

# COMMITMENTS & PERFORMANCE

## 2011 SUSTAINABLE DEVELOPMENT





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A GLOBAL WATER AND WASTE MANAGEMENT SPECIALIST, SUEZ ENVIRONNEMENT SERVES A SINGLE AIM: ENHANCING THE ECONOMIC AND ENVIRONMENTAL PERFORMANCE OF ITS CUSTOMERS AND THE ATTRACTIVENESS AND DEVELOPMENT OF THE REGIONS. ALREADY COMMITTED TO GREEN GROWTH AND A CIRCULAR ECONOMY, SUEZ ENVIRONNEMENT AND ITS SUBSIDIARIES HAVE INCORPORATED NEW BEHAVIORS THAT CREATE VALUE AND RADICALLY REINVENT ITS TRADITIONAL BUSINESSES OF WATER AND WASTE MANAGEMENT.

LISTENING, DIALOGUE AND IN-DEPTH KNOWLEDGE OF THE REGIONS ARE THE WATCHWORDS THAT GUIDE THE GROUP'S APPROACH, IN REDEFINING CONTRACT GOVERNANCE, CO-CONSTRUCTING ECONOMIC MODELS AND COMBINING ECONOMIC, SOCIAL AND ENVIRONMENTAL PERFORMANCE. SUEZ ENVIRONNEMENT AIMS TO CO-CREATE THE SOLUTIONS OF TOMORROW TO MAKE GREEN GROWTH A GLOBAL OPPORTUNITY. THROUGH ITS SUBSIDIARIES, SUEZ ENVIRONNEMENT CURRENTLY SUPPLIES 91 MILLION PEOPLE WITH DRINKING WATER AND 63 MILLION WITH SANITATION SERVICES. THE GROUP PROVIDES WASTE COLLECTION SERVICES FOR 57 MILLION PEOPLE WORLDWIDE AND IS FIRMLY COMMITTED TO WASTE RECOVERY IN ALL ITS FORMS.



**91 M**

people supplied with drinking water.



**63 M**

people benefiting from SUEZ ENVIRONNEMENT wastewater treatment services.



**57 M**

people benefiting from SUEZ ENVIRONNEMENT waste collection services.



**80,410**

employees worldwide engaged in water and waste activities.



**€14.8 billion**

in revenue in 2011.

# 2011 RESULTS AND PROSPECTS FOR GREEN GROWTH

## “SUEZ ENVIRONNEMENT HAS POSTED EXCELLENT RESULTS”

### What were SUEZ ENVIRONNEMENT’S 2011 results?

**Jean-Louis CHAUSSADE:** In an environment marked by a sharp economic slowdown, SUEZ ENVIRONNEMENT saw excellent performance in 2011, with revenue growth of 6.9%, significantly higher than our projections at the beginning of the year. These positive financial results demonstrate the soundness of our ongoing growth strategy, sales momentum and productivity efforts. They also emphasize the strength of our positions in France and internationally, particularly in Asia, where the Group posted extraordinary growth of 17% in 2011.

These positive results are also closely linked to our policy of innovation, which allows us to anticipate the needs of our customers, whether manufacturers or municipalities. Further, these innovations are both technological and social, and thus we are convinced that vital environmental services must preserve increasingly scarce resources as well as directly engage our customers and the public in the joint construction of projects.

**Bernard GUIRKINGER:** 2011 confirmed our commitment to being a key player in green growth aimed at better coordination of performance and sustainability.

The Group is emphasizing its strategy of a “circular economy,” by strengthening our activities involving waste recovery, as illustrated by the inauguration of the highly innovative ReEnergy plant in Holland, one of Europe’s most efficient plants for energy recovery from waste.

The issue of governance is also central to our strategy, particularly in the area of water, which must be managed as an asset, which means responsibly, equitably and reasonably. This is the whole point of Lyonnaise des Eaux’s new Contract for Water Health, to recast water governance throughout France by creating balanced partnerships and a compensation policy that also incorporates environmental performance.

### What is the outcome of your 2011 initiatives with regard to social and environmental responsibilities?

**J.-L. C.:** In SUEZ ENVIRONNEMENT’S view, the goals of economic performance and corporate responsibility are closely linked. That is why, collectively, we are very committed to the approach of advancing in all areas of sustainable development. In 2011, for example, the Group continued to roll out its DIVERSITY program, one of the pillars of our social performance strategy. It features ambitious measures to strengthen the role of women, seniors and the disabled in the Group, as well as social inclusion and the quality of workplace conditions.

In all these respects, the Group has taken bold initiatives as proof of our determination to build an exemplary enterprise. This is, of course, essential to the dynamic management of human resources, as well as for an increasing number of our customers, particularly local authorities who include “social clauses” in their bid tenders, an illustration that social and economic performance cannot be separated.



“2011 confirmed our commitment to being a key player in green growth.”



**1**  
**Jean-Louis CHAUSSADE,**  
 CEO of SUEZ ENVIRONNEMENT.

**2**  
**Bernard GUIRKINGER,**  
 Senior Executive Vice President  
 in charge of Water Activities, R&D,  
 and Sustainable Development.

**B. G.:** Our 2008-2012 sustainable development action plan contributed significantly to making SUEZ ENVIRONNEMENT an innovative and effective business in all aspects, whether environmental, social or corporate. Our performance with regard to our commitments is both sound and improving for example in waste recycling and recovery, network water savings, renewable energy, and our commitment to promoting diversity. Several commitments have now been achieved.

In our steps for continuous development, we are actively preparing the second phase of this strategy's roll-out for 2012-2016, by outlining a new roadmap. Our intent is clearly to open up our thought processes to our stakeholders, as we have done in the past. We basically want to listen to them and understand their expectations and needs, as well as offer new key objectives and an action plan consistent with both society's expectations and our economic objectives.

**What is SUEZ ENVIRONNEMENT's strategy for being a leader in green growth?**

**J.-L. C.:** Our strategy and contributions are based on four pillars aimed at helping to transition our companies toward a green economy and sustainable and equitable growth consistent with our support for the principles of the Global Compact.

First of all, we seek to mobilize green technologies. This is at the heart of our water and sanitation business lines, and affects how we live in cities and the countries in which we work as well as our methods of consumption, use of natural resources, etc. More than ever, our priority continues to be to invest in scientific and applied research, to innovate in preventing environmental and health risks, and to share knowledge as part of an international network.

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1



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“The planet’s challenges are very directly related to our business lines and are the core of our strategy.”



**OOO Next, building equitable and sustainable societies.**

Environmental services are more than just technological instruments and levers. Above all, they are structured based on a vision for society which we wish to co-construct as a player committed to the regions in which we operate. This vision consists, first of all, in making the universal right to water and sanitation, as a condition for human dignity, a reality.

But it also means rethinking, alongside stakeholders, the city of tomorrow, with its major demographic and health challenges.

**Using the economy to support responsibility**

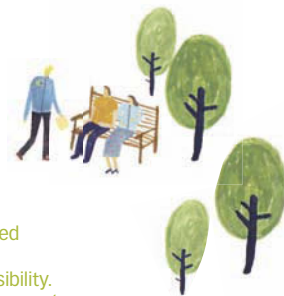
A new business model is needed in order to firmly establish this transition, a model founded on co-responsibility. For our customers, this is what we have called moving from “volume to value,” i.e., service contracts that place greater emphasis on environmental performance.

**Lastly, taking action within a multi-player environment**

The question of governance is most certainly the key to this transition, the lever that will make it possible. Integrated governance for the sustainable management of ecosystems (water and waste cycles); multi-player governance to offer solutions localized to each region.

**B. G.:** Indeed, we are convinced that our business lines are the core of the transition to a more resource-friendly green economy. We have a role to play, by offering our knowledge along with customized and innovative solutions to customers, every day, whether local communities or manufacturers, to provide them with high-quality water, sanitation services (which are the source of good hygiene), waste collection services to keep public areas clean and pollution-free, and solutions to recover waste by recycling or re-using it to produce energy.

This is without a doubt one of the major challenges of Rio+20 and the Global Water Forum in which SUEZ ENVIRONNEMENT participated, as the planet’s challenges are very directly related to our business lines and are the core of our strategy. ○



**Global Compact**

**10 principles of membership in the Global Compact**

Businesses are requested to:

**1** – Promote and comply with the protection of international human rights in their sphere of influence.

**2** – Ensure that their own companies do not contribute to human rights violations.

**3** – Respect freedom of association and acknowledge the right to collective bargaining.

**4** – Eliminate all forms of forced or mandatory labor.

**5** – Abolish child labor.

**6** – Eliminate discrimination in workplaces and professions.

**7** – Take a precautionary approach to problems affecting the environment.

**8** – Take initiatives aimed at promoting greater environmental responsibility.

**9** – Promote the development and dissemination of environmentally-friendly technologies.

**10** – Take action against corruption in all its forms, including extortion and bribes.

# OUR KEY ACHIEVEMENTS IN 2011



## February 23 Emergency in Haiti

SUEZ ENVIRONNEMENT was commissioned by the DINEPA, the Haitian Water Authority, to assist it for three years in developing and implementing an emergency plan to rehabilitate drinking water services in the region affected by the 2010 earthquake.



## May 13 100% electric trucks

To reduce CO<sub>2</sub> emissions and noise pollution, SITA France and the city of Courbevoie launched an experiment to collect waste with 100% electrically-powered trucks.



## September 1 Agriculture

Lyonnaise des Eaux joined with Terrena, the largest agricultural cooperative in France, to create ONOVA, the first French enterprise aimed at developing new solutions to conserve resources and manage water in agriculture.



## September 5 Recycling

SITA NEWS, a subsidiary of SUEZ ENVIRONNEMENT in the Netherlands, inaugurated a new plastics-sorting center in Rotterdam. This facility will sort 25% of the country's plastic packaging.



## September 9 Employee shareholders

SUEZ ENVIRONNEMENT launched Sharing, its first global stock offering reserved for Group employees.



## October 13 Waste recovery

Inauguration of the ReEnergy plant in the Netherlands, one of the most efficient and modern waste-to-energy plants in Europe (Capacity: 291,000 tonnes/year).



## October 17 Algiers Contract

SUEZ ENVIRONNEMENT and the Algiers Water and Sanitation Board (SEAAL) renewed the Algiers water management contract for five years. This also included

a gradual extension of the modernization of water and sanitation services to the province of Tipaza, west of Algiers (28 new cities representing 600,000 inhabitants).



## November 21 Contract for Water Health

Lyonnaise des Eaux launched the Contract for Water Health, with specific proposals relating to governance, innovation and compensation based on environmental performance. Solutions to address the concerns of elected officials and users. Lyonnaise des Eaux commits to measure the effectiveness of its activities under the supervision of the rating agency Vigeo.



## November 25 Collection of food supplies

SITA France, in partnership with the Association Française des Banques Alimentaires [French Food Bank Association], launched a campaign to collect non-perishable food items for sorting and free distribution to households

experiencing severe hardship. The partnership also contributes to the financing of specific food bank sorting centers.



## December 7 Web-based carbon platform

Degrémont and Lyonnaise des Eaux inaugurated the first web-based carbon platform in the water sector: LIFECARBONTOOL. This tool produces precise data on greenhouse gas emissions generated by plant construction and operation, particularly in the fields of wastewater, drinking water and desalination.



## December 20 Social inclusion

SUEZ ENVIRONNEMENT and its subsidiaries opened the first Maison de Rebondir [Recovery House] in Bordeaux: a joint project of local socially active players in the inclusion sector. It assists youths and women experiencing hardship to find permanent jobs or assists them in creating their own business.

# RENEWAL OF OUR COMMITMENTS

GRI MARKS – 1.1 – 1.2

## Solid results and new prospects for 2016

The growth posted at the end of 2011 on our 12 commitments for environmental, social and corporate performance, as presented in this report, illustrates the significant progress we have made since launching our corporate responsibility roadmap in 2008.

We have exceeded or are on track to meet our objectives set for 2012 in the areas of recycling, reducing greenhouse gas emissions, generating renewable energy, training, health, safety and diversity. Our performance in the effort to prevent water leakages in networks, improving energy efficiency, and managing biodiversity is improving. Dialog with stakeholders is widespread among our subsidiaries and the sites we manage. Partnerships and community development activities are multiplying. Lastly, an increasing number of our subsidiaries are publishing information on their environmental and social performance, facilitating stakeholder access to this information at the local level. We continue to advance in our appraisals conducted by non-financial rating agencies, and our position in the DJSI, FTSE4Good, Aspi and Ethibel indices also testify to our progress.

To position SUEZ ENVIRONNEMENT in the growing markets of tomorrow, in 2011 we opened up the development process of our 2012-2016 roadmap, which will be launched at the end of 2012. Through dialog with all our stakeholders and an active contribution to

public discussion on our business lines, such as the 6<sup>th</sup> Global Water Forum and the United Nations Conference on Sustainable Development (Rio+20), we have recommitted to:

- innovate to grow and make our clients “Leaders” in economic and environmental performance;
- develop our talents and make our employees “Actors” in transforming our business sectors;
- work together to build solutions with our stakeholders, and to make our business sectors “Contributors” to community development.

Continuing with the pattern of the past four years, the 2012-2016 roadmap will allow our stakeholders to follow our progress. ○



“The 2012-2016 roadmap will allow our stakeholders to follow our progress.”

**Thomas PERIANU,**  
Sustainable Development Director





# OUR GLOBAL AND SECTORAL CHALLENGES



## ANALYSIS AND STRATEGIC VISION FOR SUSTAINABLE, MORE RESPONSIBLE GROWTH

In the face of a rapidly evolving environment and instability, SUEZ ENVIRONNEMENT bases its strategy on an in-depth analysis of its major global challenges and sectoral strengths. Placing this into perspective helps us to identify both development opportunities and risks to consider when managing the Group's activities.

### The demographic challenge: meeting the needs of a rapidly growing and increasingly urbanized population

At the end of 2011, the global population exceeded the symbolic threshold of 7 billion people, and it is projected to rise to over 9 billion by 2050. Another major change is the population's increasing urbanization, particularly in developing countries (200,000 people a day leave rural areas for cities, and 90% of cities with 5 to 10 million inhabitants are located in developing countries).

The environmental consequences of these changes are profound: in 2008, the WWF (World Wildlife Fund) stated that man's ecological footprint on the planet had more than doubled over the past 45 years. One of the major challenges is to minimize this ecological impact of demographic growth, particularly through more sustainable urban development policies in which water and waste management play a major role, and to anticipate the future needs among populations.

### Increasing pressure on natural resources requires improved waste recovery

Economic and demographic growth, particularly in emerging countries, applies increasing pressure on raw materials and water in certain regions. Within 40 or 50 years, these tensions risk exacerbating the problem if we are unable to increase the production of resources, unless technically effective and economically viable replacement solutions appear. We offer our customers more sustainable management solutions for the life cycle of their product, particularly by using more recycled materials and converting waste to energy.

### Incorporating the impact of climate change in the Group's services

The impact of human activities on climate change calls on everyone to get heavily involved in creating the conditions for more responsible economic growth. For example, in SUEZ ENVIRONNEMENT's areas of expertise, we now know that over time, climate change is likely to disrupt water cycles.

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## Our global and sectoral challenges in sustainable development



# 39%

of plant species are currently threatened by extinction.



**Greater transparency and local democracy is a basic trend in modern societies.**



○○○ That is why the Group is rolling out new solutions to adapt to these evolutions: desalination, aquifer recharge, reuse of waste water, control of consumption, etc.

We are also collaborating with our customers, whether manufacturers or municipalities, to identify specific steps to be taken over the entire value chain of our business lines, to limit greenhouse gas emissions.

### **Offering solutions to prevent the erosion of biodiversity**

Increasing urban development, habitat fragmentation, over-exploitation of natural resources, etc., result in a deterioration of ecosystems. Biodiversity and related ecological services are currently a challenge of the same magnitude as climate change. Some figures illustrate the global stakes of biodiversity erosion and soil deterioration: 39% of plant species are currently threatened with extinction, 35 million km<sup>2</sup>, i.e., one quarter of the land mass, is subject to the phenomenon of accelerated deterioration. When measured previously in 1991, this level was only 15%.

In our activities, biodiversity is specifically included as part of site management (conserving assets, for example), to reduce our impact on the receiving

environments. These initiatives are specifically carried out in the context of collaboration and partnerships with local stakeholders and experts.

### **The population's increasing demand to be more closely connected and better informed**

Greater transparency and local democracy is a basic trend in modern societies. In fact, citizens wish to be kept better informed, and above all to participate more in decision-making, especially when it comes to the life of their communities. SUEZ ENVIRONNEMENT incorporates this social change by remaining open to dialog with all its stakeholders and by adopting new governance methods that favor partnership and co-building. ○



## PROMOTING AN ECONOMY THAT USES RESOURCES MORE RESPONSIBLY AND RESPECTS THE ENVIRONMENT

### The stakes of Rio+20: environmental governance and green economy

Rio+20 (June 2012) will be dominated by two major issues:

- the green economy as a part of sustainable development and the eradication of poverty;
- the international governance of sustainable development.

