



meritro

2010 Sustainability Report



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Message from the CEO



Darwin's words could not have been more true in the changing environment that we have gone and are still going through. The world is transforming, and whilst the global economic crisis has had its toll on many corporations, emphasis on socially responsible activities and environmentally friendly programmes is on the rise.

As a global leader in the field of water and wastewater treatment, Metito remains committed to its socially responsible policies and programmes. Despite the challenging times and the subsequent need to trim costs, Metito has not cut down on its sustainability programmes; as a matter of fact, we have increased both our involvement and expenditure in this area.

We strongly believe that the challenges faced by Metito cannot be separated from those faced by our community partners. Having said that, we have always found it difficult to report separately on our CSR as we strongly believe it is deeply integrated within our business process.

Realizing profits is the long term objective of any company, but this can only be achieved when employees are treated in a fair and decent manner, when environment protection plans are applied, natural resources are conserved and contribution to the local community is in place. These corporate behavior indicators should be the prime focus to sustain profitability and financial success, and Metito prides itself of giving these factors sincere diligence.

As a member of an industry that is directly involved in the protection of the environment and available natural resources, we face the challenge of helping to build a sustainable society in which preserving the

"It is not the strongest of the species that survives, nor the most intelligent that survives.

It is the one that is the most adaptable to change"

- Charles Darwin -

environment is of prime importance and improving the social and economic activities of the community is a major responsibility. It is our duty to continue working with stakeholders - including our customers, shareholders and investors, NGOs and the public throughout our areas of governance to realize a sustainable society. Our aim is to grow, and whilst doing so, give the environment and the society the necessary attention.

Our CSR initiatives extend from providing water to deprived areas in the African horn to blood donation campaigns, recycling initiatives, implementing new policies for involving local communities and providing learning tools to educational institutions. We are proud that every day our products and contributions to the local communities, help to improve people's lives, and we recognize that we have a wider responsibility to the environment and society at large. Each year we have strived to improve not only our performance, but the open and transparent way in which we give an account of our actions. We are not perfect on either front, but considerable progress has been made. This is all attributed to the efforts of our employees, in particular those who are mostly involved in addressing these issues throughout our operations. As a leader in our industry, we believe we should also be a leader in setting and meeting standards of sustainable development.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mutaz Ghandour'.

Mutaz Ghandour
Chief Executive Officer

About This Report



Metito's CSR Report 2010

Exhibit 1- Pillars of Metito 2010 Sustainability Report

We generate income by fulfilling the world's demand for cleaner and more reliable water, and our approach to sustainability is a full-time commitment, embedded in everything we do from day to day activities to long term strategies and goals.

This report is structured on three main pillars of our Corporate Social Responsibility activities: workplace, community and environment.

The workplace pillar consists of activities we execute to improve our workplaces in terms of equal opportunity, training, health and safety for our people. We deal with our employees as valuable assets and we invest in their personal and professional development.

Engagement with the community and other stakeholders is essential for all the projects and programs initiated by Metito. The community pillar translates into our recent efforts in developing a community engagement process to guide all our related activities; it also covers our initiatives to stay in touch with educational institutions and our collaboration with HAI (Human Appeal International)

in bringing water to countries with severe water shortage.

The environment pillar covers a wide range of activities we conduct to minimize the negative environmental impact of our industry. This includes our contribution to environmental research bodies, introducing natural non-chemical products to solve waste disposal issues and our efforts in tackling on-site environmental incidents.

Who We Are



We are the largest Middle Eastern company, specialized in water and wastewater treatment. Our clients include government departments and agencies, municipalities and companies in real estate development, oil, petrochemicals, food and beverages and textile industries. We are committed to providing our customers with superior value and quality products, and in doing so, we constantly evaluate and align our product and service offerings, processes and technologies to market needs. We empower our people to exercise a can-do attitude and invest in their training to deliver results beyond customer expectations.

Our company is headquartered in Dubai, United Arab Emirates with regional offices in Egypt and Indonesia and support offices in USA, throughout North Africa and the Middle East.

