



CEO WATER MANDATE COMMUNICATION ON PROGRESS

September 2010

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Water and Sustainable development: A cornerstone of GDF SUEZ Strategy

Water scarcity continues to be a major issue in this new century. As a consequence of demographic and urbanization growth, water and sanitation needs will increase dramatically. Today, more than half of our planet's population lives in cities. As this urbanization trend continues, there will be an estimated 19 megacities with populations of more than 10 million by 2020.

The world's governments agreed at the Millennium Summit to halve the number of people who lack access to safe water, mainly in the cities, by 2015. To do so, water and sanitation management remains vital in both developing and developed economies.

In this context of heightened social, political and regulatory pressures, GDF SUEZ aims to contribute solutions for the long term. Active in energy and environment, the Group strives to maintain a balanced, ecological footprint throughout its businesses to promote sustainable installations for its own activity and for its customers'.

Its research and innovation efforts support new technologies and tailor-made solutions for sustainable water management.

GDF SUEZ also considers stakeholder dialogue as pivotal in finding innovative and adapted solutions.

GDF SUEZ is a signatory to the United Nations Global Compact (UNGC) Principles, which seek to promote responsible corporate citizenship. Having established conservation and preservation of natural resources as key priorities in its day-to-day management, the Group joined early the CEO Water Mandate initiative of the UNGC.

By signing the CEO Water Mandate, our Group would like to confirm that ecological footprint including water sustainability is a corporate priority.

As CEO of GDF SUEZ, I am pleased to renew the Group's commitment to the CEO Water Mandate. As a global industrial company, we aim to use water even more efficiently within our own operations, by adopting innovative new technologies, continually improving processes and raising awareness among our employees, clients, suppliers and all stakeholders.

Gérard Mestrallet
Chairman and CEO
September 15, 2009

1. Direct Operations

Energy, water and waste treatment are indispensable to the economic and social development of over six billion human beings. Because these activities are strategic for humanity, GDF SUEZ aims to become a major benchmark in sustainable development.

The two lines of business – energy and water – of GDF SUEZ, are dealing directly with the major issues of integrated water resources management and sanitation. In this context of heightened social, political and regulatory pressures, the Group provides solutions for the long term: GDF SUEZ has chosen to include Water as a key factor in each of its operating processes in order to maintain a balanced, ecological footprint, to promote sustainable installations for its own industrial plants and for its clients and encourage research and innovation for new technologies.

The GDF SUEZ Group intends to satisfy in full its social responsibilities in every country where it does business. This commitment takes on particular importance in the current economic and financial crisis.

The Group seeks to incorporate a social aspect in its responses to requests for proposals, as well as a long-term social engagement to ensure the longevity of its business activities and their acceptability to the various affected communities.

This approach is now mobilizing significant resources in terms of social engineering, both centrally (particularly from the Strategy and Sustainable Development Division) and in the Group's operating entities.

GDF SUEZ is deeply rooted in the regions where it operates, and intends to serve as a socially responsible enterprise everywhere in the world. It is engaged in long-term activities that provide essential services to populations (energy, water, waste services, etc.), and is a major player in local sustainable development. It adds value in a number of important development areas, including:

- installing new infrastructures (electricity, gas, water, etc.),
- improving living conditions through access to services, especially for underprivileged populations,
- encouraging economic development in the regions where it operates,
- acting in solidarity to assist the most disadvantaged,
- preserving the environment,
- creating local jobs,
- exerting a positive impact on local economies (supporting local small and medium-size businesses),
- working with collective entities and volunteer organizations.

In its projects, the Group is involved in numerous socially-related activities, a number of which have value as pilot projects in social innovation.

1.1. Water is part of GDF SUEZ Sustainable Development policy

GDF SUEZ is a multi-utilities energy services company. Water is part of GDF SUEZ sustainable road map.

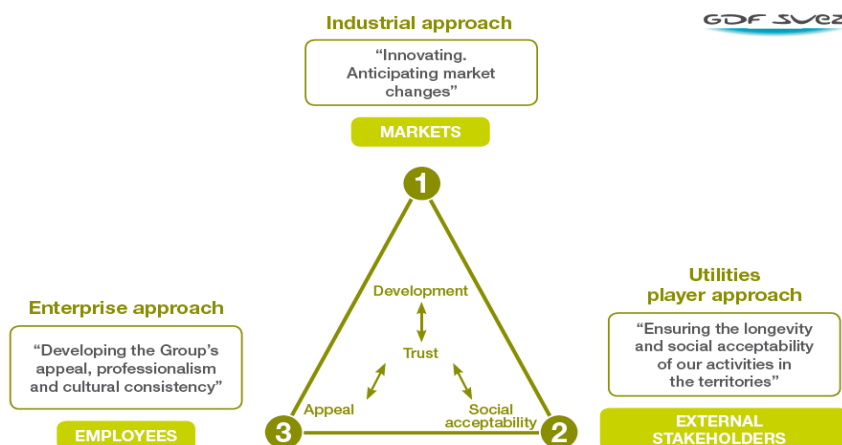
GDF SUEZ, a supplier of services that are essential both to life and to the economy (energy, water and waste services) must take into account of the major pressures of the 21st century. The Group, a major international industrial operator, has decided to address those challenges through:

- Practical, innovative solutions for sustainable development that anticipate economic, social and environmental changes
- Listening to and maintaining a dialogue with stakeholders (including current and future employees, NGOs and humanitarian organizations, shareholders, and the financial community);
- Environmental and social policies specially designed to assist disadvantaged populations.

In order to strengthen this corporate strategy, the Group have define a Sustainable Development Policy.

To develop its sustainable development strategy, the Group identifies, analyzes and prioritizes the various challenges it faces. Taking into account these challenges and stakeholder expectations, the Group then defines the kinds of relationships, responses and actions it should pursue. The sustainable development policy that articulates this strategy aims to serve as a lever for growth and for risk control. It is based on three main orientations:

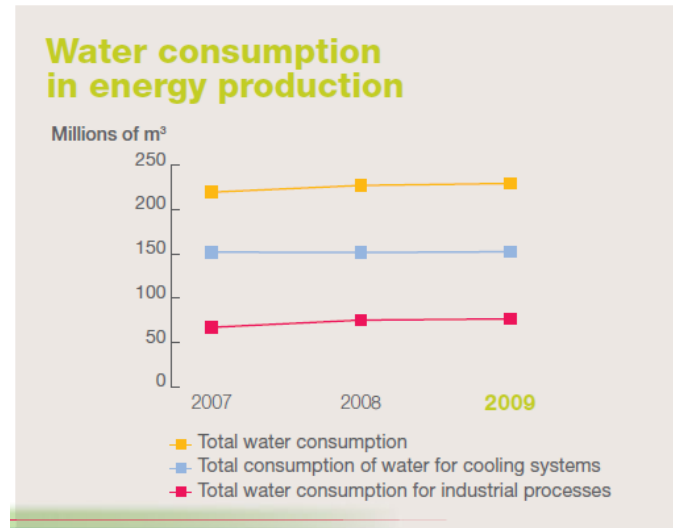
1. Innovating. Anticipating market changes.
2. Ensuring the longevity and social acceptability of our activities in the territories.
3. Developing the Group's appeal, professionalism and cultural consistency.