Simultaneously with these cross-disciplinary issues, stakeholders contributed to the conference by identifying other priorities that needed to be addressed by specific cross-disciplinary sustainable development goals, to create jobs and foster social inclusion:

- responsible water management;
- sustainable cities;
- management of oceans and marine resources;
- food security and sustainable agriculture;
- access to energy;
- improving regional resilience.

### Rio+20 stakeholders called upon to work together

Rio+20 reaffirms the role of civil society in inter-governmental discussion processes. Specifically, two categories of participants have been invited to mobilize and work together:

- regional authorities and cities: they have acknowledged leadership skills, which is being sought to spearhead innovative policies in the field and to apply sustainable development principles. They can rally all local participants and ensure consistency and effectiveness in the decision-making chain;
- the private sector and, in particular, the business community: governments and international organizations want the private sector to make concrete steps on the path to the green economy. Companies active in managing water and waste cycles, such as SUEZ ENVIRONNEMENT, have a significant role to play in the transition to this new economy, not only because the proposed solutions meet the technical needs of their customers, but also because they are a source of jobs, training, and knowledge transfer. ○





**The sustainable  
development policy**

of SUEZ ENVIRONNEMENT  
is the result of cooperative  
work with its stakeholders.



**2012**

End of the first phase  
of the program.

In 2008, SUEZ ENVIRONNEMENT committed to an ambitious sustainable development policy that mobilizes all the Group's subsidiaries around four priorities, broken down into 12 commitments.

This 2008-2012 action plan is our corporate responsibility policy management tool and allows our stakeholders to track our progress.

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# OUR 2008-2012 ACTION PLAN



## Our action plan/Dashboard

### Commitments Goals 2008-2011 Performance 2008-2011 Page

#### Priority 01: Conserve resources and engage in the circular economy

<b>Commitment 01</b> Optimize waste recycling and recovery rates	Raise the global recovery rate of household and non-hazardous industrial waste to 36%	EN2 – EN22	– Global recovery rate for materials from household and non-hazardous industrial waste	31.6%	40.7%	p. 23-25
<b>Commitment 02</b> Increase the yield of drinking water networks	To save in four years the equivalent water consumption of a French town of 700,000 inhabitants	EN8 – EN26	– Linear loss index for networks	9.5 m <sup>3</sup> /km/day	9.3 m <sup>3</sup> /km/day	p. 26-27

#### Priority 02: Innovate to respond to environmental challenges

<b>Commitment 03</b> Reduce greenhouse gas emissions (GHG)	95% of the waste landfilled by SUEZ ENVIRONNEMENT is sent to sites equipped with biogas collection and treatment systems	EN16 – EN17 – EN18 – EN29	– Direct and indirect greenhouse gas emissions – Contribution to avoided emissions – Share of waste stored in landfills equipped with biogas collection and treatment systems	5,928,175 teq CO <sub>2</sub> * -5,748,153 teq CO <sub>2</sub>	6,821,223 teq CO <sub>2</sub> * -7,360,933 teq CO <sub>2</sub>	p. 31-33
<b>Commitment 04</b> Improve energy efficiency	Improve energy efficiency by 5% against 2008	EN3 – EN4 – EN6 – EN18	– Total primary and secondary energy consumption – Total energy consumption as a proportion of revenues	5,924,539 MWh* 741 Wh/€	6,129,487 MWh* 595 Wh/€	p. 34-35
<b>Commitment 05</b> Increase and promote renewable energy generation	Increase the production of renewable energy by 10% against 2008	EN6	– Production of useful renewable energy (Waste + water & wastewater treatment) – Energy recovery installed capacity – Calorific value of substitute fuels produced from waste, supplied by SUEZ ENVIRONNEMENT	2,586,049 MWh* 547 MW* 234 ktoe	2,849,891 MWh* 594 MW* 290 ktoe	p. 36-38
<b>Commitment 06</b> Incorporate biodiversity in site management	100% of sensitive sites to have implemented a biodiversity action plan	EN14 – EN16 – EN11 – EN12 – EN26	– Number of sensitive sites identified – Number of sensitive sites with action plans underway – Number of sites (sensitive or not) with a voluntary action plan underway	228 62	212 39 103	p. 39-41





Commitments	Goals	GRI 3	2008-2011 Performance/KPI	2008	2011	Page
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**Priority 03: Empower our employees as “actors” of sustainable development**

<b>Commitment 07</b> Foster professional knowledge	Maintain the effort to provide an average of 15 hours of annual training per employee	LA10	- Annual number of training hours per employee	13.5 hr/pers.*	16 hr/pers.*	p. 45-47
			- Percentage of employees receiving training	57.2%*	69.7%*	
			- Percentage of managers receiving training	69.5%	74.2%	
			- Percentage of Senior Technicians and Supervisors who have received training	69.4%	74.2%	
			- Percentage of Workers, Employees, Technicians who have received training	50.8%	67.4%	
<b>Commitment 08</b> Continuously strive to improve health and safety in the workplace	Reduce the frequency rate of workplace accidents to below 14	LA7	- Frequency rate (FR) of workplace accidents	17.45*	14.06*	p. 48-50
			- Severity rate (SR) of workplace accidents	0.65*	0.66*	
<b>Commitment 09</b> Support diversity	Increase the population of women in the workforce to 20% and women in management to 26%	LA13	- Gender ratio	18.2%*	19.2%*	p. 51-53
			- Gender ratio among managers	23.7%*	25.9%*	
			- Gender equality among qualified personnel	33.7%	36.5%	
			- Percentage of international (non-French) employees in senior management	32.1%	35.5%	
			- Percentage of disabled employees	1.5%	1.8%	

**Priority 04: Build our development with all stakeholders**

<b>Commitment 10</b> Maintain an active dialog with stakeholders	Make the dialog with stakeholders of our operating companies more widespread	4.14 – 4.15 – 4.16 – 4.17 – PR5	- Deployment of the stakeholder dialog procedure	4 Nbr.	7 Nbr.	p. 57-59
<b>Commitment 11</b> Be a key actor of local sustainable development	Implement a dedicated reporting system for this commitment	SO1 – 4.16 – 4.17	- Number of partnerships or non-commercial agreements relating to educational, social, environmental, cultural, sporting or consumer local development activities	12 Nbr. of academic partnerships	16 Nbr. of academic partnerships	p. 60-62
<b>Commitment 12</b> Provide regular and easily accessible information about our sustainable development actions	Obtain a statement of reasonable assurance on all verified environmental and social indicators	3.5 – 3.13	- Information available on environmental, social and corporate governance issues through websites or annual sustainable development reports at each significant operating level	YES	YES	p. 63-65
			- Verification of transparency and completeness of the sustainable development reports by external auditors	YES	YES	
			- Non-financial indicators offering reasonable assurance	5	11	
			- Position in ESG indexes	0 ESG indexes	5 ESG indexes	

\* verified by the statutory auditors.

# COOPERATION: KEY TO THE GROUP'S SUSTAINABLE DEVELOPMENT STRATEGY

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GRI MARKS – 4.16 – 4.17

The SUEZ ENVIRONNEMENT sustainable development policy is a result of cooperation with various stakeholders, whether at the level of the Group, its subsidiaries or its local facilities.

This effort is solidified by regularly holding stakeholder sessions (seven Group-level sessions since 2007), allowing the Group and its stakeholders to debate strategic challenges and develop responses and actions in a process of open cooperation. The Group presents its options and priorities not to mention its constraints, while listening to its partners at all times. The purpose is to anticipate market needs and develop its services for customers while incorporating economic, environmental and social changes.

## **An ambitious, pragmatic policy structured into four priorities and 12 commitments**

SUEZ ENVIRONNEMENT adopted a sustainable development policy in 2005 with four goals:

- better understand and anticipate the demands of its customers and stakeholders;
- generate organic growth;
- underpin the actions of the Group and its subsidiaries in sustainable development;
- highlight actions and disseminate best practices within the Group.

Since its listing on the stock market in 2008, the Group has intensified its policy and methods, with the implementation of an ambitious policy for the 2008-2012 period, clearly identifying four priorities and 12 commitments (see dashboard, pp. 12-13). To be completely transparent

in its actions and results, the Group has also defined performance indicators. The first phase of this program will be completed at the end of 2012, making way for a new phase extending from 2012 to end-2016.

SUEZ ENVIRONNEMENT undertook a discussion process, both internally and with its stakeholders, which is expected to lead to growth in strategic focuses and commitments while taking several key points into consideration:

- a better understanding of the sustainable development challenges faced by the Group and its subsidiaries;
- the integration of new technical, commercial and corporate innovations associated with the Group's business lines;
- new expectations by stakeholders, regulatory and legal developments;
- the integration of new subsidiaries such as SITA Waste Services and Agbar, changing the Group's scope of consolidation from that of 2008.

## **An operational organization to implement SUEZ ENVIRONNEMENT'S Corporate Responsibility policy**

To ensure the fulfillment and continuation of its Corporate Responsibility policy, the Group maintains an organization that addresses three goals:

- ensure the operational management and continuity of the strategy and action plan;
- disseminate a common sustainable development culture throughout the entire Group;
- outline a transparent organizational method based on continuous dialog with stakeholders.

To meet these goals, the Group has set up various entities to ensure the governance and management of the sustainable development policy.





**The Contract for Water Health: dialog, cooperation and decisions to innovate in the French water market**

The Contract for Water Health originated from a two-year public dialog organized by Lyonnaise des Eaux, a subsidiary of SUEZ ENVIRONNEMENT, based on a finding shared

by all: whereas the 20<sup>th</sup> century was the century of bringing water to all users, the 21<sup>st</sup> century will be about protecting the resource. Lyonnaise des Eaux has met with economists, sociologists, elected officials, manufacturers, farmers, and consumers to engage in a collective discussion and offer proposals for changing

our relationship with water. The Contract for the Health of Water is a direct result of these discussions, and offers major innovations to improve oversight methods and leadership among local authorities in managing their water and sanitation services, transparency in data on the execution of contracts for the delegation of public

services, and in promoting awareness of the municipality's "water balance" among its inhabitants. It offers new contractual models that include, in addition to simple distribution volumes, environmental performance as an operator compensation factor.



**The Ethics and Sustainable Development Committee (ESDC)**

This consists of three directors, two of whom are independent. The ESDC is currently chaired by Guillaume Pepy, CEO of SNCF.

The ESDC ensures compliance with the Group's individual and collective values and employees rules of conduct, specifically ethical. The principal subjects reviewed in 2011 were the annual report on ethics, health and safety, the results of the environmental audits, discussions relating to the protection of human rights, the Group's policy on diversity, and social development. The issue of management of sensitive sites was also raised.

**Management of sustainable development within the Group**

The Sustainable Development Steering Committee (SDSC) is the most cross-disciplinary structure in the Group, as it combines the Sustainable Development Department, the functional departments and the sustainable development network of correspondents within Group subsidiaries (see below). The SDSC's mission is to guide, validate and monitor all actions that are taken. This committee also includes policy guidelines applied with regard to relations with stakeholders and social dialog and empowerment.

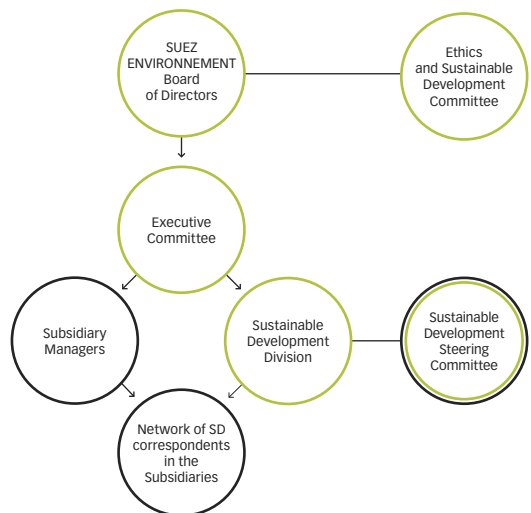
The Sustainable Development Department (SDD) proposes to the Group's senior management a strategic vision and priority initiatives to be implemented with regard to



**Governance Organization of the sustainable development function**

The objective is to incorporate the sustainable development strategy into the Group's development and governance.

- Hierarchical relationship
- ⇌ Functional relationship
- Corporate
- Subsidiaries



## Key points of our approach



### Main topics reviewed at the 2011 Sustainable Development Steering Committee meeting

- Development of commitments, indicators and setting of new 2012-2016 Road Map;
- SUEZ ENVIRONNEMENT human rights action plan;
- update of the “Equal opportunities, social development and commitment” DIVERSITY program;
- feedback on sustainable development performance and shared analysis between functional divisions and subsidiaries.



OOO sustainable development. The purpose is to incorporate this strategy into the Group’s development and governance, so that sustainable development forms a natural part of the Group’s management and governance process.

The SDD’s mission is also to manage policy for the four priorities and 12 commitments by tracking and precisely measuring the performance achieved. The SDD works in close collaboration with the subsidiaries and functional departments (Technical Department, Innovation Department, Human Resources Department, Health and Safety Department, Communications Department).

Lastly, the Group created a network of sustainable development managers, a conduit for the transmission of sustainable development within SUEZ ENVIRONNEMENT.

### A pragmatic and functional “sustainable development performance” tracking process

The process is organized in close collaboration between the Sustainable Development Department, which manages it in its entirety to ensure consistency, with the Technical Department, which manages the environmental data reporting and analysis, and the Human Resources Department for the social performance (see “management of commitments” table).

### Respecting human rights and key ethical principles

The Group’s presence in numerous countries implies that it is especially vigilant with respect to ethical values, human rights, and the corresponding regulations and obligations. The SUEZ ENVIRONNEMENT ethics policy was designed to promote a Group culture that encourages responsible behavior. It is based on three pillars:

- a code of ethics and monitored procedures;
- governance specifically consisting of the Ethics and Sustainable Development Committee and a network of ethics officers who produce an annual report;
- ethical reporting tools.

SUEZ ENVIRONNEMENT considers ethics and strict compliance with human rights as key to its global performance. Respect for ethics is critical in relations with suppliers and customers because it is a precondition for long-term trust. It is in this sense that the Group is combating all forms of corruption.

## Management of commitments

Commitments 1 to 12	Topic	Main department involved
Commitments 1 to 6	Environmental performance	Technical Department
Commitments 7 and 8	Social performance	Human Resources Department
Commitment 9 and part of Commitment 11	Diversity and corporate development policy	Corporate Diversity Department + 13 sponsors
Commitment 10 and part of Commitment 11	Dialog with stakeholders	Dialog and Empowerment Department
Commitment 12	Sustainable development communications and reporting	Sustainable Development Department + Communications Department



# 12

commitments with tracking and precise measurement of performance achieved.



## Sustainable Development Department

proposes a strategic vision and priority initiatives to be taken with regard to sustainable development.

### A responsible procurement policy

As an international group, SUEZ ENVIRONNEMENT has implemented a global and ambitious policy of responsible procurement. Its three objectives are to:

- incorporate environmental and social criteria into calls for bids;
- ensure that the Group's suppliers comply with human rights and ethical rules consistent with international law;
- encourage, through its purchasing policy, the development of eco-products and socially responsible approaches.

### Innovation to address environmental and demographic challenges

The scope of the environmental and social challenges calls for new technical and organizational solutions. SUEZ ENVIRONNEMENT's goal is to constantly improve technical management of the water and waste cycles in order to protect resources, limit impacts on the environment and greenhouse gas emissions, and contribute to strengthening compliance by users and local authorities with increasingly responsible environmental practices. Beyond these technical aspects, the Group is taking measures to innovate in its partner relations.

### Anticipate any risk affecting personal health and safety

Technical and administrative compliance in its operations and activities is an ongoing priority for SUEZ ENVIRONNEMENT. The water and waste business lines are subject to increasingly strict rules governing environmental protection, public health and safety; they differ a great deal by country. These rules specifically apply to the quality of drinking water and the quality of emissions into the air, water and soil. Compliance is a major issue for SUEZ ENVIRONNEMENT's activities.

These regulatory developments are also essential to the Group because they force its partners to act and invest to ensure compliance with the law and to take the necessary environmental protection measures. ○





**Improved performance**  
of SUEZ ENVIRONNEMENT  
in a majority of  
its commitments.



**2011**

A positive trend, driver  
of SUEZ ENVIRONNEMENT's  
ongoing actions for a more  
sustainable development.

In 2011, SUEZ ENVIRONNEMENT continued its efforts and advanced in its four priorities, thereby improving social and environmental performance. These priorities are broken down into 12 specific, key commitments designed to continuously improve the management of water and waste cycles.

Beyond the numbers, the Group's best practices bring us ever closer to a more sustainable development.

