

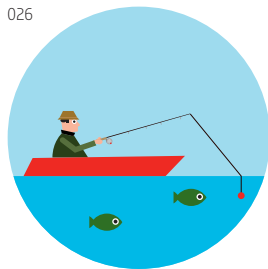
SUEZ ENVIRONNEMENT AND ITS SUBSIDIARIES WORK DAILY TO MEET THE CHALLENGE OF **PROTECTING RESOURCES** BY PROVIDING INNOVATIVE SOLUTIONS TO MILLIONS OF PEOPLE AND BUSINESSES.

WORLDWIDE, SUEZ ENVIRONNEMENT SUPPLIES 90 MILLION PEOPLE WITH **DRINKING WATER**, 58 MILLION PEOPLE WITH SANITATION SERVICES AND 46 MILLION PEOPLE WITH **WASTE COLLECTION SERVICES**.

WITH **65,900 EMPLOYEES** AND OPERATIONS ON EVERY CONTINENT, SUEZ ENVIRONNEMENT IS **A WORLD LEADER** DEDICATED EXCLUSIVELY TO WATER AND WASTE MANAGEMENT.

IN 2009 SUEZ ENVIRONNEMENT ACHIEVED REVENUE OF **€12.3 BILLION**. ITS MAJOR SHAREHOLDER IS GDF SUEZ WITH 35.4% OF THE SHARE CAPITAL.

026



036



046



054

**2009**

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A

2009 IN REVIEW

PORTFOLIO

DEVELOP

SUSTAINABLE DEVELOPMENT IS AT THE HEART OF SUEZ ENVIRONNEMENT'S STRATEGY. BASED ON ITS CONVICTION THAT THE ECONOMIC CRISIS AND ENVIRONMENTAL EMERGENCY MUST BE SEEN AS OPPORTUNITIES FOR CHANGE, SUEZ ENVIRONNEMENT SEEKS TO OFFER ITS CLIENTS SOLUTIONS TO COLLECTIVELY BUILD ANOTHER TYPE OF GROWTH, A GREEN AND VIRTUOUS GROWTH, ONE MORE RESPECTFUL OF HUMANS AND THE NATURAL BALANCE, INSPIRED BY MOTHER NATURE AND CONSISTENT WITH A CIRCULAR ECONOMY.





ANTICIPATE

THE CITY OF TOMORROW MUST BE THOUGHT OF AS A WHOLE, BY INCORPORATING THE NEW VISION AFFORDED BY THE AMAZING PROGRESS THAT OUR BUSINESS ACTIVITIES HAVE ACHIEVED. CITIES ARE LIVING ORGANISMS WHOSE VARIOUS FUNCTIONS — WATER, WASTE, ELECTRICITY, HEATING, AND COOLING — MUST BE DESIGNED IN RELATION TO ONE ANOTHER TO SUSTAINABLY IMPROVE THEIR EFFICIENCY. SUEZ ENVIRONNEMENT IS WORKING TO CREATE THE CITY OF TOMORROW.



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2009 IN REVIEW

PORTFOLIO



DIALOGUE

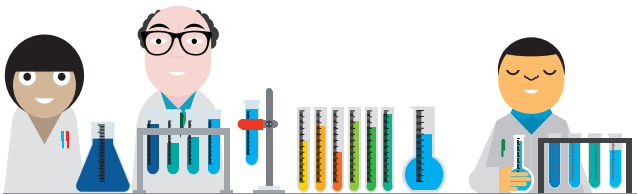
SUEZ ENVIRONNEMENT KNOWS IT CANNOT WORK ALONE TO DELIVER SERVICES AS ESSENTIAL AS WATER AND WASTE MANAGEMENT. BY LISTENING TO LOCAL POPULATIONS, ITS CUSTOMERS AND TO ALL STAKEHOLDERS, IT SEEKS TO BASE ITS GROWTH ON DIALOGUE IN ORDER TO UNDERSTAND THE SPECIFIC CHALLENGES OF EACH TERRITORY, AND BY PROVIDING WORK TO LOCAL EMPLOYEES AND SUPPLIERS.





INNOVATE

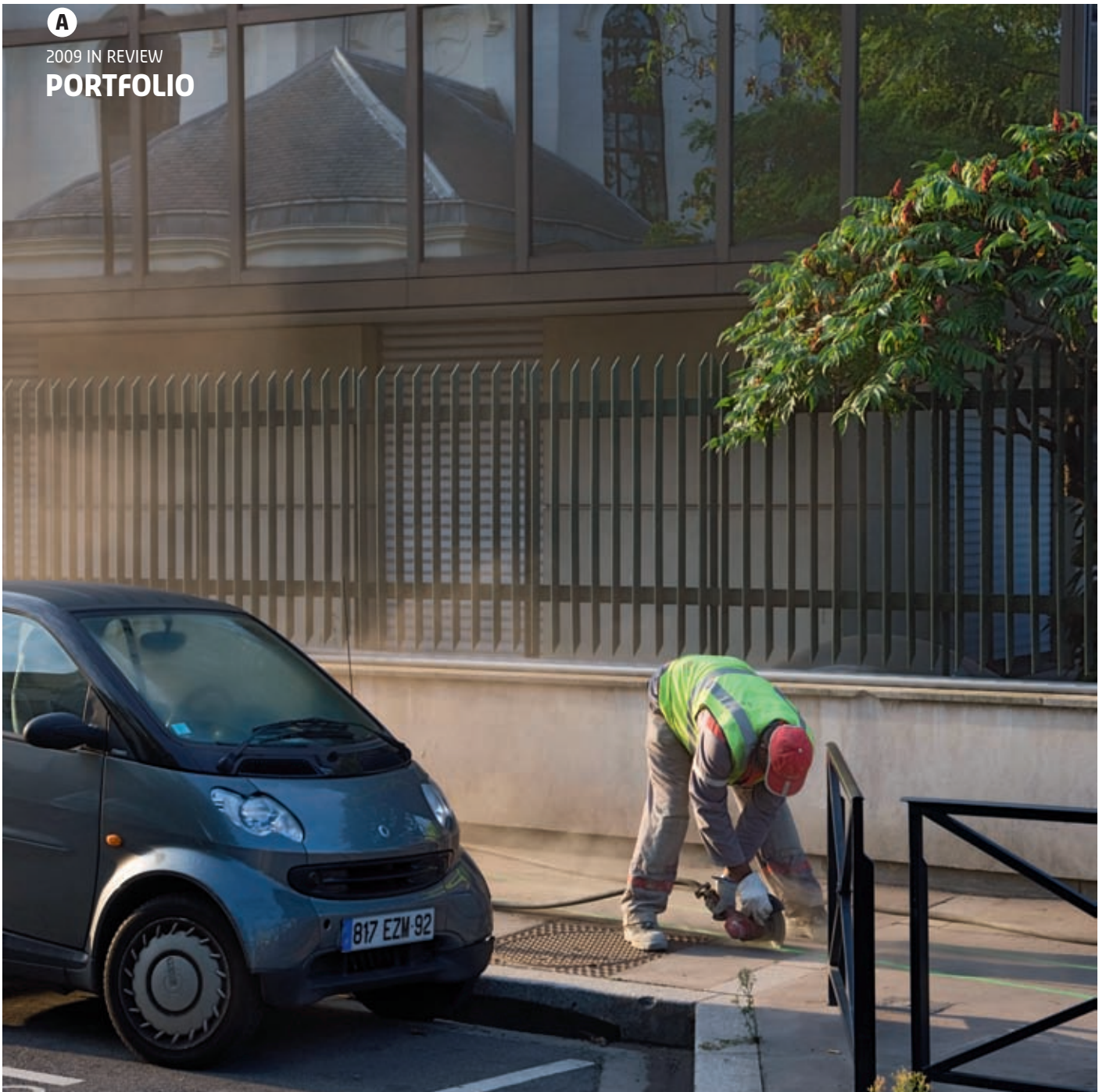
EACH DAY, SUEZ ENVIRONNEMENT MAKES A DIFFERENCE BY OFFERING ITS CUSTOMERS INNOVATIVE SOLUTIONS. RECONCILING THE ECONOMIC AND ENVIRONMENTAL PERFORMANCE OF ITS WATER AND WASTE SERVICES, BOTH THROUGH TECHNOLOGICAL INNOVATION AND NEW SERVICE OFFERINGS, AS WELL AS A NEW VISION FOR ITS BUSINESS ACTIVITIES —THIS IS SUEZ ENVIRONNEMENT'S VALUE PROPOSITION.



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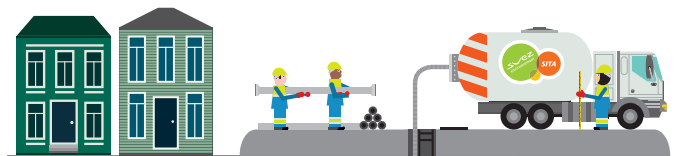
2009 IN REVIEW

PORTFOLIO



DELIVER

SUEZ ENVIRONNEMENT'S 65,900 EMPLOYEES ARE FULLY DEDICATED TO ITS WATER AND WASTE ACTIVITIES. THEY WORK DAILY TO DELIVER ESSENTIAL SERVICES WITH AN ABSOLUTE COMMITMENT TO QUALITY AND TO SERVING MILLIONS OF PEOPLE AROUND THE WORLD.





SUPPORT

SUEZ ENVIRONNEMENT ENABLES ITS EMPLOYEES TO THRIVE WITHIN THE COMPANY, BY ENHANCING THEIR SKILLS THROUGH AN ACTIVE CAREER AND TARGETED TRAINING THAT FOSTERS DIVERSITY, ENCOURAGES ACCOUNTABILITY, AND DEVELOPS KNOW-HOW. SUEZ ENVIRONNEMENT IS COMMITTED TO BEING A FAIR EMPLOYER.



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2009 IN REVIEW

MESSAGE FROM GÉRARD MESTRALLET

GÉRARD MESTRALLET,
CHAIRMAN OF THE BOARD
OF DIRECTORS

A portrait of Gérard Mestrallet, Chairman of the Board of Directors, standing with his arms crossed. He is wearing a dark blue pinstriped suit jacket, a light blue striped shirt, and a maroon tie. He has short grey hair and is wearing glasses. The background is plain white.

OUR COMMITMENT

“ENERGY, WATER AND WASTE MANAGEMENT MUST BE THOUGHT OF EACH IN RELATION TO THE OTHER,

IN ORDER TO CREATE A VITAL SYSTEM THAT IS INTELLIGENT, ECONOMICAL, AND SOCIALLY RESPONSIBLE, ONE THAT CONSERVES RESOURCES AND PROTECTS NATURAL HABITATS.”

In 2009 SUEZ ENVIRONNEMENT completed its first full fiscal year. What have we learned? Despite a year marked by a struggling economy, SUEZ ENVIRONNEMENT continued to grow, accumulating business successes, **preserving a strong balance sheet and maintaining its efforts to innovate. This confirms our ambitious strategy of prioritizing organic growth** and cash generation to strengthen the Group’s financial soundness while pursuing long-term goals. This is what makes our business model unique.

The year 2009 also underscored new necessities. The economic crisis, the challenges of economic and social development in emerging countries, the fight against global warming, and the preservation of resources all require that we invent new conditions for growth in order to promote sustainable development.

It is this sense of commitment that motivates SUEZ ENVIRONNEMENT’s teams to offer our private, municipal and industrial customers solutions that are contractually based, technologically innovative, and

human in their scale in order to reconcile business results with environmental performance. **It is this ability to work with our customers to identify the best tailored solutions** that has helped us win major business victories and launch benchmark products and services.

Synergies between GDF SUEZ and SUEZ ENVIRONNEMENT also provide a response to these concerns.

This has been confirmed by our customers’ expectations as they increasingly ask for global solutions.

Such is our vision. **Energy, water and waste management must be thought of each in relation to the other**, in order to create a vital system that is intelligent, economical, and socially responsible, one that conserves resources and protects natural habitats. This novel organic approach on the part of utilities is a key to new growth. Offers that combine energy with desalination, methanation, or smart metering are all exciting areas of synergy for our Group, which demonstrate our ability to offer innovative solutions.

The pride of the 200,644 employees of SUEZ ENVIRONNEMENT and GDF SUEZ worldwide is that of their mission: to provide our customers every day with services that are essential for life and which promote sustainable development. ●

MESSAGE FROM JEAN-LOUIS CHAUSSADE

“ATTENTIVE TO THE NEEDS OF SOCIETY, WORKING TOGETHER WITH OUR PARTNERS AND CUSTOMERS, FOLLOWING OUR ETHICAL PRINCIPLES: THIS IS HOW WE BUILD GROWTH.”

In 2009, SUEZ ENVIRONNEMENT demonstrated **the soundness of its model and its ability to adapt within a difficult macroeconomic environment.**

Our solid financial profile and our sales momentum have allowed us to continue to grow with important strategic actions.

After more than 30 years of close collaboration, we will be constructing **the Group's second European pillar** with the takeover in mid-2010 of Agbar, a water-industry player with a presence in Spain and abroad. This deal will allow us to become a major player in this country, and to acquire positions that dovetail with our own in fast-growing markets. We have also strengthened our waste capacity in Asia, with the takeover of Swire SITA after 12 years of constructive partnership with the Swire Pacific group. Finally, **we have confirmed our leadership in reverse osmosis** by winning the call for bids for the southern hemisphere's largest desalination plant in Melbourne.

Our water and waste activities are entering a new era, at the heart of the circular economy that is now being implemented. The Copenhagen summit

last December revealed a new awareness of climate change. Our customers are increasingly seeking **to reconcile service quality with environmental performance.**

To meet their expectations, in 2009 we highlighted our innovation policy by launching new “green offerings.” Through these offerings, which were designed within the Edelway framework, we have committed ourselves to progress indicators to measure resource protection, preserve biodiversity and reduce greenhouse gas emissions, three challenges that are closely related. In the area of water, we also **implemented the Degrés Bleus technology for the first time** in Levallois-Perret, France. Recovering wastewater heat for use in buildings helps to meet our customers' climate and energy goals. Moreover, the inauguration of the recycling plant in Limay, France, which produces new bottles from used plastic bottles, is a concrete example of the principle of a circular economy.

This trend goes hand in hand with a responsible attitude toward all our stakeholders. For this reason we have become signatories the United Nations Global Compact and have committed to following its principles (see page 83).

Attentive to the needs of society, working together with our partners and customers, following our ethical principles: this is how we build growth.

For an international group that is both young and mature, like our own, it has become part of the daily commitment of our 65,900 employees to deliver essential services. Our activities have deep local roots and have addressed a number of situations. Working with our employees means seeking to respect local customs while offering certain benefits inherent to large groups. Thus, in 2009, we made efforts to include them in the Group's success, by implementing a bonus stock allocation plan.

Through our model of sustainable and profitable development, and our active and willing commitment to meet the challenges of the 21st century, we are prepared to take on the challenges of tomorrow and to make **2010 a year of a return to growth!** ●

A portrait of Jean-Louis Chaussade, a middle-aged man with grey hair, wearing a dark brown double-breasted suit, a white shirt, and a blue tie. He is standing with his hands in his pockets against a white background.

JEAN-LOUIS CHAUSSADE,
CHIEF EXECUTIVE OFFICER

**PREPARING FOR
THE FUTURE**

MANAGEMENT COMMITTEE

THE MANAGEMENT COMMITTEE IS THE DECISION-MAKING BODY OF SUEZ ENVIRONNEMENT. IT MEETS EVERY TWO WEEKS TO DISCUSS THE GROUP'S KEY DECISIONS AND POSITIONS AND TO ENSURE THE COMPANY'S MANAGEMENT. IT IS COMPOSED OF EIGHT MEMBERS.



suez-environnement.com > Profile > Corporate governance



JEAN-LOUIS CHAUSSADE
Chief Executive Officer



CHRISTOPHE CROS
Executive Vice-President in charge of Waste Europe activities.
CEO of SITA France



BERNARD GUIRKINGER
Executive Vice-President in charge of Water Business Coordination, R&D, Sustainable Development, and Institutional Relations



MARIE-ANGE DEBON
General Secretary in charge of the Legal, Audit, Water and Waste Projects, Information Systems, Risk and Investment, Insurance and Purchasing departments



JEAN-MARC BOURSIER
Chief Financial Officer



DENYS NEYMON
Human Resources Director and
Director of the Health & Safety
Department



FRÉDÉRIQUE RAOULT
Communications Director



THIERRY MALLET
Senior Executive Vice-President,
International

BOARD OF DIRECTORS

SUEZ ENVIRONNEMENT'S BOARD OF DIRECTORS AND ITS FOUR COMMITTEES ARE MADE UP OF EXPERTS AND SEASONED PROFESSIONALS FROM A VARIETY OF BACKGROUNDS.

suez-environnement.com > Profile > corporate governance



4. 11. 5. 8. 10. 9. 12. 3.

The Board of Directors has opted to split the functions of Chairman of the Board and CEO. Gérard Mestrallet holds the office of Chairman of the Board and Jean-Louis Chaussade performs the duties of Chief Executive Officer of the company.

THE BOARD OF DIRECTORS IS COMPOSED OF THE 18 MEMBERS BELOW:

1-GÉRARD MESTRALLET
Chairman and Chief Executive Officer of GDF SUEZ
2-JEAN-LOUIS CHAUSSADE
Chief Executive Officer of SUEZ ENVIRONNEMENT Company

3-JEAN-FRANÇOIS CIRELLI,
Vice-Chairman and Deputy General Manager of GDF SUEZ
4-GÉRARD LAMARCHE,
Executive Vice-President and Chief Financial Officer of GDF SUEZ
5-ALAIN CHAIGNEAU,
Member of the Executive Committee of GDF SUEZ, Director of Strategy and Sustainable Development at GDF SUEZ
6-DIRK BEEUWSAERT,
Executive Vice-President in charge of the Energy International division at GDF SUEZ
7-VALÉRIE BERNIS,
Member of the Executive Committee of GDF SUEZ, Director of Communications and Financial Communications

8-JÉRÔME TOLOT
Member of the Executive Committee of GDF SUEZ and head of the Energy Services branch
9-AMAURY DE SÈZE,
Chairman of the Supervisory Board of Carrefour and Vice-President of Power Corporation
10-OLIVIER PIROTTE,
Director of Equity Interests and Investments, Groupe Bruxelles Lambert
11-GÉRALD ARBOLA,
Chief Executive Officer of Areva
12-GILLES BENOIST,
Chief Executive Officer of CNP Assurances
13-HAROLD BOËL,
Managing Director of Sofina SA and Henex SA

14-NICOLAS BAZIRE,
Chief Executive Officer of Groupe Arnault SAS
15-LORENZ D'ESTE,
Managing Partner of E. Gutzwiller & Cie
16-GUILLAUME PEPY,
Chairman and Chief Executive Officer of SNCF
17-EZRA SULEIMAN,
Professor of Political Science at Princeton University (IBM Chair), member of the Audit Committee of AXA Financial Inc. and AXA Group, and member of the Selection, Ethics, Governance and Human Resources Committees of AXA Group
18-PATRICK OUART,
Member of the Executive Committee of LVMH



13. 14. 1. 2. 15. 16. 7. 17. 18. 6.

THE BOARD OF DIRECTORS ALSO HAS FOUR COMMITTEES WITH RESPONSIBILITY FOR REPORTING ON CERTAIN SPECIFIC ISSUES.

THE STRATEGIC COMMITTEE advises and submits its recommendations to the Board of Directors on the strategic directions planned by the Board or proposed by the CEO, as well as on all plans for internal and external growth, disposals, strategic agreements, and agreements for alliances or partnerships submitted to the Board of Directors.

THE AUDIT AND ACCOUNTING COMMITTEE assists the Board of Directors in ensuring the accuracy and fairness of the parent company and consolidated financial statements of SUEZ ENVIRONNEMENT Company as well as the quality of internal control and information issued to the shareholders and the markets.

THE ETHICS AND SUSTAINABLE DEVELOPMENT COMMITTEE ensures compliance with the individual and collective values on which the Group bases its actions and the rules of conduct that each of its employees must apply. These values include the Group's

specific responsibilities with respect to sustainable development and safeguarding and improving the environment.

THE APPOINTMENTS AND COMPENSATION COMMITTEE is tasked with examining issues of executive compensation as well as corporate governance and profit-sharing.



STRENGTHENED ORGANIZATION IN 2009

The year 2009 was rich in governance initiatives, both with regard to the Board of Directors and on an operational level in terms of a strengthening of organization. Important work has been done this year setting up of an Ethical Charter (see opposite) as well as the regular and sustained activity of the Board. The annual attendance rate is 86.1%.

On an operational level, the Management Committee was reorganized to coordinate international development with the appointment of Thierry Mallet as Executive Vice President for International Operations. One strong gesture,

the appointment of Bernard Guirkingier as Executive Vice-President coordinating Water, R&D, Sustainable Development and Institutional Relations, reflects SUEZ ENVIRONNEMENT's desire to place sustainable development at the core of its growth strategy and to focus on these issues within the Management Committee.

A COMPLETE ETHICAL SYSTEM

The Group ensures that its ethical charter is applied through a network of compliance officers, whose profiles vary widely and whose role depends more on personality than position.

“SINCE JULY 2008, SUEZ ENVIRONNEMENT HAS HAD ITS OWN ETHICS AND SUSTAINABLE DEVELOPMENT COMMITTEE.”

Their first role is to deal with the cases brought to their attention and to report back to management. Their second role is to promote the Group's ethical policy by transmitting the references, principles or indeed ensuring that managers are trained accordingly. In addition to this network of compliance officers, mechanisms are



ADHERANCE TO THE AFEP MEDEF CODE

THE FRENCH AFEP MEDEF CORPORATE GOVERNANCE CODE IS THE FRUIT OF AN INITIATIVE BY COMPANIES THEMSELVES. BASED ON A CONCERN TO CLARIFY CERTAIN PRINCIPLES CONCERNING PROPER RUNNING AND TRANSPARENCY APPROPRIATE TO IMPROVE THEIR MANAGEMENT, THEY HAVE ACQUIRED A PRECISE CODE WHICH IS REGULARLY UPDATED. SUEZ ENVIRONNEMENT ACTS IN ACCORDANCE WITH THESE RULES.

 www.code-afep-medef.com/

PURSuing ACTIVE DIALOGUE WITH STAKEHOLDERS

THE FORESIGHT ADVISORY COUNCIL (FAC) IS SUEZ ENVIRONNEMENT'S PERMANENT CONSULTATION STRUCTURE. TWICE A YEAR, IT BRINGS TOGETHER 25 MEMBERS FROM ALL CONTINENTS, WITH VARIED CAREER PATHS: ACADEMICS, CHARITY REPRESENTATIVES, INTERNATIONAL CIVIL SERVANTS AND FORMER GOVERNMENT MEMBERS.

SUEZ ENVIRONNEMENT ALSO ORGANIZES CONSULTATION CYCLES WITH ITS STAKEHOLDERS, CALLED *STAKEHOLDER SESSIONS*. THESE MEETINGS LET STAKEHOLDERS COMPARE DIVERSIFIED VISIONS OF PUBLIC SERVICE AND THE PRIVATE SECTOR: 80 STAKEHOLDERS THUS MET TO DISCUSS THE ISSUE OF PRIVATE OPERATOR RESPONSIBILITY WITH REGARD TO WATER ACCESS, TRANSPARENCY AND THE BALANCE OF POWER IN WATER SERVICE CONTRACTS.

INTERVIEW

GUILLAUME PEPEY

CHAIRMAN OF THE ETHICS AND SUSTAINABLE DEVELOPMENT COMMITTEE

How would you summarize the ESD Committee's work in 2009?

In 2009, the Committee met three times. We reviewed internal policies on Health & Safety, Environment, Ethics, and Sponsorship and Patronage, and their respective outcomes. We examined the progress of the Company's 12 commitments to Sustainable Development and the analyses of extra-financial ratings agencies. And we welcomed the Group's inclusion in the Dow Jones Sustainability World Index and the Dow Jones STOXX Sustainability Index. One of the most significant events of 2009 was the launch of the SUEZ ENVIRONNEMENT Ethics Charter. The Charter was created based on the rules and principles that SUEZ ENVIRONNEMENT had developed earlier as part of the SUEZ Group, while reflecting its new status as a publicly traded company and its close ties with GDF SUEZ.

How can employees apply this Code of Ethics in practical terms?

The Charter is based on four fundamental principles that should guide all conduct at SUEZ ENVIRONNEMENT: Act in accordance with laws and regulations, instill a culture of integrity, show loyalty and honesty, and respect others. It is supplemented by a guidebook that deals with specific, real world situations. The Charter and the Guidebook are available in the six languages most commonly spoken in the Group. Both will be distributed in the first quarter of 2010. The Group's management teams and network of compliance officers will play a lead role in explaining the Charter and ensuring that employees around the world are familiar with it and follow it. ●

provided for reporting a breach of the ethics code, by means a website or, for example, a toll-free number available to United Water employees (USA). With regard to transparency, the Group publishes detailed information on its managers' overall compensation in its public Reference Document (see also following page) and it publishes a document called "Commitments and Performance," giving details on its extra-financial performance. ●



A STRONGER LINK WITH OUR SHAREHOLDERS

Through a shareholders' pact, SUEZ ENVIRONNEMENT enjoys a stable and diversified shareholding structure. Six major shareholders signed a pact unifying 48.04% of the capital at 31 December 2009 (see graph). This pact brings together GDF SUEZ, which holds 35.41% of SUEZ ENVIRONNEMENT, and five major shareholders (Groupe Bruxelles Lambert, the Caisse des Dépôts et Consignations, Areva, CNP Assurances and Sofina), representing some 12.63% of capital.

