepy, Chairman and Chief Executive Officer of the SNCF, Lorenz d'Este, Managing Partner of E. Gutzwiller & Cie, both independent directors, and Gérard Arbola, Chief Operating Officer of Areva. The Ethics and Sustainable Development Committee monitors compliance with the individual and shared values on which the Group bases its activities, as well as the rules of conduct that must be observed by all employees.

In 2009 the Committee met three times with a 100% attendance rate.

The main topics discussed by the Committee were the ethics officers' annual report on procedures and actions in ethics matters, ethics alert mechanisms, the Group's health and safety policy, internal procedures (Ethics Charter, Sponsorship and Philanthropy Charter) and sustainable development issues (2008 performance report, internal control in terms of environment, and environmental "risk" insurance).

The Sustainable Development Steering Committee (SDSC)

This committee consists of representatives from the Group's Sustainable Development Department and operating departments, and Sustainable Development correspondents from the Group's main subsidiaries. Members of the SDSC are appointed by the Group's Chief Executive Officer. The SDSC approves

and coordinates the sustainable development action plans, and carries out periodic reviews of the progress made in implementing the Sustainable Development Policy. The Committee also approves the strategies and actions proposed by the Group's Sustainable Development Department.

Performance on the 12 commitments is monitored by the functional line specifically responsible for each of them, in cooperation with the Sustainable Development Department. Thus:

- Commitments 1 to 6, related to environmental performance, are managed by the Technical Department which, among its other responsibilities, manages environmental reporting;
- Commitments 7 to 9 are managed by the Human Resources Department which, among its other responsibilities, manages social reporting;
- Commitments 10 and 11 are managed by the Social Empowerment Department;
- Lastly, commitment 12 is managed directly by the Sustainable Development Department in coordination with the Communication Department.

The Sustainable Development Department

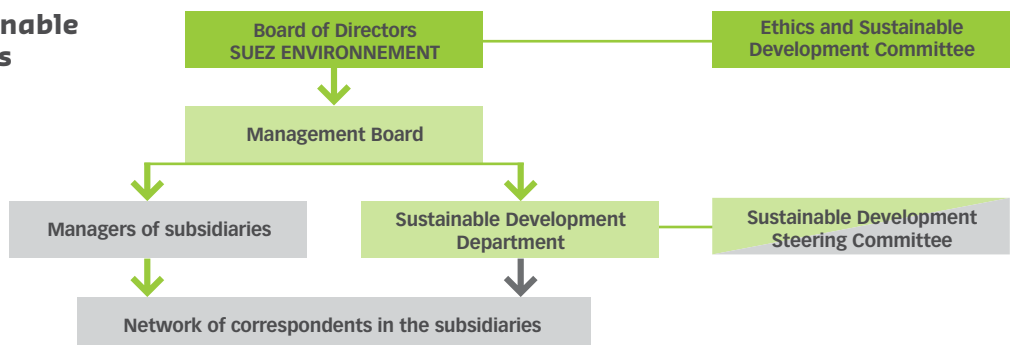
The Sustainable Development Department's role is to propose to general management a group vision and policy in the domain of sustainable development, to ensure that this policy is implemented within the company, and to report on sustainable development performance. It steers policy-monitoring based on 4 priorities - 12 commitments.

The Network of Sustainable Development Correspondents

The implementation of the Sustainable Development Policy is handled through a network of Sustainable Development correspondents in the subsidiaries and operational departments, while Sustainable Development performance objectives are determined by the subsidiaries' operational management (see organization chart below).

Organization of sustainable development functions

- Hierarchical Link
- Functional Link
- Subsidiaries
- Central services



SUMMARY OF INDICATORS

The Group's sustainable development policy is also manifested in a "Sustainable Development Roadmap" that covers in greater detail the technical and managerial challenges facing the company in the fields of environmental, social and community responsibility, and corporate governance. It also measures the progress achieved by the Group in carrying out its corporate responsibilities. The Group's major subsidiaries each have their own internal "Sustainable Development Roadmap" that translates the Group's objectives at their own operating level and provides an update on progress made. The tables below provide the quantified environmental and social indicators that steer the company along this "roadmap".

The data presented below have the following scope:

- excluding SITA Waste Services for indicators relating to 4 priorities -12 commitments pages 34 and 35 (see the NB on page 10),
- full consolidation, therefore including Sita Waste Services, for the other indicators (tables at bottom of page 35 to page 39).

	Verification by statutory auditors		Unit	2007	2008	2009
	Reasonable assurance	Moderate assurance				
1 / OPTIMIZE WASTE RECOVERY AND RECYCLING RATES						
Global recovery rate for materials from household and non-hazardous industrial waste			%	30.9	31.6	31.9
Recycled material offered to the market (in tonnes)			Mt	12.1	12.5	12.8
Amount sent directly to recycling facilities			t	2 845 309	3 204 116	2 821 415
cardboard / paper			t	2 659 489	2 662 135	2 730 708
construction material and bottom ash			t	2 326 271	2 112 327	2 156 068
organic material			t	1 289 296	1 325 673	1 284 033
scrap iron			t	1 045 525	900 121	1 278 603
Wood			t	983 753	1 163 377	1 244 665
Glass			t	646 076	656 621	639 685
Plastics			t	259 074	346 224	327 273
non ferrous metals and WEEE			t	15 021	105 961	225 029
tires and rubber			t	29 560	56 511	55 551
2 / INCREASE THE YIELD OF DRINKING WATER NETWORKS						
Linear loss index for networks	••		m ³ /km/d	10.1	9.5	9.7
3 / REDUCE GREENHOUSE GAS EMISSIONS						
Direct and indirect greenhouse gas emissions	••		t eq. CO ₂	6 559 722	5 928 175	5 877 886
Contribution to avoided emissions			t eq. CO ₂	5 746 757	5 748 153	6 419 452
4 / IMPROVE ENERGY EFFICIENCY						
Total primary and secondary energy consumption	••		MWh	5 695 122	5 924 539	5 914 608
Energy consumption as proportion of revenue			Wh/€	732	741	798
5 / INCREASE AND PROMOTE RENEWABLE ENERGY GENERATION						
Production of useful renewable energy	••		MWh	2 390 029	2 586 049	2 500 673
Energy recovery installed capacity	••		MW	559	547	537
Calorific value of substitute fuels produced from waste supplied by SUEZ ENVIRONNEMENT			ktep	231	234	218
6 / INCORPORATE BIODIVERSITY IN SITE MANAGEMENT						
Biodiversity - Number of sensitive sites identified			nbr.		228	278
Biodiversity - Number of biodiversity audits carried out			nbr.		121	136
Biodiversity - Number of action plans adopted and implemented			nbr.		62	86

