



3 Priorities & 12 Commitments

ROAD MAP FOR SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY

2012 - 2016

Acting for growth, environmental
protection, welfare of people
and the attractiveness of regions



C O N T E N T S

Challenges

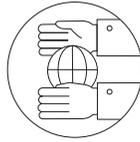
- P.2** Putting our vision for green growth into action, Jean-Louis Chaussade
- P.3** Give full meaning to the word “sustainable”, Bernard Guirkinger
- P.4** From one Road Map to another: new commitments for the next four years
- P.5** Taking on the challenges of the new century

3 Priorities & 12 Commitments

- P.8** Priority no. 1: innovate to develop our activities and assist our clients in becoming leaders in terms of economic and environmental performance
- P.14** Priority no. 2: develop our employees’ talents to become enablers in the transformation of our businesses
- P.20** Priority no. 3: enable our businesses to become contributors to the attractiveness of regions and to work together with our stakeholders to build solutions

Our principles of action and organisation

- P.27** Implementation, monitoring and control of the commitments
- P.28** Our principles of action and organisation
- P.30** SUEZ ENVIRONNEMENT’s Sustainable Development policy



OUR ROAD MAP FOR SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY 2012-2016

As an organisation committed to the protection of the environment, SUEZ ENVIRONNEMENT designs and implements sustainable solutions to manage water and waste in a world with limited resources. These solutions improve economic and environmental performance for its clients, contribute to creating regional development, and enable everyone to participate in responsible and lasting growth.

To reach this goal, we are transforming our business and industrial model – and related modes of governance – to propose even more innovative solutions that meet the expectations of our clients and all of our stakeholders.

Our 2012-2016 Sustainable Development Road Map sets a framework and course for the progression of this initiative. Following and extending the process initiated with the 2008-2012 Road Map, we are making clear commitments, together with precise objectives and quantified indicators.

These commitments and objectives apply to all our employees, and are integrated into the operational management of all our subsidiaries. SUEZ ENVIRONNEMENT is committed to reporting regularly on results achieved and actions still to be implemented, in an honest and open dialogue with its stakeholders.



PUTTING OUR VISION FOR GREEN GROWTH INTO ACTION

99

“Implementing this vision for green growth implies making the principles of Sustainable Development operational and lasting, integrating them into our strategic projects and into the way our Group works.”

Our businesses are at the core of the transition to an economy that makes better use of its resources, is responsible and promotes general welfare. Access to water, sanitation and waste management are essential for people’s health and quality of life. They are the first step in any balanced development, both in emerging economies and in those which are more mature.

Implementing this vision for green growth implies making the principles of Sustainable Development operational and lasting, integrating them into our strategic projects and into the way our Group works. It is what we do by accelerating our dynamic for innovation in green technologies, and by developing new solutions which help our clients – whether they are local authorities, private or industrial customers, or farmers – to improve their environmental performance in viable economic conditions. It is what we do when we act in partnership with local authorities to develop local employment and the attractiveness of regions. It is what we do when we contribute to making the universal right to water and sanitation in emerging economies possible.

Our will to be an actor of green growth is put into action in our daily businesses, and through commitments involving all of our target partners through our Sustainable Development Road Map. For all our teams, these commitments put into words our collective mission to cater for the clients and the people we serve. They are our incentive to work together to reinvent our businesses day after day. Our overall performance needs to be economic, environmental and social. ●

Jean-Louis Chaussade,
Chief Executive Officer of SUEZ ENVIRONNEMENT





GIVE FULL MEANING TO THE WORD “SUSTAINABLE”

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“Year after year, we transform our model, in all its aspects, to assist in the emergence of the green economy, in which managing water and waste cycles are given top priority.”

Producing clean water, making it more widely accessible, purifying waste water and rainwater, collecting, sorting and recovering waste produced by domestic and industrial activities: we are proud to perform these actions in our 6,000 sites worldwide which we manage on behalf of our clients. We are also proud to mobilize our expertise and our teams’ energy to take up the challenge now summarised in our corporate project: designing, developing and implementing, at affordable prices, solutions which preserve ecosystems and reduce the environmental footprint of our services, whilst also guaranteeing their technical performance and user-friendliness.

All this can not be done overnight: our companies, in conjunction with the organisations with which we are involved, are committed to a radical transformation, with a long-term vision. Year after year, we transform our model, in all its aspects, to assist in the emergence of the green economy, in which managing water and waste cycles are given top priority.

In this initiative, our Sustainable Development Road Map also serves as a guide, an incentive and a guarantor. It sets out our commitments towards all our target markets and our stakeholders, by combining them with time-sensitive and quantified objectives which we will report back on year after year.

This is how we will give full meaning to the word “sustainable”, to describe the development perspectives of all our businesses and companies, in relationships based on trust that we want to build with our clients and stakeholders, and above all a world which we can pass on to future generations. ●

Bernard Guirkingier,
Executive Vice President of SUEZ ENVIRONNEMENT





FROM ONE ROAD MAP TO ANOTHER: NEW COMMITMENTS FOR THE NEXT FOUR YEARS



Priority no. 1

Innovate to develop our activities and assist our clients in becoming leaders in terms of economic and environmental performance.



Priority no. 2

Develop our employees' talents to become enablers in the transformation of our businesses.



Priority no. 3

Enable our businesses to become contributors to the attractiveness of regions and to work together with our stakeholders to build solutions.