CONFIDENCE IN THE LONG-TERM STRATEGY

In 2009, SUEZ ENVIRONNEMENT pursued its efforts to forge a relationship of trust

with its shareholders. SUEZ ENVIRONNEMENT organized information meetings, in France and internationally, aimed at the financial community, as well road shows with Group managers in Paris, Brussels, London, Frankfurt, Zurich, Geneva, New York and Boston. The Group sustained dialogue throughout the year with financial analysts, institutional "equity," "credit" and "socially responsible" investors. The aim was to keep these parties informed of the life of the company and the development of its business sectors. Today, SUEZ ENVIRONNEMENT has almost 300,000 individual shareholders

"SUEZ ENVIRONNEMENT IS FOLLOWING A SUSTAINABLE AND PROFITABLE GROWTH STRATEGY, WHICH GENERATES CASH FLOW. THE OBJECTIVE IS TO CREATE SUSTAINABLE VALUE FOR ALL GROUP SHAREHOLDERS AND MAINTAIN A RELATIONSHIP OF TRUST WITH THEM."

and is constantly welcoming new members to its Shareholders' Club, which offers site visits, conferences on the Group's business activities as well as regular meetings

2009 WAS MARKED BY A SOLID PERFORMANCE BY SUEZ ENVIRONNEMENT SECURITIES ON THE STOCK MARKET (2009 PERFORMANCE UP 34% FOR SEV AND 22% FOR THE CAC 40 INDEX), WHICH PROVES SHAREHOLDERS AND INVESTORS ARE CONFIDENT IN ITS STRATEGY.

to share and discuss information, in France and Belgium. In 2009, SUEZ ENVIRONNEMENT, alongside GDF SUEZ, decided to launch a bonus share plan for all employees amounting to 30 shares per employee, with 65% of shares in SUEZ ENVIRONNEMENT and 35% of shares in GDF SUEZ. The objective is to tie employees to the Group's results and to share the value creation with them, all while illustrating the link that exists between all SUEZ ENVIRONNEMENT bodies and the privileged relationship with GDF SUEZ. Finally, in 2009, SUEZ ENVIRONNEMENT's shareholding development was also

ESG GRADING REPORT

SEPTEMBER 2009: INCLUSION OF DJSI STOXX & DJSI WORLD INDEXES (ASSESSMENT BY SAM RESEARCH). EACH YEAR, THE DJSI ([HTTP://WWW.SUSTAINABILITY-INDEX.COM/](http://www.sustainability-index.com/)) RATES THE SUSTAINABLE DEVELOPMENT PERFORMANCE OF THE TOP 2500 GLOBAL COMPANIES, BASED ON A QUESTIONNAIRE FOR EACH ACTIVITY SECTOR. ONLY THE 250 TOP PERFORMING COMPANIES BECOME MEMBERS OF THE INDEX.

AT THE END OF DECEMBER 2009, VIGEO DELIVERED ITS FIRST EXTRA-FINANCIAL ASSESSMENT OF SUEZ ENVIRONNEMENT: "SUEZ ENVIRONNEMENT RANKS AMONG THE SECTOR LEADERS IN TERMS OF CSR PERFORMANCE DUE TO A PROACTIVE AND HIGHLY STRUCTURED SUSTAINABLE DEVELOPMENT STRATEGY THAT ADDRESSES ALL ITS MAIN IMPACTS".

2009 ASSESSMENT BY GERMAN RATING AGENCY OEKOM RESEARCH

SUEZ ENVIRONNEMENT RECEIVED A RATING OF B-, OR "PRIME" STATUS, AWARDED BY OEKOM TO COMPANIES THAT ARE LEADERS IN THEIR INDUSTRY IN SOCIAL AND ENVIRONMENTAL RESPONSIBILITY.

marked by its successful listing on bond markets: including, in particular, the placement of bond borrowings amounting to 3 billion Euros. ●

 **More information on financial news** in the Reference Document and following and on www.suez-environnement.com > Finance

 **More information on the shareholders' club** on www.suez-environnement.com > Finance > Individual Shareholders



INTERVIEW

LORENZ D'ESTE

CHAIRMAN OF THE APPOINTMENTS AND COMPENSATION COMMITTEE

What were your committee's priorities in 2009?

The Committee had its first full year of operation in 2009. In 2008, in the months that followed the Company's IPO, the Committee dealt mainly with issues arising from that event. In 2009, it turned its focus to longer-term projects. The Committee's work focused on three areas: corporate governance, compensation and long-term incentives for management, and the establishment of a worldwide bonus share plan for all employees.

What actions did the Committee take with respect to Corporate Governance?

The Committee directed several corporate governance projects. In autumn 2009 it developed a self-assessment questionnaire for the Board of Directors and analyzed its results. The Committee made various recommendations to the Board, specifically on its composition and operations, particularly to increase coordination between the Committees and the Board and to improve the flow of information to all Directors about work done by the various committees.

The Committee also discussed the reappointment of Directors. It recommended avoiding reappointing members all at one time, which was set to occur in 2012 according to plans made during the IPO. As recommended by the AFEF-MEDEF Corporate Governance Code, the Committee suggested phased reappointments, which were determined by an outside consultant.

The Committee examined the composition of the Board. As part of this effort it reviewed GDF SUEZ's proposal to co-opt Patrick Ouart to replace Angel Simon, CEO of Agbar, who resigned his seat to avoid a conflict of interest related to Agbar's strategic development. The Committee also examined the qualifications of the independent directors, work it will continue in 2010. ●

STOCK MARKET & SHAREHOLDING

OVER-PERFORMANCE OF
SUEZ ENVIRONNEMENT SHARES,
WHOSE SHARE PRICE HAS
SHOWN RESILIENCE.

2009 PERFORMANCE

OUTPERFORMANCE OF SUEZ ENVIRONNEMENT



SUEZ ENVIRONNEMENT'S SHAREHOLDER STRUCTURE AT 31 DECEMBER 2009

SHAREHOLDER STRUCTURE BREAKDOWN GRAPH

SHAREHOLDERS	NUMBER OF SHARES HELD	% OF SHARES HELD	% OF VOTING RIGHTS
GDF Suez	173,406,974	35.41%	35.43%
Groupe Bruxelles Lambert	35,001,610	7.15%	7.15%
Caisse des dépôts et consignations	9,599,359	1.96%	1.96%
Areva	6,906,750	1.41%	1.41%
CNP Assurances	6,191,630	1.26%	1.27%
Sofina	4,125,000	0.84%	0.84%
Total held by Shareholders under the Agreements	235,231,323	48.04%	48.07%
Treasury shares	301,000	0.06%	0
Free float and employee shareholders	254,166,737 ⁽¹⁾	51.90% ⁽²⁾	51.93% ⁽²⁾
Total	489,699,060	100%	100%

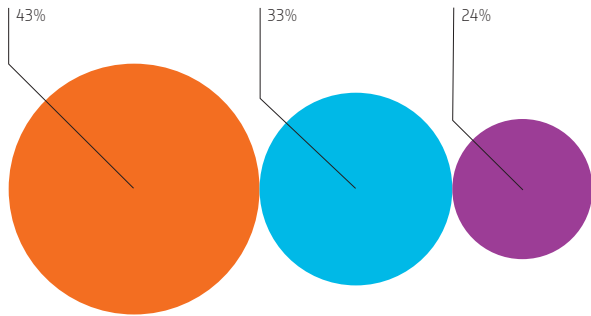
(1) of which 53,118,508 shares held by the company Capital Research and Management (at 1 January 2010).

(2) of which 10.85% of share capital and voting votes held by Capital Research and Management (at 1 January 2010).

KEY FINANCE FIGURES

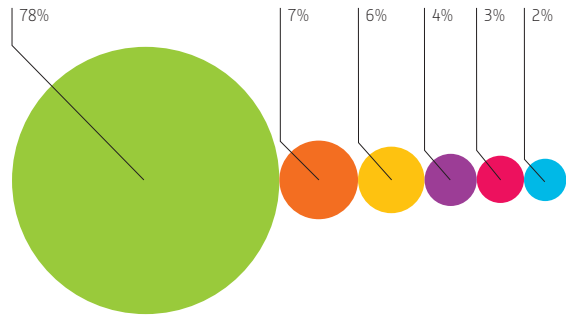
2009 ECONOMIC INDICATORS FOR SUEZ ENVIRONNEMENT.

DISTRIBUTION OF TURNOVER BY BUSINESS SEGMENT



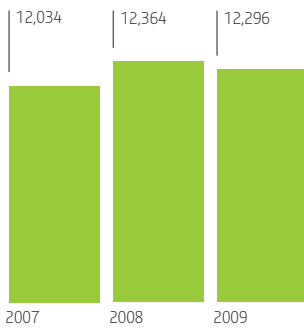
- Waste Europe
- Water Europe
- International

DISTRIBUTION OF TURNOVER BY GEOGRAPHIC REGION

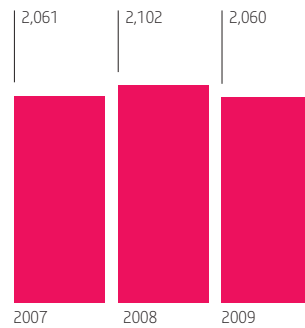


- Europe
- Africa & Middle East
- North America
- Asia
- Oceania
- South America

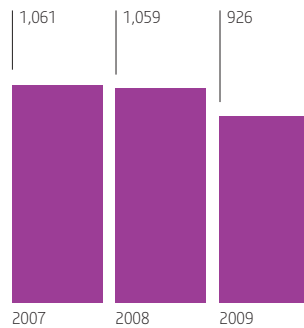
TURNOVER (IN M€)



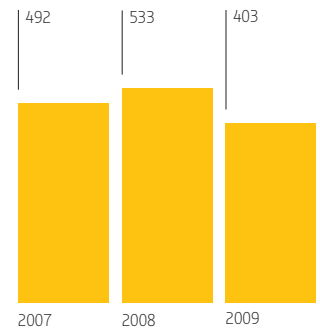
GROSS OPERATING PROFIT (IN M€)



CURRENT OPERATING INCOME (IN M€)



INCOME GROUP SHARE (IN M€)



+0.6%

AT CONSTANT EXCHANGE RATES, TURNOVER REMAINED STABLE IN 2009 COMPARED TO 2008.

1,062

BILLIONS OF EUROS OF NET INVESTMENT

3 TIMES

NET DEBT/GOP

KEY ACTIVITIES FIGURES



WATER

10,000

WATER TREATMENT PLANTS BUILT
IN 70 COUNTRIES

90

MILLION INHABITANTS SUPPLIED
WITH DRINKING WATER

58

MILLION INHABITANTS BENEFITING
FROM SUEZ ENVIRONNEMENT
WASTEWATER TREATMENT SERVICES

1,888

DRINKING WATER
PRODUCTION UNITS

1,643

WASTEWATER
TREATMENT UNITS

150,000

KM OF DRINKING WATER
DISTRIBUTION NETWORKS

WASTE

46

MILLION INHABITANTS BENEFIT
FROM SUEZ ENVIRONNEMENT WASTE
COLLECTION SERVICES

464,985

CUSTOMERS IN SERVICES
AND INDUSTRY

40.8

MILLION METRIC TONNES
OF WASTE TREATED

31

SITES FOR TREATING END-OF-LIFE
ELECTRICAL AND ELECTRONIC WASTE

142

LANDFILLS

110

COMPOSTING PLATFORMS

137

HAZARDOUS WASTE
PLATFORMS

49

NON-HAZARDOUS WASTE
INCINERATION PLANTS (46 WITH
THE CAPACITY TO RECOVER ENERGY)

13

HAZARDOUS WASTE
INCINERATION UNITS

KEY EMPLOYEE FIGURES

GEOGRAPHIC DISTRIBUTION OF EMPLOYEES

	2007		2008		2009	
	NB	%	NB	%	NB	%
France	31,289	50.5%	32,835	50.2%	32,398	49.2%
Europe (excluding France)	21,266	34.3%	22,176	33.9%	21,295	32.3%
North America	2,704	4.4%	3,250	5%	3,281	5%
South America	231	0.4%	222	0.3%	269	0.4%
Africa/Middle East	3,646	5.9%	3,948	6%	4,479	6.8%
Asia/Oceania	2,779	4.5%	2,951	4.5%	4,173	6.3%
Total	61,915	100%	65,382	100%	65,895	100%

THE GEOGRAPHIC DISTRIBUTION OF EMPLOYEES REMAINED STABLE IN 2009. 81.5% OF EMPLOYEES WERE CONCENTRATED IN EUROPE, INCLUDING 49.2% IN FRANCE.

DISTRIBUTION OF EMPLOYEES BY PROFESSIONAL CATEGORY

	2007		2008		2009	
	NB	%	NB	%	NB	%
Management	7,766	12.5%	8,358	12.8%	8,649	13.1%
Non-management	54,149	87.5%	57,024	87.2%	57,246	86.9%
Total	61,915	100%	65,382	100%	65,895	100%

THE PROPORTION OF MANAGEMENT INCREASED SLIGHTLY IN 2009 TO 13.1%.

DISTRIBUTION OF EMPLOYEES BY CONTRACT TYPE

	2007		2008		2009	
		%		%		%
Long-term		92.1%		91.8%		92.3%
Other contracts		7.9%		8.2%		7.7%

IN 2009, 92.3% OF GROUP EMPLOYEES HAD LONG-TERM CONTRACTS.

TRAINING

	2007		2008		2009	
		%		%		%
Percentage of workforce trained		60.0%		57.2%		59.7%

IN 2009, THE TRAINING RATE INCREASED BY NEARLY TWO POINTS.

JOB SAFETY

	2007		2008		2009	
Frequency		18.47		17.45		15.35
Severity rate		0.74		0.65		0.64

THE FREQUENCY AND SEVERITY RATE FOR ON-THE-JOB ACCIDENTS CONTINUES TO DECLINE.

SIGNIFICANT EVENTS

SELECTION OF CONTRACTS, ACQUISITIONS, INAUGURATIONS AND EVENTS OCCURRING IN 2009 FOR SUEZ ENVIRONNEMENT AND ITS SUBSIDIARIES. OTHER SIGNIFICANT EVENTS AND ADDITIONAL INFORMATION ARE AVAILABLE IN THE REFERENCE DOCUMENT (P. 253).

WATER EUROPE

01 FRANCE
Concession-type contract for building and operating the Port-Saint-Louis-du-Rhône purification system (Syndicat Ouest-Provence) for a period of 20 years (Lyonnaise des Eaux).

Acquisition of ISIOM (a French company specializing in analyzing building operating costs). ISIOM's software supplements the Lyonnaise des Eaux real-time remote meter-reading system.

Public services delegation contract to provide water to 18,500 customers in the city of Biarritz for a period of 15 years (Lyonnaise des Eaux).

Renewal of the public water and sanitation services delegation contracts with the city of Libourne, for a period of eight years. (Lyonnaise des Eaux).

Contract with Geostock, at Manosque, to provide a brackish-water filtration facility (Ondeo IS).

02 ALGERIA
Contract for the planned transfer to the Setif high plains to supply water to the country's arid regions (SAFEGE).

03 SPAIN
Through a preliminary agreement with Criteria Caixacorp, SUEZ ENVIRONNEMENT is taking over the Water and Environment activities of AGBAR (Aguas de Barcelona), thereby becoming a specialist in this sector in Spain.

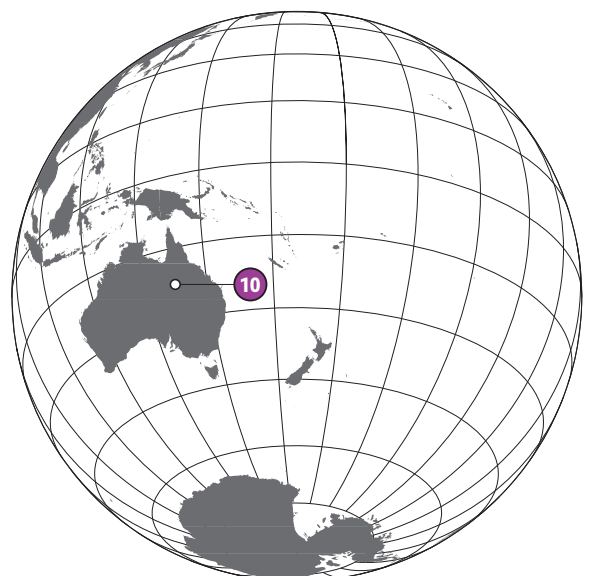
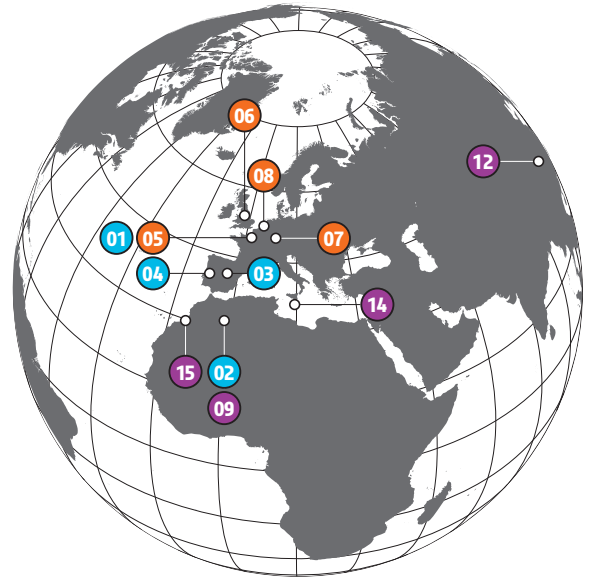
Renewal of various contracts: Torremolinos-Malaga (60,000 habitants) for a period of 25 years; Olot-Girona (32,000 habitants) for a period of 20 years; Ribera de Gata-Caceres (24,000 habitants) for a period of 10 years; Villanueva de la Serena-Badajoz (25,000 habitants) for a period of 25 years (Agbar).

04 PORTUGAL
Contract with Galp Energia (Sines) for engineering and procurement, as well as for the production of demineralized water by reverse osmosis, for the new crude oil desulfurization unit (Ondeo IS).

WASTE EUROPE

05 FRANCE
National global waste management contract (sorting, collection, treatment and provision of related services) for all production sites of the ARKEMA group, a major player in world chemicals, and its subsidiaries, for a period of 5 years (SITA France).

Contract to operate the Pontarlier energy recovery plant (SITA Spécialités).



Renewal of the contract to operate the technical landfill center at Vichy Val d'Allier for a period of 20 years (SITA France).

Renewal of the household waste collection contract in Montpellier, for a period of 6 years (SITA France).

Renewal for five years of the SMICTOM du Carcassonnais contract for the collection of recyclable household waste both door-to-door and at voluntary collection points, as well as taking the waste to landfills (SITA France).

Contract for a period of 4 years with Metropolitan Boulogne Community for the treatment of household waste, rubble and sorting refuse (SITA France).

06 UNITED KINGDOM
Pollution cleanup and restoration of polluted soils at the old "The Avenue" industrial complex in Chesterfield. (SITA France).

Acquisition of Swansea, a company specializing in the collection and recycling of industrial and commercial waste in southern Wales (SITA UK).

Six-year renewal by the city of Doncaster of the waste management contract, specifically for green or commercial waste (SITA UK).

07 GERMANY
Signing of 24 contracts with the German Dual System for the collection of packaging waste of 4.2 million inhabitants for periods of 2, 3 or 4 years (SITA Deutschland).

08 THE NETHERLANDS
Waste processing contract with the city of Arnhem for a period of 10 years (SITA Netherlands).

INTERNATIONAL

09 ALGERIA
Contract for the reconstruction and doubling of capacity of the Baraki purification station. The station will eventually treat the wastewater of 1.8 million inhabitants of Algiers (Degrémont).

10 AUSTRALIA
Contract for the construction and 30-year operation of the largest seawater desalination plant in Australia, located 80 km from Melbourne, with a capacity of 450,000 m³ of drinking water per day (Degrémont).

Eight-year municipal waste collection contract for the city of Brisbane. This is the largest municipal waste collection contract in Australia (SITA Environmental Solutions).

11 BRAZIL
Agbar was awarded the commercial management of Saneago, the public water and sanitation company of the State of Goiás, with 1.8 million customers.

12 CHINA
20-year renewal of the concession contract to manage Macao's water (Macao Water).

Concession contract for the construction and operation of a drinking water treatment plant that will eventually serve 1.2 million inhabitants of the Yuelai region (Chongqing).

Contract for the design, construction and operation of the first sludge treatment plant in the province of Jiangsu, at the site of the China-Singapore Suzhou Industrial Park.

Renewal of the contract to operate the Island East Transfer Station, a marine waste transfer station in Hong Kong. The contract also provides for the design, construction and operation of a biological treatment center where biodegradable waste will be converted and treated (SITA Waste Services).

13 UNITED STATES
Contract for the operation and maintenance of water treatment and customer service facilities, for a period of 4 years, for the community of Huber Heights (United Water).

Five-years renewal of the contract to operate and maintain the Edward C. Little wastewater recycling plant and five peripheral facilities, with the West Basin Municipal Water District (United Water).

14 MALTA
Contract for the design and construction of the largest wastewater purification plant in Malta. This contract also includes one year of operating support for a plant that will treat 80% of the island's wastewater (Degrémont).

15 MOROCCO
Two waste management contracts. The first covers sanitation management for the city of Oujda for a period of 10 years. The second covers sanitation management for the city of El Jadida, located south of Casablanca, for a period of 7 years (SITA El Beida).

SUEZ ENVIRONNEMENT

BOND ISSUES

WITHIN THE CONTEXT OF ITS POLICY FOR FINANCING, DIVERSIFYING AND EXTENDING THE MATURITY OF ITS DEBT, SUEZ ENVIRONNEMENT COMPANY HAS PERFORMED A NUMBER OF BOND ISSUES UNDER THE EURO MEDIUM-TERM NOTES (EMTN) PROGRAM IMPLEMENTED IN MARCH 2009. THE AMOUNT ISSUED SINCE MARCH 2009 TOTALS €3 BILLION. A BREAKDOWN OF THESE TRANSACTIONS IS PROVIDED IN NOTE 13.3 OF THIS CHAPTER.

LAUNCH OF THE FIRST

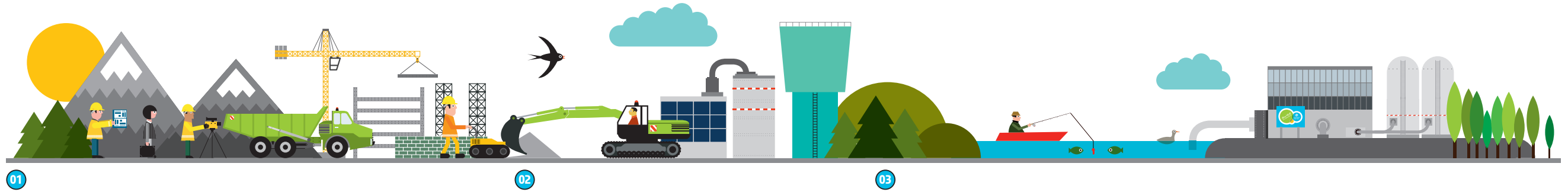
SUEZ ENVIRONNEMENT COMPANY BONUS STOCK ALLOCATION PLAN FOR EMPLOYEES WITHIN THE CONTEXT OF THE RESOLUTION APPROVED BY THE SUEZ ENVIRONNEMENT COMPANY GENERAL MEETING OF MAY 26, 2009, THE BOARD OF DIRECTORS DECIDED TO ALLOCATE 30 SUEZ ENVIRONNEMENT COMPANY SHARES TO EACH OF THE GROUP'S 68,000 EMPLOYEES, I.E., OVER 2 MILLION EXISTING SHARES.

COMPLETE CONTROL OF THE WATER CYCLE

COMPLETE CONTROL OF THE WATER CYCLE IN ORDER TO OFFER OUR CLIENTS CUSTOMIZED SOLUTIONS, CONSISTENT WITH THE EXPECTATIONS OF ALL STAKEHOLDERS. THIS IS SUEZ ENVIRONNEMENT'S COMMITMENT.