GDF SUEZ Sustainable Development policy is mainstreamed in the whole Group. It is put into actions throughout GDF SUEZ's business lines and business units. Each entity designs and implements an action plan based on the three policy orientations established by the Group. These lines are adjusted to fit the specific situations of each business. Every year we evaluate the implementation of the action plan and how much progress each business has made. For 2009-2010, the Group's efforts will concentrate on the elements in this table.

1.2. Our consumptive use is only a fraction of the total withdrawal, since a lot of the water abstracted from rivers is returned after use close to the point of abstraction. This is the case for cooling water used in thermal power plants, but also for urban water supply, where 70 to 90% of the resource abstracted is returned to a receiving water body as treated waste water. Therefore, for many sites the environmental responsibility of GDF SUEZ lies mostly in the **quality** of those return flows (temperature and pollutant load) that should not harm the aquatic ecosystems, rather than in the **quantity** of water abstracted. The Group used 239 million m³ of water in operating all its installations.

Group water consumption



Source: 2009 Activities and sustainable development report.

1.3. Water is part of the research and innovation strategy.

To support its direct operations, GDF SUEZ is investing in research and innovation to develop new technologies. The Group's research and innovation efforts aim to improve the safety and productivity of industrial processes, reduce the environmental impact of human activities (ecological footprint, and develop solutions that will meet customers' needs and expectations while preserving the Earth's resources (cf chap 3 collective actions).

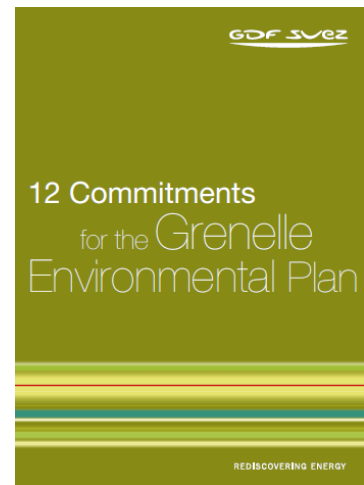
1.4 GDF SUEZ has taken strong commitments at the French national "Grenelle de l'environnement"

Since 2007, France has engaged in a vast movement to involve all public constituencies (politics, associations, businesses, unions, researchers, etc.) in implementing a national environmental preservation strategy. GDF SUEZ, a major player in sustainable development in France, has been heavily engaged in this work, and has signed a set of 12 voluntary commitments to mark its involvement in the process.

12 Commitments to the Grenelle environmental Plan

As a professional in the energy, water and waste services businesses, GDF SUEZ is committed to ...

1. Providing solutions to address the Grenelle's ambitious goals for environmental and energy efficiency in buildings.
2. Participating in the transition toward low-carbon energy production, both in France and internationally.
3. Offering competitive and environmentally-friendly solutions for passenger transportation.
4. Promoting a circular economy based on the reduction, reuse and recycling of waste.
5. Focusing R&D on sustainable development.



6. Taking measures to combat waste by improving the yield of potable water systems: in order to save the equivalent of the water consumption of a town of 700 000 inhabitants between now and end-2010 in France.

7. Developing public-private partnerships.
8. Incorporating biodiversity into the management of Group sites before the end of 2009 in France, and by 2012 in Europe.
9. Hiring 114,000 employees by 2014.

As a CSR company, GDF SUEZ is committed to ...

10. Making efforts to reduce its environmental impact and to turn employees into ambassadors for sustainable development.
11. Pursuing active dialogue with its stakeholders at all levels of Group governance.
12. Persuasively demonstrating to its shareholders that the Group's sustainable development strategy is an asset.

A brochure is available for download at the Group's site:

<http://www.gdfsuez.com/document/?f=files/en/suez-gdf-grenelle-uk.pdf>

1.5 SUEZ ENVIRONNEMENT: a world leader in water and waste water treatment

GDF SUEZ's environmental businesses are grouped around its SUEZ Environnement subsidiary, the world leader that operates exclusively in the water and waste treatment business, in which it has a 35% stake.

SUEZ Environnement and its subsidiaries are committed in daily life to meet the challenge of preserving resources and protecting eco-systems by providing innovative solutions in the areas of drinking water, sanitation and waste management.

SUEZ Environnement is:

- 65,400 employees,
- 1.6 billion cubic meters of drinking water distributed,
- 2,5 billion cubic meters of drinking water produced,
- 2.1 billion cubic meters of wastewater treated,
- 39.6 million tons of waste treated,
- more than 500,000 customer in services and industry.



Active on every continent, SUEZ Environnement carries out 80% of its activities in Europe. Beyond those borders, it distributes or sanitizes water and treats waste in New York, Hong Kong, Perth, Jakarta, Casablanca, Alger and Barcelona, to name a few.

SUEZ Environnement is not an end user of water, but acts as a provider for various end users (households, industry, commercial clients, municipal departments, etc...). In an accounting system dealing with the use of water resources in a given territory, the volume of drinking water used in the networks managed by SUEZ Environnement should be allocated to the final users, and not to the service provider, so as to avoid double accounting. SUEZ Environnement own consumption consists in the losses in the water systems that we manage. Therefore we see those losses as the most relevant indicator for monitoring our progress on quantitative aspects of water use.

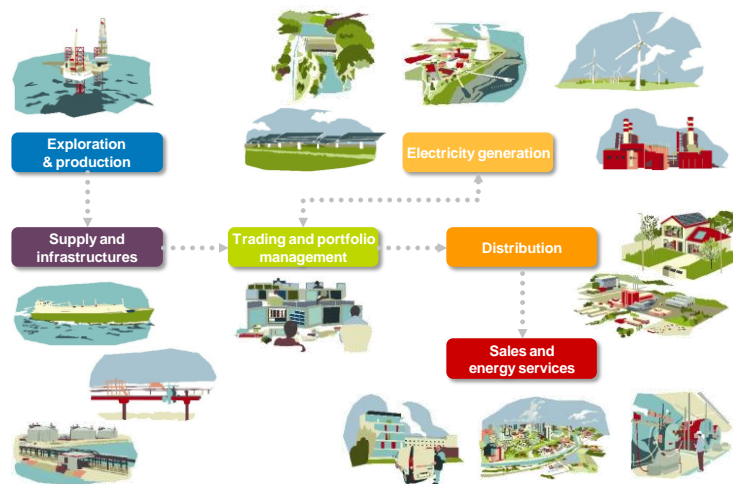
SUEZ Environnement's business areas span the entire water value chain:

- collection, treatment and distribution of drinking water,
- collection and treatment of wastewater, including industrial wastewater,
- recycling and recovery of wastewater sludge

In the waste area, SUEZ Environnement orients its services to waste recycling, now viewed a resource in the value chain of energy production, or towards other recycling subsidiaries (for example, steel, glass, plastic, papers, electronic equipment, and batteries).