2008-2012

In 2008, when we published our first Sustainable Development Road Map, we established 4 priorities, broken down into 12 commitments in terms of environmental, social and corporate responsibility performance, together with objectives for the end of 2012. The Group's Sustainable Development reports, published annually, presented the results achieved and identified best practices in connection with these commitments. Our performance is assessed regularly by non-financial ratings agencies. In four years, significant progress has been made.

2012-2016

We are currently entering the second stage in our Road Map, with new commitments which reaffirm our ambition to contribute to a more sustainable growth through the management of major water and waste cycles. Our new Road Map also reflects increasing demands in relation to social and corporate responsibility, and a renewed dialogue with all our stakeholders.

The commitments and objectives for 2012–2016 were approved by SUEZ ENVIRONNEMENT's Executive Committee on October 8th 2012 and presented to the Board of Directors on December 12th 2012 after review by the Ethics and Sustainable Development Committee.



TAKING ON THE CHALLENGES OF THE NEW CENTURY

BENCHMARKS

The clients of SUEZ ENVIRONNEMENT

are local authorities with whom the Group enters into water and waste management contracts, and the inhabitants of these towns, who are the end users of the services.

The Group also serves industrial and commercial companies, managers of industrial estates, urban planning companies, natural heritage managers and farmers.

How can we support the demographic explosion and growing regional urbanisation? How can we confront the depletion of natural resources, climate change and threats to biodiversity? A new development model needs to be invented. SUEZ ENVIRONNEMENT strives to make a contribution through its businesses.

Supporting the exponential growth of the world's population and its urbanisation

In late 2011, the world's population crossed the symbolic threshold of 7 billion. By 2050, it will reach over 9 billion, 70% of whom will be urban dwellers. The environmental impacts of demographic growth are significant. One of the major challenges is to reduce the ecological impact of demographic growth, particularly in cities, through more sustainable urban planning policies. The controlled management of water and waste cycles must contribute to this, by laying the foundations for sustainable economic, social and cultural development, and by strengthening the attractiveness of regions. It also participates in the prevention of natural and industrial hazards.

Reducing the tension over natural resources

Economic and demographic expansion exerts growing pressures on raw materials, ecosystems, soil, air and water. We must now preserve these resources whilst optimising their use. There are many solutions, from ecologically sensitive design, to reducing the use of materials for rendering an equivalent service, to raising the proportion of recycled materials reintroduced into the economy. The future also lies in more "circular" solutions, where waste may return to raw materials and where reclaimed water can be reused. ●●●



Struggling against climate change and attenuating its impacts

The impact from human activities on climate change calls for a strong mobilisation of everyone to create the conditions for more responsible economic growth. Controlled management of the waste cycle, for example, may be an attractive solution to attenuate greenhouse gas emissions, with the benefits exceeding the implementation costs. Similarly, integrated management of the water cycle can reduce the potential negative effects of climate change, namely rising sea levels, greater frequency of extreme weather conditions, scarcity of natural resources etc. The controlled management of water and waste cycles may be a major contributor to protecting and restoring ecosystems.

Preserving biodiversity

Growing urbanisation, habitat fragmentation, overexploitation of natural resources, all lead to deteriorating ecosystems. These figures illustrate the extent of the phenomenon: 39% of plant species are now threatened with extinction (a figure which was only 15% in 1991), and 35 million km², that is 25% of the land surface, is undergoing a phenomenon of accelerated degradation. Biodiversity has therefore become an issue of equal importance to the preservation of resources. This concern must be integrated into the property management of sites. It must lead to a significant reduction in our impacts on end sites whilst also developing restoration solutions, through partnerships with local stakeholders and experts in biodiversity.

Involving communities in the decision-making process and opening up more to stakeholders

Social aspiration with more transparency and local democracy is a fundamental trend in contemporary societies. Communities want to be better informed and participate more in decisions which concern life in their regions. Organisations all need the backing of their stakeholders to be more effective and better cater for their needs. In this context, partnerships with different industrial sectors, public/private partnerships and collaborations between companies and organisations must be encouraged and developed. Renewed governance methods which are introduced in the field of water are part of this trend.

Sharing the value created and aiding regional development

The current climate of economic and financial crisis underlines the interaction between the competitiveness of companies and the vitality of regions. Water and waste businesses, with a strong local presence, actively contribute to the dynamism of regions through the creation of local employment and integration, predominantly local supply chains, as well as sharing knowledge and collaborations with public and private players in research and innovation. ●

Commitments

- no. 1** Help our clients to better manage the water cycle as a whole
- no. 2** Help our clients to optimise the management and recovery of their waste
- no. 3** Improve the environmental footprint of our facilities and services
- no. 4** Improve customer satisfaction and trust

BENCHMARKS

Green economy:

"An economy which brings an improvement to human well-being and social equity, while significantly reducing environmental risks and ecological sacrifices".

Definition of the United Nations Environment Programme (UNEP)

**Priority no. 1****INNOVATE TO DEVELOP
OUR ACTIVITIES AND
ASSIST OUR CLIENTS
IN BECOMING LEADERS
IN TERMS OF ECONOMIC
AND ENVIRONMENTAL
PERFORMANCE**

— **As our businesses are at the core of the transition towards a green economy, we are mobilising our expertise and capacity for innovation to develop solutions which optimise the management of major water and waste cycles.**

Through this, SUEZ ENVIRONNEMENT helps its clients develop and implement tailored and sustainable solutions. Focused mainly on waste recovery and optimising the use of resources in water, these solutions are provided to all our clients – regional authorities, towns, farmers, industrial customers and users – in the improvement of their environmental performance and in their saving initiatives and risk management, by striving to achieve the optimum level in terms of economic, environmental and social competitiveness.