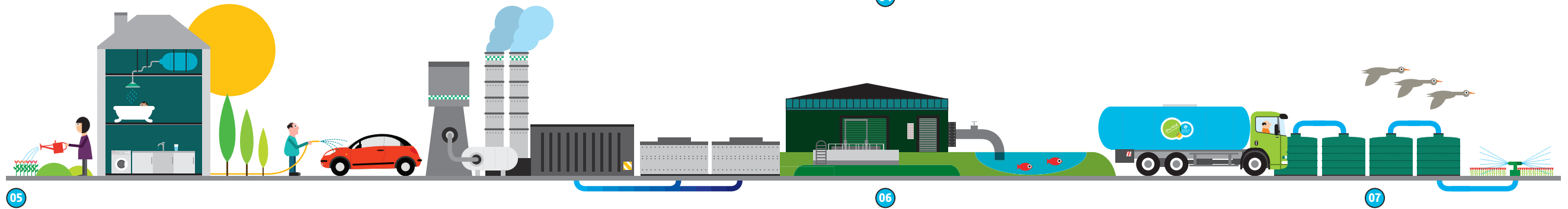
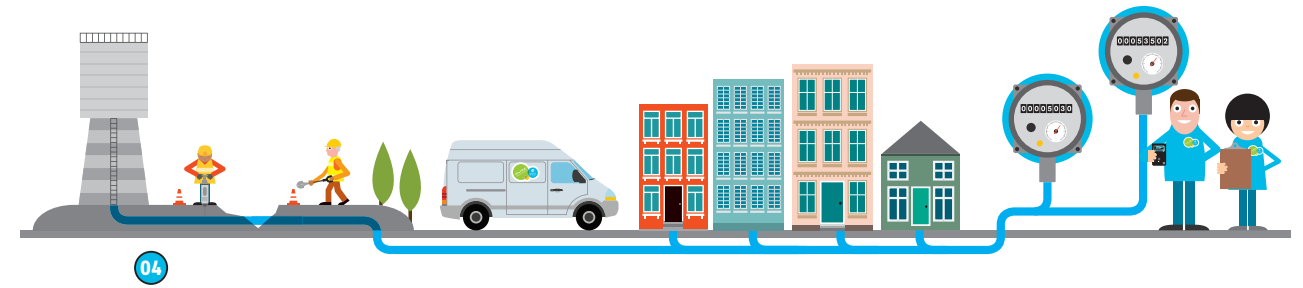
 www.suez-environnement.com > Activities > Water





THE WATER CYCLE

FOR SUEZ ENVIRONNEMENT, MANAGING WATER AT EVERY STAGE MEANS CONTROLLING THE ENTIRE WATER CYCLE AND OFFERING HUMAN AND TECHNICAL SOLUTIONS TO EVERY CHALLENGE THAT AFFECTS WATER RESOURCES LOCALLY



01 STUDIES, MASTER PLANS AND PROJECT MANAGEMENT
SUEZ ENVIRONNEMENT engineers provide technical solutions to distribute, treat, and remove pollutants from water resources.

02 ENGINEERING AND CONSTRUCTION OF WATER TREATMENT PLANTS
New units, extensions or rehabilitation, SUEZ ENVIRONNEMENT designs and builds all types of water treatment plants, for the production of drinking water, desalination of sea water, wastewater treatment, etc.

03 DRAWING WATER FROM THE NATURAL ENVIRONMENT
SUEZ ENVIRONNEMENT draws water from the natural environment and treats it so that it is safe for consumption. It can be drawn from the sea and desalinated before being transformed into drinking water.

04 STORAGE AND DISTRIBUTION
Drinking water is stored and then distributed through a network of pipes which requires continual monitoring and maintenance.

05 CONSUMPTION AND DOMESTIC USES OF WATER
Drinking water routed through the pipes is tallied and invoiced to the various customers by means of meters and readers in conjunction with customer services.

06 INDUSTRIAL USES OF WATER
A great deal of water is used for industrial processes. The water is recovered and any pollutants are removed before it is released back into the collection drains for municipal wastewater.

07 WASTEWATER TREATMENT AND REUSE
Wastewater is routed to a wastewater treatment plant. The water can then be released back into the natural environment or re-used for watering, irrigation, or industrial processes.

08 RECOVERY OF SEWAGE SLUDGE
The sludge produced by wastewater treatment can be recovered and treated for use as compost in agriculture and gardening.



PROTECTING WATER RESOURCES

MOBILIZING THE WATER SECTOR'S VARIOUS PARTICIPANTS ON AN APPROPRIATE SCALE, WHILE IMPLEMENTING EFFECTIVE GOVERNANCE AND SUITABLE TECHNOLOGY, ARE **THE KEY TO THE SUSTAINABLE MANAGEMENT AND PROTECTION OF WATER RESOURCES.**



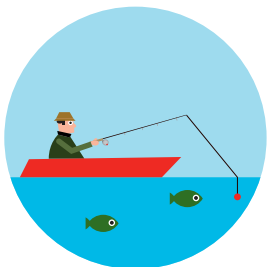
**THE WATER
CYCLE**
SEE FOLD-OUT

CONTEXT

NEW RULES FOR
BATHING WATERS

New European regulations require elected officials to be more proactive in cases of pollution, to anticipate risks and more consistently inform the population. The regulatory thresholds for the water quality analysis of bathing waters have been sharply lowered (to one-fourth for sea water and one-half for fresh water), requiring that even more accurate methods of analysis be used.

Lyonnaise des Eaux has developed a new method of rapid analysis, GEN-SPOT, which provides results in under three hours, compared to 36 hours for the official method. This approach means elected officials can avoid having to close down their beaches unnecessarily. In the event of closure, it allows the swimming area to reopen quickly, without being penalized by the three-day waiting period under the official analysis method.



A YEAR OF TRANSITION

2009 WAS MARKED BY AN EXCITING COMMERCIAL DYNAMIC AT LYONNAISE DES EAUX, WHICH ADAPTED BOTH ITS ORGANIZATION AND ITS OFFERINGS **TO MEET THE NEW CHALLENGES FACING ITS BUSINESS LINES AND PARTNERS.**

R eal-time monitoring of water consumption, permanent systems to pre-localize leaks, wastewater-based heat recovery, etc. Lyonnaise des Eaux has placed innovation at the very core of its commercial strategy, an approach that has been rewarded with considerable success in 2009. Thus, in February, Lyonnaise des Eaux was awarded a concession-type contract to build and operate the Port-Saint-Louis-du-Rhône (Syndicat Ouest-Provence) wastewater system, together with a solar farm to cover the plant's energy needs. Another victory was the 12-year renewal of the delegation of public wastewater services for the Syndicat d'Assainissement et d'Eau (SAE) of Puy-en-Velay, to manage the 80,000 Eq./Inhab.⁽²⁾ purification station, monitor the industrial waste of the metropolitan area, and engage in sludge recovery. Another major contract renewal was the one for the public water services delegation of the city of Biarritz including the leak

"WATER DISTRIBUTION IS THE SERVICE TO WHICH 93% OF THE FRENCH POPULATION ASSIGNS THE HIGHEST PRIORITY."⁽¹⁾

pre-localization system, as well as a commitment to increase network output, provide pipeline corrosion diagnostics and implement dedicated software to model pipeline restoration. In the southwest of France, Lyonnaise des Eaux also met with significant success in renewing the public water and wastewater services delegation contracts for the town council of Libourne. The installation of acoustic sounding equipment in the drinking water network, the monitoring of bathing water



INVESTING IN CUSTOMER RELATIONS

IN 2009, LYONNAISE DES EAUX WAS AWARDED 1ST PRIZE IN THE "SERVICE COMPANIES" SECTOR OF THE 2009 CUSTOMER RELATIONS PODIUM. THE CALLING CENTER'S PERFORMANCE DURING THE JANUARY 2009 STORM IN SOUTHWEST FRANCE WAS SPECIFICALLY NOTED. THE INTRODUCTION OF A NEW, CLEARER AND MORE DETAILED INVOICE ALSO TESTIFIES TO THE QUALITY CUSTOMER INFORMATION PROVIDED.

 www.lyonnaise-des-eaux.fr

AN APPROPRIATE CONTRACTUAL OFFERING

SUEZ ENVIRONNEMENT IS ASSISTING LOCAL AUTHORITIES THROUGH SEVERAL CONTRACTUAL FORMS. DELEGATION OF PUBLIC SERVICES (DSP) CONTRACTS. SUEZ ENVIRONNEMENT HAS BEEN ASSIGNED OPERATIONAL RESPONSIBILITY FOR SERVICE MANAGEMENT FOR A SPECIFIED PERIOD. THE COMPANY IS COMPENSATED, IN PRINCIPAL, DIRECTLY THROUGH CONSUMER SUBSCRIPTIONS, FINANCING ALL OR PART OF THE RENEWAL (LEASES) AND NEW INFRASTRUCTURE (CONCESSION). THE TERMS OF CONCESSION CONTRACTS ARE GENERALLY LONGER (10 TO 30 YEARS) THAN THOSE OF LEASING CONTRACTS (10 TO 20 YEARS) IN VIEW OF THE NEED FOR THE OPERATOR TO AMORTIZE THE NEWLY BUILT INSTALLATION WORKS.

HQE SYSTEM

IN JANUARY 2009, LYONNAISE DES EAUX STARTED CONSTRUCTION ON A NEW WASTEWATER TREATMENT STATION AT DIGNE-LES-BAINS, AS PART OF A 25-YEAR CONCESSION CONTRACT. IT WILL SERVE AS THE MODEL FOR ESTABLISHING THE "HQE PURIFICATION STATIONS" SYSTEM IN FRANCE.

and the implementation of a carbon monitoring system specifically attracted the attention of local authorities who were concerned about promoting sustainable development as part of the "2009 Libourne Water Charter."

DARING TO BUILD THE FUTURE

The year was also marked by the launch of the company's "Daring to Build the Future" project, designed to give momentum to Lyonnaise des Eaux. A concrete example

of this approach was the reorganization of some thirty regional centers into 15 more autonomous regions. In this same spirit, Lyonnaise des Eaux is also continuing its efforts in the area of part-time training and developing "water and gas network agent" training to offer future graduates of this CAP all the opportunities afforded to employees of a group such as GDF SUEZ. ●●●

(1) BVA-IGD 2008 barometer on the quality of public services.
(2) Resident-equivalent.



●●● Another illustration of the Lyonnaise des Eaux approach is its acquisition of ISIOM (a French company specializing in analyzing the operating costs of buildings) to supplement Lyonnaise des Eaux's real-time remote monitoring system for its water meters. The goal: to offer building managers a suitable solution for all building fluids, i.e., not just water, but also energy-related flows. Lyonnaise des Eaux has also translated this development into a renewed offering by anticipating its customers' new expectations. Protection of water resources, measures to combat climate change, maintenance of biodiversity: Lyonnaise des Eaux's partners now wish to meet ambitious environmental goals. The local Agenda 21s have multiplied in recent years and manufacturers are also making demanding environmental commitments. 2009 was marked by the launch of the "Green Offer." Lyonnaise des Eaux has thus become the first company

CARBON MONITORING FOR WORKSITES

"RÉS'EAU CARBONE" [CARBON WATER NETWORK] PROVIDES AN ASSESSMENT OF THE GREENHOUSE GAS IMPACT OF ITS ACTIVITIES FOR EACH WORKSITE OR GLOBALLY OVER THE COURSE OF THE YEAR. THIS TOOL WAS SPECIFICALLY DEVELOPED FOR THIS FIELD BECAUSE IT IS ONE OF THE HEAVIEST EMITTERS OF GREENHOUSE GASES OF ALL LYONNAISE DES EAUX BUSINESS ACTIVITIES.

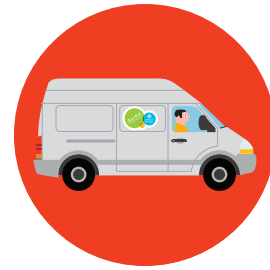
in its sector to propose a contractual commitment to environmental performance objectives. Technical solutions, such as Degrés Bleus [Blue Degrees] use water and wastewater services to meet environmental goals. The city of Levallois-Perret, close to Paris, was the first in France to benefit from this: in 2009 it chose Lyonnaise des Eaux and Degrés Bleus to maintain the water temperature of the city's new aquatic center using heat from its wastewater. But the "Green Offer" also has advantages for Lyonnaise des Eaux. It offers exciting commercial opportunities: innovative solutions applied to the market will provide



an opportunity to diversify revenue and base a larger proportion of contractual compensation on environmental performance. The goal is to be increasingly judged based on the performance of services provided.

LAUNCH OF NEW SERVICES

The Dolce'O offering launched in 2009 illustrates this diversification strategy. Its goal is to offer private individuals services that contribute to a comfortable, more economical and ecologically-sound environment. This range specifically includes three high value-added components: The "leak-alert service," which offers real-time warning, by SMS or email,



ELGO, THE ACTIVITIES-MANAGEMENT GPS

WITH OVER 120 MILLION KILOMETERS TRAVELED EACH YEAR, LYONNAISE DES EAUX AGENTS SPEND UP TO A THIRD OF THEIR TIME ON THE ROAD. THE ROLL-OUT OF GPS TECHNOLOGY IN VEHICLES WILL FACILITATE TRIPS TO ALL SITES, OPTIMIZING TRAVEL, ENSURING INCREASED SAFETY FOR AGENTS WHO WORK ALONE, AND IMPROVING REACTION TIME FOR CUSTOMERS.

LOCAL AGENDA 21

LOCAL AGENDA 21 IS ONE OF THE TOOLS FOR MAKING SUSTAINABLE DEVELOPMENT A REALITY. IT INVOLVES A PLAN OF SCHEDULED ACTIONS GENERALLY CARRIED OUT BY MUNICIPALITIES, THE SUCCESS OF WHICH REQUIRES THE INVOLVEMENT OF ALL STAKEHOLDERS.

REGULATION

2009 WAS MARKED BY THE POSITIVE IMPACT OF THE "GRENELLE 1" LAW ADOPTED IN JULY: A LIST OF THE 500 PRIORITY CATCHMENTS WAS PREPARED AND A STUDY WAS LAUNCHED ON THE CATCHMENT FEEDER BASINS AND SOURCES OF POLLUTION.

"CARBON-NEUTRAL" PURIFICATION STATION

IN OCTOBER 2009 GROUND WAS BROKEN ON AQUAVIVA, A PURIFICATION STATION THAT WILL TREAT THE WASTEWATER OF 8 MUNICIPALITIES IN THE CANNES BASIN. AQUAVIVA WILL HAVE A NEUTRAL CARBON FOOTPRINT: GREENHOUSE GAS EMISSIONS FROM THE FACTORY WILL BE COMPLETELY OFFSET, SPECIFICALLY BY INSTALLING 4,000 M² OF SOLAR PANELS.

whenever a consumption anomaly occurs or a risk of leakage is detected at the customer's home. The "service remotely reads meters" so that consumers no longer need to be at home when the water meter reader comes by. There is also the "leak insurance and assistance service," which allows consumers to benefit from refunds for excess water consumption due to a leak, 24/7 repair service, and legal assistance. These new services are also aimed at professionals in the public sector, as well as managers of real estate assets for which the "Lyonnaise des Eaux PRO" line was created. This includes a range of additional services such as rainwater

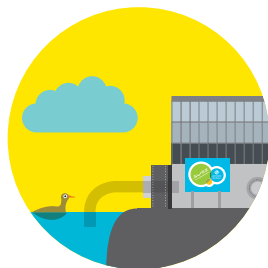
recovery or energy recovery from wastewater. Through these business activities, Lyonnaise des Eaux is demonstrating that it is possible to reconcile growth and environmental protection. Finally, this desire to build a new model is shown by the company's generous sustainable development policy. The Vigéo audit carried out in 2009 has showed significant progress since 2008, and a willingness to listen to the parties involved was formalized by the "New ideas in Water" idea launched with Erik Orsenna and Vigéo. ●

 More at: www.lyonnaise-des-eaux.fr and www.ideesneuveurleau.net

AND ALSO

2009, TEN YEARS OF
THE AREZZO CONTRACT

In 2009, Nuove Acque celebrated its ten years of service to the Arezzo Province. This subsidiary, which is 46% held by SUEZ ENVIRONNEMENT, supplies water to 350,000 residents in 37 municipalities of Tuscany (Italy). Since 1999, network losses have dropped by 20%, with yields as high as 80% on strategic systems: this prevents approximately 5 million m³/year of water from being wasted. In addition to the increased yield, water quality has been significantly improved, with an 85% decline in non-conformities found by the health authorities since the start of the contract.



SPAIN FACES DROUGHT

BETWEEN 2003 AND 2008 SPAIN FACED A VERY SEVERE DROUGHT BOTH IN TERMS OF ITS RECURRENCE AND THE INCREASING FREQUENCY WITH WHICH IT OCCURRED. TO OBTAIN NEW SOURCES OF SUPPLY, IN 2009 DEGRÉMONT AND AGBAR INAUGURATED IN BARCELONA THE LARGEST DESALINATION PLANT IN EUROPE. WITH CAPACITY OF 200,000 M³/DAY, IT WILL SUPPLY DRINKING WATER TO 600,000 PEOPLE, I.E., 20% OF THE POPULATION OF THE METROPOLITAN REGION.

WATER LEADER IN SPAIN

2009 SAW SUEZ ENVIRONNEMENT AND AGBAR STRENGTHEN THEIR RELATIONSHIP, WITH THE COMPLETE TAKEOVER OF SPAIN'S WATER LEADER. SPAIN CURRENTLY REQUIRES INNOVATIVE AND EFFICIENT SOLUTIONS TO ADDRESS ITS INCREASING **NEEDS FOR WATER AND RESOURCE TENSIONS, WHICH ARE ALREADY HIGH.**

 For further information, see: p. 61 of the reference document and www.agbar.es/eng/

2009 was marked by the announcement of the takeover of Agbar, which will occur in 2010 through the withdrawal of its stock market listing and the transfer of its health activities to a traditional partner, La Caixa. Agbar's management has worked actively to achieve this success, and its duties are secure. Agbar's drinking water services cover 12.7 million people in Spain and over 11 million people in the rest of the world. The company also provides wastewater services to 9.2 million individuals in Spain and over 9 million internationally. Agbar has succeeded in recent years in creating a commercial dynamic rewarded with success, reflected by a high contract renewal rate. As a symbol of the Group's ability to implement quality synergies, the building and operating contract for the Barcelona desalination plant (also see opposite) allowed Agbar and Degrémont to work together to offer a solution that is both competitive and environmentally sensitive. Sampled

"IN SPAIN, PRIVATE OPERATORS BENEFIT FROM THE EFFECTS OF THE 'A.G.U.A. PROGRAM', WHICH IS A PLAN TO IMPLEMENT SOME TWENTY DESALINATION PLANTS TO ADDRESS THE NEED FOR WATER."

from 2.2 kilometers offshore, water is first subjected to treatment to eliminate the largest impurities (plankton, colloids, bacteria and viruses). Desalination is performed by reverse osmosis, using a micro-porous polyamide membrane filtration system that eliminates 99.9% of salts. The water then passes through the minuscule pores of these filters (less than one nanometer in diameter) at pressures of 60 to 70 bars: only water molecules can pass through them. Brine, i.e., water with high salt concentrations generated by desalination, is not discharged directly. Rather, it is diluted in water treated at a local



PROTECTING THE CITY

PROBLEM / THE WASTEWATER NETWORK IS AN ESSENTIAL TOOL FOR PROTECTING THE CITY AND ITS ENVIRONMENT. IN THE EVENT OF HEAVY RAINFALL, THE CHALLENGE IS EVEN MORE CRITICAL BECAUSE RUNOFF WATER IS LOADED WITH A NUMBER OF POLLUTANTS; THE PROBLEM IS, ENORMOUS VOLUMES MAY EXCEED TREATMENT CAPACITY AND ENTER THE NATURAL ENVIRONMENT.

REFERENCE / CLABSA IS THE SPECIALIST COMPANY WITHIN AGBAR THAT MANAGES THE REAL-TIME MONITORING OF BARCELONA'S WASTEWATER SYSTEM. NERVE CENTERS ARE MADE UP OF RAINWATER RETENTION BASINS. THE PURPOSE OF THESE STORM RESERVOIRS IS TO REDUCE THE RISK OF FLOODING DOWNSTREAM AND THE AMOUNT OF WASTE DURING THE RAINY SEASON.

purification station, then returned to the ocean at salinity levels close to those of the host environment.

TECHNICAL EXPERTISE

Agbar contributes directly to SUEZ ENVIRONNEMENT's research and innovation activities through its involvement in the research network of the R+I Alliance water sector, as well as through the 2007 launch of the CETaqua research center. Promoted in partnership with Cataluña Polytechnic University and the Supreme Council of Scientific Research, the center focuses

its attention on such things as alternative water resources and the water-energy relationship.

Desalination and the reuse of wastewater are one of Agbar's main focuses of development in the coming years, given the drought that is of such concern to the Iberian Peninsula and the strategic efforts adopted by the Spanish authorities, such as the "A.G.U.A. Program," promoting desalination over the Ebro River diversion. ●

➔ **Further information on desalination may be found on p.48**



VARIOUS INDUSTRIAL NEEDS

INDUSTRIAL WATER AND UTILITIES

WATER / USED IN COOLING SYSTEMS, BOILERS, PROCESSING OR MANUFACTURE OF THE PRODUCT ITSELF. QUALITY AND VOLUME REQUIREMENTS VARY ENORMOUSLY FROM INDUSTRY TO INDUSTRY.

PURIFIED WATER / GENERALLY USED IN THE SEMI-CONDUCTOR INDUSTRY AND MICROELECTRONICS, AS WELL AS IN THE PHARMACEUTICAL AND COSMETICS INDUSTRIES.

WASTEWATER / DEPENDING UPON EFFLUENT QUALITY, TREATMENTS MUST BE APPLIED THAT ARE CAPABLE OF TREATING THIS WASTE TO MEET CURRENT STANDARDS.

REUSED OR RECYCLED WATER / THIS HAS BECOME AN URGENT ISSUE FOR INDUSTRIAL SITES, BECAUSE IT REDUCES COSTS AND ENVIRONMENTAL IMPACT.



ONDEO IS CERTIFIED

IN 2009 ONDEO IS OBTAINED SEVERAL MAJOR CERTIFICATIONS:

- ISO 9001 (2008 VERSION) IN FRANCE;
- ISO 9001 (2008 VERSION) AND VCA PETROCHEMICAL (SAFETY) IN BENELUX.

ONDEO IS IN MOTION

ONDEO IS SPECIALIZES IN INDUSTRIAL WATER TREATMENT AND OFFERS **INTEGRATED SOLUTIONS SCALED TO EACH PLANT'S NEEDS.**

 www.ondeo-is.com

Because its business is intrinsically linked to industrial production, in 2009 Ondeo IS had to adapt to the consequences of the economic crisis. However, harmonization of European environmental protection regulations, specifically in the area of water quality protection, remains a key development factor for the entity. Ondeo IS was also able to meet the global needs of its European customers and the modernization requirements of production tools to achieve major commercial victories in 2009.

Ondeo IS was selected to process the brine emitted from the saline cavities of the Geosel de Manosque (France) site. Another important achievement: the design, completion and installation of a water treatment unit involving seawater desalination and demineralization for the new thermal plant at Ghannouche, Tunisia, built by Alstom. In the petrochemical sector, Ondeo IS was awarded a major engineering and supply contract to produce demineralized water for a new hydrocracking unit for the Galp Energia (Portugal). Along with this commercial dynamic, Ondeo IS



made the most of this year by focusing its strategy on better meeting the market's new expectations. Its ambition: to become an integrated and competitive engineering and services company, with a high level of expertise and international development, specifically in the two key markets of oil and energy. A testimony to this momentum was the contract awarded to Ondeo IS Italy to rehabilitate the wastewater treatment station for Hellenic Petroleum's Elefsina refinery (Greece). ●



WATER EUROPE

SAFEGE EURAWASSER

SAFEGE SUSTAINABLE PLANNING

DESIGNING GLOBAL SOLUTIONS FOR
COMMUNITIES.

www.safege.fr

SAFEGE is active with municipalities, public authorities, holders of water and wastewater services delegations, and private and industrial clients as a designer of sustainable development solutions. In 2009, SAFEGE launched a new approach aimed at diversifying its business lines in four principal areas: water and hydraulic infrastructure, the environment, urban development and transportation, and energy. In 2009, commercial momentum was maintained despite the fact that major contracts were in crisis, which illustrates the diversity of SAFEGE's skills, such as the contracting of the first tramway line of the metropolitan district of Tours (France). In Algeria, SAFEGE also won a major contract for water recovery from the northern Sahara, consisting of transferring the water to the high Algerian highlands to supply the local population. SAFEGE also contributes as an "operator engineer" in collaboration with SUEZ ENVIRONNEMENT in Qatar and Egypt to design "utilities" (drinking water and sewage networks, street waste collection, cooling, gas and electricity, etc.) as part of an effort to create new sustainable cities. ●



CITYBIOSE®

CITYBIOSE® IS A TOOL FOR ASSESSING AND VISUALIZING THE ENVIRONMENTAL PERFORMANCE OF THE PRINCIPAL SERVICES OF THE LOCAL AUTHORITIES, INCLUDING DRINKING WATER, WASTEWATER, SANITATION, ENERGY FOR PUBLIC BUILDINGS, PUBLIC LIGHTING AND PUBLIC TRANSPORT. IT IS USER FRIENDLY AND HAS A WEB INTERFACE.

12 KEY INDICATORS BY SERVICE (WATER, WASTEWATER, ETC.) PROVIDE IMPACT ASSESSMENT. KEY TO THIS IS A TOOL THAT ASSISTS IN DECISION MAKING AND MONITORING ENVIRONMENTAL RESULTS, AS WELL AS WITH DIALOG SUPPORT AMONG THE PARTIES INVOLVED.