1.6 GDF SUEZ: global leader in independent power generation.

The other part of GDF SUEZ's environmental impacts is the energy activities. Through those activities, GDF SUEZ has a presence across the whole energy value chain.



Main GDF SUEZ energy activities – key figures:

- 61,140 employees,
- 322 TWh electricity sales
- 561 TWh gas sales
- 208 billion cubic meters of water used for industrial or cooling process.



1.7 GDF SUEZ has several examples of best practices. Examples:

Melbourne: Southern hemisphere's largest desalination plant

A double record for the contract Degrémont won in July 2009, in Australia's Aquasure Joint Venture: on the one hand, the largest seawater desalination unit to be built in the southern hemisphere, and on the other hand, the world's largest public-private partnership project in the desalination sector. Located 80 km from Melbourne, the project, undertaken by the State of Victoria, involves building and operating the plant in accordance with very strict energy and environmental guidelines. Capacity will total 450,000 m³ of drinking water per day and cover one third of the Melbourne metropolitan area's water needs by end-2011. Over time, an additional treatment line is envisioned, increasing capacity to 600,000 m³. The plant will also play the role of integration into its environment and preservation of natural resources: green roof, ambitious replanting program, protection of fauna. In turn, the energy needed to produce and deliver drinking water will be 100% renewable, originating specifically from a new government wind farm.

China ♦ Drinking water for 1.2 million inhabitants

At the end of September, Gérard Mestrallet, Chairman and CEO of GDF SUEZ, signed two large contracts with China's Chongqing Water Group. The first agreement, a drinking water concession in the city's Yuelai zone (Chongqing province) – the largest metropolitan area in the world – provides for the construction and operation of a world-class drinking water treatment plant and a joint venture between Chongqing Water Group and SUEZ Environnement. The future plant will supply drinking water to over 1.2 million people. The second contract is a concession for industrial and waste water in the Changshou chemical industry complex near Chongqing. It may continue via an alliance in the operation and technological upgrading of the existing facilities at the complex.

Increase the technical efficiency of drinking water networks: Committed to fighting leaks.

Drinking water is a precious and increasingly costly resource. SUEZ Environnement is committed to decreasing drinking water waste through reducing leaks in the water distribution system.

As part of its sustainable development policy, by 2010 Lyonnaise des Eaux will have saved the equivalent of the drinking water consumed annually by a 700,000-person town.

A technical water distribution centre, specialising in the identification and localisation of leaks, has now been set up to serve the entire company. Employees are trained specifically to combat any water loss, and net losses across the entire system are centrally monitored. Remote detection systems have also been instituted in Dijon, Corbeil and Orléans. Two hundred fifty priority contracts have been established and are closely tracked, with the aim to have zero priority contracts by 2010.

Monitor leaks with the Permanent Pre-Location system

A series of different techniques are used to identify leaks across the network, but most are based on the use of ultrasound waves or, more recently, helium gas.

In Dijon, Lyonnaise des Eaux has established an innovative scheme for the identification of leakages called Permanent Pre-Location. One hundred sixty-five acoustic detection devices are distributed across the network, providing constant surveillance. Information is transmitted by GSM technology, allowing rapid reaction as soon as a leak is detected.

Dolce Ô, a range of new services for households

With “Dolce Ô”, Lyonnaise des Eaux provides households with “services for a comfortable, more economic and ecological home”. This range offers three high added-value services:

- the “leak alert service” for fast detection of leaks;
- the “remote meter-reading service” to ensure billing is based on actual usage;
- the “leak insurance and assistance” service which allows the customer to be reimbursed for overconsumption due to leaks, including repair assistance and legal assistance.

These new services are also aimed at professionals in housing associations and managers of real estate complexes, for whom Lyonnaise des Eaux has created its “PRO” range. This range offers solutions for more precise water management: usage alert and analysis tools, multi-meter management, precise allocation of charges, etc.

It also includes Leak Alert and additional services such as rainwater recovery and energy extraction from wastewater.

Combatting water loss

Nuove Acque, a subsidiary of SUEZ ENVIRONNEMENT, is responsible for managing water services and water treatment in 37 communes around Arezzo (Tuscany, Italy), an area with some 350,000 inhabitants.

The company was awarded Tuscany's Eco-efficient Company Award for 2008 for reducing leaks across the water distribution network and for the quality of its management services. The prize recognises the efforts made by Nuove Acque to optimise water treatment systems and to reduce both visible and hidden leaks across the network.

These efforts, part of a well-established programme at Nuove Acque, were intensified in 2007 as part of the implementation of an Emergency Water Plan. A team dedicated to identifying leaks has been set up, employing state-of-the-art detection techniques.

In the Arezzo basin alone, water leakages have been reduced by 1.5 million m³ since the team was set up, which is equal to the annual consumption of a 30,000-person town. In a region historically affected by frequent water shortages, the over exploitation of resources has been avoided and service continuity guaranteed.

Mexico: Improving sanitary conditions, prolonging water usages and conserving resources

Due to demographic pressure, the urban wastewater market is growing rapidly: it represents half the world's water treatment activities.

Degrémont has the expertise needed to offer treatment processes appropriate to the final usage of the effluents, to the changes in environmental and health legislation, along with seasonal, meteorological and demographic variations.

Physical-chemical or biological treatment, aerobic or anaerobic, suspended or attached growths, ozonisation, membrane bioreactors, etc. Many processes that Degrémont implements to ensure its customers the excellent sanitary quality of the treated water and offer them the opportunity to reuse effluents with a view to conservation of natural resources.

Technologies assigned to drinking water production – sand filters, ultrafiltration membranes, ultraviolet rays – then supplement conventional treatment processes. For example, this is how the San Luis Potosi facilities (Mexico) ensure the recycling of 86,500 m³ of wastewater every day. This is then used for agricultural irrigation purposes or else to contribute to cooling equipment in a neighbouring thermal power station.

The solution for local communities

Natural resources are not infinite. Each and every day, SUEZ Environnement and its subsidiaries rise to the challenge of protecting these resources by providing innovative drinking water, waste water and waste management solutions to millions of people and industries

With 62,000 employees, SUEZ Environnement is the only global company, present on five continents exclusively dedicated to environmental services.

