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SUEZENVIRONNEMENT

Limited Company with capital of 2,040,935,376 euros SUEZ ENVIRONNEMENT Tour CB21 — 16, place de l'Iris 92040 Paris La Défense Cedex Tel. +33 (0)1 58 81 20 00 Fax +33 (0)1 58 81 25 00

MAKING THE PLANET SUSTAINABLE IS THE BEST JOB ON EARTH





www.suez-environnement.fr 01 SUEZ ENVIRONNEMENT 2012





Sarah Illenberger In 2012, SUEZ ENVIRONNEMENT gave Sarah Illenberger free rein to illustrate its Sustainable Development report. Through her vivid and poetic installations, the artist offers her perspective on the major environmental challenges of tomorrow.

In a world of combined environmental, economic and social challenges, SUEZ ENVIRONNEMENT, a global player in the water and waste sector, is contributing to the transformation of our economies towards green and sustainable growth.

The SUEZ ENVIRONNEMENT Group is structured to help its customers – local authorities and businesses – to become leaders in environmental performance. To do so, the Group relies on industrial expertise and innovation, a robust business model, employees who are attentive to customers' needs, and a shared desire to achieve its commitments to sustainable development. In fields dominated by technology, but which demand ever greater services and flexibility, SUEZ ENVIRONNEMENT maintains a culture of partnership that is deeply rooted in its identity.

Today, the Group is ready to enter a new phase of its history, joining its stakeholders in seizing opportunities for sustainable growth which is kinder both to people and the environment.

ADDITIONAL SOURCES OF INFORMATION

Visit the Sustainable Development section on the website www.suezenvironnement.com/ sustainable-development/

"Our challenge is to design, develop and implement affordable solutions that protect ecosystems and reduce the environmental footprint of our services, while maintaining their technical performance and ease of use."

Jean-Louis Chaussade — CFO of SUF7 ENVIRONNEMENT



TOWARDS A NEW MODEL OF SUSTAINABLE PROSPERITY

SUEZ ENVIRONNEMENT is contributing to the transition to a green economy by thoroughly integrating sustainable development into the way it does business and through closer consultation with stakeholders.

What is your strategic vision for sustainable growth?

Jean-Louis Chaussade: SUEZ ENVIRONNEMENT's activities are central to the transition to an economy which is kinder on resources, more responsible and more caring. Access to drinking water and waste treatment services is essential to the health and quality of life of everyone. That's why we are a member of the United Nations Global Compact and are committed to its principles. Our challenge is to design, develop and implement affordable solutions that protect ecosystems and reduce the environmental footprint of our services, while maintaining their technical performance and ease of use. The current economic crisis is speeding up this process.

How did the first road map contribute to this strategy?

J.-L. C.: The first road map, covering the period from 2008 to 2012, was an important means of realizing our ambitions. In it we set four priorities, divided into 12 commitments to environmental, social and societal performance. Each of these commitments included goals for 2012; almost all of them were achieved. In four years we made significant progress. The road map was also a powerful tool for transforming our business by allowing us to imagine and define new modes of governance to better engage our customers, regional authorities and other stakeholders in the solutions we offer. Today, these new approaches are competitive assets for the Group.

What are the priorities for the new road map?

J.-L. C.: The 2012-2016 road map is primarily focused on our customers and on making sure that our solutions match their expectations in terms of water distribution and waste treatment. Our aim is to help them to become leaders in economic and environmental performance. The concept of co-production is another key focus of the new road map. Our solutions are the practical outcome of a dialog with our stakeholders that will be systematized and strengthened within the consultative structures in place. Strengthening the corporate and social aspect is also one of our priorities for the next four years. Now more than ever, we are committed to improving working conditions for employees, supporting local jobs and facilitating access to water and sanitation.

MAINTAINING COURSE

2012 marks the end of the first sustainable development road map and the launch of the 2012-2016 road map. The transition is a good time to review the actions of the last four years, their impact on the Group, and the progress still to be made.

What were the main successes of the 2008-2012 road map?

Thomas Perianu: The main success was to have achieved and in some cases exceeded our targets. It is a success for our sustainable development policy and, more broadly, for our company. We also share this success with our subsidiaries, which are adopting sustainable development road maps in increasing numbers, particularly in France, the U.S., Australia and China. Our determination to meet these commitments has made us even more attractive to investors. ESG rating agencies frequently rank us among the leaders in our category.

What were the hardest parts?

T. P.: For various reasons, some goals have proved difficult to measure, such as increasing energy efficiency and protecting biodiversity. For the former, the Group's specific structure, with numerous entities and a multitude of contracts, makes it very complicated to consolidate the technical data. While we believe that energy efficiency has improved, and can prove so case by case, it remains difficult to assess with an overall indicator. On biodiversity, we set a very ambitious goal without realizing how complex the subject is; as a result, we lacked information and an awareness of the issues surrounding biodiversity. The new road map will remedy that.

What goals has the company set in the new 2012-2016 road map?

T. P.: We continue to move forward. We're maintaining the same course, although we've adjusted the new road map to reflect the results of the last few years and the expectations of our stakeholders, and to adapt to the changing environment. The main goal, of course, is to do more and to do it better. We must be more innovative to help our customers improve their economic and environmental performance. We need to grow our talent so that our employees can become key actors in the transition to more sustainable development. We have to step up our contribution to local development, including through the co-development of new solutions with our stakeholders. The tools and skills we have developed in recent years in terms of social dialog and empowerment are invaluable. The key to success remains the broad dissemination of our approach, which must extend beyond the realm of management.

"We have to step up our contribution to local development, including through the co-development of new solutions with our stakeholders. The tools and skills we have developed in recent years in terms of social dialog and empowerment are invaluable."

Thomas Perianu — Sustainable Development Director



Commitments & performance

2008-2012 REVIEW

In 2008, the first sustainable development road map set 12 commitments to be achieved by 2012 for environmental, social and societal performance. Each commitment was accompanied by a target. By the end of 2012, nearly all of them had been achieved. By making this road map an integral part of how they manage performance, the Group's business lines have gradually transformed themselves. They are now ready to take on more ambitious goals.



PRIORITY 01 **CONSERVE RESOURCES AND ENGAGE IN THE CIRCULAR ECONOMY**

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COMMITMENT 01

Optimize waste recycling and recovery rates

2012 Goal

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

2008-2012 Performance/KPI

The waste recycling rate rose from 31.6% to 43.2%. Over 15 million tonnes of recycled materials were reintroduced into the economy in 2012. This strong performance underlines the priority given to developing waste recovery activities.

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COMMITMENT 02

Increase the yield of drinking water networks

2012 Goal

Save in four years the equivalent water consumption of a French town of 700.000 inhabitants.

2008-2012 Performance/KPI

The equivalent of the annual water consumption of a city of over 800,000 inhabitants was saved. The yield of water distribution networks has been improved by reducing the linear loss index from 9.5 to 8.7m³/km/day.



PRIORITY 02 **INNOVATE** TO RESPOND TO **ENVIRONMENTAL CHALLENGES**

COMMITMENT 03

Reduce greenhouse gas emissions (GHG)

2012 Goal

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

2008-2012 Performance/KPI

The percentage of waste disposal at facilities equipped with a biogas collection and a treatment system grew from 85% to 92%. In Europe, it reached 97%. Greenhouse gas emissions have increased by about 5%, while the contribution to avoided emissions rose by 28%.

COMMITMENT 04

Improve energy efficiency

2012 Goal

Improve energy efficiency by 5% against 2008

2008-2012 Performance/KPI

The energy efficiency indicator evolved from 741 Wh/€ to 652 Wh/€, an increase of 12%, which underlines the effectiveness of eco design solutions and the continuous improvement of production activities.

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COMMITMENT 05

Increase and promote renewable energy generation

2012 Goal

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

2008-2012 Performance/KPI

Renewable energy obtained from waste to energy and biomass treatment plants jumped from 2600 to 3200 GWh - an increase of 25%. This result covers the energy needs of a city of around 485,000 inhabitants.

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COMMITMENT 06

Incorporate biodiversity in site management

2012 Goal

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

2008-2012 Performance/KPI

Approximately 60% of the 240 sites identified as being near a protected area in terms of biodiversity have developed an action plan.



PRIORITY 03 **EMPOWER OUR EMPLOYEES AS "ACTORS" OF SUSTAINABLE** DEVELOPMENT

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COMMITMENT 07

Foster professional knowledge

2012 Goal

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

2008-2012 Performance/KPI

The average number of annual training hours per employee rose from 13.5 to 16.9, a 25% increase.

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COMMITMENT 08

Continuously strive to improve health and safety in the workplace

2012 Goal

Reduce the frequency rate of workplace accidents to below 14.

2008-2012 Performance/KPI

The frequency rate of workplace accidents was reduced from 17.45 to 13.32. and the severity rate from 0.65 to 0.60. These two remarkable results underline the Group's ongoing investment in occupational health and safety.

COMMITMENT 09 Support diversity

2012 Goal

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

2008-2012 Performance/KPI

The proportion of women in management rose from 23.7% to 26.3% and from 18.2% to 19% among the total workforce. The launch of the Diversity program in 2010 also led to progress in hiring people with disabilities and seniors, as well as in social inclusion.



PRIORITY 04 **BUILD OUR DEVELOPMENT WITH ALL STAKEHOLDERS**

COMMITMENT 10

Maintain an active dialog with stakeholders

2012 Goal

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

2008-2012 Performance/KPI

Eight consultation meetings were held with about 20 stakeholders. The dialog methodology developed was deployed at 15 pilot sites and more than 1,300 employees took part in some 60 training sessions.

COMMITMENT 11

Be a key actor of local sustainable development

2012 Goal

Implement a dedicated reporting system for this commitment

2008-2012

Performance/KPI

The Group has strengthened its local presence through numerous local initiatives and partnerships. The SUEZ **ENVIRONNEMENT Initiatives** Fund has an annual budget of **€** million to support social inclusion and access to essential services.

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

2008-2012 Performance/KPI

The Group asks auditors to verify 19 environmental and social indicators: three-quarters of them have received reasonable assurance, and one-quarter moderate assurance.

GRI MARKS EN2 - EN6 - EN16

FN22 — FN26

GRI MARKS 4.15 - EN14 - LA07 LA10 — LA 13

CONTINUED INTEGRATION OF A HOLISTIC APPROACH: THE NEW 2012-2016 ROAD MAP

The road map is an action plan that translates SUEZ ENVIRONNEMENT's strategic vision for sustainable development in operational terms. It is rooted in the business plan and is closely monitored by the main decision-making bodies of the Group.

Commitment at the highest levels of the Company

The new road map is a continuation of the 2008-2012 road map, enhanced by a more integrated and participatory approach. Most of the commitments have been maintained, with more ambitious quantified and qualitative targets.

Validated in October 2012 by the Management Committee, it was presented to the Board of Directors in December 2012 after having been reviewed by the Ethics and Sustainable Development Committee. Corporate social responsibility is an everyday part of employees' lives, whether they work in operations or in support functions. Such integration reflects a holistic approach in which economic and financial growth is inseparable from environmental, social and societal progress.

Focusing on customer satisfaction and meeting their expectations

The aim of the sustainable development policy is to help SUEZ ENVIRONNEMENT's customers become leaders in economic and environmental performance. The 2012-2016 road map continues to anchor sustainable development within the economic reality by seeking to better match the solutions offered by the Group to the expectations of its customers. This is not just a matter of providing tailored, quality services, but of involving customers in building the solutions that best address their environmental and social challenges. The new road map maintains a special commitment to raising customer satisfaction and trust. It also aims to boost the number of contracts that include targets for environmental performance and service quality.

GRI MARKS

4.16 — DMA LA — EN12 EN14 — EN16 — PR5 — SO1

Strengthening the Group's social and societal commitment

Employee commitment is a key driver of sustainable development. To reinforce it, skills development, equal opportunities and workplace satisfaction feature among the priorities of the 2012-2016 road map. The road map also focuses on the Group's corporate social responsibility, through regional development wherever it operates, as well as by social inclusion and access to essential water and sanitation services. The Group is also committed to disseminating and sharing its core business know-how

Promoting consultation and co-production

The 2012-2016 road map is not the result of expert studies, but of consultation with over 150 people representing the company and its partners. Consultation with stakeholders is central to its implementation. The Group's aim is to promote the co-production of its solutions to best integrate the expectations and concerns of its stakeholders.

2012-2016 ROAD MAP **Driving progress**

Doing more and doing it better

This road map is definitely a continuation of its predecessor, but it also underlines SUEZ ENVIRONNEMENT's desire to go further in some areas: — by focusing more on the customer;

- by making co-production, the result of dialog with stakeholders, a key pillar of its strategy;
- by strengthening corporate and social aspects:
- by raising quantitative targets as compared to 2012.

What's different. what's the same...

The priorities for 2012 and 2016 are the same, but the first two of the 2008-2012 road map have been merged into one. Their titles have been modified to better reflect the emphasis on customer satisfaction, social development and co-production of solutions. Several commitments have also been combined: the optimization of waste recovery with energy production; the reduction of GHG emissions with energy efficiency and biodiversity conservation. Four commitments have been added: customer satisfaction: employee commitment: dissemination of know-how; access to essential services. The commitment to reporting results, which is now entirely integrated, has been eliminated.