EURAWASSER ENERGY 2009

SUEZ ENVIRONNEMENT IS ACTIVE IN THE GERMAN MARKET THROUGH **ITS SUBSIDIARY EURAWASSER.**

www.eurawasser.de

Eurawasser continued its growth in the western part of Germany by winning a new call for bids in the municipality of Bad Breisig, in Rhineland-Palatinate (population 13,000). Starting January 1, 2010, Eurawasser will thus be responsible for technical management and water supply services, customer management and planning of the municipality's civil works. Eurawasser also takes a leading role in Germany on the issue of energy savings and renewable energy production as they apply to water services, with the key reference of Rostock (see opposite). ●

ENERGIE

LAUNCH OF A COGENERATION UNIT AT ROSTOCK

The Rostock purification station situated in Mecklenburg-Pomerania is on its way to becoming energy-independent. In 2009, Eurawasser installed a cogeneration unit at the purification station site. It converts this gas to electrical energy at the rate of 7,520 MWH/year. This recovered energy meets 65% of the purification station's electricity needs.

A UNIQUE MULTICHANNEL APPROACH

WASTE, DEPENDING ON ITS TYPE, CAN BE RECYCLED AS RAW MATERIALS, ORGANIC SOIL CONDITIONERS, OR AS ELECTRICITY AND HEAT. THE RESIDUAL PORTION OF NON-RECOVERABLE WASTE MUST BE DISPOSED OF BY QUALIFIED PROFESSIONALS IN SPECIALIZED TREATMENT AND STORAGE CENTERS. FROM COLLECTION TO DISPOSAL, SUEZ ENVIRONNEMENT MANAGES THE ENTIRE WASTE MANAGEMENT CHAIN IN OFFERING A UNIQUE, MULTI-CHANNEL APPROACH.

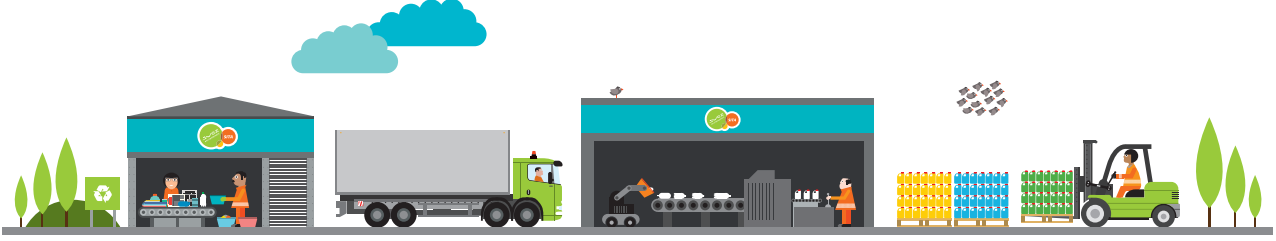




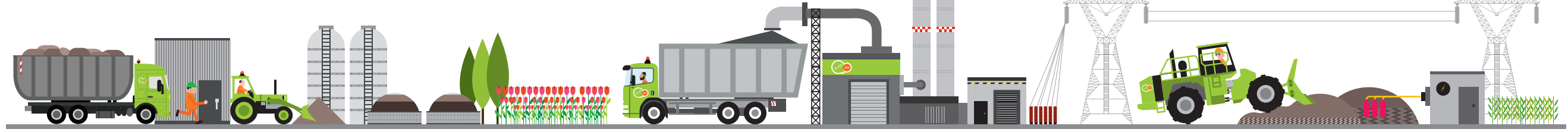
01

THE WASTE CYCLE

MANAGING WASTE AS A RESOURCE ALLOWS US TO TREAT IT SO THAT IT HAS THE SMALLEST IMPACT ON THE ENVIRONMENT WHILE AT THE SAME TIME PRODUCING REUSABLE MATERIALS.



02



03

04

05

06



07

08

09

01 STREET CLEANING AND WASTE COLLECTION
SUEZ ENVIRONNEMENT ensures the upkeep of public areas and collects domestic, industrial, and hazardous waste.

02 SORTING AND PRETREATMENT
Collected waste is sorted at a transfer station, most of which are combined with a sorting center. The sorting process separates recyclable materials (metal, paper, glass, plastic, etc.). The waste is then pretreated either mechanically or biologically to facilitate upstream waste recovery in the production of compost, biogas, fuel substitutes, and more.

03 MATERIAL RECOVERY
Material recovery involves recovering, reusing, regenerating and recycling materials extracted from waste in order to produce recycled raw materials.

04 AGRICULTURAL RECOVERY
Green waste and the fermentable fraction of domestic waste are transformed into compost by a technologically assisted natural process. The compost is then used as fertilizer in agriculture and gardening.

05 INCINERATION
Incineration plants transform waste from municipal and industrial waste collection into electricity or heat. The fumes are treated and the blast-furnace slag recovered.

06 STORAGE
Non-recoverable waste is buried in storage facilities. Cells and compartments ensure that the site is completely impermeable and that all water (leachates) and fermentation gases (biogas) can be recovered as heat or electricity.

07 TREATMENT AND RECOVERY OF COMPLEX PRODUCTS
SUEZ ENVIRONNEMENT ensures the treatment, dismantling and advanced recovery of complex waste such as WEEE, and end-of-life vehicles, aircraft, and ships.

08 TREATMENT OF HAZARDOUS WASTE
Hazardous industrial and hospital waste is incinerated in the furnaces of cement factories and recovered as energy-from-waste or stabilized and confined.

09 SOIL REMEDIATION
Soil contaminated by the former activities of old industrial plants must be treated as hazardous waste. The pollutants are removed from the soil and groundwater, the factories are dismantled, and the sites rehabilitated. Former industrial wasteland can then be used for new activities.



ADVANCING WASTE MANAGEMENT

RESOURCES ARE BECOMING SCARCE; THE ENVIRONMENTAL CONSCIOUSNESS OF CITIZENS AND THEIR GOVERNMENTS IS GROWING. THESE DEVELOPMENTS ARE REFLECTED IN INCREASINGLY STRINGENT AND AMBITIOUS REGULATORY OBJECTIVES. SUEZ ENVIRONNEMENT DEVELOPS WASTE MANAGEMENT SOLUTIONS THAT ADDRESS THE ENVIRONMENTAL, ECONOMIC AND SOCIAL REALITIES OF ITS CUSTOMERS.

IT SEEKS TO PROMOTE INTEGRATED WASTE MANAGEMENT THROUGH RECOVERY AND DISPOSAL.



THE WASTE
CYCLE
SEE FOLD-OUT

PROTECTING BIODIVERSITY

WASTE TO BE STORED IS SENT TO SO-CALLED "NON-HAZARDOUS WASTE FACILITIES" CLASSIFIED FOR ENVIRONMENTAL PROTECTION. SUCH FACILITIES ROUTINELY UNDERGO IMPACT STUDIES, WHICH ARE REQUIRED PRIOR TO ANY OPENINGS OR EXPANSIONS. THESE STUDIES ARE USED TO IDENTIFY ISSUES RELATING TO PRESERVATION AND BIODIVERSITY; THEY ASSESS THE SURROUNDING AREA'S SENSITIVITY AND PROPOSE MEASURES NECESSARY TO AVOID, REDUCE OR COMPENSATE FOR THE IMPACTS GENERATED BY THE SITE.

**INNOVATION****SILENC'OM**

Silenci'OM is the result of a partnership between a maker of waste collection vehicles and the manufacturer of wheeled bins. It's a system for collecting household waste that minimizes noise, making it especially well-suited to urban centers where collection is done at night.

A SUCCESSFUL RESPONSE TO THE CRISIS

SIXTY PERCENT OF SITA FRANCE'S BUSINESS COMES FROM ITS COMMERCIAL AND INDUSTRIAL CUSTOMERS. HEAVILY HIT BY THE ECONOMIC CRISIS, THESE CUSTOMERS WERE FORCED TO CUT BACK OR EVEN SUSPEND THEIR OPERATIONS IN 2009. **SITA FRANCE WAS ALSO AFFECTED BY THE SHRINKING ECONOMY, BUT IT ADAPTED AND SUCCEEDED IN MAINTAINING STRONG BUSINESS MOMENTUM.**

Industrial operators were hit hard by the economic crisis in 2009. SITA France quickly adapted to this situation in order to limit its consequences. Measures in response to the crisis even included the suspension of operations at some waste reclamation sites. The markets for paper and paper-board and for ferrous and nonferrous metals were severely impacted, while demand for these materials stalled and their prices collapsed. Throughout this challenging period, SITA France worked to offer services that were best-suited to each customer and local context and to maintain its business momentum. SITA France's integrated offering is certainly a key source of differentiation: the complementarity of its waste management channels lets it consistently design tailored solutions. SITA France also reorganized its business in 2009 into eight regions and three specialized divisions: SITA Recycling, SITA Sanitation and Industrial Maintenance,

"HIGHLIGHTS OF 2009 INCLUDED SEVERAL KEY VICTORIES AND RENEWALS FOR SITA FRANCE"

and SITA Specializations. In doing so, it instilled a dynamic of increased cooperation between the various centers of expertise.

BUSINESS MOMENTUM

Highlights of 2009 included several key victories and renewals for SITA France. SITA Centre-Est Region won the contract to operate the waste energy recovery plant in Pontarlier. This five-year contract represents revenue of 36 million, and is renewable twice. SITA Sud renewed the contract with SMICTOM du Carcassonnais



REFLEX

WITH THE REFLEX SERVICE, BUSINESSES CAN USE THE INTERNET TO ACCESS INFORMATION THEY NEED TO MEASURE THEIR ENVIRONMENTAL PERFORMANCE AND MANAGE THEIR BUDGETS. BY MONTH, BY SITE, BY WASTE CATEGORY, THEY CAN MONITOR CHANGES IN THE TONNAGES COLLECTED AND RECYCLED BY SITA ON THEIR BEHALF. REFLEX SIMPLIFIES ADMINISTRATIVE REPORTING AND ENCOURAGES MULTI-SITE MANAGEMENT.

A LOCAL BUSINESS

AS A LOCAL INDUSTRIAL SERVICE, WASTE MANAGEMENT CANNOT BE RELOCATED AND WILL REMAIN A LONG-TERM PROVIDER OF DIVERSIFIED LOCAL JOBS. SITA FRANCE LEVERAGES ITS EXPERTISE THROUGH A NETWORK OF LOCAL PROVIDERS SPANNING THE FRENCH TERRITORY.



for the collection of recyclable household waste both door-to-door and at voluntary collection points, and for the removal of dumpsters at waste drop-off centers. SITA won this contract through an innovative solution which uses real-time locating systems to manage waste collection. This five-year contract proves the relevance of incorporating innovative features in tenders. Another example of SITA France's proactive stance: in 2009 its subsidiary, SITA Remediation, a specialist in industrial site cleanup, won a contract for the cleanup and rehabilitation of contaminated soil

at "The Avenue", a former industrial complex in Chesterfield (UK). This is the largest public project of this kind in the United Kingdom and one of the most important brownfield cleanup projects in Europe. ●

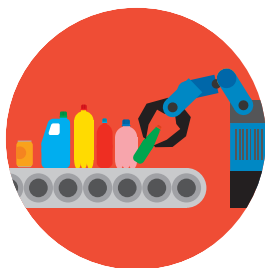


More information about SITA France's organization is available in the *SITA Waste Book* at www.sita.fr

524

KG PER CAPITAL⁽¹⁾, IS THE ANNUAL PRODUCTION OF MUNICIPAL WASTE IN THE COUNTRIES OF THE EUROPEAN UNION (THE EU 27).

(1) Source : Eurostat 2007.



CLOSED-LOOP VS. CASCADE

IN EACH CASE, WASTE IS RECYCLED INTO USABLE MATERIAL. "CLOSED-LOOP" RECYCLING REFERS TO THE PROCESS BY WHICH A MATERIAL IS RECYCLED INTO THE PRODUCT FROM WHICH IT IS ISSUED: GLASS IS TURNED BACK INTO GLASS, FOR EXAMPLE, AND PET⁽¹⁾ WATER BOTTLES ARE REMADE INTO WATER BOTTLES. "CASCADE" RECYCLING OCCURS WHEN THE MATERIAL IS REPURPOSED: FOR EXAMPLE, RUBBER FROM OLD TIRES BECOMES A SOFT PLAYGROUND SURFACE, AND PET BOTTLES ARE RECYCLED INTO POLAR FLEECE.

(1) Polyethylene terephthalate.



CONTEXT

REGULATION AND RECOVERY

Across the European Union, waste management regulations are changing primarily to promote increased material waste recovery.

In France, the Grenelle I Act sets a target for reducing household waste by 7% per capita in five years and calls for a 15% reduction in volumes of stored or incinerated waste by 2012.

COMPLEMENTARY TREATMENT CHANNELS

SITA RECYCLES A VARIETY OF MATERIALS TO MEET GROWING DEMAND FROM MUNICIPAL AND INDUSTRIAL CUSTOMERS FACED WITH INCREASINGLY STRINGENT REGULATIONS. THIS MULTI-CHANNEL, MULTI-MATERIAL POSITIONING IS ALLOWING SITA TO EXPAND INTO **NEW MARKETS IN NEED OF ITS COMPREHENSIVE KNOW-HOW.**

The job of waste management has changed considerably over the last decade. It has evolved from an obligation to evacuate waste to a rationale of waste recovery and disposal. As a result, the waste management sector is being transformed. Local by nature, it is now dependent on national and European guidelines that are shaking up the industrial, economic and legal boundaries between waste and non-waste to promote recycling and the recovery of energy and agricultural materials from waste. In high demand, SITA's recycling activities result from a process of continuous innovation and a policy of investing in increasingly powerful industrial tools. Depending on the nature of the waste, SITA France produces secondary raw materials that are used in creating new products, soil conditioners to fertilize crops, and heat and electricity to supply homes and factories.

"SITA'S RECYCLING ACTIVITIES RESULT FROM A PROCESS OF CONTINUOUS INNOVATION AND A POLICY OF INVESTING IN INCREASINGLY POWERFUL INDUSTRIAL TOOLS."

A BENCHMARK FACILITY INAUGURATED IN 2009

In 2009 SITA France, together with its partner Paprec, opened a facility in Limay (Yvelines department) that reflects this new reality. The plant is a first: it can handle 40,000 tons of PET⁽¹⁾ bottles per year, transforming them into 30,000 tons of recycled PET pellets to be used in producing new, food-safe bottles. This recycling innovation became a reality once it obtained approvals for food contact, most importantly from AFSSA,



SITA REBOND

FOUNDED IN 2002, SITA REBOND ("REBOUND" IN ENGLISH) IS A SUBSIDIARY SPECIALIZING IN THE PROFESSIONAL REINTEGRATION OF AT-RISK CITIZENS SUCH AS THE LONG-TERM UNEMPLOYED, THOSE RECEIVING INCOME SUPPORT, AND UNSKILLED YOUNG ADULTS, WHILE AT THE SAME TIME PROVIDING SOCIAL SUPPORT.

IN FRANCE, IN 2009, SITA TREATED:

2.92

MILLION TONS OF WASTE RECOVERED AS RECYCLED RAW MATERIALS.

3.76

MILLION TONS OF WASTE RECOVERED AS ENERGY.



the French food safety agency. This approval was won thanks to major research work at prior stages which drew on SUEZ ENVIRONNEMENT's comprehensive expertise, and especially its skill in materials analysis. Evian Volvic Sources and France Plastique Recyclage have signed an agreement for recycling services that is ongoing both in terms of quantity and quality. Evian Volvic Sources thus became the new unit's first customer, with an objective of gradually incorporating up to 50%

of recycled PET in its bottles in 2010. Beyond recovery, certain types of waste from various sources must always be eliminated with the utmost care. Complementary treatment channels are therefore the only long-term solution for implementing a responsible, integrated waste management system. ●

(1) Plastic used in the manufacture of bottles in contact with food.

RECYCLING OF END-OF-LIFE AIRCRAFT

TARMAC AEROSAVE IN TARBES, FRANCE IS A JOINTLY-OWNED SUBSIDIARY OF SITA FRANCE, AIRBUS, SNECMA, EQUIP'AÉRO AND TASC AÉROCONSEIL. TARMAC IS THE OUTCOME OF THE PILOT PROJECT PAMELA (PROCESS FOR ADVANCED MANAGEMENT OF END OF LIFE OF AIRCRAFT), TO DISMANTLE AND RECYCLE AIRCRAFT. AS A RESULT OF THIS PROGRAM, 85% OF PARTS FROM DISMANTLED AIRCRAFT ARE RECYCLED OR REUSED.

1

THE TREATMENT OF ONE CUBIC METER OF WASTEWATER PRODUCES 350 KG TO 450 KG OF SLUDGE

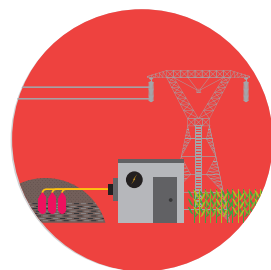
200,000

TONS OF STANDARDIZED PRODUCTS ON THE MARKET IN 2009



THE HEAT FUND FOR RENEWABLE ENERGY

THE HEAT FUND ("FONDS CHALEUR"), WHICH WILL INVEST ONE BILLION EUROS OVER 2009-2011, REPRESENTS A MAJOR COMMITMENT BY THE GRENNELLE DE L'ENVIRONNEMENT. ITS GOAL IS TO INCREASE THE SHARE OF HEAT PRODUCED FROM RENEWABLE ENERGY TO 23% OF NATIONAL ENERGY CONSUMPTION BY 2020.



AT THE CROSSROADS

IN 2009, TERRALYS PURSUED ITS EFFORTS TO BRING LASTING SOLUTIONS TO ORGANIC WASTE RECOVERY. AT THE CROSSROADS OF THE WASTE AND WATER BUSINESSES, THIS INNOVATIVE SUBSIDIARY OF SUEZ ENVIRONNEMENT IS POSITIONING ITSELF **TO CAPITALIZE ON COMMITMENTS UNDERTAKEN AT THE GRENNELLE ENVIRONMENT FORUM.**



For more information, visit www.terralys.fr

Terralys operates across the entire spectrum of organic waste recovery, providing treatment and recovery of sludge, green waste, household waste (digestible fraction) and organic waste from the food and paper industries. Terralys collects waste at its source, transports it and handles all treatment and recovery of the product. Work is also done upstream with the producer of organic waste to ensure "better quality waste" is brought into its facilities. Terralys operates in a field of expertise shared by the water and waste sectors: sludge recovery and composting. The company markets four certified or standardized product lines: organic soil conditioners, organic fertilizers, liming products and soil conditioners based on agricultural materials recovered from wastewater treatment. Such conditioners enrich soil without the need for petroleum-based fertilizers, while at the same time making excellent use of sludge left over from wastewater treatment.

In 2009, Terralys took its commitment to quality a step further, marketing a full range of 100% natural organic soil conditioners. It also inaugurated a new composting unit in Douzat (Poitou-Charentes), which is designed and managed to be 100% environmentally compliant. In Poitou-Charentes, the company manufactures a high-quality fertilizer, contributing durably, in its own way, to the recovery of bio-waste in the region. ●

ENVIRONMENTAL EXCELLENCE

SUEZ ENVIRONNEMENT HAS A PRESENCE IN BELGIUM, THE NETHERLANDS, AND GERMANY. THESE COUNTRIES HAVE SOME OF **THE MOST STRINGENT LAWS IN EUROPE WHEN IT COMES TO WASTE MANAGEMENT.**

More information at
www.sita-deutschland.de,
www.sita.nl, www.sita.be

SITA Deutschland, SITA Nederland and SITA Belgium cooperate actively in sharing the use of SITA NEWS's recovery capacities. Such an approach makes it possible to create synergies in one of Europe's most densely populated regions. The countries of northern Europe are trendsetters in environmental regulations and their laws all include numerous incentives to push waste management in the direction of recovery and recycling. While EU regulations have created a very significant common framework, historical national traditions and the speed with which EU obligations are implemented account for local differences. SITA deploys its full range of expertise in the area, an excellent example of which is the Zorbau waste energy recovery plant in Germany. Several innovations marked 2009 for the company. In the Netherlands, it launched SITA Green Label, which offers CO₂-neutral waste collection and treatment for consumers who want to limit the impact of this service. In Belgium, it launched



SITA Webshop, which allows waste removal services to be ordered online. The year was also marked by the commissioning of the EVI waste energy recovery plant on the Netherlands-Germany border, and by the start of construction on the Roosendaal thermal recovery plant (Netherlands, Noord-Brabant), which will produce 275,000 MWh of electricity annually based on waste. In 2009, SITA Nederland won contracts for the treatment of combustible household waste in three major cities of the Netherlands, representing an additional treatment volume of 300,000 to 500,000 tons per year. SITA Deutschland also signed numerous contracts: 14 new contracts and 10 renewals with Duales System Deutschland GmbH for the collection of packaging waste from 4.2 million inhabitants, representing combined revenues of €60 million. ●

SCANDINAVIA TOO

IN 2009, SITA SVERIGE (SWEDEN) AND SITA FINLAND, THROUGH THEIR COLLECTION ACTIVITIES, SERVED APPROXIMATELY 2.3 MILLION PEOPLE AND OVER 60,000 COMMERCIAL AND INDUSTRIAL CUSTOMERS, AND TREATED OVER 740,000 TONS OF WASTE.

SITA SVERIGE RENEWED ITS FIVE-YEAR CONTRACT FOR MUNICIPAL WASTE COLLECTION WITH THE CITY OF MALMÖ WHICH COVERS HALF OF THE CITY. IN ANOTHER NOTABLE VICTORY, THE SUBSIDIARY WON A SEVEN-YEAR CONTRACT TO MANAGE SOLID WASTE FOR THE CITY OF SVEDALA. FINALLY, IT BEEFED UP ITS PRESENCE IN SOUTHERN SWEDEN BY ACQUIRING A COMPETITOR, ALLREN, IN 2009.



More information available at www.sita.se,
www.sita.fi



B

WASTE EUROPE

SITA UK



PROFILE

SITA UK REPRESENTS COLLECTION SERVICES FOR 4 MILLION PEOPLE, MORE THAN 50,000 COMMERCIAL AND INDUSTRIAL CUSTOMERS, AND OVER 6,000 EMPLOYEES.



RECOGNITION

SITA UK NOW MEETS THE "INVESTORS IN PEOPLE" STANDARD, RECOGNIZED IN THE U.K. AS THE BENCHMARK FOR HUMAN RESOURCES MANAGEMENT. KEY AMONG SITA UK'S STRENGTHS IS ITS EXEMPLARY HEALTH AND SAFETY POLICY IMPLEMENTED IN RECENT YEARS.





METHANATION

THE RECOVERY AND USE OF BIOGAS GENERATED BY WASTE FROM THE DORSET STORAGE CENTER PROVIDES HEAT AND LIGHT TO THE EQUIVALENT OF 3,600 HOMES PER YEAR AND PREVENTS THE EMISSION OF 7,000 TONS OF CARBON EQUIVALENT PER YEAR.

54%

OF HOUSEHOLD WASTE IS SENT TO STORAGE CENTERS, 36% IS RECYCLED OR RECOVERED, AND 10% IS INCINERATED IN THE UNITED KINGDOM⁽¹⁾.

(1) Source: Eurostat – 2008 Data.

BENCHMARK

SITA UK'S EXEMPLARY OPERATIONS IN KIRKLEES (YORKSHIRE) DEMONSTRATE THE PERFORMANCE THAT CAN BE ACHIEVED BY ESTABLISHING COMPLEMENTARY CHANNELS. IN ADDITION TO A WASTE ENERGY RECOVERY PLANT WITH A TREATMENT CAPACITY OF 136,000 TONS PER YEAR, THE COMPANY HAS SET UP A WASTE RECYCLING PLANT TO TREAT 25,000 TONS OF WASTE PER YEAR, AS WELL AS TWO COMPOSTING PLANTS TO HANDLE ORGANIC WASTE FROM DROP-OFF CENTERS. A TRANSFER STATION RECEIVING 150,000 TONS OF WASTE EACH YEAR COMPLETES THE SYSTEM.

MAINTAINING MOMENTUM

DESPITE THE CRISIS, SITA UK MAINTAINED ITS MOMENTUM IN 2009 AND PLANS TO EXPLOIT OPPORTUNITIES FOR FUTURE GROWTH IN THE UNITED KINGDOM BY DEVELOPING SOLUTIONS FOR **WASTE RECOVERY THAT MEET CURRENT REGULATIONS.**

 For more information visit www.sita.co.uk

SITA UK's operations encompass the entire waste cycle. Its size and know-how make it an apt candidate for a variety of tenders in this sector. Adding to its appeal is its extensive experience in integrated waste management through *Private Finance Initiative* (PFI) contracts. SITA UK has also demonstrated its ability to secure renewal of its contracts and to pursue growth through complementary activities such as recycling, chalking up several commercial victories in 2009. Specifically, SITA UK renewed its contract with the City of Doncaster (Yorkshire) for waste management, including green and commercial waste. This seven-year contract represents annual revenue of approximately £7.5 million. In another noteworthy commercial win, the company signed a four-year contract with Airbus for integrated waste management services in the city of Bristol. This contract represents aggregate revenue of nearly £4 million.