	Verification by statutory auditors		Unit	2007	2008	2009
	Reasonable assurance	Moderate assurance				
7/ DEVELOP PROFESSIONAL EXPERTISE						
Annual number of training hours per employee	••		h/pers	15,2	13.5	12.9
Percentage of employees receiving training	••		%	60.0%	57.2%	59.4%
Percentage of managers receiving training			%	74.2%	69.5%	67.7%
Percentage of senior technicians and supervisors receiving training			%	67.8%	69.4%	70.5%
Percentage of workers, employees and technicians receiving training			%	54.9%	50.8%	54.6%
8/ IMPROVE WORKPLACE SAFETY						
Frequency rate (FR) of workplace accidents		•	nbr.	18.47	17.45	15.35
Severity rate (SR) of workplace accidents		•	nbr.	0.74	0.65	0.64
9/ SUPPORT DIVERSITY						
Gender ratio	••		%	18.3%	18.2%	18.3%
Gender ratio among managers		•	%	23.9%	23.7%	24.3%
Gender ratio among qualified personnel			%	33.7%	33.7%	34.2%
Percentage of international (non-French) employees in senior management			%	31.7%	32.1%	31.5%
Percentage of disabled employees			%	1.6%	1.5%	1.5%
10/ MAINTAIN AN ACTIVE DIALOG WITH OUR STAKEHOLDERS						
Percentage of revenue covered by the stakeholder dialog procedure			%	6 stakeholder sessions since 2007 Toolkit deployed in 3 languages and tested at 11 pilot sites		
11/ BE A KEY ACTOR OF LOCAL SUSTAINABLE DEVELOPMENT						
Number of partnerships or non-commercial agreements relating to educational, social, environmental, cultural, sporting or consumer local development initiatives			nbr.	Numerous partnerships signed with NGOs (LPO, FNE, MNHN, etc.) and 12 academic partnerships		
Number of individuals retrained under return-to-work programs supported by the company or its subsidiaries			nbr.			To be defined in 2010
12/ PROVIDE REGULAR AND EASILY ACCESSIBLE INFORMATION ABOUT OUR SUSTAINABLE DEVELOPMENT ACTIONS						
Information available on environmental, social and corporate governance issues through websites or annual sustainable development reports at each significant operating level					yes	yes
Verification of transparency and completeness of the sustainable development reports by external auditors					yes	yes
Non-financial indicators offering reasonable assurance					5	11
Accredited dissemination of sustainable development good practices and dedicated sustainable development section on local websites				see: Edelway – websites of SE and subsidiaries GRI B+ – 2008 SD Commitments & Performance Report – DJSI World & Stoxx Indices Status Prime – Oekom Agency Rated “Best in Class” in 4 fields out of 6 by Vigeo		

	Unit	Correspondence		Full Consolidation ^{with SITA Waste Services}	
		NRE	GRI 3	2008	2009
MANAGEMENT					
WASTE - environmental commitment policy or statement	% Rev	3	4.8	98%	95%
WASTE - environmental program	% Rev	3	4.8	95%	97%
WATER - environmental commitment policy or statement	% Rev	3	4.8	81%	87%
WATER - environmental program	% Rev	3	4.8	79%	77%
WASTE - tonnage of household and similar waste with ISO 14001 certification	t	3	4.8	32 623 727	34 187 694
WASTE - tonnage of household and similar waste with EMAS certification	t	3	4.8	325 830	471 123
WASTE - tonnage of household and similar waste certified to other standards	t	3	4.8	857 142	865 033
WASTE - share of activity (tonnage) covered by an environmental management system (EMS)	%	3	4.8	85%	88%
WATER - volume covered by ISO 14001 certification	Mm ³	3	4.8	1670	1 108
WATER - volume covered by EMAS certification	Mm ³	3	4.8	527	556
WATER - volume covered by other certification	Mm ³	3	4.8	1921	1663
WATER - share of activity (volume) covered by an EMS	%	3	4.8	55%	57%
WASTE - environmental risk prevention plans	% Rev	6	4.9	92%	91%
WASTE - environmental crisis management plans	% Rev	6	4.9	95%	94%
WATER - environmental risk prevention plans	% Rev	6	4.9	79%	78%
WATER - environmental crisis management plans	% Rev	6	4.9	99%	95%
Complaints leading to compliance orders (related to environmental incidents)	nbr.	8	EN28	14	6
Convictions for environmental damage	nbr.	8	EN28	2	1
Compensation paid as a result of convictions (related to environmental incidents)	k€	8	EN28	-	6
Total legal costs of defending suits	k€	8	EN28	53	40
Total number and volume of significant accidental spills	nbr.	8	EN23	*	*

Unit	Correspondence		Full Consolidation <small>with SITA Waste Services</small>	
	NRE	GRI 3	2008	2009