Our ambition is to boost our dynamic for innovation to develop new solutions with significant economic and environmental benefits, also synonymous with quality of service and reducing the impact on natural environments and resources. This dynamic is not only based on the Group's expertise and innovation potential. For it to be fully effective, SUEZ ENVIRONNEMENT intends to work more closely with all its stakeholders, with a view to working together in order to build the solutions for tomorrow. ●



Commitment no. 1

HELP OUR CLIENTS TO BETTER MANAGE THE WATER CYCLE AS A WHOLE

BENCHMARKS

Automatic Smart meter reading

solutions allow clients to benefit from an alert in the event of over-consumption and also help them to repair potential leaks in their networks in the quickest time possible. They also allow for the implementation of a billing system based on real consumption with no need for a call-out.

On average these solutions cost between =2 and =3 per month and per subscriber, depending on the features and density of the service.

In addition to applying the regulations in force in relation to the quality of drinking water, treatment of waste water and the prevention of pollution in natural environments, we are committed to running voluntary research programmes on emerging pollutants (for example new micro-pollutants such as residue from pharmaceutical substances), sharing the results of this research with the authorities and the legislator, and proposing appropriate prevention plans.

- We promote the development of alternative water resources by encouraging our clients to implement this where possible and applicable (reuse of waste water after treatment by purification plants, recovery of rainwater, desalination, etc.).
- We contribute to noticeably limiting losses in drinking water networks by deploying tools which enable better knowledge of assets (plants, pumps, pipelines...) and by developing advanced leak detection technology (acoustic detection sensors for example).
- We encourage the management of water consumption through awareness-raising campaigns, the circulation of client information, the installation of smart meters and the development of new consumption operating tools (especially smart meter), as well as by proposing the implementation of tailored price setting to local authorities.
- We help our clients to adapt to the effects of climate change, especially through our expertise in hydraulic and climatic model design, and our engineering advice on creating urban developments which are more resilient to the effects of extreme weather conditions.

Quantitative objectives

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

Progress objective

- Increase the reuse of treated waste water.



Commitment no. 2

HELP OUR CLIENTS TO OPTIMISE THE MANAGEMENT AND RECOVERY OF THEIR WASTE

BENCHMARKS

Circular economy

In a context of scarce energy and mineral resources, the circular economy aims to manage products "from birth to rebirth", in order to recover parts for reuse, recyclable materials, or even energy that can be reproduced by products which have become waste.

Compared to the still dominant linear model, the circular economy presents many advantages. It allows us to save natural resources, reduce greenhouse gas emissions, secure supplies from industries threatened by the shortage of certain resources and to generate qualified non-relocatable jobs.

Today we offer a wide range of solutions which allow for not only the collection and sorting of waste, but also its recycling and recovery, thereby promoting a circular economy of materials.

- In partnership with our clients, we develop solutions which promote the production and use of high quality secondary raw materials.
- Upstream from the waste cycle, SUEZ ENVIRONNEMENT also acts, through industrial partners, to promote methods of production and sustainable consumption (ecologically sensitive design, recyclability of products, sharing of expertise).
- Transforming waste into alternative energies is also an essential task. We are committed to boosting the production of energy created through the incineration of waste and the recovery of biogas in storage centres.
- However, not all materials can be recycled indefinitely. We therefore continue to develop our expertise for the treatment of residual waste in facilities of a high environmental quality.

Quantitative objective

- **By 2016, to achieve a ratio in Europe of 2 metric tonnes of waste allocated for recovery for every 1 metric tonne of waste disposed.**

Progress objective

- **Develop production and marketing channels for solid substitution fuel.**



Commitment no. 3

IMPROVE THE ENVIRONMENTAL FOOTPRINT OF OUR FACILITIES AND SERVICES

BENCHMARKS

National strategy for biodiversity

In 2011 SUEZ ENVIRONNEMENT and its subsidiaries joined the new 2011 – 2020 National strategy for biodiversity, launched by the French Ministry of Ecology.

This membership constitutes part of the extension of actions implemented by the Group for many years to preserve biodiversity and ecosystems alongside local authorities.

As an integral part of our commitment to the environment, we have set ourselves the objective of reducing the footprint of our own activities. In all the sites they manage, our subsidiaries strive to optimise their consumption of resources and recover their waste, to boost the energy efficiency of the facilities and services, and recommend that their clients increase the proportion of electricity from used renewable sources.

- It is thus SUEZ ENVIRONNEMENT's intention to play a part in the fight against climate change by controlling its own greenhouse gas emissions.
- Some of the activities of SUEZ ENVIRONNEMENT are carried out within or in the vicinity of sites protected for the purposes of biodiversity. We are committed to preserving, restoring and recovering the biodiversity of our sites and those of our clients. To this end, the Group will continue its inventory of sensitive sites and the implementation of ecological management plans, tailored to each site in collaboration with nature experts.
- Finally, SUEZ ENVIRONNEMENT is committed to improving the environmental integration of its sites by reducing perceived pollution (odours, noises, visual quality), as part of the action plans for prevention and improvement developed in consultation with local residents.