“SITA UK HAS EXTENSIVE EXPERIENCE IN INTEGRATED WASTE MANAGEMENT THROUGH PRIVATE FINANCE INITIATIVE (PFI) CONTRACTS.”

In 2009, SITA UK announced a partnership with Cyclamax, an energy recovery specialist, under which it will notably develop six gasification plants to treat more than 600,000 tons of commercial and industrial waste.

OUTLOOK

The UK currently suffers from a lack of waste treatment capacity. The market is also driven by proactive regulatory incentives to develop solutions for materials recovery (see previous page). ●

LOCAL BASE, GLOBAL PRESENCE

SUEZ ENVIRONNEMENT AND ITS SUBSIDIARIES ARE WORKING TOGETHER IN CLOSE LOCAL COLLABORATION WITH THE AUTHORITIES, LOCAL COMPANIES AND NATIONAL PLAYERS.

 www.suez-environnement.com > Profile
> International presence



B

INTERNATIONAL
FACILITIES

01

NORTH AMERICA

6%

OF SALES

- UNITED WATER
- BAL-ONDEO
- DEGRÉMONT

02

SOUTH AMERICA

2%

OF SALES

- AGBAR

03

EUROPE

78%

OF SALES

- LYONNAISE DES EAUX
- AGBAR
- EURAWASSER
- ONDEO IS
- DEGRÉMONT
- SAFEGE
- ONDEO ITALIA
- WATER CZ & HUNGARY
- SITA FRANCE
- SITA UK
- SITA SWEDEN
- SITA FINLAND
- SITA POLSKA
- SITA NEWS (BENELUX, GERMANY)

04

AFRICA / MIDDLE EAST

7%

OF SALES

- AGBAR
- LYDEC
- SEAAL
- SITA EL BEÏDA
- DEGRÉMONT
- SAFEGE

05

ASIA

4%

OF SALES

- MACAO WATER
- PALYJA
- SITA WASTE SERVICES
- ONDEO IS
- DEGRÉMONT
- SFWD

06

OCEANIA

3%

OF SALES

- SITA ENVIRONMENTAL SOLUTIONS
- DEGRÉMONT

- WATER ACTIVITY
- WASTE ACTIVITY
- WATER & WASTE ACTIVITY

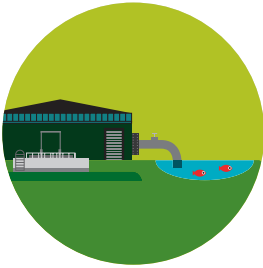


INTERNATIONAL: DEVELOPMENT CONTROL

TO ENSURE LONG-TERM INTERNATIONAL GROWTH, THROUGH SELECTIVE INVESTMENTS AND, IN SOME CASES, LONG-TERM PARTNERSHIPS: THIS IS SUEZ ENVIRONNEMENT'S GOAL. ATTRACTIVE GROWTH OPPORTUNITIES HAVE STRENGTHENED THE INTERNATIONAL SEGMENT IN 2009, **AT ALL TIMES WITH THE SAME LOGIC: TO GENERATE SUSTAINABLE AND PROFITABLE GROWTH.**



**GLOBAL
PRESENCE**
SEE FOLD-OUT
MAP



REVIEW OF DESALINATION AND ENERGY

Reverse osmosis consumes less than distillation: In ten years, the energy efficiency of desalination has improved by one-third thanks both to reverse osmosis technology and to the systematic integration of energy recovery processes: turbines or pressure exchanges, better engine yields, and frequency variation systems allow just the right amount of energy to be delivered to the membranes, and ultimately better membrane permeability.

Barcelona: The largest seawater desalination plant in Europe was commissioned in August 2009 in the province of Barcelona, a region suffering from chronic water shortages. Each day the plant will produce 200 million liters of drinking water, equivalent to 24% of the consumption of the Barcelona region, which has a population of some 4.5 million.

Renewable energy dedicated to desalination is the method chosen by the Australian authorities, who, since construction of the Perth unit, have elected to combine Melbourne's future desalination unit with a wind farm. Combined with energy savings, the wind farm will produce water while emitting very little greenhouse gas.

AT THE HEART OF THE INTERNATIONAL STRATEGY

DEGRÉMONT IS AT THE HEART OF SUEZ ENVIRONNEMENT'S INTERNATIONAL DEVELOPMENT STRATEGY; ITS HIGH TECHNOLOGICAL ADDED VALUE OFFERING, BACKED BY THE GROUP'S CAPACITIES, **YIELDED ENCOURAGING BUSINESS TRENDS IN 2009.**

More than ever, Degrémont is a veritable spearhead for the Group internationally. The global need for solutions to produce drinking water, wastewater treatment and purification sludge management is more and more crucial, exacerbated by alarming water stress in some regions. Degrémont's technical expertise is world-renowned, as its teams are active in over 70 countries and, in 70 years, have built over 10,000 plants worldwide. It is estimated that some 1 billion people on the planet are currently served by a Degrémont plant. This global presence has made it possible to develop very detailed knowledge of local challenges, and affords SUEZ ENVIRONNEMENT the opportunity to capture new markets and territories.

GLOBALIZATION OF DEMAND AND COMMERCIAL SUCCESSES

2009 confirmed the trend: Degrémont customers seek global solutions that

"THE DEMAND FOR GUARANTEES IS HIGH FROM CUSTOMERS CONCERNED WITH MAKING THE BEST TECHNICAL, FINANCIAL AND ENVIRONMENTAL CHOICES."

combine not only the design and building of a treatment plant, but also its operation, and even financing solutions and the production of renewable energy to make the operation happen. These clients are seeking the best technical, financial and environmental choices, experienced companies to assist them, and the human and financial resources of a solid and powerful group. The commercial success enjoyed by Melbourne in 2009 illustrates this new trend. Facing major water-resource tensions, Australia invested in the seawater desalination plant. The State of Victoria chose Degrémont



CREATING LASTING SOLUTIONS

DEGRÉMONT TEAMS DESIGN, BUILD AND OPERATE DRINKING-WATER PRODUCTION OR DESALINATION FACILITIES, WASTEWATER PURIFICATION STATIONS AND SLUDGE-TREATMENT FACILITIES FOR LOCAL AUTHORITIES AND MANUFACTURERS. THEY ALSO OFFER DIRECT OPERATION OF FACILITIES AND ALL SERVICES RELATED TO THEIR SUCCESSFUL OPERATION (MAINTENANCE, SPARE PARTS, REHABILITATION).

INTERFACE

COLLABORATION BETWEEN DEGRÉMONT AND THE OTHER SUEZ ENVIRONNEMENT ENTITIES OCCURS ON A DAILY BASIS. THE SHARING OF TECHNOLOGY, KNOWLEDGE AND INFORMATION ON LOCAL CHALLENGES AND CUSTOMER NEEDS IS AN INDISPUTABLE KEY TO SUCCESS. DEGRÉMONT'S RELATIONSHIPS WITH THE GROUP'S OTHER ENTITIES ALLOW IT TO BUILD CUSTOMIZED AND SUCCESSFUL OFFERINGS. THE APPOINTMENT OF THIERRY MALLET AS DIRECTOR OF INTERNATIONAL OPERATIONS IN 2009 WAS AN EFFORT TO STRENGTHEN THAT APPROACH.



+10,000

WATER TREATMENT PLANTS BUILT WORLDWIDE

to lead the largest public-private partnership in the world in the field of desalination. It envisages the financing, design and construction of a plant with capacity of 450,000 m³ of drinking water per day, and its 85-kilometer water pipeline, as well as operation of the plant until 2039. The investment totals €2 billion. This contract represents total revenue of €1.2 billion for SUEZ ENVIRONNEMENT over 30 years. It is significant that the Melbourne desalination plant uses reverse osmosis technology developed 20 years ago by Degrémont, which consumes less energy, allowing for the possibility

of electric power using a dedicated wind farm. The largest desalination plant in the southern hemisphere will thus be powered completely by renewable energy.

Degrémont recently achieved other commercial successes, specifically with three major contracts to build sewage plants in South America: Brazil, Panama and Chile. ●

 www.degremont.fr



A COMPETITIVE PRESENCE

THE CHINA AND OCEANIA MARKETS ARE IN FULL EXPANSION, BUT THE NEEDS ARE DIFFERENT FOR EACH COUNTRY, AND INTELLIGENT UNDERSTANDING OF LOCAL CHALLENGES IS CRITICAL. PARTNERSHIP AND SCALABLE TECHNICAL SOLUTIONS ARE **SUEZ ENVIRONNEMENT'S TWO KEY STRENGTHS.**



www.sita.com.au
www.sinofrench.com
www.palyja.co.id

The Chinese market is in full expansion, with major cities such as Chongqing having emerged from nothing in only 20 years. Drinking water and wastewater needs are already enormous. Soon, optimized waste management will also become an indisputable priority. SUEZ ENVIRONNEMENT knows the Chinese market well and exploits its extensive resources by providing drinking water to a population of some 14 million. In the waste sector, SUEZ ENVIRONNEMENT is active in Macao, Hong Kong and Taiwan, and operates two of the largest and most modern landfills in the world, WENT and NENT. 2009 saw several major commercial successes, such as the 20-year renewal of the Macao water concession, a new water concession contract with the city of Chongqing, and a contract to design, build and operate the largest sludge-treatment plant in Jiangsu Province on the site of the China-Singapore Suzhou Industrial Park. Beyond its

operating presence, the Group is also engaged in research in China, with the 2009 inauguration of the new research laboratory for science and environmental engineering experimentation in partnership with Tsinghua University in Beijing. The Group has also committed itself to the SCIP Water Research Center promoted by a partnership with Shanghai Tongji and ECUST Universities, conducting research on the treatment of industrial wastewater.

AUSTRALIA, HIGH ENVIRONMENTAL EXPECTATIONS

The Australian market is characterized by a very high demand for environmental quality. Marked by significant water stress, particularly affecting the Melbourne region, Australia has become a pioneer in high environmental value-added desalination. In the waste sector, recovery expectations are also very high. Innovative approaches to waste

CONTEXT

A HISTORIC PRESENCE IN CHINA

SUEZ ENVIRONNEMENT has been active in China for over 30 years through its subsidiaries Sino French Water Development (SFWD), SITA Waste Services and Degrémont. SUEZ ENVIRONNEMENT has joined private partners such as New World, in Hong Kong, as well as local authorities and Chinese partners who offer financing capacity and state-of-the-art expertise on local problems, a requirement for success in a strategic market such as China.

INDONESIA, TANGIBLE RESULTS

2009 WAS MARKED BY SIGNIFICANT IMPROVEMENT IN THE DRINKING-WATER SUPPLY NETWORK IN JAKARTA, INDONESIA, OPERATED BY PALYJA. THE LINEAR LOSS INDEX FOR THE DRINKING-WATER NETWORK DECLINED FROM 62 M³/KM/DAY IN 2008 TO 58 M³/KM/DAY IN 2009 (6 MONTH AVERAGE).



sorting are currently being exploited, and 2009 saw SITA Environmental Solutions win a new municipal waste collection contract for the city of Brisbane, with a term of 8 years and total revenue of €120 million, as well as the launch of a composting facility in Sydney. ●

B

INTERNATIONAL

**MIDDLE EAST
MAGHREB****RATIONALIZED
WATER
RESOURCE
MANAGEMENT**

ARIDITY AND DROUGHT ARE A DAILY CHALLENGE FOR MOST INHABITANTS OF THE MIDDLE EAST AND NORTH AFRICA. TO CONFRONT THIS EMERGENCY, THE REGION'S PUBLIC AUTHORITIES RELY ON SOUND **RESOURCE MANAGEMENT SOLUTIONS.**

**PRESERVING ASSETS**

THE DRINKING-WATER DISTRIBUTION NETWORKS REPRESENT A MAJOR INVESTMENT TO BE MANAGED AND PRESERVED.

THE PICCOLO PROGRAM QUANTITATIVELY AND QUALITATIVELY SIMULATES WATER FLOWS. THIS MODELING TOOL OPTIMIZES HOW DISTRIBUTION NETWORKS FUNCTION.

ECAT SOFTWARE IS USED TO DIAGNOSE THE INTERNAL CONDITIONS OF PIPELINES WITHOUT HAVING TO BREAK INTO A SECTION.

➔ For further information: See our brochure *Water, A Challenge, Our Business, 2008*

In the 1950s, SAFEGE discovered underground water tables that even today supply the Saudi Arabian capital with water; in 1975, Degrémont built the first reverse osmosis desalination plant in the world; in 2008, GDF SUEZ Energy International and SUEZ ENVIRONNEMENT won the contract for the construction, ownership and operation of the Al Dur 1 electricity production and seawater desalination unit in the Kingdom of Bahrain. The desalination plant will provide drinking water to the 273,000 inhabitants of Manama, the capital of the kingdom. SUEZ ENVIRONNEMENT has put all of its expertise into the Middle East and the Maghreb. In Casablanca, Lydec is managing the drinking water service concession. Both Algiers and Jeddah are implementing new-style management contracts. All these solutions are combined to offer a global response to water stress: Rationalized water resource management. ●

**TRANSFER OF KNOWLEDGE**

WITH ITS PIONEERING CONTRACT IN ALGIERS, SUEZ ENVIRONNEMENT MEASURED THE RELEVANCE OF A NEW KIND OF WATER OFFERING: TRANSFER OF KNOW-HOW. THE WIKTI METHOD FORMALIZES THIS AND ALLOWS IT TO BE SOLD TO PARTNERS SEEKING TO PROMOTE THEIR SERVICE AND BECOME AUTONOMOUS IN THE MEDIUM TERM. THE WIKTI OFFERING HAS SINCE BEEN ROLLED OUT IN A NUMBER OF COUNTRIES AND MADE A DIFFERENCE IN THE REQUEST FOR PROPOSALS IN JEDDAH, SAUDI ARABIA.

**2009: THIRD YEAR OF DROUGHT
FOR CALIFORNIA**

IN THE FACE OF LOW PRECIPITATION AND SEVERAL DECADES WITH AN OBSOLETE SNOWMELT RECOVERY SYSTEM, RESERVOIRS HAVE DECLINED TO ALARMING LEVELS. ENSURING A STEADY SUPPLY OF WATER IN CALIFORNIA HAS THUS BECOME AN ABSOLUTE PRIORITY FOR THE STATE GOVERNMENT.

**REUSE OF WATER: HIGH POTENTIAL**

IN 2005, ONLY 2% OF PURIFIED WASTEWATER WAS REUSED, I.E., SOME 7.1 BILLION M³. IN TEN YEARS, THE OVERALL INSTALLED CAPACITY TO TREAT WASTEWATER SHOULD INCREASE FROM 20 MILLION M³/DAY IN 2005 TO 55 MILLION M³/DAY IN 2015 (I.E., PROJECTED ANNUAL GROWTH OF 10 TO 12%).⁽¹⁾

⁽¹⁾ Source: SUEZ ENVIRONNEMENT.

SEIZING OPPORTUNITIES

THE US MARKET IS ENORMOUS AND CHARACTERIZED BY A RANGE OF SITUATIONS AND NEEDS. A LONG-STANDING PLAYER IN THE US WATER SECTOR, UNITED WATER IS WELL-POSITIONED TO TAKE ADVANTAGE OF **GROWTH OPPORTUNITIES LINKED TO THE ENVIRONMENTAL RECOVERY PLAN.**

 www.unitedwater.com

In 2009, the US government decided to invest \$154 billion to commit the country to a green growth approach. The main areas of investment are improving transportation infrastructure and developing alternative energy sources. This approach is an opportunity for United Water, which is prepared to offer new solutions developed throughout SUEZ ENVIRONNEMENT for sustainable development, specifically the reuse of wastewater, as well as positive-energy water treatment stations modeled on Green Cubes. In 2009, United Water was awarded the renewal of a large majority of its expiring contracts as well as the signing of a DBO (design-build-operate) contract for €73 million to improve wastewater collection and facilities in East Providence (Rhode Island) over the next ten years. Moreover, in recognition of the work carried out during its 15 years of collaboration with the local authorities and industries, the contract to operate the wastewater recycling plant at West Basin, California was renewed



for a 5-year term. This program to recycle wastewater from the inter-municipal syndicates of Central and West Basin (total population: 2.3 million) includes a tertiary urban effluent treatment plant at El Segundo, and a major distribution network in Los Angeles County. The syndicates save over 34 million m³ in drinking water each year across the region. Following secondary treatment at Los Angeles' Hyperion plant, tertiary treatment of the effluent results in the production of five different types of water, to be recycled for various purposes, such as irrigating green spaces, resupplying the aquifer or for industrial use. Resupplying the aquifer prevents the intrusion of seawater and thus protects the resource from the risk of salination. ●

PROXIMITY

FACED WITH PROBLEMS OF WATER SCARCITY, THE MEXICAN MARKET IS INCREASINGLY DEMANDING SOUND WATER MANAGEMENT SOLUTIONS. THE PRIORITY OF BAL-ONDEO AND ITS SUBSIDIARIES IS **TO DEVELOP A RELATIONSHIP OF TRUST WITH LOCAL COMMUNITIES.**



AN APPROPRIATE CONTRACTUAL OFFERING

THE MANAGEMENT CONTRACT

SUEZ ENVIRONNEMENT, ON BEHALF OF THE PUBLIC AUTHORITIES, AGREES TO PROVIDE ITS EXPERTS AND MANAGERS TO PRODUCE WATER MORE EFFICIENTLY FOR THE PUBLIC COMPANY, BY MOBILIZING AND TRANSFERRING KNOWLEDGE.

O&M (OPERATION & MAINTENANCE) CONTRACT

IN THIS TYPE OF CONTRACT, SUEZ ENVIRONNEMENT OPERATES FACILITIES PROVIDED BY A PUBLIC AUTHORITY, AND ASSUMES ALL GENERAL AND ADMINISTRATION EXPENSES AND EFFECTIVELY ASSUMES THE RISKS RELATED TO OPERATION OF THE WORKS IN QUESTION.

RECYCLING AT SAN LUIS POTOSI

INAUGURATED IN JANUARY 2006, WITH A WASTEWATER RECYCLING CAPACITY OF 80,000 M3 PER DAY, THE TENORIO STATION REUSES 40% OF THE WATER AS COOLING LIQUID FOR THE REYES THERMAL PLANT, A WITH THE REMAINING 60% BEING DIVERTED TO A POND BEFORE BEING DISTRIBUTED TO FARMERS.

 www.bal-ondeo.com.mx

In 2009 Aguakan, one of Bal-Ondeo's Mexican subsidiaries, continued its policy of improving environmental performance. The crisis hardly affected the activity, which is carried out in long-term partnership with the local authorities. The various entities were also able to continue their local integration efforts by supporting various activities such as financing a documentary on water in Mexico produced by Dominique de Courcelles, a member of Global Diversity Consulting.

Proximity to the local population and authorities is one of its priorities for Mexico, to be able to seize future opportunities in the water segment related to the country's development and the water stress affecting numerous regions. Sharing the region's water is often the source of tensions between user communities, particularly between small farmers and large



operations, as well as between industry and agriculture. Wastewater recycling is an innovative solution to this problem, as evidenced by the new contract with Ciudad Juarez. ●

BUSINESSES LEADING THE WAY IN SUSTAINABLE DEVELOPMENT

SUEZ ENVIRONNEMENT AND ITS SUBSIDIARIES
OFFER INNOVATIVE AND POWERFUL SOLUTIONS
TO MANAGE WATER AND WASTE EVERY DAY.

 www.suez-environnement.com
> Sustainable development





CREATING SUSTAINABLE GROWTH

SUEZ ENVIRONNEMENT IS COMMITTED TO BALANCING BUSINESS RESULTS WITH ENVIRONMENTAL PERFORMANCE, WHILE PROVIDING OFTEN VITAL SERVICES. TO ACHIEVE THIS, THE COMPANY HAS PUT SUSTAINABLE DEVELOPMENT AND INNOVATION AT THE CORE OF ITS LONG-TERM STRATEGY. THIS FORWARD-LOOKING STRATEGY IS CHARACTERIZED BY CONFIDENCE IN NEW MODELS, AND AIMS TO **APPEAL TO ALL STAKEHOLDERS THROUGH A PARTICIPATIVE AND PROACTIVE APPROACH.**



STRATEGY

APPROACH

SYNERGIES WITH GDF SUEZ

JOINT MANAGEMENT OF PROJECTS, SUCH AS THE RECOVERY OF RENEWABLE ENERGY FROM WASTE, AND THE DESALINATION OF SEAWATER.

DEVELOPMENT OF SYNERGIES IN CONNECTION WITH OFFERING WATER, ELECTRICITY AND WASTE MANAGEMENT SERVICES IN SOME REGIONS (WHERE CUSTOMER ISSUES ARE SIMILAR).

POOLING OF RESOURCES TO ACHIEVE SIGNIFICANT ECONOMIES OF SCALE, PARTICULARLY IN PURCHASING AND R&D.

NEW CHALLENGES, NEW MODELS

THE WORLD IS CHANGING, AND IT EXPECTS COMPANIES TO OFFER INNOVATIVE AND EFFECTIVE SOLUTIONS THAT REQUIRE A COMPREHENSIVE AND CONSISTENT APPROACH AND THE CAPACITY TO ADAPT THEIR STRATEGIES TO LOCAL CONTEXTS.

SUEZ ENVIRONNEMENT HAS TURNED THIS VISION INTO A STRENGTH.

ACTIVE PARTICIPATION

SUEZ ENVIRONNEMENT JOINS IN THE PUBLIC DEBATE. HERE ARE SOME EXAMPLES.

HELPING IN THE FIGHT AGAINST CLIMATE CHANGE / AT THE 2009 COPENHAGEN CLIMATE SUMMIT, SUEZ ENVIRONNEMENT PUBLISHED A PAPER SUMMARIZING ITS RESEARCH ON THIS ISSUE AND PRESENTING THE INDUSTRY-SPECIFIC INITIATIVES AND SOLUTIONS IT PLANS TO ADOPT.



www.suez-environnement.com > Profile
> Corporate publications

WORLD WATER FORUM IN ISTANBUL / EVERY THREE YEARS THE WORLD WATER COUNCIL SPONSORS THE WORLD WATER FORUM, TO WHICH ALL STAKEHOLDERS IN THE FIELD ARE INVITED. AT ISTANBUL IN 2009, SUEZ ENVIRONNEMENT—CONVINCED THAT DIALOGUE IS A KEY CONDITION FOR PROGRESS—JOINED IN THE DISCUSSIONS THROUGH CONFERENCES, A PERMANENT REPRESENTATIVE, AND BY CONTRIBUTING A PAPER ON THE SUBJECT.



www.waterblog.suez-environnement.com

SUEZ ENVIRONNEMENT is working to cement its position as a benchmark in the fields of environmental protection and sustainable development by offering its customers full life cycle management of water and waste resources. Its business plan extends this development strategy to all of its activities by focusing on sustainable and profitable growth while maintaining a balanced risk profile.

SUEZ ENVIRONNEMENT’S strategy fits naturally into the wider framework of that of GDF SUEZ, an international industrial group that provides powerful technical solutions to address the key challenges of sustainable development in energy, water and waste.

In 2009’s challenging economic climate, SUEZ ENVIRONNEMENT posted strong results, with stable overall operating income and strong cash flow generation. Excluding currency impacts, revenues rose 0.6%, to €12.3 billion, and EBITDA

“EDELWAY REPRESENTS A FORMAL COMMITMENT BY THE GROUP TO PROMOTE ENVIRONMENTAL PERFORMANCE; IT ADDS AN EXTRA DIMENSION TO OUR BUSINESS PROPOSALS.”

declined just slightly, by 1.2%, to €2.06 billion. The Group boasts a strong balance sheet. It has also announced a major acquisition—the takeover of Agbar, a leading water utility in Spain—scheduled for mid-2010.

SUSTAINABLE DEVELOPMENT: THE PURSUIT OF MEASURED GROWTH

SUEZ ENVIRONNEMENT intends to build its future growth on three pillars: innovation, sustainable development and partnership.



The company's activities contribute both directly and indirectly to meeting tomorrow's challenges.

SUEZ ENVIRONNEMENT will continue to carry out its core mission with the greatest of care in offering services of irreproachable quality. But the company wants to go further by joining the movement for sustainable growth. Through its sustainable development strategy, it seeks to preserve resources and promote the circular economy, innovate to meet

environmental challenges, give its employees an active role in sustainable development, and build this development together with all of its stakeholders. SUEZ ENVIRONNEMENT's sustainable development policy is directed by several bodies in the organization's upper echelons: the Board of Directors' Ethics and Sustainable Development Committee (see p. 17) and the Sustainable Development Steering Committee ●●●



QUESTIONS & ANSWERS

HENRY SAINT-BRIS

CIRCULAR ECONOMY

SENIOR VICE PRESIDENT STRATEGY,
SUEZ ENVIRONNEMENT

What is the circular economy?

The circular economy seeks the purposeful management of products "from birth to rebirth". At the end of their useful life, it recovers reusable parts, recyclable materials, treated wastewater for reuse, and energy from products that have become waste. Compared to the still-dominant linear model, the circular economy offers many advantages in addition to conserving non-renewable natural resources. Among other things, it helps to secure supplies for industries threatened by the scarcity of certain resources or price volatility, contributes to the reduction of greenhouse gases, and generates skilled jobs that cannot be relocated.