Promoting progress objectives

The 2012-2016 road map has added qualitative "progress" objectives to its quantified targets, such as: increasing the number of contracts with environmental performance and service quality targets: developing plans to boost employee commitment; proposing forms of dialog with stakeholders for major new government contracts.

2012

2012-2016 **ROAD MAP**



PRIORITY 01 **INNOVATE TO DEVELOP OUR ACTIVITIES AND ASSIST OUR CLIENTS IN BECOMING LEADERS IN TERMS** OF ECONOMIC AND **ENVIRONMENTAL PERFORMANCE**

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COMMITMENT 01

Help our clients to better manage the water cycle as a whole

2016 Goal

Reduce losses from drinking water networks to avoid wasting a volume of water equivalent to the annual consumption of a town with 2 million inhabitants; and aim to equip over 20% of our clients with smart meters.

COMMITMENT 02

Help our clients to optimize the management and recovery of their waste

2016 Goal

Achieve a ratio in Europe of 2 metric tonnes of waste allocated for recovery for every 1 metric tonne of waste disposed.

COMMITMENT 03

Improve the environmental footprint of our facilities and services

2016 Goal

Achieve a ratio of two metric tonnes of greenhouse gas emissions prevented for every one metric tonne emitted (Europe waste perimeter); and increase the number of biodiversity action plans.

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COMMITMENT 04

Improve customer satisfaction and trust

2016 Goal

Aim for a client satisfaction rate of 80% in the Water and Waste activities.



PRIORITY 02 **DEVELOP OUR EMPLOYEES' TALENTS TO BECOME ENABLERS IN THE TRANSFORMATION OF OUR BUSINESSES**

COMMITMENT 05

Invest in the development of our employees

2016 Goal

Achieve 18 hours of training and personal development on average per employee per year.

ECOMMITMENT 06

Boost the engagement of our employees and quality of life at work

2016 Goal

Improve the participation rate in engagement and satisfaction surveys; and develop plans to improve the engagement of employees.

COMMITMENT 07

Act for equal opportunities

2016 Goal

Achieve a level of 30% of women in managerial positions in the Group.

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COMMITMENT 08

Work together to ensure health and safety at work

2016 Goal

Reduce the frequency rate of work-related accidents in the Water activities to 5, and to 15 in the Waste activities and reduce the accident severity rate by at least 10%.



PRIORITY 03 **ENABLE OUR BUSINESSES TO BECOME CONTRI-BUTORS TO THE ATTRACTIVENESS OF REGIONS AND TO WORK TOGETHER WITH OUR STAKEHOLDERS**

TO BUILD SOLUTIONS

COMMITMENT 09

Contribute to a responsible economy through local employment and development

2016 Goal

Produce a case study on the economic and social impacts of the activities of the Group in a region and publish it in our Sustainable Development report.

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COMMITMENT 10

Work together on solutions and have an open dialog with our stakeholders

2016 Goal

Propose to the authorities implementing dialog structures with stakeholders: systematize dialog upstream with all stakeholders and perform an advanced analysis of the regional impacts.

COMMITMENT 11 Spread and share our expertise and knowledge

2016 Goal

Train over 100 professionals and managers from water and sanitation services in developing countries.

COMMITMENT 12 Promote access to essential water and sanita-

tion services

2016 Goal

Allocate at least 4 million a year, through the SUEZ ENVIRONNEMENT Initiatives Fund, to actions which promote access to essential services in developing countries. and social integration in France.

PRINCIPLES OF ACTION AND ORGANIZATION

The Group's sustainable development policy is guided by principles of action that ensure ethical conduct and respect for human rights. These apply to the entire Group, both in respect of its employees, as well as its customers and suppliers. The principles of organization govern the coordination and monitoring of the sustainable development policy to ensure good governance and transparency.

Ethics and governance

SUEZ ENVIRONNEMENT has formalized its ethics policy with the publication of an Ethics Charter and its practical guide, translated into eight languages. It is designed around four key principles that serve as guides for employee conduct: Legality, Integrity, Honesty and Respect.

The commitment to ethics is embraced at the Group's highest level: the Board of Directors. The Board is assisted on this by the Ethics and Sustainable Development Committee, which oversees the implementation of procedures and standards. The General Secretary's role is to incorporate ethics into the Group's vision, strategy, management and practices. This support includes the deployment and operation of the compliance systems needed to manage SUEZ ENVIRONNEMENT's ethical risks by coordinating a global network of compliance officers who relay its directives to the Group's various entities. These compliance officers regularly report to their entity's Board of Directors or Supervisory Board. All of the information reported is used to prepare the annual ethics report presented by the Group's compliance officer to the Chief Executive Officer, the Management Committee and the Board of Directors' Ethics and Sustainable Development Committee.

Human rights and respect for dignity

Group companies for many years shared a culture of commitment to human rights and respect for human dignity. Its principles of action are drawn from international reference documents (see sidebar on page 13).

Each Group entity is asked to consider the impact of its decisions on people in order to avoid harming their integrity and their dignity. The Group is also alert to sensitive situations to which it may be exposed, such as compliance with rules on the protection of property in sensitive areas. The Group also carries out internal assessments among its subsidiaries.

Every employee must ensure that he or she does not discriminate in either word or deed or in terms of age, gender, ethnic, social or cultural origin, religion, political or union affiliation, lifestyle choice, physical characteristics or disability.

THE FOUR KEY **ETHICAL PRINCIPLES**

Explained in the SUF7 ENVIRONNEMENT code of ethics and application guide, the four key principles inform the conduct of all Group employees:

- act in accordance with laws and regulations;
- establish a culture of integrity;
- demonstrate loyalty and honesty;
- respect others

4.8 — 4.9 — 4.12 — DMA HR DMA LA - HR1 - HR4 - SO4 HR5 - HR6

REFERENCE DOCUMENTS

- Universal Declaration of Human Rights and additional covenants:
- International Labour Organization (ILO) conventions;
- Organisation for Economic Co-operation and Development (OFCD) Guidelines for Multinational Enterprises:
- United Nations Convention against Corruption.

AIMS OF COORDI-**NATING SUSTAINABLE DEVELOPMENT**

- Coordinate and monitor in operational terms the strategy and action plan: - foster a Group-wide sustainable development culture:
- define a transparent mode of organization based on an ongoing dialog with stakeholders.

Procurement policy and responsibility

SUEZ ENVIRONNEMENT involves its trading partners, suppliers and subcontractors in implementing practices consistent with its ethical, environmental and social commitments. Alongside the code of ethics and the ethics application guide. this responsible procurement policy has led to the creation of tools for the Group and its subsidiaries: a supply chain ethics guide, sustainable purchasing policy (for the Waste segment), sustainable purchasing guide for Lyonnaise des Eaux (Water segment), and a supplier evaluation questionnaire.

The Purchasing Department coordinates relations and negotiations with the Group's strategic suppliers. Among other things, it ensures compliance with sustainable development guidelines. A risk management process for social and environmental responsibility is implemented among one hundred of the Group's major suppliers. In addition, contracts concluded with suppliers now include environmental, corporate and social criteria that require them to abide by practices consistent with the Group's code of ethics.

Through its procurement policy, SUEZ ENVIRONNEMENT also contributes to the development of the sheltered employment sector. The Group's "Handicap" initiative is aimed at increasing purchases from that sector.

Governance and coordination

The Group's structure is geared towards the operational coordination of its strategy and action plan.

The Ethics and Sustainable Development Committee, composed of three directors, two of whom are independent, ensures that employees respect the Group's individual and collective values and comply with its rules of conduct, and ethics in particular.

The Sustainable Development Steering Committee (SDSC) is the most crossdisciplinary structure in the Group, as it combines the Sustainable Development Department, the functional departments and the internal sustainable development network. Its mission is to guide, validate and monitor all actions that are taken. The SDSC also incorporates policy guidelines applied with regard to relations with stakeholders and social dialog and empowerment.

The Sustainable Development Department (SDD) recommends the strategic vision and priority actions to Senior Management. The aim is to incorporate this strategy in such a way that sustainable development gradually becomes a way of life in the Group's management and governance. The SDD also has the task of managing policy for the 3 priorities and 12 commitments by monitoring performance. This is done with the Technical Department for environmental data and with the Human Resources Department for social data.

At last, the Group has set up a network of about 15 Sustainable Development Correspondents.

Reporting and transparency

SUEZ ENVIRONNEMENT reports on its sustainable development policy by publishing consolidated data in accordance with the GRI (Global Reporting Initiative) and the UN Global Compact. The Group regularly provides progress reports to independent expert committees, including the Foresight Advisory Council (FAC), and submits its sustainable development policy to a panel of stakeholders for recommendations and enhancement.

2.3 — 4.1 — 4.3 — 4.6 — 4.7 4.9 — 4.12 — 4.13 — 4.16 — EC6 HR2 - PR3 - HR5 - HR6 - HR7 14 4 priorities 12 commitments 15 SUEZ ENVIRONNEMENT 2012

4 PRIORITIES 12 COMMITMENTS DETAILED REVIEW 2008-2012



PRIORITY 0

Conserve resources and engage in the circular economy

Natural resources are finite. SUEZ ENVIRONNEMENT is committed to their conservation and reasonable use. The Group contributes to this goal through waste management and recovery and the sustainable management of water resources.



PRIORITY 0:

Innovate to respond to environmental challenges

To meet the environmental challenges of climate change, SUEZ ENVIRONNEMENT is committed to: reducing its greenhouse gas emissions while increasing its contribution to avoided emissions; improving the energy efficiency of its technical facilities; generating energy mainly from renewables, and protecting natural ecosystems.



PRIORITY (

Empower our employees as "actors" of Sustainable Development

The effectiveness and extent of the sustainable development approach depend on the commitment and involvement of all SUEZ ENVIRONNEMENT employees. The Group aims to provide a work environment that encourages the expression of talent and professional development so that employees are not only actors but also beneficiaries of the sustainable development policy.



PRIORITY 04

Build our development with all stakeholders

SUEZ ENVIRONNEMENT is also committed to listening to its stakeholders and partners and, in a spirit of co-construction taking their expectations into account in the development of its strategy and its participation in the local economy and community. In the interest of transparency, the Group also takes care to inform its stakeholders about its goals, actions and results.

PRIORITY 01 — COMMITMENT 01

OPTIMIZE WASTE RECYCLING AND RECOVERY RATES

(-) **2012 GOAL**

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

2016 GOAL

Achieve a ratio in Europe of 2 metric tonnes of waste allocated for recovery for every 1 metric tonne of waste disposed. This new KPI is broader and more ambitious than that for 2012: it covers not just material recovery. but energy recovery as well.

WASTE RECOVERY RATE at year-end 2012

Issues

Waste reuse, recycling and energy recovery have become major economic and environmental issues. All around the world, under regulatory pressure or through a new environmental awareness, waste recovery has become a strategic priority. Waste processing can return secondary raw materials (SRM) and organic amendments (compost) to the market, thereby helping to conserve natural resources

Performance

In four years, SUEZ ENVIRONNEMENT increased the percentage of material and organic recovery of waste treated in its facilities from 31.6% to 43.2%, and in 2010 reached the target of 36% originally set for 2012 (KPI 1). In 2012, over 15 million tonnes of material were reintroduced into economic channels (KPI 2). Such results underline the Group's strategic commitment to accompany its municipal and industrial customers in expanding waste recovery efforts. This activity is supported by regulatory changes (Grenelle law, extended producer responsibility), the public's heightened environmental awareness and the structural increase, despite fluctuations, of the price of energy and natural resources.

At SITA's various subsidiaries this expansion concerns a wide variety of industrial situations, especially because SITA develops custom solutions for local authorities and industrial groups whose waste is managed by the Group. New activities have been developed, such as the dismantling of ships and aircraft.

The Group also acts upstream of the waste cycle to encourage the "recyclability" and recovery of waste products. Many industrial partnerships (Renault, Nexans, etc.) have helped to promote more sustainable modes of production and consumption. For waste that cannot, or cannot yet, be converted into resources, the Group offers disposal solutions that are environmentally friendly and reasonably priced.

GRI MARKS EN 2 — EN 22 — EN 26 — EN 27

In a context of dwindling resources, the circular economy aims to manage products "cradle to cradle" in order to recover all that can be reused, recycled, or converted into energy. Compared to the still-dominant linear model, the circular economy aims to conserve natural resources, reduce greenhouse gas emissions, secure supplies and create skilled jobs.

ECONOMY: WHAT IS IT?

THE CIRCULAR

BEST PRACTICES

SITA WEEE, Fevzin (France)

New in WEEE

A subsidiary of SITA Recyclage. the SITA WEEE factory specializes in processing waste electric and electronic equipment (WEEE). Opened in Feyzin, near Lyon, in 2009, it has pioneered a method of processing and recovering several categories of waste, including large appliances containing CFCs (refrigerators, freezers), small appliances and monitors. It recycles 78% to 85% of materials, depending on the type of product. The plant can process up to 25,000 tonnes of WEEE and transform ferrous and non-ferrous metals and plastics into quality recycled raw materials. In 2012, it processed 14,000 tonnes of WEEE.