Quantitative objectives

- By 2016, achieve a ratio of two metric tonnes of greenhouse gas emissions prevented for every one metric tonne emitted (Europe waste perimeter).
- Increase useful energy production (Europe waste perimeter) by 15% (~700 GWh more in comparison to 2011), which equates to the annual energy consumption of over 100 000 Europeans*
- Biodiversity: increase the number of action plans (regulatory and voluntary) implemented in sensitive sites situated within or in the vicinity of protected areas.

Progress objectives

- Improve the energy efficiency of water and wastewater treatment plants at equivalent level of service rendered.
- Increase the production ratio of energy production/energy consumption for the Water activity (indicator: kWh of energy produced/ kWh of energy consumed).

* Energy consumption of around 7 MWh per inhabitant and per year in Europe (Eurostat, 2008)

**Commitment no. 4****IMPROVE CUSTOMER SATISFACTION AND TRUST**

Our ambition is to combine “custom-built” innovation and operational excellence, with a view at not only delivering high quality services but also at developing innovative solutions with our clients and stakeholders which respond to their new concerns.

- SUEZ ENVIRONNEMENT is committed to the quality of service of its activities. A growing number of contracts include time-sensitive and quantified objectives regarding environmental performance and quality of service. This new generation of contracts promotes stronger relationships with clients based on trust, in a partnership-based approach.
- Besides the technical efficiency and operational performance of the services implemented, the quality of the relationship with the end client plays an integral part in the quality of service. Reception, transparency of information, rapid request handling, etc. SUEZ ENVIRONNEMENT’s ambition is to be noted for the quality of its everyday services, as well as for the expertise which is at the core of its business.
- SUEZ ENVIRONNEMENT is committed to putting into place and regularly monitoring all of its Water and Waste entities, with indicators to measure client satisfaction, and, based on the results, to implement the appropriate actions for improvement.

Quantitative objectives

- Aim for a client (consumers) satisfaction rate of 80% in the Water activities.
- Aim for a client (companies and local authorities) satisfaction rate of 80% in the Waste activities.

Progress objective

- Increase the number of contracts including environmental performance objectives and quality of service.

Commitments

- no.5** Invest in the development of our employees
- no.6** Boost the engagement of our employees and quality of life at work
- no.7** Act for equal opportunities
- no.8** Work together to ensure health and safety at work



Priority no. 2

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

— SUEZ ENVIRONNEMENT is transforming its economic model and businesses to support the transition towards a green economy. As our employees are the driving force for this transformation, we invest and take action to develop their talents, to improve their quality of life at work and their work/life balance, and encourage their commitment.

More than 80,000 men and women worldwide strive every day within the Group to be innovative and enable clients to benefit from their expertise. They share the pride of carrying out tasks that are essential to people's lives and health, and protecting the environment. They share the same values of drive, commitment, daring and cohesion.

In addition to the motivation and involvement of the teams, the success of the business and the attractiveness of what it offers are based on an organisation focused specifically on environmental businesses, on high standards of efficiency and on a strong culture of public service, regardless of the site's location. ●



Commitment no. 5

INVEST IN THE DEVELOPMENT OF OUR EMPLOYEES

B E N C H M A R K S

Sustainable Development and training

In an increasing number of training courses focused on Sustainable Development, SUEZ ENVIRONNEMENT is integrating these principles throughout its different training programmes. Purchasers therefore receive ongoing training on taking into consideration environmental and social criteria, the respect of human rights and high quality governance.

Training is given to operational staff on dialogue with stakeholders in project management and operational activities.

All new employees complete the Ambassador integration programme, structured around the Group's priorities and commitments relating to Sustainable Development.

Our ambition is to anticipate transformations in our businesses and new requirements in the corresponding skills, whilst also giving each employee the tools to play a part in their professional development. In application of this double objective, we are committed to boosting our investments in training and our efforts to develop the skills of our employees and their ability to carry out their responsibilities.

→ We are also committed to developing internal mobility, which boosts the employability of our employees by offering them opportunities for development within our businesses and companies, whilst also contributing to securing their loyalty and the construction of sustainable professional paths.

Quantitative objective

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

Progress objectives

- **Increase the proportion of employees who benefit from training (overall and by category).**
- **Increase the proportion of recruitments through internal mobility (managers in France).**

*Training is understood here in the broader sense: academic training (including training in Sustainable Development issues), e-Learning, tutoring...

**Commitment no. 6****BOOST THE ENGAGEMENT
OF OUR EMPLOYEES AND
QUALITY OF LIFE AT WORK**

Acting to improve the quality of life at work* and increasing employee motivation and involvement involves being ready to listen to them and meet their expectations. We are committed to regularly measuring their commitment in all our entities.

- Taking into account employees' expectations is made possible through an active social dialogue with staff representatives. All over the world, the Group's subsidiaries are encouraged to develop collective bargaining and consultation with staff, and to ensure this functions correctly. SUEZ ENVIRONNEMENT also involves trade union and staff representatives in the definition of its Sustainable Development policy, the analysis of its results and the identification of areas for improvement.