What role can SUEZ ENVIRONNEMENT play in this movement?

SUEZ ENVIRONNEMENT has a key role to play in this transformation of our business models. Through both our water and waste activities, the Group specializes in innovative solutions for managing natural resources that have become scarce.

In the waste sector, this means increasingly sophisticated recycling systems designed to handle specific types of collected waste such as plastics. I'm referring in particular to the development of complex channels for collecting, sorting and recycling which result in the optimized reuse of materials, while at the same time effectively treating the residual waste. In the water sector, technology is providing new solutions for reducing waste and facilitating the reuse of wastewater. For example, the acceleration of the natural cycle and post-treatment reuse of wastewater toward commercial and agricultural ends allows for better protection and conservation of water resources and avoids trade-offs between agricultural use and human consumption. ●



STRATEGY

APPROACH



MAKING SORTING EASIER

THE NEW BOX OFFICE SERVICE SOLUTION HELPS COMPANIES WHO WANT TO IMPROVE THE SORTING OF WASTE IN THEIR OFFICES THROUGH THE ROLLOUT OF INGENUOUS COLLECTION SOLUTIONS THAT LET EMPLOYEES SORT THEIR TRASH ON A DAILY BASIS.

UNDER THIS SYSTEM, OFFICE WORKSTATIONS ARE EQUIPPED WITH SEPARATE BUILT-IN COMPARTMENTS:

ONE FOR PAPER (GREENBOX), ONE FOR CANS AND BOTTLES, AND ANOTHER FOR RESIDUAL WASTE (MINIBOX).

PRODUCED UNDER THE EDELWAY LABEL, THIS PRODUCT LINE HAS BEEN FORMALLY ADOPTED BY SITA AS PART OF ITS COMMITMENT TO IMPROVE ITS ENVIRONMENTAL PERFORMANCE.



●●● are responsible for validating, coordinating and evaluating action plans proposed by the Sustainable Development Department.

In turn, the Sustainable Development Department develops the Group's policy on the subject and presents it to management. It also oversees the policy's company-wide rollout and reports on the Group's sustainable development performance. To ensure the policy is effectively implemented, a network of sustainable development coordinators has been set up across the Group, with contacts in each entity.

INNOVATION: A MEANS TO ACHIEVING GREEN GROWTH

Innovation is a key source of differentiation, and is essential to maintaining a competitive edge. Edelway, a Group label launched with its subsidiaries in late 2008, reflects this.



Edelway brings an extra dimension to market offerings by alerting customers to their formal commitment on environmental performance in three areas that are key for their customers: reducing greenhouse gas emissions, protecting natural resources and preserving biodiversity. Products and services bearing the Edelway name are the fruit of continuous research by the Group's various entities aimed at meeting the environmental challenges faced by their customers.

In 2009, an initial contract was signed with the city of Levallois-Perret to implement Degré Bleus, a solution that uses thermal energy from wastewater to heat and cool buildings, and even swimming pools, as in Levallois.

THE PARTNERSHIP APPROACH: A CONSTRUCTIVE FRAME OF MIND

Considered by the Group as a key driver of long-term success, partnerships are its preferred mode of development outside



its home market. This policy is implemented in association with local investors (see p. 50 and 51), by maintaining open and active dialogue with stakeholders, and through extensive studies on an innovative contract-based approach in developing countries. A dedicated management team coordinates communication with stakeholders and provides training for Group managers to help them progress in this area. ●



QUESTIONS & ANSWERS

EZRA SULEIMAN

CHAIRMAN OF THE AUDIT COMMITTEE

How would you assess 2009 in terms of internal control?

In 2009 we saw stronger coordination between the internal control, risk management and internal audit teams, continued deployment of the Group's internal control program in recently acquired companies, and the streamlining and automation of control processes with the rollout of new integrated computer systems. The Audit Committee oversaw the implementation of plans to improve internal controls, which were defined last year for each of the main entities. New plans incorporating the auditors' recommendations were also developed with local management teams for 2010. Work done by the auditors during the year to evaluate internal controls included a review of the effectiveness of the overall control environment at SUEZ ENVIRONNEMENT.

How did SUEZ ENVIRONNEMENT hold up during the crisis?

SUEZ ENVIRONNEMENT demonstrated the resilience of its business model in a degraded economic environment. The company prioritized cash generation and aligned its cost structure with lower

volumes and prices. This process started in 2008 with the launch of the Compass business plan, which by the end of 2009 had generated 190 million in EBITDA gains. This kind of responsiveness enabled it to maintain operating performance in 2009 that was on par with that of 2008, and to achieve its stated objectives. We believe the worst of the crisis is behind us; however, it's not over and SUEZ ENVIRONNEMENT continues to carefully monitor developments in the overall economy. The company is still adjusting its short-term priorities, among other things by developing a "Compass 2" business plan.

What are your Committee's objectives for 2010?

In 2010 the Audit Committee will continue to ensure the accuracy and fairness of SUEZ ENVIRONNEMENT's parent company and consolidated financial statements. This will include a systematic assessment of the major accounting options used in preparing the quarterly balance sheet and business forecasts. The Committee will also monitor the progress of audit and internal control plans and will regularly review ongoing legal disputes. Also on the agenda is evaluating the company's financing plan and in particular its cash flow projections, given the importance of this issue in the current economic climate. And, of course, we will continue to review the valuations of major assets through impairment tests performed by the Group. ●



STRATEGY

PERFORMANCE

TO LEARN MORE

HOW SUEZ ENVIRONNEMENT HAS PERFORMED VIS-A-VIS ITS 12 COMMITMENTS

Non-Financial Scoring

www.suez-environnement.com
> Sustainable development
> Performance

Opinion of the Statutory Auditors

www.suez-environnement.com
> Sustainable development
> Performance

GRI Comparison Table

www.suez-environnement.com
> Sustainable development
> Performance



DRAGONFLY ZONE

THE POLLUTION CLEANSING VIRTUES OF NATURAL ENVIRONMENTS ARE WELL-KNOWN. WITH ITS DESIGN OF AN ARTIFICIAL WETLAND INFRASTRUCTURE, LYONNAISE DES EAUX HAS DEVELOPED AN ORIGINAL, SECONDARY TREATMENT PROCESS FOR WATER THAT HAS ALREADY BEEN TREATED BY CONVENTIONAL MEANS. THE "DRAGONFLY" ZONE RECREATES SEVERAL DIFFERENT NATURAL ENVIRONMENTS, WHICH SUCCESSIVELY AND EFFECTIVELY ATTACK RESIDUAL POLLUTANTS. THE PAYOFF INCLUDES ENHANCED PROTECTION OF THE NATURAL ENVIRONMENT AND THE SIMULTANEOUS CREATION OF BIODIVERSITY ZONES.

IMPROVING ENVIRONMENTAL PERFORMANCE

AGAINST A BACKDROP OF ECONOMIC CRISIS, SUEZ ENVIRONNEMENT HAS MAINTAINED ITS EFFORTS TO RAISE ITS ENVIRONMENTAL PERFORMANCE.



Through its sustainable development policy, SUEZ ENVIRONNEMENT has made a commitment to environmental performance, introducing indicators to monitor progress on specific targets set for 2012. 2009 was marked by several trends. First, the Group increased the material recycling rate of the waste it handles to 31.9%⁽¹⁾ in 2009, up from 31.6% in 2008. This represents 12.8 million tons of secondary raw materials and compost put back on the market, all extracted from the 37.6 million tons of waste treated by SUEZ ENVIRONNEMENT. At the same time, the Group stabilized its direct and indirect greenhouse gas (GHG) emissions at 5.9 million tons of CO₂⁽¹⁾ equivalent, and simultaneously improved its contribution to avoided emissions by about +12 % to 6.4 million tons of CO₂⁽¹⁾ equivalent. This improvement is mainly due to the increased recycling of raw materials. Third, the production of useful renewable energy from waste incineration and biogas recovered from storage centers

and wastewater treatment plants, remained stable at around 2,500 GWh⁽¹⁾. As for the last trend, efforts to improve the yield of drinking water systems saw the linear loss index worsen slightly from 9.5m³ to 9.7 m³/km/day. This deterioration most likely stemmed from extreme freezing in France in January 2009 and damage from Hurricane Klaus on January 23, 2009, which devastated all of southwestern France. Despite the difficult context with the kind of pressures on price and operating costs inherent in any crisis, the Group posted a solid environmental performance, overall upward social performance (with an increase in the proportion of trained employees, increase in the proportion of women on staff (total and in management) and a decrease in the frequency of workplace accidents) and has pursued its commitments of transparency and communication (consulting with stakeholders, extending ESG [Environment, Social, Governance] indicators), as verified by the Statutory Auditors. ●

(1) excluding SITA Waste Services.



STRATEGY

COMMITMENTS

JOINING IN THE INTERNATIONAL MOVEMENT FOR BIODIVERSITY

THE YEAR 2010 IS THE INTERNATIONAL YEAR OF BIODIVERSITY, AND SUEZ ENVIRONNEMENT WILL GET **INVOLVED GROUP-WIDE IN THE MASS MOVEMENT TO PROTECT THE DIVERSITY OF PLANT AND ANIMAL SPECIES.**



Through its affiliates and subsidiaries, SUEZ ENVIRONNEMENT contributes daily, both directly and indirectly, to the protection of biodiversity. Wastewater treatment protects the natural environment, sorting and recycling waste saves natural resources and, more generally, the technologies developed by the company and implemented within communities and industries help to reduce the environmental impacts of human activities. SUEZ ENVIRONNEMENT has thus taken an active interest in biodiversity and has instituted measures to preserve it within its own areas of expertise, wherever the company has the necessary means of action at its disposal. This initiative has been formalized in the sustainable development policy as Commitment No. 3: To implement a biodiversity action plan for all of the Group's sensitive sites by 2012. SUEZ ENVIRONNEMENT has translated this commitment to biodiversity both operationally and commercially through

Edelway, which offers customers a means to reconcile business performance with environmental concerns, where biodiversity ranks high. Finally, the Group will be involved in outreach activities geared to its employees and the general public through symbolic actions such as its sponsoring of a series of reports, "The Heroes of Biodiversity," produced by French journalist and environmental activist Allain Bougrain-Dubourg. The series will be broadcast on the France 2 national TV network. This action has also found expression within the company through a program to recognize employees who set leading examples in the area of biodiversity. The first in-house "Heroes" will be designated in 2010. ●

ON "THE ROAD TO BIODIVERSITY" WITH SITA FRANCE

SITA FRANCE HAS LAUNCHED A PROGRAM AT ITS NON-HAZARDOUS WASTE STORAGE FACILITIES TO PROMOTE ACTIVITIES THAT PRESERVE BIODIVERSITY. FOR THE INTERNATIONAL YEAR OF BIODIVERSITY, SITA WILL OPEN ITS WASTE TREATMENT FACILITIES TO THE PUBLIC TO LET THEM DISCOVER THE BIODIVERSITY FOUND IN THESE LITTLE KNOWN FACILITIES, AND TO SHOW HOW BIODIVERSITY CAN ALSO BE PRESERVED IN PLACES OTHER THAN REMARKABLE NATURAL HABITATS.





STRATEGY

FOUNDATION

SUEZ ENVIRONNEMENT WATER FOR ALL FOUNDATION

ALMOST ONE BILLION HUMAN BEINGS LIVING IN DEVELOPING COUNTRIES DO NOT HAVE ACCESS TO A MINIMUM QUANTITY OF CLEAN WATER AND SOME 2.6 BILLION HUMAN BEINGS **DO NOT HAVE ACCESS TO BASIC SANITATION.**



 Find out more on www.suez-environnement.com
> Sustainable development > Foundation

This situation requires action from all those involved to implement suitable technical, financial, social and managerial solutions. SUEZ ENVIRONNEMENT has been working many years to meet the challenge of sustainable access to water, sanitation and waste services in the countries in which it operates. The company wishes to strengthen its contribution, which is distinct from and in addition to that provided by other parties, by drawing on the considerable experience it has acquired in this area. The objective of the SUEZ ENVIRONNEMENT Water For All Foundation is based on two complementary strategies: to promote all sponsorship activities, whether initiated in France or abroad, that favor access to water, sanitation and the health of populations in developing countries, in urban environments, and to promote increased knowledge and expertise in this area.

The SUEZ ENVIRONNEMENT Water for All Foundation formalized its commitments

in 2009 through numerous initiatives, which included:

- Launch of the "ParisTech-SUEZ ENVIRONNEMENT" business chair.
- Support for the Aquassistance association, an NGO created in 1994 by volunteers from SUEZ ENVIRONNEMENT's staff, which carries out emergency actions in the water sector.
- Continuation of the Water for All Competition (see opposite).
- Sponsorship of scholarship students at the UNESCO - IHE - Institute for Water Education.
- Support for the development of a "Water and Development Alliance" network.
- Support for some ten projects organized by NGOs specializing in water management and development. ●

SUPPORT FOR HAITI

AQUASSISTANCE AND SUEZ ENVIRONNEMENT IMMEDIATELY ACTED TO PROVIDE ASSISTANCE TO HAITI DURING THE JANUARY 2010 EARTHQUAKE. AQUASSISTANCE SENT AN EMERGENCY TEAM AND SUEZ ENVIRONNEMENT PROVIDED TECHNICAL SUPPORT FOR LASTING SOLUTIONS.

INITIATIVES

WATER FOR ALL COMPETITION

Launched in 2008, the Water for All competition aims to spread awareness and support innovative water and sanitation projects in urban environments. In 2009, the first awards took place. Two prize winners were selected and given prizes.

The competition's Grand Prize was awarded to the International Institute for Water and Environmental Engineering (2IE) whose project sought to promote an improved and equitable water supply to poor populations in urban areas of Africa.

The Special Prize was awarded to Barefoot College for its innovative approach to spreading knowledge and strengthening skills with a view to practical job training for hundreds of men and women from the poorest and illiterate groups, allowing them to serve the community.



STRATEGY

PARTNERSHIPS AND PATRONAGE

PARTNERSHIPS AND PATRONAGE

CITIES, CULTURE AND THE ENVIRONMENT: THREE KEY AREAS OF COMMITMENT FOR SUEZ ENVIRONNEMENT'S PARTNERSHIP AND SPONSORSHIP ACTIVITIES.



PARTNERSHIP WITH OCEANOPOLIS

Océanopolis Brest is an ocean and marine biodiversity discovery park. Since 1990, it has welcomed more than 7 million visitors and is the window for oceanographic research in France. The work carried out by Océanopolis Brest to inform and raise public awareness to better appreciate the environment goes hand in hand with the commitment of Suez Environnement, which is among those providing financial support to Océanopolis through its foundation.

 www.oceanopolis.com



 Find out more on www.suez-environnement.com
> Profile > Partnerships

SUEZ ENVIRONNEMENT is pursuing a citizenship policy of partnerships and patronage that is in keeping with the Group's sustainable development policy. The actions undertaken illustrate SUEZ ENVIRONNEMENT's citizenship commitment and affirm its role as a city partner. They aim to support projects concerning Town and Culture and Environment and Biodiversity. On the theme of Town and Culture, SUEZ ENVIRONNEMENT supported actions in 2009 to integrate young people in need and to promote access to culture:

- Endowment funds: "The CENT QUATRE patrons".
- Support for "Friends of Magnum photos" and a space dedicated to "Le bal," photographs and documentary images.
- Research Chair at Nantes Institute for Advanced Studies (IEA) on urbanization and land settlement.
- Support for the "Estuaire 2009 Nantes – Saint Nazaire" event, and sponsorship

of an environmental installation in an urban setting (see opposite). In the area of sustainable development and environmental protection, SUEZ ENVIRONNEMENT encouraged and supported projects and actions in 2009 aimed at raising public awareness and protecting the environment and biodiversity:

- Partnership with Oceanopolis Brest, the ocean and marine biodiversity discovery park (see opposite).
- Benefactor member of the GOODPLANET Foundation.

These actions add value to the image of the Group, its business sectors, sites and employees. They also make the company better known among local partners. Strategic efforts are defined by the Partnership & Patronage Committee which adheres to the Group's ethical rules. This Committee, whose members are appointed by the Chief Executive Officer, is in charge of selecting projects and decides whether to commit to proposed actions. ●

ESTUAIRE 2009 NANTES-SAINT NAZAIRE

THE ESTUAIRE 2009 EVENT, A COLLECTION OF OPEN-AIR ARTWORK, OFFERS A PATHWAY HIGHLIGHTED BY TEMPORARY AND PERMANENT CREATIONS OPEN TO VISITORS YEAR ROUND. SUEZ ENVIRONNEMENT WANTED TO SUPPORT THIS CULTURAL EVENT AND TO SPONSOR AN ENVIRONMENTAL INSTALLATION IN AN URBAN SETTING. CREATED BY GILLES CLÉMENT, THE PERMANENT WORK, CALLED "JARDIN DU TIERS-PAYSAGE" ("THIRD-LANDSCAPE GARDEN") HAS BEEN INSTALLED ON THE ROOF OF THE SAINT NAZAIRE SUBMARINE BASE. THE FIRST PHASE OF THIS EVOLVING GARDEN, SUPPORTED BY SUEZ ENVIRONNEMENT, IS ENTITLED "LE BOIS DES TREMBLES" (THE "ASPEN WOOD"), AND IS MADE UP OF 107 YOUNG ASPENS.

 www.estuaire.info



A LONG-TERM PARTNERSHIP WITH BEIJING UNIVERSITY

IN SEPTEMBER 2009, SUEZ ENVIRONNEMENT AND THE UNIVERSITY OF TSINGHUA IN BEIJING (CHINA) INAUGURATED AN EDUCATION LABORATORY FOR SCIENCE AND ENVIRONMENTAL ENGINEERING EXPERIMENTATION. THE RENOVATION AND MANAGEMENT OF THIS LABORATORY IS PART OF A LONG-TERM PARTNERSHIP AGREEMENT WITH THE UNIVERSITY, WHICH INCLUDES CO-MANAGEMENT OF THE LABORATORY, SCIENTIFIC EXCHANGES AND JOINT SEMINARS.

NEW IMPETUS FOR INNOVATION

2009 IS AN IMPORTANT YEAR FOR INNOVATION. THE COMPANY UNDERTOOK A WIDE-RANGING PROJECT TO REEVALUATE THE WAY IT ORGANIZES INNOVATION. SUEZ ENVIRONNEMENT'S FIRST INTERNAL INNOVATION AWARDS WERE A SUCCESS—**A REAL SYMBOL OF THE NEW APPROACH TO INNOVATION PUT IN PLACE.**



CREATION OF A NEW RESEARCH CENTER IN NORTH AMERICA

IN 2009, DEGRÉMONT AND UNITED WATER JOINED FORCES IN NORTH AMERICA ON R&D. THEIR OBJECTIVE IS TO CREATE A UNIQUE SKILLS CENTER FOR WATER IN THE REGION. THE CENTRE, WHICH WAS CHRISTENED «WATER & ENVIRONMENT RESEARCH CENTER», WILL BE BASED IN RICHMOND (USA).

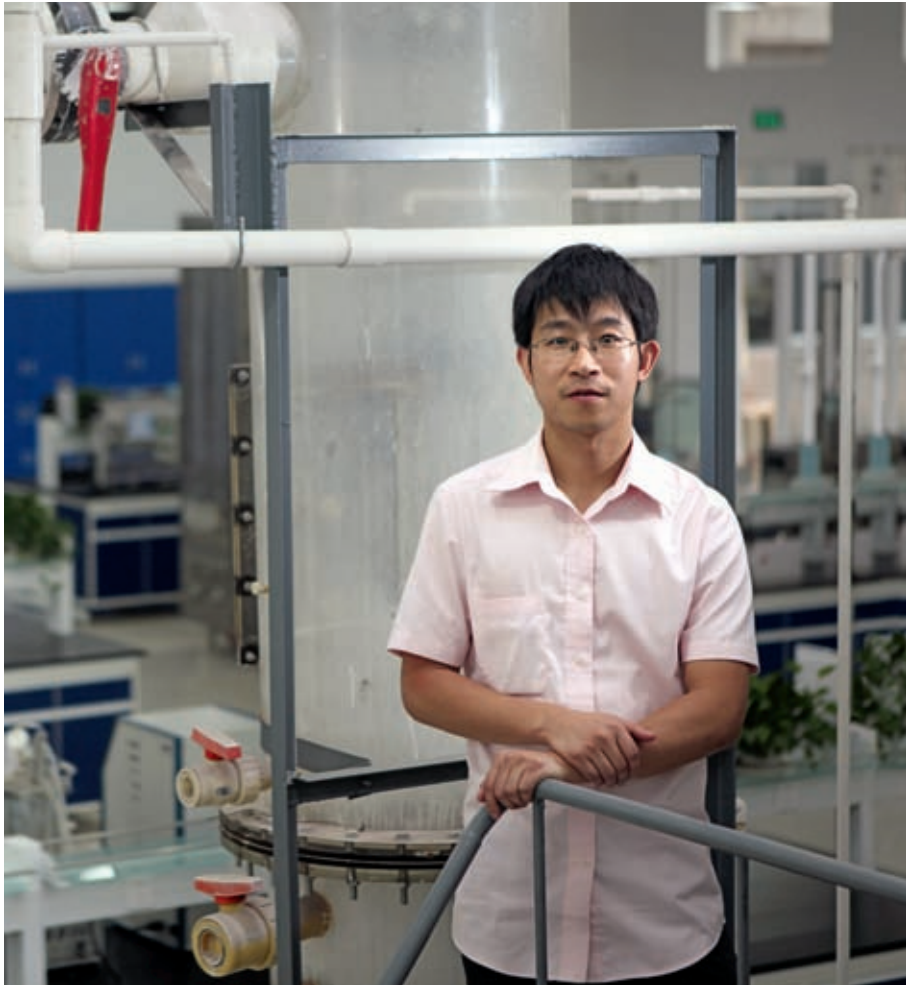
Innovation must guide company performance. This was SUEZ ENVIRONNEMENT's line of thought in 2009, following the creation of a dedicated management body in 2008. This stage culminated in the creation of an organizational structure that saw innovation as going over and above R&D, across the entire company, its subsidiaries, business sectors and different roles. It is based on three pillars: green growth, a partnership approach dear to the company, and technological solutions.

ANTICIPATING DEVELOPMENTS AND RISING TO CHALLENGES

The dual economic and environmental crisis can be resolved only through innovation in all its forms: managerial, commercial and technical. SUEZ ENVIRONNEMENT is committed to a green growth approach, through technical solutions and business sector developments that embrace

“AMONG THE KEY GOALS FOR INNOVATION, THE DESIRE TO DEVELOP SOLUTIONS FOR GREEN GROWTH IS A PRIORITY.”

a commitment to environmental performance. For example, it offers solutions to customers such as the reuse of wastewater, recycling of food-quality plastics (bottle to bottle) or desalination by reverse osmosis. So many solutions that go to prove that economic effectiveness can go hand in hand with environmental effectiveness. SUEZ ENVIRONNEMENT will develop its capacity to test new technologies and invest in the most innovative technologies.



PRECIOUS PATENTS

SUEZ ENVIRONNEMENT'S PATENT PORTFOLIO REPRESENTS 239 FAMILIES OF PATENTS. IN 2009, THE GROUP FILED 22 PATENTS. THESE COVER ALL WATER AND WASTE BUSINESS SECTORS. SUEZ ENVIRONNEMENT HOLDS SOME 2,000 NATIONAL PATENTS, SUBMITTED IN MORE THAN 70 COUNTRIES.



WORKING IN A NETWORK

Building through listening and dialogue is a leitmotiv that also guides SUEZ ENVIRONNEMENT's actions in the field of innovation. With regard to R&D, SUEZ ENVIRONNEMENT has more than 400 researchers, technicians and experts, and more than 65 research programs being carried out simultaneously. This work is conducted in a network of skills and research centers with more than 17 centers of excellence and more than 200 test laboratories. This network is coordinated thanks to a number of initiatives: Exchange days organized on an annual basis, and R+I Alliance, a formalized network of research centers in the water sector, with cross-cutting programs and its own budget. Numerous research programs bring together outside partners, academics and institutions, throughout the world. SUEZ ENVIRONNEMENT has more than 120 research partners. To support this network, the Research and Environment Operations Management

has fine-tuned its tools for sharing and transferring know-how. SUEZ ENVIRONNEMENT formalized its business sector knowledge and fine-tuned a method, the WIKTI method, that allows results to be assessed and very precise knowledge to be transferred efficiently. It also contributes directly to the performance of the company and its partners. Testimony to this is the way in which the proposal for the transfer of expertise played a key role in securing the Algiers contract. Over and above the R&D network, innovation also includes listening to customers and stakeholders. These exchanges should also shed light on expectations and needs that the company could meet through adapted, innovative offers and services, which create value for all. This, in particular, is the aim of the New Ideas for Water platform, launched by Lyonnaise des Eaux at the very beginning of 2010. ●●●



65

MILLION EUROS: THIS FIGURE REPRESENTS SUEZ ENVIRONNEMENT'S TOTAL R&D BUDGET FOR 2009.