Our organization has two principle businesses:

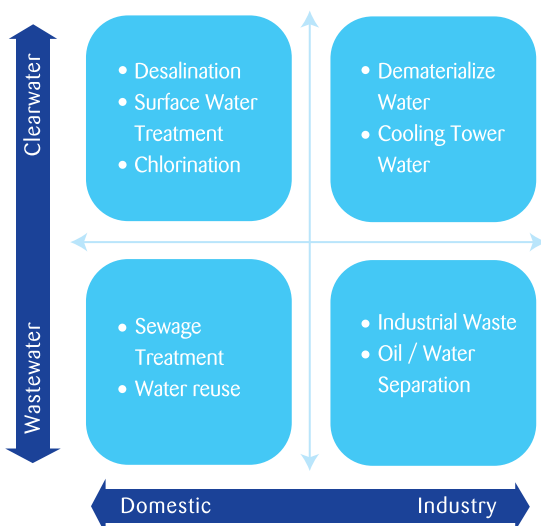


Exhibit 2- Matrix of Metito Overseas Services

• Metito Overseas Ltd

We provide full service water supply and wastewater treatment from beginning to end. The spectrum of Metito Overseas Ltd services includes process design and feasibility studies, equipment manufacturing, project management, installation, commissioning, operation and maintenance, after-sales services, water treatment chemicals, and technology transfer.

We are one of the few companies in water business that is multinational and covers the full spectrum of business from clean to dirty water (Exhibit- 2)

• Metito Utilities

To respond to the privatization drive in the water industry worldwide, Metito Utilities was established in 2007 to handle concession and utilities contracts. Metito Utilities' main investment schemes are build-own-operate, full concession and network construction options.

In the Workplace



People are the most valuable asset in our organization. We are committed to their development, stability and growth and strive to provide them with a safe and healthy work environment.

Fair Practices and Behavior

Our fair practices and behavior are reflected in our key activities in the workplace, including:

- Recruitment, selection and promotion practices which are open, transparent and based on merit that is assessed by clearly defined job criteria to ensure the most suitable applicant is selected.
- A working environment that meets the needs of all employees and creates a productive atmosphere.
- Grievance handling procedures that ensure all employees' complaints are dealt with promptly in a fair and confidential manner.
- Transparent and effective communication that provides employees with access to information and gives them the opportunity to express their views.
- Respect the diversified social and cultural backgrounds of all employees.

Discrimination-free workplace

We ensure there is no direct or indirect discrimination against employees because of their age, gender, disability, race, colour, ethnicity or nationality and marital status.

Our managers are responsible for:

- Ensuring all work practices and behaviours, including allocation of workload, are fair and based on pure business requirement
- Discussing with employees the decisions that might impact them
- Providing all employees with equal opportunity to target more senior positions within the organization
- Giving employees equal access to relevant training and development opportunities

In 2010, our workforce consisted of 27 different nationalities from the Middle East, Africa, Europe and Asia. We provide all our employees, regardless of their position in the company, with adequate health insurance coverage that exceeds applicable law requirements in many of the countries we operate in.



Environment, Health, Safety and Quality

Our commitment to customer satisfaction, safe operations and a cleaner environment is evident in our core values of customer focus and quality, people care and environmental responsibility. To move this commitment to the next level, we have upgraded our QHSE policies, complying with ISO 9001: 2008 (Quality), OHSAS 18001: 2007 (Occupational Health and Safety) and ISO 14001:2008 (Environment).



We promote an open and fair flow of communication between us and our stakeholders, and place customer satisfaction at the centre of focus in everything we do. We identify, recognize and address customer needs by delivering innovative and quality solutions and to do that, we invest in our people's training and development.

Our efforts in quality and health and safety for our people and customers, optimize our performance and reduce operational risks, and subsequently the impact of our activities on the environment.

Our quality, health, safety and environmental objectives for 2010 focus on:

- Improving operational control procedures
- Risk assessment for all significant risks throughout our business
- Implementation and evaluation of our training programs
- Continuous evaluation of our third-party suppliers
- Enhancing our recycling programs by focusing on internal campaigns and employee training

Safety Recognitions



We pride ourselves on being recognized by our clients for our commitment and adherence to safety on our operational sites. The following is an example of the most recent recognitions we have received.

ALSTOM

In August 2009 our site supervisor received a certificate of appreciation from Alstom in recognition for site safety implementation in Dubal Power Plant, GTX cogeneration project located in Dubai, UAE.