ENERGY					
Installed capacity - electricity - biogas recovery	MW e	1	EN3	125	115
Installed capacity - electricity - energy recovery from household waste	MW e	1	EN3	462	465
Installed capacity - heat - biogas recovery	MWh th.	1	EN3	42	52
Installed capacity - heat - energy recovery from household waste	MWh th.	1	EN3	1 229	1 370
Energy consumption of waste treatment	MWhe	1	EN3	3 263 466	3 465 308
Energy consumption of water and wastewater	MWhe	1	EN3	2 581 498	2 516 610
Energy consumption - water and waste - ELECTRIC	MWhe	1	EN4	2 783 849	2 671 426
WASTE - electricity consumption	MWhe	1	EN3	483 380	481 932
WATER - electricity consumption	MWhe	1	EN3	2 300 469	2 189 494
Energy consumption - water and waste - NATURAL GAS	MWhe	1	EN4	447 334	706 708
Energy consumption - water and waste - OTHER FUELS	MWhe	1	EN4	2 632 259	2 564 667
Auto-consumption of electrical energy (water and waste incineration)	MWhe	1	EN4	109 270	120 018
Electricity consumption per tonne of waste treated	kWh/t	1	EN3	26	25
Electricity consumption per cubic meter of drinking water produced and distributed	Wh e/m ³	1	EN3	497	472
Electricity consumption per cubic meter of waste water collected and treated	Wh e/m ³	1	EN3	647	842
WATER					
WASTE - water consumption excluding cleaning services (urban, industrial)	m ³	1	EN8	7 980 641	7 855 506
AIR					
Direct emissions of greenhouse gases:					
of which WASTE - collection	t eq. CO ₂	1	EN16	653 755	610 958
of which WASTE - incineration	t eq. CO ₂	1	EN16	1 848 600	1 827 135
of which WASTE - landfill	t eq. CO ₂	1	EN16	2 363 470	2 297 287
of which WASTE - treatment of hazardous industrial waste	t eq. CO ₂	1	EN16	246 703	399 284
Other direct emissions	t eq. CO ₂	1	EN16	213 893	176 563
Emissions of OZONE-depleting substances	t	1	EN19	**	**
Indirect emissions of greenhouse gases:					
of which WASTE - annual electricity consumption	t eq. CO ₂	1	EN16	253 030	240 407
of which WATER - annual electricity consumption	t eq. CO ₂	1	EN16	748 029	760 685
Contribution to avoided greenhouse gas emissions:					
of which WASTE - by material recovery	t eq. CO ₂	1	EN16	3 755 510	4 523 537
of which WASTE - by energy recovery (incineration)	t eq. CO ₂	1	EN16	682 515	689 396
of which WASTE - by energy recovery (landfill)	t eq. CO ₂	1	EN16	346 245	286 489
of which WASTE - by energy recovery from hazardous waste	t eq. CO ₂	1	EN16	72 381	76 319
of which WASTE - by alternative fuels prepared and supplied by SUEZ ENV.	t eq. CO ₂	1	EN16	875 626	819 295
of which WATER - by energy recovery	t eq. CO ₂	1	EN16	46 418	64 562
DRINKING WATER DISTRIBUTION AND PRODUCTION					
Volume of groundwater drawn	Mm ³	1	EN1	Not available	235
Volume of surface water drawn	Mm ³	1	EN1	Not available	1 374
Number of drinking water treatment plants	nbr.	1	SE	1 749	1 888
Volume of water consumed by drinking water treatment plants	Mm ³	1	EN1	Not available	231
Annual production volume (input to network)	Mm ³	1	SE	2 512	2 588
Volume of drinking water distributed	Mm ³	1	SE	1 621	1 581
Technical efficiency of drinking water distribution networks	%	1	SE	77	75
Network length	km	2	SE	147 458	147 892
Quantity of reagents used for treating drinking water	t	1	EN1	71 316	91 969
WASTEWATER COLLECTION AND TREATMENT					
Total number of wastewater treatment plants	nbr.	2	EN26	1 525	1 643
Network length	km	2	EN26	65 027	67 247
Volume of wastewater treated	Mm ³	2	EN26	1 902	1 978
Amount of BOD waste entering wastewater treatment plants	t	2	EN21	500 997	511 297
Amount of BOD waste exiting wastewater treatment plants	t	2	EN21	53 417	65 259
Treatment efficiency (BOD5 eliminated) of wastewater treatment plants	%	2	EN26	90	87
Amount of NITROGEN entering wastewater treatment plants	t	2	EN21	65 050	68 162
Amount of NITROGEN exiting wastewater treatment plants	t	2	EN21	24 299	20 818
Treatment efficiency (NITROGEN eliminated) of wastewater treatment plants	%	2	EN26	63	69
Quantity of reagents used in wastewater treatment	t	2	EN1	Not available	204 785
Percentage of water reused after treatment	%	1	EN10	6	5
Percentage of sludge reused (agricultural recovery)	%	1	EN22	55	50