STRATEGY

INNOVATION

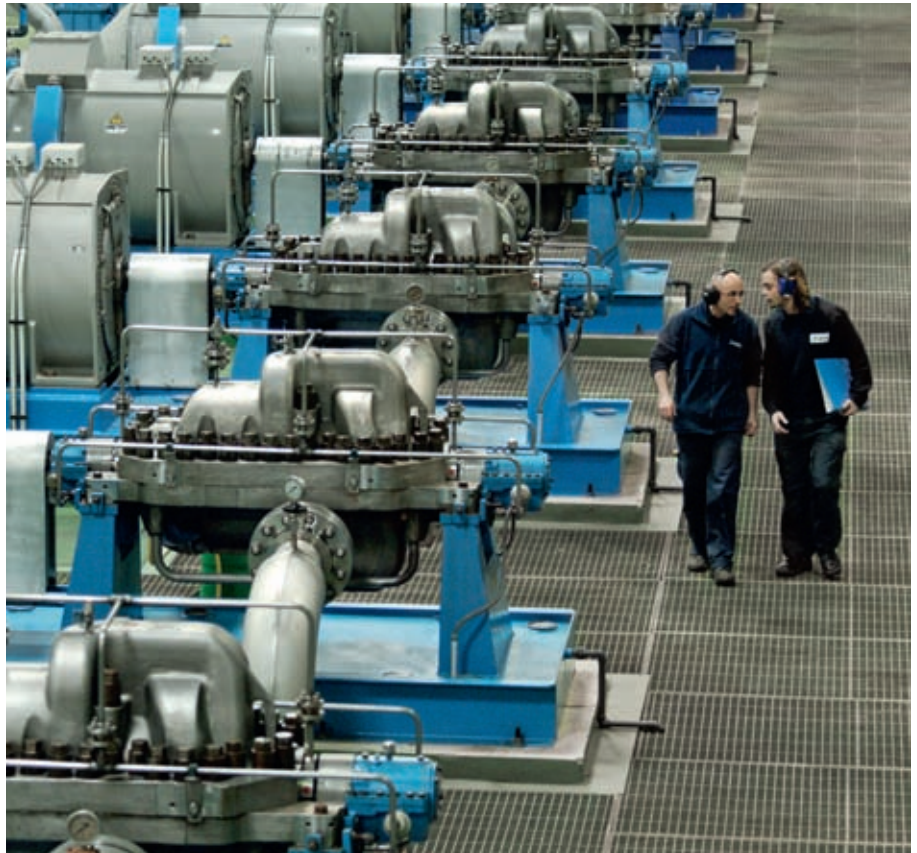


MAKING MEMBRANES LAST

ULTRA-FILTRATION MEMBRANES ARE ONE OF THE PRODUCTS REQUIRING IMPROVEMENT ON A PRIORITY BASIS. ALTHOUGH THEY HAVE PROVED THEIR CAPACITY TO PROVIDE HIGH-QUALITY WATER WITH MODERATE ENERGY CONSUMPTION, THE REAL CHALLENGE IS TO PROLONG THEIR LIFE TO THE MAXIMUM. THE OBJECTIVE IS TO REDUCE LONG-TERM USAGE COSTS, MAKING THIS A SUSTAINABLE SOLUTION FOR A BROAD RANGE OF APPLICATIONS.

LINKING INNOVATION TO CUSTOMERS' NEEDS AND ENVIRONMENTAL ISSUES

SUEZ ENVIRONNEMENT puts innovation at the core of its strategy. Innovation drives its value creation and organic growth through the discovery of methods, areas of research and concrete solutions... Combining a commercial offer with technical innovation is a major challenge. In this respect, the Ondeo Systems venture is emblematic of SUEZ ENVIRONNEMENT's dynamic. Ondeo Systems is, first and foremost, an internal skills center specializing in real-time consumption management (remote meter reading) and assets management. Ondeo Systems has developed cutting-edge technical expertise, available to all subsidiaries, and participates in numerous projects carried out within the GDF SUEZ Group. Taking it a step further, Ondeo Systems became a 100% subsidiary of SUEZ ENVIRONNEMENT in 2009, and is now able to promote its expertise in the context of industrial partnerships. 2009 validated the appropriateness of this choice.



In 2009, the innovation dynamic also included an improvement in the effectiveness of different drinking water production and wastewater treatment technologies, optimized membrane technology and methanization procedures. Methanization research is also emblematic of the potential synergies between the water and waste business sectors. Innovation plays a key role in promoting synergies and controlling the methanization or anaerobic digestion of all aspects of liquid and solid waste. Biogas derived from the methanization of waste in storage centers and biological reactors,

as well as from the fermentation of sewage sludge can be used to produce heat and electricity. This renewable electricity source needs to be fully perfected to take advantage of its true value. A joint methanization control program was initiated in 2009 with the particular aim of improving methods to increase yields and recovering biogas under the best possible conditions, whatever its quality. Another strategic synergy is desalination/energy production. Countries facing water stress already consider desalination a key solution. The main difficulty to be



CONTEXT

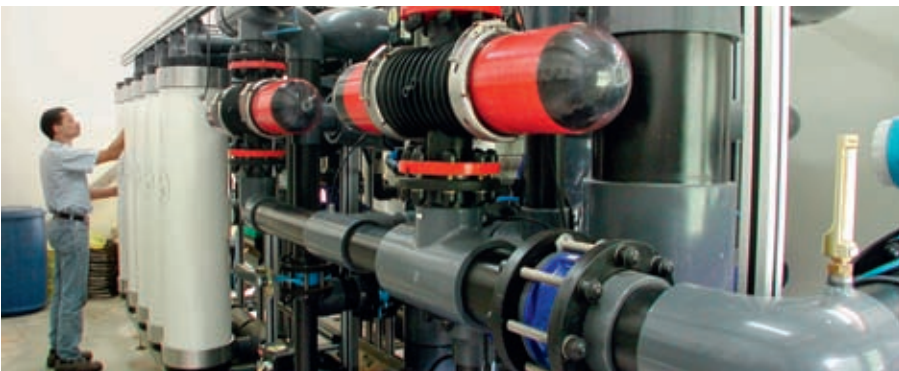
PRECIOUS ANALYSIS

For more than 25 years, SUEZ ENVIRONNEMENT has been developing a recognized analytical capacity. Issues:

The ability to analyze water in an increasingly precise way to guarantee its quality is a major challenge when it comes to public health. Today, the scale achieved is that of a picogram – one trillionth of a gram!

No recycling without analytical capacity; to offer the sale of materials derived from a recycling process, it is still necessary to guarantee their quality.

Plastic suitable for bottling water must meet very stringent quality criteria; SUEZ ENVIRONNEMENT's analytical capacity has been a determining factor in the partnership with Danone on the France Plastic Recycling project.



ANTICIPATING THE REGULATIONS

ENVIRONMENTAL REGULATIONS ARE ALWAYS EVOLVING—RESEARCH PROGRAMS ARE ALREADY WORKING ON FUTURE SOLUTIONS:

NANOSEP AIMS TO DEVELOP AN OPTIMIZED PROCEDURE TO TREAT INDUSTRIAL EFFLUENTS RICH IN NANOPARTICLES. THERE ARE ALREADY 1,600 TYPES OF NANOPARTICLES AND INDUSTRY PRODUCES SEVERAL TONS PER YEAR.

MEDIFLUX INTENDS TO DEFINE AROUND TEN MOLECULES SPECIFIC TO THE HOSPITAL ENVIRONMENT AND IS THEREFORE INTERESTED IN WASTEWATER FROM HOSPITALS. IN ADDITION TO THE AMPERES PROJECT, THE RESULTS WILL EVENTUALLY ALLOW THESE MICROPOLLUTANTS TO BE TREATED USING OPTIMIZED SOLUTIONS

resolved is the significant energy need represented by desalination. Work carried out in 2009 has proved that reverse osmosis technology is more efficient.

MICROPOLLUTANTS: FIRST RESULTS IN 2009

In 2006, Cemagref and SUEZ ENVIRONNEMENT launched the AMPERES research program, co-financed by the French National Research Agency. The objective is to measure the concentrations of micropollutants in treated wastewater entering and leaving

wastewater treatment plants and to evaluate the disposal capacities of different treatment technologies. After analyzing 21 wastewater treatment plants in France, more than 3 years of research work and more than 2,000 samples and 5,000 tests, the first results of this program are providing local authorities with a highly advanced decision-making tool. With traditional (secondary) treatments, existing wastewater treatment plants will be able to help to meet in France the 2015 European goals for the good ecological and chemical status of bodies of water. ●

“WORK CARRIED OUT IN 2009 HAS PROVED REVERSE OSMOSIS TECHNOLOGY IS MORE EFFICIENT.”



INITIATIVES

LONG-TERM

UNIVERSITY PARTNERSHIPS

Our engagement with universities is based on two principles: an effort to raise understanding of environmental professions, and involvement in developing curricula.

Each year, SUEZ ENVIRONNEMENT and its entities offer case studies in support of courses given at major engineering schools such as AgroParisTech, Centrale Paris and Ponts et Chaussées. Numerous employees are involved in the various courses as lecturers. SUEZ ENVIRONNEMENT also supports students by offering scholarships to Sciences-Po Paris, as well as for Chinese students to AgroParisTech (in partnership with Tongji University in Shanghai). SUEZ ENVIRONNEMENT has also endowed a business chair at the Ecole du Génie de l'Eau et de l'Environnement (water and environmental engineering school) in Strasbourg and sponsors the "Processes and Environment" specialization at the Ecole Centrale Paris.



MOVING FORWARD, TOGETHER

THE NATURE OF SUEZ ENVIRONNEMENT'S ACTIVITIES REQUIRES A HUMAN RESOURCES MANAGEMENT POLICY THAT IS BOTH GLOBAL AND LOCAL IN SCOPE. **IN A CONTEXT OF CRISIS IN 2009, THIS POLICY'S RELEVANCE WAS ON FULL DISPLAY.**

The year 2009 was marked by SUEZ ENVIRONNEMENT's efforts to stabilize its work force, which went from 65,400 employees in 2008 to 65,900 in 2009. This was mainly made possible by a reduction in overtime hours and a decreased reliance on temporary workers. Despite the crisis, SUEZ ENVIRONNEMENT continued to hire some 5,000 workers on a permanent basis, and set up plans for employee transfer and reclassification.

A STRONG COMMITMENT TO SOCIAL RESPONSIBILITY

The creation of a Corporate Social Responsibility department in late 2009 demonstrates the desire of the Group's leadership to pursue its efforts in this area by focusing the company's attention on essential issues.

On the subject of reintegration, SITA France and its subsidiary, SITA Rebond, directly emphasized jobs for the most disadvantaged

"THE CREATION OF A CORPORATE RESPONSIBILITY DEPARTMENT DEMONSTRATES THE GROUP'S DESIRE TO PURSUE ITS EFFORTS IN THIS AREA."

populations, raising the number of such hires by 40% between 2008 and 2009 (from 176 to 243 employees). Another favored strategy for professional reintegration is the use of work-study programs. Lyonnaise des Eaux has significantly expanded this approach, such that nearly 500 young workers—some 5.6% of the subsidiary's work force—are now employed under apprenticeship contracts. Concerning gender parity, the Group decided in 2009 to focus its efforts on employing women who, at 18.5% overall and 24.2% of management, are underrepresented in the work force. Among other things, this



A KNOWLEDGE-TRANSFER AGREEMENT WITH ALGIERS

THROUGH THE AGREEMENT SIGNED IN 2006 WITH THE ALGERIAN GOVERNMENT, SUEZ ENVIRONNEMENT HAS LAUNCHED A NEW FORM OF PUBLIC-PRIVATE PARTNERSHIP: THE KNOWLEDGE TRANSFER AGREEMENT. TWENTY-SEVEN INTERNATIONAL EXPERTS WERE SENT BY SUEZ ENVIRONNEMENT TO WORK DIRECTLY IN THE OPERATING ORGANIZATION, KNOWN AS SEAL. TO ACHIEVE ITS OBJECTIVES, THIS TYPE OF AGREEMENT RELIES HEAVILY ON QUALITY HUMAN RESOURCES MANAGEMENT, AS WELL AS ON PROVIDING EFFICIENT TOOLS FOR TRANSFERRING KNOWLEDGE (PARTICULARLY TRAINING).

YOUNG PEOPLE LIKE SUEZ ENVIRONNEMENT

FUTURE ENGINEERS HAVE RANKED SUEZ ENVIRONNEMENT 11TH ON A LIST OF COMPANIES THEY WOULD MOST LIKE TO WORK FOR AFTER GRADUATION. THIS IS SIX PLACES HIGHER THAN IN 2008. "PREFERRED COMPANIES OF YOUNG GRADUATES - TOP 50 OF 2009", LE FIGARO

www.lefigaro.fr



means actively seeking ambitious solutions for career planning that focus more on the long term and include preparation for resuming a career after one or more maternity leaves. In terms of ethics, compliance and respect for collective and individual freedoms, SUEZ ENVIRONNEMENT participates in the employment policies of the GDF SUEZ Group.

CAREER MANAGEMENT

SUEZ ENVIRONNEMENT's global presence should not obscure the profoundly local nature of its business activities. Indeed,

these activities require close relations with local stakeholders and must be performed by locally-recruited employees. Within this context, career management operates at each level of the organization according to common principles concerning annual performance reviews, staff assessments, identification of talent, succession planning, transparency of the internal job market, and rules for promotions and transfers. In order to maintain the highest level of professional know-how—that which is acquired over time—the Group emphasizes development of employees over their selection. ●●●

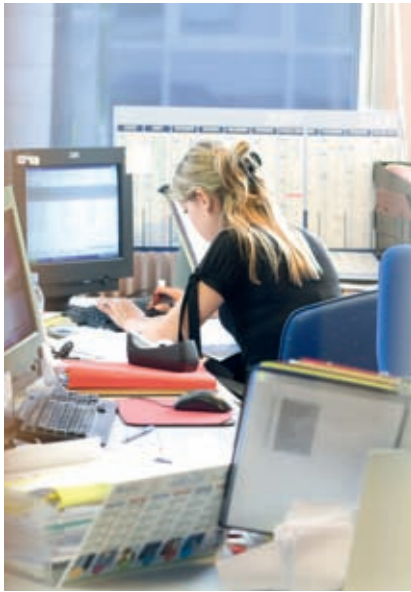
INTERN DAY

EACH YEAR MORE THAN ONE HUNDRED INTERNS IN THE VARIOUS SUBSIDIARIES ARE INVITED TO SPEND A DAY TOGETHER TO LEARN MORE ABOUT THE GROUP, MEET ITS LEADERS, AND TALK WITH SEVERAL HEADS OF RECRUITING AND CAREER MANAGEMENT.



STRATEGY

HUMAN RESOURCES



●●● Such development forms the core of SUEZ ENVIRONNEMENT's career management policy.

MANAGEMENT OF TALENT AND TRAINING

SUEZ ENVIRONNEMENT has a strong focus on building professional skills and technical expertise as well as coaching managers to enable them to better anticipate and understand changes in their environment. Training is organized in the field, at each subsidiary, in order to best address the various local issues. Through the dynamic management of a network of Skills Development and Training managers, SUEZ ENVIRONNEMENT coordinates all initiatives and practices so as to ensure their dissemination and optimization. Recognizing the importance of technical expertise for its future growth,

SUEZ ENVIRONNEMENT has been particularly active since 2007 in managing its expert personnel. Current policy aims to both identify such talent within each of the Group's subsidiaries, and to develop tools for career management and training that are suited to their needs. A Career Committee was established in 2008 for this purpose. Meeting once a year, it consists of representatives from the Human Resources and technical departments of the various subsidiaries. The members undertake a forward analysis of the Group's strengths and weaknesses in its various areas of expertise and consider the career prospects and potential successors of each of SUEZ ENVIRONNEMENT's key experts. At the same time, training programs have been developed that focus on building the experts'

skills in leadership, communication and mentoring.

A CONSISTENT AND DYNAMIC COMPENSATION POLICY

An ambitious Bonus Share Plan was implemented in 2009. An emblematic step after entering the financial markets in July 2008, this plan awards 30 SUEZ ENVIRONNEMENT shares to each of its 65,900 employees worldwide. The plan embodies the company's desire to give employees a real interest in its development. In addition, and in the context of labor agreements signed in 2007, eight GDF SUEZ shares have also been allocated. In light of the company's performance, the overall compensation trend remained satisfactory in 2009, both in terms of fixed wages and variable compensation.



EVERY DAY WITHOUT AN ACCIDENT...

IS NOTED ON A DISPLAY BOARD AT THE ENTRANCE OF EACH SUEZ ENVIRONNEMENT SITE – BECAUSE SAFETY IS BUILT ON TARGETING ZERO INCIDENTS AND ZERO FATALITIES.



HEALTH AND SAFETY: CONTINUED PROGRESS

For SUEZ ENVIRONNEMENT, doing business professionally goes hand-in-hand with ensuring the safety of its employees, customers and subcontractors. To ensure the safety of its employees, customers and subcontractors, SUEZ ENVIRONNEMENT establishes consistent standards of control, progress and transparency in this area. These standards are implemented through action plans based on fifteen management principles and as many technical regulations geared specifically to our activities. Application of the standards in subsidiaries, training, regular audits by the Safety Department, and the inclusion of safety performance in managers' evaluations have led

to dramatic improvements in recent years. They also serve to differentiate the company from all its competitors in the industry. But SUEZ ENVIRONNEMENT is aware that such results are fragile, that the safety situation deteriorates as soon as efforts are relaxed, and that progress is increasingly difficult to achieve. For this reason, the company takes special care to keep all of its employees involved in creating a proactive and shared culture of safety. Such experience even allows subsidiaries to offer specific services related to health and safety. Lyonnaise des Eaux, for example, regularly responds to calls for tenders from local authorities. Highly specific and incorporating a staggered work schedule sometimes extending over several years, the responses often win adherents, as happened recently with the program to upgrade drinking water pumping stations. ●

PROCEDURE FOR USING WATER BLASTERS

WATER BLASTERS USE WATER UNDER HIGH PRESSURE TO PERFORM CLEANING AND UNCLOGGING WORK. WATER PRESSURE DURING OPERATION CAN REACH 300 BARS – WHICH IS SUFFICIENT TO CAUSE INJURY IF NOT CAREFULLY CONTROLLED. LYONNAISE DES EAUX HAS THUS DEVELOPED A PROCEDURE FOR THE SAFE UTILIZATION OF HIGH PRESSURE EQUIPMENT IN ORDER TO DISSEMINATE SAFETY GUIDELINES AND BEST PRACTICES THROUGHOUT ITS ORGANIZATION. ONE OF THE MOST IMPORTANT GUIDELINES IS FOR AN OPERATOR TO ALWAYS BE AT THE CONTROLS OF THE HIGH PRESSURE UNIT SO THAT IT CAN BE IMMEDIATELY STOPPED AT ANY TIME.

FREQUENCY AND SEVERITY RATES

YEAR AFTER YEAR, SAFETY IS IMPROVING IN THE GROUP. NEVERTHELESS, WE WILL BE VIGILANT IN OUR EFFORTS ON THIS ISSUE AT ALL LEVELS OF THE COMPANY UNTIL WE ACHIEVE OUR TARGET OF ZERO ACCIDENTS.

	2007	2008	2009
Number of fatal accidents (employees)	6	2	4
Frequency rate*	18.47	17.45	15.35
Severity rate**	0.74	0.65	0.64

* Frequency rate: number of accidents with time off x 1,000,000 / hours worked

** Severity rate: number of paid disability days x 1000 / number of hours worked





RESULTS

OUR RESULTS



OUR RESULTS

- 074** ENVIRONMENTAL INDICATORS
- 078** SOCIAL INDICATORS
- 079** PERFORMANCE ON THE 12 COMMITMENTS
- 080** STATUTORY AUDITORS' REPORT
- 082** FINANCIAL RESULTS
- 083** UN GLOBAL COMPACT

2009 ENVIRONMENTAL REPORTING METHODOLOGIES AND THE **GLOBAL REPORTING INITIATIVE (GRI) INDEX** ARE AVAILABLE ONLINE AT WWW.SUEZ-ENVIRONNEMENT.COM UNDER "SUSTAINABLE DEVELOPMENT".



RESULTS

OUR RESULTS**TABLE OF INDICATORS AND DATA, 2009 REPORT ⁽¹⁾**

ENVIRONMENTAL INDICATORS

	UNIT	CORRESPONDENCE		2009	2008 REV
		NRE	GRI3		
MANAGEMENT					
WASTE – Policy or statement of environmental commitment	% Rev	3	4.8	95%	98%
WASTE – Environmental program	% Rev	3	4.8	97%	95%
WATER – Policy or statement of environmental commitment	% Rev	3	4.8	13,233	857,142
WASTE – Share of activity (by volume) covered by an environmental management system (SME)	%	3	4.8	88%	85%
WATER – Volumes covered by an ISO 14 001 certification	Mm ³	3	4.8	1,108	1,670
WATER – Volumes covered by an EMAS certification	Mm ³	3	4.8	556	527
WATER – Volumes covered by another certification	Mm ³	3	4.8	1,663	1,921
WATER – Share of activity (by volume) covered by an environmental management system (SME)	%	3	4.8	57%	55%
WASTE – Environmental risk prevention plans	%CA	6	4.9	91%	92%
WASTE – Environmental crisis management plans	%CA	6	4.9	94%	95%
WATER – Environmental risk prevention plans	% Rev	6	4.9	78%	79%
WATER – Environmental crisis management plans	% Rev	6	4.9	95%	99%
Complaints with formal notice (related to incidents affecting the environment)	Nb	8	EN28	6	14
Sentencing related to damage caused to the environment	Nb	8	EN28	1	2
Penalties paid for sentencing (related to incidents affecting the environment)	K€	8	EN28	6	
Total court costs associated with defense in legal proceedings	K€	8	EN28	40	53
Total number and volume of major accidental spills	Nb	8	EN23	*	*
ENERGY					
Installed capacity – Electricity – Biogas recovery	MWe	1	EN3	115	125
Installed capacity – Electricity – Energy recovery from household waste	MWe	1	EN3	465	462
Installed capacity – Heat – Biogas recovery	MWht	1	EN3	52	42
Installed capacity – Heat – Energy recovery from household waste	MWht	1	EN3	1,370	1,229
WASTE – Electricity consumption	MWhe	1	EN3	481,932	483,380
Energy consumption for waste treatment	MWhe	1	EN3	3,465,308	3,263,466
Energy consumption for water and sanitation	MWhe	1	EN3	2,516,610	2,581,498
Energy consumption – water and waste – ELECTRICAL	Mwhe	1	EN4	2,671,426	2,783,849
Energy consumption – water and waste – NATURAL GAS	Mwhe	1	EN4	706,708	447,334
Energy consumption – water and waste – OTHER FUELS	Mwhe	1	EN4	2,564,667	2,632,259
Self-consumption of electricity (water and waste incineration)	Mwhe	1	EN4	120,018	109,270
WATER – Electricity consumption	MWhe	1	EN3	2,189,494	2,300,469
Electricity consumption per metric tonne of waste treated	kWh/T	1	EN3	25	26
Electricity consumption per m ³ of drinking water produced	Whe / m ³	1	EN3	472	497
Electricity consumption per m ³ of wastewater collected and treated	Whe / m ³	1	EN3	842	647

(1) These figures include Sita Waste Services.