We started the project in May 2008 and completed in September 2009. The scope of work on this project was design, engineering, manufacturing, testing, installation and commissioning of a desalination plant at Dubal (Dubai Aluminium)



TECNICAS REUNIDAS

In January 2010 we were recognized by our client, Tecnicas Reunidas for achieving 1.5 million man-hours without LTI (Lost Time Accident), for ADNOC's Borouge 2 Project, located in Abu Dhabi, UAE.

We Started the project in May 2008 and expected completion date is June 2010. The Scope of work is design, manufacturing, installation and commissioning of an industrial effluent waste water treatment plant.

Employee Development

We provide our employees with trainings that enhance their performance and increase chances of growth.



Employee training and development is a prime objective and responsibility of the managers. We have developed comprehensive processes to carry out reviews of all employees on a regular basis, and once a year through the official appraisal process, to identify their training requirements. Employees may also initiate requests for training which will be considered in coordination with the line managers and the Human Capital department.

The Human Capital department leads the process of developing training material, identifying training resources, planning and organizing the training and maintaining appropriate records.

We have developed various tools to measure the success of each training program, including pre-brief and de-brief forms that are designed to have clear objectives for attending the training.



Employees are requested to complete a feedback form and rate the program they have attended. The forms are evaluated immediately after the program and then again after 3 months. This enables the employees and their line managers to evaluate how the learning is transferred to the workplace, therefore measuring success.



Our goal in 2010 is to roll out key training initiatives to further enhance our people's capabilities to exceed customer expectation. The training calendar includes programs such as:

- Project Management
- Contract Awareness and Understanding
- Communication Skills
- Problem Solving
- Negotiation Skills
- Team Building
- Time Management

In the Community

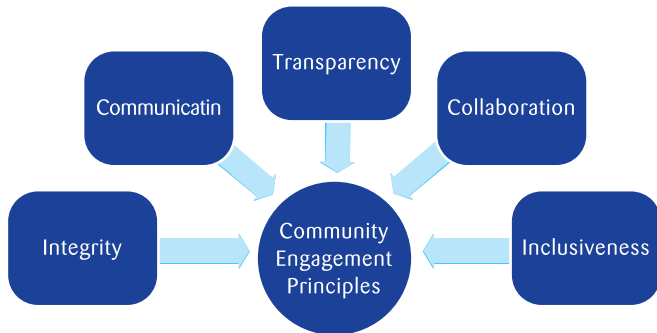


Exhibit 3- Metito Community Engagement Principles

Community Engagement Process

We strongly believe that a venture is more likely to succeed – especially in the long term – when it takes into consideration the environment in which it operates and endeavours to meet the needs of the stakeholders affected by it. Therefore, engagement with the community and other stakeholders is essential for all projects and programs initiated by Metito. To provide a guideline for planning, managing and sustaining meaningful community engagement activities, we have defined a procedure that includes principles shown in Exhibit-3 and defined steps from designing the strategy for the engagement activity (scoping) to reporting and evaluating.

Give blood, Give Life



Metito Blood Donation Campaign - Indonesia

Blood banks in communities are constantly facing blood shortage, and blood donation makes a big difference to the people who are in need of this valuable life-sustaining substance. At Metito, we consider blood donation as part of our social responsibility towards the communities we live in. In the first quarter of 2010, Metito initiated blood donation campaigns in Qatar (through Hamad Medical Establishment in Doha) and in Indonesia (in coordination with the Red Cross Indonesia). Employees who participated in the program described their feelings as rewarding, being part of the community and helping fellow humans in need.

We aim at making blood donation a regular part of our corporate social responsibility programs in all our areas of operation to achieve maximum employee engagement and have initiated internal communication campaigns to create awareness on blood donation and the difference it makes to people's lives.



Metito Blood Donation Campaign - Qatar



Supporting the Learning Process



As part of our community support strategies, we strive to establish and maintain close relationship with educational institutes to create an exchange of information and expertise, and contribute to the learning process. Some of the main initiatives we have taken are:

Internship Programs

Our internship programs aim at providing students with opportunities to gain experience in their field, determine if they have an interest in a particular career and create a network of contacts. The interns are allocated to different departments where they go through on-job training. We believe our internship programs enable students to get a first-hand professional experience that can lead to firm job offers within the company.