Progress objectives

- Improve the participation rate in engagement and satisfaction surveys.
- Through the internal surveys, develop plans to improve the engagement of employees.
- Keep the resignation rate (voluntary turnover) as low as possible (lower than the average in the countries in which we operate).
- Encourage dialogue with staff representatives on the design and implementation of the Sustainable Development policy.

*For example, through teleworking, providing concierge services, day-care centres and promoting part-time work, for both men and women.

**Commitment no. 7****ACT FOR EQUAL OPPORTUNITIES****BENCHMARKS****SITA Rebond,**

a subsidiary of SITA France which specialises in integration through economic activity, prepares and implements, in partnership with local public players, professional integration and social assistance programmes designed for the long-term unemployed.

Since its creation in 2002, SITA Rebond has assisted over 3,500 people, including more than 800 young people recruited by the company.

The “Maison pour rebondir” integration programme,

an initiative launched in 2011 by SUEZ ENVIRONNEMENT, has the objective of helping the long-term unemployed into sustained employment (or into the creation of activity), by building bridges between the subsidiaries of the Group and the players being integrated in the regions.

Diversity: the mentoring programme

Launched in 2012, the mentoring is a tool for transmitting experiences and for personal development. The first programme has a one year duration and consists of 31 pairs that include the mentors, all management committee members from SUEZ ENVIRONNEMENT, SITA, Lyonnaise des Eaux, Sefage and Degremont, who mentor men and women from these same companies, the genders and the affiliations (companies, businesses...) having been carefully crossed.

With a presence in over 70 countries and activities deeply rooted locally, SUEZ ENVIRONNEMENT is a diverse group by nature. Our subsidiaries aim to ensure their employees reflect the diversity of societies in all the regions in which they operate. This mentality is made a reality through a human resources policy which takes equal opportunities into consideration as a boost to the company’s overall performance.

- To that end, SUEZ ENVIRONNEMENT is committed to fighting against all forms of discrimination in recruitment and working relations, and promoting a professional environment which allows each person, regardless of their differences, to fulfill their potential and contribute to the company’s objectives. The Group is also committed to increasing diversity in its workforce, to develop employment of disabled people and boost senior employment. The actions undertaken in all these areas form part of a programme lasting several years, established by the Diversity and Social Development department.
- The Group also takes action for the professional integration of young people through the development of apprenticeships and off course training within the company, and promotes the integration of the long-term unemployed, by creating dedicated structures and developing welfare subcontracting with key players in the social economy.

Quantitative objective

- Achieve a level of 30% of women in managerial roles in the Group by 2016.

Progress objectives

- Increase the number of women in management positions in the Group and its subsidiaries.
- Develop employability through apprenticeship schemes.
- Obtain the “Diversity” Label in France.
- Increase the rates of hiring employees over the age of 55 and keeping them in employment.



Commitment no. 8

WORK TOGETHER TO ENSURE HEALTH AND SAFETY AT WORK

BENCHMARKS

Frequency rate

SUEZ ENVIRONNEMENT sets itself differentiated objectives as regards the frequency of work-related accidents for its Water and Waste activities, as the performance conditions of these businesses are themselves different.

As people are at the core of the company and constitute its main and most essential asset, we have given our employees' health and safety top priority in our social policy. In this area, we have set objectives which are amongst the most ambitious of all of the companies in the water and waste sectors – including the zero fatal accident liability objective, regardless of the status of the person (employed, temporary, subcontractor, third party).

→ We are committed to working constantly to improve health and safety at work through a voluntary policy of hazard reduction, thanks to the development of training programmes dedicated to occupational injury prevention and through the active involvement of all management staff in the launch, implementation and monitoring of the health and safety policy. The results in this field are taken into account in the managers' performance appraisals.

Quantitative objectives

- By 2016 reduce the frequency rate of work-related accidents in the Water activities to 5, and to 15 in the Waste activities; locally, achieve the best results in our activity sectors.
- Reduce the accident severity rate by at least 10%.

Progress objectives

- Boost and systematise health and safety visits on the ground involving members of the management staff of the subsidiaries.
- Increase the consideration of accidents involving temporary staff within the reports.
- Constantly improve the quality of life at work.
- Reduce the absenteeism rate.

Commitments

- no. 9** Contribute to a responsible economy through local employment and development
- no. 10** Work together on solutions and have an open dialogue with our stakeholders
- no. 11** Spread and share our expertise and knowledge
- no. 12** Promote access to essential water and sanitation services

**Priority no. 3****ENABLE OUR BUSINESSES
TO BECOME CONTRIBUTORS
TO THE ATTRACTIVENESS
OF REGIONS AND TO WORK
TOGETHER WITH OUR
STAKEHOLDERS TO BUILD
SOLUTIONS**

— **As the water and waste businesses are essential for the quality of life, the development of the local economy and the attractiveness of regions, our desire is to work in partnership with local authorities, industries and local people to build, together with them, solutions which respond to the many local issues.**

We therefore believe that a partnership-based approach to a project is as important for its success as the economic, technical and environmental performance of the solutions implemented. It is along these lines that we ensure an honest and loyal dialogue with our stakeholders, at every level in the Group, and that we implement partnerships and governance methods that are synonymous with creation of shared value.

Similarly, as we are certain of the need for interaction between the competitiveness of companies and the vitality of regions, we actively contribute to their socio-economic development through the promotion of local companies, the dissemination of good practices in management and risk control, the creation of local jobs and professional integration of people in difficulty.