SITA and Nexans (France)

Cables made from recycled copper

Since 2009, copper shot produced by Recycâbles, a subsidiary of SITA France, is sent directly to the Nexans foundry, world expert in the cable industry, based in Lens. The cable produced from recycled copper meets the same quality and safety standards as that made from mining materials. By partially replacing imported copper, the shot supplied by SITA France reduces the cost and environmental impact of its production and transportation. In 2012, recycling was extended to aluminum cables. Plans are being considered to develop polymer recycling.

KPI 1: Global recovery rate of household and non-hazardous industrial waste (%)

2008	2009	2010	2011	2012
31.6	31.9	36.8	40.7	43.2

Percentage of household and non-hazardous industrial waste not landfilled or incinerated but recovered through reuse re-employment, material recycling or organic recycling

KPI 2: Amounts of recycled materials sold on the market by category (tonnes)

	2008 (T)	2012 (T)	Change (%)
Tonnage sent directly to material recyclingfacilities	3,204,116	4,602,059	44
Cardboard/paper	2,662,135	2,977,973	12
Construction materials and bottom ash	2,112,327	2,555,682	21
Scrap iron	900,121	1,650,723	83
Wood	1,163,377	1,084,713	(7)
Organic materials	1,325,673	1,375,609	(1)
Glass	656,621	391,573	(40)
Plastics	346,224	406,618	17
Non-ferrous metals and WEEE	105,961	198,702	88
Tires and rubber	56,511	58,646	4
Total	12.5 MT	15.3 MT	22

GRI MARKS

PRIORITY 01 — COMMITMENT 02

INCREASE THE YIELD OF DRINKING WATER NETWORKS

(-) **2012 GOAL**

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

2016 GOAL

Reduce losses from drinking water networks to avoid wasting a volume of water equivalent to the annual consumption of a town with 2 million inhabitants; and aim to equip over 20% of our clients with smart meters. A new, more ambitious target in terms of loss reduction and one that supports consumption management services

Issues

The production of drinking water comes at a cost. Wasting it makes no economic or environmental sense. Improving water conservation begins upstream, with solutions to protect and conserve water resources, and by developing alternative resources such as rainwater harvesting, reuse of treated wastewater, desalination etc. In production and distribution, everything should be done to combat network leakage. Downstream, the goal is to incentivize control of water use through information, rate-setting and consumption management.

Performance

In four years, SUEZ ENVIRONNEMENT has improved the yields of the water distribution networks it operates by reducing the linear loss index from 9.5 cubic meters to 8.7 cubic meters per kilometer per day. This has saved the equivalent annual consumption of a city of over 800,000 inhabitants, compared with the original target of 700.000 inhabitants. With thousands of water management contracts in more than twenty countries, it is difficult to generalize about situations and solutions, which largely depend on the condition and maintenance of the networks. SUEZ ENVIRONNEMENT's efforts to combat water waste rely mainly on leak detection. This includes segmenting the networks, installing sensors and improving detection methods. The goal is to identify and locate leaks as quickly as possible.

The KPI used for network yields does not reflect the final goal, but serves as an intermediate step of assessment. Changes in the linear loss index allow the volume of water saved to be estimated. This volume is then calibrated to the annual consumption of a city's inhabitants.

BEST PRACTICES

Jeddah (Saudi Arabia)

The cost of water

Water doesn't have the same cost worldwide. In Jeddah, Saudi Arabia, drinking water is produced by seawater desalination. Since 2008. SUEZ ENVIRONNEMENT and its local partner have managed the drinking water network for this city of more than three million inhabitants on behalf of the National Water Company. Combating water loss is a key priority of this contract. In 2011 and 2012, over 34,000 visible and invisible leaks were repaired. This cut network water losses by 20 million cubic meters.

Macao (China)

Macao Water maximizes water distribution

Maximizing the efficiency of water distribution is a strategic objective of Macao Water to meet growing demand and provide a safe and reliable supply to the city of Macao. Water consumption in this special administrative region of China. with a population of over 500,000 inhabitants, is expected to grow by 10% to 20% over the next four vears. Reducing water losses in the network is one of the main ways to improve yields. The concession contract sets ambitious targets in this area and Macao Water had already reduced the loss rate from 13.75% in 2008 to 10.8% in 2012. To achieve this, Macao Water carried out preventive maintenance on pipe systems and equipment and improved leak detection and repair by segmenting the network. A meter replacement plan was also implemented.

KPI: Linear loss index of water networks

(m3/km/day)

(111 / 11111/ 0101)	' /				
2008	2009	2010	2011	2012	
9.5	9.7	9.5	9.3	8.7	

Development Report

PRIORITY 02 — COMMITMENT 03

REDUCE GREENHOUSE GAS EMISSIONS (GHG)

(-) **2012 GOAL**

95% of the waste landfilled by SUEZ ENVIRONNEMENT is sent to sites equipped with biogas collection and treatment systems.

2016 GOAL

Achieve a ratio of two metric tonnes of greenhouse gas emissions prevented for every one metric tonne emitted. This goal provides a more comprehensive view of the Group's contribution to controlling GHG emissions by linking the Group's emissions with its contribution to emissions avoided by its customers.

Issues

Reducing greenhouse gas emissions is achieved in several ways: by reducing emissions related to waste treatment (Commitment 3); improving the energy efficiency of facilities (Commitment 4); increasing avoided emissions through material recovery from waste (Commitment 1) and energy production (Commitment 5). Four fifths of SUEZ ENVIRONNEMENT's greenhouse gas (GHG) emissions are direct emissions largely associated with waste treatment (95% of direct emissions), including incineration (~35% of emissions from the segment) and landfills (~45% of emissions). The former are somewhat irreducible – except by reducing the amount of waste incinerated – because they are directly related to the burning of waste. In contrast, diffuse methane emissions from landfills affect the Group's emissions and can be reduced by efficient equipment and procedures.

Performance

From 2008 to 2012, SUEZ ENVIRONNEMENT increased the percentage of waste landfilled at facilities equipped with a biogas collection and processing system from 84.8% to 92.3% (KPI 1). This result falls short of the original target of 95%, but is emblematic of the efforts to better capture methane – 21 times more polluting than CO₂ – and is accompanied by improvements in its recovery (Commitment 5). Europe-wide, this rate reached 97% in 2012.

Greenhouse gas emissions rose 5% between 2008 and 2012, from 5.9 million to 6.2 million tCO₂-eq, primarily reflecting the growth of the Group's waste treatment activities (KPI 2). It should however be noted that emissions fell by 9% from 2011 to 2012, as a result of efforts to improve the capping of landfills, mainly in England and France.

Meanwhile, over the same period, the Group's contribution to avoided emissions through material and energy recovery rose 27%, from 5.8 million to 7.3 million tCO₂-eq (KPI 3). It is notable that the Group's greenhouse gas emissions are rising more slowly than its contribution to avoided emissions.

GRI MARKS

EN6 - EN14 - EN16 FN17 — FN26

EMISSIONS REPORTING, NOW MANDATORY

Article 75 of the Grenelle II law requires large companies and local authorities in France to publish reports on their greenhouse gas emissions from 31 December 2012. These reports must be accompanied by action plans for reducing their emissions. as well as those of their customers and suppliers. SUEZ ENVIRONNEMENT and all Group subsidiaries concerned have published reports, including Degrémont, Lyonnaise des Eaux, SAFEGE and SITA France.

ADDITIONAL SOURCES OF INFORMATION:

www.suez-environnement. com/sustainabledevelopment/greenhousegases-emissions-balance/

BEST PRACTICES

SITA (France)

A new generation of electric trucks

To improve the performance of its waste collection fleet (reduction of greenhouse gas emissions and atmospheric pollutants, noise reduction and improved comfort for residents and operators). SITA France and its industrial partners have developed a new vehicle model. Having undergone testing since late 2011 in Courbevoie, on the outskirts of Paris, this new generation of truck offers convincing results: 30% reduction in energy consumption

and 94% reduction in greenhouse gas emissions. The new vehicles are being rolled out gradually: 27 trucks were deployed in the Paris region in 2012 and 8 in the Lyon area in 2013.

Metropolis: the hybrid vehicle has arrived

This new concept hybrid vehicle was developed by SITA and manufacturer MAN to collect household waste in the wider metropolitan area. A small diesel engine provides additional energy to the battery of this electric drive vehicle in order to extend its life.

KPI 1: Percentage of landfill waste eliminated by SUEZ ENVIRONNEMENT at facilities equipped with biogas collection and treatment systems (%)

2008	2009	2010	2011	2012	
84.8	84.3	91.2	94.6	92.3	

KPI 2: Direct and indirect emissions of greenhouse gases by the Group (MtCO₂-eq)

2008	2009	2010	2011	2012	Change 2012/2008
5.9	5.9	6.2	6.8	6.2	+5%

KPI 3: The Group's contribution to greenhouse gas emissions avoided (MtCO₂-eg)

2008	2009	2010	2011	2012	Change 2012/2008	
5.8	6.4	6.2	7.4	7.3	+27%	

GRI MARKS

DMA EN — EN16 — EN17 EN18 - EN 29

PRIORITY 02 — COMMITMENT 04

IMPROVE ENERGY EFFICIENCY

(-) **2012 GOAL**

Improve energy efficiency by 5% against 2008.

2016 GOAL

Improve the energy efficiency of drinking water production plants and wastewater treatment plants at equivalent service levels. For the Water segment, increase the energy production/energy consumption ratio. These two goals for improvement replace the quantified target set for 2012.

Issues

Improving energy efficiency is a major issue for the Group and its customers. Efforts are focused mainly on the processes of drinking water production and wastewater treatment, which use the most energy. Improving energy efficiency is especially important as a way to reduce greenhouse gas emissions and energy costs at the same time.

Performance

The energy efficiency indicator (opposite) declined from 741 to 652 Wh per euro of revenues, or -12%. This performance highlights the positive impact of the eco-design solutions offered by SUEZ ENVIRONNEMENT and the continuous improvement of its processes for drinking water production and wastewater treatment.

However, there are limits to this indicator, a ratio of energy consumption to revenues. While it is relevant to evaluate changes in energy efficiency on a contract or a particular service, it is much less so when it comes to consolidated results at the subsidiary level, and even less at Group level. It is particularly subject to interference linked to the weather and foreign exchange effects that often make it difficult to interpret. It is for these reasons that it was not included in the 2012-2016 road map.

BEST PRACTICES

AGBAR (Spain)

ISO 50001 Certification

In late 2012 Aquagest Región de Murcia obtained ISO 50001 certification for the energy management system at its facilities in Cartagena. whose booster stations represent an annual consumption of 2.3 GWh. All facilities of the Sociedad General de Aguas de Barcelona, representing over 100 GWh of annual consumption, have also been ISO 50001 certified since 2011.

Degrémont

An energy efficiency portal with solutions to be adopted

A pioneer and leader in the water treatment industry, in early 2013 Degrémont launched a portal to showcase the many ways to improve energy efficiency. Open to everyone. it allows all players in water treatment to benefit from the company's experience and know-how.

This interactive 3D tool includes several platforms. The first presents Degrémont, its R&D projects, the synergies between the Group's various actors and the experience it has gained through its activities as an operator. Three other platforms each represent a water treatment plant: drinking water production, seawater desalination and wastewater

treatment. Online users have interactive access to solutions that reduce energy consumption, whether through engineering. equipment or new technologies. www.degremont.com/ energy-efficiency

SITA (France)

ISO 50001: a first for an industrial waste site in France

In 2012 SITA Grand Ouest and the General Council of Mayenne obtained ISO 50001 certification for the energy performance of the waste recovery center in Pontmain. The approach depends in part on increasing energy production by recovering the steam produced by waste combustion. The rest relies on reducing energy use, with a commitment to cut electricity and fuel consumption by 15% between 2010 and 2012.

Lyonnaise des Eaux (France)

ISO 50001: a first for the water industry in France

In 2012. Eau du Sud Parisien, a subsidiary of Lyonnaise des Eaux, obtained ISO 50001 certification for its energy management performance. This French "first" in the water sector is especially important given that energy constitutes a major expense in drinking water production.

KPI: Total consumption of energy at SUEZ ENVIRONNEMENT as a proportion of revenue (Wh/€)

2008	2009	2010	2011	2012	Change 2012/2008
741	798	682	595	652	-12%

GRI MARKS FN3 — FN5

GRI MARKS 2.10 - EN3 - EN6 - EN7 PRIORITY 02 — COMMITMENT 05

INCREASE AND PROMOTE RENEWABLE ENERGY **GENERATION**

(-) **2012 GOAL**

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

2016 GOAL

Increase the production of energy by 15%. The new goal goes beyond just energy considered to be renewable and more broadly covers the Group's energy recovery.

issues

At a time when energy is becoming scarcer and more expensive, it is important to increase the share of energy recovery from waste and water treatment. Waste incineration and the energy recovery of biogas from landfills and methanization units produce energy that is largely recoverable. Recovering biogas from wastewater treatment plants also helps to produce this type of alternative energy.

