

2010 | SUSTAINABLE DEVELOPMENT

COMMITMENTS & PERFORMANCE





TERMS & SCOPE OF SUEZ ENVIRONNEMENT'S CORPORATE SOCIAL RESPONSIBILITY POLICY

For SUEZ ENVIRONNEMENT, the organisation of society to meet its citizens' aspirations for a more sustainable form of development is primarily a political issue. This does not prevent the various components of society from being involved, and of all the stakeholders concerned, the corporate sector has an important role to play: Corporate Social Responsibility is the share of responsibility companies accept to bear in order to satisfy those aspirations and help society progress as a whole.

The term "Corporate Social Responsibility" (CSR), also frequently referred to as a company's "sustainable development policy" means all the rules and behaviour that a business imposes on itself, often going beyond those involved in meeting its regulatory and contractual obligations, and which cover economic, ethical, governance, environmental, as well as social and societal issues (i.e. the impacts on, and interactions with the communities in which the company operates). That scope is consistent with the international standard ISO 26000: 2010 and its guidelines on the social responsibility of organisations, as published on 1 November 2010¹. The standard provides private companies and organisations in the public sector with an analytical framework and a common vocabulary with which to design and manage their approach to corporate responsibility, and report on their progress.

In 2008, SUEZ ENVIRONNEMENT published a CSR² policy which focused on 4 priorities and 12 commitments, and undertook to report to its stakeholders on developments in its annual performance against its commitments. This report is therefore the third assessment of our performance after the 2008 and 2009 publications, both of which are available on the SUEZ ENVIRONNEMENT website³.

For this 2010 edition, we have chosen not to repeat the context and concerns that led us to define our 4 Priorities - 12 Commitments. In order to fully understand this report, therefore, we recommend readers refer to the 2008 and 2009 publications.

Instead, we have shed greater light on ethics and governance, and focused on «Business and Human Rights» issues which were not covered in the previous years' reports but form an integral part of our Group's general policy.



Thomas PERIANU
Sustainable Development Director

¹ <http://www.iso.org/iso/fr/pressrelease.htm?refid=Ref1366>

² Originally named "Sustainable Development Policy" in this report.

We have chosen to use the same terminology for the sake of continuity.

³ <http://www.suez-environnement.fr/fr/developpement-durable/performances/rapports-engagements-etperformances/commitments-and-performance-reports/>

CONTENTS

Profile of SUEZ ENVIRONNEMENT	P.02
Interview with Jean-Louis Chaussade and Bernard Guirkingier	P.04
A sustainable development policy focused on 12 commitments	P.06
A sustainable development organisation that meets the challenges facing the Group	P.08
Ethics, business and human rights	P.11
Challenges and Commitments: 2010 review and outlooks for progress	P.14

PRIORITY 01 **CONSERVE RESOURCES AND ENGAGE IN THE “CIRCULAR ECONOMY”** **P.16**

Commitment 01 / Optimise waste recycling and recovery rates	P.19
Commitment 02 / Increase the yield of drinking water networks	P.23

PRIORITY 02 **INNOVATE TO RESPOND TO ENVIRONMENTAL CHALLENGES** **P.26**

Commitment 03 / Reduce greenhouse gas emissions (GHG)	P.29
Commitment 04 / Improve energy efficiency through all operations	P.33
Commitment 05 / Increase and promote renewable energy generation	P.36
Commitment 06 / Incorporate biodiversity in site management	P.39

PRIORITY 03 **EMPOWER OUR EMPLOYEES AS ACTORS OF SUSTAINABLE DEVELOPMENT** **P.43**

Commitment 07 / Foster professional knowledge	P.46
Commitment 08 / Improve safety and health in the workplace	P.50
Commitment 09 / Support diversity	P.55

PRIORITY 04 **BUILD OUR DEVELOPMENT WITH ALL STAKEHOLDERS** **P.60**

Commitment 10 / Maintain an active dialogue with our stakeholders	P.63
Commitment 11 / Be a key actor of local sustainable development	P.67
Commitment 12 / Provide regular and easily accessible information about our sustainable development actions	P.70

REPORTING DATA AND METHODOLOGY **P.74**

Methodological principles in 2010 environmental reporting	P.75
Methodological principles in 2010 social reporting	P.77
Compliance with the NRE Law and the GRI reporting framework	P.79
Respecting the principles of the UN Global Compact	P.79
Auditor's Review Report	P.80
GRI INDEX	P.83

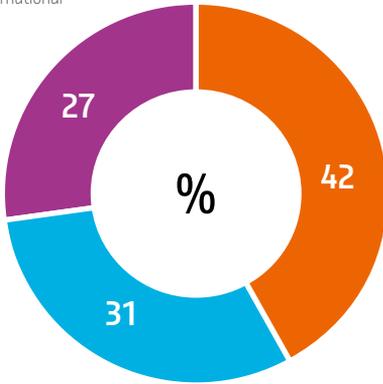
COMPANY PROFILE

NATURAL RESOURCES ARE FINITE. SUEZ ENVIRONNEMENT* AND ITS SUBSIDIARIES ARE COMMITTED TO THE DAILY CHALLENGE OF PROTECTING RESOURCES BY PROVIDING INNOVATIVE SOLUTIONS TO MILLIONS OF PEOPLE AND INDUSTRIES.

*name of listing on the stock exchange in Paris: SEV, and in BRUSSELS: SEVB

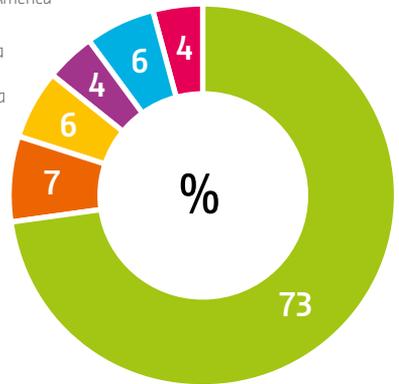
→ **Distribution of turnover**
as a% per sector of activity

- European waste sector
- Water Europe
- International



→ **Distribution of turnover**
as a% per geographical region

- Europe
- Africa/Middle-East
- North America
- Asia
- Oceania
- South America



+12.8%

growth of turnover in 2010

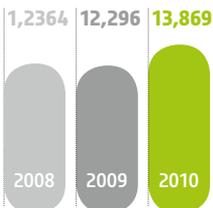
1,647

billion euros of net Capex

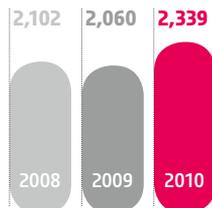
3.2

times the debt net / GOI

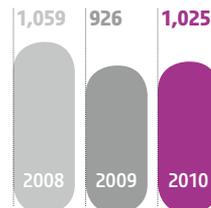
Turn over
(in thousands of euros)



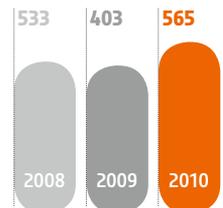
Gross Operating Income
(in thousands of euros)



Earnings Before Interest and Taxes
(in thousands of euros)



Net income Group share
(in thousands of euros)



“ IN 2010 WE EARMARKED
73 million euros
 FOR RESEARCH,
 TECHNOLOGICAL DEVELOPMENT
 AND INNOVATION. ”



→ WATER

10,000

water treatment plants
 built in 70 countries

91 million

people supplied
 with drinking water

61 million

people benefit from the wastewater services
 provided by SUEZ ENVIRONNEMENT

1,200

drinking water
 production plants

1 800

wastewater treatment
 plants

187,400

kilometres
 of drinking water supply lines

→ WASTE

50 million

people benefit from the waste collection services
 provided by SUEZ ENVIRONNEMENT

430,000

industrial
 and commercial customers

40,7 million

tonnes
 of waste treated

13,6 million

tonnes of recycled material put on the market

138

storage facilities

118

composting platforms

141

hazardous waste
 platforms

48

non-hazardous waste
 incineration plants
 (45 of which are energy-recovering)

350

sorting stations

Jean-Louis CHAUSSADE,
CEO of SUEZ ENVIRONNEMENT

Bernard GUIRKINGER,
Senior Executive Vice President
of SUEZ ENVIRONNEMENT,
in charge of Water Activities,
R & D and Sustainable Development

“A COMMITTED ENVIRONMENTAL PARTNER”

How was 2010 for SUEZ ENVIRONNEMENT?

Jean-Louis Chaussade: In 2010 SUEZ ENVIRONNEMENT achieved all of its financial targets, although they were upgraded upwards during the year, despite persistently slow growth in developed countries, including GDP growth of 1.8% in the European Union, where a great deal of our business takes place. We managed to combine our business dynamism and productivity enhancements such that we achieved a gross growth figure of 13.8% in turnover. The year also saw the completion of the friendly takeover of Agbar, which has become our second European pillar in the water business. The takeover culminates the cooperation programme we started 30 years ago, proof that faith in the long term is always worthwhile!

Bernard Guirkinger: 2010 was an eventful and successful year for the Group. In terms of innovation, we continued to develop our organisation to accelerate the marketing of our new technologies and solutions. Emblematic of that drive was the launch of Blue Orange, our investment fund for new water and waste technologies, which serves as an industrial and financial partner for innovative start-ups. Cynar Plc, an English company, was the first to integrate the system. Its technology can be used to produce fuel from plastic waste. It will be developed in the United Kingdom, jointly with SUEZ ENVIRONNEMENT, Blue Orange and SITA UK.

And in terms of corporate social responsibility, what was the balance sheet for 2010?

Jean-Louis Chaussade: We are convinced that the goals of social responsibility and economic performance are inseparable. That is why we have undertaken an improvement initiative covering all the areas of sustainable development and why we adhere to the UN Global Compact and all of its principles.

This year, we have put particular emphasis on diversity, with the launch of our **“Equal opportunities, social progress, commitment”** programme, which can be translated into target figures and action plans enabling tangible progress in the field. A special management team has been put in charge of the programme, which I keenly support. Our premises also hosted the first European Forum for Diversity in 2010.



JEAN-LOUIS CHAUSSADE,
CEO



BERNARD GUIRKINGER,
Senior Executive Vice-President

Bernard Guirkinge: Our indicators show that we have made an overall improvement in terms of non-financial performance. This year, we also wanted to focus on ethics, governance, and human rights, all of which are major issues for a group such as SUEZ ENVIRONNEMENT. It is also worth recalling that we have maintained our position in the family of Dow Jones Sustainability Indexes, and joined the Ethibel, FTSE4Good and ASPI Indexes during the year.

What is SUEZ ENVIRONNEMENT's strategy for the years to come?

Jean-Louis Chaussade: Within a decade, SUEZ ENVIRONNEMENT has succeeded in changing and developing in order to become a world leader in water and waste management. Preserving the environment has now become a major global issue. Whether our customers are industrial or municipal, they expect us to help them improve their environmental performance. Instead of a rationale based on volume, the water sector is increasingly focusing on value, as evidenced by the development of the new business lines at Lyonnaise des Eaux. Instead of a rationale based on disposal, the waste sector has switched to one based on recovery. That ability to change is backed by an ambitious research and innovation policy focusing on our customers' needs.

The coming years will see that drive continue and intensify as resources become increasingly scarce and expensive, as evidenced by the increase in commodity prices in recent months. In an increasingly uncertain world, we must accelerate our changes and establish ourselves as a strategic partner for our customers, serving their environmental performance.

Bernard Guirkinge: We shall continue not only to do our job well but to cultivate operational excellence in the way we carry out the tasks entrusted to us by our customers. We intend to be a company that cares, and works in partnership with the local stakeholders. Our technological solutions are not static, they adapt to the context and issues at stake. We undertake to always seek the best solution: the one enabling us to deliver basic public services at the optimum price for the greatest number of users, while minimising their impact on the environment. We are and always will be a company committed to that approach, wherever we work. ●



IN AN INCREASINGLY
UNCERTAIN WORLD,
WE MUST ACCELERATE OUR
CHANGES AND ESTABLISH
OURSELVES AS A STRATEGIC
PARTNER FOR OUR
CUSTOMERS, SERVING
THEIR ENVIRONMENTAL
PERFORMANCE //

2005

/ Launch of the sustainable development initiative
/ Deployment of the SE 2005-2011 Road Map

2007

/ more than 80% of consolidated turnover is covered by affiliates with a Road Map

2008

/ Publication of the 4 priorities 12 commitments policy
/ SUEZ ENVIRONNEMENT's Annual and Sustainable Development Report distributed at the 1st General Meeting for SE shareholders

2009

/ Sustainable Development 2008 Commitments and performance report
/ Inclusion in the Dow Jones Sustainability Index

2010

/ Sustainable Development 2009 Commitments and performance report
/ Inclusion in the ASPI Eurozone and Ethibel indices

2011

/ Sustainable Development 2010 Commitments and performance report
/ Inclusion in the FTSE4Good
/ SD policy rethinking for the period 2012-2016

SUEZ ENVIRONNEMENT's sustainable development policy was designed in 2005.

An internal sustainable development roadmap forms its backbone.

A SUSTAINABLE DEVELOPMENT POLICY FOCUSED ON 12 COMMITMENTS

SUEZ ENVIRONNEMENT adopted a sustainable development policy in 2005⁴ with four goals:

- better understand and anticipate the demands of its customers and stakeholders,
- generate organic growth,
- underpin the operations of the Group and its subsidiaries in sustainable development,
- highlight the actions undertaken by the company in this field.

Since its floatation on the stock market in July 2008, the Group has upgraded its sustainable development system and structured its policy. SUEZ ENVIRONNEMENT reports on the 4 Priorities implemented as 12 Commitments with quantified targets (see below).

In order to enhance its sustainable development performance, SUEZ ENVIRONNEMENT has defined performance indicators for each commitment⁵.

In 2009, we decided to report on the consolidated performance of the Group without the activities of SITA Waste services⁶ since they were not included in the initial selection of commitments associated with our policy.

4. The "sustainable development roadmap" contains 52 economic, environmental and social commitments.

5. As in previous years, the reporting scope of publication of the indicators associated with our 12 commitments is the same scope as that of the fully consolidated companies.

6. Waste subsidiary located in China.

In 2010, the same reasoning lead us to report on our performance without taking into account the impact of Agbar business⁷. As in 2009, to ensure the traceability of our performance and consistency with other documents of the Group (Annual Report, Reference Document), our performance including SITA Waste Services and Agbar is described in the footnotes.

PHASE 2 OF THE SUSTAINABLE DEVELOPMENT POLICY OF SUEZ ENVIRONNEMENT

The current policy applies up until 2012. SUEZ ENVIRONNEMENT has already started the rethinking that will lead to the renewal of our commitments for the 2012-2016 period.

This takes into account:

- a better understanding of sustainability issues within the company,
- the technological breakthroughs as well as the research and development work carried out by the business lines of SUEZ ENVIRONNEMENT,
- societal and regulatory changes,
- the integration of new subsidiaries such as SITA Waste Services and Agbar. ●

→ 4 priorities implemented as 12 commitments

01 | CONSERVE RESOURCES AND ENGAGE IN THE CIRCULAR ECONOMY

1. Optimise waste recycling and recovery rates.
2. Increase the yield of drinking water networks.

03 | EMPOWER OUR EMPLOYEES AS ACTORS OF SUSTAINABLE DEVELOPMENT

7. Foster professional knowledge.
8. Improve safety and health in the workplace.
9. Support diversity.

02 | INNOVATE TO RESPOND TO ENVIRONMENTAL CHALLENGES

3. Reduce greenhouse gas emissions.
4. Improve energy efficiency through all operations.
5. Increase and promote renewable energy generation
6. Incorporate biodiversity in site management.

04 | BUILD OUR DEVELOPMENT WITH ALL THE STAKEHOLDERS

10. Maintain an active dialog with our stakeholders.
11. Be a key actor of local sustainable development.
12. Provide regular and easily accessible information about our sustainable development actions.

⁷. Water subsidiary fully consolidated from 2010 onwards.

In order to implement and monitor its sustainable development policy, SUEZ ENVIRONNEMENT has set up an appropriate organisation. The various governance and steering bodies are presented below.

A SUSTAINABLE DEVELOPMENT ORGANISATION THAT MEETS THE CHALLENGES FACING THE GROUP

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 appointed from among the directors nominated by shareholders who signed the Shareholders agreement. The Committee currently consists of Guillaume Pepy, CEO of SNCF, Lorenz d'Este, Managing Partner of E. Gutzwiller & Cie, both of whom are independent directors, and Gérard Arbola, Executive Vice-President of Areva. The Ethics and Sustainable Development Committee ensures compliance with the individual and collective values on which the Group bases its actions, and with the rules of conduct that each employee must apply. In 2010, the Committee met three times, with an attendance rate of 100%.

The main topics discussed by the Committee were the annual report of the ethics officer, the Group's 2009 reports on health and safety, and on environmental audits, corporate social responsibility, as well as its health and safety policy, sustainable development issues (2009 report, biodiversity policy), non-financial ratings and Group actions in favour of employees with disabilities. The issues involved in industrial hazards, personnel safety and the management of sensitive sites were also addressed. *Also see the interview with G. Pepy opposite.*





**INTERVIEW
WITH GUILLAUME PEPY**
*Chair of the Ethics and Sustainable
Development Committee*

What were the main issues addressed by the Committee in 2010?

Guillaume Pepy:

2010 is the second full year of operation of the Ethics and Sustainable Development Committee. The Committee continued to work on issues that must be regularly and continuously monitored, such as the Workplace Health and Safety policy and Group's sustainable development indicators. The Committee also worked, however, on new issues for its members, such as the security of sensitive sites of the Group outside France, or the policy concerning employees with disabilities in certain subsidiaries.

What projects does the Committee have for 2011?

Guillaume Pepy:

In 2010, the Group printed its Code of Ethics and Implementation Guide. Both documents have been widely disseminated among our subsidiaries. Nearly 20,000 copies were distributed in parallel to distribution in electronic format. The question of the proper understanding of these documents by employees and their application will remain a focus of attention for the Committee in 2011. SUEZ ENVIRONNEMENT has also set an ambitious agenda for diversity, recruitment and career development. The Committee will pay keen attention to the indicators and results achieved in this area.

THE SUSTAINABLE DEVELOPMENT STEERING COMMITTEE (SDSC - CSR)

The committee consists of representatives from the Group's Sustainable Development Department, from staff divisions, and sustainable development correspondents from the main subsidiaries of SUEZ ENVIRONNEMENT.

The members of the SDSC / CSR are appointed by the Chief Executive Officer. The SDSC / CSR guides, validates, and monitors all the activities relating to the sustainable development policy. The committee also includes policy guidelines for relations with stakeholders, and societal engineering.

THE SUSTAINABLE DEVELOPMENT DEPARTEMENT (SDD)

It proposes a vision and policy for the Group to the Board of Directors in terms of sustainable development, including the integration of sustainable development with management strategy and methods, information and awareness on risks and business opportunities, performance monitoring, and the management of relations with non-financial rating agencies.

It oversees the assessment of policy related to the 4 priorities and 12 commitments. The SDD uses the resources available in the subsidiaries, the Engineering Division, and the staff divisions.

THE NETWORK OF SUSTAINABLE DEVELOPMENT MANAGERS

The deployment of sustainable development policy is carried out through a network of sustainable development managers and correspondents in the subsidiaries and staff divisions, but performance targets for sustainable development are to be set by and through the line managers in the subsidiaries (see the chart on the following page).

MONITORING SUEZ ENVIRONNEMENT'S SUSTAINABLE DEVELOPMENT POLICY

The 12 commitments are monitored by the staff division to which each of them specifically applies, in conjunction with the Sustainable Development Division, which is in charge of overall management.

This means:

- Commitments 1-6, relating to environmental performance, are managed by the Technical Department which, among other responsibilities, is in charge of environmental reporting,
- Commitments 7 and 8 are administered by the Human Resources Division, which, among its other responsibilities, manages social reporting,



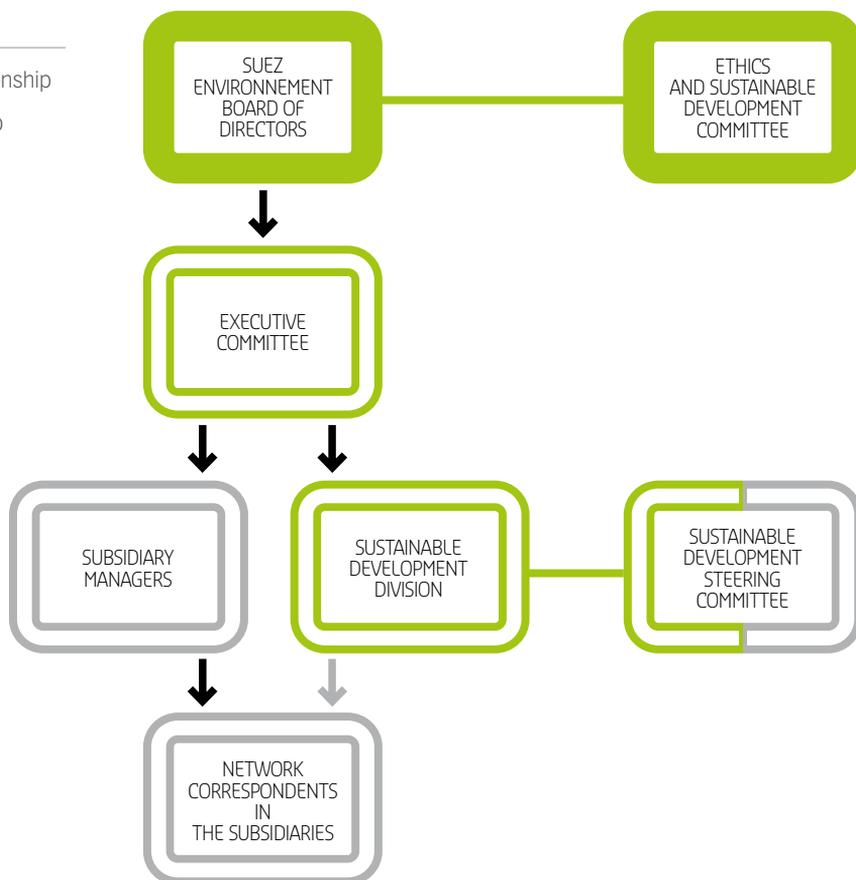


- Commitment 9 and a part of commitment 11 are managed by the Diversity and Social Development Division, within the Group’s Human Resources Division, in conjunction with a global network of 13 sponsors (senior management staff or executives). This division is responsible for establishing and facilitating Diversity policies and programs, and monitoring their results,
- Commitments 10 and 11 are managed by the Societal Engineering Division,
- Commitment 12 is managed direct by the Sustainable Development Division in conjunction with the Communication Division. ●

GRI MARKS 2.3 - 4.1 - 4.7 - 4.8 - 4.9 - 2.3

➤ **Organisation of the sustainable development function**

- ➔ Reporting relationship
- Staff relationship
- ▭ Utilities Division
- ▭ Subsidiaries



Ethical issues have become a significant feature of corporate social responsibility. SUEZ ENVIRONNEMENT is already active in this field. The various facets of our work are presented below.

ETHICS, BUSINESS AND HUMAN RIGHTS



In the 2008 and 2009 editions of our report entitled “Sustainable Development: Commitments and Performance”, SUEZ ENVIRONNEMENT gave an account of its performance in environmental, social and societal issues. This year the Group intends to emphasise ethical issues and the question of “business and human rights” in particular. This is because a new dynamic can be seen emerging in these areas in 2011, in particular with the publication of “Protect, Respect and Remedy” framework for transnational corporations and other business enterprises by John Ruggie, the United Nations Secretary-General’s Special Representative for Business and Human Rights⁸. Other factors currently driving ethics and governance issues include the United Nations Global Compact⁹ whose visibility is gradually increasing, and the OECD, which is scheduled to publish the revised Guidelines for Multinational Enterprises. These issues have already been an integral feature of Group policy for several years.