As part of our responsibilities, we act to make access to water and sanitation operational, in both developed and developing countries. We offer local authorities our expertise in the preparation of more voluntary policies for access to water and sanitation, and we assist them on the spot, if they wish, in the implementation of specific solutions. ●



Commitment no. 9

CONTRIBUTE TO A RESPONSIBLE ECONOMY THROUGH LOCAL EMPLOYMENT AND DEVELOPMENT

Through their businesses, sites and culture, our companies are deeply rooted in the communities we serve. As partners in local development, we contribute to the creation and retention of jobs – directly, through our own activity, and indirectly, through the purchasing policy and use of subcontracting. We also contribute to the integration of young people in the professional world through our policies of supervised work experience, apprenticeships and local recruitment.

→ SUEZ ENVIRONNEMENT also contributes to the economic dynamism of regions by working on a daily basis with a high number of small and medium-size enterprises and favouring collaboration with local suppliers. Its responsible purchasing policy, which involves subcontractors and suppliers in its sustainable development requirements, contributes to the progress of the entire sector and encourages the emergence of eco-industries. This responsible approach characterises collaboration with structures from the social and welfare sphere and with those which employ disabled people.

Quantitative objective

→ Every year, produce a case study on the economic and social impacts of the activities of the Group in a region and publish it in our Sustainable Development report.

Progress objective

→ Contribute to the balanced development of regions by favouring local suppliers* (indicator: percentage of purchases made at regional SMBs) and structures employing disabled people (indicator: amount of purchases entrusted to suppliers employing disabled people).

* SUEZ ENVIRONNEMENT has signed the Charter of relationships between major contractors and subcontractors (France)



Commitment no. 10

WORK TOGETHER ON SOLUTIONS AND HAVE AN OPEN DIALOGUE WITH OUR STAKEHOLDERS

Achieving the transition towards a green economy is not only a question of knowledge and eco-technologies. It also involves bringing about change in project governance, in order to optimise their suitability to the needs of regions and their environmental, economic and social performance, thanks to an initiative to work together with our stakeholders.

- On the strength of this conviction, we are committed to involving our clients in the creation of new solutions, and developing contracts which establish a joint decision-making process, as well as sharing the risks and benefits between the two parties.
- In addition and in response to a legitimate aspiration towards more local democracy and transparency, we are committed to offering local authorities our experience in the field of local dialogue, and to providing access to information for the users of our services, thereby enabling them to make an informed decision.
- Lastly, we are committed to enhancing our focus on active dialogue with all our stakeholders, from consultation meetings at site level to *stakeholder sessions* organised at Group level to improve the suitability of our strategy for the expectations of civil society.

Progress objectives

- Propose to the authorities implementing dialogue structures with stakeholders during the signing of new contracts of considerable size*.
- Systematise, for complex industrial site projects with major regional importance, dialogue upstream with all stakeholders, and on each occasion perform an advanced analysis of the regional impacts (indicator: number of debates and public meetings).
- Regularly organise *stakeholder sessions* at Group level, with a view at involving NGOs, elected representatives and experts in the development and evaluation of our Sustainable Development policy.

* Towns with over 300,000 inhabitants



Commitment no. 11

SPREAD AND SHARE OUR EXPERTISE AND KNOWLEDGE

As a change of scale is necessary to implement the new eco-industrial solutions across the board, we are multiplying cooperative initiatives to encourage the development of knowledge, the transfer of skills and innovation in our businesses.

- We are committed to spreading our knowledge on the preservation of resources and protection of the environment through schools, universities and ongoing training organisations, and to supporting the development of operational training sectors designed for developing countries*. We also encourage transfers of skills for the benefit of local operators through dedicated programmes such as *the Water International Knowledge Transfer Initiative (WIKTI)*.
- Finally, we contribute to boosting research in our fields of activity through numerous partnerships with institutions and universities, in France and at an international level, in connection with our own network of research centers. We also encourage downstream innovation applied through the Blue Orange investment fund, which assists in the development of young companies specialising in new water and waste technologies.

Quantitative objective

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

Progress objective

- Support environmental and social initiatives in regions and increase the number of people we reach with our Sustainable Development awareness-raising campaigns (indicator: number of environmental, social or corporate responsibility partnerships). The distribution of case studies on the economic and social impacts of our activities in the regions contributes to this objective.

*The SUEZ ENVIRONNEMENT "Initiatives" fund financed the creation, in partnership with AgroParisTech, of the international executive master IEM-OpT, a high level training course designed for future managers in the drinking water and sanitation sector in developing countries.



Commitment no. 12

PROMOTE ACCESS TO ESSENTIAL WATER AND SANITATION SERVICES

BENCHMARKS

Since 1990, the deployment of SUEZ ENVIRONNEMENT in developing countries has made it possible to provide access to drinking water for 12.8 million people (of which 11 million have individual domestic connections), and access to sanitation for 6.6 million people.

We have spoken publicly*, directly or through professional organisations, in favour of Resolution 64/292 on the “Fundamental right to water and sanitation” adopted by the General Assembly of the United Nations in July 2010. We assist local authorities in the operational implementation of this right, in developed and developing countries.