	Unit	Correspondence		Full Consolidation <small>with SITA Waste Services</small>	
		NRE	GRI 3	2008	2009
COLLECTION SERVICES					
Number of inhabitants receiving collection services	nbr.	1	SE	51 616 476	46 591 065
Number of industrial and commercial customers receiving collection services	nbr.	1	SE	469 902	464 985
Total tonnage of household and similar waste collected	t	1	EN22	9 533 407	10 694 566
Total tonnage of medical waste collected	t	1	EN22	120 886	107 023
Total tonnage of industrial and commercial waste collected (NHIW)	t	1	EN22	13 877 059	12 301 990
Tonnage of hazardous waste collected	t	1	EN22	2 454 165	1 708 972
Total number of waste, cleaning, wastewater collection trucks	nbr.	1	EN29	12 320	12 673
Percentage of truck fleet running on alternative fuels	%	1	EN29	5	5
Fuel consumption per truck	m ³ /nbr.	1	EN3	14	13
Average fuel consumption per tonne collected	l/t	1	EN3	7	7
SORTING/RECYCLING					
Number of transfer stations	nbr.	1	SE	303	268
Number of sorting/recycling centers	nbr.	1	SE	270	313
Tonnage incoming to sorting centers	t	1	EN22	10 987 753	11 268 741
Tonnage of recovered material outgoing from sorting centers (excluding monoflows)	t	2	EN22	6 482 672	6 745 448
Rejection rate	%	2	EN22	41	40
Tonnage sent directly to recycling facilities after collection (amenity centers, voluntary drop-off centers, transfer) without going through a sorting/recycling center	t	1	EN22	2 184 891	1 868 217
Other material flows after waste recycling (monoflow)	t	2	EN22	1 093 001	1 816 925
COMPOSTING					
Number of composting sites	nbr.	1	SE	107	110
Tonnage incoming	t	1	EN22	1 455 177	1 606 711
Tonnage of compost produced	t	2	EN22	571 695	599 726
Tonnage of sludge for sewage farming treated for material recovery	t	2	EN22	753 978	684 307
Biological recovery efficiency	%	2	EN22	60	56
THERMAL TREATMENT OF NON-HAZARDOUS WASTE					
Number of urban waste incineration plants	nbr.	1	SE	47	49
Tonnage of incinerated waste	t	2	EN6	5 909 141	5 849 482
SOx emissions	t	1	EN20	253	220
NOx emissions	t	1	EN20	5 297	4 679
Dust emissions	t	1	EN20	79	64
Quantity of waste residue in incineration fumes	t	1	EN22	264 398	263 036
Percentage of bottom ash recovered	%	2	EN22	84	84
Electrical energy produced	MWh e	1	EN6	2 647 511	2 613 717
Thermal energy sold	MWh th.	1	EN6	845 577	921 237
LANDFILLING OF NON-HAZARDOUS WASTE (landfills)					
Number of landfills for household and similar waste (K2)	nbr.	1	SE	145	142
Tonnage incoming to household waste landfills	t	1	EN22	18 395 176	16 953 253
Leachates treated	m ³	1	EN22	3 637 825	2 761 055
Volume of methane collected and treated	Nm ³	1	EN6	159 525 790	135 830 032
Volume of methane recovered as energy	Nm ³	1	EN6	281 999 189	259 856 368
Amount of electricity produced from biogas	MWh e	1	EN6	838 674	673 316
TREATMENT OF HAZARDOUS WASTE					
Number of hazardous waste incinerators	nbr.	1	SE	12	13
Number of hazardous waste platforms (pretreatment and transfer)	nbr.	1	SE	127	137
Number of industrial waste landfills (K1 landfill site)	nbr.	1	SE	13	14
Number of sites for treating medical waste	nbr.	1	SE	9	10
Hazardous waste treated - total excluding contaminated soil	t	1	EN22	2 695 020	2 194 600
*of which recovered in cement plants	t	1	EN22	616 003	463 106
*of which incinerated	t	1	EN22	388 869	330 364
Tonnage of soil treated/recovered	t	2	EN23	1 070 131	999 903
Alternative fuel provided from waste recovery	toe	1	EN22	232 450	217 496
Tonnage incoming to K1 landfill sites	t	1	EN22	809 292	672 471

	Unit	Correspondence		Full Consolidation <small>with SITA Waste Services</small>	
		NRE	GRI 3	2008	2009
ELECTRICAL AND ELECTRONIC WASTE					
Number of sites for treating electrical and electronic waste	nbr.	1	SE	34	31
Tonnage incoming for dismantling-recycling	t	1	EN22	16 043	25 876
Tonnage of material recovered after dismantling	t	1	EN22	31 418	20 967
TOTAL					
Total waste treated (Full Consol including SITA Waste Services for 2008 and 2009)	t	1	SE	42 541 405	40 864 707
Total waste treated (WITHOUT SITA Waste Services for 2008 and 2009)	t	1	SE	39 581 704	37 604 402
% of products sold and % of their packaging recycled or re-used	%	2	EN27	***	***

Note

- * No significant accidental spillage.
- ** No emissions of substances that destroy the ozone layer.
- *** No products for sale that might be packaged.

	Verification by statutory auditors		GRI 3	Absolute value			Relative value		
	Reasonable assurance	Moderate assurance		2007	2008	2009	2007	2008	2009
				EMPLOYEES BY DIVISION					
EMPLOYEES BY DIVISION									
			LA1						
WATER Europe			LA1	11 914	11 679	11 851	19.2%	17.9%	18.0%
WASTE Europe			LA1	33 891	35 536	34 189	54.7%	54.4%	51.9%
International			LA1	15 565	17 581	19 250	25.1%	26.9%	29.2%
Headquarters			LA1	545	586	605	0.9%	0.9%	0.9%
TOTAL	••		LA1	61 915	65 382	65 895	100%	100%	100%
EMPLOYEES BY GEOGRAPHIC AREA									
			LA1						
France			LA1	31 289	32 835	32 398	50.5%	50.2%	49.2%
Europe (excluding France)			LA1	21 266	22 176	21 295	34.3%	33.9%	32.3%
North America			LA1	2 704	3 250	3 281	4.4%	5.0%	5.0%
South America			LA1	231	222	269	0.4%	0.3%	0.4%
Africa and the Middle East			LA1	3 646	3 948	4 479	5.9%	6.0%	6.8%
Asia and Oceania			LA1	2 779	2 951	4 173	4.5%	4.5%	6.3%
TOTAL			LA1	61 915	65 382	65 895	100%	100%	100%
EMPLOYEES BY SOCIO-PROFESSIONAL CATEGORY									
			LA1						
Managers	••		LA1	7 766	8 358	8 649	12.5%	12.8%	13.1%
Senior technicians and supervisors	••		LA1	11 365	12 420	12 302	18.4%	19.0%	18.7%
Workers, employees and technicians (TSM)	••		LA1	42 784	44 604	44 944	69.1%	68.2%	68.2%
TOTAL			LA1	61 915	65 382	65 895	100%	100%	100%
PROPORTION OF WOMEN IN THE GROUP									
	••		LA13						
Men			LA13	50 593	53 482	53 705	81.7%	81.8%	81.5%
Women			LA13	11 322	11 900	12 190	18.3%	18.2%	18.5%
TOTAL			LA13	61 915	65 382	65 895	100%	100%	100%
PROPORTION OF WOMEN IN MANAGEMENT									
	•		LA13						
Men			LA13	5 911	6 380	6 555	76.1%	76.3%	75.8%
Women			LA13	1 855	1 978	2 094	23.9%	23.7%	24.2%
TOTAL			LA13	7 766	8 358	8 649	100%	100%	100%
PERCENTAGE OF EMPLOYEES WITH DISABILITIES									
Percentage of disabled employees at year-end							1.6%	1.5%	1.5%
BREAKDOWN OF WORKFORCE BY CONTRACT TYPE									
			LA1						
Full time permanent contracts (FTE)			LA1				92.1%	91.8%	92.3%
Other contracts			LA1				7.9%	8.2%	7.7%
TOTAL			LA1				100%	100%	100%
EMPLOYMENT									
			LA2						
Turnover ¹	•		LA2				8.7%	8.4%	7.4%
Voluntary turnover ²	•		LA2				5.7%	5.2%	3.3%
Hiring rate ³	•		LA2				19.6%	19.5%	15.7%
Rate of FTE hires ⁴			LA2				59.7%	57.4%	46.1%
RECRUITEMENT									
			LA2						
Number of external FTE hires			LA2	7 073	7 169	4 709			
Number of external fixed-term-contract (FTC) hires			LA2	4 760	5 313	5 498			
TOTAL			LA2	11 833	12 482	10 207			
WORKPLACE CONDITIONS									
			LA7						
Absenteeism (days of absence per employee) ⁵			LA7	15.5	14.7	12.1			
Overtime ⁶			LA7				5.0%	5.0%	4.9%
WORKPLACE SAFETY									
			LA7						
Number of fatal accidents (employees)	•		LA7	6	2	4			
Frequency rate ⁷	•		LA7	18.47	17.45	15.35			
Severity rate ⁸	•		LA7	0.74	0.65	0.64			
TRAINING									
			LA10						
Percentage of workforce trained	••		LA10				60%	57.2%	59.7%
Number of annual training hours per employee	••		LA10				25	24	23
Average training expenses per employee			LA10				€890	€820	€579
Breakdown of training time by type of activity:			LA10						
job techniques			LA10				31.2%	31.1%	30.6%
quality, environment and safety			LA10				36.6%	39.7%	41.7%
languages			LA10				8.5%	6.4%	4.1%
other			LA10				24.1%	22.9%	23.6%