ETHICS

By publishing its Code of Ethics in 2010 and Implementation Guide in 8 languages¹⁰, SUEZ ENVIRONNEMENT formalised and reiterated principles already widely known and respected within the group, incorporating them into a broader approach. The Code outlines four basic principles that guide the behaviour of our employees:

- 1 Acting in accordance with laws and regulations,
- 2 Establishing a culture of integrity,
- 3 Behaving fairly and honestly,
- 4 Respecting others.



8. <http://www.business-humanrights.org/SpecialRepPortal/Home>

9. Which the Group joined in 2008.

10. Arabic, Czech, Dutch, English, French, German, Polish and Spanish.

➤ OFFICIAL RECOGNITION OF THE RIGHT TO WATER

SUEZ ENVIRONNEMENT welcomes the adoption in 2010 by the General Assembly of the United Nations of the resolution recognizing access to safe water and sanitation as a fundamental human right. The Group has always supported the recognition of this human right by international institutions and their member states¹¹.



Find out more:

- AquaFed Press Release: Private operators welcome the recognition of the Human Right to Water and Sanitation by the United Nations: http://www.aquafed.org/pdf/UNGA-RTWS_AquaFed_Press%20Release_Pc_FR_2010-07-29.pdf



These four basic principles apply in practice to the three circles in which the Group operates:

- 1 the circle of the Group, consisting of its employees, its entities and its shareholders,
- 2 the circle of the Market, within which we maintain relations with our customers, our suppliers and our competitors; and finally,
- 3 the circle of the Environment everywhere in the world we operate.

ETHICS MANAGEMENT SYSTEM

The Code of Ethics applies to all the employees and business units in the Group. Each group employee must incorporate the ethical principles of SUEZ ENVIRONNEMENT when carrying out their duties. To do this, the management system clearly defines the responsibilities at every level of employment. The impetus for the ethical commitment of SUEZ ENVIRONNEMENT is given at the highest level of the Group, i.e. the Chairman of the Board, the Chief Executive Officer, the Management Committee and the Executive Committee. The Ethics organisation is overseen by the Group's Board of Directors. The Ethics and Sustainable Development Committee to which it reports, assists it in this task. In particular, the Committee ensures that the requisite ethics procedures and reporting criteria are provided within the Group. The purpose of the General Secretariat is to incorporate Ethics into the vision, strategy, management and practices used by SUEZ ENVIRONNEMENT. It proposes the basic texts, and ensures they are implemented by the subsidiaries and staff divisions in all the Group's activities.

To ensure the deployment and operation of the compliance controls required to manage the Group's ethical risks, the General Secretariat manages a global network of Ethics Officers who acts as relays for its assignments in the various business units of the Group. The Ethics Officers provide our Group with an overview of its ethical practices. To do so, each of them periodically informs the Board of Directors or Supervisory Board of their business unit. The various items of information provided in the form of reports are used to draft the annual report on ethics presented by the Group's Ethics Officers to the CEO, to the Management Committee, and to the Ethics and Sustainable Development Committee of the Board of Directors.

HUMAN RIGHTS

For many years, the companies that together form SUEZ ENVIRONNEMENT have shared a culture of commitment towards Human Rights, respect for human dignity, the fight against corruption, and environmental conservation.

11. http://www.aquafed.org/pdf/UNGA-RTWS_AquaFed_Press%20Release_Pc_rev1_FR_2010-07-29.pdf

That culture has prompted our Group to uphold ethical principles that often go beyond the scope of the applicable laws and regulations.

The policies and practices of SUEZ ENVIRONNEMENT are in line with international reference texts, in particular the following:

- The Universal Declaration of Human Rights¹² and additional Covenants.
- The conventions of the International Labour Organisation (ILO)¹³.
- The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.
- The United Nations Convention against Corruption.



Find out more

- Governance issues are addressed in sections 14, 15 & 16 of the Reference Document.
- Download the SUEZ ENVIRONNEMENT Ethics Charter at the following address: <http://www.suez-environnement.fr/fr/profil/ethique/politique-ethique/politique-ethique/>

The Group has identified respect for others as one of its fundamental ethical principles. As such, it pays particular attention to ensuring that the Universal Declaration of Human Rights of 1948 is respected in both spirit and letter in each of its activities. Employees are encouraged to consider the impact of their actions and decisions on people, so that neither their integrity nor their dignity can be affected by the deeds of one of the Group's business units or of one of its employees. In terms of human rights, the Group has also demonstrated its on-going vigilance concerning delicate situations in which it may find itself, such as compliance with the rules on the protection of property in sensitive areas.

Within this framework, all the employees of SUEZ ENVIRONNEMENT ensure they do not perpetrate any form of discrimination either in word or deed, with particular respect to the age, gender, ethnic, social or cultural origins, faith, political or trade union views, personal life choices, physical characteristics or disabilities of others. ●



12. <http://www.un.org/fr/documents/udhr/index3.shtml>

13. <http://www.ilo.org/ilolex/french/convdisp1.htm>



In 2010, the performance of SUEZ ENVIRONNEMENT improved in most of its commitments. The main trends are presented below.

CHALLENGES AND COMMITMENTS: 2010 REVIEW AND OUTLOOKS FOR PROGRESS

COMMITMENT 1

In 2010, SUEZ ENVIRONNEMENT improved its recycling rate for household and non-hazardous industrial waste to 36.8% against 31.9%¹⁴ in 2009. This allowed the Group to put back on the market 13.6 million tons of secondary raw materials and compost, extracted from the 37 million tons of waste¹⁵ treated by the Group. The objective that the Group set itself in 2008 for 2012 (36%) has therefore been surpassed, illustrating the growing importance of recycling in waste management.

COMMITMENT 2

In 2010, SUEZ ENVIRONNEMENT decreased the network linear loss index from 9.7 to 9.5 m³/km/day, which represents water savings of about 11 million cubic meters¹⁶ for 2010, equivalent to the average annual consumption of 220,000 people¹⁷.

COMMITMENT 3, 4 & 5

Greenhouse Gas Emissions:

- ① In 2010, the percentage of waste landfilled in facilities equipped with a biogas collection and treatment system (commitment 3) rose from 84 to 91%¹⁸,
- ② The greenhouse gas emissions and the Group's contribution to the avoided emissions stabilised at ~ 6.2 million tonnes CO₂ equivalent¹⁹ (the same value for both indicators).

Energy:

The indicator for energy efficiency (energy consumption correlated the relevant turnover) progressed satisfactorily from 798 to 682²⁰ Wh/€. The production of renewable energy remained stable, at about 2,500 GWh²¹.

14. 33.4% in 2010 and 29.2% in 2009 including SITA Waste Services.
 15. 40,7 million tonnes including SITA Waste Services.
 16. 150,000 km of network x 0.2 m³/km/day x 365 d.
 17. Based on an average consumption of 50 m³/inhabitant/year.
 18. 87 (2009) to 93% (2010) including SITA Waste Services.
 19. 2009 emissions equal to 6.9 Mt CO₂ equivalent and 2009 contribution to avoided emissions equal to 6.4 Mt CO₂ equivalent, including SITA Waste Services and Agbar.
 20. 693 Wh/€ in 2010 including SITA Waste Services and Agbar.
 21. 2,600 GWh including SITA Waste Services and Agbar.



COMMITMENT 6

In 2010, the Group was deeply involved in “the Year of Biodiversity” and published a brochure outlining its contribution to the preservation and restoration of biodiversity through its various business lines. The Group also took an active part in the public debate, in particular through a high level of involvement in the French Conference for Biological Diversity, held in Chamonix from 10 to 12 May 2010. The Group also increased its training efforts and re-defined the indicators used to monitor its performance.

COMMITMENT 7

In 2010, SUEZ ENVIRONNEMENT increased the average annual number of training hours per employee from 12.9 in 2009 to 14.5²² in 2010 and is now closer to its commitment of 15 hours of training per employee per year.

COMMITMENT 8

The frequency rate of workplace accidents reached 16.28 for the Group, a deterioration of 0.93 points compared with 2009²³. The severity rate also dropped by 0.04 points to 0.68: the satisfactory results obtained by the water sector did not offset the downturn observed in the waste sector.

COMMITMENT 9

In 2010, SUEZ ENVIRONNEMENT launched its “**Equal opportunities, social development and commitment**” DIVERSITY programme. The programme structures the commitments already made by the Group in 5 areas (see commitment 9, page 55). In 2010, SUEZ ENVIRONNEMENT also improved the percentage of women in the workforce: the rate rose from 18.3 in 2009 to 18.6%²⁴ overall and from 24.3% to 24.9%²⁵ in managerial positions.

COMMITMENT 10, 11 & 12

The Group continued its efforts in terms of its commitments to transparency and communication, including stakeholder consultation, and indicators checked by the auditors. With regard to commitment 11 “**Be a key actor in local sustainable development**”, the Group is involved in boosting the social and economic development of the countries in which it operates and thus provides concrete answers to the problems of disadvantaged people who are least likely to find a job.

The Helping Hand Centre (*Maison pour Rebondir*) will be symbolic of this commitment by the Group with its subsidiaries and employees (see Priority 3). In addition, the Group’s activities have helped provide access to water for some 12 million people since 1990 in developing countries, through the work of Lydec in Casablanca, Palyja in Indonesia and Agbar (Aguas Andinas) in Colombia and Chile. ●

22. 15 h including SITA Waste Services and Agbar.

23. Indicators including SITA Waste Services and Agbar

24. 18.5 to 19.4% including SITA Waste Services and Agbar.

25. 24.2 to 25.6% including SITA Waste Services and Agbar.

PRIORITY 01

CONSERVE RESOURCES AND ENGAGE IN THE “CIRCULAR ECONOMY”

In a world where natural resources are finite, the emergence of a more sustainable form of development entails the reasoned use of those resources. SUEZ ENVIRONNEMENT intends to be an active stakeholder in that process, through waste management and recovery as well as through the management, protection, saving, and re-use of water resources.

- P.17** // Interviews
- P.19** // Commitment 01
- P.23** // Commitment 02





INTERVIEW WITH JEAN-MARC JAHN
 Director General of the Algiers Water
 and Sanitation Board (SEAAL)

SUPPLYING WATER 24 HOURS A DAY WITHOUT WASTING THE RESOURCE

Can you describe the background for SUEZ ENVIRONNEMENT's involvement in Algiers?

Jean-Marc Jahn: We started working with the government and the municipal authorities in Algiers in 2005. The situation was very bad in terms of water supply and quality of the service: only 8% of the population had access to water 24 hours a day non-stop, the remaining 92% did not have continuous access to water, only a few hours per day or a few hours per week. The authorities then decided to act by allocating financial resources so that people could have access to water and by changing governance principles to enable public private partnerships, all backed by one major aim: to keep the water service as a public utility. A special public company for Algiers was set up: the SEAAL, and a management contract was signed with SUEZ ENVIRONNEMENT enabling us to manage this public utility. An extremely precise action plan was developed, based on an exhaustive, accurate inventory of the water supply and sanitation systems in the city.

What are the main actions you have taken over the past 5 years?

Jean-Marc Jahn: Our main objective was to ensure a water supply 24 hours a day for all the inhabitants of Algiers. To do so, you have to understand that the main problem in Algiers was not the availability of water resources, but the state of the supply network and its management. When we arrived, it was impossible to put the entire network under pressure without wasting a great quantity of water because of leaks and further damaging the system; the most fragile sections were incapable of withstanding continuous use. In order to achieve our objectives, therefore, we worked on several fronts to improve the operation of the network, combining investment in infrastructures and improving the skills of SEAAL employees through the transfer of know-how.

We made leakage and wastage control a top priority, replacing over 250 km of pipeline and switching from 100,000 to 600,000 functional meters so that the water used could be accounted for and to increase the inhabitant awareness of its use.

What results have you obtained?

Jean-Marc Jahn: One of our finest results is the quality of the transfer of know-how we set up. SEAAL employees made considerable progress and learned a lot, enabling us to transform the financial investments into tangible results for the inhabitants of Algiers. The operation of the supply network in Algiers has improved considerably and leakage control has produced very positive results thanks to the joint work by the experts of SUEZ ENVIRONNEMENT and SEAAL employees. We also innovated by introducing pressure modulation to part of the network in order to put as little strain on the infrastructure as possible. Thanks to our combined efforts, the 24-hour water supply is now 100% guaranteed and despite the ramp-up, the technical efficiency of the network rose from 63% in 2006 to 68.3% in 2010. ●



+ INTERVIEW WITH SIMON GARDNER LEE
Marketing and Strategy Director, SITA Australia

SWITCHING FROM A RATIONALE BASED ON DISPOSAL TO ONE BASED ON RECOVERY

Can you describe the background for the work of SITA Environmental Solutions in Australia?

Simon Gardner Lee: Waste management in Australia is the responsibility of each State. For the past fifteen years, a pro-active process has been implemented to shut down landfills for the benefit of sorting and recovery solutions. A series of ambitious targets have been set, such as recovering 60 to 70% of household waste. Some States even want to achieve a zero waste rate and tax incentives have been introduced to avoid the storage of waste.

SITA Australia is fully in line with that approach and provides tailored solutions to the Australian states enabling them to achieve these objectives.

What solutions do you offer so they can switch from a rationale based on disposal to one based on recovery?

Simon Gardner Lee: We invest in advanced collecting, sorting and recycling solutions that enable the effective recovery of most forms of waste. We are leaders in Australia in the mechanical-biological treatment sector with 6 facilities in operation, and one of the three leaders in the sorting and recycling industry. We provide further means for the growing use of alternative waste treatment solutions. Our commitment is not only quantitative, we also improve the quality of our processes in order to improve the quality of recovery. Another focus for our work involves meeting manufacturers in order to provide them with tailored solutions enabling them to recover their waste with quantified targets for improvement.

What results have you obtained?

Simon Gardner Lee: We are working in and investing in recovery solutions that are increasingly effective, in order to increase the throughput and production quality of our facilities. Between 2005 and 2010, we rose from 40,000 tons to 800,000 tons of waste processed by our recycling lines, and we have set ourselves the goal of processing 1 million tons within the next three years. We have also developed a technique enabling the production of alternative fuel for power stations, from waste previously landfilled. Finally, we are selling the compost we produce much better because its quality has increased, and is in high demand from farmers and landscapers in Australia. ●

GRI MARKS 4.16 - EN2 - EN26 - EN27

COMMITMENT 01

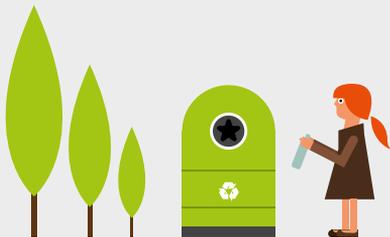
OPTIMISE THE WASTE RECOVERY AND RECYCLING RATE

> COMMITMENT FOR 2012: "Raise the global recovery rate of household and non-hazardous industrial waste to 36%"

In the waste it handles, SUEZ ENVIRONNEMENT strives to increase the proportion which is reused, recycled or recovered. This activity is supported by changes in regulations, the increasing environmental awareness of public opinion and the structural rise, although volatile, in the price of energy and natural resources. Finally, it is worth noting that if recovery is an integral feature of waste processing, some forms of waste cannot be converted into resources. This is why SITA continues to develop solutions to eliminate the share of non-recyclable residual waste under conditions that respect the environment and at a reasonable cost.

EN22 - EN2
GRI MARKS

2010 PERFORMANCE



SUEZ ENVIRONNEMENT improved its recovery rate for household and non-hazardous industrial waste to 36.8% in 2010, compared with 31.9% in 2009.

This allowed the Group to put back on the market 13.6 million tons of secondary raw materials and compost, extracted from the 37 million tons of waste treated by the Group.



COMMITMENT 01
2010 PERFORMANCE

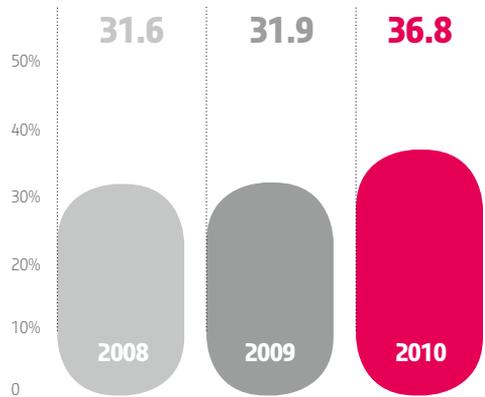


The objective that the Group set itself in 2008 for 2012 (36%) has therefore been surpassed, illustrating the growing importance of recycling in the waste management business of SUEZ ENVIRONNEMENT.



➔ **1.1 Global recovery rate of household and non-hazardous industrial waste (%)²⁶**

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).



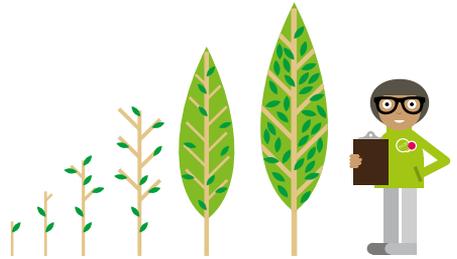
➤ **MONOFLAWS**

It is the waste in which the inflow is relatively homogeneous and that are processed using a specific method without requiring the transit through a sorting centre (e.g. used tires, end-of-life vehicles or aircraft, steel, paper, etc.).

This performance is due to three related factors:

- 1** The increase in recovered material at Group level (+6% compared with 2009) corresponding to organic growth in recycling business (no new major acquisition at the Group level).
For further details please see indicator 1.2
- 2** The decrease in the tonnage sent to landfills (-3%).
- 3** The inclusion in the calculation of «monoflows» waste (see box) which in 2008 represented a marginal proportion of our business, but which has increased since then.

²⁶. 28% in 2008, 29.2% in 2009 and 33.4% in 2010 including SITA Waste Services



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

According to the various families: ferrous and non-ferrous metals, paper / cardboard, wood, plastics, glass, rubber, bottom ash, etc.

		2009	2010	variation
Tonnage sent directly to materials recycling facilities	T	2,821,415	3,168,873	12%
Cardboard / Paper	T	2,730,708	2,759,795	1%
Construction materials & bottom ash	T	2,156,068	2,186,860	1%
Scrap iron	T	1,278,603	1,633,135	28%
Wood	T	1,244,665	1,375,710	11%
Organic materials	T	1,284,033	1,189,929	-7%
Glass	T	639,685	674,665	5%
Plastics	T	327,273	339,073	4%
Non-Ferrous Metals & WEEE	T	225,029	183,485	-18%
Tires & rubber	T	55,551	61,320	10%
Total	MT	12.8	13.6	6%



The following best practices illustrate the efforts made by the Group in waste recovery, both in its conventional activities, but also through a wide-ranging R&D programme, which is vital for improving waste recovery techniques.

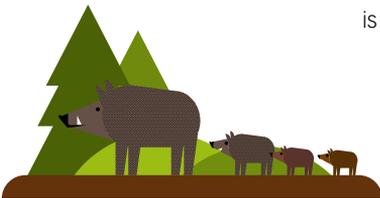
IN FRANCE, VALOREST IS THE FIRST PLANT TO BE CAPABLE OF TREATING PACKAGED ORGANIC WASTE

In 2010, SITA France, a subsidiary of SUEZ ENVIRONNEMENT, inaugurated a plant for the treatment of packaged bio-waste, near Strasbourg. The plant is the first to be built in France which has the capacity to recover material and energy from this kind of waste. By optimising the process, the tonnage incinerated or landfilled can be reduced and meet the objectives set by “the Grenelle de l’Environnement”. Valorest will process up to 24,000 tonnes of packaged organic waste per year: 90% will become a substrate for anaerobic digestion and 10% will be used for energy recovery.

It treats food waste by separating out-of-date packages of organic matter: the latter is then ground before being sent to Germany or Belgium, for use as a substrate to produce heat or electricity in biogas plants. Recovering waste in this way will save 15% on the usual cost of managing it, thanks in particular to the exemption from the general tax on polluting activities (TGAP)²⁷.

IMPROVING THE CONTRIBUTION OF SITA SWEDEN TO AVOIDED GHG EMISSIONS

Last November, SITA Sweden received a Recycling Award for its management concept for construction waste. By recycling 98% of this waste, the service has already attracted a large number of companies in the construction sector. When present throughout a construction project, the employees of SITA plan all the management and disposal of the waste produced, thereby ensuring sorting is optimised. In addition, since only 2% of the residual waste is not recycled, the costs of landfilling are also reduced. Another advantage for business customers is that the waste evacuation service developed by SITA Sweden simplifies construction sites in densely populated areas where space is often restricted. ●



27. General Tax on Polluting Activities.

COMMITMENT 02

INCREASE THE YIELD OF DRINKING WATER NETWORKS

> **COMMITMENT FOR 2012:** “To save in four years the equivalent consumption of a French town of 700,000 inhabitants²⁸”

SUEZ ENVIRONNEMENT is committed to fighting against the waste of a precious resource which is increasingly expensive to produce: drinking water. Although the issues of the availability of water resources and production costs must be taken into account, they do not have the same degree of importance in every location, since water may be abundant or scarce, depending on the region.

2010 PERFORMANCE

After 2009, a year in which the network linear loss index increased, a special focus was given to controlling leaks in 2010, resulting in a drop in the network linear loss index, down from 9.7 to 9.5 m³/km/day. This improvement represents a saving of about 11 million cubic meters²⁹ of water for 2010, equivalent to a population of some 220,000 inhabitants³⁰.



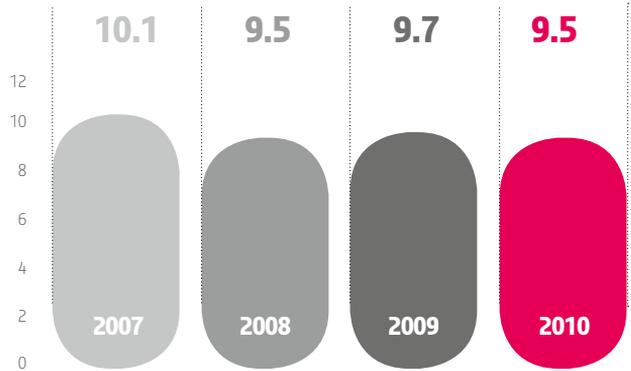
28. Within the scope of Lyonnaise des Eaux. 29. 150,000 km of piping x 0.2 m³/km/day x 365 days.

30. Based on an average consumption of 50 m³/pers/year.



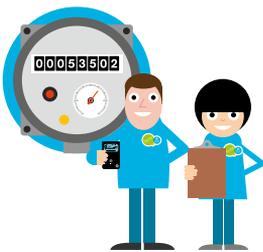
→ **2.1 Linear loss index for the network (m³/km/day)**

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



For SUEZ ENVIRONNEMENT, the fight against network losses is not the only way of preserving water resources, even if it is an important one.

It also involves being part of a more responsible form of resource management by expanding the approach to include solutions for protecting and preserving resources, promoting the use of alternative resources (such as reuse of treated wastewater for irrigation or industrial purposes, the desalination of seawater, etc.) and introducing new services that help save water (remote meter reading, etc.). The best practices presented below illustrate all of these efforts.