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# **FOUR PRIORITIES AND 12 COMMITMENTS**

**Priority 01**

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**COMMITMENT**

**01**

Optimize waste recycling and recovery rates



**COMMITMENT**

**02**

Increase the yield of drinking water networks

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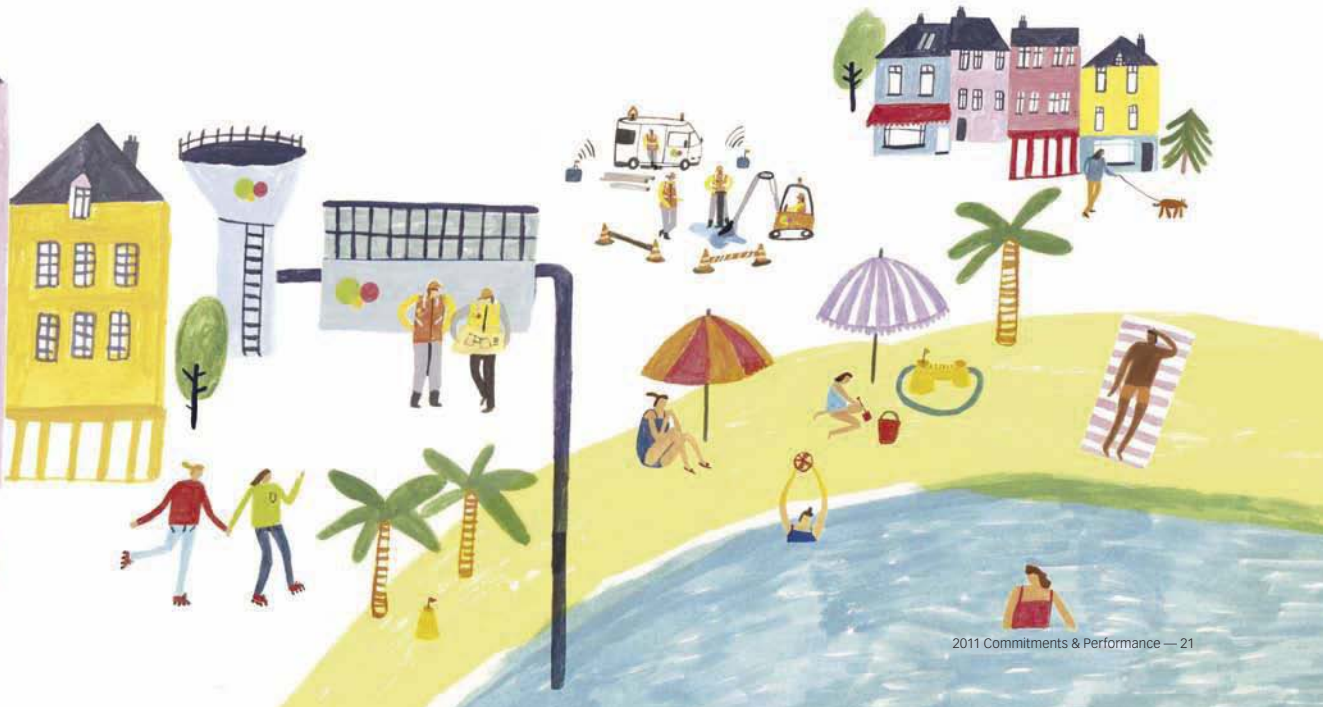


Natural resources are not inexhaustible and must be conserved and used in a more thoughtful way. SUEZ ENVIRONNEMENT is putting this goal into action both through waste management and recycling, and through the sustainable management of water resources, their protection, efforts to combat spills, and reuse.

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**PRIORITY 01**

# CONSERVE RESOURCES AND ENGAGE IN THE CIRCULAR ECONOMY





# SLUDGE RECOVERY AT THE SUZHOU INDUSTRIAL PARK

## Interview with Zhang WEN,

Chairman, Suzhou Sino French Industrial Park  
Environmental Technology Co., Ltd.

### In what way is the sludge recovery plant at the Suzhou industrial park an excellent example of the “circular economy?”

**Zhang WEN:** First of all, two figures will allow me to demonstrate the environmental and industrial importance of this project: at the Suzhou industrial park, the quantity of sludge generated through wastewater treatment has grown in only a few years from 8,000 to 100,000 tonnes per year.

The goal of this very innovative project is to create an integrated sludge recovery chain, with a waste water treatment plant, a treatment plant and an electricity generating plant at the same site, all using sludge.

This sludge was previously considered non-usable waste, but following a drying treatment, has become an alternative fuel to coal in electricity generating plant. After this process, the sludge ash is also recycled into construction materials.

The industrial process optimizes energy efficiency through a highly effective cogeneration system that conserves the equivalent of 12,000 tonnes of coal, or 31,000 tonnes of CO<sub>2</sub>.

This project demonstrates the possibility of combining economic development with the protection of natural resources and efforts to combat greenhouse gases, all of which are key challenges currently facing China.

### Can this concept of industrial synergy be reproduced at other sites?

**Z. W.:** It is perfectly reproducible and China’s needs are enormous. The development of energy efficiency and environmental protection are, in fact, a key priority of China’s 12<sup>th</sup> five-year plan (2011-2015), which sets very ambitious goals. The technologies and synergies that have been developed by this project help to achieve these objectives by holistically and consistently addressing the issues of water, energy savings and improved waste recovery. We are going to develop this concept in partnership with the Wuhan region’s local authorities, who also hope to better coordinate the goals of industrial growth with more sustainable development. ○



“The goal of this very innovative project is to create an integrated sludge recovery chain.”



COMMITMENT 01

# OPTIMIZE WASTE RECYCLING AND RECOVERY RATES



**2012 GOAL**

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

**Challenge**

In the waste it handles, the Group is increasing the proportion of waste that is re-used, recycled or recovered. This activity is supported by changes in regulations, emphasis on environmental awareness in public opinion and higher prices for energy and natural resources. Although recovery is a priority, certain wastes cannot be converted to a resource, and the Group then offers solutions to eliminate non-recyclable residual waste under conditions that respect the environment and at a reasonable cost.

**2011 Performance**

SUEZ ENVIRONNEMENT significantly improved its recovery rate for household and non-hazardous industrial waste to 40.7% in 2011, compared to 36.8% in 2010. This has allowed it to put 15.4 million tonnes of secondary raw materials and compost on the market, which were extracted from 38.4 million tonnes of waste<sup>1</sup> treated by the Group. The goal of 36% by 2012 set in 2008 was exceeded in 2010, with good progress made in 2011, illustrating the increasing importance of recycling activity in SUEZ ENVIRONNEMENT’s waste management strategy and activities. ○



**Note**

1. 42 million tonnes with SITA WASTE SERVICES.

**Priority 01 – Commitment 01**



**SITA NEWS**

opens an ultra-efficient center in the Netherlands for sorting plastic waste.



**25%**

of plastic packaging in the Netherlands sorted by SITA NEWS.



**1.1 Global recovery rate of household and non-hazardous industrial waste (%)<sup>2</sup>**

Percentage of household and non-hazardous industrial waste recovered through all reuse, re-employment, material recycling or organic recycling treatment.

2009	31.9%
2010	36.8%
2011	40.7%

**2011 performance is based on two factors**

- 1 A basic trend associated with public policies, and improved sorting behavior among users.
- 2 Decline in tonnage sent to landfills (-3%).



**1.2 Amounts of recycled materials sold on the market (tonnes)**

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

Materials		2010	2011	Variation
Tonnage sent directly to materials recycling facilities	T	3,168,873	4,332,055	37%
Cardboard/paper	T	2,759,795	2,889,198	5%
Construction materials and bottom ash	T	2,186,860	2,392,499	9%
Scrap iron	T	1,633,135	1,716,406	5%
Wood	T	1,375,710	1,399,281	2%
Organic materials	T	1,189,929	1,332,733	12%
Glass	T	674,665	659,734	-2%
Plastics	T	339,073	399,070	18%
Non-ferrous metals and WEEE	T	183,485	207,613	13%
Tires and rubber	T	61,320	49,206	-20%
<b>Total</b>	<b>MT</b>	<b>13.6</b>	<b>15.4</b>	<b>13%</b>

**Note**

2. 37.3% in 2011 with SITA Waste Services.

COMMITMENT 01

**BEST PRACTICES**

**SITA NEWS: A new plastics sorting center was inaugurated in 2011**

Located in Rotterdam, this highly efficient sorting plant holds a critical position in the Dutch selective sorting system, as it will handle some 25% of the country's plastic packaging. The sorting system has state-of-the-art equipment, such as infrared technology, which automatically sorts the various categories of plastic. This generates high productivity gains that contribute to the financial equilibrium of the sorting center

and the plastic recycling sector. This latest-generation center was designed to address the demanding Nedvang requirements (the EPR<sup>3</sup> packaging operator in the Netherlands) with regard to rejection rates and the quality of secondary raw materials. Management of the center was assigned to SITA NEWS for a period of five years. ○



**Recycling**

**SITA RECYCLAGE launches the "Materials for Consideration" ("Matières à réfléchir") guide, which demonstrates the Group's expertise in materials recycling**

The increasing scarcity of natural resources, and the consequent increase in

their prices, requires increasing the percentage of waste that can be recovered. SUEZ ENVIRONNEMENT and its subsidiary SITA are at the center of this "materials revolution," known as the circular economy. In fact, the reuse of materials in efficient recycling lines requires a very high level of expertise and continuous technical innovation to meet

customer demands. Created in 2006, the SITA RECYCLING subsidiary is intended to consolidate the Group's expertise and ensure the production of long-lasting and high-quality recycled raw materials. "Materials for Consideration," which may be downloaded from [www.sita.fr/sita-recyclage/matieres-a-reflechir](http://www.sita.fr/sita-recyclage/matieres-a-reflechir) (French only) is a veritable journey

into the universe of recycled materials and breaks down, material by material, the rapidly evolving services and expertise of the Group's business lines.

**Note**  
3. Extended Producer Responsibility.



COMMITMENT 02

# INCREASE THE YIELD OF DRINKING WATER NETWORKS

GRI MARKS – EN8 – EN26



**2012 GOAL**

“To save in four years the equivalent consumption of a French town of 700,000 inhabitants<sup>4</sup>.”

**Challenge**

SUEZ ENVIRONNEMENT is combating waste in drinking water, an essential resource in all the world’s geographic regions. To succeed in this effort, it is critical to take into consideration local issues of water resource availability and production costs.

**2011 Performance**

Ongoing improvement in the efficiency of the water distribution networks is a key pillar of the Group’s activities. This attention has resulted in a downward trend for several years in the linear index of network water losses, which continued in 2011 with an index that dropped from 9.5 m<sup>3</sup>/km/day to 9.3 m<sup>3</sup>/km/day. This improvement represented water savings of approximately 11 million cubic meters of water in 2011, i.e., the equivalent of the annual consumption of a city of 220,000. For SUEZ ENVIRONNEMENT, efforts to prevent network water losses are part of a global effort to protect the resource, including recommendations for alternative resources (reuse of treated wastewater for irrigation or industrial purposes, desalination of seawater, etc.) and the implementation of services to produce water savings in individual homes or communities (remote metering, smart-grid technologies, etc.). ○



**Notes**

4. Lyonnaise des Eaux scope of consolidation.

5. 13.8 in 2011 with Agbar.

**2.1**

**Linear loss index for the networks (m<sup>3</sup>/km/day)<sup>5</sup>**

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

2009	9.7
2010	9.5
2011	9.3

**COMMITMENT 02**  
**BEST PRACTICES**



“In 2011, 100% of Algiers’s population was continuously supplied.”

**Water management in Algiers becomes a global benchmark**

In December 2005, SUEZ ENVIRONNEMENT signed an agreement with the Algerian authorities to manage the Algiers Water and Sanitation Board (SEAAL) for six years, with the goal of improving water supplies to the capital. The challenge was considerable since, in 2006, only 8% of Algiers’ inhabitants had continuous water service 24 hours per day.

Five years later, the goals were met: In 2011, 100% of Algiers’ population had a continuous supply. To achieve these results, the Group and the SEAAL adopted a new partnership model to strengthen long-term core competencies. The next stage consists of optimizing network upkeep and maintenance, implementing a Geographic Information System to detect leaks and technical incidents upstream, as well as improving global user services.

This success led to a five-year renewal of the SUEZ ENVIRONNEMENT contract and its extension to other regions in Algeria with high tourism potential, such as the province of Tipaza (28 new cities and 600,000 inhabitants).

**The town of Hyères on the Côte d’Azur also uses its population to better protect water resources**

By selecting SUEZ ENVIRONNEMENT for water management, the town of Hyères in the Var region clearly affirmed its goals: modernize the network, involve the city and its population in shared governance and, finally, address the constraints of this tourist region regarding protected natural assets.

- For Hyères, this is formalized through several innovations that continuously improve management of the distribution network with:
- 24,000 water meters equipped for remote metering among the inhabitants;
  - the introduction of seasonal and progressive pricing;
  - the installation of acoustic sensors to detect leaks more quickly;
  - the replenishment of the Porquerolles water table through seawater desalination.

This contract is a good example of Lyonnaise des Eaux’s new Contract for Water Health, one of the goals of which is to better protect the resource and strengthen stakeholder involvement in thoughtful management of the water resource. ○



**Exemplary nature**  
**SUEZ ENVIRONNEMENT’s example recognized at the Global Water Summit**

In April 2011, Global Water Intelligence and the International Desalination

Association held the Global Water Summit in Berlin. At this event, awards were given for exemplary efforts. Nobel Peace Prize winner and former UN General Secretary Kofi Annan bestowed three honors on SUEZ ENVIRONNEMENT

and its partners. The SEAAL (Algiers Water and Sanitation Board) received the “Water Performance of the Year” Grand Prize for improving the long-term performance of water services in Algiers. The Group received a distinction for “Transaction

of the year in the field of desalination.” Finally, Agbar, the Group’s subsidiary in Spain, was nominated for “the water company that made the biggest contribution to development in the international water sector.”

**Priority 02**



**COMMITMENT**

**03**

Reduce greenhouse gas emissions (GHG).



**COMMITMENT**

**04**

Improve energy efficiency.



**COMMITMENT**

**05**

Increase and promote renewable energy generation.



**COMMITMENT**

**06**

Incorporate biodiversity in site management.



Combating climate change, increasing energy efficiency, producing renewable energy under feasible technical and economic conditions and preserving ecosystems: these are the imperatives that SUEZ ENVIRONNEMENT incorporates to offer a complete “climate-energy-biodiversity” package.

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**PRIORITY 02**

# INNOVATE TO RESPOND TO ENVIRONMENTAL CHALLENGES





# INNOVATION AND RESEARCH AT THE HEART OF THE STRATEGY

## Interview with Paul-Joël DERIAN,

SUEZ ENVIRONNEMENT Executive Vice President of Research, Innovation & Performance.

### What are SUEZ ENVIRONNEMENT's priorities for research and innovation?

**Paul-Joël Derian:** Our first priority is to maintain our lead and technological edge to offer our customers innovative, effective and competitive services. In the current environment, innovation is one of our major levers for optimizing the global costs of our facilities, whether in terms of investment costs or the costs of upkeep, maintenance and operation.

Improving the energy efficiency of our facilities is also one of our top priorities. We must offer our customers services that are more effective and consume less energy. In water, we are optimizing energy consumption; in waste, we are transforming waste into energy: heat, biogas, bio-fuel or electricity. The third strategic focus is to contribute to our customers' environmental performance, whether local authorities or manufacturers. Clearly these are partnerships, the goals of which include increasing the global environmental performance of our business lines.

### How is innovation and research governance organized within the Group?

**P.-J. D.:** Innovation management is one of the key components of the Group's performance. Our priority is to organize knowledge distribution because effective innovation is, first and foremost, innovation shared by all. This involves distributing expertise and knowledge through technical committees, databases and our Technical World Congress, which each year brings together over 1,200 employees.

SUEZ ENVIRONNEMENT has also implemented a specific structure, "Innovation for Business," the goal of which is to distribute innovation as part of a global range of services so that each core business is capable of offering it and thus satisfying and anticipating customer expectations. Finally, our R&D governance implies that we are very open to emerging innovations in activity sectors other than our own. I am specifically thinking here about new information technologies that could play a key role in our business lines, such as smart technologies in water. ○

<http://www.suez-environnement.com/group/innovation-banking-openess/>



### Maintaining our progress

and our technological leadership to offer our customers innovative, effective and competitive services.



## €50 M

in investments projected over 10 years by Blue Orange, the Group's new technology investment fund.



"Offer our customers services that are more effective and consume less energy."



**COMMITMENT 03**

# REDUCE GREENHOUSE GAS EMISSIONS (GHG)



**2012 GOAL**

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

**Challenge**

SUEZ ENVIRONNEMENT’s contribution to combating climate change has resulted in reduced greenhouse gas emissions, higher energy efficiency at its technical facilities, and energy production that is largely renewable. This goal also applies to increasing avoided emissions thanks to recycling activity and the Group’s material and energy recovery.

**2011 Performance**

The Group’s performance is evaluated by three key indicators:

- change in the percentage of waste landfilled in facilities equipped with biogas collection and treatment systems;
- measurement of the Group’s direct and indirect emissions;
- measurement of the Group’s contribution to avoided GHG emissions.