¹ Turnover: number of layoffs and resignations/average workforce.

² Voluntary turnover: number of resignations/average workforce.

³ Hiring rate: number of fixed-term-contract and permanent-contract employees recruited/average

workforce.

⁴ Permanent-contract hiring rate: number of permanent-contract employees recruited/number of fixed-term-contract and permanent-contract employees recruited.

⁵ Based on a theoretical workday of 8 hours.

⁶ Overtime hours: number of overtime hours/number of hours worked.

⁷ Frequency rate: number of accidents with leave x 1,000,000/number of hours worked.

⁸ Severity rate: number of days indemnified x 1,000/number of hours worked.

GRI INDEX

The Global Reporting Initiative (GRI) was launched in 1997 with the goal of introducing globally accepted guidelines for reporting on the economic, environmental and social activities of organizations and businesses.

The table below contains the page numbers of institutional documents in which the various indicators are addressed.

	2009 Commitments & Performance Pages	2009 Activities Report Pages	Reference Document Pages
STRATEGY AND ANALYSIS			
1.1 CEO statement	5	8-10	
1.2 Risks and opportunities	6-9	10; 17; 57-63	Section 4.1
ORGANIZATIONAL PROFILE			
2.1 Name of organization	Cover	Cover	Cover
2.2 Products and/or services	4	1	Section 6.1
2.3 Operational structure	33	21-25	Section 6.5
2.4 Headquarters	Back cover	Back cover	Cover
2.5 Countries of operation	4	48-49	p 37 ; 89
2.6 Ownership structure and legal form		20	p 36
2.7 Markets	4	10; 48-50	Section 6 p 35-39
2.8 Size of organization	4	1	Section 6.1
2.9 Significant decisions regarding operating locations and changes during the reporting period		24-25	Section 6.1
2.10 Awards	10-31	19	
REPORTING PARAMETERS			
3.1 Reporting period	44-45		Section 6.8.1
3.2 Date of most recent report	44-45		
3.3 Reporting cycle	44-45		Section 17.2.4
3.4 Contacts	See last page		
3.5 Process for defining report contents	44-45		Section 17.2.4
3.6 Scope	44-45		Section 17.2.4
3.7 Restrictions in scope of report	44-45		Section 17.2.4
3.8 Basis for reporting on joint-ventures, etc.	44-45		Section 17.2.4
3.9 Techniques for estimating data, bases of calculation	44-45		Section 17.2.4
3.10 Restatements	44-45		Section 17.2.4
3.11 Changes to reporting methods	44-45		Section 17.2.4
3.12 Standard disclosures	40	www.suez-environnement.com	
3.13 Assurance policy	42	p 82-83	p268
GOVERNANCE, COMMITMENTS AND DIALOG			
4.1 Governance structure	33	12-15	Section 16
4.2 Is the chairman of the highest governance body also an executive officer?	33	12-15	
4.3 Independent members of the highest governance body	33	19	Section 14.1.4
4.4 Mechanisms available to shareholders and employees	Inside back cover 33	19	Section 18
4.5 Management compensation		19	Section 15, p259
4.6 Processes to avoid conflicts of interest	33	15-17	Section 14.2
4.7 Expertise of the highest governance body		15-17	
4.8 Internally developed codes of conduct, missions and values		12-17	
4.9 Board procedures		14	Section 16.3
4.10 Performance assessment of the highest governance body		14	Section 15, p259
4.11 Application of the precautionary principle		15	Section 4.2
4.12 Externally developed charters, principles and initiatives to which the organization subscribes	See Global Compact p. 45	10,16, 83	Sections 2.2.1 4.2.4.6 4.2.5 17.1.4 19
4.13 Principal memberships of national / international associations	30	17, 59, 63	
4.14 List of stakeholders engaged by the organization	28-29	17, 31, 56, 57, 60	
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PERFORMANCE INDICATORS			
ECONOMIC PERFORMANCE INDICATORS			
EC1	Direct economic value	4	20-21, 80 Section 9, 20.1, 20.3
EC2	Financial implications of climate changes		52-53 Section 4.1
EC3	Coverage of employee benefit plans		Not published
EC4	Financial assistance received from government		Not published
EC6	Local suppliers	19	80
EC7	Local recruitment	39	78 Sections 4.2.1_6.3.3.4
EC8	Investment in infrastructure development		80 Sections 5.2_6.3.3_9.3.1
ENVIRONMENTAL PERFORMANCE INDICATORS			
EN1	Total consumption of raw materials	34-36	75
EN2	Recycled materials	34	79
EN3	Direct energy consumption	34-36-37	74
EN4	Indirect energy consumption	34-36	74
EN6(add)	Initiatives aimed at increasing energy yield or use of renewable energy	19-21-37	74
EN8	Total water consumption	36	75
EN10(add)	Percentage and total volume of water recycled and reused	36	76
EN11	Land in protected areas	21-23	60-61, 79
EN12	Significant impacts on biodiversity	21-23	60-61, 79
EN13(add)	Protected or restored habitats	21-23	60-61, 79
EN14(add)	Strategies, current actions and future plans for managing impacts on biodiversity	21-23	60-61, 79
EN16	Direct and indirect greenhouse gas emissions	15-19 + 36	60, 75, 79
EN17	Other indirect greenhouse gas emissions	15-19 + 36	60, 75, 79
EN18(add)	Initiatives to reduce greenhouse gas emissions	15-19 + 34 + 35	60, 75, 79
EN19	Emissions of ozone-depleting substances	36 No emissions of substances that destroy the ozone layer	75
EN20	Air emissions of NOx, SOx	37	76
EN21	Total water discharge	36	75
EN22	Total weight of waste	36-37	76-77
EN23	Total spills	35	74
EN26	Initiatives to mitigate environmental impacts	34-35-36	75
EN27	Products recoverable at the end of their useful life	38 No products for sale that might be packaged	74
EN28	Monetary value of significant fines	35	74