LYONNAISE DES EAUX: STRIVING TO BE EXEMPLARY

Since its launch in 2003, the Action Plan set up by Lyonnaise des Eaux to improve network performance has saved the equivalent of the average annual consumption of over one million inhabitants. The results for 2009 reached a plateau for the first time in 6 years, however, probably partly due to the cumulative effects of vagaries in the weather over the previous 2 years. Lyonnaise des Eaux has therefore decided once more to make the decrease in the rate of network loss a major target, and has set itself more ambitious goals than in the past: between 2011 and 2013 the commitment is to achieve a reduction in water losses equivalent to the average annual consumption of 420,000 inhabitants.

MALTA: THE LARGEST EUROPEAN MARKET FOR REMOTE METER READING

Our subsidiary Ondeo Systems has signed a contract with IBM to equip the 250,000 water meters of the inhabitants of the island of Malta with automatic meter reading technology. The island is facing a serious water deficit, and these meters will accurately monitor consumption and promptly identify leaks.

AUTOMATIC METER READING (AMR) FOR A BETTER CONTROL OF CONSUMPTION

The installation of long-range AMR is continuing in France, with more than 100,000 meters installed throughout the country. It has attracted strong interest from registered social housing authorities such as Suresnes Habitat (4,000 meters have been installed) in the Paris region. Agde, the first town in France to be equipped by Lyonnaise des Eaux with 7,000 meters in 2007, has recently reported very positive feedback on the technology.

REDUCE NETWORK LOSSES: A MAJOR COMMITMENT IN HAUTE-MARNE

Lyonnaise des Eaux has signed a contract to manage the drinking water supply and service for the town of Saint-Dizier (Haute-Marne), in which the company contractually commits to a high level of service performance in terms of protecting and preserving water resources.

The priority is to limit leakage on the 154 km-long network of water supply. Lyonnaise des Eaux has committed to reduce water losses on the existing system by 50% within the next 4 years. To meet that goal, Lyonnaise des Eaux:

- 1 has set up 180 permanent leak pre-locators and has completed the installation of 20 district meters on the drinking water system,
- 2 has provided for the optimisation of network asset management by deploying hydraulic modelling tools and Geographic Information Systems (GIS),
- 3 has provided the engineering departments of the town with an intranet for real-time monitoring of interventions in the water network. ●



PRIORITY 02

INNOVATE TO RESPOND TO ENVIRONMENTAL CHALLENGES

Fighting against climate change, increasing energy efficiency, producing renewable energy when it makes economic sense, and preserving ecosystems are the imperatives that any responsible market player has to take into account today. SUEZ ENVIRONNEMENT is committed to doing so through its “climate / energy / biodiversity package”.

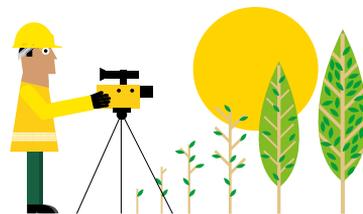
P.27 // Interviews

P.29 // Commitment 03

P.33 // Commitment 04

P.36 // Commitment 05

P.39 // Commitment 06





INTERVIEW WITH ÉRIC FIEVEZ
Energy Efficiency Manager, Degreemont

REDUCING THE ENERGY CONSUMPTION OF WASTEWATER TREATMENT FACILITIES

How have you tackled the problem of energy consumption in wastewater treatment plants?

Éric Fievez: There is no simple solution to reduce the energy consumption of these facilities. We have to combine several approaches and technologies to make progress on the major items of consumption. For example, we have developed an innovation for a specific item of consumption that we want to reduce. In the energy accounting of a wastewater treatment plant, biological treatment represents between 40 and 70% of the overall consumption. Biological reactions require a large supply of oxygen, provided by injecting air with blowers in the biological tanks. The blowers consume large amounts of energy, and our goal was to optimise their operation.

How did you manage it?

Éric Fievez: The innovation involved in Greenbass is a new algorithm, developed and patented by Degreemont, which controls the sequencing of aeration for the biological treatment of wastewater. Using the information output by sensors recording the concentrations of ammonium and nitrate in the biological basin, this new controller is capable of continuously adjusting the air intake as closely as possible to the needs of the process while ensuring the quality of the treated water. This new algorithm can be installed on any type of PLC and is suitable for all the aeration systems of biological basins. We have developed this algorithm by combining the information output by the measurement capabilities of the new sensors with our detailed knowledge of the operation of biological reactions, acquired through our solid, recognised experience as a builder-operator.

What results can be obtained with Greenbass?

Éric Fievez: The Greenbass controller was tested between 2009 and 2010 on the wastewater treatment plant in Dijon (400,000 population equivalents) operated by Lyonnaise des Eaux. The plant is equipped with four independent processing lines: one of them was equipped with the prototype Greenbass controller while another line with the conventional controller served as the monitor control. With the same quality of water treatment and comparable sludge quality, the line controlled by Greenbass consumed 15% less energy than the control line. Backed by that experience, Lyonnaise des Eaux decided to extend the solution to the whole of the Dijon wastewater treatment plant in late 2011. When used throughout, Greenbass saves 5-10% of the total energy consumption of a plant. Greenbass has been marketed since July 2010 and met with instant success. When we have sufficient feedback, we may even be able to guarantee the results. There is an example of a simple innovation which is relatively inexpensive to implement yet results in significant energy savings. ●



INTERVIEW WITH PHILIPPE ELAIN,
D'vice President Local Authorities, SITA Grand Ouest



COMPUTERISING THE COLLECTION OF WASTE IN RENNES FOR PROGRESS ON SEVERAL FRONTS

In 2010 SITA France won the contract for waste collection in Rennes and its suburbs. What were the customer's expectations?

Philippe Elain: Rennes deploys an active and ambitious environmental policy and is committed to reducing Greenhouse Gas (GHG) emissions by its utilities. However, the local authority does not want environmental performance to be too much of an extra charge for rate-payers. The town is looking for creative solutions that optimise the resources allocated to a utility to reduce its environmental impact. The town is shipping its plastic and paper waste by rail to recycling centres. It is taking part in the Life + initiative to promoting home composting and waste reduction at the source.

It was against this background that Rennes in 2009 launched a tender for the collection of waste in the town centre and inner suburbs. The Request for proposals involved more than just waste collection: the local authority expected the proposals to computerise the collection so that accurate data can be collected.

You finally won the contract: what solutions and approach did you adopt?

Philippe Elain: Our approach was a comprehensive one, in line with the philosophy of Rennes, based on innovative and reliable solutions with reduced costs. We proposed an advanced data solution involving the fastening of a chip on rubbish bins in order to identify them, a dynamic weighing system on the collection trucks to weigh the contents of each bin emptied, or GPS systems on every truck. The information system resulted in a significant improvement in collection efficiency.

We map all the collection routes so that we can improve them as well.

The result is a reduction in the mileage of our trucks. Beyond the immediate impact, the computerization of the collection was requested by the town council to prepare for the transition to incentive pricing. Thanks to the technology we have implemented, we can monitor production for each district, type of user, and building. The idea is to eventually correlate the bill consumers pay with their actual use of the service, and thus encourage them to reduce their production of waste.

You started the collection service in April 2010; what are the initial results, and the outlooks for progress?

Philippe Elain: All of our collection routes have now been set up and optimised. Various adjustments have been made so that the rounds are as effective as possible. We have undertaken a process to reduce the GHG emissions generated, based on a carbon audit carried out in 2011 that will help us locate and identify areas for improvement. We have invested in new trucks compliant with the Euro 6 standard, the most stringent on the market. The town council has decided to decrease the frequency of collection in certain districts, which does not affect the standard of living: instead of collecting half-empty bins, we collect full ones. In short, the intelligent approach to service enabled in particular by its computerization, allows us to increase productivity, limit the environmental impact, and focus on reducing waste at the source. ●

COMMITMENT 03

REDUCE GREENHOUSE GAS EMISSIONS (GHG)

> **COMMITMENT FOR 2012:** “Ninety-five percent of the waste landfilled by SUEZ ENVIRONNEMENT is sent to sites equipped with biogas collection and treatment systems”

The contribution of SUEZ ENVIRONNEMENT to the fight against climate change is based on reducing GHG emissions, increasing the energy efficiency of its technical facilities, energy production mainly from renewable sources, and increasing the contribution to the emissions avoided through the Group's material recovery, agronomic upgrading, and energy production activities.

2010 PERFORMANCE

> **BIOGAS VALORIZATION**

The proportion of energy recovered from biogas has grown steadily since 2008 with over 52% in 2010 against 48% in 2008.

Collection and treatment of biogas: in landfills: between 2009 and 2010, the percentage of waste landfilled in facilities equipped with a biogas collection and treatment system rose from 84 to 91%³¹, reflecting both the efforts of SUEZ ENVIRONNEMENT to improve its collection and treatment of the biogas emitted by landfills, and the improvement in the reporting of this indicator. In 2010, the production of biogas by SUEZ ENVIRONNEMENT on its landfills represented 634,000 million Nm³, 75% of which were collected and treated (23% simply by flaring, 52% by electrical or thermal energy recovery, or used directly as fuel).



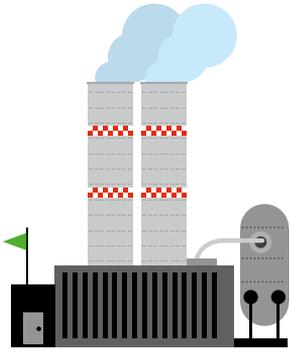
31. 87 to 93% integrating SITA Waste Services.



Direct and indirect emissions: the Group has stabilised³² its direct and indirect emissions of greenhouse gases (GHGs) to about 6.2 Mt eq. CO₂³³, resulting in the joint stabilisation of the emissions by Waste and Water activities.

Contribution to avoided emissions: the contribution of SUEZ ENVIRONNEMENT to avoided emissions is also stable³⁴, standing at approximately 6.2 million tons CO₂³⁵ equivalent avoided in 2010. The emissions are due to:

- material recovery, cf. the details on commitment 1 (~ 70%)³⁶
- alternative fuel production, see below (~ 15%),
- energy recovery from landfills, incinerators, and wastewater treatment plants (~ 15%).



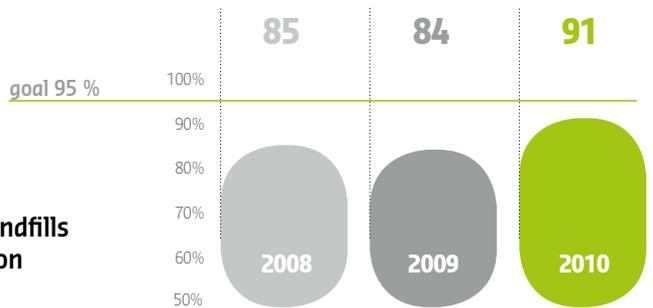
Alternative fuels from waste provided by SUEZ ENVIRONNEMENT

In 2010, the gradual recovery of industrial production in Western Europe partially offset the lower shipments of Solid Recovered Fuels (SRF) to co-incineration plants (cement works, etc.).

The indicator presented here only relates to SRF from hazardous waste. SITA, through its SCORI subsidiary, has been a pioneer in the development of co-incineration of hazardous wastes and has adopted indicators to measure its activities. In fact, with the development of the SFR stream for non-hazardous waste, more than 227 ktoe were produced in 2010.



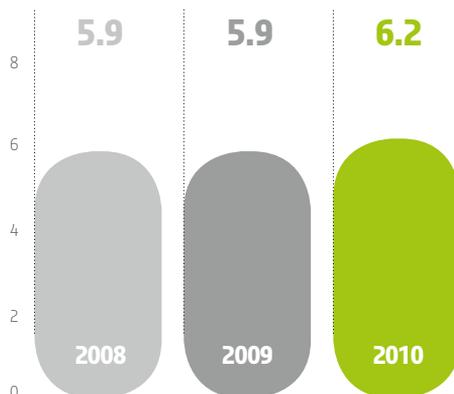
3.1 Percentage of waste stored by SUEZ ENVIRONNEMENT in landfills equipped with a biogas collection and treatment system



32. Given the margins of uncertainty in GHG accounting methods in our business lines and the complexity of reporting, we qualify our performance as stable. 33. 6.9 Mt CO₂ equivalent including SITA Waste Services and Agbar. 34. Given the margins of uncertainty in GHG accounting methods in our business lines and the complexity of reporting, we qualify our performance as stable. 35. 6.4 Mt CO₂ equivalent including SITA Waste Services and Agbar. 36. The accounting of avoided emissions can vary depending on the secondary raw material under consideration. In addition, some categories are too general to result in the calculation of avoided emissions. For this reason, it is still difficult to link changes in the tonnage of recycled materials to that of avoided emissions.

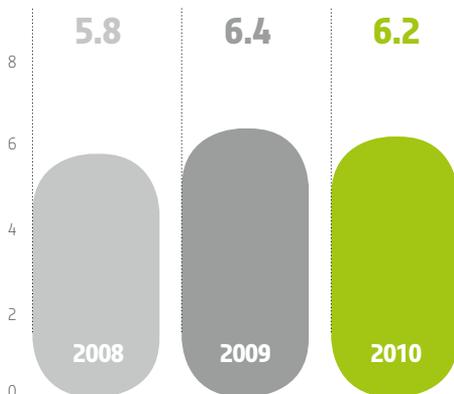
→ **3.2 Direct and indirect emissions of GHG (millions of tonnes of CO₂ equivalent)**

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.



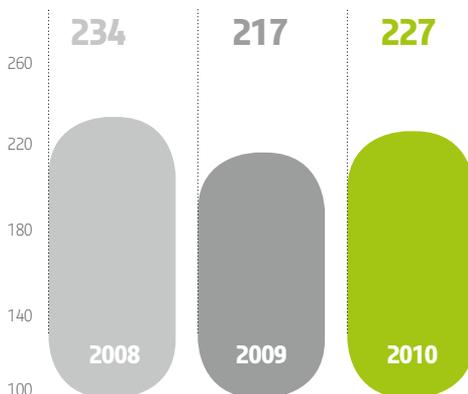
→ **3.3 Contribution to avoided emissions of GHG (millions of tonnes of CO₂ equivalent)**

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



→ **3.4 Alternative fuels from waste provided by SUEZ ENVIRONNEMENT (kilotonnes oil equivalent, ktoe)**

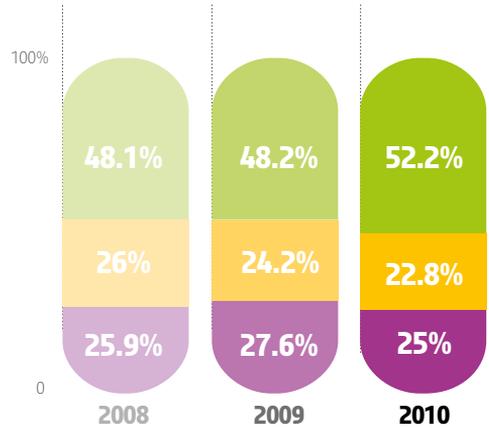
representing alternative fuels produced and supplied by SUEZ ENVIRONNEMENT that substitute for fossil fuels.





→ **3.5 Trends in the collection and recovery of biogas from landfills managed by SUEZ ENVIRONNEMENT**

- Quantity of methane collected and recovered as energy
- Quantity of methane collected and flared
- Quantity of methane not collected



SITA UK AND BRISTOL WATER AWARDED THE CARBON TRUST STANDARD

This certification recognises their commitment to reduce their carbon emissions. The Carbon Trust Standard is a body that certifies organisations, taking into account both the reductions actually observed in their activities but also their commitments for future reductions.

TRUCKS POWERED BY NATURAL GAS IN MALMÖ (SWEDEN)

SITA Sweden has renewed its household waste management contract for the 150,000 inhabitants in Malmö, the largest city in southern Sweden (300,000 inhabitants). Seventeen new trucks powered by natural gas are expected to reduce air emissions. In the future it may be possible for these trucks to be fueled by biogas produced from by landfills or wastewater treatment plants.

A COMPLETE SYSTEM FOR THE NORTHERN REGIONAL CENTRE OF LYONNAISE DES EAUX

The Northern Regional Centre has been involved in developing the Climate Action Plan for the Urban Community of Dunkerque, and produced the Bilan Carbone® (carbon footprint assessment) for its activities in its annual reports for the 27 contracts it handles. In addition to several operations designed to reduce emissions of greenhouse gases within its own scope of activity, the Regional Centre has also studied with the local authorities several renewable energy systems, including sludge methanation at the wastewater treatment plant of Grande Synthe, a micro-power plant in Dunkerque, and the installation of wind turbines in Calais. ●

GRI MARKS 2.10 - EN16 - EN17 - EN18 - EN29



Find out more
Please visit

Carbon Trust Standard
www.carbontruststandard.com/pages/home

SITA UK
www.sita.co.uk/news-and-views/press-releases/sita-uk-sets-a-clear-course-to-a-low-carbon-future/?searchterm=carbon%20trust

Bristol Water
www.bristol-water.co.uk/news/mainNews.asp?newsID=496

SITA Swedene
www.sita.se

COMMITMENT 04

IMPROVE ENERGY EFFICIENCY THROUGH ALL OPERATIONS

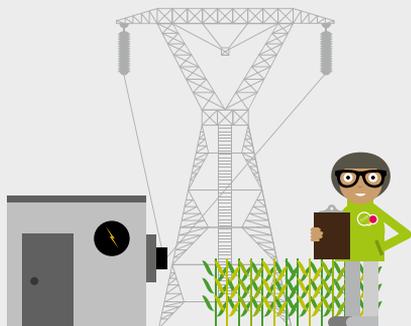
> COMMITMENT FOR 2012:

“Improve energy efficiency by 5% against 2008”

For SUEZ ENVIRONNEMENT and its customers, improving the energy efficiency of our operations is a major challenge and the stakes are both economic and environmental.

This is because the activities of SUEZ ENVIRONNEMENT are bound to show an increase in their energy consumption, on the one hand due to the increasingly complex treatment of a growing amount of pollution and, secondly, to the strengthening of regulatory obligations to protect the environment.

2010 PERFORMANCE



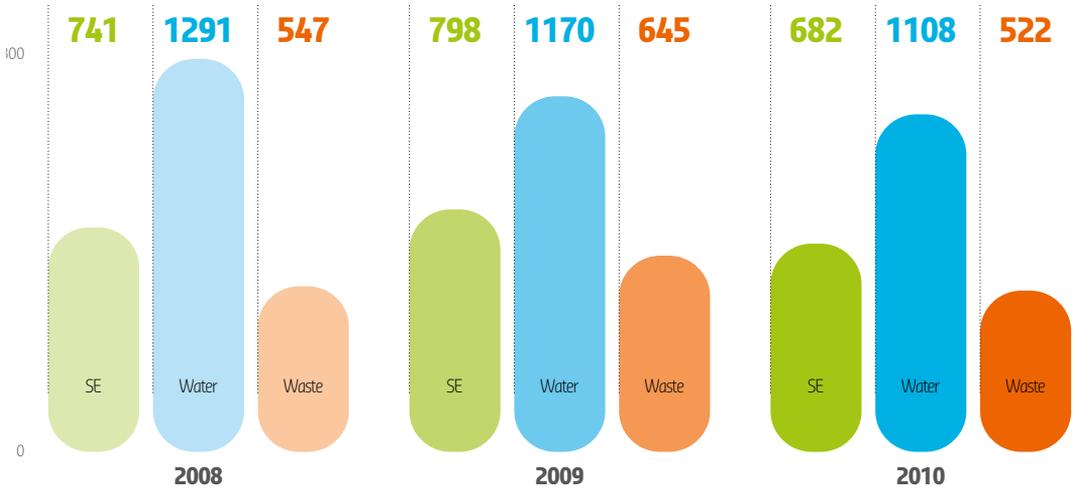
Energy efficiency (energy consumption divided by the relevant turnover) progressed favourably from 798 to 682³⁷ Wh/€.



37. 693 Wh/€ in 2010 including SITA Waste Services and Agbar.



→ **4.1 Total energy consumption of SUEZ ENVIRONNEMENT (in Wh/€ of revenue) recognised in revenue in the relevant perimeter³⁸**



The trend for this indicator is still difficult to analyse. It is relevant at the level of a service or a contract (making it possible to monitor the impact of actions assuming a constant scope of consolidation, or to change it in the case of a change in the scope of consolidation or an external event), but it is extremely complex to consolidate on the scale of a subsidiary involving numerous sites and different processes, and even more so across a group such as SUEZ ENVIRONNEMENT.

We shall therefore continue to monitor and publish this indicator, but prefer to illustrate our performance through the exemplary actions taken on our sites and by presenting the due diligence of our R&D efforts to maximise the efficiency of our processes. ●

³⁸. 2010 indicators, including SITA Waste Services and Agbar: Group = 693 – Waste = 530 – Water = 993.

THERMYLIS 2S ENERGY OPTIMISATION OF SLUDGE INCINERATION

The sludge incineration process has significant environmental and health benefits but can be very energy-hungry when the incineration sludge is too damp. The sludge entering the incinerator system is usually dried to a dryness of 20-25%, and can then be incinerated from 850°C upwards. To reduce the energy expenditure related to sludge drying, Degremont teams have developed an upgrade for Thermylis incineration technology enabling the reuse of some of the heat energy released by the exhaust gases from incineration to dewater the sludge before incineration. The result is significant energy savings enabling the investment in the technology to be amortised over three years.

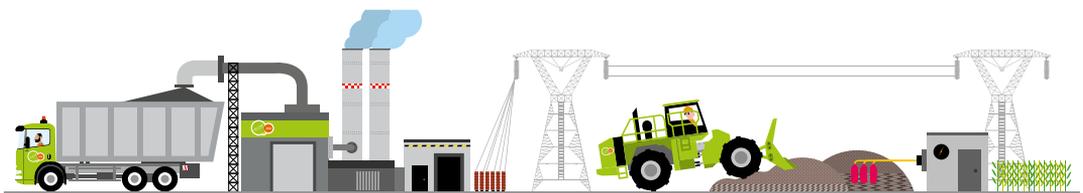
UNITED WATER, NEW JERSEY

At United Water New Jersey, the Haworth Water Treatment Plant (WTP) provides water for approximately 800,000 people in Bergen and Hudson counties, in Northeastern New Jersey. Prior to 2009 the Haworth WTP was a direct filtration plant with pre-ozone. Pilot studies took place in 2006-2007 to examine a plant renovation with high-rate dissolved air flotation (DAF) for clarification using the Degremont Technologies AquaDAF®. The full-scale DAF plant went on-line in 2009, which included replacing the original ozone preparation system, and improvements to chlorination were finished in January 2010 to complete the new plant upgrade³⁹.

The energy requirements of the new ozonation and flotation systems are lower than the energy consumption formerly attributed solely to the production of ozone, leading to a reduction in overall power consumption of 41%. Water quality has also significantly improved with, in particular, improved treatment of turbidity and a decrease in the amount of disinfection by-products. ●

41%

reduction in overall power consumption in the Haworth drinking water plant.



39. The Haworth plant is now the largest water treatment plant to use rapid flotation in North America.

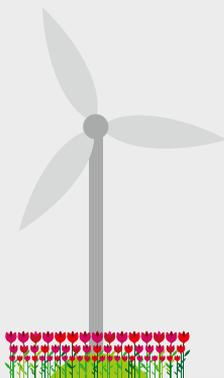
COMMITMENT 05

INCREASE AND PROMOTE RENEWABLE ENERGY GENERATION

> **COMMITMENT FOR 2012:** “Increase the production of renewable energy by 10% against to 2008”

SUEZ ENVIRONNEMENT produces energy in the course of its business. Most of it is renewable. It comes from the incineration of waste and the energy recovery from the biogas produced by landfills and waste anaerobic digestion plants. The production of the water sector is also taken into account, such as the recovery of biogas from wastewater treatment plants. These sources are still modest and there is room for improvement⁴⁰.