	UNIT	CORRESPONDENCE			2009	2008 REV
		NRE	GRI3			
WATER						
WASTE – Water consumption excluding sanitation services (urban, industrial)	m³	1	EN8	7,855,506		7,980,641
AIR						
Direct emissions of greenhouse gases	TeqCO₂					
*of which: Waste – collection activity	TeqCO ₂	1	EN16	610,958		653,755
*of which: Waste – incineration	TeqCO ₂	1	EN16	1,827,135		1,848,600
*of which: Waste – landfill	TeqCO ₂	1	EN16	2,297,287		2,363,470
*of which: Waste – treatment of hazardous industrial waste	TeqCO ₂	1	EN16	399,284		246,703
*Other direct emissions	TeqCO ₂	1	EN16	176,563		213,893
Emissions of ozone-depleting substances	T	1	EN19	**		**
Direct emissions of greenhouse gases	TeqCO₂					
*of which: Waste – Annual electricity consumption	TeqCO ₂	1	EN16	240,407		253,030
*of which: WATER – Annual electricity consumption	TeqCO ₂	1	EN16	760,685		748,029
Contribution to greenhouse gas-preventing emissions	TeqCO₂					
*of which: Waste – by recovery of materials	TeqCO ₂	1	EN16	4,523,537		3,755,510
*of which: Waste – by energy recovery (incineration)	TeqCO ₂	1	EN16	689,396		682,515
*of which: Waste – by energy recovery (landfill)	TeqCO ₂	1	EN16	286,489		346,245
*of which: Waste – by energy recovery of hazardous wastes	TeqCO ₂	1	EN16	76,319		72,381
*of which: Waste – by alternative fuels prepared and supplied by SE	TeqCO ₂	1	EN16	819,295		875,626
*of which: WATER – by energy recovery	TeqCO ₂	1	EN16	64,562		46,418
DISTRIBUTION & PRODUCTION OF DRINKING WATER						
Amount of underground water sampled	Mm³	1	EN1	235		not available
Amount of surface water sampled	Mm³	1	EN1	1,374		not available
Number of drinking water treatment stations	Nb	1	SE	1,888		1,749
Amount of water consumed at drinking water treatment stations	Mm³	1	EN1	231		not available
Annual volume produced (injected into the network)	Mm³	1	SE	2,588		2,512
Volume of drinking water distributed	Mm³	1	SE	1,581		1,621
Technical yield of drinking water distribution networks	%	1	SE	75		77
Length of networks	km	2	SE	147,892		147,458
Number of reactives used for drinking water treatment	T	1	EN1	91,969		71,316
WASTEWATER COLLECTION AND TREATMENT						
Total number of purification stations	Nb	2	EN26	1,643		1,525
Length of networks	km	2	EN26	67,247		65,027
Quantity of wastewater treated	Mm³	2	EN26	1,978		1,902
Quantity of DBOs entering purification stations	T	2	EN21	511,297		500,997
Quantity of DBOs exiting purification stations	T	2	EN21	65,259		53,417
Purification yield – quantity of DBOs eliminated – from purification stations	%	2	EN26	87		90
Quantity of nitrogen entering purification stations	T	2	EN21	68,162		65,050
Quantity of nitrogen exiting purification stations	T	2	EN21	20,818		24,299
Purification yield – quantity of nitrogen eliminated – from purification stations	%	2	EN26	69		63



RESULTS

OUR RESULTS

	UNIT	CORRESPONDENCE		2009	2008 REV
		NRE	GRI3		
WASTEWATER COLLECTION AND TREATMENT					
Quantity of reactivities used in sanitation treatment	T	2	EN1	204,785	not available
Rate of water reused after treatment	%	1	EN10	5	6
Rate of sludge reused (agriculturally recovered)	%	1	EN22	50	55
COLLECTION SERVICES ACTIVITIES					
Number of inhabitants served by collection	Nb	1	SE	46,591,065	51,616,476
Number of industrial and commercial clients served by collection	Nb	1	SE	464,985	469,902
Total tonnage of municipal solid waste collected	T	1	EN22	10,694,566	9,533,407
Total tonnage of medical waste collected	T	1	EN22	107,023	120,886
Total tonnage of industrial and commercial waste collected (DIB)	T	1	EN22	12,301,990	13,877,059
Tonnage of hazardous waste collected	T	1	EN22	1,708,972	2,454,165
Total number of waste-collection, cleaning and sanitation trucks	Nb	1	EN29	12,673	12,320
Fleet of trucks operating by alternative fuels	%	1	EN29	5	5
Fuel consumption measured by truck	m ³ /nb	1	EN3	13	14
Average fuel consumption per metric tonne collected	L/T	1	EN3	7	7
SORTING / RECYCLING ACTIVITIES					
Number of transfer stations	Nb	1	SE	268	303
Number of sorting / recycling centers	Nb	1	SE	313	270
Tonnage entering a sorting center	T	1	EN22	11,268,741	10,987,753
Tonnage of recovered materials exiting sorting centers (excluding mono-flows)	T	2	EN22	6,745,448	6,482,672
Waste rates	%	2	EN22	40	41
Tonnage sent directly to recycling lines after collection (waste processing, voluntary contribution center, transfer) without passing through a sorting/ recycling center	T	1	EN22	1,868,217	2,184,891
Other flows of materials resulting from recovered waste (mono-flows)	T	2	EN22	1,816,925	1,093,001
COMPOSTING ACTIVITIES					
Number of composting sites	Nb	1	SE	110	107
Incoming tonnage	T	1	EN22	1,606,711	1,455,177
Tonnage of compost produced	T	2	EN22	599,726	571,695
Tonnage of sludge for spreading treated for material recovery	T	2	EN22	684,307	753,978
Apparent efficiency of biological recovery	%	2	EN22	56	60
THERMAL TREATMENT ACTIVITY FOR NON-HAZARDOUS WASTE					
Number of urban waste-incineration plants	Nb	1	SE	49	47
Tonnage of waste incinerated	T	2	EN6	5,849,482	5,909,141
Emissions of SOx	T	1	EN20	220	253
Emissions of NOx	T	1	EN20	4,679	5,297
Emissions of dust	T	1	EN20	64	79
Amount of purification smoke residue produced by incinerators	T	1	EN22	263,036	264,398
Clinker recovery rate	%	2	EN22	84	84
Quantity of electrical energy produced	MWhe	1	EN6	2,613,717	2,647,511
Quantity of thermal energy sold	MWht	1	EN6	921,237	845,577

	UNIT	CORRESPONDENCE		2009	2008 REV
		NRE	GRI3		
NON-HAZARDOUS WASTE STORAGE ACTIVITIES (DISCHARGES)					
Number of landfills for municipal solid waste (K2)	Nb	1	SE	142	145
Tonnage of household waste entering landfills	T	1	EN22	16,953,253	18,395,176
Amount of leachate treated	m ³	1	EN22	2,761,055	3,637,825
Share of operating discharges by systems equipped for biogas capture and treatment	%	1	EN22	83	82
Quantity of methane collected and treated	Nm ³	1	EN6	135,830,032	
Quantity of methane recovered for energy	Nm ³	1	EN6	259,856,368	281,999,189
Quantity of electricity produced from biogas	Mwhe	1	EN6	673,316	838,674
ACTIVITIES RELATED TO HAZARDOUS WASTE TREATMENT					
Number of hazardous waste incinerators	Nb	1	SE	13	12
Number of hazardous waste platforms (pre-treatment and transfer)	Nb	1	SE	137	127
Number of industrial waste storage facilities (K1 discharges)	Nb	1	SE	14	13
Number of sites for treating medical waste	Nb	1	SE	10	9
Hazardous waste processed – Total not including contaminated soil	T	1	EN22	2,194,600	2,695,020
*of which, recovered during cement-making	T	1	EN22	463,106	616,003
*of which, incinerated	T	1	EN22	330,364	388,869
Tonnage of soils treated / recovered	T	2	EN23	999,903	1,070,131
Quantity of alternative energy supplied by recovery of waste in the form of fuels	TEP	1	EN22	217,496	232,450
Incoming tonnage of K1 discharge	T	1	EN22	672,471	809,292
ACTIVITIES RELATED TO WASTE FROM ELECTRICAL AND ELECTRONIC EQUIPMENT					
Number of sites for the treatment of end-of-life electrical and electronic waste	Nb	1	SE	31	
Incoming tonnage for disassembly / recycling	T	1	EN22	25,876	16,043
Tonnage of materials recovered after disassembly	T	1	EN22	20,967	31,418
TOTAL					
Total processed waste	T	1	SE	40,864,707	42,541,405
Total tonnage of non-hazardous waste treated (sorting – composting – incineration – discharge)	T	1	SE	37,604,402	39,581,704
% of products sold and packaging recycled or reused		2	EN27	***	***

* There have not been any significant spills, ** No substances that significantly destroy the ozone layer are emitted, *** No goods are produced for sale that are susceptible to being packaged

SOCIAL INDICATORS

	VERIFICATION BY STATUTORY AUDITORS		ABSOLUTE VALUE			RELATIVE VALUE		
	REASONABLE ASSURANCE	MODERATE ASSURANCE	2007	2008	2009	2007	2008	2009
DISTRIBUTION OF WORKFORCE BY DIVISION								
Water Europe			11,914	11,679	11,851	19.2%	17.9%	18.0%
Waste Europe			33,891	35,536	34,189	54.7%	54.4%	51.9%
International			15,565	17,581	19,250	25.1%	26.9%	29.2%
Central Services			545	586	605	0.9%	0.9%	0.9%
Total	••		61,915	65,382	65,895	100.0%	100.0%	100.0%
DISTRIBUTION OF WORKFORCE BY GEOGRAPHIC REGION								
France			31,289	32,835	32,398	50.5%	50.2%	49.2%
Europe (excluding France)			21,266	22,176	21,295	34.3%	33.9%	32.3%
North America			2,704	3,250	3,281	4.4%	5.0%	5.0%
South America			231	222	269	0.4%	0.3%	0.4%
Africa/Middle East			3,646	3,948	4,479	5.9%	6.0%	6.8%
Asia/Oceania			2,779	2,951	4,173	4.5%	4.5%	6.3%
Total			61,915	65,382	65,895	100.0%	100.0%	100.0%
DISTRIBUTION OF WORKFORCE BY LEVEL								
Management	••		7,766	8,358	8,649	12.5%	12.8%	13.1%
Senior Technicians and control agents (TSM)	••		11,365	12,420	12,302	18.4%	19.0%	18.7%
Workers, employees, technicians (OET)	••		42,784	44,604	44,944	69.1%	68.2%	68.2%
Total			61,915	65,382	65,895	100.0%	100.0%	100.0%
PROPORTION OF WOMEN IN TOTAL WORKFORCE								
Men			50,593	53,482	53,705	81.7%	81.8%	81.5%
Women			11,322	11,900	12,190	18.3%	18.2%	18.5%
Total			61,915	65,382	65,895	100.0%	100.0%	100.0%
PROPORTION OF WOMEN IN MANAGEMENT								
Men		•	5,911	6,380	6,555	76.1%	76.3%	75.8%
Women			1,855	1,978	2,094	23.9%	23.7%	24.2%
Total			7,766	8,358	8,649	100.0%	100.0%	100.0%
PROPORTION OF DISABLED IN WORKFORCE								
Percentage of disabled employees among workforce at year-end						1.6%	1.5%	1.5%
DISTRIBUTION OF WORKFORCE BY CONTRACT TYPE								
Permanent contracts (CDI)						92.1%	91.8%	92.3%
Other contracts						7.9%	8.2%	7.7%
Total						100.0%	100.0%	100.0%
EMPLOYMENT								
Turnover (1)	•					8.7%	8.4%	7.4%
Voluntary turnover (2)	•					5.7%	5.2%	3.3%
Hiring rate (3)	•					19.6%	19.5%	15.7%
CDI hiring rate (4)						59.7%	57.4%	46.1%
RECRUITING								
Number of outside CDI employees recruited			7,073	7,169	4,709			
Number of outside CDD (fixed-term) employees recruited			4,760	5,313	5,498			
Total			11,833	12,482	10,207			
WORKING CONDITIONS								
Absenteeism (days absent/person) (5)			15.5	14.7	12.1			
Overtime rate (6)						5.0%	5.0%	4.9%
JOB SAFETY								
Number of fatal accidents (employees)	•		6	2	4			
Frequency rate (7)	•		18.47	17.45	15.35			
Severity rate (8)	•		0.74	0.65	0.64			
TRAINING								
Percentage of workforce trained	••					60.0%	57.2%	59.7%
Average number of training hours per person	••					25	24	23
Average training expenses per trained individual						890 €	820 €	579 €
Distribution of training hours by topic:								
* Activity techniques						31.2%	31.1%	30.6%
* Quality, environment and safety						36.6%	39.7%	41.7%
* Languages						8.5%	6.4%	4.1%
* Other						24.1%	22.9%	23.6%

(1) Turnover: number of layoffs and resignations/average workforce – (2) Voluntary turnover: number of resignations/average workforce – (3) Hiring rate: number of CDI and CDD employees recruited/average workforce – (4) CDI hiring rate: number of CDI employees recruited/number of CDI and CDD employees recruited – (5) Based on a theoretical workday of 8 hours – (6) Overtime hours: number of overtime hours/number of hours worked – (7) Frequency rate: number of accidents with leave x 1,000,000/number of hours worked – (8) Severity rate: number of days indemnified x 1000/number of hours worked.

PERFORMANCE ON THE 12 COMMITMENTS

	VERIFICATION BY STATUTORY AUDITORS		UNIT	2007	2008	2009*
	REASONABLE ASSURANCE	MODERATE ASSURANCE				
1 / OPTIMIZE THE RATE OF RECYCLING AND WASTE RECOVERY						
Total rates of material recovery of common household and industrial waste			%	30.9	31.6	31.9
Quantities of recycled materials placed on the market (millions of metric tons)			MT	12.1	12.5	12.8
2 / INCREASE THE TECHNICAL YIELDS OF DRINKING WATER NETWORKS						
Linear index of network losses	••		m ³ /km/j	10.1	9.5	9.7
3 / REDUCE GREENHOUSE GAS EMISSIONS						
Direct and indirect emissions of greenhouse gases	••		TeqCO ₂	6,559,722	5,928,175	5,877,886
Contribution to emissions avoided			TeqCO ₂	-5,746,757	-5,748,153	-6,419,452
4 / IMPROVE ENERGY EFFICIENCY						
Total primary and secondary energy consumption	••		MWh	5,695,122	5,924,539	5,914,608
Energy consumption related to sales			Wh/€	732	741	798
5 / INCREASE RENEWABLE ENERGY PRODUCTION						
Usable production of renewable energy (waste + water & sanitation)	••		MWh	2,390,029	2,586,049	2,500,673
Installed power for energy recovery	••		MW	559	547	537
Alternative fuels replacing fossil fuels, provided by SUEZ ENVIRONNEMENT			ktep	231	234	218
6 / INTEGRATE BIODIVERSITY INTO SITE MANAGEMENT						
Biodiversity – number of sensitive sites inventoried			Nb		228	278
Biodiversity – number of biodiversity diagnostics performed			Nb		121	136
Biodiversity – number of action plans adopted and implemented			Nb		62	86
7 / DEVELOP PROFESSIONAL EXPERTISE						
Annual number of training hours per employee	••		hr/pers	15.2	13.5	12.9
Proportion of employees who have received training, in total workforce	••		%	60.0%	57.2%	59.4%
8 / CONTINUOUSLY SEEK TO IMPROVE JOB SAFETY						
Frequency rate (FR) of job accidents		•	Nb	18.47	17.45	15.35
Severity rate (SR) of job accidents		•	Nb	0.74	0.65	0.64
9 / COMMITMENT TO DIVERSITY						
Gender distribution rate	••		%	18.3%	18.2%	18.3%
Gender distribution rate among management		•	%	23.9%	23.7%	24.3%
International (non-French) rate among management employees			%	31.7%	32.1%	31.5%
Proportion of disabled individuals in total workforce			%	1.6%	1.5%	1.5%
10 / PURSUE ACTIVE DIALOGUE WITH STAKEHOLDERS						
% of sales covered by a roll-out of the stakeholder dialogue procedure			%	(1)	(1)	(1)
11 / BE A MAJOR PLAYER IN LOCAL SUSTAINABLE DEVELOPMENT						
Number of non-commercial partnerships or agreements in local development involving educational, social, environmental, cultural, athletic or consumer-related actions			Nb	(2)	(2)	(2)
12 / COMMUNICATE REGULAR AND ACCESSIBLE INFORMATION ON OUR SUSTAINABLE DEVELOPMENT ACTIVITIES						
Information available on ESG indicators, through websites or annual Sustainable Development reports at each significant operating level					yes	yes
Verification of transparency and completeness of sustainable development reports by external auditors					yes	yes
Non-financial indicators of reasonable assurance					5	11
Documented circulation of good Sustainable Development practices, and dedicated Sustainable Development category on local websites					(3)	(3)

* Without SITA Waste Service – (1) 6 stakeholder sessions since 2007. Toolkit rolled out in 3 languages and tested at 11 pilot sites – (2) Numerous partnerships signed with NGOs (LPO, FNE, MNHN, etc.) & 12 academic partnerships – (3) see Edelway - SE and subsidiaries websites. GRI B+- DD 2008 Performance & Commitments report.

STATUTORY AUDITORS' REPORT ON THE REVIEW OF SELECTED ENVIRONMENTAL AND SOCIAL INDICATORS

YEAR ENDED DECEMBER 31, 2009

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

- The set of procedures relating to environmental data reporting;
- The set of procedures relating to social data reporting, available for consultation at the Environment and Performance Assessment Department, the Human Resources Performance Department and the Health and Safety Department, a summary of which may be found on the SUEZ ENVIRONNEMENT website (hereinafter, the "reporting criteria"). It is our responsibility to express an opinion on the data based on our examination. The conclusions below refer only to these data and not to the entire Activities and Sustainable Development Report.

NATURE AND SCOPE OF OUR WORK

We conducted our review in accordance with the applicable professional guidelines.

MODERATE ASSURANCE

We performed the following procedures which led to a moderate level of assurance that the selected data⁽¹⁾, indicated by the symbol • do not contain any material anomalies. A higher level of assurance would have required more extensive work. These procedures concern the data consolidated at Group level; consideration was not given to their related coverage.

- We assessed the reporting criteria in terms of their relevance, reliability, objectivity, understandability and completeness.
- We interviewed the persons responsible for the application of the reporting criteria at the Environment and Performance Assessment Department, the Human Resources Department, and the Health and Safety Department at the head office and within the audited entities.
- We conducted substantive tests on 13 sites belonging to 8 selected entities⁽²⁾ for the environmental data, representing on average 88% of SUEZ ENVIRONNEMENT Company's consolidated data, and at 12 selected entities⁽³⁾ for the social data,

representing 60% of SUEZ ENVIRONNEMENT Company's consolidated staff.

- Furthermore, we performed analytical reviews and consistency tests for 3 additional entities for environmental reporting and 4 additional entities for social reporting.
- We have tested the calculations on a sampling basis and verified the data reporting at different consolidation levels.

REASONABLE ASSURANCE

For data⁽⁴⁾ identified by the symbol ••, the degree of accuracy in the measurements and the execution of similar but more extensive procedures than those described above, particularly with regard to sampling, allow us to express reasonable assurance. To assist us in our work, we relied on our firm's experts on the environment and sustainable development, under the responsibility of Mr. Eric Duvaud.

COMMENTS ON THE PROCEDURES

We offer the following comments on the reporting process for SUEZ ENVIRONNEMENT Company's environmental and social data:

ENVIRONMENTAL REPORTING

- Progress has been made in the application of procedures and controls have been strengthened, particularly at the head office.

The application of reporting and control procedures could be further improved in certain entities and regional departments, particularly for indicators relating to GHG emissions and installed capacity (renewable).

SOCIAL REPORTING

– Improvements have been made at the head office and the major business units in implementing controls and formalizing the data processing. The proper application of the reporting criteria and its control needs to be strengthened at entities located abroad, especially for data on training and the calculation of hours worked.

CONCLUSION

MODERATE ASSURANCE

Based on our review, we did not identify any material anomaly that could cast doubt on the fact that the data identified by the symbol • were prepared, in all material respects, in accordance with the above-mentioned reporting criteria.

REASONABLE ASSURANCE

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

FOOTNOTES

(1) These data are the following [contribution to Group data from the entities selected for our review is indicated in parentheses]: Proportion of women in management (56%); Age pyramid (56%); Employee turnover (61%); Employee resignation rate – Voluntary turnover (58%); Rate of new hires (57%); Frequency rate (FR) of work-related accidents (per hour worked) (68%).

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

(3) Sita France (BU, and South, West, and Île-de-France area), Sita Czech Republic, Sita Netherlands, Sita UK, SDEI, Lyonnaise des Eaux France, Degrémont S.A., Degrémont International, and United Water.

(4) These data are the following [contribution to Group data from the entities selected for our review is indicated in parentheses]: Installed capacity for renewable energy recovery (94%); Useful renewable energy production (92%); Total primary and secondary energy consumption (84%); Direct and indirect greenhouse gas emissions (79%); Drinking water supply – linear index of network losses (in relation to the amount of drinking water injected into the network) (90%); Total workforce (60%); Managers (56%); Non-managers (61%); Gender distribution – proportion of women in the workforce (59%); Hours of training per person (65%); Proportion of employees receiving training (60%).

Neuilly-sur-Seine, April 9, 2010

The Statutory Auditors
ERNST & YOUNG et Autres



Charles-Emmanuel Chosson



Pascal Macioce

CONSOLIDATED FINANCIAL STATEMENTS

IN MILLIONS OF EUROS

	NOTE	DEC. 31, 2009	DEC. 31, 2008
NON-CURRENT ASSETS			
Net intangible fixed assets	10	2,235.8	1,867.2
Goodwill	9	3,069.5	2,897.5
Net property, plant and equipment	11	6,487.9	6,205.8
For-sale securities	13	447.8	729.2
Loans and receivables at amortized cost	13	400.3	457.4
Derivative financial instruments	13	44.8	89.6
Stakes in associated companies		322.9	265.6
Other assets		121.3	120.0
Deferred asset taxes	7	552.9	500.2
Total non-current assets		13,683.2	13,132.5
CURRENT ASSETS			
Derivative financial assets	13	11.7	0.3
Loans and receivables at amortized cost	13	204.6	151.8
Trade receivables and other debtors	13	3,701.4	3,588.4
Inventory		270.4	245.9
Other assets		823.5	872.6
Financial assets valued at fair value by income	13	1,141.1	51.0
Cash and cash equivalents	13	2,711.7	1,668.5
Total current assets		8,864.4	6,578.5
Total assets		22,547.6	19,711.0
Group share, shareholders' equity		3,675.9	3,532.4
Minority interests		742.2	637.6
Total consolidated shareholders' equity	15	4,418.1	4,170.0
NON-CURRENT LIABILITIES			
Provisions	16	1,054.4	1,021.1
Financial liabilities	13	6,400.0	5,100.5
Derivative financial instruments	13	62.5	22.5
Other financial liabilities	13	0.0	18.9
Other liabilities		635.5	514.2
Deferred liability taxes	7	287.0	332.7
Total passifs non courants		8,439.4	7,009.9
CURRENT LIABILITIES			
Provisions	16	334.6	306.9
Financial liabilities	13	3,680.2	2,620.8
Derivative financial instruments	13	57.1	83.3
Trade payables and other creditors	13	3,741.4	3,863.7
Other current liabilities		1,876.8	1,656.4
Total current liabilities		9,690.1	8,531.1
Total consolidated shareholders' equity and liabilities		22,547.6	19,711.0

CONSOLIDATED INCOME STATEMENT

IN MILLIONS OF EUROS

	NOTE	DEC. 31, 2009	DEC. 31, 2008
NON-CURRENT ASSETS			
Turnover		12,296.4	12,363.7
Purchases		(2,886.4)	(2,677.2)
Personnel expenses		(3,145.7)	(3,062.2)
Amortization, depreciation and provisions		(851.4)	(776.0)
Other operating revenue and expenses		(4,486.9)	(4,789.2)
CURRENT OPERATING INCOME	4	926.0	1,059.1
Mtm on operational financial instruments		2.2	3.2
Depreciation of property, plant and equipment, intangible fixed assets, and long-term financial assets		(85.3)	(1.7)
Restructurings		(60.0)	(20.9)
Expenses connected to the stock exchange listing		-	(50.8)
Disposals of assets		84.2	46.9
INCOME FROM OPERATING ACTIVITIES	5	867.1	1,035.8
Financial expenses		(358.8)	(420.8)
Financial revenue		98.8	91.0
FINANCIAL INCOME	6	(260.0)	(329.8)
Income tax	7	(128.8)	(92.7)
Share of income of associated companies		37.6	34.0
CONSOLIDATED NET INCOME		515.9	647.3
Group share of net income		403.0	533.2
Net income from minority interests		112.9	114.1
Group share of net income per share (euros)	8	0.82	1.09

COMPLYING WITH THE PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

THE UNITED NATIONS GLOBAL COMPACT ASKS COMPANIES TO EMBRACE, SUPPORT AND ENACT WITHIN THEIR SPHERE OF INFLUENCE, TEN BASIC PRINCIPLES IN THE AREAS OF HUMAN RIGHTS, LABOR STANDARDS, THE ENVIRONMENT, AND **ANTI-CORRUPTION MEASURES**. **SUEZ ENVIRONNEMENT HAS BEEN A MEMBER OF THE GLOBAL COMPACT SINCE 2008.**

COMPANIES SHOULD...

01

SUPPORT AND RESPECT
THE PROTECTION OF
INTERNATIONALLY PROCLAIMED
HUMAN RIGHTS
PAGES 10 & 12 TO 17

02

MAKE SURE THAT THEY ARE NOT
COMPLICIT IN HUMAN RIGHTS ABUSES
PAGES 10 & 16-17

03

UPHOLD THE FREEDOM OF ASSOCIATION
AND THE EFFECTIVE RECOGNITION OF
THE RIGHT TO COLLECTIVE BARGAINING
PAGES 16-17 & 68-69

04

UPHOLD THE ELIMINATION
OF ALL FORMS OF FORCED AND
COMPULSORY LABOR
PAGES 10, 16-17 & 68-69

05

UPHOLD THE EFFECTIVE ABOLITION
OF CHILD LABOR
PAGES 16-17

06

UPHOLD THE ELIMINATION
OF DISCRIMINATION IN RESPECT
OF EMPLOYMENT AND OCCUPATION
PAGES 9, 39 & 68-69

07

SUPPORT A PRECAUTIONARY APPROACH
TO ENVIRONMENTAL CHALLENGES
PAGES 51, 59, 61, 71 & 74

08

UNDERTAKE INITIATIVES
TO PROMOTE GREATER ENVIRONMENTAL
RESPONSIBILITY
PAGES 9, 10, 56-57, 60 TO 63

09

ENCOURAGE THE DEVELOPMENT
AND DIFFUSION OF ENVIRONMENTALLY
FRIENDLY TECHNOLOGIES
PAGES 9, 64-65

10

WORK AGAINST CORRUPTION IN ALL
ITS FORMS, INCLUDING EXTORTION
AND BRIBERY
PAGES 10, 16-17



WE SUPPORT

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