**Collection and treatment of biogas at landfills**

Between 2010 and 2011, the percentage of landfilled waste eliminated at centers equipped with biogas collection and treatment systems increased from 91.2% to 94.6%, resulting at the same time from SUEZ ENVIRONNEMENT’s significant efforts to better collect and treat emitted biogas and improve the reporting of this indicator. In 2011, production of the Group’s biogas at its landfills represented 680 million m<sup>3</sup>, 73% of which was collected and treated (22% by flaring and 51% by electrical or thermal recovery or direct use as fuel).



**Waste Durban**

At the international conference of Durban (COP 17)<sup>6</sup>, SUEZ ENVIRONNEMENT joined with the ISWA (International Solid Waste Association) to raise the idea that waste management and recycling represent, in addition to their essential role for health, the environment and resource

management, an immediate and profitable opportunity to obtain significant large scale reductions in greenhouse gas emissions. At Durban, for the first time, the waste sector was identified in the ad hoc working Group’s contribution to long-term cooperation measures in the appendix describing how developing countries should report their progress in achieving

their goals for reducing greenhouse gas emissions (link: <http://unfccc.int/resource/docs/2011/awgla14/eng/l04.pdf> [page 33]). The presentation given by SUEZ ENVIRONNEMENT and the ISWA during the workshop organized by the Dutch delegation (Consensus Workshop Executive Lounge) can be downloaded from the

SUEZ ENVIRONNEMENT site: sustainable development > commitments and actions > Reducing greenhouse gas emissions (GHG).

**Note**

**6.** COP: Conference of the Parties.



**6.8M**

tonnes of CO<sub>2</sub> equivalent of direct and indirect greenhouse gas emissions.



**Avoided emissions are up sharply**

by increasing our waste recovery activities.



**Direct and indirect emissions**

The Group’s direct and indirect emissions of greenhouse gases (GHG) increased to a total of 6.8 million tonnes of CO<sub>2</sub> equivalent (6.2 million tonnes in 2010). This was largely a result of broadening the scope of consolidation, particularly in the waste sector (SITA Australia, SITA France and SITA NEWS, primarily) and continuing to incorporate Agbar’s water activities into our report. However, this should be juxtaposed with the significant advance in the Group’s contribution to avoided emissions (see below).

**Contribution to avoided emissions**

SUEZ ENVIRONNEMENT’s contribution to avoided emissions was up sharply, to 7.4 Mteq CO<sub>2</sub> in 2011 (+20%). It increased more quickly than direct and indirect GHG emissions (+10%), which may be explained by the investments made in the Group’s energy and materials recovery. The origins of avoided emissions remain stable at the SUEZ ENVIRONNEMENT level, i.e.:

- materials recovery (see “Commitment 1”): ~70%;
- production of alternative fuels (see “Commitment 5”): ~15%;
- energy recovery at landfills, incinerators and treatment plants: ~15%. ○

GRI MARKS – EN16 – EN17 – EN18

**3.1 Percentage of landfill waste eliminated by SUEZ ENVIRONNEMENT at facilities equipped with biogas collection and treatment systems<sup>7</sup>**

2009	84.3%
2010	91.2%
2011	94.6%

**3.2 Direct and indirect emissions of GHG (millions of tonnes of CO<sub>2</sub> equivalent)<sup>8</sup>**

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

2009	5.9
2010	6.2
2011	6.8

**3.3 Avoided emissions (millions of tonnes of CO<sub>2</sub> equivalent)<sup>9</sup>**

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

2009	6.4
2010	6.2
2011	7.4

**Notes**

**7.** 95.7% in 2011 with SITA Waste Services and with Agbar.

**8.** 7.7 in 2011 with SITA Waste Services and with Agbar.

**9.** 7.5 in 2011 with SITA Waste Services and with Agbar.

**COMMITMENT 03**

**BEST PRACTICES**



**LIFECARBONTOOL: the first web platform dedicated to the carbon footprint of water businesses**

A veritable bridge between the web community and organizations seeking to reduce greenhouse gas emissions (the general public and industry experts), the LIFECARBONTOOL platform, which may be viewed at [www.lifecarbonnool.com](http://www.lifecarbonnool.com), offers users a simulation of the carbon footprint of water treatment plants (especially for drinking water and desalination) and wastewater treatment plants.

With this tool, SUEZ ENVIRONNEMENT addresses three major goals:

- creating a reference tool that reflects and shares the Group’s expertise;
- enhancing the knowledge of the Group and its partners in the field of climate change, eco-engineering and environmental assessment;
- uniting a network of experts to focus on carbon problems in the water sector.

The highly user-friendly platform allows users to create various plant-construction scenarios, share results online, and consult an extremely rich document repository. ○



**Electric household-waste collection lorries**

**Using electric household-waste collection lorries in Courbevoie**

Transport represents over 30% of CO<sub>2</sub> emissions in France and Europe. Alternatively powered solutions to traditional combustion engines

are therefore an indisputable contribution to combating climate change and urban pollution. To meet this challenge, in 2011 the city of Courbevoie and SITA undertook an experiment involving innovative electric vehicles with an enhanced range of 50 km, sufficient for household-waste collection. It is worth pointing out here that the energy consumption

to transport a collection vehicle represents 70% of energy consumption (the remaining 30% corresponds to the lift beds and waste compacting). Compared to a traditional diesel engine, the greenhouse gas output of the Courbevoie electric vehicles was reduced by 90%, i.e., an annual reduction in greenhouse gas emissions of 1,300 tonnes.



**COMMITMENT 04**

# IMPROVE ENERGY EFFICIENCY

GRI MARKS – EN3



**2012 GOAL**

“Improve energy efficiency by 5% against 2008.”

**Challenge**

For SUEZ ENVIRONNEMENT and its customers, improving the energy efficiency of all facilities is a major challenge, both economically (the trend is toward higher energy costs) and environmentally (climate change and depletion of fossil resources).

**2011 Performance**

Between 2010 and 2011, energy efficiency (energy consumption compared to relevant revenue) changed favorably from 682 Wh/€ to 595 Wh/€. A change of this indicator, however, is difficult to analyze. Although it is indeed significant at the scale of a department or a contract (ability to monitor the impact of actions on a constant scope of activity), it is extremely complex to consolidate at the scale of a subsidiary with multiple sites, and all the more so on the scale of a group such as SUEZ ENVIRONNEMENT. ○



**4.1 Total consumption of energy at SUEZ ENVIRONNEMENT as a proportion of revenue, at the relevant scope of consolidation (Wh/€)<sup>10</sup>**

2009	798
2010	682
2011	595

**Note**

10. 613 in 2011 with Agbar and SITA Waste Services.

**COMMITMENT 04**  
**BEST PRACTICES**



“In Jeddah, energy consumption has been cut in half in three years.”



**Jeddah Water Co.: SUEZ ENVIRONNEMENT doubles its energy efficiency in three years**

When it signed the water management contract for Jeddah, Saudi Arabia in 2008, SUEZ ENVIRONNEMENT committed, among other goals, to improving the energy efficiency of the entire water management system. The objective has been met as overall energy consumption was cut in half within three years, from an initial consumption of 0.158 MWh per 1,000 cubic meters of water distributed, energy consumption dropped to 0.101 MWh in 2010 and 0.080 in October 2011.

This drop in energy consumption was linked to improvements in the water management system: energy audits performed to identify sources of energy efficiency and priority actions, distribution zones created, network improved and pumping operations optimized, etc.



**OXYBLUE, a highly energy-efficient technological innovation for the advanced treatment of wastewater**

OXYBLUE offers a better wastewater treatment option with energy efficiency considerably higher than more traditional solutions. OXYBLUE technology relies on chemical and biological synergies, combining ozonation and bio-filtration processes. Ozone is the most powerful water treatment oxidant. The OXYBLUE principle consists of initiating oxidation with ozone and continuing the process through bio-filtration, once the optimal level of biodegradability is attained. One significant competitive advantage of this technology is that the quantity of ozone needed for treatment is far less than in competing processes that use extensive ozonation technologies. This cuts electricity consumption in half. OXYBLUE eliminates 25 to 60% of the CDO (Chemical Demand for Oxygen), completely de-colors the effluent, and reduces pollutant concentrations to mere trace amounts.

Two facilities currently use it in their operations: Nestlé’s SYRAL site, and the SCA Graphic de Laakirchen site. And PetroChina, China’s largest oil company, has also chosen this equipment to reuse 50% of its effluent. ○



**Innovation**  
**SUEZ ENVIRONNEMENT’s Greenbass technology awarded the European Environmental Innovation Prize**

Greenbass is state-of-the-art technology that’s been perfected by Degremont, a SUEZ ENVIRONNEMENT

subsidiary. It achieves significant energy savings through a dynamic aeration regulation system, which very precisely matches energy consumption to the plant’s fluctuating needs. Already implemented in Dijon and Tournus in France, this innovation also achieves up to 15% energy savings

while ensuring consistent water quality. Greenbass was awarded the European Environmental Innovation Prize by the European Environmental Press Association in partnership with the EFAEP (European Federation of Associations of Environmental Professionals) and the

Afite (French Association of Environmental Engineers and Technicians). The prize was awarded during the Pollutec Exhibition, 2011.

**COMMITMENT 05**

# INCREASE AND PROMOTE RENEWABLE ENERGY GENERATION

GRI MARKS – ENG



**2012 GOAL**

“Increase the production of renewable energy by 10% against 2008.”

**Challenge**

As part of its activities, SUEZ ENVIRONNEMENT produces energy that is largely from renewable sources. It is derived from the incineration of waste and energy recovery of biogas from landfills and methanization plants.

Just as important is production in the water sector, particularly through the recovery of biogas at wastewater treatment plants. These sources of production increase regularly.

**2011 Performance**

In 2011, SUEZ ENVIRONNEMENT’s renewable energy production increased sharply to 2,850 GWh. The goal set for 2012 was thus met one year ahead of schedule.

This increase is related to scope of consolidation effects and the structural increase already mentioned for Commitment 3, particularly the increase in energy recovery activities at the ReEnergy (Netherlands) and Ivry (France) incinerators and biogas recovery at the landfills in Australia. ○





“The goal set for renewable energy was thus met one year ahead of schedule.”

**5.1 Production of useful renewable energy (GWh)<sup>11</sup>**

SUEZ ENVIRONNEMENT’s production of renewable energy, representing over 60% of total electricity production and some 45% of the heat sold Group-wide, covers the annual energy needs of approximately 425,000 people<sup>12</sup>.

2009	2,500
2010	2,457
2011	2,850

**5.2 Installed capacity (GW)<sup>13</sup>**

Electrical power installed for energy recovery at incineration or methanization plants and landfills.

2009	537
2010	473
2011	594

**5.3 Alternative fuels resulting from the waste produced by SUEZ ENVIRONNEMENT (ktoe)<sup>14</sup>**

In 2011, the Group produced 290 kilotonnes of oil equivalent of alternative fuels from hazardous waste treatment, i.e., a 28% increase over 2010 levels.

2009	217
2010	227
2011	290

**5.4 Source of energy produced by SUEZ ENVIRONNEMENT**

In 2011, 70% of the renewable energy produced by the Group originated from incineration plants (recovered as heat or electricity), 28% originated from landfills (biogas recovery), and 2% from methane recovery in wastewater treatment plants.

In 2011, installed electrical power for energy recovery from waste was 594 MW. This indicator was up sharply over 2010 levels from the significant increase in energy recovery from waste projects, considered one of the major trends in the development of renewable energy.

2010	31%	4%	65%
2011	28%	2%	70%

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

**Notes**

**11.** 3,006 in 2011 with SITA Waste Services and with Agbar.

**12.** European standard of 6.68 MWh/inhab./year.

**13.** 635 in 2011 with SITA Waste Services.

**14.** 290 in 2011 with SITA Waste Services.



**COMMITMENT 05**  
**BEST PRACTICES**



“The ReEnergy plant meets the highest standards of waste recovery and energy efficiency.”

**In the Netherlands, SUEZ ENVIRONNEMENT has inaugurated ReEnergy, one of Europe’s most modern plants for energy recovery from waste**

In 2011, GDF SUEZ Chairman Gérard Mestrallet, European Council President Herman Van Rompuy and SUEZ ENVIRONNEMENT inaugurated the ReEnergy energy recovery plant at Roosendaal (Netherlands). With capacity of 291,000 tonnes per year, the plant treats the waste of over 1.9 million inhabitants and generates 256,000 MWh of electricity. ReEnergy also provides heat to the plant’s neighboring greenhouses, thereby savings approximately 3.5 million cubic meters in natural gas. The residual heat will be used to provide heating for an ecodistrict under construction.

The plant meets the highest standards of waste recovery and energy efficiency, specifically the R1 formula for measuring the energy efficiency for this type of equipment. In his talk, Herman Van Rompuy emphasized the importance of energy production from waste as an essential contribution to a circular and sustainable economy and to the production of renewable energy on the European continent. ○



**Biomass**  
**A heat network powered by biomass: Rillieux-la-Pape (France) pilot project**

In 2011, the town of Rillieux-la-Pape awarded the project to run and

modernize its heating network over the next 8 years to a venture led by SITA and Cofely. The heavy-fuel heat production plant was replaced by a 6 MW biomass plant. Use of this energy, produced from local resources, reduces energy

expenditures by 5% and greenhouse gas emissions by 80%. The new facility also allows users (both towns and residents) to benefit from heat 90% produced from renewable sources (biomass and waste).



COMMITMENT 06

# INCORPORATE BIODIVERSITY IN SITE MANAGEMENT



**2012 GOAL**

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

**Challenge**

To avoid or reduce the impact of their activities on biodiversity, SUEZ ENVIRONNEMENT customers need new solutions. And regulations in this area both in France and throughout Europe are becoming increasingly complex, clarifying the source of risk while they underscore the challenges involved in conserving and restoring biodiversity. SUEZ ENVIRONNEMENT’s water and waste business lines are at the heart of these challenges. Through research and innovation, the Group is constantly improving its solutions and the technologies offered to its customers to limit the impacts of the activities of local communities and manufacturers on natural environments, thereby promoting a continued positive ecological balance. At the same time, the Group assists its customers by offering technical solutions that preserve biodiversity.

**2011 Performance**

The Group’s subsidiaries have significantly increased their range of tools for modeling and tracking the status of natural environments, in addition to services to regenerate and rehabilitate biodiversity, such as the rehabilitation of mining sites in Australia using compost produced from waste. In the field of environmental engineering, for the past two years the scientific monitoring of micro-pollutants in the Saint-Just pilot zone in the Hérault region of southern France, has shown encouraging results. A Group research project also carried out additional analytic monitoring to provide indicators of biodiversity and evaluate the zone’s bacteriological wastewater treatment capacity. In 2011 two other municipalities (Cernay and Mios) chose this method to adjust the discharges of their treatment plants. Some 30 other projects are currently under study.

Furthermore, in pursuing its policy of limiting impacts on biodiversity on behalf of both its customers and itself, the Group has a web tool made available to its sites in France that identifies, for a given site, any nearby areas that are protected for biodiversity. The tool also shows why they are classified as protected areas. This tool allows SUEZ ENVIRONNEMENT and its customers to better take biodiversity into account in planning projects and in current operations. The tool is set to be rolled out worldwide. ○





**6.1**  
Number of sensitive sites identified<sup>15</sup>

2010	193
2011	212

**6.2**  
Number of sensitive sites with action plans underway (covering the identified risk)<sup>16</sup>

2010	31
2011	39

**6.3**  
Number of sites (sensitive or not) with a voluntary action plan<sup>17</sup>

2010	98
2011	103

Sample illustration of protected spaces for their biodiversity in the vicinity of wastewater treatment plants.



- National parks
- Core
- Partnership zone
- ZNIEFF I (FR)
- ZNIEFF II (FR)
- ⊕ Residential zone
- ⊕ Wastewater treatment plant

**Notes**

15. 232 in 2011 with SITA Waste Services and Agbar.

16. 45 in 2011 with SITA Waste Services and Agbar.

17. 120 in 2011 with SITA Waste Services and Agbar.



**COMMITMENT 06**  
**BEST PRACTICES**



“Protect and preserve biodiversity and ecosystems in partnership with local authorities.”

**SUEZ ENVIRONNEMENT is joining forces via its Blue Orange innovation investment fund with REDOX MARITIME TECHNOLOGIES,** a Norwegian company specializing in water disinfection using ozonation, to develop a new ozone treatment technology for ship ballast water. In connection with this partnership, Blue Orange will contribute to the financing of development tests and become a minority shareholder in REDOX MARITIME TECHNOLOGIES.

Ballast water management is becoming a major international ecological challenge: tourist and commercial vessels transport aquatic species in their ballast water (bacteria, micro-organisms, algae and animal species) that can have significant impact on the natural ecosystems into which they are expelled.

Today, treating this water is about to be regulated by an agreement drafted by the International Maritime Organization (IMO), whose 170 member states will commit to restricting the transportation of harmful and pathogenic aquatic organisms by equipping their fleets with ballast water treatment systems by 2016.