2010 PERFORMANCE

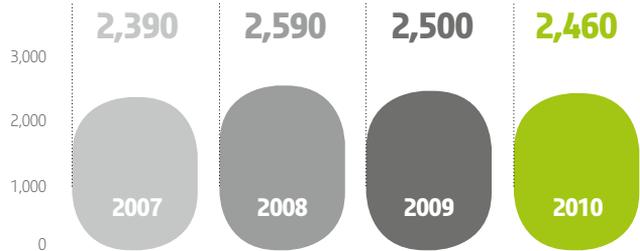


In 2010, the production of renewable energy by **SUEZ ENVIRONNEMENT** remained stable, at approximately 2,500 GWh⁴¹. A slight decrease was noted, in particular due to the outcome from the perimeter of the London Waste incinerator⁴² (SITA UK), but it was partly compensated for by the other business units of the Group.

⁴⁰. For further information about the issues related to commitment 5 please see the previous editions of this report. ⁴¹. 2,600 GWh including SITA Waste Services and Agbar. ⁴². In 2009, this unit sold about 250 GWh (50% considered as renewable).

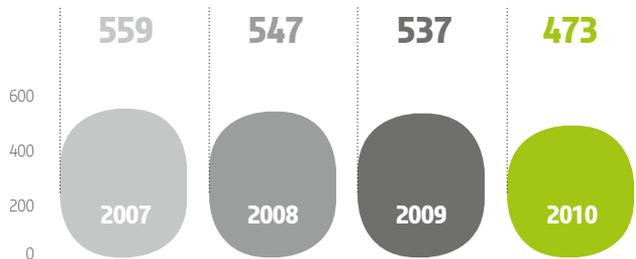
→ 5.1 Useful renewable energy production (GWh)

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.

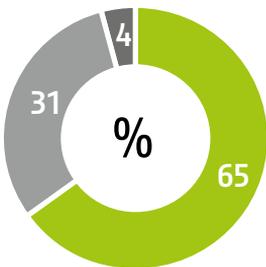


→ 5.2 Installed capacity (MW)

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



→ Origin of the energy produced by SUEZ ENVIRONNEMENT



- Incineration plants (heat, electricity)
- Landfills (biogas)
- Wastewater treatment plants (methane)

The installed capacity dropped (473 MW⁴³ in 2010, 537 MW in 2009), due to the the loss of the London Waste contract.

The renewable energy produced by SUEZ ENVIRONNEMENT, which represents about 60% of the total energy production,⁴⁴ covers the annual energy requirements of approximately 370,000 inhabitants⁴⁵.

Origin of the energy produced by SUEZ ENVIRONNEMENT

In 2010, 65% of the energy produced by the Group comes from incineration plants (recovered as heat or electricity), 31% comes from landfills (biogas mainly used as heat or for electricity production), and 4% comes from methane recovery in wastewater treatment plants.



43. 515 MW including SITA Waste Services.

44. The following are classified as renewable: 100% of the energy from landfill biogas or the anaerobic digestion of sludge and 50% of energy from the incineration of household waste.

45. European standard of 6.7 MWh per capita per year in the EU 27, Source Eurostat, 2007 base.



HONG KONG: BIOGAS FOR THE PRODUCTION OF TOWN GAS

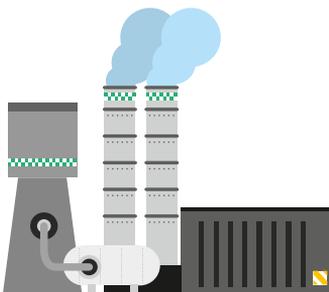
SITA Waste Services operates the NENT landfill (North East New Territories) in Hong Kong. The biogas collected on this site is recovered as follows: after being purified on-site and converted into synthetic natural gas, it is then transported through a 19-km long underground pipeline to a gasification facility which produces town gas where it replaces the naphtha (a by-product from crude oil distillation) originally used for the production of heat required to produce town gas. The use of a renewable fuel, the biogas from the landfill, instead of a fossil fuel, reduces the emissions of greenhouse gas emissions involved in the production of town gas.

EURAWASSER: TOWARDS AN ENERGY SELF-SUFFICIENT WASTEWATER TREATMENT PLANT

The Gosslar wastewater treatment plant treats the wastewater of approximately 60,000 inhabitants. In 2006, Eurawasser set itself the ambitious target of achieving energy self-sufficiency on the plant and therefore set up a series of actions from 2006 to 2010 to reduce the energy consumption of the process and increase the production of renewable energy for its own needs. In 2010, a major milestone was reached with the commissioning of a new co-digestion unit to increase the existing level of production of biogas, thereby increasing the amounts of heat and electricity that can be used direct in the plant. All the heat requirements of the plant are now covered by its own output and about 52% of the electricity it consumes is also self-produced.

SITA FRANCE: ENHANCING THE RECOVERY OF BIOGAS

In recent years, SITA France has sought to improve the recovery of biogas using cogeneration, i.e. by coupling electrical energy recovery with the production of heat for local use (which can raise the efficiency from 35% to approximately 55%). SITA also intends to develop a process with high energy efficiency that can be used to recover the biogas produced as pure methane, thus enabling its injection into the natural gas networks or its use as an alternative fuel (natural gas for vehicles), including the biogas from landfills, which contains nitrogen. ●



COMMITMENT 06

INCORPORATE BIODIVERSITY IN SITE MANAGEMENT

> **COMMITMENT FOR 2012:** “100% of sensitive sites to have implemented a biodiversity action plan”

SUEZ ENVIRONNEMENT is an actor of biodiversity protection for local authorities and industry. Water and waste treatment plays an important role as an interface between human activities and the natural environment. Improving the quality of the services delivered by SUEZ ENVIRONNEMENT in these respects means working to protect biodiversity. Through its Research and Innovation, SUEZ ENVIRONNEMENT is constantly improving the treatment technologies for the various effluents discharged back into the natural environment, thereby helping to ensure they are ecologically acceptable. Another feature of the contribution made by the Group's activities is its commitment to set up commercial offers in support of biodiversity policies, such as tools to evaluate the impact of the various utility services provided by a local authority.

2010 PERFORMANCE

With the reporting of Biodiversity indicators throughout the Group, SUEZ ENVIRONNEMENT has a tool for raising awareness and managing biodiversity and ecosystems issues.

The Group has Biodiversity indicators enabling it to report on its own initiatives and efforts to prevent threats to biodiversity (see *opposite*).





➤ SENSITIVE SITES

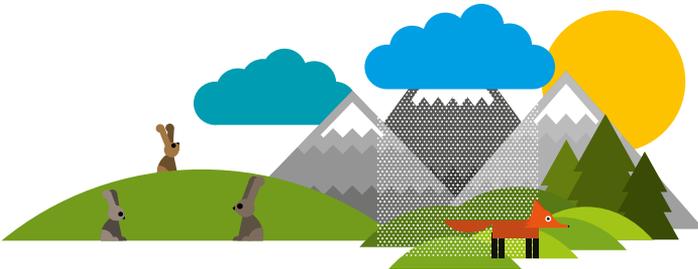
For Suez Environnement, a site is sensitive if it involves environmental sensitivity, i.e. there is a risk of impact on biodiversity

Biodiversity assessment and monitoring tools have also been developed and improved in partnership with expert organisations and Conservation associations (MNHN, National Museum of Natural History, FNE France Nature Environment, LPO, League for the Protection of Birds, etc.). The number of sites identified as sensitive varies each year depending on several parameters. For example, after a field diagnosis, some sites reported as sensitive in previous years turn out to non-sensitive, thereby reducing the number of sensitive sites for a given area. The number of sensitive sites may also vary with changes in the regulations and in particular the delineation of protected areas.

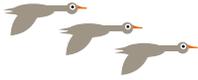
➤ ACTION PLAN

80% of landfill sites identified as sensitive at SITA France have an action plan designed to cover the risk (or 16 out of 20 sites identified)⁴⁶.

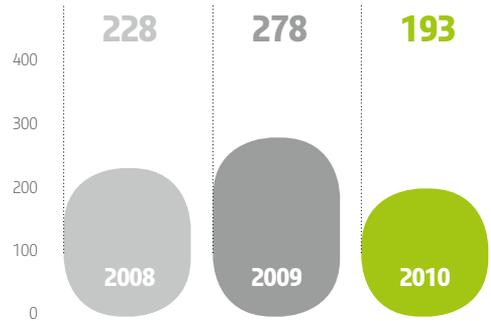
Subsidiary by subsidiary, depending on local regulations, SUEZ ENVIRONNEMENT checks the changes in the rate of sensitive sites covered by a plan for Biodiversity risk prevention as well as voluntary action plans for non-sensitive sites. These action plans and progress targets are set up in partnership with the local stakeholders and expert organisations mentioned above. ●



46. See the best practice below.

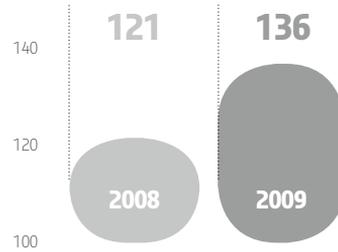


→ **6.1 Number of sensitive sites⁴⁷ inventoried**

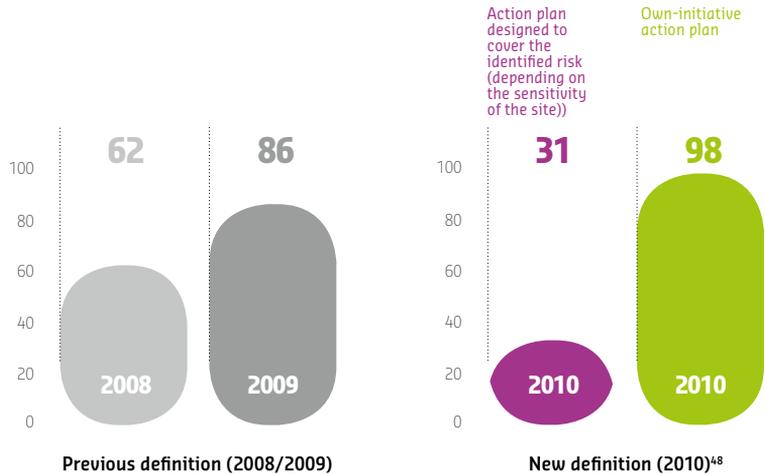


→ **6.2 Number of sites for which a diagnosis has been carried out**

This indicator was no longer followed in 2010.



→ **6.3 Number of action plans adopted and implemented**



⁴⁷. 210 in 2010 including SITA Waste Services and Agbar. ⁴⁸. 38 and 152 in 2010 including SITA Waste Services and Agbar.



INNOVATING TO RESTORE BIODIVERSITY IN THE MARINE ENVIRONMENT

Lyonnaise des Eaux has developed a new method for restoring marine biodiversity called BioRestore[®], in partnership with Ecocean⁴⁹, an innovative company specializing in Post-Larval Capture and Culture (PCC)⁵⁰, and the Hérault General Council. The process includes three phases: the capture of post-larvae (off the coast of Agde in the Mediterranean) by fishermen trained in the technique, followed by pre-fattening in a specially designed nursery, and finally a phase of re-settlement in the sea in breeding microhabitats suitable for juveniles released off the coast, in partnership with Agde town council. By multiplying by a hundred their chances of reaching adulthood, restocking, which is the ultimate purpose of BioRestore[®], enables the reconstruction of the broodstock in the marine environment while increasing the diversity of local species. This process is for use by local authorities and coastal developers in order to meet the expectations of citizens and specialists in the field of sustainable development, but also to anticipate the environmental regulations resulting from the recent «Strategy for the Marine environment» Framework Directive.

TAKING BIODIVERSITY INTO ACCOUNT FROM THE DESIGN STAGE ONWARDS

The installation of the La Grange Certier hazardous waste landfill site at Fontaines-les-Clerval in the Doubs region, although several miles away from any sensitive area, discharges its stormwater into the Canton Berçot grotto, which leads via the water table to a Natura 2000 natural heritage site. The region, which is crossed by the river Doubs, is home to a wide range of heritage species (bats, amphibians, and insects) but above all, to sensitive aquatic species. A non-compliant release of stormwater could have a significant negative impact on the populations of fish present in this Special Conservation Area. In order to control this risk, SITA Regional Centre East, which operates the site, has set up a system to continuously monitor the water quality before it is released; in the event of an accidental overflow in the concentration of a disruptive parameter in the water, the release can be avoided. The quality of the water in the grotto is also checked by a local association of cavers. The Fontaine-les-Clerval landfill site also incorporated the preservation of biodiversity from the design stage onwards. In this way, a voluntary initiative to promote local biodiversity was implemented in partnership with the NFB, the LPO and Doubs Nature Environnement. In particular, it has helped conserve the habitats for barn owls, water shrews and the Marsh Copper Butterfly, as well as plant turfed orchards in the traditional Franche-Comte style. ●



Find out more:

- Publication of “SUEZ ENVIRONNEMENT’s Contribution to the preservation and restoration of biodiversity”
The publication describes the challenges that the Group has to face and its contribution to protecting biodiversity through its site management.
- Download the publication on www.suez-environnement.fr

49. www.ecocean.fr/biorestore. 50. PCC (Post-Larval Capture and Culture): a technique recognised as being sustainable which involves taking ocean post-larvae during a moonless night, just before the Coastal colonization phase, which accounts for more than 95% of their extermination by predators.

PRIORITY 03

EMPOWER OUR EMPLOYEES AS ACTORS OF SUSTAINABLE DEVELOPMENT

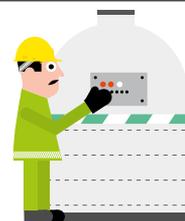
The effectiveness and scope of sustainable development depend on involving the men and women who work for SUEZ ENVIRONNEMENT: the company is committed to providing a work environment liable to motivate them and enable their professional development, so that they are not only actors in, but also the first to benefit from the Group's Sustainable Development Policy.

P.44 // Interviews

P.46 // Commitment 07

P.50 // Commitment 08

P.55 // Commitment 09





INTERVIEW WITH LAURENCE MALCORPI
SUEZ ENVIRONNEMENT Director of Diversity and Social Development

IN TERMS OF DIVERSITY, WE CAN AND MUST GO BEYOND MERE REGULATORY CONCERNS: ANTICIPATING, INNOVATING AND MEETING THE SOCIAL NEEDS OF OUR ENVIRONMENT BETTER ARE OUR DRIVERS

What are the reasons which led SUEZ ENVIRONNEMENT to commit to the issues of diversity and equality of opportunity?

Laurence Malcorpi: Diversity is a primary characteristic of SUEZ ENVIRONNEMENT. We are present on all 5 continents and our business lines are local in nature and managed by local employees of the countries in which we work. We firmly believe that our success stems directly from our ability to accommodate every form of diversity and give everyone an equal chance. We consider it necessary to go beyond the regulations by making commitments that correlate with the issues of SUEZ ENVIRONNEMENT. We are convinced that diversity is a lever of social progress and economic performance for the Group.

Can you describe the "DIVERSITY" programme implemented by SUEZ ENVIRONNEMENT?

Laurence Malcorpi: We have developed a Diversity Plan based on five focal areas and have set ourselves quantified targets for 2012 on the following themes: access to employment and social inclusion, recruitment and careers for women, recruitment and support for people with disabilities, seniors' careers, staff commitment and the quality of life at work. Exemplary initiatives already implemented in the subsidiaries have been included in the plan. We can cite the experience of SITA Rebond (employability) and that of Lyonnaise des Eaux, which is illustrated by a highly proactive disability policy enabling the company to produce exceptional results. Internationally, a number of experiments are being implemented: United Water, for example, has been engaged in access to employment programmes for minority groups for several years.

SUEZ ENVIRONNEMENT and its French subsidiaries are currently deploying a country-wide project, the Helping Hand Centre (Maison pour Rebondir) which, in partnership with existing social structures, is designed to provide tangible solutions for people who are least likely to find a job.

It is too early to talk about results, but can you describe the resources provided by SUEZ ENVIRONNEMENT?

Laurence Malcorpi: A Diversity and Social Development Division was created in February 2010. It runs an international network of 13 sponsors, executive officers, chosen to promote the diversity policies and monitor operations carried out and the results obtained in the subsidiaries. On each topic, we share best practices and conceive innovative but practical solutions. For example, on disability, we set up a special task force, with representatives from each subsidiary, whose purpose is to empower existing policies and to cover a wider scope of action. To achieve our objectives, we need to motivate all of our staff, from managers, to HR teams and employees and all of the stakeholders. We need to convince all of them of the major social and human issue at stake in the project. ●



INTERVIEW WITH MALIN LUDWIG
Sustainable development manager, Eurawasser

ONE OF OUR PRIORITIES IS STRIKING THE RIGHT BALANCE BETWEEN WORK AND PRIVATE LIFE

What motivated Eurawasser to undertake an initiative designed to improve the quality of life at work?

Malin Ludwig: Eurawasser is located mainly in northern and eastern Germany, in regions facing recurring economic difficulties with a high unemployment rate. Many people have moved to the West of Germany, which is more prosperous. Eurawasser is directly concerned by this phenomenon which has led to difficulties in recruiting for the companies that are located in these regions. We therefore have to enhance our attractiveness for our employees in order to reduce the turnover in manpower. The quality of life at work is a decisive factor for enhancing a company's attractiveness. In parallel, we want to adapt to the new retirement age set at 67 years in Germany, resulting in a higher average age of our employees. Some of our jobs are physically demanding and can be arduous. We must be capable of ensuring the employability of all over the long term.

What have you done to improve the quality of life at work?

Malin Ludwig: Each of our subsidiaries has begun an improvement initiative on the issue of quality of life at work. We have already identified one major point of improvement, requested and appreciated by our staff: striking the right balance between work and private life. In Germany, children have no school in the afternoon and extracurricular activities, although developed, cannot be carried on all week. People therefore like to have their afternoons free to care for their children. In Berlin and Rostock, actions are being undertaken to make the working week more flexible, and adjust or reduce the number of hours worked if the employee so wishes. An individual management system has been implemented, fully negotiated with the trade unions. This approach also has its limits: in the water

business lines, continuity of service means staff have to work in the afternoons and evenings. That's why we are working on other areas of improvement. In Rostock, for example, we are working in cooperation with a day-care facility so that the children of our employees have guaranteed places in the kindergarten.

What are the initial results?

Malin Ludwig: We started working on the quality of life at work in 2009. But improving quality of life at work cannot be decreed, it is an adjustment which takes time because for the processes to work, they have been customised for each person, and we have to focus on each of our employees. In terms of health at work, we want to work for the benefit of all our employees. We have set up a special health programme, including an analysis of the physical risks involved and a sports programme custom-made in conjunction with the health cover. Training takes place during working hours with a special coach. Special modules are provided for seniors. To assess the results of our various initiatives, we intend to carry out a satisfaction and commitment survey in 2012 with all the staff at Eurawasser. We shall then have detailed results to show. ●



COMMITMENT 07

FOSTER PROFESSIONAL KNOWLEDGE

> **COMMITMENT GOAL FOR 2012:** “maintain the effort to provide an average of 15h of annual training per employee”

Training is a major issue of social and economic performance for a group of the scope and scale of SUEZ ENVIRONNEMENT. The know-how present in the company must be formalised and transmitted by and between staff, and new skills and knowledge must continuously circulate in the company by investing in training. The water and waste business lines are changing fast, and becoming increasingly technical, making that training effort all the more strategic for the Group.

2010 PERFORMANCE



In 2010, SUEZ ENVIRONNEMENT increased the annual average number of hours of training per employee, to reach 14.5 h/employee/year⁵¹ (12.9 h/employee/year in 2009).

The performance is up again after a difficult year in 2009, during which certain subsidiaries had to reduce their training efforts in the light of the unfavourable economic conditions.



51. 15 h including SITA Waste Services and Agbar.

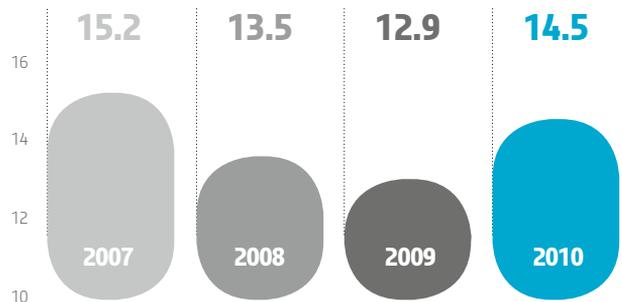
This positive development is linked to the upswing in economic activity on the one hand, but also to specific actions in a number of subsidiaries. The following actions are just some of the examples worth citing:

- Improvement in the training of drivers⁵² (e.g. SITA NEWS, UK, Sweden, Finland),
- Training on the new highway code in Morocco (e.g. Lydec, SITA El Beida),
- Computer deployment (e.g. SITA NEWS, Degrémont),
- Development of language training (e.g. Eurawasser, Lydec).

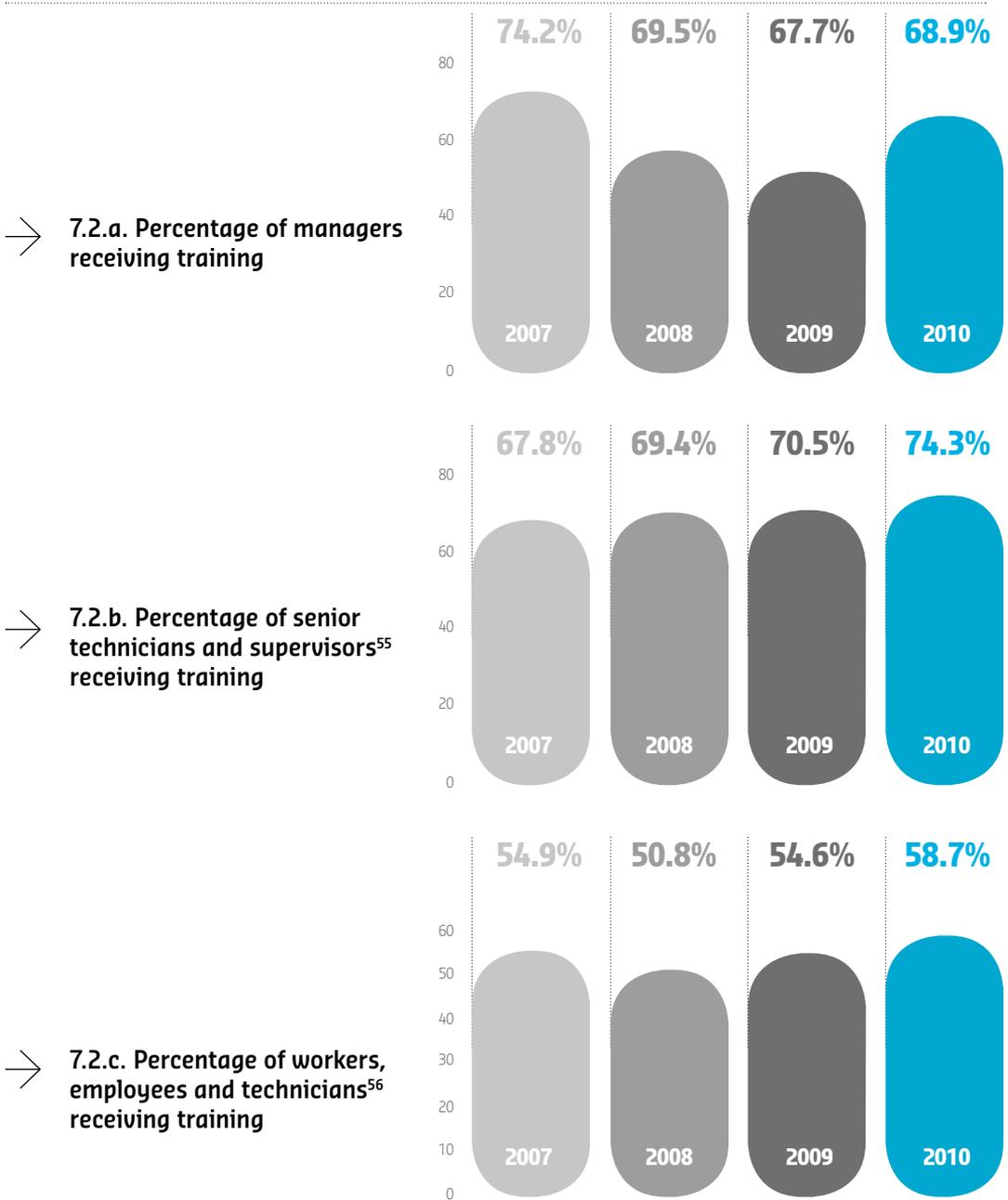
Another point for satisfaction: in 2010, the rate of trained employees grew rapidly and reached a value of 63% (69% in management staff, 74% of technical supervisors and foremen⁵³, 59% of manual labourers, office employees, and technicians⁵⁴), which is a highly positive factor and is to be compared with the good overall progress in the training effort.