EN29	Environmental impact of transportation logistics	36-37	76
SOCIAL PERFORMANCE INDICATORS			
Labor practices and decent work			
LA1	Total workforce by type of employment, contract and geographic area	35	78 Section 17
LA2	Employee turnover	35	78 Section 17
LA4	Employees covered by collective bargaining agreements	> 80%	Section 17
LA5	Minimum notice period regarding organizational changes, including provisions specified in collective bargaining agreements		Section 17
LA7	Percentage of workplace accidents, job-related illnesses, work days lost and absenteeism rate	35	78 Section 17
LA8	Programs for preventing serious illnesses		p 17, 23, 357
LA10	Training by category of employee	35	78 Section 17
LA13	Gender breakdown in governance bodies	35	78 Section 17
LA14	Ratio of basic salary men to women		Section 17
Human rights: www.suez-environnement.fr/fr/profil/ethique/politique-ethique/politique-ethique			
HR1	Significant investment agreements that include clauses relating to human rights	governed by Global Compact p.45	10, 81
HR2	Screening of suppliers based on human rights criteria	governed by Global Compact p.45	10, 16-17, 81
HR4	Cases of discrimination	governed by Global Compact p.45	10, 16-17, 81
HR5	Breaches of rights to freedom of association and collective bargaining	governed by Global Compact p.45	10, 16-17, 81
HR6	Child labor	governed by Global Compact p.45	10, 16-17, 81
HR7	Forced or compulsory labor	governed by Global Compact p.45	10, 16-17, 81
Society: www.suez-environnement.fr/fr/profil/ethique/politique-ethique/politique-ethique			
SO1	Impact on local communities	governed by Global Compact p.45	10, 16-17, 81 section 6.7.1
SO2	Number of entities analyzed for risks related to corruption	governed by Global Compact p.45	10, 16-17, 81 section 4.2.5
SO3	Employees trained in anti-corruption policies and procedures	governed by Global Compact p.45	10, 16-17, 81 section 4.2.5
SO4	Measures taken in response to incidents of corruption	governed by Global Compact p.45	10, 16-17, 81 sect. 4.2.5, p 357
SO5	Public policy positions and participation in public policy development	governed by Global Compact p.45	10, 16-17, 81 sect. 4.2.5, p 357
SO8	Monetary value of significant fines		section 26.3
Product responsibility			
PR1	Policy to improve the health and safety impacts of products throughout their useful life		71
PR3	Product information and labeling		Not applicable
PR5(add)	Customer satisfaction		29
PR6	Marketing Communications	Indic 4x12	56-58; 61; 79 section 11.2.2
PR9	Monetary value of significant fines		35

STATUTORY AUDITOR'S REPORT

OF SELECTED ENVIRONMENTAL AND SOCIAL INDICATORS

Fiscal year ending December 31, 2009

At the request of SUEZ ENVIRONNEMENT COMPANY and in our capacity as the company's statutory auditors, we performed a review at Group level with the aim of providing moderate or reasonable assurance on the environmental and social indicators selected by SUEZ ENVIRONNEMENT COMPANY identified by the symbol • or •• and shown on pages [74] and [79]* for fiscal year 2009 ("the data"). The data was prepared under the responsibility of SUEZ ENVIRONNEMENT COMPANY senior management in accordance with the following internal reporting criteria:

- environmental data,

- social data,

which may be consulted at the Environment and Performance Assessment Department, the Human Resources Performance Department, and the Health & Safety Department. A summary is also available on the SUEZ ENVIRONNEMENT website (the «reporting criteria»). It is our responsibility, based on the work performed, to express a conclusion on the data. The conclusions expressed below pertain solely to this data and not to the entire activities report.

NATURE AND SCOPE OF THE WORK PERFORMED

We carried out our work in accordance with applicable professional guidelines.

Moderate assurance

We conducted the following procedures in order to provide moderate assurance that the selected data¹ identified by the symbol • do not contain any material anomalies. A higher level of assurance would have necessitated more extensive work. Our work covers the data consolidated at Group level; it does not include coverage related to the data.

- We have assessed the reporting criteria in terms of their relevance, reliability, objectivity, understandability and completeness.

- We have interviewed the persons responsible for the application of the reporting criteria at the Environment and Performance Assessment Department, the Health & Safety Department at headquarters and within the audited entities.

- We have conducted substantive tests on 13 sites belonging to 8 selected entities² for the environmental data, representing on average 88% of SUEZ ENVIRONNEMENT COMPANY consolidated data, and at 12 selected entities³ for the social data, representing 60% of SUEZ ENVIRONNEMENT COMPANY consolidated staff.

- We have also carried out analytical reviews and consistency tests for three additional entities for environmental reporting and four additional entities for social reporting.

- We have tested the calculations on a sampling basis and verified the data reporting at different consolidation levels.

Reasonable assurance

For data identified⁴ by the symbol ••, the degree of precision applied to the measurement and the more extensive nature of our work than that described above, particularly with regard to sampling, enabled us to express reasonable assurance.