Performance

Between 2008 and 2012. SUEZ ENVIRONNEMENT's production of renewable energy rose from 2.590 to 3.250 GWh, an increase of over 25%, compared with the initial target of 10% (KPI 1). The production level achieved in 2012 corresponds to the annual energy requirement of a city of 485,000 inhabitants. This solid performance reflects the growing importance of energy recovery in waste treatment. It also demonstrates the Group's ability to innovate and its efforts to improve the connection of facilities to heating networks.

In addition, the production of alternative fuels makes it possible to recover energy from hazardous waste and, more recently, from non-hazardous municipal and industrial waste, and to substitute them for fossil fuels, major emitters of CO₂. Production of these fuels was largely stable during the 2008-2012 period, after rising in 2011 (KPI 3). This reflects, among other things, the reduced volume of hazardous waste used in co-incineration in 2012.

(1) — 6.7 MWh/inhabitant/vear within EU 27. (source: Eurostat)

RENEWABLE ENERGY production since 2008

GRI MARKS

EN2 — EN5 — EN6

RENEWABLE ENERGY

Under the regulations, energy produced from biogas in landfills and the methanization of wastewater treatment sludge is classified as 100% renewable: that produced from the incineration of household and municipal solid waste is classified as 50% renewable.

⊕

BEST PRACTICES

SITA UK (United Kingdom) ClimaFuel, a popular alternative fuel

Thanks to ClimaFuel, its alternative fuel produced from household. commercial and industrial waste. SITA UK won the 2013 award for Alternative Fuel Supplier. This is awarded by Global Cemfuels. an organization that promotes alternative fuels for the cement and lime industries. In 2012, SITA's British subsidiary also entered into a 25-year partnership with CEMEX UK (construction supplier) to increase the production of ClimaFuel, which has been tested since 2007. Two new plants will be built to produce over 250,000 tonnes of this fuel, which will be used by CEMEX UK to cover 65% of its needs. and up to 80% in its British facilities.

SITA AND Cofely Services (France)

Sustainable energy for Mars

The Mars Chocolat France factory in Haguenau wanted to find an alternative to its gas-fired heating system, SITA and Cofely Services proposed to capture the potential energy released in the incineration of household waste from a nearby waste-to-energy plant and to send it to the factory via a 1.25km heating network. Scheduled for late 2013, the system will cover 90% of the factory's steam needs and avoid releasing approximately 8,700 tonnes of CO2 per year, reducing GHG emissions from the factory's energy consumption by 60%.

KPI 1: Production of useful renewable energy (GWh)

2008	2009	2010	2011	2012	Change 2012/2008
2,590	2,500	2,460	2,850	3,250	+25.6%

The production of useful renewable energy is defined as the sum of renewable electricity produced and thermal energy sold. It covers: incineration plants, methanization and biogas recovery from landfills and wastewater treatment sludge.

KPI 2: Installed capacity for energy recovery (MW)

2008	2009	2010	2011	2012
547	537	473	594	610

Installed capacity for energy recovery at incineration and methanization plants and in landfills.

KPI 3: Alternative fuels substituting for fossil fuels provided by SUEZ ENVIRONNEMENT (kilotonnes of oil equivalent, ktoe)

234 217 227	290 244	

In 2012, the Group produced 244 ktoe of alternative fuels from hazardous waste treatment alone

PRIORITY 02 — COMMITMENT 06

INCORPORATE BIODIVERSITY IN SITE MANAGEMENT

⊕ **2012 GOAL**

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

2016 GOAL

Increase the number of regulatory and voluntary action plans implemented at sensitive sites in or near protected areas. A more qualitative goal than that set for 2012.

Issues

Water and waste treatment solutions are one way of limiting the physical, chemical and biological impacts of human activities on the natural environment. Improving the quality of such treatments thus contributes to the preservation of biodiversity. Facilities managed by the Group put pressure on the natural environment through the impact of the facilities themselves and the release of substances into the water, soil and atmosphere. Incorporating the preservation of natural heritage in managing its operations now seems essential.

Performance

Since 2008, the Group has enhanced its offerings to support biodiversity policies. for example with tools to diagnose the environmental impact of a community's various public services. At the same time, it has strengthened the inclusion of biodiversity in its site management. Tools for evaluating and monitoring biodiversity have been developed and improved in partnership with expert organizations and associations for the protection of nature. In 2010, the Group took an active role as part of the International Year of Biodiversity, participating in the French Conference on Biodiversity and publishing a brochure on its contributions to the preservation and restoration of biodiversity through its activities. In 2012, the Group joined the National Biodiversity Strategy and will have its commitments recognized in 2013.

The Group manages thousands of sites around the world. Regulations on biodiversity, in some cases in their infancy, vary widely from one site to another and are constantly changing. By the end of 2012, approximately 60% of the 240 sites identified as being near a biodiversity protection area had developed an action plan. The initial goal was clearly too ambitious, as many countries have not reached the level of maturity necessary for biodiversity protection and important information and awareness-raising efforts are still to be carried out.

Nevertheless, numerous initiatives taken both by the Group and its subsidiaries demonstrate the progress made during the period.

BIODIVERSITY PARTNERSHIPS OF SUBSIDIARIES

- French Museum of Natural History (MNHN) — France Nature **Environnement** - French League for the Protection of Birds International Union for Conservation of Nature — Conservatoire National de Guadeloupe.

BEST PRACTICES

Lvonnaise des Eaux (France) "La Zone Libellule®": increasing the biodiversity of fauna and flora

In 2009, Lyonnaise des Eaux created a 1.5 hectare artificial wetland to improve wastewater treatment downstream of its plant at Saint-Just (5.000 inhabitants), in the Hérault administrative department. La Zone Libellule® was planted with native plant species chosen for their ability to remove selected pollutants. Three years later, the results are very encouraging: the filling of what was originally a dry prairie has increased the biodiversity of the fauna and flora sixfold; the water is better oxygenated, with no thermal impact on the environment: 50% of micropollutants have seen a 70% reduction in concentration levels. The improvement is substantial for some endocrine disruptors, which include drugs such as antibiotics and even certain pesticides. More than 2,000 people have visited the site since 2009 and increased their awareness about the environment and biodiversity.

Kev initiatives

At Group level

— Reporting on three KPIs at sensitive sites and actions plans: — creating a web tool for detecting protected species around certain sites and identifying the necessary information to place such areas under biodiversity protection;

- educating employees and the general public:
- contributing to the public debate: French Conference on Biodiversity (May 2010). Environmental Conference (September 2012).

In the subsidiaries

- Actions to preserve or restore biodiversity through partnerships and sponsorships (Océanopolis aquarium: Good Planet Foundation):
- development and application of methods and tools for evaluating and monitoring biodiversity and ecosystems: Environmental quality indicator (EOI) for landfills developed by SITA France and MNHN; MéSANGE® ecosystem assessment tool by SAFEGE and MNHN: City Biose® a tool for evaluating the impacts of municipal services: — trial projects on environmental
- engineering and ecosystem services aimed at expanding the offering: the artificial wetlands project certified by the DREAM and EAU competitiveness clusters: BioRestore (Lyonnaise des Eaux) and Cystore (SAFEGE) projects with the Grand Port Maritime de Marseille and the water management agency; — the inclusion of biodiversity criteria in the design of landfills and throughout the facility's lifetime; public awareness-raising initiatives:
- "Coulée verte". "Les sentiers de la biodiversité" (SITA).

Indicators at sensitive sites

(Number of sites)

(
	2010	2011	2012	
Sensitive sites	193	212	240	
Sensitive sites with action plans	31	39	40	
Sensitive sites with voluntary action plans	98	103	104	

GRI MARKS

4.13 - DMA EN - EN13 FN14 — FN24 — SO10

GRI MARKS 4.13 — DMA LA — EN11 — EN13 EN14 — EN26 — SO5 — SO9

NB: Reliable data for reporting on sensitive sites could not be collected before 2010

PRIORITY 03 — COMMITMENT 07

FOSTER PROFESSIONAL KNOWLEDGE

(-) **2012 GOAL**

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

Achieve 18 hours of training and personal development on average per employee each year. A more ambitious target than in 2012.

2016 GOAL

HOURS OF TRAINING

provided by the Group in 2012 were devoted to quality, safety and the environment

Issues

Training is a major issue in terms of economic and social performance. The water and waste sectors are being transformed and the skills they require are rapidly changing. Anticipating, formalizing and transferring the expertise and know-how that employees will need are among the company's major human resources issues. Training must help the Group to manage changes in its business activities and enable all employees to take an active role in their professional development.

Performance

The Group increased the level of employee training significantly between 2008 and 2012. The number of training hours rose by 25%, from 13.5 hours in 2008 to almost 17 hours per employee per year in 2012 (KPI 1), compared with the initial target of 15 hours. The growth of distance learning is one of the keys to this increase. Training is also increasingly reaching all employees, with 68% of the workforce being trained in 2012, against 57% in 2008. The category of workers. employees and technicians saw the biggest increase: 67% of them received training in 2012, compared with 51% in 2008 (KPI 4).

BEST PRACTICES

Group

A compilation of all training offers

Flagship project of the Skills and Training department in 2012, the Training Catalogue is a compilation of all training courses offered by the Group and its subsidiaries. Launched online in December 2012. it includes over 1.700 course descriptions from 13 entities and is a remarkable tool for sharing and streamlining the training offer for all of the Group's HR teams. The catalogue is the result of a major team effort since 2010, involving the design of a common format for course descriptions, creating an online platform for offers, validating user access, writing user and administrator guides, etc. The Training Catalogue will be updated annually.

Summer Campus online training

Introduced in summer 2012 by the Skills and Training department, this new online training catalogue includes over one thousand individual courses open to all Group

employees. It includes almost all of the educational resources by publisher CrossKnowledge, the European leader in online training and a specialist in management and leadership. The catalogue, available on the Group's intranet. covers general topics such as staff development, management and sales. Content is available in seven languages (English, French, Spanish, Dutch, Polish, Italian and German).

Ambassador

After being named the Best Serious Game for France in 2011. Ambassador received the award for Best Game-Based Learning by E-Learning Journal, a leading German publication for the monitoring and analysis of educational content. This simulation game. developed for SUEZ ENVIRONNEMENT by KTM Advance, is structured around the Group's sustainable development priorities and commitments. Its purpose is to help integrate new employees by familiarizing them with the Group's business activities and the issues it faces.

KPI 1: Annual number of training hours per employee

2008	2009	2010	2011	2012
13.5	12.9	14.5	16	16.9

KPI 2: Percentage of managers who have received training

2008	2009	2010	2011	2012
70	68	69	74	72

KPI 3: Percentage of senior technicians and supervisors who have received training

2008	2009	2010	2011	2012
69	71	74	74	71

KPI 4: Percentage of workers, employees and technicians who have received training

2008	2009	2010	2011	2012			
51	55	59	67	67			

PRIORITY 03 — COMMITMENT 08

CONTINUOUSLY STRIVE TO IMPROVE HEALTH AND SAFETY IN THE WORKPLACE

(-) **2012 GOAL**

Reduce the frequency rate of workplace accidents to below 14.

2016 GOAL

Reduce the frequency rate of work-related accidents in the Water activities to 5, and to 15 in the Waste activities: and reduce the accident severity rate by at least 10%. These goals are more ambitious and better suited to the sector.

-24% FREQUENCY RATE of work accidents since 2008

issues

The health and safety of employees, customers and subcontractors is an integral part of corporate social responsibility. In an area where results are always fragile, the main challenge is to remain vigilant and continue to make an effort. Engaging and raising the awareness of all personnel. especially managers and supervisors, are the key to safety in the workplace.

Performance

The Group puts safety at the center of its social policy, with goals that are among the most ambitious of companies in this sector. The results are there: the frequency rate of accidents fell from 17.45 in 2008 to 13.32 in 2012, an improvement of 24% compared with the initial target of 14 (KPI 1). At the same time, the severity rate for work accidents also fell, from 0.65 in 2008 to 0.60 in 2012, or an 8% reduction (KPI 2). In the Waste segment, the frequency rate dropped from 24.4 to 18 and the severity rate from 0.93 to 0.83. Progress was less visible in the Water segment, although the initial situation was better: the frequency rate declined from 6.2 to 5.2, while the severity rate increased from 0.19 to 0.23.

Serious accidents linked to the highest-risk activities, such as working in confined spaces and exposure to chlorine or onsite traffic, fell sharply. Employee education and training contributed to this. An increase in safety inspections involving senior managers in all countries and activities fuelled a constructive dialog between management and field staff, and played an important role in achieving these results.

BEST PRACTICES

SITA Deutschland and SITA Nederland

Public safety explained to students

Since 2011 SITA's German and Dutch subsidiaries have been going into schools to educate students and teachers about the safety issues surrounding collection vehicles – for example, the fact that pedestrians and cyclists are not always visible in their rearview mirrors. An educational film has been produced for school audiences which is shown and discussed in schools by the collection teams that live and work in the area. In the same spirit, to raise awareness among road users, warning signs have been placed on the passenger side of collection vehicles to alert cyclists to the risks of the vehicle changing direction.