The profiles of the beneficiaries vary according to the subsidiaries: young engineers at SAFEGE (training in contract management), drivers for waste collection departments (see above) or the personnel in contact with customers at SITA Sweden ("Meet the customer" programme).

→ **7.1 Annual number of training hours per employee**



52. Actions resulting from the European directive on driver training. 53. Senior technicians and supervisors. 54. Workers, employees and technicians.



55. Senior technicians and supervisors. 56. Workers, employees and technicians.

E-LEARNING MODULES FOR FIRST CAREER DEVELOPMENT INTERVIEWS

Ondeo Industrial Solutions has offered its managers an e-learning course as support for the first online development interviews. The various Cross-Knowledge e-learning modules provide simple methods and operational analysis tools for managers to assess their staff qualifications, carry out appropriate action plans and foster personal and professional development for each of their employees. To support this «self-training» programme, the Ondeo IS Career and Skills Management sector organised several half-day meetings with managers. These meetings helped to initiate discussions with the managers about the content of the various training modules, present the appraisal interview form as well as the special information system. The interviews took place at the end of the year. Result: the establishment of these e-learning modules enabled the deployment of this first campaign of development interviews involving all the managers in France (151H of training, 69 managers).

AN E-LEARNING TOOL FOR THE “DOLCE Ô” OFFERING

To speed up the commercialization of the new range of “**Dolce ô**” services for individual customers, the International Centre for Development and Training and the Private Customer department of Lyonnaise des Eaux have developed an e-learning tool for employees in contact with the customer.

To date, more than 300 people have taken the training course. Each module helps trainees understand the technical features of the sales offer, to master the sales arguments and answer questions. This e-learning phase is also a prerequisite for training courses in sales techniques, conducted in face-to-face mode on the sites of Lyonnaise des Eaux. 400 employees have already taken the training course. ●



COMMITMENT 08

CONTINUOUSLY STRIVE TO IMPROVE SAFETY AND HEALTH IN THE WORKPLACE

> COMMITMENT FOR 2012:

“Reduce the frequency of workplace accidents to below 14”

For SUEZ ENVIRONNEMENT, doing business in a professional manner is inconceivable without ensuring the safety of our employees, customers and subcontractors. The Group has therefore set itself constant demands in terms of its control, improvement, and transparency with respect to safety. These requirements are implemented through action plans based on fifteen principles of safety management covering all of the Group’s employees. SUEZ ENVIRONNEMENT, however, is equally conscious of the fact that these results are fragile, that safety deteriorates as soon as efforts are relaxed, and that progress is increasingly difficult to obtain as improvements are confirmed. For this reason, the company is particularly attentive about engaging all of its employees in trying to increase safety.

2010 PERFORMANCE



In 2010, the good results obtained by the water sector failed to offset the deterioration in the results of the waste sector, as well as the increase in the accident rate in services for industry.



In 2010, the water business lines continued to improve their accident frequency rate, which dropped from 5.45 in 2009 to 4.86 in 2010 while the performance of the waste sector deteriorated, rising from 21.48 in 2009 to 22.95 in 2010.

The deterioration in the frequency rate of accidents in the waste business lines is partly due to unfavourable weather conditions and disturbances of limited duration when the subsidiaries were reorganised.

Workplace safety is an issue of operational excellence for SUEZ ENVIRONNEMENT and is subject to constant attention by the Group.

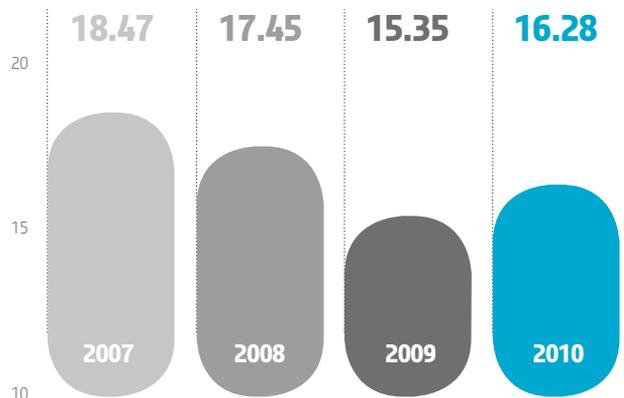
That vigilance has resulted in dramatic improvements since the inception of the Group:

- The frequency rate of accidents dropped from 49.81 in 2002 to 16.28 in 2010.
- The severity rate of accidents dropped from 1.36 in 2002 to 0.68 in 2010.

These improvements have helped prevent the loss of more than 65,000 days of sick leave per year since 2000.



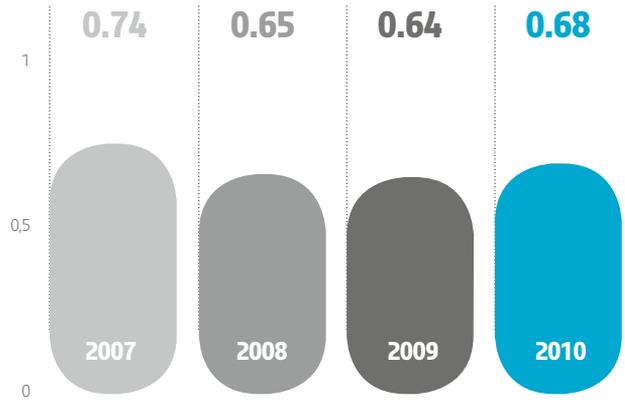
8.1. Frequency rate of workplace accidents⁵⁷



⁵⁷ The 2010 value includes SITA Waste Services and Agbar



➔ **8.2. Severity rate of workplace accidents⁵⁸**



GRI MARKS | LAT

➤ **DEFINITIONS**

Frequency rate:
number of lost-time accidents
x 1,000,000 / number of hours worked.

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

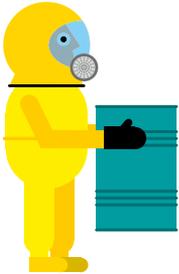
The action plan to improve the Group’s performance in safety bolsters the company’s management systems in important areas for Health and Safety, including:

- traffic plans on sites,
- electricity tag-on/tag-off procedures,
- dangerous machinery,
- garbage collection rounds,
- ergonomics of collection trucks,
- chlorine-related risks,
- risks in confined spaces,
- work at height (e.g. on water towers).

In this way, our management systems (procedures, instructions, definitions of best techniques, checks, field inspections, etc.) focus on a more limited number of major risks.

The Management Committee has adopted an action plan that includes making safety inspections by line staff, provides for a review of health and safety issues when reviewing new contracts, and establishes a sanction policy for managers if their performance deteriorates. ●

58. The consolidation of this indicator is not relevant at Group level, and should therefore be assessed for each country. The 2010 value includes SITA Waste Services and Agbar



SITA NEWS
Self-prevention

All of our drivers (some 3,000 people) during special sessions held to discuss safety, have seen films made by drivers themselves, featuring:

- risk situations (bikers, blind spots, etc.),
- instructions on how to behave in order to drive safely.

PROGRESS IN HEALTH AND SAFETY RECOGNISED BY CERTIFICATION

The Health and Safety certification programme for the subsidiaries of SUEZ Environnement were particularly successful in 2010:

- An increasing number of Degrémont activities are covered by OHSAS 18001 certification in Europe and on the international markets, with for example, certification of the Degrémont Services head office and 6 plants in France, those of the Build and Operate activities of the Mexican subsidiary, and those of the Farfana plant in Chile.
- Ondeo Industrial Services: Ondeo IS UK has successfully renewed its OHSAS 18001 certification (since 2003).
- Palyja in Indonesia has been awarded OHSAS 18001 certification.
- Nuove Acque in Italy has been awarded OHSAS 18001 certification.
- Lyonnaise des Eaux France: the regional centre of Bordeaux had its OHSAS 18001 certification renewed in 2010.
- In 2010, Trashco Dubai, UAE, was awarded ISO 9001, ISO 14001 and OHSAS 18001 certification for its integrated QSE management system.

LYDEC: NATIONAL AWARD FOR SAFETY IN MOROCCO

LYDEC won the 2010 Moroccan National Safety at Work Award in the “Major Service Organisation” category. The prize is awarded jointly by the Moroccan Ministry of Labour and that of the Ministry for Industry, Trade and New Technologies. This award was presented to the CEO of LYDEC in Rabat on 13 January 2011 by Secretary General of the Ministry of Industry, Trade and New Technologies. It rewards the efforts made by LYDEC to establish a Health and Safety management system capable of maintaining the mental and physical integrity of its employees, sub-contractors and third parties while continuously improving service quality. Winning the award is the culmination of a process undertaken long ago by LYDEC.





SITA FRANCE: STRONG REACTION

After 2010 during which the company's performance deteriorated, SITA France decided to react by making health and safety one of its major themes for 2011 and has implemented an action plan based on three main goals:

- **Commit to effectively implement the essentials** (e.g. for managers, this means integrating safety into all new projects).
- **Undertake breakaway actions:** with effective traffic plans on all sites and securing interventions on the most dangerous machines.
- **Develop a safety culture:** by making it a major means of motivation, and involve management in accident analyses. ●



COMMITMENT 09

SUPPORT DIVERSITY



> COMMITMENT FOR 2012: “Increase the population of women in the workforce to 20% and women in management to 26%”

SUEZ ENVIRONNEMENT has decided to make diversity a key focus for the Group’s strategy and a priority in its human resources policy. By taking into account changes in society, the Group hopes to strengthen the diversity it has inherited and develop into a true performance driver. SUEZ ENVIRONNEMENT’s diversity initiative is summed up in the DIVERSITY programme “Equal opportunities - social progress - commitment for 2010-2012”. It focuses on 5 strategic issues:

- access to employment and social inclusion,
- recruitment and careers for women,
- recruitment and support for people with disabilities,
- recruitment and careers for seniors,
- the quality of work life” by “the quality of life at work.

2010 PERFORMANCE

In 2010, **SUEZ ENVIRONNEMENT** continued to progress regarding its commitments with a rise in the percentage of women in its workforce from 18.3 to 18.6%⁵⁹ in the total workforce and from 24.3% to 24.9%⁶⁰ in managerial staff.

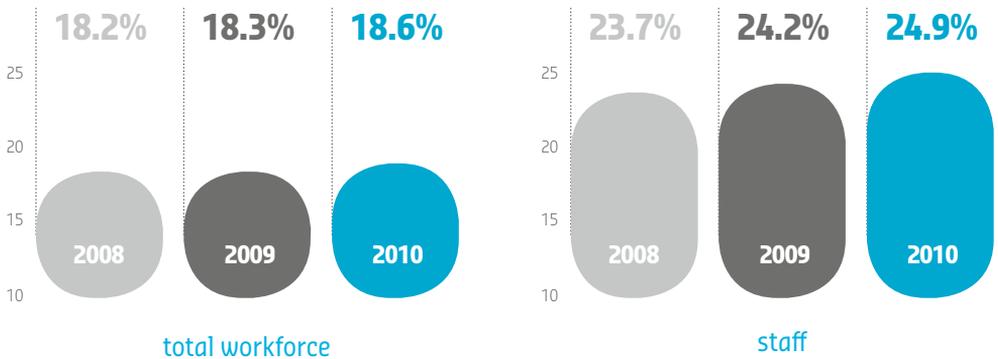


⁵⁹. 18.5 to 19.4% including SITA Waste Services and Agbar. ⁶⁰. 24.2 to 25.6% including SITA Waste Services and Agbar.



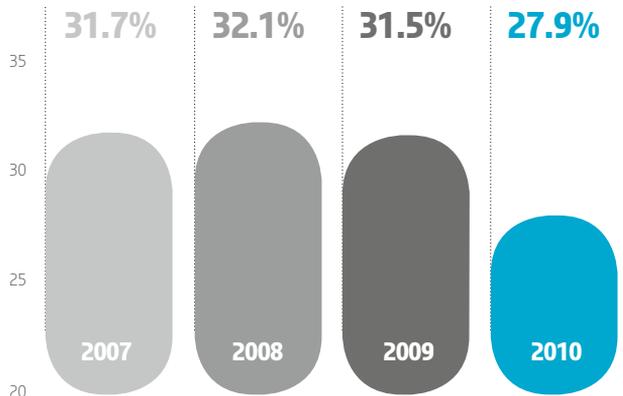
Furthermore, the percentage of women in the Management Committee of SUEZ ENVIRONNEMENT now stands at 25% (two out of eight) against 7% on average in the French CAC 40 companies, according to a McKinsey study in October 2010⁶¹ and three women sit on the Executive Committee of SUEZ ENVIRONNEMENT.

Progress in the percentage of women in its business lines: SUEZ ENVIRONNEMENT continues to act in favour of more women in its business lines, many of which are traditionally male. Similarly, helping women attain operational positions, helping them better define their career plans, are just two of the objectives of SUEZ ENVIRONNEMENT's DIVERSITY programme.



→ **9.1 Diversity**

Proportion of women in the workforce.



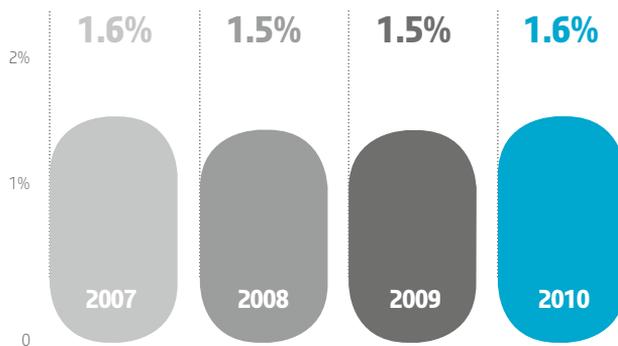
→ **9.2 Percentage of international (non-French) executives ("Topex")⁶²**

61. cf. Mac Kinsey report page 3: http://www.mckinsey.com/locations/paris/home/womenmatter/pdfs/Women_matter_oct2010_english.pdf
62. 36% including SITA Waste Services and Agbar.



9.3 Proportion of disabled persons in the workforce⁶³

details for France / Germany



	2007	2008	2009	2010
Percentage of disabled / workforce at end of	1.6%	1.5%	1.5%	1.6%
France	2.1%	1.9%	2.1%	2.3%
Germany	3.6%	4.1%	4.1%	4.2%

Strengthening the Group's Disability Policy

One of the 5 focal areas of the DIVERSITY programme concerns the recruitment and development of disabled employees. The goal is to reach an employment rate of 6% of people with disabilities in France. SUEZ ENVIRONNEMENT has created a Disability Task Force to work on the subject across the company with all of its French subsidiaries by sharing, enhancing and developing best practices, in particular those of Lyonnaise des Eaux.

At year-end 2010, the Group employed 1,105 disabled staff, of whom 81 were recruited during the year⁶⁴. The majority (80%) of registered disabled staff work in France or Germany, two countries in which the Group has a major footprint and which voted legislative incentives on the issue several years ago. In each of the two countries in question, the proportion of disabled employees rose in 2010, by 0.1 points in Germany and by 0.2 points in France⁶⁵. ●



63. 1,5% in 2010 including SITA Waste Services and Agbar. 64. 1210 including SITA Waste Services and Agbar, of which 100 were recruited in 2010.

65. Within France, the ratio in 2010 (2.3%) can in no way be compared with the legal obligation (6%) for two main reasons: the workforce involved is subject to a special calculation (part-time staff expressed as Full Time Equivalents, excluding fixed-term contracts for replacement purposes, inclusion of temporary staff due to increases in activity, etc.) the accuracy of which cannot be reproduced with social reporting indicators; on the other hand, contracts with companies in the protected area corresponding to the indirect employment are taken into account in calculating the statutory obligation but cannot be identified by social reporting indicators.



DISABILITY: ACTIONS FOR 2011

The inter-subsidiary disability task force has set itself several goals. The first is to develop partnerships with the protected and adapted sector by facilitating and optimising access to information about these structures. Outreach and communication operations will also be organised within the subsidiaries to help managers and teams welcome and help disabled employees integrate. Contacts have been made with the schools targeted by SUEZ ENVIRONNEMENT, to promote integration during internships or study contracts for young people with disabilities. Finally, special attention is being paid to the career support for people with disabilities as a result of an accident or illness.

EMPOWERING WOMEN IN MOROCCO

In May 2010, Lydec, a subsidiary of SUEZ ENVIRONNEMENT in Morocco, signed a partnership agreement with the Espace Point de Départ (ESPOD), a Moroccan association for corporate promotion, to carry out the «Gender and Economic and Social Rights» project (GEDES). In so doing, Lydec continued to fulfil its role as a stakeholder and a partner in the economic and social development of the Greater Casablanca region. The project is basically designed to:

- facilitate access for women to the workplace,
- ensure their integration with the new forms of the economy,
- teach women their economic and social rights.

“ESSOR”: EMPLOYING PEOPLE WITH DISABILITIES

Lyonnaise des Eaux has set up a national back-office platform for bill collection and customer management in Marly (Nord department), in partnership with the French Association for Paralysed Persons (APF).

25 jobs for employees affected by a disability have been gradually created within the workshop, which started up activity in January 2006.

AGBAR HELPS WOMEN IN NEED BY PROVIDING ACCESS TO EMPLOYMENT

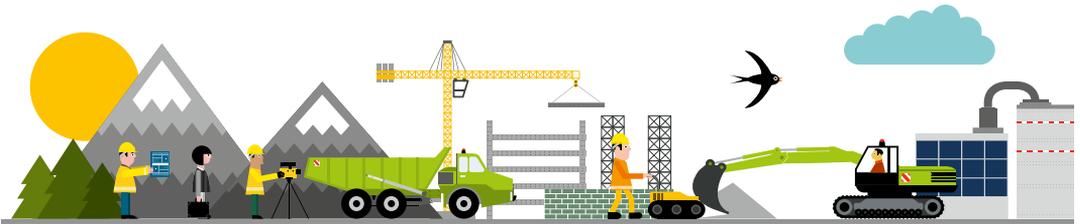
As part of its “Equal Opportunity” programme, Agbar is committed to enabling access for women to employment. The goal of one part of the programme is to assist women who are least likely to find a job, by helping them acquire new skills, technical in particular, which will facilitate their access to operational positions which are traditionally held by men. One of the other tasks involves providing employment to women who are victims of domestic violence, enabling them to regain their dignity and independence.



DISABILITIES: A DEGRÉMONT – AGEFIPH PARTNERSHIP

In September 2010, Degrémont signed with the French Fund for the Professional Integration of Disabled People (Agefiph), a national convention for the professional integration of disabled persons for a period of 2 years. Degrémont has undertaken an action plan, primarily designed to:

- through training and information, raise the awareness of all of its employees about the integration of disabled workers,
- encourage the recruitment of disabled workers,
- develop cooperation with the protected and adapted area by integrating the use of this sector in Degrémont's purchasing policy in France. Agefiph will help Degrémont implement the action plan over 2 years. The establishment of progress indicators will enable management at Degrémont and Agefiph to monitor progress of the action plan on a bi-annual basis. ●



04

PRIORITY

BUILD OUR DEVELOPMENT WITH ALL STAKEHOLDERS

Any business must communicate about its actions, commitments and performance and, in an increasingly interactive world, nothing can be built in isolation. SUEZ ENVIRONNEMENT undertakes to take into account the reasonable expectations of its stakeholders and partners in developing its strategy and establish sustained dialogue and cooperate on a constructive basis with all of them.

P.61 // Interviews

P.63 // Commitment 10

P.67 // Commitment 11

P.70 // Commitment 12



INTERVIEW WITH H  L  NE VALADE
Sustainable Development Director, Lyonnaise des Eaux

RETHINKING OUR STRATEGY TOGETHER WITH OUR STAKEHOLDERS

Lyonnaise des Eaux has launched New Ideas about Water, an innovative participatory approach: what led you to take this initiative?

H  l  ne Valade: In 2008, Lyonnaise des Eaux adopted transformational policy in order to adapt to the new demands of the market, to be in line with the expectations of society and generally become a more efficient company. We made two observations that have influenced the initiative. Firstly, the issues related to water are changing: the priority is now the protection of water resources in quantity and quality, which involves the profound transformation of our business. This means a move from a rationale based on providing drinking water to one focusing on protecting water resources, taking into account all types of water uses including in agriculture. The second observation we made is that water belongs to everyone and that the management of this public good must be based on a new form of governance. Faced with these challenges, it became necessary to rethink the strategy of Lyonnaise des Eaux and not do it alone, but by appealing to all our stakeholders using an innovative, participatory process.

You therefore launched your "New Ideas about Water" in February 2010. Can you describe how the approach works?

H  l  ne Valade: We created a user consultation and dialogue interface consisting of several modules. We designed a participatory website of the Web 2.0 type open to all Internet users, enabling them to suggest and share their contributions with us. We also integrated the same platform on an intranet website for our employees, who can likewise write and exchange contributions. In parallel to these Internet and intranet websites, we launched the New Ideas about Water forums. Composed of experts, economists, environmental scientists, intellectuals and leaders of associations, chaired by the author Erik Orsenna and former French education

minister Luc Ferry, the forums are designed to establish a diagnostic and bring forth concrete proposals. Finally, we undertook a genuine Tour de France with forums of elected officials at the regional level to solicit their opinions and suggestions on the new economic model for water, on issues related to the environment, and on the latest ideas fed back from the forums of experts.

What are the initial results?

H  l  ne Valade: The level of participation by stakeholders in the initiative was high: more than 100,000 visitors have logged onto the website. The discussions were lively and rich in both sessions of the expert forums and a collection of Water Workbook reviews ("Les Cahiers de l'Eau") from the forums is gradually being published. Our staff have been very active on the intranet website and have submitted many interesting ideas. The dialogue with the three hundred-odd elected officials we met has been of very high quality and has allowed us to fine-tune our proposals. Based on all of this material, the Lyonnaise des Eaux teams are now working on new offers and our solutions for the various market segments, whether for local authorities, consumers, regional developers or farmers – not to mention the subject of governance, in which we shall also put forward proposals that stand out from those of our competitors. ●



Find out more:

- The platform for dialogue www.ideesneuveurleau.net



INTERVIEW WITH ANA ESPINA (pictured left), Communication Manager for Aguakan and of **CELINE BISSUEL** (pictured right), Communication Manager for Bal Ondeo



OPENING UP THE ENTERPRISE

What was the background for Aguakan to start opening up to its external stakeholders?