To support the development work of REDOX MARITIME TECHNOLOGIES, SUEZ ENVIRONNEMENT will provide the expertise in ozone and ultraviolet (UV) treatment developed by OZONIA, a Degremont subsidiary. ○

GRI MARKS – 4.13 – EN14 – EN26



**Biodiversity**  
**SUEZ ENVIRONNEMENT participates in the 2011-2020 National Biodiversity Strategy**

In May 2011, SUEZ ENVIRONNEMENT and its subsidiaries signed on to the new 2011-2020

National Biodiversity Strategy initiated by the French Ministry of Ecology and Sustainable Development. In the view of SUEZ ENVIRONNEMENT, following this strategy is part of its ongoing initiatives launched several years earlier to protect and preserve biodiversity and ecosystems

in association with local authorities. As part of this national strategy, the Group and its subsidiaries have committed to producing an action plan within 18 months and to provide regular progress reports to all stakeholders.

Priority 03



**COMMITMENT**

**07**

Foster professional knowledge.



**COMMITMENT**

**08**

Continuously strive to improve safety and health in the workplace.



**COMMITMENT**

**09**

Support diversity.



The effectiveness and scope of the sustainable development approach depend upon the commitment and involvement of all parties within SUEZ ENVIRONNEMENT. The Group seeks to provide a work environment suitable for employees to express their talents, and seek professional development so that they are not only actors in, but also the first to benefit from the Group's sustainable development policy.

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**PRIORITY 03**

# EMPOWER OUR EMPLOYEES AS ACTORS OF SUSTAINABLE DEVELOPMENT





# THE FIVE PRIORITIES OF THE SUEZ ENVIRONNEMENT DIVERSITY APPROACH

## Interview with Kevan SPROUL,

Executive Vice President  
of Human Resources, SITA UK.

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### The Group launched its 2010-2012 DIVERSITY program; what are the overall guidelines and how have you implemented them at SITA UK?

**Kevan Sproul:** Diversity is a key focus for SUEZ ENVIRONNEMENT's strategy, as summarized in the 2010-2012 DIVERSITY program, "Equal opportunities - social progress - commitment," which focuses on five priorities (access to employment and inclusion, hiring and careers of women, disabled employees, seniors, and employee commitment and quality of life in the workplace,) applied at all subsidiaries according to the specific conditions in each country, specifically labor laws.

In the United Kingdom, where it will now be possible to work after the age of 65, we must consider specific provisions for integrating and retaining seniors at the company. We have also added a sixth priority to our DIVERSITY program concerning how we report our actions, which involves creating relevant indicators to report our diversity-related results, both internally and among our stakeholders.

### You conducted a survey on employee engagement for all employees of SITA UK. What are the main results?

**K. S.:** This very in-depth survey is a key area of work in SITA UK. In times of economic difficulties, one of the main tools available to a company is the engagement of its employees. The survey - called "U Say" - was distributed to all SITA UK employees either electronically or in paper format. Great efforts were made to personally brief all manual employees at our 300 sites on the purpose of the survey.

I should point out the excellent level of participation and very high response rate of 78% of managers, 48% of manual employees (with nearly 2500 returned surveys) and 51% overall. Measuring 8 factors including personal growth, well being and our link to local communities/charities (through a factor called "Giving Something Back"), our results were very positive and when compared to other large organizations in the UK, our workforce is well engaged. We scored particularly well in some areas including leadership, pride in working for SITA UK and personal growth, yet we are able to identify areas for improvement in the area of teamwork for example. It allows the appropriate focus to be on the real areas that matter

### Do you have an action plan to address the issues raised by the survey?

**K. S.:** The follow up was very well received as, in addition to looking at the overall SITA UK results, each line manager had a personal feedback session with his/her team so that his/her results can be discussed and areas for improvement agreed. The "U Say Commitment Charter" clearly lays out what the manager has agreed to do going forward and the senior management monitor the delivery of these Commitments. Sometimes the actions are as simple as the manager saying "thank you" more often. ○



"SUEZ ENVIRONNEMENT makes diversity a key focus of the Group's strategy."

**COMMITMENT 07**

# FOSTER PROFESSIONAL KNOWLEDGE



**2012 GOAL**

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

**Challenge**

Training is a major issue of social and economic performance in a decentralized group such as SUEZ ENVIRONNEMENT. The goal is to formalize

and transmit knowledge to all employees, and to develop new skills. As the water and waste business lines become more technical, the challenge becomes more strategic.

**2011 Performance**

In 2011, training hours were higher than in previous years, yielding a total of 1.364 million training hours, representing 16 hours of training per employee. This represents more than a 10% increase compared to 2010 and exceeds the goal set for 2012 (15 hours). ○





**WIKTI is a unique initiative**

for the international transfer of knowledge on water, which has been rolled out in Algiers.



**7.1 Annual number of training hours per employee<sup>18</sup>**

2009	12.9
2010	14.5
<b>2011</b>	<b>16</b>

**7.2.a. Percentage of managers who have received training**

2009	67.7%
2010	68.9%
<b>2011</b>	<b>74,2%</b>

**7.2.b. Percentage of Senior Technicians and Supervisors receiving training**

2009	70.5%
2010	74.3%
<b>2011</b>	<b>74.2%</b>

**7.2.c. Percentage of Workers, Employees and Technicians receiving training**

2009	54.6%
2010	58.7%
<b>2011</b>	<b>67.4%</b>



**2011 saw several key training developments**

**1** Distance training advanced significantly, increasing over 300% by number of hours. Some subsidiaries, such as Agbar, use e-learning as a principal training tool to guide employees on their professional career paths. Finally, SUEZ ENVIRONNEMENT rolled out "Ambassador" Group-wide, an interactive online tool to facilitate employee immersion in various jobs (see next page).

**2** Within the Group's "Skills and Training" network, a discussion was started on informal apprenticeship. Despite their proven effectiveness, informal apprenticeships remain under-utilized by the training departments. SUEZ ENVIRONNEMENT is convinced that these new apprenticeship methods make important contributions and that they should be further developed.

**3** We have seen a sharp increase in training linked to management, commercial management and customer relations. This increase is directly linked to the startup of new contracts between the Group and local authorities following the "New Ideas About Water" approach (with the Contract for Water Health"). In fact, these contracts represent a new type of relationship with our customers and will require the Group's employees to develop their skills and knowledge.

**Note**

**18.** 17 hours in 2011 with SITA Waste Services and Agbar.



**COMMITMENT 07**  
**BEST PRACTICES**



“Ambassador: a tool that better integrates new employees.”

**The Group makes it easier for employees to connect with the world of SUEZ ENVIRONNEMENT via Ambassador, an award-winning interactive game**

Ambassador is a tool that offers better integration of new employees and improves their understanding of the Group’s jobs and challenges. In an urban environment, Ambassador simulates relationships between water, waste, the environment and society. The employee is the “hero” and it is his responsibility to achieve a high level of customer satisfaction by resolving various problems.

Available in five languages, the game places strong emphasis on the Group’s challenges, since its structure samples highlights from the Group’s sustainable development plan, with its four priorities and 12 commitments. Selected “Best Serious Game 2011” in France by a panel of European e-learning experts, it was also honored in Germany by the “E-Learning Journal,” receiving the “Game-Based Learning 2012” award. ○



**Skills development**  
**WIKTI: an operational performance management tool with a proven track record in Algiers**

WIKTI (Water International Knowledge Transfer Initiative) is a unique operational performance management initiative for public water

and sanitation utilities. This methodology structures and targets the transfer of knowledge in the context of contracts such as the one in Algiers. Knowledge has been passed on to Algerian teams over the course of more than 50,000 days of training since 2006. Currently, over 70% of trainers are Algerian.

At the same time, all the Group’s experts that have acted as trainers have made considerable progress in job and managerial knowledge, while boosting their own professional careers. This experience is considered an international model and was recognized at the Global Water Awards.



**COMMITMENT 08**

# CONTINUOUSLY STRIVE TO IMPROVE HEALTH AND SAFETY IN THE WORKPLACE



**2012 GOAL**

“Reduce the frequency of workplace accidents to below 14.”

**Challenge**

For SUEZ ENVIRONNEMENT, doing a job in a professional manner is inconceivable without ensuring complete safety for its employees, customers and subcontractors. The Group has thus set increasingly stringent requirements for monitoring, progress and transparency in this area. These consist specifically of action plans coordinated around 15 safety-management principles covering all Group employees. SUEZ ENVIRONNEMENT is particularly attentive to the ongoing involvement of everyone to improve safety.

**2011 Performance**

Last year marks an improvement in our performance in this area. The accident frequency rate dropped from 16.3 to 14.1. The severity rate declined from 0.68 to 0.66.

These results confirm the positive trend noted over the last several years. They demonstrate that, despite the difficulties and uncertainties of the current economic environment, it is possible to continuously improve the health and safety of employees, anywhere in the world.

More specifically, in 2011 the water business maintained positive results (with a slight decline in the accident frequency rate, from 4.9 in 2010 to 4.8 in 2011 on a like-for-like basis, and 5.3 assuming changes in the scope of consolidation). The waste business posted a positive trend in the indicator (declining from 23 in 2010 to 19.3 in 2011).

All this progress was due to everyone’s efforts in response to the management incentives offered by Group Chief Executive Officer Jean-Louis Chaussade: increasing site visits, providing systematic feedback after each major accident, and pegging management bonuses to preventive actions. The exact measures that led to this progress are varied:

- better control of specific water-business risks (chlorine, interventions in confined spaces) and waste (site traffic, organization of waste collection, ergonomics of collection vehicles);
- measures taken at the facilities, monitoring and securing of the equipment in both business lines;
- sanitation and safety training adapted to the mission of each individual (operators, managers, etc.);
- active communication regarding incidents and accidents, in order to share lessons, etc. ○

**8.1  
Frequency rate (FR)  
of workplace accidents**

2009	15.35
2010	16.28
<b>2011</b>	<b>14.06</b>

**8.2  
Severity rate (SR)  
of workplace accidents**

2009	0.64
2010	0.68
<b>2011</b>	<b>0.66</b>



## COMMITMENT 08 BEST PRACTICES



“Prevent and limit workplace accidents through concern for the physical health of employees.”

### “1-2-3 Move”: an ambitious program to prevent workplace accidents

The “1-2-3 Move” approach is aimed at limiting workplace accidents by taking into account the physical health of Group employees. This program, which was launched by Lyonnaise des Eaux in close cooperation with the directors of human resources, managers, workplace physicians and the employees themselves, is based on a pragmatic finding:

employees must learn to limit posture-related physical stress and prevent the risk of muscular injuries and repetitive stress problems. This highly structured approach consists in observing employees in the workplace to identify spine related risk factors (handling-related actions, use of tools, etc.), then making them aware of proper movements. A personal kit shows them specifically how to improve their workplace ergonomics. ○



### Safety

#### SITA France: an effective action plan to significantly improve company safety performance

In 2011 SITA France launched the “React sharply” action plan. This plan, spearheaded by Senior Management and the field managers,

reestablishes the historic downward trend in accidents. Multiple initiatives specifically addressed:

- markers and signs to improve traffic safety at industrial sites;
- a significant investment in training to prevent road risks by collection personnel;
- improving workplace safety involving machinery.



**COMMITMENT 09****SUPPORT DIVERSITY****2012 GOAL**

"Increase the population of women in the workforce to 20% and women in management to 26%."

**Challenge**

SUEZ ENVIRONNEMENT is making diversity a priority of its human resources policy. SUEZ ENVIRONNEMENT'S diversity approach can be summarized in the "Equal opportunities - social progress - commitment 2010-2012" DIVERSITY program, distributed across five priorities:

- access to employment and inclusion;
- recruitment and career paths for women;
- recruitment and assistance for disabled individuals;
- recruitment and career paths for seniors;
- employee commitment and quality of life in the workplace.

**2011 Performance****The role of women in management: the goal set in 2008 was nearly achieved in 2011**

In 2011, SUEZ ENVIRONNEMENT's commitments continued to advance with a higher percentage of women among its workforce: increase in the proportion of women from 18.6% to 19.2% among total workforce and from 24.9% to 25.9% among management, i.e., nearly the 2012 goal for this second indicator (26%). The higher proportion of women in the Group's workforce and management applies to both activities and practically all the Group's

subsidiaries. This change is the result of a number of factors, with special attention paid to hiring women, managing their careers, and offering assistance for maternity and parenting.

**SUEZ ENVIRONNEMENT contributes to recruiting and careers for the disabled**

One of the five pillars of the DIVERSITY program is the recruiting and career development of disabled individuals. The goal is to attain an employment rate of 6% in France. To achieve this, SUEZ ENVIRONNEMENT created an inter-subsidiary "Handicap Mission," to share, highlight and develop best practices.

Every six weeks, the "Handicap Mission" brings together the Group's disability managers, selects and supports cross-disciplinary projects, evaluates progress and highlights the initiatives of subsidiaries. Several measures have been rolled out to increase employment of the disabled, specifically:

- integrating and developing the careers for handicapped employees in the Group;
- assisting disabled students to gain access to jobs, particularly through internships, part-time contracts, and fixed-term and permanent contracts;
- increasing purchases of services from establishments that employ disabled workers;
- activities to increase the awareness of Group employees about specific aspects related to disabilities and to recruit disabled employees to join their teams.

At the end of 2011, the Group employed 1,243 disabled staff, 89 of whom had been hired during the past year<sup>19</sup>. Most work in France or Germany, two countries where the Group's presence is significant and the legal framework offers incentives. ○

**Note**

19. 1,362 employees, of which 116 were hired in 2011, including at SITA Waste Services and Agbar.

## COMMITMENT 09 BEST PRACTICES



“Raise disability awareness among all employees at the headquarters of the Group’s main subsidiaries.”

### Two weeks to employ the disabled

In November 2011, on the occasion of the 15<sup>th</sup> edition of National Disability Awareness Week<sup>20</sup>, SUEZ ENVIRONNEMENT organized an operation christened “Invest in hiring the disabled: two weeks to grow together.” Its purpose was to raise disability awareness among all employees at the headquarters of the Group’s main subsidiaries. As part of this plan, a number of actions were organized throughout France by SUEZ ENVIRONNEMENT subsidiaries, in partnership with associations or structures working to promote the disabled: workshops, conferences, discussions, films, events, fairs, etc.

### United Water launches its new diversity and integration training

In 2011, United Water, a US subsidiary of SUEZ ENVIRONNEMENT, launched employee diversity training. Sessions were designed in partnership with a specialized agency.

Two workshops were held, one for managers and another for all employees. Although globally the content was the same, the sessions for managers placed greater emphasis on how to promote diversified teams and value employee-differences. The sessions for employees were more focused on how diversified teams can work together. In total 23 sessions were held and attended by over 500 employees. ○



### Diversity

#### The book “Diversity and responsibility,” the experiences and lessons of a Group open to diversity

This book illustrates, by example, the Group’s specific and extensive involvement in promoting diversity. This has long been a strong aspect of our identity: with 80,000 employees from 70 nationalities across five continents, we are

convinced that the goal of diversity for SUEZ ENVIRONNEMENT in terms of gender, sex, age, and ethnic and social origin, is a measure of performance...

To act on this concept, SUEZ ENVIRONNEMENT created the Diversity and Social Development Department. This department is supported by a global network of 13 sponsors who promote the “Equal opportunities, social progress, commitment” DIVERSITY program.

#### Note

20. Disabled Persons Employment Week (DPEW).



**Priority 04**

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**COMMITMENT**

**10**

Maintain active dialog with our stakeholders.



**COMMITMENT**

**11**

Be a key actor of local sustainable development.



**COMMITMENT**

**12**

Provide regular and easily accessible information about our sustainable development actions.





The company reports on its actions, commitments and performance in order to highlight them and to act in a manner that is completely transparent. SUEZ ENVIRONNEMENT also seeks to listen and, in an effort at joint-working, take the needs of its stakeholders and partners into consideration when preparing its strategy.

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**PRIORITY 04**

# BUILD OUR DEVELOPMENT WITH ALL STAKEHOLDERS





# SUPPORTING THE INCLUSION AND EMPLOYMENT OF THOSE IN NEED

**Interview with Pierre CHOUX,**  
President and CEO of GROUPE ID'ÉES.

## What measures are GROUPE ID'ÉES taking to promote the inclusion of persons in need?

**Pierre CHOUX:** GROUPE ID'ÉES is a network consisting solely of companies involved in inclusion and temporary inclusion work. Our sectors of activity are quite diversified: waste collection and sorting (household waste, ELV, etc.), maintenance of green spaces, construction and manufacturing, in which we always participate as subcontractors. Our primary interest is in creating economically viable activities while employing individuals, youths or adults facing severe social or professional hardships. Our role is to assist these individuals to help them find their bearings in the workplace, get reacquainted with the world of work and its rights and responsibilities. The purpose over time is to establish a career plan with them that helps to keep them from being marginalized again. Each year, GROUPE ID'ÉES employs some 4,000 individuals in inclusion programs with an average transition rate to permanent jobs of 62%.

## What does the commitment of SUEZ ENVIRONNEMENT look like to your group?

**P. C.:** We particularly try to closely associate ourselves with major companies that believe in our project, and that take an equity interest in our company. This is the case with SITA, which is one of our shareholders (along with ADECCO, MACIF, SODEXO, etc.). It is a very

original approach and shows that it is truly committed, far beyond a simple sponsorship deal. What these companies expect from us and from their equity interest aren't traditional dividends but, as we say, "social dividends," in short, they expect us to succeed in our inclusion efforts.