The Edelway package is a major sustainable development initiative from SUEZ Environnement. It combines all the solutions with the potential to improve local community environmental performance through contractual commitments to protect biodiversity, reduce greenhouse gases and preserve natural resources. The solutions and technologies provided by Edelway are matched to local needs and conditions and applied across the board, both for drinking water and sanitation and in the treatment and recovery of waste products.



ONDEO Industrial Solutions

Every day hundreds of industrial sites count on Ondeo Industrial Solutions' engineers, operators and technicians to provide them advanced and optimised water and wastewater treatment solutions.

Ondeo Industrial Solutions provides a one-stop shop for all industrial water cycle related needs. From raw water to wastewater treatment, we can provide our customers with operations, maintenance, engineering and equipment solutions.

With 7 subsidiaries across Europe, our company operates through 3 brands:

Ondeo Industrial Solutions: Sales of operations, maintenance and engineering services with offices across Western Europe and activities in all of Europe.

Infilco: Sales of modular equipment and related services with locations in France and activities in Africa and South America.

Purite: Sales of modular equipment and related services in the United Kingdom.

Ondeo Industrial Solutions is a subsidiary of SUEZ ENVIRONNEMENT.

Canal project linking the Red Sea and the Dead Sea

Coyne et Bellier, a subsidiary of Tractebel Engineering (GDF SUEZ) has won the contract for the technical-economic and environmental feasibility study for the canal project linking the Red Sea and the Dead Sea. The feasibility study, lasting 24 months, will amount to a sum of nearly \$ 7 million.

The project will consist of transporting, via a 200 km long canal, around two billion m³ of water per year with the aim of restoring the water level of the Dead Sea, a natural, historical and economic site of foremost importance. It also provides for drinking water production, in particular for the urban agglomeration of Amman, and electricity generation. It will provide the beneficiary countries of Jordan, Israel and the Palestinian Authority with an opportunity to cooperate on a major project, thereby promoting the efforts for peace in the region.

This study will be overseen by a Technical Committee consisting of representatives from the World Bank and the countries concerned: Jordan, Israel and the Palestinian Authority. The total cost of the study, which will last 24 months, is estimated at \$ 7 million. The financing for it will be provided by France, Japan, the United States of America, the Netherlands and Greece.

Around twenty international groups had expressed their interest in this study and six of them were selected to present a tender. After a hotly contested process, the proposal from the group led by Coyne et Bellier was judged by the World Bank to be the most appropriate. Coyne et Bellier will work in association with Tractebel Development Engineering, a Belgian subsidiary of Tractebel Engineering (SUEZ), and KEMA Nederland BV in the Netherlands.

Combining Energy efficiency and sustainable water management with cogeneration

Elyo Italia will finance, build and operate an economically, environmentally and energy efficient cogeneration facility for the Cuneo site of Michelin Italiana. An example to be followed.

Powered by natural gas, the combined cycle gas turbine facility will supply all power and heat, using the best energy and environmental technologies. Any electricity not used by the Michelin site will be sold on the electricity market, while unused heat will be supplied to Cuneo's urban heating network. This "free" energy will be completely recovered from production, without additional fuel consumption, creating additional energy savings and completely eliminating the associated atmospheric emissions, a problem which Michelin has always considered to be crucial.

The final assessment is very promising :

- ◆ Cost reduction in the energy supply;
- ◆ Greater energy efficiency in the production system and reduced emissions;
- ◆ A water treatment process that minimizes use of chemicals;
- ◆ Maintenance of the **water in the water table**;
- ◆ Less visual impact and noise from the equipment.

The cogeneration plant will take two years to build and will be operated and managed by Elyo Italia for 15 years.

Sustainable desalination

SUEZ Environnement is the world leader in the “reverse osmosis” technologies that have generated the global expansion of desalination by reducing energy consumption. This program is designed to optimize the technology and develop new related processes.

Of 70 cities with no direct access to an additional source of freshwater, 42 are in coastal areas. Indeed 39% of the world’s population, 2.4 billion people, live within 100 km of the sea.

These two facts make desalination of seawater or brackish water an entirely viable alternative for drinking water production And the raw water resource is virtually inexhaustible.

Degremont was historically a groundbreaker in desalination by reverse osmosis and now has more than 250 facilities to its name, producing some 2 million m3 of water every day.

A pioneer in the use of reverse osmosis desalination – its first facility, on the Ile de Houat (France), opened in 1972 – Degremont offers customers well-tested solutions in this field, whether standard or custom-built. An offering that combines all the Group’s expertise in water treatment and professionalism as a builder and operator.

With 250 facilities already in service and 520 experts in design, construction and operation, Degremont commits to fast delivery of efficient, reliable facilities at optimum investment and operating cost. Degremont designs original processes and incorporates the most efficient technologies available to design technical solutions tailored to its customers’ needs.

With a wide range of products at their disposal, the Group’s desalination experts select the best technical combination for the job. Their goal is to optimise every treatment stage, but the purification stage is the key. This is because the throughput of the membranes, and hence the plant’s smooth running, reliability and robustness, depend on the purity of the water reaching the membranes.

Middle east desalination projects

SUEZ Environnement is involved in several projects in water treatment and desalination in the Middle East, such as in Dubai or Qatar ; the company recently won the contract to manage drinking water and wastewater services for the city of Jeddah and just inaugurated the As Samra new wastewater treatment plant for the Grand Amman in Jordan.

The third success in the Middle East for GDF SUEZ Energy International this year was winning the contract to build, own and operate the Al Dur 1 electricity production and sea water desalination plant in Bahrain. Al Dur 1 will have power production capacity of 1,234 MW and handle 218,000 m³ of water per day. It will be the largest desalination plant in the Middle East using reverse osmosis technology. Three similar production plants are expected to be built over the next twenty years

Sustainable Water Management in GDF SUEZ Energy Generation North America

Limiting the use of water is a priority for the whole Group. In that respect, all our power plants in North America have committed themselves in extensive internal water conservation and reuse programs, not only in for the water used in industrial processes but also for the water necessary for cooling systems. The reuse is particular for a variety of purposes such as the recycling of condensed water from steam host which would be lost otherwise in Cogenerations plants.

Reusing has a very positive impact on water consumption but saving water is also crucial. Consequently, several plants replaced water-cooled condensers by air-cooled condensers when possible, eliminating the use of a huge quantity of water for that application. Because this alternative was not an option for technical issues, some other plants were built with a closed cooling water systems, so there is no water released there. GDF SUEZ does not only about using less water, it also cares about the quality of the water used and sent back into the environment. Indeed, some of our plants have a controlled discharge point downstream of a collection basin, allowing settling and buffering to occur before discharge while some other plants have zero liquid discharge systems, and so do not release water into a receiving stream.