To assist us in carrying out this work, we called upon the environment and sustainable development experts of our firm, under the responsibility of Eric Duvaud.

COMMENTS ON THE PROCEDURES

The processes used to report environmental and social data by SUEZ ENVIRONNEMENT COMPANY call for the following comments on our part:

Environmental reporting

- The application of procedures has progressed and controls have been reinforced, in particular at head office level. The application of reporting and control procedures can improve further in certain entities and regional departments, in particular for indicators relating to GHG emissions and to installed capacity (renewable).

Social reporting

- The implementation of controls and the formalization of treatments applied has improved, in particular at head office and the main contributing entities. The correct application of the reporting criteria and controls over it must be further reinforced for entities outside France, in particular for data relating to training and the calculation of hours worked.

(*) in the 2009 Activity Report (which is pages [34] to [39] of the present document).

CONCLUSION

Moderate assurance

In our review we did not identify any material anomaly likely to call into question the fact that the data identified by the symbol • has been prepared, in all material respects, in accordance with the above-mentioned reporting criteria.

Reasonable assurance

In our opinion, the data identified by the symbol •• was prepared, in all material respects, in accordance with the above-mentioned reporting criteria.

¹ This data is as follows [The contribution to Group data by the entities we selected during our review is shown in parentheses]: Proportion of women in management (56%); Age pyramid (56%); Turnover (61%); Resignation rate – voluntary turnover (58%); Hiring rate (57%); Frequency rate (FR) of workplace accidents (per hour worked) (68%).

² Degrémont (Valenton, Puebla and San Luis Potosi sites), United Water (New Jersey and West Basin sites), Lyonnaise des Eaux France (BU and site in Cannes - Côte d'Azur), Sita France (BU, review of Sita Centre Ouest, Boone Comenor, ISDND and Sonzay sites) and TERIS France (BU and Teris Spécialités Roussillon site), Sita Belgium (Vlaanderen et Treatment), Sita Netherlands, Sita Germany (BU and the Bielefeld site), Sita UK (BU and sites in Cleveland and Pathhead).

³ Sita France (BU, and Sud, Ouest and Ile-de-France regions), Sita Czech Republic, Sita Netherlands, Sita UK, SDEI, Lyonnaise des Eaux France, Degrémont SA, Degrémont International, United Water.

⁴ This data is as follows [The contribution to Group data by the entities we selected during our review is shown in parentheses]: Installed capacity for recovering renewable energy (94%); Production of useful renewable energy (92%); Total primary and secondary energy consumption (84%); Direct and indirect greenhouse gas emissions (79%); Drinking water distribution – network linear loss index (reported as the quantity of drinking water pumped into the network) (90%); Total workforce (60%); Managerial staff (56%); Non managerial staff (61%); Gender ratio – proportion of women in the workforce (59%); Number of training hours per person (65%); Proportion of employees who received training (60%).

Neuilly-sur-Seine,
April 9, 2010
The Statutory Auditors
ERNST & YOUNG and Others



Charles-Emmanuel Chosson



Pascal Macloce

REPORTING METHODOLOGY AND SCOPE

SUEZ ENVIRONNEMENT is engaged in various businesses which call for extremely varied technical processes: waste collection and transfer with a fleet of more than 20,000 vehicles; and chemical, thermal, biological and mechanical processes implemented at more than 3,000 technical facilities. This broad technological diversity makes implementing sustainable development measures more complex, and above all defining, disseminating and ensuring the consistency of performance indicators as well as collecting and calculating quantitative data. SUEZ ENVIRONNEMENT continues to tighten its procedures in order to provide reliable, verified data and demonstrate continuous performance improvement. In particular, the performance indicators corresponding to the various commitments have been carefully defined to ensure the most thorough coverage possible.

METHODOLOGY OF ENVIRONMENTAL REPORTING IN 2009

With regard to the environmental data contained in this report, the following points should be noted:

1/ Scope

The figures in this report pertain solely to the fully consolidated (FC) companies, for which SUEZ ENVIRONNEMENT has operating control in terms of ownership and management (excluding the data on the populations served, which is provided for the entire scope of the Group's financial reporting). When a company becomes fully consolidated, its environmental data is included in its entirety, irrespective of SUEZ ENVIRONNEMENT's percentage stake in the capital. The scope is frozen at June 30 of each fiscal year. If any disposals take place after that date, the entity concerned completes the environmental questionnaire with the data available up until the date of disposal. Companies acquired after June 30 are not normally included for that year unless they are large in size and have a significant influence on the scope as a whole. Legal entities included within the environmental reporting scope are those whose activities are relevant in terms of environmental impact (the main activities excluded are therefore financial operations and the construction and engineering activities of entities such as Safege, Fairtec and OIS). Water management contracts, such as those in Algiers and Jeddah, fall outside the scope of this environmental reporting. Landfill sites closed after 1999 do report data. Year-on-year comparisons are based on like-for-like scope. All the data from the years before 2009 have been recalculated to correspond to the 2009 scope described below.

Waste management businesses:

The report covers subsidiaries based in:

- Europe: Germany, Belgium, Finland, France (including Ile de Reunion and Guadeloupe), Spain, Great Britain, Luxembourg, the Netherlands, Poland, Czech Republic, Sweden (and the hazardous industrial waste activities of Teris in France, Belgium, Germany, the Netherlands, Italy and Spain);
- Middle East and Asia-Pacific: China, Australia, United Arab Emirates;
- North Africa: Morocco.

Waste management services include collection, sorting and recycling, as well as material, biological or energy recovery, inci-

neration, landfilling, and treatment of hazardous waste, including depollution of soil and ground.

Water businesses

The report covers contracts in:

- Europe: Germany, Spain, France, Portugal, Czech Republic, Slovakia, Italy;
- Asia-Pacific: Australia, Indonesia, India;
- North America: United States, Mexico;
- Middle East and North Africa: Morocco, Algeria, Egypt, Jordan.

The report covers all the activities in the water cycle, in particular drinking water treatment and distribution, wastewater collection and treatment, and sludge treatment and recovery.