## In your view, what synergies might arise between SUEZ ENVIRONNEMENT and your inclusion business?

**P. C.:** With SUEZ ENVIRONNEMENT, our GROUPE ID'ÉES has built a true partnership with mutual dialog. In our long experience, we have learned a great deal from our professional relationship with SITA, because we need to professionalize in the waste businesses. More recently, SUEZ ENVIRONNEMENT's CEO specifically increased his Group's efforts to foster assistance to individuals in need. Quite naturally, SUEZ ENVIRONNEMENT turned to us for our experience in social engineering.

The results of this collaboration were the 2011 creation of the Maison pour Rebondir in Bordeaux. It is a very innovative facility intended to support employment and activity in the region for persons undergoing severe difficulty. One of the original features of this project is that it combines all the local subsidiaries of SUEZ ENVIRONNEMENT that work in a network with regional actors that specialize in inclusion. This total involvement by a company the size of SUEZ ENVIRONNEMENT is certainly a decisive advantage in the success of this project. ○



"Each year, GROUPE ID'ÉES employs some 4,000 individuals in inclusion programs with an average transition rate to permanent jobs of 62%."

**COMMITMENT 10**

# MAINTAIN ACTIVE DIALOG WITH OUR STAKEHOLDERS



**2012 GOAL**

“Make the dialog with stakeholders of our operating companies more widespread.”

**Challenge**

For SUEZ ENVIRONNEMENT and its subsidiaries, dialog sessions at the regional level as well as at the more institutional level is one of the key conditions for the company’s success. To engage in dialog with its stakeholders, SUEZ ENVIRONNEMENT holds regular consultation meetings at all relevant levels, to improve the capacity of the company’s strategy to meet the needs of the general public.

**2011 Performance**

2011 was a year of transition for dialog activities with stakeholders, and no stakeholder sessions were held. However, the Group took significant steps in this area.

As it does every year, the Steering and Prospecting Council (the “FAC”) met twice: in London in May, where it specifically debated the Group’s position regarding efficient resource management and the keys to responsible lobbying, and at Lyon in November, where it contributed to the sustainable development policy and to the current work on the Group’s Innovation Water 2020 vision. The FAC was also involved in preparing the report of the New Ideas on Water and the Contract for Water Health. Since its creation in 2004, the FAC has met 15 times.

The Group was also particularly active in preparations for the World Water Forum, which was held in Marseille in March 2012, specifically the issue of governance, for which it coordinated the work group for the institutionalization of consultation measures as part of the management of water and sanitation services.

At the same time, the Group initiated similar work as part of the International Water Association. This discussion, in coordination with the OECD and as an extension of the work carried out to prepare for the World Water Forum, should, over time, bring about the adoption of operational methods and tools industry-wide. ○

<http://www.suez-environnement.com/sustainable-development/commitments-actions/maintaining-active-dialogue-stakeholders/>



**COMMITMENT 10**  
**BEST PRACTICES**



“Recast water governance throughout the regions by creating balanced and constructive partnerships with local authorities.”

**Lyonnaise des Eaux’s Contract for Water Health reinvents the governance of water throughout the regions**

Through its Contract for Water Health, Lyonnaise des Eaux is launching a new type of contract that offers innovative proposals for governance and addresses the high expectations of local authorities. These innovations were specifically proposed in Tarbes and Dijon. The Contract for Water Health provides a Charter for water governance at three key points: strengthening the place and role of local authorities, the possibility of simply and transparently accessing all contract data (specifically operating accounts) and, finally, taking steps to assess the “water balance” achieved by the local authorities for the local population.

This Charter is a testimony to SUEZ ENVIRONNEMENT’s desire to recast water governance throughout the territories by creating balanced and constructive partnerships with local authorities. This new Group offering, the result of cooperation with all stakeholders, was adopted for the first time in early 2012 by the town of Laon. The governance charter will be presented by Lyonnaise des Eaux to all its 2,400 local authority customers by the end of 2012. ○

GRI MARKS – 4.4 – 4.14 – 4.15 – 4.16 – 4.17



**Employee shareholders SUEZ ENVIRONNEMENT launches Sharing, its first stock offering reserved for Group employees in France and internationally**

Three years after its IPO, in 2011 SUEZ ENVIRONNEMENT launched its first employee stock offering: Sharing.

This was offered to some 76,000 employees in 19 countries. This first stock subscription offer brought SUEZ ENVIRONNEMENT and its employees closer together by affording them the opportunity to be more closely associated with the Group’s growth and performance.





# SHARED RESPONSIBILITIES BETWEEN STAKEHOLDERS

## Interview with Stéphane SAUSSIER,

Professor at the IAE de Paris, Director of the MBA program and holder of the EPPP Chair, scientific advisor to the Economic Analysis Council.

### TOWARD GREATER “CONTRACTUAL FLEXIBILITY”

**In your works, you often talk about “contractual flexibility” and “borders” in reference to divisions of responsibilities between stakeholders. How do these terms apply to the waste and water sector?**

**Stéphane SAUSSIER:** Contractual flexibility refers to the necessary adaption that must take place in all long-term contracts. On the one hand, stakeholders must be committed over time, to performance objectives for example or to the means for implementing them. On the other hand, they must be sufficiently far-sighted to anticipate the procedure they envision to adapt the contract to often unpredictable changes in the environment.

This balance is difficult to strike because stakeholders committed to contracts feel more reassured by a more rigid method. This problem is more specific in the water sector, which is characterized by numerous public utility contracts (with an average duration of over 10 years), than in waste collection, for which short-term public markets dominate in France.

**We see high demand on the part of the general public for more participative forms of governance. What types of tools can businesses implement to address this need, and what are the limits?**

**S. S.:** In my view, there are two types of tool to consider. First, contractual, by drafting contracts that are more precise and able to withstand renegotiation. It is then necessary to communicate and explain to citizens the contractual choices that have been made. The example of the contract between SUEZ ENVIRONNEMENT and the city of Dijon is interesting from this point of view, and rather novel in the water sector. By stipulating a mechanism for distributing productivity gains and risks, by signing the parties have tailored the contract to a large number of unpredictable circumstances, thereby limiting the need for renegotiation. A participative model also includes a governance structure that controls changes in the contract and renegotiations that may survive, despite everything.

I then see a dual benefit to implementing “supervisory committees”: they make the model more participative, but also, and more importantly, they force the public party to enter into a true partnership with the operator responsible for the service. ○



“Contractual flexibility refers to the necessary adaptation that must take place in every long-term contract.”



**COMMITMENT 11**

# BE A KEY ACTOR OF LOCAL SUSTAINABLE DEVELOPMENT



GRI MARKS – SO1 – 4.17



**2012 GOAL**

“Implement a dedicated system for this commitment.”

**Challenge**

SUEZ ENVIRONNEMENT actively participates in the economic and social life (jobs, inclusion, etc.) of the regions in which the Group is present. It is a privileged partner of local authorities in their sustainable development approaches in its activities and business lines. It initiates partnerships and sponsorship activities that include major social concerns: solidarity and humanitarian emergencies, towns and culture, the environment and biodiversity.

**2011 Performance**

The goal of this commitment is to implement specific reports to measure the Group’s contribution to regional development, based on international standards (specifically, Global Reporting Initiative’s G3 Guidelines and ISO 26000).

2011 was dedicated to modernizing the “Stakeholder Dialog Toolkit,” and disseminating it throughout the major subsidiaries. The purpose of this tool was to afford all Group entities a customized methodology to engage in constructive dialog with stakeholders. The work of designing a spreadsheet to monitor the impact of the Group’s regional activities will be completed by the end of 2012.

The Group has launched an effort to assess its relationships with the general public in the form of a study carried out by a researcher from Université Dauphine. The latter will perform a series of interviews with the directors of key social programs from recent years (SUEZ ENVIRONNEMENT Initiatives Fund, “Maison pour Rebondir,” SITA Négocce, Idées Neuves pour l’Eau, etc.), as well as with certain members of the Group’s Management Committee. These interviews will serve as the basis for an analysis and recommendations to strengthen our relationships with stakeholders in this area. ○



**Partnership**

**SUEZ ENVIRONNEMENT supports research and innovation**

through active partnerships with several advanced teaching and research

establishments (Barcelona Graduate School of Economics, IEA Nantes, Polytechnic University of Catalonia, etc.).

## SUEZ ENVIRONNEMENT



### SUEZ ENVIRONNEMENT Initiatives Fund

On January 1, 2011, the SUEZ ENVIRONNEMENT Initiatives Fund was created, taking over from the SUEZ ENVIRONNEMENT Eau pour Tous Foundation of the Institut de France. This charitable fund, with a budget of 4 million in 2012, continues the Foundation's achievements and is committed to the following areas:

- 1 Developing access to essential services in developing countries through NGO support.
- 2 Improving the skills of local actors.
- 3 Addressing emergencies through Aquassistance, the association of SUEZ ENVIRONNEMENT Group employees.
- 4 Stimulating innovation and research applied to the realities on the ground in developing countries.
- 5 Promoting inclusion through jobs.

#### 11.1

##### In the area of human and social sciences,

SUEZ ENVIRONNEMENT, in 2011, entered into or continued 16 partnerships in a variety of disciplines (governance, urban issues, access to water, etc.). (See detailed breakdown below).

Economics and finance	16%
Governance, contractual commitments	16%
Urban issues	10%
Ethics	5%
Management	21%
Access to water	16%
Other	16%

#### 11.2

##### SUEZ ENVIRONNEMENT Initiatives Fund – 2011 accomplishments

Distribution of 2011 fund partners, by commitment sector

<b>Developing access to essential services</b>	Amor Aquassistance Croix-Rouge française Eau et vie Eau vive Gret Les puits du désert Secours catholique Cranfield university
<b>Strengthening skills</b>	Paristech Réseau projection Water and development alliance Unesco-IHE
<b>Addressing emergencies</b>	Aquassistance Action contre la faim
<b>Encouraging innovation</b>	Institut de France
<b>Promoting inclusion through jobs</b>	Maison pour rebondir



**COMMITMENT 11**  
**BEST PRACTICES**



“Access to quality drinking water at a reasonable price is a necessity, hence the proposed implementation of graduated pricing.”

GRI MARKS – SO1 – 4.17 – EC7

**SUEZ ENVIRONNEMENT created the Maison pour Rebondir at Bordeaux, a multi-partner facility specializing in the inclusion of individuals facing severe social and professional difficulties**

The Maison pour Rebondir is the Group’s key effort to promote jobs and social inclusion. It is aimed at individuals, especially youths and women, who experience difficulty finding jobs. It offers them a unique framework to develop a career plan. Its originality and strength come from the fact that it brings together all actors

and partners in the region who seek to bolster their initiatives by creating new collaborations with the “world of business.”

At the operating level, SUEZ ENVIRONNEMENT relies on its local subsidiaries in the Bordeaux region who are deeply involved in the project, as well as the skills of its partners, which include non-profits, public administrations and banks. The pilot was launched in Bordeaux in 2011, and other Maisons pour Rebondir are planned throughout France. ○



**Tariffs**  
**Progressive water pricing system**

Access to quality drinking water at a reasonable price is a necessity, hence the proposed implementation of progressive pricing for the first liters of water consumed. In France, the new contract between Lyonnaise des Eaux and

the city of Orléans promotes access to water for the most disadvantaged, while encouraging people to conserve this resource. Lyonnaise des Eaux thus offered the city of Orléans a plan that offers a reduced rate for the first 40 cubic meters of water consumed per year. This method is supplemented by a Solidarity Fund that will encourage

long-term solutions for persons facing the greatest hardship. In Morocco, LYDEC, the Group’s subsidiary in that country, purchases water from producers at 4.34 dirhams per cubic meter and resells it to low-income users at 2.99 dirhams; the tariff then increases based on the quantity of water consumed.



**COMMITMENT 12**

# PROVIDE REGULAR AND EASILY ACCESSIBLE INFORMATION ABOUT OUR SUSTAINABLE DEVELOPMENT ACTIONS



**2012 GOAL**

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

**Challenge**

SUEZ ENVIRONNEMENT seeks to report its performance on the environment, social concerns and governance by publishing consolidated, reliable and relevant data. This data is based specifically on the guidelines of

the Global Reporting Initiative and the Global Compact, while supplementing the comments and requests of its stakeholders, as well as non-financial rating agencies. Each year since fiscal year 2008, the Group audits a selection of non-financial data.

**2011 Performance**

The Group continued to have its social and environmental responsibility performance-indicators audited by one of its statutory auditors. ○

**12.1**

**Level of assurance for environmental indicators**

	Reasonable 2011	Moderate 2011	Reasonable 2008	Moderate 2008
Installed capacity - Energy recovery	•			•
Generation of useful renewable energy	•			•
Direct and indirect greenhouse gas emissions	•		•	
Total consumption of primary and secondary energy reported in revenues	•		•	
Linear loss index of the drinking water network	•		•	

**12.2**

**Level of assurance for social indicators**

	Reasonable 2011	Moderate 2011	Reasonable 2008	Moderate 2008
Total number of employees /managerial/non-managerial	•••		•	
Proportion of women/women in management	•	•	•	
Age pyramid/Staff turnover/Resignation rate/Hiring rate		••••		
Frequency rate/Severity rate/Number of fatal accidents		•••		•
Annual number of training hours per employee	••			
Proportion of employees trained				•

## COMMITMENT 12 BEST PRACTICES



“SUEZ ENVIRONNEMENT is in continual dialog with public institutions at the local level, as well as at the national, European and international levels.”

### **NUOVE ACQUE, Italian subsidiary of SUEZ ENVIRONNEMENT, obtains SA 8000 certification for its social and ethical activities**

SA 8000 certification is the foremost social accountability standard that promotes decent workplace conditions (currently named Social Accountability International/SAI). This certification was developed in 1998 by a US NGO (non-governmental organization). NUOVE ACQUE decided voluntarily to conform to the requirements of this standard, which only 2,606 enterprises in 62 countries have obtained to date. NUOVE ACQUE thus proves the effectiveness of its approach and its policy of excellence in matters of ethics and social accountability.

### **Communication with public institutions and applied ethical rules**

SUEZ ENVIRONNEMENT is in continual dialog with public institutions at the local level, as well as at the national, European and international levels. In the context of its activities representing interests, the Group communicates regularly with European institutions through position papers, direct contacts, and participation in professional organizations and think

tanks. SUEZ ENVIRONNEMENT seeks to engage in these activities in a responsible way, by taking into account the general interest in developing positions, voluntarily registering with the European Union's Register of interest representatives, and more broadly, complying with our Code of Ethics.

The principal topics addressed in 2011 primarily apply to issues involving the domestic market, such as public contracts and concessions; environmental issues such as the efficient use of natural resources, energy efficiency and renewable energy; and issues directly linked to the Group's business lines, such as implementation of the framework directive on waste and the revision of the water policy. The Europe 2020 Project Bond initiative for the financing of infrastructure, consumer rights, consumption and sustainable production was also addressed. ○

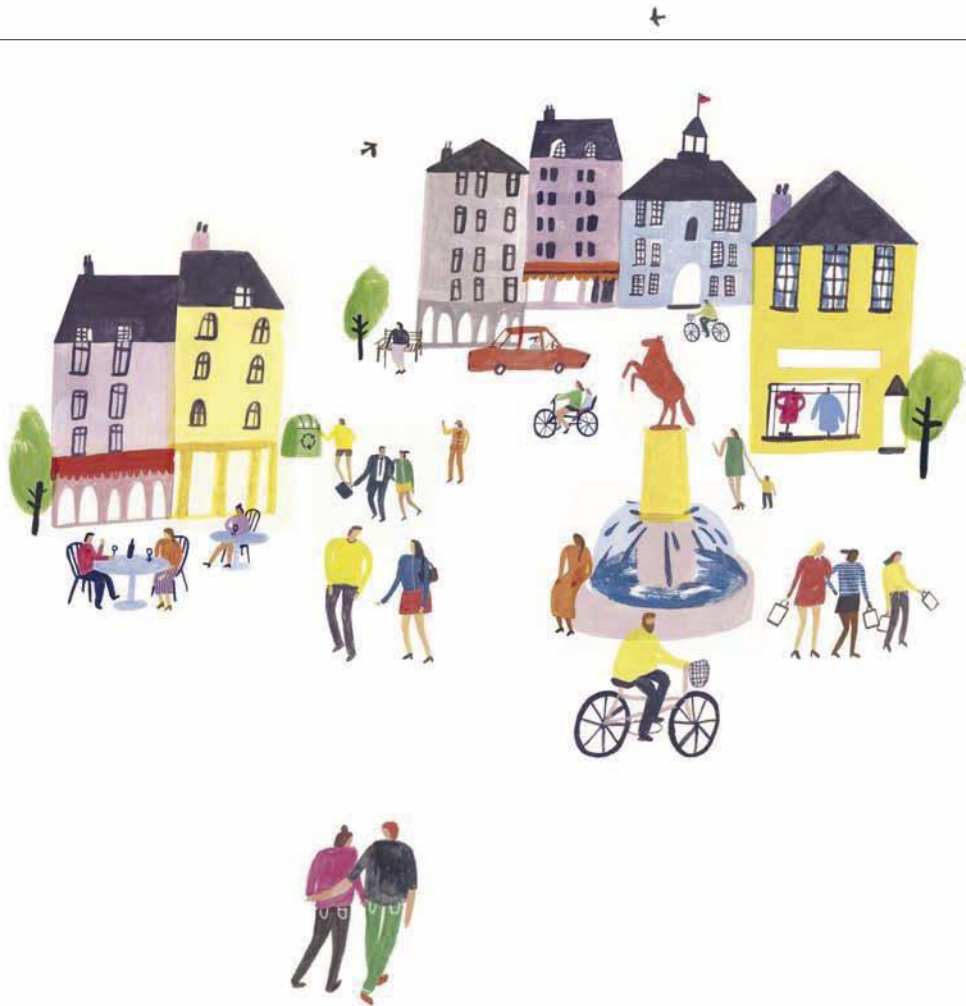


### **FTSE4Good Index SUEZ ENVIRONNEMENT is a member of the FTSE4Good index, a benchmark for socially responsible investment**

Already a member of the Dow Jones Sustainability Europe, ASPI Eurozone and Ethibel Sustainability

Excellence Europe indices, SUEZ ENVIRONNEMENT joined the FTSE4Good index in 2011, as just one more illustration of the Group's commitment and success in its sustainable development strategy. This benchmark index brings together companies that are socially accountable with

regard to international environmental protection standards, the development of positive relations with stakeholders, and respect for human rights.