At last but not least, some of our facilities have developed deep wells to draw brackish water to the surface, treat it and use it in the process rather than draw from the uppermost aquifer, because the public use of this water resource is a priority in many areas of North America.

Efficient outsourcing method to improve Hansweert - Krammersluizen waterway passage

GTI, a GDF SUEZ subsidiary, was awarded a contract by the Zeeland Division of the Directorate-General for Public Works and Water Management for the maintenance of the waterway between Hansweert and the Krammersluizen (Krammer Locks). The contract is the first step towards a new approach to outsourcing. In 2011, the Directorate-General for Public Works and Water Management intends to sign a single contract with one market party for the complete maintenance of the waterways, thereby eliminating dozens of fragmented contracts. The awarding of the contract proves that the Directorate-General for Public Works and Water Management has great confidence in the multidisciplinary approach to project execution and coordination by the Netherlands' largest technical service provider. GTI has been collaborating with the Zeeland Public Works Division since 1990 and has been responsible for the maintenance of objects on the province's waterways for 15 years.

Maintenance strategy

The contract concerns the permanent and incidental maintenance and upkeep of the electrical and mechanical engineering systems. GTI's aim in that regard is to raise the standard of the maintenance strategy pertaining to the maintenance of the entire waterway. By also pooling the maintenance of a variety of disciplines, the maintenance activities will cause fewer obstructions to waterway traffic. Strategic maintenance will also help lower the number of malfunctions on the waterway.

1.8 Participative public partnership (4P)

For SUEZ Environnement, a public-private partnership is a contract that respects the prerogatives of public authorities but also enables the integration of the additional skills of private players.

Its success is based above all on political determination with which it is created: the public authorities choose to delegate certain tasks according to their specific needs and constraints. The PPP adapts to them.

Reference is often made to the public-private partnership "model", when in fact there are several types of partnerships between public authorities and private operators to manage water and sanitation.

Their characteristics vary according to the needs of the local authority concerned. PPP differ in the degree of responsibility of the private operator, their duration, the tasks involved, and the mode of remuneration (by the public authority or the consumer).

- Delegated management contracts
- Infrastructures contracts
- Support for service management

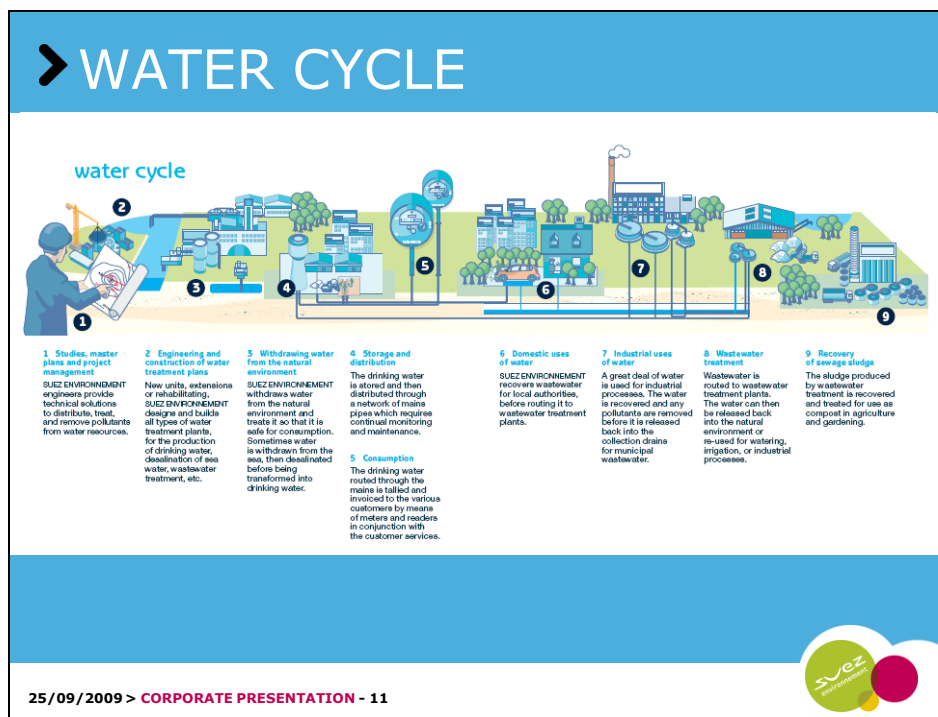
SUEZ Environnement has created a new participative PPP called 4P (participative public-private partnership). This innovative is an adaptable model for areas with little or no access to water, especially in Africa. These areas are referred to as “intermediary” zones, where neither corporate sponsorship nor the traditional business model is suitable.

1.9 Raising awareness on water sustainability is strategic for sustainable development

GDF SUEZ believes that raise awareness on water sustainability is strategic for sustainable development at internal and external levels.

At internal level, the Group has launched several initiatives to raise the awareness of its employees for eco attitude campaign including water issues to tasting potable drinking water until Plants visits....

At external level, GDF SUEZ is organizing stakeholders panels and participating to several national educational campaign related to water cycle... and is participating to various panel on the cross links between energy and water /water to energy (UNESCO, planète durable...).



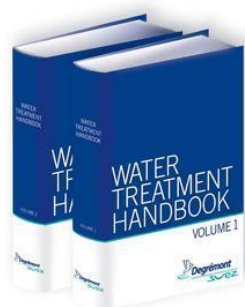


The Green Attitude Guide: water is part of it

Educating employees about the challenges of sustainable development and the Group's policy for answering those challenges is one of GDF SUEZ's priorities. Sustainable development is fully incorporated in the training program for managers at GDF SUEZ University. Group managers can take a two-day course in understanding the challenges of sustainable development, the Group's policies, and the specific actions to be taken day by day in their businesses. This training encourages participants to think about case studies, first-person reports, and more, and helps them

understand how sustainable development creates value for the Group. The interactive approach and the exchanges between participants from all viewpoints are also a key factor in helping managers identify good and less good practices for sustainable development in their businesses. Sustainable development is also a course module in several other Group training programs, such as the one for new executives. Raising all employees' awareness is assisted by major events like the sustainable development week in France. A brochure about "green attitude" on the job is also distributed to encourage employees to become more aware of their responsibility to the environment.

<http://www.gdfsuez.com/document/?f=files/fr/gdfsuez-rad08-vf.pdf>



Water treatment handbook

In making this reference work available to all concerned by water treatment – from industry professionals to researchers and students – Degremont demonstrates its determination to pass on its knowledge and contribute to a more harmonious and sustainable way of managing water resources. The tenth French edition of the Handbook (Mémento technique de l'eau) was published in 2005, its English edition (Water Treatment Handbook) two years later, in June 2007. Both editions are available from publisher Lavoisier (www.lavoisier.fr).