- The Group is committed to offering its experience to the authorities to perform a diagnosis of access to essential water and sanitation services as well as an evaluation of the social impacts of the pricing structure. It then proposes potential corrective measures, for example, in the case of pricing, providing access to water for all households.
- Through the SUEZ ENVIRONNEMENT Initiatives Fund, the Group is also directly involved in social integration actions and in projects which promote access to essential services in developing countries. This commitment to welfare of the Group goes hand in hand with that of its employees through the organisation Aquassistance, which voluntarily offers its skills and material resources to people in difficulty in the areas of water, environment and waste.
- Through these diverse actions, SUEZ ENVIRONNEMENT’s intention is to contribute to one of the Millennium Goals, adopted by the United Nations in 2000, which aim to reduce the proportion of people without access to drinking water or sanitation by half by 2015.

Quantitative objective

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

Progress objective

- Complete the Sustainable Development reporting device using indicators which enable monitoring of the Group’s contribution to the Millennium Development Goals and the implementation of essential rights to water and sanitation (number of people connected to services and parameters which form part of this right).

*http://www2.ohchr.org/english/issues/water/iexpert/docs/written-contributions/Suez_1.pdf

http://www.aquafed.org/pdf/Operators_Right-to-Water_PR_Pc_2006-03-19.pdf



EXOGENOUS FACTORS

Our business sectors are subject to a large number of exogenous factors that may influence our achieving specific performance targets in the medium term. Here are some examples of these factors:

- climatic conditions that have a direct impact on the consumption of our services and may also have a physical impact on the assets that we operate;
- changes in regulations that may speed up certain trends or slow them down;
- economic cycles, which have an impact on the demand for secondary raw materials;
- major changes in the scope of our activities.

SUEZ ENVIRONNEMENT is committed to providing explanations on the main impacts, in terms of economic, environmental and social performance, that these factors could have on the medium-term goals that the Group has set. It also strives to provide explanations on actions that have been implemented to reduce these impacts. ●



IMPLEMENTATION, MONITORING AND CONTROL OF THE COMMITMENTS

— **The 3 pillars and 12 commitments of the 2012-2016 Sustainable Development Road Map apply to all employees of SUEZ ENVIRONNEMENT. They are integrated into the operational management of the Group and of its subsidiaries through action plans corresponding to the objectives presented in this document. The objectives to achieve by 31 December 2016 are implemented within the subsidiaries, based on their situation on 31 December 2012.**

Performance in relation to the 12 commitments is measured regularly by indicators, at the scale of sites and contracts, and at the consolidated level of the Group, so that it can carry out its activity and demonstrate progress achieved.

It is also examined during financial performance reviews and budget setting, according to a frequency which is specific to each subsidiary – at least once a year.

When analysing the investments proposed to them, the investment committees take into account the need to adapt to the objectives corresponding to the 12 commitments.

Finally, the internal audit and control department integrates several aspects of the implementation of the Sustainable Development policy into their programme and organisation, in coordination with the Group's Sustainable Development department. ●



OUR PRINCIPLES OF ACTION AND ORGANISATION

Ethics and governance

Formalised through a Charter for ethics and a Practical guide, four fundamental principles guide the behaviour of our employees, who are committed to:

- acting in accordance with the law and regulations,
- establishing a culture of integrity,
- demonstrating loyalty and honesty,
- respecting others.

Furthermore, at the Group level, we have set up procedures of transparent and responsible governance. Thus, among the four committees attached to the Board of Directors, an Ethics and Sustainable Development Committee, chaired by an independent director, monitors compliance with the individual and Group values on which the Group's action is based, and the rules of conduct that each of its employees must apply. These refer explicitly to the specific responsibilities of the Group with regard to protecting the environment and Sustainable Development.

The Group's objective is to implement a code of good conduct concerning responsible lobbying. It also plans to reinforce all employees' awareness of its ethical rules especially including through the continuation of training programmes and increased ethical reporting.

Respect for human rights

SUEZ ENVIRONNEMENT raises awareness in its subsidiaries everywhere in the world to ensure that human rights are respected in operating units and on suppliers' premises, in accordance with international rights and standards. We have intensified the training of employees in these topics. The Group also carries out internal assessments within its subsidiaries.

Reporting and transparency

SUEZ ENVIRONNEMENT reports on the results of its Sustainable Development policy by publishing consolidated data, in accordance with the *Global Reporting Initiative* and *Global Compact*, with a view to gradually achieving a level of reliability equivalent to that of the financial data. The Group regularly reports back on the progress of its actions in committees of independent experts*, and submits its Sustainable Development policy to a panel of stakeholders for advice and enhancement.

Voluntary involvement

The ethical rules and Sustainable Development commitments of SUEZ ENVIRONNEMENT are fully consistent with the principles that the Group commits to respecting by adhering to the following charters:

- Universal declaration of Human Rights of 1948 and Additional pacts,
- International Labour Standards agreements,
- Guiding principles of the OECD for multinational companies,
- United Nations Convention against corruption,
- United Nations Global Compact. ●

* Notably the Foresight Advisory Council (FAC)



SUEZ ENVIRONNEMENT'S SUSTAINABLE DEVELOPMENT POLICY

I. Organisation

The Group's Sustainable Development policy is established and managed by the following entities:

1. The Ethics and Sustainable Development Committee

It is set up by the Board of Directors (*see Principles of action*).

2. The Sustainable Development steering committee

It consists of the Group's Sustainable Development department, the operational departments and the Sustainable Development correspondents in the main subsidiaries of the Group.

It prepares Sustainable Development action plans, ensures coordination between the operational departments and the subsidiaries, and carries out a periodic review of the progress made in the Sustainable Development policy.