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# OUR ENVIRONMENTAL, CORPORATE AND SOCIAL PERFORMANCE IN 2011

## Our environmental, corporate and social performance in 2011

### Table of 2011 indicators and disclosures

#### Environmental indicators

	Correspondance					
	Unit	NRE	GRI	2009	2010	2011
<b>Management</b>						
WASTE – Environmental commitment policy or statement	% turnover	3	4.8	95%	94%	95%
WASTE – Environmental program	% turnover	3	4.8	97%	98%	95%
WATER – Environmental commitment policy or statement	% turnover	3	4.8	87%	88%	78%
WATER – Environmental program	% turnover	3	4.8	77%	79%	71%
WASTE – Share of activity (tonnage) covered by an environmental management system (EMS)	%	3	4.8	88%	89%	89%
WATER – Share of activity (volume) covered by an environmental management system (EMS)	%	3	4.8	57%	63%	50%
WASTE – Environmental risk prevention plans	% turnover	6	4.9	91%	92%	92%
WASTE – Environmental crisis management plans	% turnover	6	4.9	94%	94%	95%
WATER – Environmental risk prevention plans	% turnover	6	4.9	78%	77%	69%
WATER – Environmental crisis management plans	% turnover	6	4.9	95%	91%	80%
Complaints leading to compliance orders (related to environmental accidents)	Nbr.	8	EN28	6	63	39
Convictions for environmental damage	Nbr.	8	EN28	1	7	16
Compensation paid as a result of convictions (related to environmental incidents)	K€	8	PR9	6	812	243
Total legal costs of defending suits	K€	8	PR9	40	322	455
Total number and volume of significant accidental spills	Nbr.	8	EN28	None	None	None
<b>Energy</b>						
Installed capacity – Electricity – Biogas recovery	MWe	1	EN3	115	116	133
Installed capacity – Electricity – Energy recovery from household waste	MWe	1	EN3	465	399	502
Installed capacity – Heat – Biogas recovery	MWth	1	EN3	52	49	62
Installed capacity – Heat – Energy recovery from household waste	MWth	1	EN3	1,370	1,370	1,668
Energy consumption – Waste only – ELECTRIC	MWhe	1	EN3	481,932	528,341	551,381
Energy consumption – Waste only – ELECTRIC	MWhe	1	EN3	2,189,494	3,007,247	3,704,672
Energy consumption – Water and waste – ELECTRIC	MWhe	1	EN4	2,671,426	3,535,588	4,256,053
Energy consumption – Water and waste – NATURAL GAS	MWhe	1	EN4	706,708	438,986	418,159
Energy consumption – Water and waste – OTHER FUELS	MWhe	1	EN4	2,564,667	2,903,083	2,910,102
Energy consumption – Waste – TOTAL energy consumption	MWhe	1	EN3	3,465,308	3,406,857	3,556,391
Energy consumption – Water – TOTAL energy consumption	MWhe	1	EN3	2,516,610	3,470,801	4,027,923
Energy consumption per tonne of waste treated	kWh/T	1	EN3	25	27	30
Electricity consumption per cubic meter of drinking water produced and distributed	Whe/m <sup>3</sup>	1	EN3	472	438	454
Electricity consumption per cubic meter of wastewater collected and treated	Whe/m <sup>3</sup>	3	EN3	842	480	609
<b>Eau</b>						
<b>WASTE – Water consumption</b>	<b>m<sup>3</sup></b>	<b>1</b>	<b>EN8</b>	<b>7,855,506</b>	<b>7,773,698</b>	<b>9,032,678</b>


**Table of 2011 indicators and disclosures**  
 Environmental indicators

	Correspondance					
	Unit	NRE	GRI	2009	2010	2011
<b>Air</b>						
<b>Direct emissions of GHG</b>	<b>TeqCO<sub>2</sub></b>	<b>1</b>	<b>EN16</b>	<b>5,311,227</b>	<b>5,568,849</b>	<b>6,313,239</b>
of which Waste – waste collection	TeqCO <sub>2</sub>	1	EN16	610,958	656,499	693,379
of which Waste – incineration	TeqCO <sub>2</sub>	1	EN16	1,827,135	1,921,717	2,176,712
of which Waste – landfill	TeqCO <sub>2</sub>	1	EN16	2,297,287	2,378,269	2,696,237
of which Waste – treatment of hazardous industrial waste	TeqCO <sub>2</sub>	1	EN16	399,284	334,853	425,182
other direct emissions	TeqCO <sub>2</sub>	1	EN16	176,563	277,511	321,729
Emissions of OZONE-depleting substances	TeqCO <sub>2</sub>	1	EN19	None	None	None
<b>Indirect GHG emissions</b>	<b>TeqCO<sub>2</sub></b>	<b>1</b>	<b>EN16</b>	<b>1,001,092</b>	<b>1,297,040</b>	<b>1,429,121</b>
of which Waste – Annual electricity consumption	TeqCO <sub>2</sub>	1	EN16	240,407	225,465	246,856
of which Water – Annual electricity consumption	TeqCO <sub>2</sub>	1	EN16	760,685	1,072,474	1,182,265
<b>Contribution to avoided GHG emissions</b>	<b>TeqCO<sub>2</sub></b>	<b>1</b>	<b>EN16</b>	<b>6,459,598</b>	<b>6,436,092</b>	<b>7,547,365</b>
of which Waste – by material recovery	TeqCO <sub>2</sub>	1	EN16	4,523,537	4,421,408	5,135,626
of which Waste – by energy recovery (incineration)	TeqCO <sub>2</sub>	1	EN16	689,396	718,144	867,312
of which Waste – by energy recovery (landfill)	TeqCO <sub>2</sub>	1	EN16	286,489	287,670	330,520
of which Waste – by energy recovery from hazardous waste	TeqCO <sub>2</sub>	1	EN16	76,319	87,225	91,234
of which Waste – by alternative fuels prepared and supplied by SE	TeqCO <sub>2</sub>	1	EN16	819,295	855,226	1,093,049
of which Water – by energy recovery	TeqCO <sub>2</sub>	1	EN16	64,562	66,418	29,624
<b>Drinking water distribution and production</b>						
Volume of groundwater drawn	Mm <sup>3</sup>	1	EN1	235	432	651
Volume of surface water drawn	Mm <sup>3</sup>	1	EN1	1,374	2,454	3,098
Number of drinking water treatment plants	Nbr.	1	SE	1,888	1,193	1,209
Annual production volume (input to network)	Mm <sup>3</sup>	1	SE	2,588	3,816	4,484
Volume of drinking water distributed	Mm <sup>3</sup>	1	SE	1,581	2,659	3,089
Technical efficiency of drinking water distribution networks	%	1	SE	75	75,6	72
Network length	km	2	SE	147,892	187,403	240,621
Quantity of reagents used for treating drinking water	T	1	EN1	91,969	98,102	115,658
<b>Wastewater collection and treatment</b>						
Total number of treatment plants	Nbr.	2	EN26	1,643	1,773	2,267
Network length	km	2	EN26	67,247	94,196	113,441
Volume of wastewater treated	Mm <sup>3</sup>	2	EN26	1,978	2,998	3,189
Amount of BOD waste entering wastewater treatment plants	T	2	EN21	511,297	780,709	867,006
Amount of BOD waste exiting wastewater treatment plants	T	2	EN21	65,259	60,094	77,638
Treatment efficiency - BOD5 eliminated - of treatment plants	%	2	EN26	87	92.1	91
Amount of NITROGEN entering wastewater treatment plants	T	2	EN21	68,162	116,943	142,430
Amount of NITROGEN exiting wastewater treatment plants	T	2	EN21	20,818	45,439	54,821

## Our environmental, corporate and social performance in 2011



### Table of 2011 indicators and disclosures

#### Environmental indicators

	Correspondance					
	Unit	NRE	GRI	2009	2010	2011
Treatment efficiency - NITROGEN eliminated - of treatment plants	%	2	EN26	69	61	62
Quantity of reagents used in wastewater treatment	T	2	EN1	204,785	80,280	109,472
Percentage of water reused after treatment	%	1	EN10	5	22	23
Percentage of sludge reused (agricultural recovery)	%	1	EN27	50	51.5	64.5

#### Waste collection services

Number of inhabitants receiving collection services	Nbr.	1	SE	46,591,065	50,406,498	56,796,911
Number of industrial and commercial customers receiving collection services	Nbr.	1	SE	464,985	432,948	435,209
Total tonnage of household and similar waste collected	T	1	EN22	10,694,566	10,584,014	11,964,842
Total tonnage of medical waste collected	T	1	EN22	107,023	114,975	155,108
Total tonnage of industrial and commercial waste (ICW) collected	T	1	EN22	12,301,990	14,063,862	20,608,643
Tonnage of hazardous waste collected	T	1	EN22	1,708,972	2,116,103	2,284,682
Total number of waste, cleaning, wastewater collection trucks	Nbr.	1	EN29	12,673	12,889	12,067
Percentage of truck fleet running on alternative fuels	%	1	EN29	5	4.5	5.0
Fuel consumption per truck	m <sup>3</sup> /Nbr.	1	EN3	13	14.2	16.4
Average fuel consumption per tonne collected	L/T	1	EN3	7	7.4	6.1

#### Sorting/recycling

Number of transfer stations	Nbr.	1	SE	268	251	279
Number of sorting/recycling centers	Nbr.	1	SE	313	350	366
Tonnage incoming to sorting centers	T	1	EN22	11,268,741	10,895,071	11,993,860
Tonnage of recovered material outgoing from sorting centers (excluding monoflows)	T	2	EN22	6,745,448	6,365,145	7,697,380
Rejection rate	%	2	EN22	40	42	36
Tonnage sent directly to recycling facilities after collection (amenity centers, voluntary drop-off centers, transfer) without going through a sorting/recycling center	T	1	EN22	1,868,217	2,505,150	3,556,283
Other material flows after waste recovery (monoflow)	T	2	EN22	1,816,925	2,265,505	2,020,752

#### Composting

Number of composting sites	Nbr.	1	SE	110	118	120
Tonnage incoming	T	1	EN22	1,606,711	1,582,983	1,751,312
Tonnage of compost produced	T	2	EN22	599,726	592,963	756,207
Tonnage of sludge for sewage farming treated for material recovery	T	2	EN22	684,307	598,071	576,526
Apparent biological recovery efficiency	%	2	EN22	56	55	57

#### Thermal treatment of non-hazardous waste

Number of urban waste incineration plants	Nbr.	1	SE	49	48	47
Tonnage of incinerated waste	T	2	EN6	5,849,482	5,622,624	6,352,286
SOx emissions	T	1	EN20	220	271	380
NOx emissions	T	1	EN20	4,679	4,144	4,126



**Table of 2011 indicators and disclosures**
**Environmental indicators**

	Correspondance					
	Unit	NRE	GRI	2009	2010	2011
Dust emissions	T	1	EN20	64	42	39
Quantity of waste residue in incineration fumes	T	1	EN22	263,036	265,358	281,948
Percentage of bottom ash recovered	%	2	EN22	84	84	88
Electrical energy produced	MWhe	1	EN6	2,613,717	2,397,906	2,621,521
Thermal energy sold	MWnth	1	EN6	921,237	1,041,261	1,610,427
<b>Landfilling of non-hazardous wastes (landfills)</b>						
Number of landfill waste facilities (K1+K2+K3)	Nbr.	1	SE	142	138	130
Tonnage incoming to household waste landfills	T	1	EN22	16,953,253	16,889,430	16,416,905
Leachates treated	m <sup>3</sup>	1	EN22	2,761,055	2,779,180	2,909,129
Percentage of waste in a landfill equipped with a biogas collection and treatment system	%	1	EN22	87	92,9	95,7
Volume of methane collected and treated	Nm <sup>3</sup>	1	EN6	135,830,032	144,289,144	152,894,491
Volume of methane recovered as energy	Nm <sup>3</sup>	1	EN6	259,856,368	304,373,725	315,148,521
Amount of electricity produced from biogas	Mwhe	1	EN6	673,316	691,901	741,363
<b>Treatment of hazardous waste</b>						
Number of hazardous waste incinerators	Nbr.	1	SE	13	9	9
Number of hazardous waste platforms (pretreatment and transfer)	Nbr.	1	SE	137	141	154
Number of industrial waste landfills (K1 landfill site)	Nbr.	1	SE	14	15	15
Number of sites for treating medical waste	Nbr.	1	SE	10	5	6
Hazardous waste treated - total excluding contaminated soil	T	1	EN22	2,194,600	2,313,278	2,488,343
of which recovered in cement plants	T	1	EN22	463,106	494,597	514,883
of which incinerated	T	1	EN22	330,364	366,554	330,201
Tonnage of soil treated/recovered	T	2	EN23	999,903	996,728	1,009,493
Alternative fuel provided from waste recovery	TOE	1	EN22	217,496	227,034	290,168
Tonnage incoming to K1 landfill sites	T	1	EN22	672,471	694,958	598,821
<b>Electrical and electronic waste</b>						
Number of sites for treating electrical and electronic waste at end of life	Nbr.	1	SE	31	16	10
Tonnage incoming for dismantling-recycling	T	1	EN22	25,876	20,498	18,317
Tonnage of material recovered after dismantling	T	1	EN22	20,967	17,683	15,912
<b>Total</b>						
Total waste treated	T	1	SE	40,864,707	40,722,657	41,944,827
% of products sold and % of their packaging recycled or re-used	%	2	EN27	None	None	None

## Our environmental, corporate and social performance in 2011

### Social indicators

	Verification by the Statutory Auditors		Absolute value			Relative value				
	Moderate assurance	Reasonable assurance	NRE	GRI	2009	2010	2011	2009	2010	2011
<b>Employees by division</b>			<b>1</b>	<b>LA1</b>						
Water Europe			1	LA1	11,851	24,402	23,302	18.0%	30.7%	29.0%
Waste Europe			1	LA1	34,189	35,080	35,014	51.9%	44.1%	43.5%
International			1	LA1	19,250	19,424	21,429	29.2%	24.4%	26.6%
Headquarters			1	LA1	605	648	665	0.9%	0.8%	0.8%
<b>Total</b>		<b>**</b>	<b>1</b>	<b>LA1</b>	<b>65,895</b>	<b>79,554</b>	<b>80,410</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Employees by geographic area</b>			<b>1</b>	<b>LA1</b>						
France			1	LA1	32,398	34,948	35,654	49.2%	43.9%	44.3%
Europe (excluding France)			1	LA1	21,295	32,347	31,141	32.3%	40.7%	38.7%
North America			1	LA1	3,281	3,347	3,362	5.0%	4.2%	4.2%
South America			1	LA1	269	252	238	0.4%	0.3%	0.3%
Africa/Middle East			1	LA1	4,479	4,377	5,137	6.8%	5.5%	6.4%
Asia/Oceania			1	LA1	4,173	4,283	4,878	6.3%	5.4%	6.1%
<b>Total</b>			<b>1</b>	<b>LA1</b>	<b>65,895</b>	<b>79,554</b>	<b>80,410</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Employees by socio-professional category</b>			<b>1</b>	<b>LA1</b>						
Managers		<b>**</b>	1	LA1	8,649	10,665	11,181	13.1%	13.4%	13.9%
Senior technicians and supervisors		<b>**</b>	1	LA1	12,302	15,089	15,829	18.7%	19.0%	19.7%
Workers, employees and technicians		<b>**</b>	1	LA1	44,944	53,800	53,400	68.2%	67.6%	66.4%
<b>Total</b>			<b>1</b>	<b>LA1</b>	<b>65,895</b>	<b>79,554</b>	<b>80,410</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Proportion of women in Group</b>		<b>**</b>	<b>1</b>	<b>LA13</b>						
Men			1	LA13	53,705	64,104	64,471	81.5%	80.6%	80.2%
Women			1	LA13	12,190	15,450	15,939	18.5%	19.4%	19.8%
<b>Total</b>			<b>1</b>	<b>LA13</b>	<b>65,895</b>	<b>79,554</b>	<b>80,410</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Proportion of women in management</b>		<b>•</b>	<b>1</b>	<b>LA13</b>						
Men			1	LA13	6,555	7,939	8,218	75.8%	74.4%	73.5%
Women			1	LA13	2,094	2,726	2,963	24.2%	25.6%	26.5%
<b>Total</b>			<b>1</b>	<b>LA13</b>	<b>8,649</b>	<b>10,665</b>	<b>11,181</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Proportion of employees with disabilities</b>			<b>7</b>							
Percentage of disabled employees at year-end			7					1.5%	1.5%	1.5%