In this new edition Degremont addresses all the most recent issues in water management: water stress, emerging pathogens, the new requirements of cutting-edge industry, sustainable development.

The book has been fully revised and updated with extensive new material (over 60% new text). It is exceptionally well illustrated with 1,447 figures, photos and tables, and proposes solutions that are economically, socially and environmentally viable. It is an indispensable technical reference book for all types of water (drinking water, wastewater and industrial process water) as well as sludge and biosolids. It covers every aspect of treatment: the technical foundations, quality and traceability, choice of suitable materials, technologies and processes, examples of treatment lines in operation. The Water Treatment Handbook discusses all technological developments in water treatment including seawater desalination by reverse osmosis, wastewater treatment and sludge treatment. It enables readers to grasp the essential technical concepts, understand the latest leading-edge technologies and apply the most suitable analysis methods and instruments.

An index of over 2,500 entries makes it easy to search the book for particular information. Forty-two writers contributed to the book. It has been designed by and for those who work hands-on in the field and is an indispensable tool for site managers, environmental managers, quality managers and maintenance managers, and all concerned in sustainable development. Water authorities, university documentation centers, design offices, local authority technical departments, water management companies, production units and local and regional public health authorities (DDASS, DRASS) will all find it a vital resource.

2. Supply Chain and Watershed Management

As a global industrial company, GDF SUEZ is convinced that companies can have a direct impact on water management in their own business, as well as an indirect impact.

GDF SUEZ has build a strong purchasing policy including sustainable development approach in order to respect the UN Global compact 10 principles.

Human rights is part of these principle and is incorporated into the Group's formal commitments: the CSR agreement for Gaz de France, signed in July 2008 with all European social partners, and the International Social Charter for SUEZ. These two documents explicitly refer to human rights and the International Labor Organization conventions. The agreements are currently under renegotiation with the social partners to establish a benchmark text on these matters for the new group. In the meantime, the previous two versions remain in effect. The actions to be taken cover:

- Purchasing practices
- Nondiscrimination
- The right to organize and the right to negotiate
- Prohibition of child labor
- Prohibition of forced or compulsory labor
- Safety practices
- Rights of local populations.

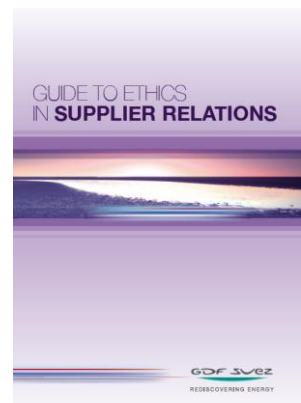
GDF SUEZ incorporates its environmental and social concerns in its purchasing procedures. For that reason, its contracting specifications include criteria for selecting suppliers and products as a function of its social and environmental commitments.

Purchasing officers at GDF SUEZ make sure their suppliers follow practices that comply with international standards, such as the "OECD Guidelines for Multinational Enterprises" or the "Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy" of the International Labor Organization – as well as SA 8000 and ISO 14000.

Specifically, the purchasing officer must make sure that suppliers comply with certain simple principles: products and services must meet the needs stated in our specifications; the supplier must comply with regulations on safety, worker well-being and child protection, and must commit not to discriminate in any form within its company or against subcontractors, and not to engage in any act of corruption; it must respect the environment in designing, making, using and destroying or recycling products.

Code of Conduct for Supplier Relationships

As part of the Group's values and its commitments to sustainable development, the Group hopes to include its suppliers in the same approach. In 2008 it developed a Code of Conduct for Supplier Relationships, asking suppliers to respect the charters and principles of the Global Compact on human rights, labor rights, preserving the environment, and ethics. This code is incorporated into all supplier contracts.



Suppliers assessment

In order to promote sustainable development within our suppliers, a self assessment survey was prepared including question on water management and consumption. The objective is to encourage our suppliers to reduce their ecological footprint and adopt environmental and more widely sustainable development policies.

3. Collective Action

The activity of GDF SUEZ, as a provider of public utility services to locals governments and companies around the world, lie at the heart of sustainable development challenges :

- Ensuring that populations have access to basic essential services such as energy, water and sanitation;
- Climate change
- The depletion of natural resources and the need to promote circular economic
- The security of supplies to regions

To ensure these activities, collective actions are needed :

3.1 Stakeholders dialogue

For GDF SUEZ, the multi stakeholders' collaboration is necessary to develop sustainable projects and ensure social acceptability. GDF SUEZ talks to its stakeholders (Clients and populations served, employees, facility neighbors, suppliers, economic actors, elected officials and opinion makers) at all levels if the Group. For example, multi stakeholders' dialogue sessions were organized in 2009 at GDF SUEZ and in 2008 at Electrabel and SUEZ Environnement.

Waterblog

In order to contribute to an open dialogue around water and sanitation issues, SUEZ Environnement has created a public blog.

<http://www.waterblog.suez-environnement.com/en/>

3.2 Working with National, Regional and Local levels

In order to provide permanence and to ensure transparency and proximity with the territories representatives, the Group develop strong and close relations with all socio-economical actors. Some employees of the Group are dedicated to these missions (meetings, partnerships...)

At national level, GDF SUEZ actively participates to several organization such as "Entreprises pour l'environnement (EpE)", "Association Scientifique et Technique pour l'Eau et L'Environnement" (ASTEE) and has build partnerships with environmental NGOs and other organizations. For example, within the EpE association, the Group led a study on water preservation, named "L'eau à l'horizon 2025" and published in august 2008.

Territorial cooperation programme SUDOE

As part of the South-West European Territorial Cooperation Programme (SUDOE), the Hérault Departmental Council formed a network comprising the Gironde department, five Spanish and Portuguese local authorities and fourteen other partners (public institutions and water management authorities) in order to study possible synergies between regional planning policy and water policy. This affiliation led to the creation of the Water and Territories project (WAT), which seeks to pool knowledge regarding the sustainable management of water resources

3.3 Encourage R&D and Innovation

GDF SUEZ encourage the development and use of new technologies including water efficiency, desalination, ecological footprint. In 2009, the Group devoted 218 million euros into R&D programs conducted. It employs 1,200 researchers and technicians across eight special research centers. Their work focuses primarily on four areas: safety of supply, technical and economic performance, control of environmental impacts and the fight against climate change. GDF SUEZ conducts both “centralized” research on major issues for the Group (safety, efficiency) and a number of “market-oriented” programs to meet specific demands from the business areas to improve a process or adapt a technique for specific projects. GDF SUEZ Research and Innovation has a double role: to illuminate the future to prepare for the technologies of tomorrow and to meet the market’s needs, consistent with Group strategy.