Group

Golden rules of safety

SUEZ ENVIRONNEMENT is implementing in all of its subsidiaries a proactive policy of risk reduction and training aimed at preventing accidents. The close involvement of the entire management team in coordinating, implementing and monitoring the safety policy ensures its success. A "uniform safety culture" is thus spreading within the Group through a system that combines:

- common rules for managing health and safety;
- common standards for equipping and organizing high-risk activities; — formalized targets for safety and health in each entity:
- regular audits that evaluate the system's effectiveness.

KPI 1: Frequency rate of workplace accidents

2008	2009	2010	2011	2012
17.45	15.35	16.28	14.06	13.32

KPI 2: Severity rate of workplace accidents

· _· · · · · · · · · · · · · · · · ·						
2008	2009	2010	2011	2012		
0.65	0.64	0.68	0.66	0.60		

GRI MARKS I A7 — I A8 — PR1

GRI MARKS DMA LA — LA7 — LA8 PRIORITY 03 — COMMITMENT 09

SUPPORT DIVERSITY

⊕ **2012 GOAL**

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

2016 GOAL

Achieve a level of 30% of women in managerial roles. A more ambitious target than in 2012.

Issues

Beyond banning discrimination based on age, origin, gender or disability, establishing a long-term policy on equal opportunities is a challenge that all companies face. Promoting diversity has become both an economic and a social issue. As a source of wealth, it is vital to raising the company's performance and capturing new markets. As a source of employee unity and enrichment, it is a key driver of their commitment and motivation.

Performance

The percentage of women in management rose from 23.7% to 26.3% between 2008 and 2012, slightly exceeding the original target of 26%. The percentage of women in the overall workforce, meanwhile, increased from 18.2% to 19%. falling slightly short of the target of 20%. In recent years, French and non-French subsidiaries have ramped up their policies to boost women's careers and rolled out multiple actions to improve the quality of life at work.

With 80,000 employees in more than 70 countries and activities that have deep local roots, SUEZ ENVIRONNEMENT is by nature a very diverse Group. Its policy of gender equality and the promotion of diversity, based on equal opportunities and social progress, is embodied in the Diversity program. Launched in 2010 for an initial three-year period, this program focuses on access to employment for disadvantaged youth, recruitment and support of people with disabilities, recruitment and professional development of women, and recruitment and career development for older workers. The new Diversity 2013-2016 program will be implemented with the network of program sponsors. the HR teams and the management of all structures.

DIVERSITY LABEL

In 2013 the Group will submit its application for a Diversity label with AFNOR (the French standardization agency). Attesting to the effective and proactive commitment of a company to preventing discrimination, this label is awarded based on specifications that are evaluated by a national commission.

BEST PRACTICES

Agbar (Spain)

An ambitious action plan for diversity

In 2012, the Group's Spanish subsidiary launched an ambitious action plan to promote diversity. In total, 28 projects are planned with KPIs and targets for 2016. The action plan focuses on several issues: vouth recruitment, careers for employees aged 55 and over, jobs for people with disabilities, professional equality between men and women. Some actions span several areas, including work-life balance, workplace satisfaction, communication and diversity training. Implementing this plan is not the sole responsibility of the HR department: it involves every function in the company.

Group

Honoring mentors

Launched in 2012. **SUEZ ENVIRONNEMENT'S Mentoring** program is designed to facilitate the transfer of knowledge and the personal development of employees. Thirty-one leaders were selected to participate in an initial one-year program. Members of the management committees of SUEZ ENVIRONNEMENT. SITA. Lyonnaise des Eaux. SAFEGE

and Degrémont, they received special training before being paired up with Group employees. Gender, age and position within a company or business line were carefully compared to maximize synergies. The aim to create both a mechanism for strengthening leadership and a tool for spreading a culture of diversity.

Lyonnaise des Eaux (France) Service for deaf and hearing impaired customers

Six million people have a hearing disorder in France. Lyonnaise des Eaux and 14 other companies, together with Delta Process, have developed a communication service for deaf and hearing impaired customers. Called "Tadeo", it offers remote assistance during telephone calls and meetings from an operator with expertise in sign language and speech transcription. First made available to employees, it was adapted for customer calls under the "Acceo" label. In 2011. Lyonnaise des Eaux opened this service to all of its deaf and hearingimpaired customers. This initiative was recognized in 2013 by "Défis RSE" (CSR Challenges), an organization that presents awards for social and environmental responsibility.

Table of key performance indicators (KPI) (as %)

	2008	2009	2010	2011	2012
Proportion of women in the total workforce	18.2	18.3	18.6	19.2	19.0
Proportion of women among management	23.7	24.3	24.9	25.9	26.3
Proportion of women among qualified employees	33.7	34.3	34.9	36.5	36.6
Proportion of disabled employees	1.5	1.5	1.6	1.8	1.9

GRI MARKS DMA LA — EC7 — LA13

PRIORITY 04 — COMMITMENT 10

MAINTAIN AN ACTIVE DIALOG WITH STAKEHOLDERS

⊕ **2012 GOAL**

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

2016 GOAL

In light of the increasing

maturity of stakeholder dialog, the new road map has three goals: propose to the authorities implementing dialog structures with stakeholders for new large-scale contracts: — for complex projects systematize dialog upstream with all stakeholders and perform an advanced analysis of the regional impacts; - regularly organize stakeholder sessions at Group

level in order to involve NGOs.

elected officials and experts in

tion of the Group's sustainable

the development and evalua-

development policy.

Issues

Dialog with stakeholders is a vital part of the strategic approach to sustainable development. Corporate, social and environmental responsibility involves renewing modes of governance based on dialog with the stakeholders, interacting with the company. To anticipate and respond to the expectations and concerns of stakeholders and to ensure that solutions are able to meet the needs of its customers and of civil society, the company must organize this dialog at both the local and higher institutional levels.

Performance

Between 2008 and 2012, SUEZ ENVIRONNEMENT organized, professionalized and institutionalized the practice of dialog with stakeholders. Across the Group, consultation meetings were held on a regular basis, and at least once a year. Around 20 stakeholders generally participate in these "stakeholder sessions", with about 60% new participants on the panel for each session. A dedicated extranet collects and centralizes the parties' views ahead of each meeting.

At each session, the Management Committee and the Foresight Advisory Council⁽¹⁾ are represented. The sessions are led with the help of Committee 21⁽²⁾ and address the major themes of sustainable development within the Group. The latest one was devoted to the 2012-2016 road map for Sustainable Development (see opposite). The consultation procedures are evaluated by Accountability International⁽³⁾, which also performed a retrospective audit on the traceability of discussions.

At the local level, in 2008 SUEZ ENVIRONNEMENT developed a new method for dialog, called the "Stakeholder Toolkit". It is used to identify and analyze the challenges faced by the various business entities and stakeholders. Special software was developed to assist local teams in planning and facilitating dialog on contracts and projects. Available in three languages, it has been deployed at 15 pilot sites and more than 1,300 employees have been trained on how to use it.

(1) — The FAC (Foresight Advisory Council), established in 2000, is a structure for consultation with civil society. composed of 25 people from outside the company, independent experts from all backgrounds and nationalities. (2) — Committee 21, created as an extension of Agenda 21, the action plan for the 21st century adopted by the Earth Summit in Rio in 1992.

(3) — Accountability International: a think tank and consulting firm specialized in the integration of sustainable development into organizational practices.

BEST PRACTICES

Group

A highly collaborative road map

The 2012-2016 road map was developed in 18 months in consultation with over 150 people. It was first discussed with the Group's subsidiaries, then enhanced by strategic planning with the FAC and consultation with stakeholders. This consultation on priorities for environmental, economic and social responsibility took place in several stages. A first draft of the road map was uploaded to an extranet portal to allow stakeholders to respond and share their comments. Next, major themes were identified for a meeting held on September 14, 2012 between thirty stakeholders (NGOs, experts, politicians, etc.) and the Group's senior management. This meeting allowed SUEZ ENVIRONNEMENT to enhance its policy and to identify areas that could be subject to further consultation. The stakeholders were informed about the inclusion of their comments and suggestions.

Active participation in RIO+20 SUEZ ENVIRONNEMENT actively participated in preparations for the UN Conference on Sustainable

Development, held in June 2012 in Rio de Janeiro. The Group participated in various consultations ahead of the conference and joined the Club France RIO+20. It also contributed to the work of the International Chamber of Commerce, the Ministry of Ecology, Sustainable Development and Energy and the World Business Council for Sustainable Development. A delegation led by Group CEO Jean-Louis Chaussade attended the Rio conference.

SUEZ ENVIRONNEMENT also participated in 16 events organized alongside the conference by various stakeholders on the issues of water management, sanitation and waste management.

Degrémont

Deployment of the Stakeholder Toolkit

The SUEZ ENVIRONNEMENT subsidiary is helping to deploy the Group's method for coordinating local dialog. the "Stakeholder Toolkit". In 2012. it launched several new pilot sites for stakeholder dialog in Spain, Mexico and Jordan.

GRI MARKS

PRIORITY 04 — COMMITMENT 11

BE A KEY ACTOR OF LOCAL SUSTAINABLE DEVELOPMENT

⊖ 2012 GOAL

Implement a dedicated reporting system for this commitment.

2016 GOAL

Group's actions in favor of local sustainability, the 2016 goal consists of three parts: produce a case study on the economic and social impacts of the activities of the Group in a region and publish it in our Sustainable Development report; - train over 100 professionals and managers from water and sanitation services in developing countries; allocate at least 4 million a year, through the SUEZ ENVIRONNEMENT Initiatives Fund, to actions which promote access to essential services in developing countries, and social integration in France.

In light of the maturity of the

Issues

SUEZ ENVIRONNEMENT is associated in many ways with the economic and social development of the regions in which the Group and its subsidiaries operate. Its activities affect the daily lives of residents and are deeply rooted in the local environment. Considering shared interests, seeking long-term development and maintaining a dialog with stakeholders are integral parts of its approach to progress. Partnering with key actors in local development puts the focus on areas of competency that are also major societal concerns: access to water and sanitation, inclusion through employment, protection of the environment and biodiversity.

Performance

Between 2008 and 2012. SUEZ ENVIRONNEMENT launched many initiatives to strengthen its contribution to sustainable local development. The Group's support of the UN resolution on the "fundamental right to water and sanitation" is reflected in its active support for local authorities in implementing this right throughout the world.

The Group has a variety of tools for carrying out its initiatives. The SUEZ ENVIRONNEMENT Initiatives Fund, which in 2011 took over from the SUEZ ENVIRONNEMENT Eau pour Tous Foundation of the Institut de France, pursues the same missions with an annual budget of €4 million. Its actions are aimed at promoting social inclusion and access to essential services. The Group's social commitment dovetails with that of its employees, whose association, Aquassistance, supports emergency humanitarian assistance. The Group's main subsidiaries also deploy local development programs at their regional level.

EQUAL OPPORTUNITIES, SOCIAL PROGRESS, COMMITMENT

This Group program concerns access to jobs and social inclusion. One of its initiatives. the "Maison pour rebondir". assists people in difficulty. helping them to find stable employment or start their own business.

SITA REBOND

A subsidiary of SITA France specializing in social integration through economic activity, **SITA Rebond** has helped more than 3,500 people since it was founded in 2002. More than 800 of them have been hired by the Group.

Θ

BEST PRACTICES

SUEZ ENVIRONNEMENT INITIATIVES FUND

Award-winning Togo Mothers' Club

With the help of the Togolese Red Cross, 23 Togo Mothers' Clubs have been created to raise awareness in local communities (representing more than 12.000 people) about the issues of sustainable water management, sanitation, hygiene and community health. In the savannah region of northern Togo, where 80% of the population is without sustainable access to safe drinking water, women have taken a leading role in community development in the villages. Their activities range from educational talks to public drives to clean water distribution points, and include management of a microcredit fund and a health solidarity fund. The project was recognized in 2012 by the "Access to Essential Services" award from the SUEZ ENVIRONNEMENT Initiatives Fund. This €50.000 prize rewards innovative actions that can be easily reproduced.

Lyonnaise des Eaux (Dunkerque)

Ecological and social tariffs

Lvonnaise des Eaux introduced France's first social water tariff in Dunkerque in 2012. This pricing structure incentivizes reasonable consumption and takes household income into account. Three price bands have been set according to the volume of consumption. ranging from €0.32 per cubic meter if annual consumption is below 75 cubic meters, to €2.04 per cubic meter for consumption in excess of 200 cubic meters. "Essential" water – used for food and hygiene -benefits from a minimum discount of 20%, which can be as high as 70% for low-income families. The tariffs also take household size into consideration. An "eco-social" observatory has been created to involve residents and local authorities in monitoring the plan. A Sustainable Water fund has also been set up to recognize professional initiatives for water conservation.

MILLENNIUM GOALS

Since 1990, the Group has connected 12.8 million people to a drinking water supply and provided 6.6 million people with access to sanitation services.

PRIORITY 04 — 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.

2016 GOAL

Given the improvement in environmental and social reporting procedures over the period in terms of reliability and availability of information. No commitment was identified on this topic.