It validates approaches and actions proposed by the Group's Sustainable Development department.

3. The Group's Sustainable Development department

It proposes Group Sustainable Development policies and strategies to General management. Its role is to:

- encourage and coordinate the Sustainable Development action plans of the operational teams and subsidiaries to homogenise performance of the Group's time-specific and quantified objectives;
- launch new policies to respond to emerging opportunities and risks;
- manage the relationship with auditors and ratings agencies, and participate in conferences and represent the Group at various forums;
- report on internal and external performance;
- train and inform the employees of SUEZ ENVIRONNEMENT on the risks and opportunities generated by the Sustainable Development concerns of our stakeholders.

II. Implementation

The Sustainable Development policy is implemented through a network of correspondents in the operational entities and teams of the subsidiaries and central services of the Group. Setting performance objectives is based on the hierarchical scale of those responsible for subsidiaries.

The role of the Sustainable Development correspondents, within their subsidiary or company is to:

- develop the Group's Sustainable Development policy;
- implement their subsidiary's Sustainable Development action plans;
- integrate the Sustainable Development dimension into the different processes, especially relating to budget and strategy;
- inform, mobilise and train employees regarding Sustainable Development;
- disseminate good practices within their entities and within the management of the Group;
- report on the progress of action plans to the Group's Sustainable Development Department. ●



Coordination

Sustainable Development
department
Communications department
of SUEZ ENVIRONNEMENT

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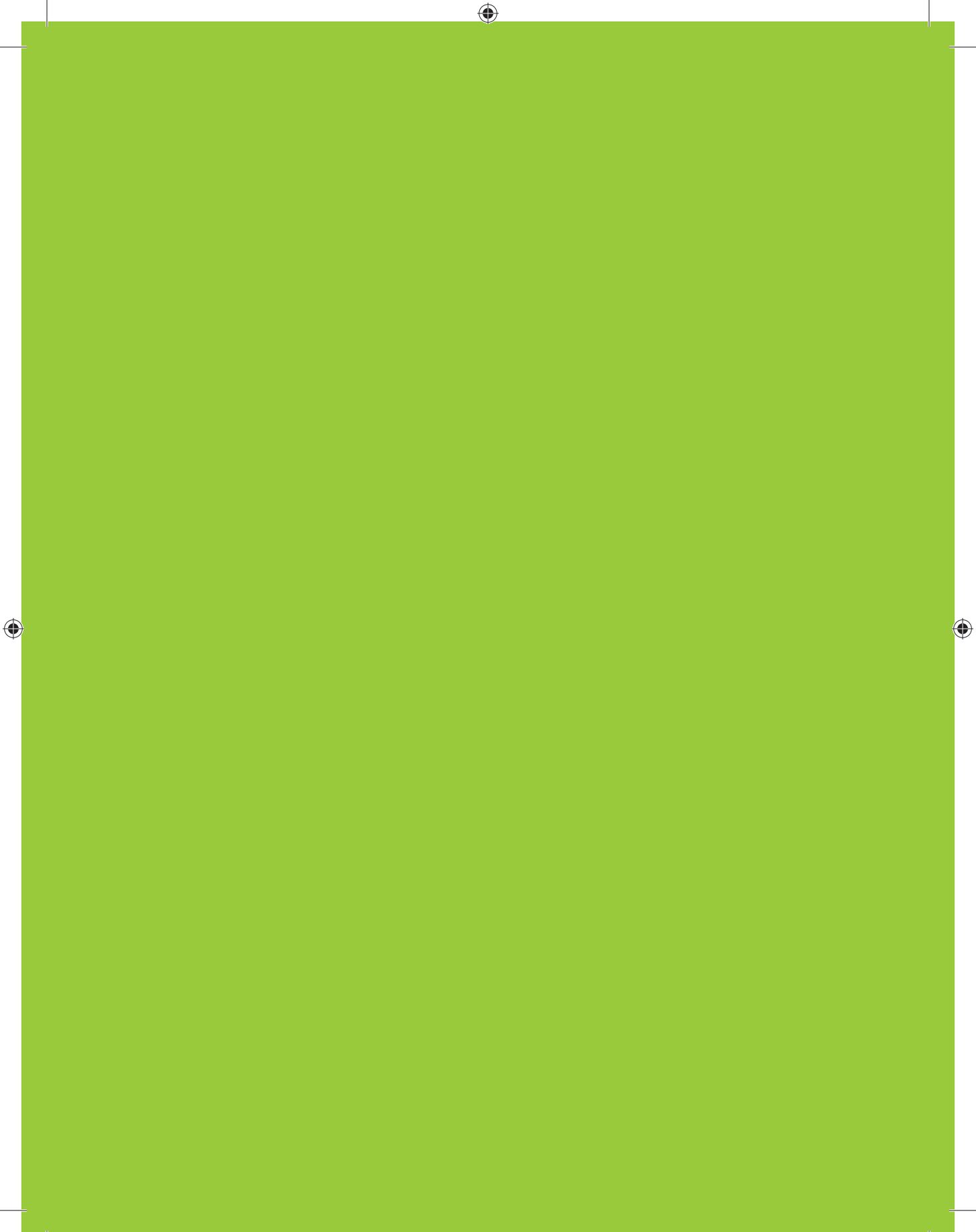
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