Ana Espina: Aguakan works in Cancun (Mexico) as part of a 30-year concession contract for the department in charge of the production and distribution of drinking water, as well as the collection and treatment of wastewater. We signed the contract in 1994 and have assisted the city in its wide-scale development over the past 17 years. The city saw its population grow dramatically in recent years and we had to be very active in order to connect all the users and ensure the quality service they want. Over the years we have developed expanded our highly responsive customer service, but had no specific means for outreach with stakeholders. Finally, what really changed the company was the set-up of the communication and community relations department 3 years ago.

What steps have you taken to open up Aguakan to the outside world?

Céline Bissuel: We've worked on the fundamentals of responsible communication by setting up informative, regularly updated communication tools such as our website. We have also started developing relations with the press to make our voice heard in the public arena, and presenting our work. There was a real need for basic information on the nature of our business line, the tasks entrusted to us, the way we shared responsibilities with the public authorities, etc. We even created a TV program aired on the leading local channel, based on a local freelance journalist visiting our plants and asking questions. Our transparency was highly appreciated. Over and above this communication work, we created the Water Rally, an event for teenagers between 16 and 18.

For one day, 60 participants race around our 15 plants in search of information and clues to solve a riddle. The fun approach allows teenagers to explore our facilities, but also allows us to listen to them.

The first event was held 3 years ago, and surprised the people in Cancun. It marked a turning point for us, such that we are now recognised as a company with local commitments, which takes part in civic life.

Have you had good results?

Céline Bissuel: Yes, our work has borne fruit: now we are recognised as a local corporate citizen that is not afraid of getting involved. The Water Rally is now sponsored by the largest theme park in Cancun, which has a very positive image among the people, so the event is likely to grow. We are also working on improving the quality of our relations with users via an active customer service. We have a phone number available 24 hours a day, 365 days a year, but also customer relations centres located throughout the city. To make life easier for people, we also have a mobile customer centre which changes location in the city once a week. ●



COMMITMENT 10

MAINTAIN ACTIVE DIALOGUE WITH OUR STAKEHOLDERS

> COMMITMENT FOR 2012: “Generalise the dialog with the stakeholders of our operating subsidiaries”

Dialogue at both the local and institutional levels is a prerequisite for any success. To interact with its stakeholders, SUEZ ENVIRONNEMENT used a structured approach. SUEZ ENVIRONNEMENT regularly organises consultation meetings at every relevant level, in order to improve the correlation between our corporate strategy and the expectations of civil society.

4.14 - 4.16 - 4.17
GRI MARKS

2010 PERFORMANCE



At the institutional level
In December in Paris, the 7th stakeholders’ session was held between the functional divisions at headquarters and a panel of 26 external stakeholders from French civil society and international organisations (associations, universities, unions, public institutions, and rating agencies).



3 axis

of setting up dialogue at the local level



The purpose on the one hand was to conclude the first round of consultation initiated by SUEZ ENVIRONNEMENT in 2007 focusing on water business lines (universal access and transparency) by providing an assessment of the first societal action plan. On the other hand, the session provided an opportunity to set up the “corporate dialogue” with the waste sector and all the stakeholders involved in sustainable development.

At the local level

Further to the pilot work carried out in previous years, the Group formalised its policy and “offer” of assistance to subsidiaries in setting up dialogue at the local level. This involves 3 axis:

- the deployment of a “Stakeholder Dialogue Toolkit” to formalise the mapping of the stakeholders and issues for each of our business areas,
- listing in the Group training catalogue for managers wishing to develop their skills in terms of openness and dialogue,
- the deployment of a staff awareness-raising programme on the emerging issues in our business lines.

All of these means were discussed and approved after an initial test phase by several functional divisions and subsidiaries as well as non-group representatives. They confirm the trend indicating that societal dialogue is emerging as a component of the Group’s service offering, that is not only necessary but of equal importance to technical issues.

Over and above the eleven pilot sites in charge of testing the method since early 2009, the use of a “Stakeholder Dialogue Toolkit” has been extended to new activities including:

- the submission of a tender for the management of water and sanitation services, in Italy,
- The submission of a tender for the extension of a wastewater treatment plant in Salitre, Colombia,
- a contract with a new pulp mill belonging to the Suzano group for the treatment of its effluents and process water, including the boiler feed water, in Brazil.

After two years of deployment in the test phase, the final version of the tool will be launched in April 2011 as a web application, making it easier to use, optimising mapping, and promoting the exchange and sharing of data within the teams in charge of local dialogue. ●

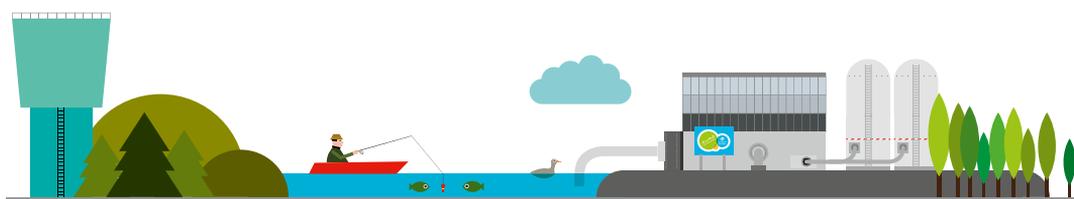
→ ASSESSMENT OF THE SOCIETAL ACTION PLAN 2008 - 2010

TASK #1 / DEVELOP GROUP CORPORATE RESPONSIBILITY

GOALS	ACTIONS CARRIED OUT
Extend our vision of social responsibility to include greater dialogue	Integration of dialogue in SE's SD commitments.
Increase local dialogue	Development of a methodology based on the deployment of a dialogue tool tested in the subsidiaries, training programmes and outreach work with our personnel.
Mobilise the Group on the societal issues involved in our business lines	Design of a training course currently being deployed at Lyonnaise des Eaux and on the international market.
Set up a Foundation	Founded in 2008 and in operation since that date

TASK # 2/ ENHANCE THE COMMERCIAL OFFER BY INCLUDING MORE FLEXIBILITY AND PARTICIPATION FROM STAKEHOLDERS

GOALS	ACTIONS CARRIED OUT
Continue the actions towards the disadvantaged populations as part of our contracts	Establishment or continuation of programmes enabling access to basic services in our contracts with countries in the South. Monitoring of Global Partnership on Output-Based Aid (GPOBA) programmes in Casablanca and Jakarta.
Development of a new model of contract	Presentation of a Public-Private Partnership model that is participatory and scalable to fund providers, searching for partnerships.
Know-how transfer	Deployment of the WIKTI tool (know-how transfer methodology) in several contracts (Algiers, Jeddah).



4.16 - 4.17 GRI MARKS



STAFF ENGAGEMENT ON STRATEGY AND CONTRACTUAL ISSUES

The overall purpose of one of the programmes designed and implemented by the Societal Engineering department is to identify staff needs in terms of information about contracts (public service delegation, customer relations, business and transparency issues), and then provide them with clear keys to understanding the local issues in the contracts, but also about the firm's work, at the national and international level.

In 2010, the year of its launch, the outreach programme was deployed on three sites. A total of 60 one-day sessions were held, in which 1,300 employees took part. The training lasts one day. The methods employed are participatory in style, to maximize staff involvement and endorsement. The approach is constructive, i.e. it seeks to pass messages as much as enhance the experience of participants. The programme is open to all of our employees, regardless of their business line or hierarchical level, the aim being to integrate people from different departments in order to improve in-house understanding about the diversity and nature of our business lines.

The programme has helped staff share in our corporate strategy and has allowed managers to share their analysis with the teams and thus strengthen the sense of belonging among staff and their endorsement of our goals and commitment to meet the challenges they involve.

LISTENING TO AND INFORMING PEOPLE IN JORDAN

The As Samra wastewater treatment plant in Jordan was built by Degrémont in an industrialized area (refinery, power generation, factories, etc.). As a result, despite its positive environmental impact, local residents have likened it to other industrial plants. In order to improve the dialogue with neighbouring communities, Degrémont has set up an Environmental Committee comprising representatives from the local community and the authorities, which has met every month since April 2009 in order to:

- work on the environmental footprint of the project,
- review the actions taken
- inform stakeholders about the technical issues affecting them.

This process has resulted in better relations with stakeholders and a better understanding of the issues involved in the project. In addition, the planning of actions is much better understood, and therefore accepted. ●



COMMITMENT 11

BE A KEY ACTOR OF LOCAL SUSTAINABLE DEVELOPMENT



> COMMITMENT FOR 2012: “Implement a dedicated system for this commitment”

SUEZ ENVIRONNEMENT intends to be an active participant in economic and social life (employment, reinsertion, etc.) of the communities in which the company works, and be a partner with the local authorities in their sustainable development initiatives related to its activities. SUEZ ENVIRONNEMENT undertakes partnerships and sponsorship activities that correspond to its sustainable development strategy. They aim to support projects involving Solidarity and humanitarian emergencies, the City and Culture, the Environment and Biodiversity.

2010 PERFORMANCE

Setting up indicators

The purpose of this commitment is to set up a special reporting system. 2010 was a year in which we tested, with four business units – Aguakan in Mexico, As Samra in Jordan, Geodeve in France and Lyonnaise des Eaux in Bordeaux in France – the first indicators for monitoring and assessing the impact of the actions undertaken by the Group, the aim being to assess the dialogue achieved in light of international standards (GRI G3 or ISO 26000 in particular). Using the results of these initial tests, adjustments will be implemented and tested in 2011-2012.

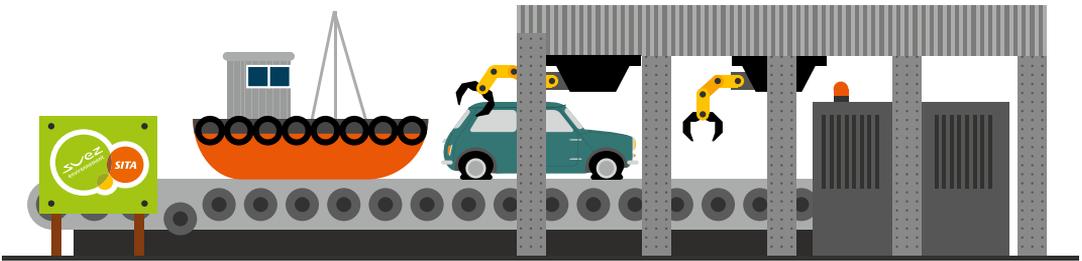




Employment and inclusion

One of the focuses of the “Equal opportunities, social progress, commitment” programme is access to employment and social inclusion. SUEZ ENVIRONNEMENT is committed to an enhanced, comprehensive employment policy in the form of partnerships in the countries in which we work, the aim being to provide young people in disadvantaged areas of large cities with personal support so that they have access to sustainable employment and can create activities or set up a small business.

The Group wishes to draw on all the initiatives taken in recent years and further them as part of the dynamic and visibility of a new global programme. On the occasion of the presentation of this program, Jean-Louis Chaussade, CEO of SUEZ ENVIRONNEMENT, announced in particular the creation of a «Helping Hand Centre» (Maison pour Rebondir), which will provide answers to those in need, create social ties and revitalize neighbourhoods where economic activity is weak. ●



ISI Ô – LYONNAISE DES EAUX

In Calais, Lyonnaise des Eaux is involved in the urban policy for a district identified as a priority. In the FACE Calais business club, chaired by Lyonnaise des Eaux, after conducting a feasibility study, social mediation locations and actions will be set up in 2011. These include a service centre for private individuals, a «homestay» site for mediation between the local inhabitants and service firms, a «resource» site for social workers; with mediation initiated by Lyonnaise des Eaux, potential responses to help prevent unpaid bills and an alternative solution to the recovery procedure; a home mediation service, run by ISI Gas and ISI Ô. A show apartment for general instruction about water and energy (energy information centre, «o power» consumption, budgeting, etc.), but also education and prevention on micropollutants, and protecting biodiversity with a project to create kitchen gardens. A network for «reciprocal exchange of know-how», hosted by a mediator, is designed to fight against social exclusion and encourage exchanges between businesses and residents. A structure to manage social microcredit and budget educational activities is also planned.

UNITED WATER INVESTS IN ACCESS TO EMPLOYMENT FOR MINORITY YOUTH

United Water renewed in September 2010 its partnership with United Negro College Fund (UNCF). UNCF was founded in 1944, and is one of the largest and oldest funds that support higher education for minorities in the United States. UNCF helps financially the education of minorities who lack the resources to pay their admission fees to the university. Recognizing the need to attract talent and invest in communities, United Water has started a company program that manages several scholarship grants and internships for a period of 4 years.

“100,000 SOLIDARITY ENCOUNTERS”

In 2010, several employees of SUEZ ENVIRONNEMENT took part in the «100,000 solidarity encounters» programme initiated in 2009 by the Horizons Club. The objective is to promote the employability of recipients of the Active Solidarity Income (RSA) by organising meetings between beneficiaries and staff volunteers for experience sharing, assistance with resume writing, employer contacts, and follow-up if required.

WDA: WORKING FOR ACCESS TO WATER

The Water and Development Alliance (WDA) is a 1901-type association set up by SUEZ ENVIRONNEMENT at the end of 2008. It is designed to provide a framework for exchange and cooperation between operators and institutions involved in improving access to water and sanitation in urban areas of developing countries. The initiative took shape in 2010 through the organisation of three technical workshops in partnership with several African stakeholders:

- In May 2010, 2iE (International Institute for Water and Environmental Engineering) hosted the «Operators Open Days» in its offices in Ouagadougou, Burkina Faso. For two and a half days, participants discussed the tangible issues raised by customer management in water services, the problems related to the inaccessibility of meters, how to reduce queues, and a range of other specific topics. The workshop ended with a technical site visit offered by the ONEA (National Water and Sanitation Office) on the site of the Ziga drinking water plant that serves Ouagadougou.
- As preparation for the workshop, in partnership with 2iE and AquaFed, the WDA hosted a technical session on the theme of customer management at the 15th Congress of the African Water Association (AfWA) which was held in March 2010 in Kampala, Uganda.
- Together with WOP-Africa (Water Operators Partnership), the AfWA and the Senegalese Water Board, WDA held a seminar in November 2010 for two and a half days in Dakar, Senegal, on the industrial and operational solutions for reducing water losses. ●

COMMITMENT 12

PROVIDE REGULAR AND EASILY ACCESSIBLE INFORMATION ABOUT OUR SUSTAINABLE DEVELOPMENT ACTIONS

> **COMMITMENT FOR 2012:** “Obtain a statement of reasonable assurance on all verified environmental and social indicators”

SUEZ ENVIRONNEMENT strives to report its performance on environmental, social and governance issues by publishing consolidated data that are relevant and reliable, with particular respect to the guidelines of the Global Reporting Initiative and the Global Compact and by taking into account the remarks and requests made to it by its stakeholders, including non-financial rating agencies in particular.

GRI MARKS 3.5 – 3.13

2010 PERFORMANCE



Verification

As in previous years, the auditors have checked the environmental and social indicators listed in the table on the following page.

The indicators relating to this commitment are as follows:

- **12.1** Information available on Environmental, Social and Governance (ESG) indicators, through websites or annual sustainable development reports at every significant operational level. See the best practice set out below and the list of reports published by our subsidiaries in addition to the SUEZ ENVIRONNEMENT annual report and this report.
- **12.2** Verification of the transparency and completeness of sustainability reporting by external auditors. This report is prepared in accordance with the Global Reporting Initiative (GRI) reference document (see the inside front cover).
- **12.3** Moderate and reasonable assurance on a selection of non-financial indicators.
- **12.4** Dissemination of best sustainable development practices, and the section dedicated to sustainable development on local web sites (see the section "Find out more"):

→ **Level of assurance for environmental indicators**

LEVEL OF ASSURANCE / ENVIRONMENTAL INDICATORS	REASONABLE 2010	MODERATE 2010	REASONABLE 2008	MODERATE 2008
Installed capacity - Energy recovery	X			X
Generation of useful renewable energy	X			X
Direct and indirect GHG emissions	X		X	
Energy consumption	X		X	
Linear loss index of the drinking water network	X		X	

→ **Level of assurance for social indicators**

LEVEL OF ASSURANCE / SOCIAL INDICATORS	REASONABLE 2010	MODERATE 2010	REASONABLE 2008	MODERATE 2008
Total number of employees / Managerial / Non-managerial	XXX		X	
Proportion of women / women in management	X	X	X	
Age pyramid / Turnover / Resignation rates / Hiring Rate		XXXX		
Frequency rate / Severity rate / Number of fatal accidents		XXX		X
Average annual hours of training per employee / Proportion of employees trained	XX			X



Assurance

All the environmental indicators checked have once again have obtained a reasonable assurance. The social indicators obtained a moderate or a reasonable assurance. These assurance levels were are stable compared with 2009.

Extra-financial performance

In 2010, SUEZ ENVIRONNEMENT was included in the Eurozone Advanced Sustainable Performance® Indices and Ethibel Sustainability Excellence Europe®. The Group was included in the FTSE4Good⁶⁶ index in March 2011. SUEZ ENVIRONNEMENT is also present in the Dow Jones Stoxx and World Sustainability indices.

Communication with public institutions and ethical rules applied

SUEZ ENVIRONNEMENT maintains a constant dialogue with public institutions at the local level but also at the national, European and international levels. As part of its lobbying activities, the Group communicates regularly with the European institutions through position papers, direct contact, or participation in professional organisations.

In carrying out these activities, we abide by the principles of responsible lobbying: we commit to taking the general interest into account in our positions, we are listed on a voluntary basis in the European Commission’s “Register of Interest Representatives”, and we of course apply our own Code of Ethics to lobbying activities.

The major topics addressed in 2010 include general issues such as public procurement, the effort towards a resource-efficient Europe of natural resources or the protection and restoration of biodiversity. They also covered issues more directly related to the daily activities of the Group such as consumer rights in water utilities, the regulatory framework for land application of sludge in agriculture, bio-waste management or the implementation of the European directive on waste disposal. ●



66. Integrated in March 2011 on the basis of the assessment by the Ethifiance agency in 2010.



Find out more:

Many of our subsidiaries are now engaged in ambitious sustainable development policies and / or publish their own sustainability report. Examples:

DEGRÉMONT

ESTABLISHING POLICIES FOR ACTION AND INFORMATION THROUGH PARTNERSHIPS

SITA NEWS, the waste subsidiary of Suez Environnement in the Benelux and Germany, initiated an initiative that is shared by five top brands⁶⁷ under the Umbrella of the establish SMO (Society & Enterprise Foundation). It led to a publication on “sustainable value chains” and a CEO panel and debate with politicians and policy makers was organised around it.

The publication sets not only the context for the need of sustainable acting but highlights that real sustainable steps can only be made together. The frontrunners in industry shift from external pressure (regulation driven) towards an internal drive. Companies can be a powerful driver for sustainability by innovation and investments. Among the Lessons and recommendations made, the importance of transparency is highlighted, companies needing to communicate better on their sustainable actions.

SITA is also mentioning the concept of the circular economy and the need to combine good waste management with eco-design. ●

Strategy:

<http://www.degremont.fr/fr/engagements/environnement/environnement/>

Annual report:

<http://www.degremont.fr/fr/identite/publications/editions/editions/>

EURAWASSER

Sustainable Development Strategy 2011 - 2015 & Annual Report:

<http://www.eurawasser.de/strategie.html>

LYONNAISE DES EAUX

Sustainable development strategy, VIGEO audit, etc.:

<http://www.lyonnaise-des-eaux.fr/developpement-durable>

SITA FRANCE

Strategy:

<http://www.sita.fr/fr/responsabilites/contribution-au-developpement-durable/notre-contribution-au-developpement-durable/>

Action Report 2009 / 2010:

http://www.sita.fr/catalogue_sita/agir-2009-2010/

UNITED WATER

Strategy:

<http://www.unitedwater.com/sustainable-development.aspx>

Environmental Charter:

http://www.unitedwater.com/uploadedFiles/Corporate_Content/50/Publications/Environmental_Charter_FINAL.pdf

For further information on non-financial rating:

SUEZ ENVIRONNEMENT website and special page:

<http://www.suez-environnement.com/en/sustainable-development/performances/corporate-social-responsibility-rating/corporate-social-responsibility-rating/>

67. Coca Cola, Tata Steel, Mc Donald's, AKZO and the Ernst & Young consulting firm.

& | REPORTING METHODOLOGY



This last part contains a detailed description of the reporting methodology used by SUEZ ENVIRONNEMENT, the review report of the auditors on a selection of environmental and social indicators and a GRI Index. A detachable booklet consolidates all of our environmental and social indicators.

- P.75** // Methodological principles in 2010 environmental reporting
- P.77** // Methodological principles in 2010 social reporting
- P.79** // Compliance with the NRE Law and the GRI reporting framework
- P.79** // Respecting the principles of the UN Global Compact
- P.80** // Auditor's Review Report
- P.83** // GRI INDEX

DATA

SUEZ ENVIRONNEMENT is engaged in a wide range of business lines involving extremely varied technical processes, from the collection and transfer of waste, with a fleet consisting of several thousand vehicles, to chemical, thermal, biological, and mechanical processes implemented at several thousand facilities. This technical diversity makes the implementation of sustainable development measures more complex, especially

with regard to the definition, dissemination and stabilisation of indicators, as well as the collection of data. SUEZ ENVIRONNEMENT is continuing its efforts to achieve greater rigor and provide reliable, audited data, in order to report on the continuous improvement of its performance. In particular, the indicators corresponding to the company's various commitments have been carefully defined to cover the field in question as fully as possible.

METHODOLOGY OF ENVIRONMENTAL REPORTING IN 2010

With respect to the environmental data published in this report, the following points should be noted:

1/ SCOPE

The figures published in this report concern only the fully consolidated (FC) companies in which SUEZ ENVIRONNEMENT has operating control of capital and management (except for the figures on populations supplied with services, which are provided for the entire scope of financial reporting for the Group). When a company becomes fully consolidated, 100% of its environmental data are incorporated, irrespective of the percentage held by the Group in its capital. The scope of consolidation is set at 30 June of the fiscal year. For transfers occurring after that date, the entity is expected to fill in the environmental questionnaire with the data available up until the date of transfer. Acquisitions made after 30 June are not normally taken into account, except if they involve entities of notable size that have a significant influence on the overall scope of consolidation.

Legal entities included within the scope of environmental reporting are those whose activity is relevant in terms of environmental impact (thereby excluding financial, construction and engineering entities such as Safege, Fairtec, OIS, etc.). Water service management contracts such as those in Jeddah and Algiers are not included in the environmental reporting. The landfills closed after 1999 report data. Comparisons between fiscal years are made on a like-for-like basis. All the data for fiscal years prior to 2010 have been recalculated to match the 2010 scope described below.

Waste business lines:

The report covers subsidiaries based in:

- Europe: Belgium, Czech Republic, Finland, France (including the islands of Réunion and Guadeloupe), Germany, Ireland, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom; Teris activities (hazardous industrial waste): Belgium, France, Germany, Italy, Netherlands, Spain);
- Asia-Pacific: Australia, China, Turkey, UAE;
- North Africa: Morocco.





Waste management includes the activities of collection, sorting and recycling, material, biological or energy recovery, incineration, landfilling, the treatment of hazardous waste, including depollution of soil and ground.

Water business

The report covers contracts in:

● Europe:

Czech Republic, Germany, France, Italy, Portugal, Slovakia, Spain, United Kingdom;

● Asia-Pacific:

Australia, China, India, Indonesia, New Zealand;

● North America:

United States, Mexico; South America: Chile, Colombia;

● North Africa and the Middle East:

Algeria, Egypt, Jordan, Morocco, Qatar.