Greater transparency about objectives and performance in terms of sustainable development and corporate social responsibility is in line with stakeholders' expectations as well as official recommendations. SUEZ ENVIRONNEMENT is committed to reporting reliable and relevant information on its goals and results. The Group encourages its subsidiaries to do likewise, whether on a country, site or contract level. This information conforms in particular to the recommendations of the GRI (Global Reporting Initiative) and the UN Global Compact, supplemented by comments and suggestions from the stakeholders, including ESG-rating agencies.

Performance

In 2008, SUEZ ENVIRONNEMENT began the process of having its environmental and social indicators verified by independent auditors. This verification is accompanied by an evaluation scored with moderate or reasonable assurance. In 2008. the percentage of indicators verified with reasonable assurance was 55%. In 2012, it reached 74%. Since 2009, the reliability of the data provided by the Group has also been supported by ESG-rating agency evaluations (see pages 54-55).

BEST PRACTICES

Group

White Paper - RIO+20

SUEZ ENVIRONNEMENT published a White Paper in time for the third Earth Summit, held in Rio in June 2012. This paper presents its vision for a green economy around four main themes: mobilizing innovative technologies: building equitable and sustainable societies: transforming the business model; working within a multi-stakeholder framework.

Responsible lobbying

Since 2010, SUEZ ENVIRONNEMENT has been listed in the European Commission's Register of Interest Representatives. Participation in this register, which is on a voluntary basis, requires the publication of standardized information on topics of interest and the resources implemented. It also commits the Group to compliance with a code of conduct.

Rating agencies

The Group's environmental. social and societal performance is evaluated by the largest ESG rating agencies (see pages 54-55). With its leading position in these evaluations, the Group has been included in the Dow Jones Sustainability Index World and the Dow Jones STOXX Sustainability Index since September 2009, the Advanced Sustainable Performance Indices Eurozone® and Ethibel Sustainability Excellence Europe® since 2010 (the Vigeo 120 World. **Europe & France since November** 2012), and the FTSE4Good index since March 2011.

GRI

This report was prepared in accordance with GRI standards (see GRI tags). It has been rated B+ since 2009.

United Water (United States)

First sustainability report The Group's U.S. subsidiary (2.300 employees) will publish a sustainable development report in 2013.

Table of key performance indicators (KPI) (Number)

	KPI verified		KPI verified with reasonable assurance			
	2008	2012	2008	2012		
nvironmental indicators	5	5	3	5		
ocial indicators	4	14	2	9		
otal	9	19	5	14		

GRI MARKS

ENVIRONMENTAL, SOCIAL AND SOCIETAL **PERFORMANCE**

Performance indicators for the 12 commitments presented in scope of consolidation, comprising fully consolidated companies.

THE 10 PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

The United Nations Global Compact asks companies to embrace, support and enact within their sphere of influence, ten basic principles in the areas of human rights, labor standards, the environment and anti-corruption measures. These principles, by category, are as follows:

Human Rights

- 1 Support and respect the protection of internationally proclaimed human rights.
- 2 Make sure that they are not complicit in human rights abuses.

- 3 Uphold the freedom of association and the recognition of the right to collective bargaining.
- 4 Uphold the elimination of all forms of forced and compulsory labor.
- 5 Uphold the effective abolition of child labor.
- 6 Uphold the elimination of discrimination in respect of employment and occupation.

Environment

- 7 Support a precautionary approach to environmental challenges.
- 8 Undertake initiatives to promote greater environmental responsibility.
- 9 Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10 — Work against corruption in all its forms, including extortion and bribery.



Environmental indicators

Section	Unit	NRE	GRI3	2012	2011	2010
Management						
WASTE – Environmental commitment policy or statement	% Rev	3	4.8	94%	95%	94%
WASTE – Environmental program	% Rev	3	4.8	95%	95%	98%
WATER – Environmental commitment policy or statement	% Rev	3	4.8	75.0	78%	88%
WATER – Environmental program WASTE – Share of activity (tonnage) covered by an environmental management system (EMS)	% Rev %	3	4.8	75.0 84.0%	71% 89	799 81
WATER – Share of activity (volume) covered by an environmental management system (EMS)	% %	3	4.8	68.1	49.7%	63.3
WASTE – Environmental risk prevention plans	% Rev	6	4.9	91%	92%	929
WASTE – Environmental crisis management plans	% Rev	6	4.9	93%	95%	949
WATER – Environmental risk prevention plans	% Rev	6	4.9	85.0	69%	779
WATER – Environmental crisis management plans	% Rev	6	4.9	78.3	80%	919
Complaints leading to compliance orders (related to environmental incidents)	Nbr	8	EN28	32	39	6
Convictions for environmental damage	Nbr	8	EN28	3	16	
Compensation paid as a result of convictions (related to environmental incidents)	K€	8	EN28	1,715	243	81:
Total legal costs of defending suits	K€	8	EN28	3	455	32
Total number and volume of significant accidental spills	Nbr	8	EN23	none	none	none
Energy						
Installed capacity – Electricity – Biogas recovery	MWe	1	EN3	134	133	11
Installed capacity – Electricity – Energy recovery from household waste	MWe	1	EN3	517	502	39
Installed capacity – Heat – Biogas recovery	MWhth	1	EN3	67	62	4
Installed capacity – Heat – Energy recovery from household waste	MWhth	1	EN3	1,632	1,668	1,37
Energy consumption – Waste only – ELECTRIC	MWhe	1	EN3	587,000	551,381	528,34
Energy consumption – Water only – ELECTRIC	MWhe	1	EN3	4,170,000	3,704,672	3,007,24
Energy consumption – Water and waste – ELECTRIC	MWhe	1	EN4	4,757,000	4,256,053	3,535,58
Energy consumption – Water and waste – NATURAL GAS Energy consumption – Water and waste – OTHER FUELS	MWhe	1	EN4 EN4	436,250	418,159	438,98e 2,903,08
Energy consumption – Waste – Total energy consumption	MWhe MWhe	1	EN3	3,201,198 3,473,482	2,910,102 3,556,391	3,406,85
Energy consumption – Waste – Total energy consumption Energy consumption – Water – Total energy consumption	MWhe	1	EN3	4,920,966	4,027,923	3,470,80
Energy consumption – water – local energy consumption Energy consumption per ton of waste treated	kWh eq/T	1	EN3	33	30	2,470,80
Electricity consumption per cubic meter of drinking water produced and distributed	Whe/m³	1	EN3	519	454	43
Electricity consumption per cubic meter of wastewater collected and treated	Wh eq/m³	1	EN3	937	609	480
Water						
WASTE – Water consumption	m³	1	EN8	9,588,054	9,032,678	7,773,698
The first concentration			2110	7,000,001	7,002,070	7,770,070
Air						
Direct GHG emissions	TCO ₂ -eq	1	EN16	5,695,329	6,313,239	5,568,849
— of which Waste – waste collection	TCO2-eq	1	EN16	558,591	693,379	656,499
— of which Waste – incineration	TCO₂-eq	1	EN16	2,275,013	2 176,712	1,921,71
— of which Waste – landfill	TCO₂-eq	1	EN16 EN16	2,048,755	2 696 237 425,182	2,378,26
— of which Waste – treatment of hazardous industrial waste — Other direct emissions	TCO ₂ -eq	1	EN16	385,778 427,191	321,729	277,51
Emissions of ozone-depleting substances	T T	1	EN19	none	none	none
Indirect GHG emissions	TCO ₂ -eq	1	EN16	1,473,660	1,429,121	1,297,940
— of which Waste – Annual electricity consumption	TCO ₂ -eq	1	EN16	280,698	246,856	225,465
— of which Water – Annual electricity consumption	TCO ₂ -eq	1	EN16	1,192,962	1,182,265	1,072,474
Contribution to avoided GHG emissions	TCO ₂ -eq	1	EN16	7,545,530	7,618,670	6,436,092
— of which Waste – by material recovery	TCO₂-eq	1	EN16	5,065,676	5,135,626	4,421,408
— of which Waste – by energy recovery (incineration)	TCO₂-eq	1	EN16	1,025,734	867,312	718,14
— of which Waste – by energy recovery (landfill)	TCO₂-eq	1	EN16	376,258	330,520	287,670
— of which Waste – by energy recovery from hazardous waste	TCO₂-eq	1	EN16	71,176	91,234	87,225
— of which Waste – by alternative fuels prepared and supplied by SE	TCO₂-eq	1	EN16	920,367	1,093,049	855,22
— of which Water – by energy recovery	TCO₂-eq	1	EN16	86,219	100,928	66,418
Drinking water distribution & production						
Volume of groundwater drawn	Mm³	1	EN1	553	651	432
Volume of surface water drawn	Mm³	1	EN1	3,216	3,098	2,454
Number of drinking water treatment plants	Nbr	1	SE	1,177	1,209	1,193
Annual production volume (input to network)	Mm³	1	SE	4,752	4,484	3,81
Volume of drinking water distributed	Mm³	1	SE	3,362	3,089	2,659
Technical efficiency of drinking water distribution networks	%	1	SE	76.8	72	75.
Network length	km	2	SE	251,292	240,621	187,40
Quantity of reagents used for treating drinking water	Т	1	EN1	129,144	115,658	98,10
Wastewater collection & treatment						
Total number of treatment plants	Nb	2	EN26	2,266	2,267	1,77
Network length	km	2	EN26	122,054	113,441	94,19
Volume of wastewater treated	Mm³	2	EN26	3,316	3,189	2,998
Amount of BOD waste entering wastewater treatment plants	T	2	EN21	811,719	867,006	780,709
Amount of BOD waste exiting wastewater treatment plants	T	2	EN21	62,304	77,638	60,094
Treatment efficiency – quantity of BOD5 eliminated – of treatment plants	%	2	EN26	92	91.1	92.
Amount of nitrogen entering wastewater treatment plants	T	2	EN21	144,767	142,430	116,943
Amount of nitrogen exiting wastewater treatment plants	T	2	EN21	54,526	54,821	45,439
Treatment efficiency – Nitrogen eliminated – of treatment plants	%	2	EN26	62	62	61

Section	Unit	NRE	GRI3	2012	2011	2010
Quantity of reagents used in wastewater treatment	T	2	EN1	84,742	109,472	80,280
Percentage of water reused after treatment	%	1	EN10	23	23	22
Percentage of sludge reused (agricultural recovery)	%	1	EN22	71	64	51
Waste collection services						
Number of inhabitants receiving collection services	Nbr	1	SE	49,292,436	56,796,911	50,406,498
Number of industrial and commercial customers receiving collection services	Nbr	1	SE	466,275	435,209	432,948
Total tonnage of household and similar waste collected	T	1	EN22	11,582,456	11,964,842	10,584,014
Total tonnage of medical waste collected	Т	1	EN22	159,954	155,108	114,975
Total tonnage of industrial and commercial (I&C) waste collected	T	1	EN22	14,002,761	20,608,643	14,063,862
Tonnage of hazardous waste collected	T	1	EN22	1,186,878	2,284,682	2,116,103
Total number of waste collection, cleaning and sanitation trucks	Nb	11	EN29	12,174	12,067	12,889
Percentage of truck fleet running on alternative fuels Fuel consumption per truck	% m³/nbr	1	EN29 EN3	4.7 14.6	5.0 16.4	4.5 14.2
Average fuel consumption per ton collected	L/T	1	EN3	7.4	6.1	7.4
	L/ I		LINO	7.4	0.1	7.4
Sorting/recycling				070	070	
Number of transfer stations	Nbr	1	SE	270	279	251
Number of sorting/recycling centers Transpare incoming to certain centers	Nbr T	1	SE EN22	373 12,239,456	366 11,993,860	350
Tonnage incoming to sorting centers Tonnage of recovered material outgoing from sorting centers (excluding mono-flows)	T T	2	EN22 EN22	8,781,841	7,697,380	10,895,071 6,365,145
Rejection rate	%	2	EN22	28	36	42
Tonnage sent directly to recycling facilities after collection (amenity centers,	T	1	EN22	3,436,163	3,556,283	2,505,150
voluntary drop-off centers, transfer) without going through a sorting/recycling center			LINZZ	0,400,100	0,000,200	2,505,150
Other material flows after waste recovery (monoflow)	T	2	EN22	1,639,355	2,020,752	2,265,505
Composting Number of composting sites	Nbr	1	SE	128	120	118
Tonnage incoming	T	1	EN22	2,081,652	1,751,312	1,582,983
Tonnage of compost produced	 T	2	EN22	847,401	756,207	592,963
Tonnage of sludge for sewage farming treated for material recovery	Ť	2	EN22	573,197	576,526	598,071
Apparent biological recovery efficiency	%	2	EN22	54	57	55
	,					
Thermal treatment of non-hazardous waste Number of urban waste incineration plants	Nbr	1	SE	48	47	48
Tonnage of incinerated waste	T	2	EN6	6,662,964	6,352,286	5,622,624
SO _x emissions	T	1	EN20	385	380	271
NO _x emissions	T	1	EN20	4,291	4,126	4,144
Dust emissions Dust emissions	T	1	EN20	45	39	4,144
Quantity of waste residue in incineration fumes	T	1	EN22	299,317	281,948	265,358
Percentage of bottom ash recovered	%	2	EN22	90	88	84
Electrical energy produced	MWhe	1	EN6	2,862,674	2,621,521	2,397,906
Thermal energy sold	MWhth	1	EN6	1,960,373	1,610,427	1,041,261
Non-hazardous landfill						
Number of landfill waste facilities (K1+K2+K3)	Nbr	1	SE	141	130	138
Tonnage incoming to household waste landfills	T	1	EN22	15,960,908	16,416,905	16,889,430
Leachates treated	m³	1	EN22	3,084,549	2,909,129	2,779,180
Percentage of waste in a landfill equipped with a biogas collection and treatment system	%	1	EN22	94.0	95.7	92.9
Volume of methane collected and treated	Nm³	1	EN6	140,330,221	152,894,491	144,289,144
Volume of methane recovered as energy	Nm³	1	EN6	332,594,670	315,148,521	304,373,725
Amount of electricity produced from biogas	MWhe	1	EN6	830,182	741,363	691,901
Treatment of hazardous waste						
Number of hazardous waste incinerators	Nbr	1	SE	9	9	9
Number of hazardous waste platforms (pretreatment and transfer)	Nbr	1	SE	172	154	141
Number of industrial waste landfills (K1 landfill site)	Nbr	1	SE	16	15	15
Number of sites for treating medical waste	Nbr	1	SE	7	6	5
Hazardous waste treated – total excluding contaminated soil	T	1	EN22	2,705,737	2,488,343	2,313,278
— of which recovered in cement plants	T	1	EN22	482,776	514,883	494,597
— of which incinerated	T	1	EN22	348,982	330,201	366,554
Tonnage of soil treated/recovered	T	2	EN23	1,310,184	1,009,493	996,728
Alternative fuel provided from waste recovery	TEP	1	EN22	244,327	290,168	227,034
Tonnage incoming to K1 landfill sites	T	1	EN22	627,500	598,821	694,958
Electrical and electronic waste						
Number of sites for treating electrical and electronic waste at end of life	Nbr	1	SE	10	10	16
Tonnage incoming for dismantling-recycling	T	1	EN22	18,704	18,317	20,498
Tonnage of material recovered after dismantling	T	1	EN22	15,899	15,912	17,683
Total						
Total waste treated	T	1	SE	44,403,767	41,944,827	40,722,657
% products sold and their packaging materials recycled or reused	%	2	EN27	none	none	none