## Social indicators

	Verification by the Statutory Auditors		Absolute value						Relative value		
	Moderate assurance	Reasonable assurance	NRE	GRI	2009	2010	2011	2009	2010	2011	
<b>Breakdown of workforce by contract type</b>			1	LA1							
Full-time permanent contracts (FTE)			1	LA1				92.3%	91.3%	91.4%	
Other contracts			1	LA1				7.7%	8.7%	8.6%	
<b>Total</b>			1	LA1				100.0%	100.0%	100.0%	
<b>Employment</b>			1	LA2							
Turnover (1)	•		1	LA2				7.4%	6.5%	6.7%	
Voluntary turnover (2)	•		1	LA2				3.3%	3.0%	3.6%	
Hiring rate (3)	•		1	LA2				15.7%	20.6%	21.6%	
Rate of FTE hires (4)			1	LA2				46.1%	36.4%	39.0%	
<b>Recruitment</b>			1	LA2							
Number of external FTE hires			1	LA2	4,709	5,906	6,773				
Number of external fixed-term contract (FTC) hires			1	LA2	5,498	10,316	10,601				
<b>Total</b>			1	LA2	10,207	16,222	17,374				
<b>Workplace conditions</b>			2	LA7							
Absenteeism (days of absence/employee) (5)			2	LA7	12.1	12.2	12				
Overtime (6)			2	LA7				4.9%	4.4%	4.3%	
<b>Workplace safety</b>			5	LA7							
Number of fatal accidents (employees)	•		5	LA7	4	5	4				
Frequency rate (7)	•		5	LA7	15.35	16.28	14.06				
Severity rate (8)	•		5	LA7	0.64	0.68	0.66				
<b>Training</b>			6	LA10							
Percentage of workforce trained		••	6	LA10				59.7%	61.2%	69.4%	
Annual number of training hours per employee		••	6	LA10				23	26	24	
Average training expenses per employee			6	LA10				579€	532€	550€	
Breakdown of training time by type of activity			6	LA10							
Job techniques			6	LA10				30.6%	28.4%	24.5%	
Quality, environment and safety			6	LA10				41.7%	36.6%	40.4%	
Languages			6	LA10				4.1%	5.2%	5.4%	
Other			6	LA10				23.6%	29.8%	29.7%	

(1) Turnover: number of layoffs and resignations/average workforce – (2) Voluntary turnover: number 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 x1,000,000/number of hours worked – (8) Severity rate: number of days indemnified x1,000/number of hours worked.

# NOTE ON METHODOLOGY USED FOR REPORTING AND SCOPE OF CONSOLIDATION

GRI MARKS – 2.5 – 2.9 – 3.1 – 3.2 – 3.3 – 3.5 – 3.6 – 3.7 – 3.8 – 3.10 – 3.11

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 stabilization 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.

As for previous editions, the performance indicators in this report are reported net of SITA Waste Services and Agbar<sup>21</sup>. The consistency with other documents (activity report, reference document) is assured by presenting values that include these two subsidiaries in footnotes.

## Methodology factors in the 2011 environmental report

Regarding the environmental data published in this report, the following information 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<sup>th</sup> 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<sup>th</sup> 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.

## Note

**21.** With the exception of the indicator corresponding to Commitment 8 (frequency and severity rates of workplace accidents comprising SITA Waste Services).

**Waste business lines**

The report covers subsidiaries based in:

- Europe: Germany, Belgium, Finland, France (including Réunion Island and Guadeloupe), Spain, Portugal, Great Britain, Ireland, Luxembourg, the Netherlands, Poland, Czech Republic, Romania, Slovakia, Slovenia and Sweden, and hazardous industrial waste treatment activities (France, Belgium, Germany, Netherlands, Italy, Spain);
- Asia-Pacific: Turkey, China, Australia;
- North Africa and the Middle East: Morocco and United Arab Emirates.

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 lines**

The report covers contracts located:

- in Europe: Germany, Spain, France, Great Britain, Portugal, Czech Republic, Slovakia, Italy;
- in Asia-Pacific: Australia, China, New Zealand, Indonesia, India;
- in North America: United States, Mexico;
- in South America: Chile, Colombia;
- in North Africa and the Middle East: Morocco, Algeria, Egypt, Jordan, 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 a computer-based environmental reporting system, developed by GDF 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 by request from the Environment and Performance Assessment Department.

## Methodology factors of the 2011 social report

### 1. Scope of consolidation

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 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 2011, the scope of reporting is 100% for all the indicators.

### 2. Tools and methods

The social report is based on:

- a network of 220 individuals around the world, who collect and monitor the indicators of their entity(ies) during each of the quarterly social reporting campaigns. Some 250 data batches (full consolidation) are thus uploaded each quarter, corresponding to data for more than 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 7 languages (German, English, Spanish, Italian, Dutch, Polish and Portuguese), and has been distributed to all the contributors;
- 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 Department 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 also have the opportunity to incorporate into the data batches comments that explain significant changes or situations specific to the entities;
- Subsidiaries' audits: the main subsidiaries also 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 reports take 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;
- the distribution of workforce per geographical area corresponds to the financial scope of reporting of the IFRS. As a result, although located outside Europe, certain Agbar companies are allocated to Spain. The workforce concerned is estimated to represent 1,900 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 (9,550 employees) are those as at November 30, 2011, as the data as at December 31, 2011, were not yet available;

- Regarding training, a portion of the increases in the numbers of hours and interns posted between 2010 and 2011 result from efforts to improve the reporting of information in certain entities, as well as the inclusion of hours dedicated to e-learning sessions in cases where the programs in question are significant and subject to reliable monitoring.

### External audit

- In keeping with the preceding fiscal years at the SUEZ Group and its branches up to 2007, the Group had entrusted to the specialized statutory auditing services the task of auditing four social indicators for 2008. Since 2009, the Group has renewed this commission by increasing the number of certified indicators to 14. These are identified by the special characters •• (reasonable assurance) and • (moderate assurance) in the tables found on pages 72 and 73.
- in 2011, to anticipate the impacts of Article 225 of the Grenelle 2 law, the GDF SUEZ group requested that the statutory auditors perform additional audits, specifically on the five following indicators: number of FTE hirings of employees under age 25, number of FTE hirings of employees age 50 and over, number of hours of absence, number of part-time contracts, and number of disabled employees hired during the year. As part of this data reporting process for these indicators, SUEZ ENVIRONNEMENT was subject to a review. ○

# REPORT ON THE EXAMINATION BY THE STATUTORY AUDITORS OF SELECTED ENVIRONMENTAL AND SOCIAL INDICATORS

At the request of the SUEZ ENVIRONNEMENT Company and in our capacity as the company's statutory auditors, we performed a review with the aim of providing moderate or reasonable assurance on the environmental and social indicators selected by the SUEZ ENVIRONNEMENT Company identified by the symbol ● or ●● and shown on page 63 for fiscal year 2011 and at the Group level ("the data").

This 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 and 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 2011 Commitments and Performance report.

## Nature and extent of the work

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<sup>22</sup>, 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 the group level; it does not include the coverage related to data.

## Reasonable assurance

For data<sup>23</sup> identified 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 Department, and the Health and Safety Department at head office, and within the audited entities.

- We carried out substantive work on 12 sites belonging to eight entities<sup>24</sup> for the environmental data, representing an average 81% of SUEZ ENVIRONNEMENT Company consolidated data, and at 11 entities selected<sup>25</sup> for the social data, representing 53% of SUEZ ENVIRONNEMENT Company consolidated staff.

- In addition, we implemented analytical procedures and consistency tests at five additional entities for the environmental 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 Eric Duvaud.

## Comments on the procedures

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





**Environmental reporting**

– The reporting process was subject to several significant developments in 2011, specifically accelerated deadlines for reporting data and of the expanded reporting scope to include new entities (within Agbar). Further, the reference framework evolved in several points, including monitoring of fuel consumption and GHG emissions. These changes required stronger oversight for the correct application of procedures. The internal control method implemented must be improved at the BU level for all environmental indicators, and specifically for the linear loss index of the drinking water network, as well as for calculating revenues comprising the indicator of total primary and secondary energy consumption reported as revenue.

**Social reporting**

– Improving the internal control program, which has been ongoing for several fiscal years, must undergo continual improvement for all entities, particularly in the case of entries or exits from the scope of consolidation, and for the indicators “percentage of workforce trained” and “number of training hours.”

**Conclusion**

**Moderate assurance**

Based on our work, we have found no significant anomalies that would call into question the fact that data identified by the symbol ● was prepared, in all significant aspects, in accordance with the aforementioned reference framework.

**Reasonable assurance**

We expressed reservations on the following data: the “Total primary and secondary energy consumption corresponding to revenues” indicator shows significant uncertainty due to numerous anomalies that were identified and corrected within several entities.

Based on our work and subject to the reservation mentioned above, the data identified by the symbol ●● were prepared, in all significant respects, in accordance with the aforementioned reference framework. ○

Paris-La Défense, April 20, 2012

The Statutory Auditors  
ERNST & YOUNG and Others

Charles-Emmanuel Chosson

Pascal Macioce

**Notes**

**22.** This data is the following [The contribution to group data by the entities selected for our work is indicated in brackets]: Proportion of women in management (46%); Age pyramid (47% to 64% according to age range); Staff turnover (50%); Resignation rate (45%); Hiring rate (36%); Frequency rate (FR) of workplace accidents (per hour) (44%); Severity rate (SR) (39%); Number of fatal accidents (50%).

**23.** This data is the following [The contribution to group data by the entities selected for our work is indicated in brackets]: Installed capacity for renewable energy generation (100%); Renewable energy recovery (98%); Total consumption of primary and secondary energy applied to revenues (58%); Direct and indirect greenhouse gas emissions (90%); Distribution of drinking water - linear loss index of the drinking water network (applied to the quantity of drinking water injected into the network) (48%); Total number of

employees (53%); Manager workforce (44%); Non-manager workforce (55%); Diversity rate - proportion of women in the workforce (52%); Annual number of training hours per employee (53%); Proportion of employees who received training (52%).

**24.** Degrémont (Gabal and Samra sites), United Water (Burbank and Idaho sites), Agbar (Aguas de Murcia site), SITA France (BU, review of the Central-West Region, SMECO Pontmain and K2 Les Aubrais sites) and TERIS France (BU and SCORI Airvault site),

SITA UK (BU, review of Processing North West, Kirklees EFW and Jameson Road Landfill sites), SITA Treatment (BU and WOS Hautrage site), SITA Czech Republic (BU and Nemcice Hanou Landfill site).

**25.** SITA France (BU, and South, Central East and Ile-de-France regions), SITA Czech Republic, SITA UK, Lyonnaise des Eaux France, Lydec, SITA Germany, SITA Poland, SITA Nederland BV, Eurawasser, United Water, Agbar.



## Statement GRI Application Level Check

GRI hereby states that **SUEZ ENVIRONNEMENT** has presented its report "Sustainable Development - 2011 Commitments and Performance" 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 G3.1 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 G3.1 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, 27 April 2012

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

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



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

*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](http://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 18 April 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

# NON-FINANCIAL RATINGS



## Report on performance achieved

To communicate its economic, social corporate and environmental performance, SUEZ ENVIRONNEMENT applies the guidelines of the Global Reporting Initiative (GRI). This entity, created in 1997 at the joint initiative of the US non-governmental organization CERES (Coalition for Environmentally Responsible Economies) and the UNEP (United Nations Environment Programme) defined relevant criteria to allow companies to prepare their sustainable development reports with transparency and precision.

The "Commitments & Performance" report published by SUEZ ENVIRONNEMENT in 2011 is currently being audited by the GRI. This publication aims to inform all the Group's stakeholders of the progress it has made with regard to its 12 sustainable development commitments. It describes the challenges and provides key data. <http://www.suez-environnement.com/sustainable-development/performance-methodology/non-financial-rating/>

## Accurately assess the implementation policies

SUEZ ENVIRONNEMENT is regularly evaluated by non-financial rating agencies. To that end, the latter use public information (official publications, information from stakeholders, etc.) and the Group's responses to their questionnaires. These ratings become essential instruments for both strategic management and operational implementation, as well as a topic of discussion with their stakeholders: markets, investors, the general public, institutions, non-profits.

The numerous sustainable development initiatives launched by SUEZ ENVIRONNEMENT form part of several prestigious indices. These sustainable development indices are the foremost global economic and financial performance evaluation indices for leading companies with regard to sustainable development.

A presence on these indices is seen as a reference by stakeholders, analysts and shareholders. – the Dow Jones Sustainability Index World and Dow Jones Sustainability Index STOXX since 2009.

These two indices are the global benchmarks for socially responsible investors. The Group came to form part of these prestigious indices through an evaluation carried out by the non-financial rating agency SAM.

On January 26, 2012, SAM also presented the 9<sup>th</sup> edition of its annual report, The Sustainability Yearbook 2012.

On the agenda: a presentation of companies recognized as leaders in sustainability in each of the 58 listed sectors. SUEZ ENVIRONNEMENT was among the companies selected from among the 2,500 analyzed, and was awarded a gold medal for its water initiatives. This rating acknowledged the Group's performance in seizing opportunities and managing risks resulting from economic, environmental and social developments. – the Advanced Sustainable Performance Indices Eurozone and Ethibel Sustainability Indices Excellence Europe, since 2010.

These three indices place the Group among the 120 highest-rated companies in the euro zone based on the Vigeo evaluations, and among the 200 best European companies in terms of sustainable entrepreneurship. – the FTSE4Good index since 2011, following an evaluation by the rating agency Ethifinance. The Group stood out for the quality of its environmental, social and governance performance (ESG). ○



# ADDITIONAL SOURCES OF INFORMATION

GRI MARKS – 3.4 – PR6

## Other publications:



### **Lyonnaise des Eaux**

[www.lyonnaise-des-eaux.fr/developpement-durable](http://www.lyonnaise-des-eaux.fr/developpement-durable)



### **Degrémont**

[www.degreumont.com/en/commitments/environment/sustainable-water-management-solutions/](http://www.degreumont.com/en/commitments/environment/sustainable-water-management-solutions/)



### **NUOVE ACQUE**

[www.nuoveacque.it/societa\\_bilancio.asp?menu=1](http://www.nuoveacque.it/societa_bilancio.asp?menu=1)



### **United Water**

[www.unitedwater.com/sustainable-development.aspx](http://www.unitedwater.com/sustainable-development.aspx)

[www.unitedwater.com/uploadedFiles/Corporate\\_Content/50/Publications/Environmental\\_Charter\\_FINAL.pdf](http://www.unitedwater.com/uploadedFiles/Corporate_Content/50/Publications/Environmental_Charter_FINAL.pdf)



### **Agbar**

[http://www.agbar.es/pdf/2010\\_IRC\\_english.pdf](http://www.agbar.es/pdf/2010_IRC_english.pdf)



### **Macao Water**

[www.macaowater.com/images/ar/2010Full.pdf](http://www.macaowater.com/images/ar/2010Full.pdf)



### **Lydec**

[www.lydec.ma/html/visite.htm](http://www.lydec.ma/html/visite.htm)



### **SITA France**

[www.sita.fr/fr/a-la-une/publications/publications/](http://www.sita.fr/fr/a-la-une/publications/publications/)



### **SITA NEWS**

[www.sita.be/media/documents/rapport\\_de\\_durabilite\\_sita\\_2010\\_fr.pdf](http://www.sita.be/media/documents/rapport_de_durabilite_sita_2010_fr.pdf)



### **SITA UK**

[www.sita.co.uk/downloads/SITAUK-SustainabilityReport2010-1107-web.pdf](http://www.sita.co.uk/downloads/SITAUK-SustainabilityReport2010-1107-web.pdf)



### **Further information on sustainable development**

[www.suez-environnement.com](http://www.suez-environnement.com)  
> sustainable development



### **Sustainable development contact**

[thomas.perianu@suez-env.com](mailto:thomas.perianu@suez-env.com)





For further information on sustainable development at SUEZ ENVIRONNEMENT and its subsidiaries, and to ask us questions, see the links and addresses opposite.







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