The report covers all the activities of the water cycle, including the treatment and distribution of drinking water, the collection and treatment of wastewater, as well as sludge treatment and energy 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 progress.

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. ●



METHODOLOGY OF SOCIAL REPORTING IN 2010

1/ SCOPE

The indicators and analyses of developments relevant to this report relate exclusively to fully consolidated (FC) entities in which SUEZ ENVIRONNEMENT has control of the capital and management. Once a company enters the scope of the fully consolidated companies in the accounts of the SUEZ ENVIRONNEMENT, 100% of its social data are incorporated, irrespective of the percentage held in its 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'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 are excluded from the scope of reporting. For 2010, the scope of reporting is 100% for all the indicators except for those relating to training, and oscillates between 90 and 98% for the indicators related to training. The details of the coverage rate per indicator are available on request.

2/ TOOLS AND METHODS

The social reporting is based on:

- a network of 220 people worldwide, who collect and monitor the indicators for their entities during each of the quarterly social reporting campaigns. Some 250 (FC) reporting packages are thus fed back each quarter, corresponding to data from over 400 companies,
- the "User Guide", which compiles all the definitions and procedures that make up the common reference document for the Group, i.e. some fifty primary indicators with different collection criteria (by age, sex, etc.) resulting in approximately 250 social indicators.

This guide has been translated into 6 languages (Dutch, English, German, Polish, Portuguese and Spanish), and has been distributed to all the contributors, via the Magnitude financial consolidation tool which uses a reporting package dedicated to social indicators, enabling the collection, processing and retrieval of data entered by the local legal entities that are subsidiaries of the Group. Each of these entities, including the Human Resources Department, is allocated the appropriate financial consolidation method: full consolidation (FC), proportional consolidation (PC), or the equity method (EM). An online self-training module on Magnitude is available to 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

With respect to the data published in this report, the following should be noted:

- Unlike social reporting, Health and Safety reporting takes into account criteria involving operational control and data reliability. This leads to a slight difference in the scope of the workforce covered by the two reporting methods. Initiated in 2009, the work involved in reconciling the data from the Health and Safety Network and that from social reporting continued in 2010, enabling either a reduction in the discrepancies between the data from the two collections, or their substantiation,
- the distribution of workforce per geographical area corresponds to that of the financial scope of reporting of the IFRS. As a result, although located outside Europe, a certain number of companies owned by Agbar are allocated to Spain. The workforce concerned is estimated to represent 2,800 employees,
- given the lead-time, the data on training and hours worked are not always final and therefore apply to the latest situation report. Note that the data collected for the Agbar entity (10,552 employees) are those as at 30.11.2010 to the extent that data as at 31.12.2010 were not yet available on the date of publication,
- the social data of the Agbar Group retroactively cover the entire fiscal year depending on the reporting scope of the group when it was fully consolidated. ●



EXTERNAL AUDIT

As in previous fiscal years, the Group has entrusted to the specialised services of its auditors an audit of selected environmental and social indicators in respect of fiscal 2010. These are indicated by the symbols ●● (reasonable assurance) and ● (moderate assurance) in the tables above.

COMPLIANCE WITH THE NRE LAW AND THE GRI REPORTING FRAMEWORK

Correspondence between environmental and social performance indicators of the SUEZ ENVIRONNEMENT group with France's New Economic Regulations (NRE) law and the Global Reporting Initiative (GRI) is documented in the summary tables of environmental and social performance guidelines published in the detachable notebook attached to this report.

RESPECTING THE PRINCIPLES OF THE UN GLOBAL COMPACT

The United Nations Global Compact, which SUEZ ENVIRONNEMENT adopted in November 2010, asks companies to embrace, support and enact, within their sphere of influence, a set of ten core values in the areas of human rights, labour standards, the environment and anti-corruption.

Companies are invited to:

- **SUPPORT** and respect the protection of internationally proclaimed human rights within their sphere of influence;
- **MAKE** sure they are not complicit in human rights abuses,
- **UPHOLD** the freedom of association and the effective recognition of the right to collective bargaining,
- **UPHOLD** the elimination of all forms of forced and compulsory labour;
- **UPHOLD** the effective abolition of child labour;
- **UPHOLD** the elimination of discrimination in respect of employment and occupation;
- **SUPPORT** a precautionary approach to environmental challenges;
- **UNDERTAKE** initiatives to promote greater environmental responsibility;
- **ENCOURAGE** the development and diffusion of environmentally friendly technologies; and
- **WORK** against corruption in all its forms, including extortion and bribery. ●

STATUTORY AUDITOR'S REPORT OF SELECTED ENVIRONMENTAL AND SOCIAL INDICATORS

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 116 to 121* for fiscal year 2010 ("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 data⁽ⁱ⁾ 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.

Reasonable assurance

For data identified⁽ⁱⁱ⁾ 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.

- We assessed the reporting criteria in terms of their relevance, reliability, objectivity, understandability and completeness.
- We interviewed the persons responsible for the application of the reporting criteria at the Environment and Performance Assessment Department, the Human Resources Performance division, and the Health and Safety division at head office, and within the audited entities.

I. of the Annual Report (i.e. a synthesis of the indicators – see the detachable booklet – in this report) **II.** These data are the following [The contribution to Group data by the entities selected for our work is indicated in brackets]: Proportion of women in management (61%), age pyramid (70%); staff turnover (61%); resignation rate - voluntary turnover (58%) hiring rate (68%) frequency rate (FR) of Accidents at Work (per hour) (70%). **III.** The data are the following [The contribution to group data of the entities selected for our work is given in brackets]: Installed capacity for renewable energy recovery (100%); effective production of renewable energy (99%); Total consumption of primary and secondary energy (90%); Direct and indirect greenhouse gas emissions (76%); Drinking water supply - linear loss index for the network (relative to the amount of water injected into the network) (87%); Total workforce (70%); Managerial workforce (56%); Non-managerial workforce (61%); Diversity rate – proportion of women in the workforce (59%); Number of training hours per person (68%); Proportion of employees who received training (69%).

- We conducted substantive tests on 15 sites belonging to 10 selected entities^(iv) for the environmental data, representing on average 90% of SUEZ ENVIRONNEMENT COMPANY consolidated data, and at 11 selected entities^(v) for the social data, representing 72% of SUEZ ENVIRONNEMENT COMPANY consolidated staff.
- We also carried out analytical reviews and consistency tests for 3 additional entities for environmental reporting and 4 additional entities for social reporting.
- We tested the calculations on a sampling basis and verified the data reporting at different consolidation levels. To assist us in carrying out this work, we called upon the environment and sustainable development experts of our firm, under the responsibility of Éric 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 with particular respect to training and awareness-raising of the network of contributors to environmental reporting. However the correct application of reporting and control procedures must be further improved in terms of certain entities and regional offices.

Social reporting

- The efforts in terms of internal controls and the formalization of data processing have been pursued, particularly at head office and in the main contributing entities. In addition, the delays in reporting social data have been reduced

as part of the "Fast Close" project, without affecting the reliability of the data. However, correct application of the reporting criteria and controls should be further strengthened by entities located abroad, especially for data on training and the calculation of hours worked.

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 ●● have been prepared, in all material respects, in accordance with the above-mentioned reporting criteria.

Neuilly-Sur-Seine, 18 March 2011

The Statutory Auditors
ERNST & YOUNG and Others.

Charles-Emmanuel CHOSSON



Pascal MAURICE



IV. Degrémont (Nice Haliotis and Durango sites), United Water (Springfield and Delaware sites), Lyonnaise des Eaux France (BU and Dunkerque – Nord littoral site), Agbar (Mataró site), SITA France (BU, SITA Sud Ouest review, Orizane and Le Teich sites) and TERIS France (BU and Beautor site), SITA Sweden (BU, Kovik site), SITA Waste Services (BU plus Pillar Point and Went sites), SITA Australia (BU and Hallam site), SITA UK (BU, Processing South West review, Runfold Landfill and Isle of Man EFW sites). V. SITA France (BU, and Nord, Sud Ouest and Ile-de-France regions), SITA Czech Republic, SITA Waste Services, SITA El Beïda, SITA UK, Lyonnaise des Eaux France, Lydec, SITA Germany, SITA Poland, SITA Sweden, Agbar.



	2010 Commitments & Performance Pages	2010 Annual report pages	2010 Reference document pages
STRATEGY AND ANALYSIS			
1.1	CEO statement	4 ; 5	12-13
1.2	Description of key risks and opportunities	4 ; 5 ; 6 ; 7	13 ; 14-17 ; 38-43 ; 110
ORGANISATIONAL PROFILE			
2.1	Name of organisation	2 ; 3 ;	cover
2.2	Products and/or services	2 ; 3 ;	24
2.3	Operational structure	10	14-17
2.4	Headquarters	back cover	back cover
2.5	Countries of operation	2 ; 75 ; 76 ; 77	94-95
2.6	Ownership structure and legal form		22
2.7	Markets	2 ; 5	23 ; 68-69 ;
2.8	Size of organisation	2 ; 3	2
2.9	Significant decisions regarding operating locations and changes during the reporting period	4 ; 5	26-28
2.10	Awards	22 ; 32 ; 54	20-21 ; 85
REPORTING PARAMETERS			
3.1	Reporting period	75 ; 76 ; 77 ; 78 ; 79	section 6.8.1
3.2	Date of most recent report	front cover	
3.3	Reporting cycle	75 ; 76 ; 77 ; 78 ; 79	section 17.2.4
3.4	Contacts	front cover	
3.5	Process for defining report contents	6 ; 7 ; 70	section 17.2.4
3.6	Scope	6 ; 7 ; 75 ; 76 ; 77 ; 78 ; 79	section 17.2.4
3.7	Restrictions in scope of report	6 ; 7 ; 75 ; 76 ; 77 ; 78 ; 79	section 17.2.4
3.8	Basis for reporting on joint-ventures, etc.	75 ; 76 ; 77 ; 78	section 17.2.4
3.9	Techniques for estimating data, bases of calculation	75 ; 76 ; 77 ; 78 ; 79	section 17.2.4
3.10	Restatements	75 ; 76 ; 79	section 17.2.4
3.11	Changes to reporting methods	75 ; 76 ; 79	section 17.2.4
3.12	Standard disclosures	83 ; 87	www.suez-environnement.com
3.13	Assurance policy	54 ; 70 ; 71 ; 72 ; 80-81	114-115
GOVERNANCE, COMMITMENTS & DIALOGUE			
4.1	Governance structure	8 ; 9 ; 10	14-17
4.2	Is the chairman of the highest governance body also an executive officer?	8	16-17
4.3	Independent members of the highest governance body	8	16-17
4.4	Mechanisms available to shareholders and employees	11 ; 12 ; 13 www.club-suez-environnement.fr	20-21
4.5	Management compensation		21
4.6	Processes to avoid conflicts of interest	8 ; 11 ; 12 ; 13 ; 72	14-17
4.7	Expertise of the highest governance body	10 ;	14-17
4.8	Internally developed codes of conduct, missions and values	8 ; 9 ; 10 ; 11 ; 12 ; 13 ; 72	12-13 ; 18-19
4.9	Board procedures	8 ; 9 ; 10	16-17 ; 18
4.10	Performance assessment of the highest governance body		16-17 ; 18
4.11	Application of the precautionary principle		16-17 ; 18 ; 38
4.12	Externally developed charters, principles and initiatives to which the organisation subscribes	5 ; 11 ; 12 ; 13	12 ; 18-19 ; 115
4.13	Principal memberships of national / international associations	13 ; 40	18-19 ; 46-47 ; 50-51
4.14	List of stakeholders engaged by the organization	12 ; 61 ; 63	49 - 50
4.15	Basis for identifying and selecting stakeholders	61 ; 64	49 - 50
4.16	Approaches to cooperation with stakeholders	5 ; 15 ; 18 ; 61 ; 62 ; 63 ; 64 ; 65 ; 69 ; 72	49 - 50 ; 106
4.17	Key aspects of cooperation with stakeholders	15 ; 61 ; 62 ; 63 ; 64 ; 65 ; 66 ; 69 ; 72	49-50

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 organisations and businesses.

The tables on pages 83, 85 and 87 contain the page numbers of institutional documents in which the various indicators are addressed.

1

	2010 Commitments & Performance Pages	2010 Annual report pages	2010 Reference document pages
Performance indicators			
ECONOMIC PERFORMANCE INDICATORS			
EC1 Direct economic value	2 ; 3	22-23 ; 116	section 9 ; 20.1 ; 20.3
EC2 Financial implications of climate changes		82-91 ; 108-109	section 4.1
EC3 Coverage of employee benefit plans		21-22	
EC4 Financial assistance received from government		not published	
EC6 Local suppliers		88 ; 93 ; 102-105	
EC7 Local recruitment		93 ; 102-105	sections 4.2.1 ; 6.3.3.4
EC8 Investment in infrastructure development	2	40-41	sections 5.2 ; 6.3.3 ; 9.3.1
ENVIRONMENTAL PERFORMANCE INDICATORS			
EN1 Total consumption of raw materials	summary of indicators p 6-7	118-119	
EN2 Recycled materials	14 ; 18 ; 19 ; 20 ; 21 ; 73	123	
EN3 Direct energy consumption	14 ; 27 ; 33 ; 34	118 ; 123	
EN4 Indirect energy consumption	14 ; 27 ; 33 ; 34	118	
EN6 Initiatives aimed at increasing energy yield or use of renewable energy	14 ; 22 ; 27 ; 28 ; 33 ; 34 ; 35 ; 36 ; 37 ; 38	123	
EN8 Total water consumption	25	118	
EN10 Percentage and total volume of water recycled and reused	summary of indicators p 7	119	
EN11 Land in protected areas	40 ; 42	123	
EN12 Significant impacts on biodiversity	14 ; 40 ; 42	26 ; 39 ; 67 ; 68 ; 85 ; 104-105 ; 123	
EN13 Protected or restored habitats	14 ; 41 ; 42	27 ; 39 ; 67 ; 68 ; 85 ; 104-105 ; 123	
EN14 Strategies, current actions and future plans for managing impacts on biodiversity	14 ; 39 ; 40 ; 41 ; 42	28 ; 39 ; 67 ; 68 ; 85 ; 104-105 ; 123	
EN16 Direct and indirect greenhouse gas emissions	14 ; 29 ; 30 ; 31	48-49 ; 118-119 ; 123	
EN17 Other indirect greenhouse gas emissions	14 ; 29 ; 30 ; 31	48-49 ; 118-119 ; 124	
EN18 Initiatives to reduce greenhouse gas emissions	14 ; 22 ; 27 ; 28 ; 29 ; 30 ; 31 ; 32 ; 33 ; 34 ; 35	40-43 ; 48-49	
EN19 Emissions of ozone-depleting substances	No emissions of substances that destroy the ozone layer summary of indicators p.6	No emissions of substances that destroy the ozone layer, page 119 (symbol **)	
EN20 Air emissions of NOx, SOx	summary of indicators p 8	120	
EN21 Total water discharge	summary of indicators p 7	119	
EN22 Total weight of waste	19 ; 20 ; 21	121	
EN23 Total spills	summary of indicators p 5 ; 9	118 (symbol *)	
EN26 Initiatives to mitigate environmental impacts	14 ; 17 ; 18 ; 23 ; 24 ; 25 ; 40 ; 41 ; 42 ; 73	40-43	
EN27 Products recoverable at the end of their useful life	16 ; 18 ; 73	38-39	
EN28 Monetary value of significant fines	summary of indicators p 5	118	
EN29 Environmental impact of transportation logistics	28 ; 32	118-119	

2

	2010 Commitments & Performance Pages	2010 Annual report pages	2010 Reference document pages
Social performance indicators			
LABOUR AND DECENT WORK PRACTICES			
LA1 Total workforce by type of employment, contract and geographic area	summary of indicators p 10	122	section 17
LA2 Employee turnover	45	122	section 17
LA4 Employees covered by collective bargaining agreements	> 80 %		section 17
LA5 Minimum notice period regarding organisational changes, including provisions specified in collective bargaining agreements	according to current regulations		section 17
LA7 Percentage of workplace accidents, job-related illnesses, work days lost and absenteeism rate	15 ; 50 ; 51 ; 52 ; 53	122	section 17
LA8 Programs for preventing serious illnesses	medical examination every 2 years		p.18, 26
LA10 Training per category of employee	15 ; 46 ; 47 ; 48	122	section 17
LA13 Gender breakdown in governance bodies	44 ; 55 ; 56	122	section 17
LA14 Ratio of basic salary men to women		45-47	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	11	18 ; 117	\$4.2.5 p 27, chapter 14,16,17 appendix p. 335, § 2.2,1 appendix p. 335, § 2.3.2 /
HR2 Screening of suppliers based on human rights criteria	12	18	
HR4 Cases of discrimination	13 ; 44	16-17 ; 46-47	
HR5 Breaches of rights to freedom of association and collective bargaining	79	18-19 ; 115	
HR6 Child labour	79	18-19 ; 115	
HR7 Forced or compulsory labour	79	18-19 ; 115	
SOCIETY			
S01 Impact on local authorities	28 ; 44 ; 66 ; 68	18-19	section 6.7.1
S02 Number of entities analysed for risks related to corruption	12	18-19	section 4.2.5
S03 Employees trained in anti-corruption policies and procedures	12	18-19	section 4.2.5
S04 Measures taken in response to incidents of corruption	11 ; 12 ; 13	18-19	section 4.2.5
S05 Public policy positions and participation in public policy development	44 ; 72	49	section 4.2.5
S08 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	53 ; 54	38-43	
PR3 Product information and labelling		86 ; 118-121	
PR5 Customer satisfaction	17 ; 62	19	
PR6 Marketing Communications	49 ; 73	13 ; 64-91	section 11.2.2
PR9 Monetary value of significant fines			p.277, 308

3

Standard disclosures part ii: disclosures on management approach (DMAS)

DMA EC - DISCLOSURE ON MANAGEMENT APPROACH EC	
Economic performance	P.2; 3 of 2010 Commitments & Performance Review; p. 22-23, 116 of 2010 Annual Report ; Sections 9, 20.1, 20.3 of 2010 Reference Document
Market presence	Section 6.4 of 2010 Reference Document
Indirect economic impacts	14; 39; 40; 41; 42 of 2010 Commitments & Performance Review; 28 ; 39 ; 67 ; 68 ; 85 ; 104-105 ; 123 of 2010 Annual Report
DMA EN - DISCLOSURE ON MANAGEMENT APPROACH EN	
Materials	http://www.suez-environnement.com/en/sustainable-development/actions/innovate-to-overcome-environmental-challenges/increase-and-promote-renewable-energy-generation/increase-and-promote-renewable-energy-generation/
Energy	p. 14; 22; 27; 28; 33; 34; 35; 36; 3; 38 of 2010 Commitments & Performance Review; p.123 of 2010 Annual Report
Water	p. 3; p. 13 Water: a challenge, our business; http://www.suez-environnement.com/en/profile/corporate-publications/corporate-publications/?limit=20&annee=
Biodiversity	p. 6-8 Suez Environnement contribution to the preservation and restoration of biodiversity http://www.suez-environnement.com/en/profile/corporate-publications/corporate-publications/protecting-biodiversity/ Protecting Biodiversity: http://www.suez-environnement.com/en/sustainable-development/actions/innovate-to-overcome-environmental-challenges/incorporate-biodiversity-into-corporate-management/protecting-biodiversity/
Emissions, effluents and waste	The fight against GHG: http://www.suez-environnement.com/en/sustainable-development/actions/innovate-to-overcome-environmental-challenges/reduce-greenhouse-gas-emissions/reduce-greenhouse-gas-emissions/
Products and services	P. 2-3 of 2010 Commitments & Performance Review; p. 24 of 2010 Annual Report ; Section 6.1 of 2010 Reference Document
Compliance	Section 6.7 of 2010 Reference Document
Transport	P. 28; 32 of 2010 Commitments & Performance Review; p. 118-119 of 2010 Annual Report
Overall	Section 6.8 of 2010 Reference Document
DMA LA - DISCLOSURE ON MANAGEMENT APPROACH LA	
Employment	http://www.suez-environnement.com/en/careers/job-and-internship-offers/employment/employment/
Labor/management relations	http://www.suez-environnement.com/en/careers/employment-policy/social-relations/social-relations/
Occupational health and safety	http://www.suez-environnement.com/en/sustainable-development/actions/make-our-employees-players-in-sustainable-development/improve-workplace-safety/improve-workplace-safety/
Training and education	http://www.suez-environnement.com/en/sustainable-development/actions/make-our-employees-players-in-sustainable-development/develop-professional-knowledge/develop-professional-knowledge/
Diversity and equal opportunity	http://www.suez-environnement.com/en/careers/employment-policy/diversity/diversity/ http://www.suez-environnement.com/en/sustainable-development/actions/make-our-employees-players-in-sustainable-development/commit-to-diversity/commit-to-diversity/
DMA HR - DISCLOSURE ON MANAGEMENT APPROACH HR	
Investment and procurement practices	Section 5.2 of 2010 Reference Document
Non-discrimination	P13; 44 of 2010 Commitments & Performance Review; p.16-17 ; 46-47 of 2010 Annual Report
Freedom of association and collective bargaining	P.4; p.18-19; 115 of 2010 Annual Report
Child labor	P.5; p.18-19; 115 of 2010 Annual Report
Forced and compulsory labor	P.5; p.18-19; 115 of 2010 Annual Report
Security practices	Workplace Safety: http://www.suez-environnement.com/en/sustainable-development/actions/make-our-employees-players-in-sustainable-development/improve-workplace-safety/improve-workplace-safety/
Indigenous rights	Livret Pacte Mondial (CoP); p.18-19; 115 of 2010 Annual Report
DMA SO - DISCLOSURE ON MANAGEMENT APPROACH SO	
Community	Foundation : http://www.suez-environnement.com/en/sustainable-development/foundation/scope-of-work-and-projects/scope-of-work-and-projects/ Développement local : http://www.suez-environnement.com/en/sustainable-development/actions/build-our-growth-together-with-our-stakeholders/be-an-actor-in-sustainable-local-development/be-an-actor-in-sustainable-local-development/
Corruption	p. 11-13 Commitments & Performance Review 2010; Charte Ethique : http://www.suez-environnement.com/en/profile/ethics/ethics-policy/ethics-policy/
Public policy	http://www.suez-environnement.com/en/sustainable-development/approach/global-challenges/global-challenges/
Anti-competitive behavior	Politique Ethique : http://www.suez-environnement.com/en/profile/ethics/ethics-policy/ethics-policy/
Compliance	Section 6.7 of Reference Document 2010
DMA PR - DISCLOSURE ON MANAGEMENT APPROACH PR	
Customer health and safety	p. 53; 54 Commitments & Performance Review 2010; p. 38-43 Annual Report 2010
Product and service labelling	p. 86; 118-121 Annual Report 2010
Marketing communications	p. 49; 73 Commitments & Performance Review; p.13; 64-91 Annual Report 2010; section 11.2.2 of Reference Document 2010
Customer privacy	p. 17; 62 Commitments & Performance Review; p. 19 Annual Report 2010
Compliance	Section 6.7 of Reference Document 2010

4



Statement GRI Application Level Check

GRI hereby states that **SUEZ ENVIRONNEMENT** has presented its report "Sustainable Development 2010 Commitments and Performance Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 16 May 2011

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large watermark of the GRI logo.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because **SUEZ ENVIRONNEMENT** has submitted this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 5 May 2011. GRI explicitly excludes the statement being applied to any later changes to such material.