At SUEZ Environnement, the development of water and wastewater services is central to the three major issues of the 21st century:

- satisfying the increased requirements caused by demographic change, while preserving water resources
- attenuating the explosion of urban development and industrialization by limiting the impact of water and wastewater services on the environment
- protecting biodiversity.

SUEZ Environnement have the capacity to simultaneously reply to all of these issues conditions how we convert to sustainable service models: our partners (local authorities and industries) want us to be a source of proposals to help them quickly and sustainably reduce their environmental footprint.

Its conviction is the conversion towards sustainable models involves switching from a volume-based economy to a value-based economy: our objective is to allow our customers "to produce more with less", i.e. to maintain the same level of service by integrating objectives in terms of environmental performance in 3 major areas: reducing greenhouse gas emissions (GGE), safeguarding water resources, and protecting biodiversity.

Example of R&D around the world, Degremont Technologies invests heavily in R&D to bring the most innovative water and wastewater treatment technologies to market.

Research, Development & Industrialization activities are a vital component of Degremont's expertise, recognized globally for contributing successful innovations to the water and wastewater treatment industry for over 60 years.

The Degremont Technologies Group continues this strong commitment to value creation with focused RDI programs at each of its 3 RDI Centers. Emphasis on project collaboration ensures rapid and efficient transfer of new technologies on a global basis.

Together, the Degremont Technologies RDI Group serves as a liaison with government, academic and industry trade organizations towards addressing contemporary environmental issues.

GDF SUEZ Research and innovation

- 1,200 researchers and experts
- 9 research centers,
- a budget of EUR 218 million,
- a portfolio of 3,500 patents.

The three primary operating activities at R&I are research and development, technical assistance, knowledge management.

GDF SUEZ has ten research centers all over the world:

- ✓ CRIGEN – Saint-Denis (France)
- ✓ CYLERGIE - Elyo – Lyon (France)
- ✓ CIRSEE - SUEZ ENVIRONMENT – Le Pecq (France)
- ✓ CIRADE - SUEZ ENVIRONMENT – Gargenville (France)
- ✓ CERDERG - Degremont – Croissy-sur-Seine (France)
- ✓ CETAQUA - Agbar – Barcelona (Spain)
- ✓ AGBAR – Madrid (Spain)
- ✓ LABORELEC – Brussels (Belgium)
- ✓ DENARD - Degremont – Richmond (Virginia, USA)
- ✓ WATER RESEARCH CENTER - SCIP – Shanghai (China)

3.4 Working with international organizations

The Group has been involved in many works related to sustainable water use and management. At international level, GDF SUEZ has launched the water working group of the World Business Council for Sustainable Development. The Group is also a member of the UN Habitat working group on sustainable urbanization in order to prepare statements for the 5th World Urban Forum.

GDF SUEZ is actively involved in the French Network of the UN Global Compact's Country Networks. Gérard Mestrallet, Chairman and CEO of GDF SUEZ is president of the French network. In less than 10 years, the Global Compact has become a platform for the exchange of views and information among the United Nations, business, trade unions, and society at large – a place for promoting and sharing values and best practices for responsible management. This year the Global Compact has more than 6,000 members all over the world, nearly 600 of them in France, embracing a gamut of large, small and medium-size businesses and other organizations.

GDF SUEZ support the work of several existing water initiatives involving the private sector at national, regional and international level (IWA, WBCSD...):

- **The WBCSD is an official partner of UN-Water,**

A body of 26 United Nations organizations that strengthens coordination and coherence among UN entities dealing with issues related to all aspects of freshwater and sanitation. The WBCSD provided input to and editing of the World Water Development Reports that are published every three years.

The WBCSD provides business perspectives to key international advocacy platforms, such as Stockholm World Water Week, as well as policy-making arenas, such as through Business Action for Water at the 5th World Water Forum (March 2009).

- **WBCSD Water initiative**

GDF SUEZ is member of the WBCSD 'Water initiative should be high on the business agenda because all businesses depend on water.

The availability, cost and quality of water at many points along the value chain, including "upstream" (in the production and supply of raw materials), "midstream" (in what businesses make from raw materials or other pre-processed inputs), and "downstream" (consumers need water, and everyone needs water to be treated and recycled), impact the continuity and future success of any business.

Several documents were produced by the water group :

- **Water for Business: Initiatives Guiding Sustainable Water Management in the Private Sector**

This document was presented during the Stockholm World Water Week in August 2009 . This guiding document was jointly developed with the International Union for Conservation of Nature (IUCN) and with technical input from the National Council for Air and Stream Improvement (NCASI). The publication aims to help companies identify which initiative will best suit their needs. It is a guide to the different assessment tools, approaches and methodologies being used to support sustainable water management and aims to build a common language in support of water stewardship schemes across sectors.

- **Global Water Tool** -*To manage water globally you need to know the situation locally.*

The WBCSD's Global Water Tool, was launched at World Water Week 2007 in Stockholm and updated in 2009 for the 5th World Water Forum in Istanbul , is a free and easy-to-use tool for companies and organizations to map their water use and assess risks relative to their global operations and supply chains.



Led by global engineering company CH2M HILL, an Advisory Board comprised of 22 WBCSD member companies provided oversight and pilot testing of the tool.

- **Water, Energy and Climate Change Report**

The WBCSD has been exploring the linkages between water, energy and climate change for many years. Indeed, water, energy and climate change need to be linked in global negotiations, such as the international climate talks.

The report, *Water, Energy and Climate Change: A contribution from the business community*, shows water, energy and climate change are inextricably linked.

The WBCSD's Water Project brings together more than 60 companies from mining and metals, oil and gas, consumer products, food and beverages, infrastructure services and equipment sectors. The broad representation reflects the knowledge that all businesses will face water challenges in the years ahead.

The paper lists five important policy recommendations from business to climate negotiators and policy-makers:

- Provide reliable climate change risk data, models and analysis tools.
- Integrate water and energy efficiency in measurement tools and policy.
- Bring water issues into the mainstream, and ensure that water authorities and institutions have staff trained to deliver common management practices, education and awareness rising.
- Integrate and value ecosystem services (the benefits that nature provides to society, such as water and forest products) into cross-border decision-making.
- Encourage best practice through innovation, appropriate solutions and community engagement.

It also includes 25 case studies showing how business is already linking water, energy and climate across their operations.

- **Sanitation**

Sanitation is such a huge and global issue that the private sector has a responsibility to be part of the solution. A lack of sanitation has an economic impact on business through reduced work time, productive capacity and purchasing power due to disease.