Social indicators

	Verification by the Sta Auditors				Absolute value				Relative value			
	Moderate assurance	Reasonable assurance	NRE	GRI	2009	2010	2011	2012	2009	2010	2011	201
Employees by division			1	LA1								
Water Europe			1	LA1	11,851	24,402	23,302	22,208	18.0%	30.7%	29.0%	27.99
Waste Europe			1	LA1	34,189	35,080	35,014	34,561	51.9%	44.1%	43.5%	43.49
International Headquarters			1	LA1	19,250 605	19,424 648	21,429 665	22,038 742	29.2%	24.4%	26.6%	27.79
Total		••	1	LA1	65 895	79 554	80 410	79 549	100.0%	100.0%	100.0%	100.0%
Employees by geographic area			1	LA1								
France			1	LA1	32,398	34,948	35,654	34,776	49.2%	43.9%	44.3%	43.79
Europe (excluding France)			1	LA1	21,295	32,347	31,141	29,974	32.3%	40.7%	38.7%	37.79
North America			11	LA1	3,281	3,347	3,362	3,367	5.0%	4.2%	4.2%	4.29
South America			1	LA1	269	252	238	240	0.4%	0.3%	0.3%	0.39
Africa/Middle East Asia/Oceania			1	LA1	4,479 4,173	4,377 4,283	5,137 4,878	6,165 5,027	6.8%	5.5%	6.4%	7.79
Total				LA1	65,895	79,554	80,410	79,549	100.0%	100.0%	6.1% 100.0%	100.0%
			11		65,895	79,334	80,410	79,549	100.0%	100.0%	100.0%	100.0%
Employees by socio-professional category			1	LA1								
Managers		••	1	LA1	8,649	10,665	11,181	11,261	13.1%	13.4%	13.9%	14.2%
Senior technicians and supervisors		••	1	LA1	12,302	15,089	15,829	16,162	18.7%	19.0%	19.7%	20.3%
Workers, employees and technicians		••	1	LA1	44,944	53,800	53,400	52,126	68.2%	67.6%	66.4%	65.5%
Total			1	LA1	65,895	79,554	80,410	79,549	100.0%	100.0%	100.0%	100.0%
Proportion of women in Group		••	1	LA13								
Men			11	LA13	53,705	64,104	64,471	63,858	81.5%	80.6%	80.2%	80.3%
Women			1	LA13	12,190	15,450	15,939	15,691	18.5%	19.4%	19.8%	19.7%
Total			1	LA13	65,895	79,554	80,410	79,549	100.0%	100.0%	100.0%	100.0%
Proportion of women in management		••	1	LA13								
Men			1	LA13	6,555	7,939	8,218	8,215	75.8%	74.4%	73.5%	73.0%
Women			1	LA13	2,094	2,726	2,963	3,046	24.2%	25.6%	26.5%	27.0%
Total			11	LA13	8,649	10,665	11,181	11,261	100.0%	100.0%	100.0%	100.0%
Proportion of employees with disabilities			7									
Percentage of disabled employees at year-end			7						1.5%	1.5%	1.5%	1.8%
Breakdown of workforce by contract type			1	LA1								
Full-time permanent contracts (FTE)			1	LA1					92.3%	91.3%	91.4%	93.0%
Other contracts			1	LA1					7.7%	8.7%	8.6%	7.0%
Total			1	LA1					100.0%	100.0%	100.0%	100.0%
Employment			1	LA2					7.40/	. 50/	. 70	
Turnover (1)	•		1	LA2 LA2					7.4%	6.5% 3.0%	6.7% 3.6%	6.4%
Voluntary turnover (2) Hiring rate (3)	•	••	1	LA2					15.7%	20.6%	21.6%	18.6%
Rate of FTE hires (4)	_•		1	LA2					46.1%	36.4%	39.0%	45.3%
· ·									40.170	30.4%	37.070	43.37
Recruitment			_1	LA2								
Number of external FTE hires			1	LA2	4,709	5,906	6,773	6,743				
Number of external fixed-term contract (FTC) hires Total			1	LA2	5,498 10,207	10,316	10,601 17,374	8,137 14,880				
TOTAL				LAZ	10,207	16,222	17,374	14,880				
Workplace conditions			2	LA7								
Absenteeism (days of absence/employee) (5)			2	LA7	12.1	12.2	12	11.6				
Overtime (6)			2	LA7					4.9%	4.4%	4.3%	4.3%
Workplace safety			5	LA7								
Number of fatal accidents (employees)	•		5	LA7	4	5	4	5				
Frequency rate (7)	•		5	LA7	15.35	16.28	14.06	13.32				
Severity rate (8)	•		5	LA7	0.64	0.68	0.66	0.6				
Training			6	LA10								
Percentage of workforce trained		••	6	LA10					59.7%	61.2%	69.4%	68.4%
Annual number of training hours per employee		••	6	LA10					23	26	24	24
Average training expenses per employee			6	LA10					579€	532€	550€	5376
Breakdown of training time by type of activity			6	LA10								
			6	LA10					30.6%	28.4%	24.5%	27.29
Job techniques												
Quality, environment and safety			6	LA10					41.7%	36.6%	40.4%	36.8%
				LA10 LA10					41.7% 4.1%	36.6% 5.2%	40.4% 5.4% 29.7%	7.7% 28.3%

(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 dost-time accidents x1.000.000/number of hours worked – (7) Frequency rate: number of days indemnified x1.000/number of hours worked.



Statement GRI Application Level Check

GRI hereby states that **SUEZ ENVIRONNEMENT** has presented its report "Sustainable Development - Commitments and Performances 2012" 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. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

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

Amsterdam, 2 May 2013

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

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 25 April 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

NOTE ON METHODOLOGY AND SCOPE OF REPORTING

SUEZ ENVIRONNEMENT is engaged in a wide range of business activities involving a variety of technical processes, from the collection and transfer of waste, to chemical, thermal, biological and mechanical processes implemented at thousands of facilities. This technical diversity complicates the definition, dissemination and stabilization of indicators, as well as the collection and computation of statistical data. The Group is continuing its efforts to achieve greater rigor and provide reliable audited data in order to report on the continuous improvement of its performance.

METHODOLOGICAL ASPECTS OF THE 2012 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 over which SUEZ ENVIRONNEMENT has operating control. When a company becomes fully consolidated, 100% of its environmental data are incorporated, irrespective of the percentage of its capital held by the Group. The scope of consolidation is set at June 30 of the fiscal year. For disposals occurring after that date, the entity is expected to fill in the environmental questionnaire with the data available until the disposal date. Acquisitions made after June 30 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 activities). Water service management contracts such as those in Jeddah and Algiers are not included in the environmental reporting. Comparisons between fiscal years are on a like-for-like basis.

Waste business lines:

The report covers subsidiaries based in:

— Europe: Germany, Belgium, Finland, France (including overseas departments and territories), Spain, Great Britain, Ireland, Luxembourg, Netherlands, Poland, Portugal, Czech Republic, Romania, Slovakia, Slovenia and Sweden, and hazardous industrial waste processing activities in France, Belgium, Germany, Netherlands and Spain;

2.5 - 2.9 - 3.1 - 3.23.3 - 3.5 - 3.6 - 3.73.8 - 3.10 - 3.11

- Asia-Pacific: Turkey, China, Australia, United Arab Emirates:
- North Africa: Morocco:
- North America: Canada

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

Water business lines:

The report covers contracts located in:

- Europe: Spain, France, Great Britain, Italy, Portugal, Czech Republic, Slovakia;
- Asia-Pacific: Australia, Taiwan, New Zealand, Indonesia, India;
- North America: United States, Mexico:
- South America: Chile. Colombia:
- North Africa and the Middle East: Morocco, Algeria, Egypt, Jordan, Oatar,

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.

Data related to activities not under the direct management of SUEZ ENVIRONNEMENT are neither provided nor taken into account in the calculations

2 — REPORTING TOOL

Since 2003, SUEZ ENVIRONNEMENT has been using a computer-based environmental reporting system, developed by GDF SUEZ in association 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 of the documentation needed to collect data and control the reporting process.

3 — PROCEDURES

With the exception of defining the reporting scope. SUEZ ENVIRONNEMENT follows the procedures and instructions established by GDF SUEZ when compiling environmental information. These consist of a generic procedure and 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 laving down methodological guidelines for calculating certain indicators.

GRI MARKS 2.5 - 2.9 - 3.6 - 3.73.9 - 3.10

METHODOLOGICAL ELEMENTS OF THE 2012 SOCIAL REPORT

1 — SCOPE

The HR analyses carried out in this report relate exclusively to fully consolidated (FC) entities in which SUEZ ENVIRONNEMENT has control of the capital and management. When a company is fully consolidated in the financial statements of SUEZ ENVIRONNEMENT COMPANY, 100% of its social data are included. regardless of the percentage of share capital held. Except as noted below. the reporting scope in 2012 (reporting of the indicator as a percentage of the Group's workforce) is 100% for all indicators.

2 — TOOLS AND METHODS

Social reporting is based on:

— a network of 220 individuals around the world who collect and monitor their own entities' indicators at each quarterly HR reporting campaign. This provides feedback through approximately 250 (FC) reporting packages every quarter, corresponding to data from over 400 companies. This network is managed through quarterly meetings (physical meetings for correspondents at French entities, web conferences for international correspondents). These meetings provide an opportunity for top-down communication, clarifying the definition of some indicators, sharing best practices and reviewing major points of concern. A collaborative space is also available to all correspondents:

— the "User Guide", which consolidates all definitions and procedures comprising the Group's common reference system, i.e. some 50 primary indicators with various collection criteria (age, gender, etc.) producing approximately 250 social indicators. This guide is translated into seven languages: German, English, Spanish, Italian, Dutch, Polish and Portuguese. It is distributed to all contributors: — magnitude, the financial consolidation software application based on a dedicated social indicators package, enables the collection, processing, and reporting of data entered by the local legal entities, 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 CONTROL

Once collected, the data are consolidated by the Group's subsidiaries and HR Department according to clearly defined procedures and criteria. These data are subjected to internal control during the following stages:

- automatic controls: 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 access to the comments sections. where they can explain significant changes or circumstances specific
- subsidiary-level controls: The main subsidiaries also check the consistency of the data from their entities:
- controls at Group HRD (Human Resources Division) level: Group HRD applies consistency controls to the data of all the entities. These controls consist specifically of analyzing changes in indicators from one period to another. In the event of a significant change, the contributor in question is asked to provide a more in-depth analysis, which may result in a correction.