Every year we welcome some of our interns on board as full-time employees, and we are keen to increase the number by 50% and avail it to more universities in wider geographical areas of our operations.

Facilitating Industry Engagement

Our strategy in facilitating educational institutions' engagement with the water industry is to stay in regular contact and explore every opportunity in improving the quality of information exchange.

In-line with these efforts, we have compiled and published a comprehensive engineering data book for practicing engineers in the water and wastewater

treatment industries. The book provides users with all related data, tables, graphs and formulas that could help them in their respective studies and careers. In early 2010 we made a thousand copies of this book available to the American University of Sharjah, Department of Civil Engineering, to be presented to students in relevant courses to enhance their learning process. We continue our efforts by holding regular meetings with academic staff to develop live case studies and industry engagement programs.



Water for Life



Water is an essential resource for life and good health. Today, more than 1 billion people don't have access to drinking water and the problem is getting worse as cities and populations grow.

This fact highlights the health consequences of water scarcity, its impact on daily life and how it could impede international development. It urges everyone to be part of efforts to conserve and protect this valuable resource. The Millennium Declaration adopted by the UN in 2000, calls on states to make a commitment to halve the number of people without access to drinking water by 2015.



To contribute to the UN international decade for action, we started cooperating with Human Appeal International (HAI) since 2008. HAI is a UAE based NGO, with an honorable presence in humanitarian activities both locally and internationally. HAI operation fields are scattered in more than 12 countries where they cater to underprivileged communities.

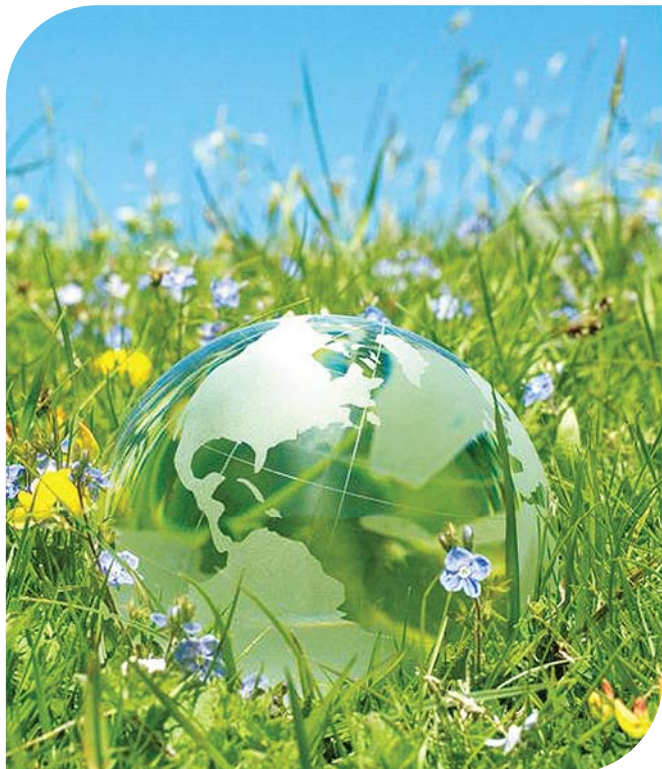
The cooperation between Metito and HAI aims at providing lasting supplies of fresh water to communities suffering from severe water shortage. In 2009, we supported the drilling of three water

wells in Senegal and two in Nigeria. More than six thousand people who suffer a severe shortage of water in the villages of these countries gained access to safe drinking water.

We are in the process of drilling five more water wells in Senegal, Somalia and Sudan (Darfur). We believe working in Darfur will be challenging, but we are determined to spread the goodwill to as many countries as possible, especially to those that are less privileged.



In the Environment



Our goal is to seek opportunities to reduce our consumption of natural resources by using alternatives where possible, and by optimizing efficiency of use, whilst protecting the environment.

Our Integrated Management System results in optimizing performance and risk management, thus limiting the impact of our activities on the environment.

As part of our environmental objectives for 2010, we focus on reducing water and electricity consumption across all our offices by 10%.

Reducing Carbon Footprint

We measure and monitor the metric tones of CO₂ generated through our road and air travels and devise strategies including investment in technological infrastructure including communication means- to reduce the need for travel as much as possible.