2/ Reporting tool

Since 2003, SUEZ ENVIRONNEMENT has been using the software Ceris, a computer-based environmental reporting system developed by SUEZ in cooperation with the company Enablon. This software facilitates the management and documentation of the environmental reporting scope, the input, control and consolidation of indicators, the publication of reports, and finally the provision or drafting of the documentation needed to collect data and control the reporting process.

3/ Procedures

With the exception of defining the reporting scope, SUEZ ENVIRONNEMENT follows the procedures and instructions established by GDF SUEZ when compiling environmental information. These consist of a generic procedure and generic instructions to be applied at the appropriate stages of the reporting process. These procedures have been customized to create procedures and indicators tailored to SUEZ ENVIRONNEMENT's specific needs.

A Group-wide network of environmental correspondents and coordinators, appointed by the head of each reporting entity, is responsible for applying all of the procedures and instructions. The Group and subsidiary level procedures and instructions provide a detailed description of the various phases for collection, control, consolidation, validation and transfer of environmental data at different organizational levels; they also describe the rules for consolidation and define the reporting scope. They are supported by technical documents laying down methodological guidelines for calculating certain indicators. All documents are available on the Group's intranet or by request from the Environment and Performance Assessment Department.

Several points should be made regarding the information published in this report:

- When significant data is unavailable, the report uses extrapolations or data from the previous year, in particular for LDEF Wastewater data.
- Energy consumption indicators can be difficult to obtain at site level. Reported figures cover only the data that were available or could be inferred at entity level.
- Data on greenhouse gas emissions from landfills is calculated (calculation tools developed by SUEZ ENVIRONNEMENT or, in some cases, by particular business units) on the basis of reported data (energy consumption, activity data, etc.).

METHODOLOGY OF SOCIAL REPORTING IN 2009

1/ Scope

The social analysis provided in this report pertains only to the fully consolidated entities that SUEZ ENVIRONNEMENT COMPANY controls in terms of ownership and management. When a company is fully consolidated in SUEZ ENVIRONNEMENT COMPANY's financial statements for the first time, its social data is fully integrated, irrespective of the percentage stake held in the capital. Each indicator is accompanied by a scope of coverage figure, given as a percentage of the Group's workforce (employees of companies fully consolidated in SUEZ ENVIRONNEMENT COMPANY's financial statements). Some companies may have failed to report their data or the information they provided may show inconsistencies, in which case the data in question is excluded from the scope of reporting. The social indicators in this document all have a coverage ratio of over 94%, for all three years 2007, 2008 and 2009.

A breakdown of the coverage ratios for each indicator is available on request.

2/ Tools and methods

The social reporting is based on:

- a network of 180 people around the world, who collect and check the indicators for their entity in each quarterly social reporting cycle;
- the User Guide, which contains all definitions and procedures that make up the common reference document for the Group. The Guide is translated into six languages: German, English, Spanish, Dutch, Polish and Portuguese. It is distributed to all contributors;
- the Group's «Magnitude» financial consolidation tool which, via a data set dedicated to social indicators, collects, processes and compiles the data entered by the Group's local subsidiaries. Each subsidiary is assigned a financial consolidation method, which is also used at the HR audit stage: full consolidation (FC), proportional consolidation (PC), or equity affiliate (EA). An online self-study program is available on Magnitude for contributors.

3/ Consolidation and internal audit

Once collected, the data is consolidated by the Group's subsidiaries and HR Departments according to clearly defined procedures and criteria. The data is audited as follows:

- Automatic audits: The Magnitude data sets incorporate a certain number of automatic controls that allow contributors to check the information entered at the most detailed level. Contributors can also incorporate comments;
- Subsidiaries' audits: The main subsidiaries check the consistency of the data from their entities;
- Group HR audits: The Group's HR in its turn checks the consistency of the data from all entities. These checks mainly consist of analyzing changes in indicators over time. In the case of a significant change, the contributor concerned is asked to provide a more detailed analysis, which may lead to a correction.

4/ Methodology accuracy and limits

Several points should be made regarding the information published in this report:

- In contrast to social reporting, Health & Safety reporting takes into account operational control criteria and data reliability. This situation results in a minor difference in the scope of employees covered by the two reports. Work was undertaken in 2009 to reconcile the data issued by Health & Safety and the data issued by social reporting. This either reduced or explained the variations

RESPECTING THE PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

The United Nations Global Compact asks companies to embrace, support and enact, within their sphere of influence, 10 fundamental principles in the areas of human rights, labor standards, the environment, and anti-corruption

Companies are asked to:

- 1 SUPPORT and respect the protection of internationally proclaimed human rights within their sphere of influence
- 2 MAKE SURE that their own companies are not complicit in human rights abuses
- 3 UPHOLD freedom of association and recognize the right to collective bargaining
- 4 ELIMINATE all forms of forced and compulsory labor
- 5 ABOLISH child labor
- 6 ELIMINATE discrimination in respect of employment and occupation
- 7 SUPPORT a precautionary approach to environmental challenges
- 8 UNDERTAKE initiatives to promote greater environmental responsibility
- 9 ENCOURAGE the development and diffusion of environmentally friendly technologies
- 10 WORK against corruption in all its forms, including extortion and bribery

ces between the outputs from the two data sets collected.

- Given the deadlines involved, training data is not yet complete and therefore refers to the most recently stated situation.
- The concept of "manager" is sometimes difficult to define in countries where the Group operates outside France. This may lead to a slight underestimation of the number of managers, since some entities may only include their senior level managers.

5/ External audit

To ensure consistency with the previous reporting periods of the GDF Suez Group and its subsidiaries prior to 2007, the Group asked specialist auditors to check four social indicators for 2008. The Group also asked them to do so for 2009, increasing the number of indicators to 14. The auditors' findings are shown as ** (reasonable assurance) or * (moderate assurance) in the tables above.

COMPLIANCE WITH FRANCE'S NEW ECONOMIC REGULATIONS (NRE) LAW AND GRI (GLOBAL REPORTING INITIATIVE) GUIDELINES

The correspondence of SUEZ ENVIRONNEMENT's environmental and social performance indicators with France's NRE law and the GRI is documented in the tables summarizing environmental and social performance on pages 40-41.

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