4 — METHODOLOGY DEFINITIONS AND LIMITS

We would like to highlight the following points in relation to the data published

- unlike social reporting, health and safety reports take into account operational control criteria. This leads to a slight difference in the scope of the workforce covered by the two reporting systems, calculated at -15%; This is because the health and safety results of entities joining the Group are not included in the reporting group for three years:
- the breakdown of workforce by geographical area is in line with the reporting segments used in the IFRS financial statements. Accordingly, some Agbar companies located outside Europe are assigned to Spain. This concerns 2.185 employees:
- the notion of "cadres" [related to managerial personnel] is sometimes difficult to understand in countries other than France, where the Group is headquartered. This may lead to a slight underestimation of the number of managers;
- due to reporting deadlines, the data relating to training and hours worked are not always finalized and therefore only cover the most recent situation:
- as regards training, while retrieving the number of training hours via e-learning is relatively easy in the entities, it is not always as easy to reconcile the number of trainees who received in-person training with the number of trainees who received e-learning training. The risk lies in overestimating the total number of trainees due to double-counting of employees who have received training both in-person and via e-learning. Therefore, only two entities (Agbar and United Water Inc.) count "e-learning" trainees in their trained workforce, because their internal tracking systems avoid the risk of double-counting;
- note that the figures on occupational illness are for France only. In fact, the concept of the employer recognition of occupational illnesses which applies in France is not found in most countries worldwide, which complicates the collection of this indicator at the international level. The Group is working to improve its reporting organization so as to expand the reporting scope of this indicator in the coming years.

5 — EXTERNAL AUDIT

As in previous years up to 2007, the Group engaged the specialized services of the statutory auditors to verify four social indicators for 2008. Since 2009, the Group has renewed this request and increased the number of certified indicators to 14, including nine with reasonable assurance (indicated by the symbols ●●).

STATUTORY AUDITORS' REPORT ON SELECTED ENVIRONMENTAL, CORPORATE AND SOCIAL INFORMATION

For the attention of the Senior Management.

Pursuant to your request and in our capacity as statutory auditors of SUEZ ENVIRONNEMENT COMPANY, we hereby present to you our report on the consolidated environmental, corporate and social information presented in the management report and in the reference document prepared for the year ended December 31, 2012 pursuant to Article L. 225-102-1 of the French Commercial Code (Code du commerce).

SIBILITY OF THE SENIOR MANAGEMENT

The Board of Directors is responsible for preparing a management report including the consolidated environmental, corporate and social information provided for by Article R. 225-105-1 of the Commercial Code (hereinafter the "Information"), prepared in accordance with the reporting criteria used by SUEZ ENVIRONNEMENT (the "Reporting Criteria") and available for consultation at the Environment and Performance Evaluation Department, the Human Resources Performance Department and the Health and Safety Department.

INDEPENDENCE AND OUALITY CONTROL

Our independence is defined by regulatory texts, the profession's Code of Ethics and the provisions set forth in Article L. 822-11 of the Commercial Code. Furthermore, we have set up a quality control system that includes the documented policies and procedures designed to ensure compliance with the rules of conduct, professional standards and the applicable legal texts and regulations.

RESPONSIBILITY OF THE STATUTORY AUDITORS

Based on our work, our responsibility is:

- to attest that the required Information is presented in the management report, or, in the case of an omission, is explained pursuant to the third paragraph of Article R. 225-105 of the Commercial Code and Decree no. 2012-557 of April 24. 2012 (Attestation of completeness):
- to express a conclusion with reasonable assurance that certain Information selected by the Group and identified by the symbol "XXX" in Chapter 6.8 of the management report was prepared. in all material respects, in accordance with the Reporting Criteria;
- to express moderate assurance on the fact that the other Information is presented fairly, in all material aspects, in accordance with the adopted Reporting Criteria.

(1) — Information verified with reasonable assurance (the contribution to Group data of selected entities is indicated in brackets): Installed capacity for renewable energy recovery (88%); Renewable energy generation (90%); Total consumption of primary and secondary energy as a percentage of revenues (85%); Direct and indirect greenhouse gas emissions (85%); Distribution of drinking water - linear loss index of the drinking water network (as a percentage of the quantity of drinking water pumped into the network) (92%); Total number of employees (52%); Manager workforce (49%); Non-manager workforce (52%): Diversity rate

proportion of women in the workforce (54%): Diversity rate

management (51%); Number of

rate - voluntary turnover (58%);

Frequency rate (FR) of work

training hours per employee (55%); Proportion of employees who

received training (53%); Resignation

accidents (per hour worked) (51%).

proportion of women in

Information verified with moderate assurance (the contribution to Group data of selected entities is indicated in brackets): Age pyramid (52%); Turnover (52%); Hiring rate (59%); Severity rate (SR) (30%); Number of fatal accidents (40%).

To assist us in our work, we consulted our corporate social responsibility experts.

1 — ATTESTATION OF COMPLETENESS

We conducted the following procedures in accordance with professional standards applicable in France:

- we compared the information in the Management Report with the list provided in Article R. 225-105-1 of the Commercial Code:
- we verified that the Information covered the scope of consolidation i.e.. the company and its subsidiaries within the meaning of Article L. 233-1 and the companies it controls within the meaning of Article L. 233-3 of the Commercial Code – with the limits specified in the methodology note in section 17.2.5 of the Management Report;
- in the event that certain consolidated information was omitted, we verified that explanations were provided in accordance with Decree no. 2012-557 of April 24, 2012.

Based on this work, we confirm the inclusion of the required information in the Management Report.

2 — ASSURANCE REPORT

Nature and extent of the work

We conducted our procedures in accordance with ISAE 3000 (International Standard on Assurance Engagements) and professional guidelines applicable in France.

We have carried out the following work to obtain:

— reasonable assurance that certain Information selected by the Group and identified by the symbol "XXX" in chapters 6.8 of the management report is presented, in all material aspects, in accordance with the Reporting Criteria; — moderate assurance that the other Information in chapter 6.8 of the management report does not contain any material misstatement that would call into question its fairness, in all material aspects, in accordance with the Reporting Criteria.

We performed the following procedures:

- we assessed the appropriateness of the Reporting Criteria with respect to its relevance, completeness, neutrality, clarity and reliability, by taking into consideration, when relevant, industry best practice:
- we verified the set-up within the Group of a process to collect, compile. process and check the selected Information with regard to its completeness and consistency. We familiarized ourselves with the internal control and risk management procedures relating to the compilation of the Information. We conducted interviews with individuals responsible for social and environmental reporting:
- we selected consolidated data to test(1) and determined the nature and extent of the tests, taking into account their importance in relation to the social and environmental consequences of the activity and characteristics of the Group and its social commitments.

GRI MARKS

(2) — Environment: Agbar (Purton and Alicante), Degrémont (Milan San Rocco), LDE (Dijon-Longvic), United Water (sites of New-York and Devens), SITA France (BU, Gennevilliers sorting center and Lagny incinerator), ECOCAT (Martorell), SITA UK (BU, Central Processing review, Sidegate Lane Landfill and Packington Landfill), SITA Deutschland (BU, SITA Sud review and Bruchsal sorting center), SITA Polska (BU and Ryman Landfill), SITA Australia, SITA Waste Services, Social: Agbar, Lyonnaise des Eaux France, Lydec, SAFEGE, SITA SRA Savac, SITA Centre-Ouest, SITA

> Sud-Ouest, SITA Australia, SITA CZ, SITA Deutschland, SITA Polska, Degrémont, SITA Sverige, SITA UK,

United Water.

Concerning the consolidated quantitative information that we consider to be the most significant:

- for the consolidating entity and controlled entities, we have set up analytical procedures and verified, using sampling techniques, the calculations as well as the consolidation of this information:
- for the sites that we selected based on their activity, their contribution to consolidated indicators, their location and a risk analysis, we have:
- conducted interviews to verify the proper application of procedures and obtained information enabling us to perform our verifications;
- conducted substantive tests using sampling techniques to verify the calculations performed and reconcile data with supporting evidence. Concerning the consolidated qualitative information that we consider to be the most significant, we have conducted interviews and reviewed the related source documents to corroborate this information and assess its fairness. On the subject of fair practices, interviews were conducted only at the consolidating entity.
- Regarding the other published consolidated information, we have assessed its fairness and consistency in relation to our understanding of the company and, where necessary, through interviews or by consulting documentary sources. — Finally, we have assessed the relevance of explanations relating to any missing information.

For certain Information selected by the Group and identified by the sign "XXX" in chapter 6.8 of the management report, the degree of precision applied to the measurement and the more extensive nature of our work than that previously described, particularly in terms of the number of tests, enable us to express reasonable assurance.

Comments on the Information

The reporting process requires the following comments:

- significant efforts have been made to strengthen controls at Group level. This internal control system must be implemented at the level of all entities involved in the reporting of environmental indicators:
- the strengthening of internal control on social information must be pursued for all entities, particularly on information related to occupational illnesses. which only covers France, as specified in the methodology note.

BALISE GRI GRI MARKS

3.13

Conclusion

Reasonable assurance

We expressed reservations on the following point:

— during our work on the selected entities, we identified and requested the correction of several anomalies regarding the indicator "primary and secondary energy consumption as a percentage of revenue". Therefore, we are not able to assess whether other anomalies are likely to affect untested elements of this indicator. In our opinion, subject to the above reservation, the Information identified by the symbol "XXX" was prepared, in all material aspects, in accordance with the Reporting Criteria.

Moderate assurance

Based on our work, we did not identify any material anomaly that might call into question the fact that the other Information has been presented fairly. in all material aspects, in accordance with the Reporting Criteria.

Courbevoie and Paris-La Défense, April 2, 2013. The statutory auditors

Ernst & Young et Autres

Mazars

Charles-Emmanuel Chosson, Pascal Macioce

Thierry Blanchetier, Isabelle Massa

Partners

GOLD CLASS

SUF7 ENVIRONNEMENT

received a "Gold Class" rating in 2012 from Robeco SAM.

a leading assessment firm

for sustainability initiatives.

tops the list of companies in its sector in this global

ranking of the most

responsible companies.

SUEZ ENVIRONNEMENT thus

NON-FINANCIAL RATINGS

Report on performance achieved

To communicate its economic, social, societal 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 UNEP (United Nations Environment Program) 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 2012 was audited by the GRI and received a rating of B+. 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 issues at stake and provides quantified data.

Accurately assess the policies implemented

SUEZ ENVIRONNEMENT is regularly evaluated by environmental, social and governance responsibility (ESG) 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 have become essential tools both for strategic management and operational implementation, as well as a topic of discussion with their stakeholders; markets, investors, general public, government, NGOs.

The many sustainable development initiatives launched by SUEZ ENVIRONNEMENT have earned it a place on 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.

Being integrated in these indices is seen as a testimonial of good management by stakeholders, analysts and shareholders.

SUEZ ENVIRONNEMENT has joined:

— 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 ESG-rating agency Robeco SAM. In early 2013, Robeco SAM also presented the 10th edition of its annual report, the "Sustainability Yearbook 2013". On the agenda: a presentation of companies recognized as leaders in sustainability in each of the 58 sectors listed. SUEZ ENVIRONNEMENT was one of 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. For its 10th anniversary, Vigeo released a new range of indices in recognition of those companies that demonstrate the best performance in social responsibility within their investment universe. Since November 1, 2012, SUEZ ENVIRONNEMENT has been included in the following three indices:
- Vigeo World 120: the top 120 companies worldwide in terms of sustainability performance:
- Vigeo Europe 120: the top 120 companies in Europe in terms of sustainability performance.
- Vigeo France 20: the top 20 companies in France in terms of sustainability performance:
- the FTSE4Good index since 2011, following an evaluation by the rating agency Ethifinance. The Group stood out due to the quality of its environmental, social and governance performance.

GRI MARKS 2.10 - 4.12

GRI MARKS

2.10 - 4.12

ADDITIONAL SOURCES OF INFORMATION

DEGRÉMONT

Strategy: http://www.degremont.com/ en/commitments/environment/ sustainable-watermanagement-solutions/ Annual report: http://www.degremont.com/ en/about-us/publications/ editions/editions/

LYONNAISE DES EAUX

Strategy:

http://www.lyonnaisedes-eaux.com/Profil/ Performance-RSE Sustainable Development http://www.lyonnaise-deseaux.com/var/lde_admin/ storage/original/application/ 1298dca238a295a135fc594cb5 e76559.pdf

SITA UK

Sustainable Development http://www.sita.co.uk/ downloads/SITAUK-SustainabilityReport2011-1208-web.pdf

UNITED WATER

Strategy: http://www.unitedwater.com/ sustainable-development.aspx Environmental Charter: http://www.unitedwater.com/ uploadedFiles/Corporate Content/50/Publications/ Environmental_Charter_ FINAL.pdf

FONDS SUEZ ENVIRONNEMENT INITIATIVES

Report: http://www.suezenvironnement.fr/wp-content/ uploads/2013/06/Fonds-SUEZ-**ENVIRONNEMENT-Initiatives-**Rapport-dactivités-2012_ Activity-report-2012-.pdf

MACAO WATER

Sustainable Development Report: http://www.macaowater.com/ images/stories/Sustainability_ Report/2011fullchi.pdf

AGBAR

Strategy: http://www.agbar. com/en/responsabilidadcorporativa.html

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This document has been printed by an eco-friendly printer on paper from sustainable forests

GRI MARKS 3.4 — PR6