SUEZ ENVIRONNEMENT

Tour CB21

16 Place de l'iris

92040 PARIS LA DÉFENSE

FRANCE

Tél +33(0)1 58 81 20 00

Fax +33(0)1 58 81 25 00

www.suez-environnement.com

Sustainable Development Division

Contact **Thomas PERIANU**

thomas.perianu@suez-env.com

Design and Production: **Les Éditions stratégiques**

Editorial staff: **Sustainable Development Division**

Illustrations: **Robert Samuel Hanson** c/o www.eyecande.co.uk

Photos: photo de Jean-Louis Chaussade :

SUEZ ENVIRONNEMENT / Stéphane de Bourgies / Abacapress

photo of Bernard Guirkinger :

SUEZ ENVIRONNEMENT / Govin Sorel

Printed on coated paper certified by the Forest Stewardship Council FSC™

Produced in plants with ISO 9001 and ISO 14001 certification (environment).

This paper is composed of 60% recycled sheets and 40% FSC™ virgin fibre.

This document was printed by an eco-friendly printer that has been awarded the Imprim'vert label



SUMMARY OF INDICATORS

2010

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 following tables 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 or Agbar for indicators relating to 4 priorities
- 12 commitments pages 2 to 4 (see publication scope specified on page 6 of the 2010 Commitments and Performance Report)
- full consolidation, therefore including SITA Waste Services and Agbar for the other indicators (tables on pages 5 – 11).



→ Table of performance indicators relating to the "4 Priorities, 12 Commitments"

	Unit	Verification by the Statutory auditors		2008	2009	2010
		Reasonable assurance	Moderate assurance			
1/ OPTIMISE WASTE RECOVERY AND RECYCLING RATES						
Global recovery rate for materials from household and non-hazardous industrial waste	%			31.6	31.9	36.8
Recycled material offered to the market (in tonnes)	Mt			12.5	12.8	13.6
• Amount sent directly to recycling facilities	T			3,204,116	2,821,415	3,168,873
• Cardboard/paper	T			2,662,135	2,730,708	2,759,795
• Construction materials & bottom ash	T			2,112,327	2,156,068	2,186,860
• Scrap iron	T			900,121	1,278,603	1,633,135
• Wood	T			1,163,377	1,244,665	1,375,710
• Organic material	T			1,325,673	1,284,033	1,189,929
• Glass	T			656,621	639,685	674,665
• Plastics	T			346,224	327,273	339,073
• Non-Ferrous Metals & WEEE	T			105,961	225,029	183,485
• Tires & rubber	T			56,511	55,551	61,320
2/ INCREASE THE YIELD OF DRINKING WATER NETWORKS						
Linear loss index for networks	m ³ /km/d	••		9.5	9.7	9.5
3/ REDUCE GREENHOUSE GAS EMISSIONS						
Direct and indirect greenhouse gas emissions	tCO ₂ eq	••		5,928,175	5,877,886	6,210,860
Contribution to avoided emissions	tCO ₂ eq			-5,748,153	-6,419,452	-6,241,487
Percentage of waste (non-hazardous) stored by SUEZ ENVIRONNEMENT in landfills equipped with a biogas collection and treatment system	%			84.8	84.3	91.2
4/ IMPROVE ENERGY EFFICIENCY						
Total primary and secondary energy consumption	MWh	••		5,924,539	5,914,608	5,932,633
Energy consumption as proportion of revenue	Wh/€			741	798	682
5/ INCREASE AND PROMOTE RENEWABLE ENERGY GENERATION						
Production of useful renewable energy (Waste + water and wastewater treatment)	MWh	••		2,586,049	2,500,673	2,456,967
Energy recovery installed capacity	MW	••		547	537	473
Calorific vales of substitute fuels produced from waste, supplied by SUEZ ENVIRONNEMENT	kteo			234	218	227



	Unit	Verification by the Statutory auditors		2008	2009	2010
		Reasonable assurance	Moderate assurance			
6/ INCORPORATE BIODIVERSITY IN SITE MANAGEMENT						
Biodiversity – number of sensitive sites identified	nbr			228	278	193
Biodiversity – number of sensitive sites with an action plan (2008 and 2009 definition)	nbr			62	86	
Biodiversity – number of sensitive sites with an action plan addressing the identified risk New definition (2010)	nbr					31
Biodiversity – number of sites (sensitive or not) with a voluntary action plan (new 2010 indicator)	nbr					98
7/ DEVELOP PROFESSIONAL EXPERTISE						
Annual number of training hours per employee	hr/pers	••		13.5	12.9	14.5
Percentage of employees receiving training	%	••		57.2%	59.4%	63.0%
Percentage of managers receiving training	%			69.5%	67.7%	68.9%
Percentage of senior technicians and supervisors receiving training	%			69.4%	70.5%	74.3%
Percentage of workers, employees and technicians receiving training	%			50.8%	54.6%	58.7%
8/ IMPROVE WORKPLACE SAFETY						
Frequency rate (FR) of workplace accidents	nbr		•	17.45	15.35	16.28
Severity rate (SR) of workplace accidents	nbr		•	0.65	0.64	0.68
9/ SUPPORT DIVERSITY						
Gender ratio	%	••		18.2%	18.3%	18.6%
Gender ratio among managers	%		•	23.7%	24.3%	24.9%
Gender equality amongst qualified personnel	%			33.7%	34.3%	34.9%
Percentage of international (non-French) employees in senior management	%			32.1%	31.5%	27.9%
Percentage of disabled employees	%			1.5%	1.5%	1.6%
10/ MAINTAIN ACTIVE DIALOGUE WITH OUR STAKEHOLDERS						
Deployment of the stakeholder dialogue procedure	nbr			7 corporate stakeholder sessions since 2007 Toolkit deployed in three languages and tested on 15 pilot sites Staff involvement programme: 60 one-day sessions 1,300 employees trained		



	Unit	Verification by the Statutory auditors		2008	2009	2010
		Reasonable assurance	Moderate assurance			
11/ BE A KEY ACTOR IN LOCAL SUSTAINABLE DEVELOPMENT						
Number of partnerships or non-commercial agreements relating to educational, social, cultural, sporting or consumer local development initiatives	nbr			Many partnerships with NGOs (LPO, FNE, MNHN) and 8 academic partnerships		
Number of individuals retrained under return-to-work programs, supported by the company or its subsidiaries	nbr					Tests in 2010, improvement expected in 2011
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	yes
Verification of transparency and completeness of the sustainable development reports by external auditors				yes	yes	yes
Non-financial indicators offering reasonable assurance				5	11	11
Accredited dissemination of sustainable development good practices and dedicated sustainable development section on local websites				Edelway – SE and subsidiary website – GRI B+ Performance & Commitment Reports 2008, 2009 & 2010 – ESG indices: DJSI World & Stoxx Aspi Eurozone – ESI Excellence Europe and FTSE4Good		

→ Table of environmental indicators

	Unit	CORRESPONDENCE		FC SCOPE	
		NRE	GRI3	2009	2010
MANAGEMENT					
WASTE – Environmental commitment policy or statement	% turnover	3	4.8	95%	94%
WASTE – Environmental program	% turnover	3	4.8	97%	98%
WATER – Environmental commitment policy or statement	% turnover	3	4.8	87%	88%
WATER – Environmental program	% turnover	3	4.8	77%	79%
WASTE – Share of activity (tonnage) covered by an environmental management system (EMS)	%	3	4.8	88%	89%
WATER – Share of activity (volume) covered by an environmental management system (EMS)	%	3	4.8	57%	63%
WASTE – Environmental risk prevention plans	% turnover	6	4.9	91%	92%
WASTE – Environmental crisis management plans	% turnover	6	4.9	94%	94%
WATER – Environmental risk prevention plans	% turnover	6	4.9	78%	77%
WATER – Environmental crisis management plans	% turnover	6	4.9	95%	91%
Complaints leading to compliance orders (related to environmental accidents)	nbr	8	EN28	6	63
Convictions for environmental damage	nbr	8	EN28	7	1
Compensation paid as a result of convictions (related to environmental incidents)	K€	8	EN28	6	812
Total legal costs of defending suits	K€	8	EN28	40	322
Total number and volume of significant accidental spills	nbr	8	EN23	No significant accidental spills	
ENERGY					
Installed capacity – Electricity – Biogas recovery	MWe	1	EN3	115	116
Installed capacity – Electricity – Energy recovery from household waste	MWe	1	EN3	465	399
Installed capacity – Heat – Biogas recovery	MWh th	1	EN3	52	49
Installed capacity – Heat – Energy recovery from household waste	MWh th	1	EN3	1,370	1,370
WASTE - electricity consumption	MWh e	1	EN3	481,932	528,341
WATER - electricity consumption	MWh e	1	EN3	2,189,494	3,007,247
Energy consumption – Water and waste – ELECTRIC	MWh e	1	EN4	2,671,426	3,535,588
Energy consumption – Water and waste – NATURAL GAS	MWh e	1	EN4	706,708	438,986
Energy consumption – Water and waste – OTHER FUELS	MWh e	1	EN4	2,564,667	2,903,083
Energy consumption of waste treatment	MWh e	1	EN3	3,465,308	3,406,857
Energy consumption of water and wastewater	MWh e	1	EN3	2,516,610	3,470,801
Electricity consumption per tonne of waste treated	kWh/t	1	EN3	25	27
Electricity consumption per cubic meter of drinking water produced and distributed	Whe/m ³	1	EN3	472	438
Electricity consumption per cubic meter of wastewater collected and treated	Whe/m ³	1	EN3	842	480

	Unit	CORRESPONDENCE		FULL CONSOLIDATION	
		NRE	GRI3	2009	2010
WATER					
WASTE – Water consumption excluding cleaning services (urban, industrial)	m ³	1	EN8	7,855,506	7,773,698
AIR					
Direct emissions of greenhouse gases	tCO₂eq			5,311,227	5,568,849
*of which Waste – waste collection	tCO ₂ eq	1	EN16	610,958	656,499
*of which Waste – incineration	tCO ₂ eq	1	EN16	1,827,135	1,921,717
*of which Waste – landfill	tCO ₂ eq	1	EN16	2,297,287	2,378,269
*of which Waste – treatment of hazardous industrial waste	tCO ₂ eq	1	EN16	399,284	334,853
*other direct emissions	tCO ₂ eq	1	EN16	176,563	277,511
Emissions of OZONE-depleting substances	T	1	EN19	emissions of OZONE depleting substances	
Indirect greenhouse gas emissions of	tCO₂eq			1,001,092	1,297,940
*of which Waste – Annual electricity consumption	tCO ₂ eq	1	EN16	240,407	225,465
*of which Water – Annual electricity consumption	tCO ₂ eq	1	EN16	760,685	1,072,474
Contribution to avoided GHG emissions	tCO₂eq			6,459,598	6,436,092
*of which Waste – by material recovery	tCO ₂ eq	1	EN16	4,523,537	4,421,408
*of which Waste – by energy recovery (incineration)	tCO ₂ eq	1	EN16	689,396	718,144
*of which Waste – by energy recovery (landfill)	tCO ₂ eq	1	EN16	286,489	287,670
*of which Waste – by energy recovery from hazardous waste	tCO ₂ eq	1	EN16	76,319	87,225
*of which Waste – by alternative fuels prepared and supplied by SUEZ ENV	tCO ₂ eq	1	EN16	819,295	855,226
*of which WATER – by energy recovery	tCO ₂ eq	1	EN16	64,562	66,418
DRINKING WATER DISTRIBUTION AND PRODUCTION					
Volume of groundwater drawn	Mm ³	1	EN1	235	432
Volume of surface water drawn	Mm ³	1	EN1	1,374	2,454
Number of drinking water treatment plants	nbr	1	SE	1,888	1,193
Annual production volume (input to network)	Mm ³	1	SE	2,588	3,816
Volume of drinking water distributed	Mm ³	1	SE	1,581	2,659
Technical efficiency of drinking water distribution networks	%	1	SE	75	75.6
Network length	km	2	SE	147,892	187,403
Quantity of reagents used for treating drinking water	T	1	EN1	91,969	98,102



	Unit	CORRESPONDENCE		FC SCOPE	
		NRE	GRI3	2009	2010
WASTEWATER COLLECTION AND TREATMENT					
Total number of wastewater treatment plants	nbr	2	EN26	1,643	1,773
Network length	km	2	EN26	67,247	94,196
Volume of wastewater treated	Mm ³	2	EN26	1,978	2,998
Amount of BOD waste entering wastewater treatment plants	T	2	EN21	511,297	780,709
Amount of BOD waste exiting wastewater treatment plants	T	2	EN21	65,259	60,094
Treatment efficiency (BOD5 eliminated) of wastewater treatment plants	%	2	EN26	87	92.1
Amount of NITROGEN entering wastewater treatment plants	T	2	EN21	68,162	116,943
Amount of NITROGEN exiting wastewater treatment plants	T	2	EN21	20,818	45,439
Treatment efficiency (NITROGEN eliminated) of wastewater treatment plants	%	2	EN26	69	61
Quantity of reagents used in wastewater treatment	T	2	EN1	204,785	80,280
Percentage of water reused after treatment	%	1	EN10	5	22
Percentage of sludge reused (agricultural recovery)	%	1	EN22	50	51.5
WASTE COLLECTION SERVICES					
Number of inhabitants receiving collection services	nbr	1	SE	46,591,065	50,406,498
Number of industrial and commercial customers receiving collection services	nbr	1	SE	464,985	432,948
Total tonnage of household and similar waste collected	T	1	EN22	10,694,566	10,584,014
Total tonnage of medical waste collected	T	1	EN22	107,023	114,975
Total tonnage of industrial and commercial waste collected	T	1	EN22	12,301,990	14,063,862
Tonnage of hazardous waste collected	T	1	EN22	1,708,972	2,116,103
Total number of waste, cleaning, wastewater collection trucks	nbr	1	EN29	12,673	12,889
Percentage of truck fleet running on alternative fuels	%	1	EN29	5	4.5
Fuel consumption per truck	m ³ /nb	1	EN3	13	14.2
Average fuel consumption per tonne collected	l/t	1	EN3	7	7.4
SORTING/RECYCLING					
Number of transfer stations	nbr	1	SE	268	251
Number of sorting/recycling centres	nbr	1	SE	313	350
Tonnage incoming to sorting centres	T	1	EN22	11,268,741	10,895,071
Tonnage of recovered material outgoing from sorting centres (excluding monoflows)	T	2	EN22	6,745,448	6,365,145
Rejection rate	%	2	EN22	40	42



	Unit	CORRESPONDENCE		FC SCOPE	
		NRE	GRI3	2009	2010
Tonnage sent directly to recycling facilities after collection (amenity centres, voluntary drop-off centres, transfer) without going through a sorting/recycling centre	T	1	EN22	1,868,217	2,505,150
Other material flows after waste recycling (monoflow)	T	2	EN22	1,816,925	2,265,505
COMPOSTING					
Number of composting sites	nbr	1	SE	110	118
Tonnage incoming	T	1	EN22	1,606,711	1,582,983
Tonnage of compost produced	T	2	EN22	599,726	592,963
Tonnage of sludge for sewage farming treated for material recovery	T	2	EN22	684,307	598,071
Biological recovery efficiency	%	2	EN22	56	55
THERMAL TREATMENT OF NON-HAZARDOUS WASTE					
Number of urban waste incineration plants	nbr	1	SE	49	48
Tonnage of incinerated waste	T	2	EN6	5,849,482	5,622,624
SOx emissions	T	1	EN20	220	271
NOx emissions	T	1	EN20	4,679	4,144
Dust emissions	T	1	EN20	64	42
Quantity of waste residue in incineration fumes	T	1	EN22	263,036	265,358
Percentage of bottom ash recovered	%	2	EN22	84	84
Electrical energy produced	MWh e	1	EN6	2,613,717	2,397,906
Thermal energy sold	MWh th	1	EN6	921,237	1,041,261
LANDFILLING OF NON-HAZARDOUS WASTES (LANDFILLS)					
Number of landfills for household and similar waste (K1+K2+K3)	nbr	1	SE	142	138
Tonnage incoming to household waste landfills	T	1	EN22	16,953,253	16,889,430
Leachates treated	m ³	1	EN22	2,761,055	2,779,180
Percentage of waste in a landfill equipped with a biogas collection and treatment system	%	1	EN22	87	92.9
Volume of methane collected and treated	Nm ³	1	EN6	135,830,032	144,289,144
Volume of methane recovered as energy	Nm ³	1	EN6	259,856,368	304,373,725
Amount of electricity produced from biogas	Mwh e	1	EN6	673,316	691,901



	Unit	CORRESPONDENCE		FC SCOPE	
		NRE	GRI3	2009	2010
TREATMENT OF HAZARDOUS WASTE					
Number of hazardous waste incinerators	nbr	1	SE	13	9
Number of hazardous waste platforms (pretreatment and transfer)	nbr	1	SE	137	141
Number of industrial waste landfills (K1 landfill site)	nbr	1	SE	14	15
Number of sites for treating medical waste	nbr	1	SE	10	5
Hazardous waste treated – total excluding contaminated soil	T	1	EN22	2,194,600	2,313,278
*of which recovered in cement plants	T	1	EN22	463,106	494,597
*of which incinerated	T	1	EN22	330,364	366,554
Tonnage of soil treated/recovered	T	2	EN23	999,903	996,728
Alternative fuel provided from waste recovery	TOE	1	EN22	217,496	227,034
Tonnage incoming to K1 landfill sites	T	1	EN22	672,471	694,958
ELECTRICAL AND ELECTRONIC WASTE					
Number of sites for treating electrical and electronic waste	nbr	1	SE	31	16
Tonnage incoming for dismantling-recycling	T	1	EN22	25,876	20,498
Tonnage of material recovered after dismantling	T	1	EN22	20,967	17,683
TOTAL					
Total waste treated	T	1	SE	40,864,707	40,722,657
% of products sold and % of their packaging recycled or re-used	%	2	EN27	No products for sale that might be packaged	

→ Table of social indicators

	Verification by the Statutory Auditors		NRE	GRI3	ABSOLUTE VALUE			RELATIVE VALUE		
	Reasonable assurance	Moderate assurance			2008	2009	2010	2008	2009	2010
EMPLOYEES BY DIVISION			1	LA1						
WATER Europe			1	LA1	11,679	11,851	24,402	17.9%	18.0%	30.7%
WASTE Europe			1	LA1	35,536	34,189	35,080	54.4%	51.9%	44.1%
International			1	LA1	17,581	19,250	19,424	26.9%	29.2%	24.4%
Headquarters			1	LA1	586	605	648	0.9%	0.9%	0.8%
Total	••		1	LA1	65,382	65,895	79,554	100.0%	100.0%	100.0%
EMPLOYEES BY GEOGRAPHIC AREA			1	LA1						
France			1	LA1	32,835	32,398	34,948	50.2%	49.2%	43.9%
Europe (excluding France)			1	LA1	22,176	21,295	32,347	33.9%	32.3%	40.7%
North America			1	LA1	3,250	3,281	3,347	5.0%	5.0%	4.2%
South America			1	LA1	222	269	252	0.3%	0.4%	0.3%
Africa / Middle East			1	LA1	3,948	4,479	4,377	6.0%	6.8%	5.5%
Asia / Oceania			1	LA1	2,951	4,173	4,283	4.5%	6.3%	5.4%
Total			1	LA1	65,382	65,895	79,554	100.0%	100.0%	100.0%
EMPLOYEES BY SOCIO-PROFESSIONAL CATEGORY			1	LA1						
Managers	••		1	LA1	8,358	8,649	10,665	12.8%	13.1%	13.4%
Senior technicians and supervisors	••		1	LA1	12,420	12,302	15,089	19.0%	18.7%	19.0%
Workers, employees and technicians	••		1	LA1	44,604	44,944	53,800	68.2%	68.2%	67.6%
Total			1	LA1	65,382	65,895	79,554	100.0%	100.0%	100.0%
PROPORTION OF WOMEN IN GROUP	••		1	LA13						
Men			1	LA13	53,482	53,705	64,104	81.8%	81.5%	80.6%
Women			1	LA13	11,900	12,190	15,450	18.2%	18.5%	19.4%
Total			1	LA13	65,382	65,895	79,554	100.0%	100.0%	100.0%
PROPORTION OF WOMEN IN MANAGEMENT		•	1	LA13						
Men			1	LA13	6,380	6,555	7,939	76.3%	75.8%	74.4%
Women			1	LA13	1,978	2,094	2,726	23.7%	24.2%	25.6%
Total			1	LA13	8,358	8,649	10,665	100.0%	100.0%	100.0%
PROPORTION OF EMPLOYEES WITH DISABILITIES			7							
Percentage of disabled employees at year-end			7					1.5%	1.5%	1.5%



	Verification by the Statutory Auditors		NRE	GRI3	ABSOLUTE VALUE			RELATIVE VALUE		
	Reasonable assurance	Moderate assurance			2008	2009	2010	2008	2009	2010
BREAKDOWN OF WORKFORCE BY CONTRACT TYPE			1	LA1						
Full-time permanent contracts (FTE)			1	LA1				91.8%	92.3%	91.3%
Other contracts			1	LA1				8.2%	7.7%	8.7%
Total			1	LA1				100.0%	100.0%	100.0%
EMPLOYMENT			1	LA2						
Turnover ⁽¹⁾		•	1	LA2				8.4%	7.4%	6.5%
Voluntary turnover ⁽²⁾		•	1	LA2				5.2%	3.3%	3.0%
Hiring rate ⁽³⁾		•	1	LA2				19.5%	15.7%	20.6%
Rate of FTE hires ⁽⁴⁾								57.4%	46.1%	36.4%
RECRUITMENT			1	LA2						
Number of external FTE hires			1	LA2	7,169	4,709	5,906			
Number of external fixed-term contract (FTC) hires			1	LA2	5,313	5,498	10,316			
Total			1	LA2	12,482	10,207	16,222			
WORKPLACE CONDITIONS			2	LA7						
Absenteeism (days of absence/employee) ⁽⁵⁾			2	LA7	14.7	12.1	12.2			
Overtime ⁽⁶⁾			2	LA7				5.0%	4.9%	4.4%
WORKPLACE SAFETY										
Number of fatal accidents (employees)		•	5	LA7	2	4	5			
Frequency rate ⁽⁷⁾		•	5	LA7	17.45	15.35	16.28			
Severity rate ⁽⁸⁾		•	5	LA7	0.65	0.64	0.68			
TRAINING			6	LA10						
Percentage of workforce trained	••		6	LA10				57.2%	59.7%	61.2%
Annual number of training hours per employee	••		6	LA10				24	23	26
Average training expenses per employee			6	LA10				€820	€579	€532
Breakdown of training time by type of activity			6	LA10						
Job techniques			6	LA10				31.1%	30.6%	28.4%
Quality, environment and safety			6	LA10				39.7%	41.7%	36.6%
Languages			6	LA10				6.4%	4.1%	5.2%
Other			6	LA10				22.9%	23.6%	29.8%

1/ **Turnover**: number of layoffs and resignations/average workforce – 2/ **Voluntary turnover**: number of layoffs and resignations/average workforce – 3/ **Hiring rate**: number of fixed-term contracts 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 lost-time accidents x 1,000,000 / hours worked – 8/ **Severity rate**: number of days indemnified x 1,000/number of hours worked.



SUEZ ENVIRONNEMENT

TOUR CB21
16, PLACE DE L'IRIS
92040 PARIS LA DÉFENSE FRANCE
TEL: +33(0)1 58 81 20 00
FAX: +33(0)1 58 81 25 00

www.suez-environnement.com



SUEZ ENVIRONNEMENT

TOUR CB21
16 PLACE DE L'IRIS
92040 PARIS LA DÉFENSE
FRANCE
TÉL +33(0)1 58 81 20 00
FAX +33(0)1 58 81 25 00

www.suez-environnement.com