We also encourage employee initiatives and efforts towards reducing the carbon footprint and energy consumption.



Reducing Environmental Impact of Our Business

The Middle East produces 90% of the world's desalinated water and the amount of brine (discharge) released to the water bodies is substantial. We take responsibility for the environmental impact of our business and take every measure to support research and reduce possible impacts.

In April 2010, Metito's Managing Director, Mr. Fady Juez was appointed as one of the nine members of an IDA (International Desalination Association) taskforce to provide expert input on studying the environmental impact of processing seawater to drinking water in marine systems.



Fady Juez Managing Director, Metito

Metito's inputs will assist IDA in suggesting rules and regulations to monitor the expansion of the industry and mitigate its environmental impact.

The International Desalination Association is a leading global organization dedicated to desalination, desalination technologies and water reuse. With more than 2,000 members from 58 countries, IDA is the hub of expertise, news and information, and professional development for the worldwide desalination industry.



We invest in research programs that aim at reducing waste discharge into the environment. By doing so, we promote new technologies while lending a helping hand to preserve the environment.



One of the programs we are supporting is being carried out by Texas A&M University at Qatar. The institution has embarked on a research project in the field of zero liquid discharge. We have provided the university with a reverse osmosis plant that

incorporated all instrumentation to measure various parameters required for the research.

Waste Management Policy

We are committed to reducing the risk of immediate and future harm to the environment, human health or local amenity; therefore, we have taken the initiative of developing and implementing a waste management policy throughout our business. Our waste management policy provides a framework for dealing with waste arising from our operations, and is supported by a number of measurable waste management objectives, summarized in Exhibit-4



Implement a paper recycling scheme and introduce paper minimization and reuse practices



Expand the recycling scheme to electronic waste across all our facilities



Develop and implement internal waste management campaigns and trainings to improve staff participation in waste reduction and reuse

Exhibit 4 - Metito 2010 Waste Management Objectives

Eco-friendly Waste Disposal



We resume responsibility for future generations and contribute to preserving the environment for years to come. Nowadays, plastic bags are one of the major environmental issues our planet is facing. Since we have been using plastic bags only for about 90 years, nobody accurately knows how long they take to degrade, however it's estimated that it might take 100 years. The fact that a plastic bag can outlive the majority of people on the planet, and the volume of plastic bags that is being disposed every day, outline the impact on the environment. This fatal pollution can severely affect wild and domestic animals with the examples of camels and sea turtles.

Camels ingest left-behind plastic bags which then calcify in their stomachs. The plastic bags eventually fill up the stomach and make it impossible for the animals to eat, causing them to die as a result of starvation.

Marine rubbish that includes plastic bags is the leading cause of sea turtles' death, because they mistake these bags for jelly fish.

The plastic gets trapped in the turtle's gut, preventing food from going down. This causes the animal to go through a slow painful death.



The affect of plastic bags on the environment is tremendous and is not limited to these two examples. To contribute to eliminating the use of plastic bags, we have invested in replacing regular trash bags with eco-friendly options that degrade in approximately 12 months. We run regular awareness campaigns for all our environmental initiatives to ensure full contribution by our people.



Eco-friendly Wastewater Treatment Processes



We have introduced a new range of natural products to substitute the chemicals used in wastewater treatment.

Our M-Zyme range of biodegradable and non-hazardous products covers formulations of naturally occurring microbes, enzymes and plant extracts that are blended with various nutrient sources. This product range accelerates the earth's natural process of converting organic solids into by-products including water, carbon dioxide and methane gas.

Environmental Recognitions



In February 2010, an oil spillage occurred by a contractor on Abu Dhabi's Saadiyat Island project. We took the initiative and formed a response team to minimize the damage to the soil and rectify the potential problem.

The client recognized the success of our initiative with an environmental award for the valuable contribution and pro-active support in implementing "Environmental Awareness Program" in Saadiyat Island Project.

Where We Are Going

Years of industry leadership as a full service water company and a socially responsible corporate culture have put us in a unique position to contribute to sustainable communities around the world.

We continue to make a difference by integrating this culture into everything we do, measuring the effectiveness of our activities and improving our performance in giving back to the community.



*Commitment to a
Cleaner Environment*