In 2008, the UN International Year of Sanitation, the WBCSD highlighted this important issue, and saw this advocacy effort as an excellent opportunity for companies to get involved and make a positive difference.

GDF SUEZ employee associations: Aquassistance, Energy Assistance, CODEGAZ

<http://www.gdfsuez.com/fr/groupe/mecenat-partenariats/associations-de-collaborateurs/les-collaborateurs-au-service-de-la-solidarite/>

Supplying drinking water or energy to the most disadvantaged populations on earth is the mission of Aquassistance, Energy Assistance and Codegaz, the three humanitarian associations formed by GDF SUEZ employees.

Aquassistance, formed in 1994, now has more than 800 members and participates in more than 150 missions all over the world. In 2008, it initiated, continued or completed numerous projects in water and waste management: work to open up a water supply in Madagascar, a waste management mission in Congo, expert assistance in refugee camps in Somalia, emergency aid after an earthquake in China and hurricanes in Haiti, and more.

<http://aquassistance.blogspot.com/>

Energy Assistance has 270 members and donors. It has conducted more than 80 projects since it was founded in 2001. Almost 200 projects are under study, and 30 are currently in progress.

In 2009, for example, it donated and installed 63 m³ of electromechanical teaching materials for the CHE CHE school in Bukavu, Democratic Republic of Congo. It brought electricity to health centers in Bare, Rwanda, and in Mali and the Democratic Republic of Congo.

<http://www.energy-assistance.be/>

CODEGAZ is a humanitarian association formed by Gaz de France employees and retirees in 1989. It has some 240 members, and works to assist disaster victims internationally. It is conducting more than 25 humanitarian projects and social solidarity actions in 25 developing countries. CODEGAZ's projects are in food, water, health, assistance for children, education/training, and energy.

<http://www.codegaz.org/>

Launch of the GDF SUEZ International Observatory on Fuel and Water* Poverty

The Observatory's inaugural session was held on December 22, 2009, just a few days before the start of the 2010 European Year Against Poverty and Social Exclusion.

The aim of this Observatory is to strengthen GDF SUEZ's community initiatives by giving Division, Business Unit and Operating Unit decision makers a simple, flexible tool enabling them to:

- better delineate this poverty phenomenon in regions in which they operate or are planning to operate,
- establish a list of Group practices in all countries in which the Group has residential customers,
- better adapt product offerings and services to customers in situations of fuel and water poverty.

The Observatory is designed to facilitate dialogue and exchange between Group entities. And on January 8, 2010, a remote conference was held, at which the floor was given to GDF SUEZ Energia de Mexico, EGAS DEGAZ in Hungary, GDF SUEZ Energy Romania, ITALCOGIM Energie in Italy, LYDEC in Morocco, ELECTRABEL in Brussels and the Energy France Division in Paris.

The Delegate-general of European Local Inclusion & Social Action Network (ELISAN) recalled GDF SUEZ's commitment to the program. The Research and Innovation Division also reported on the first information gleaned from its study of public policies in Europe for tackling fuel poverty.

The Observatory's governing body is comprised of the Energy France and Energy Europe and International Divisions, Suez Environnement, the Strategy and Sustainable Development Division, and the GDF SUEZ mediator.

The Observatory's 2010 program calls for the creation of an online collaborative workspace, the establishment of a list of practices with respect to disadvantaged customers, and the organization in the fall of 2010 of an international symposium on fuel and water poverty.

Many external partners attended this online event, and some will shortly join the Science Committee.

4. Public Policy

GDF SUEZ activities, related to energy, water and waste management are close to public services. By working with public authorities and sharing its ground experience, the Group thinks it could help shaping public policies. We consider this kind of involvement is part of our responsibility.

For instance, the Group has been in touch with members of the French parliament before the vote of the law "Grenelle 1", in order to carry an amendment. The purpose was to maintain in the law the incentive for sustainable management of the hydraulic dams by operators.

Since SUEZ Environnement is a business line of the Group, dedicated to water, sanitation and waste management services, the subsidiary has developed several partnerships in order to conduct its activities (Cf. Activity and sustainable development report of SUEZ Environnement).

UN report on Millennium Development Goals gives a positive overall assessment of progress in access to drinking water 08/14/2009

The Secretary-General of the United Nations (UN) published a report on 6 July in Geneva assessing the progress achieved with regard to the Millennium Development Goals (MDG). More than halfway to the 2015 deadline, the important progress made in the fight against poverty and hunger is starting to slow down and in some cases regress due to the global economic and food crises. Nevertheless, access to drinking water, which is Target 3 (Halve, by 2015, the proportion of the population without sustainable access to safe drinking water) of MDG no. 7 (Ensure environmental sustainability), is on track to be achieved by most of the affected countries.

An overall trend noted by the UN is that successful actions have been made possible by adequate financing and strong political will. The report confirms, for example, that "the world is on its way to meeting the drinking water target".

The assessment of progress in achieving objectives related to drinking water access is therefore rather positive. The report notes that "the world is ahead of schedule in meeting the 2015 drinking water target". Nevertheless, a certain number of countries, mainly located in Sub-Saharan Africa, still must overcome some major obstacles. It is important to remember that 884 million people worldwide still rely on unimproved water sources for their drinking, cooking, bathing and other domestic activities. Of these, 84 per cent (746 million people) live in rural areas.

The positive results achieved in providing access to drinking water stand in contrast to the mixed results presented for sanitation. The report considers that progress must quickly be stepped up if sanitation conditions are to improve for the 1.4 billion in the world who still lack facilities. Contrary to the drinking water situation, if progress continues at its current rate, the 2015 target for sanitation will not be met.

With regard to climate change, the report notes that economic needs will in all likelihood continue "to exert pressure on an already fragile global environment... and a global water crisis looms". Preventing such a crisis requires granting a higher priority to the conservation of natural resources. Elsewhere in the report, UN Under-Secretary-general for Economic and Social Affairs Sha Zukang laments the lack of political goodwill and unity in the fight against climate change. Zukang believes that water shortages have already befallen a number of the world's arid regions. The end conclusion drawn by the 2009 Millennium Development Goals report is rather pessimistic. In spite of the numerous successes, the report maintains that overall progress has been too slow to achieve most of the targets set for 2015.

Monitoring and protecting sensitive sites, LOCAMAPS: mapping Natura 2000 areas and water flows

Under the “Grenelle de l’Environnement”, the Group has agreed to establish action plans at all sensitive sites in Europe by 2012. For this purpose, actions will be associated with setting up tools and operations to raise awareness among those who use the land. For example, the Group has a mapping tool that will make it possible to determine the vulnerability of sites relative to zones designated as sensitive or protected, like Natura 2000, the regional natural parks, and WWF eco-regions. This tool, LOCAMAPS, yields a list of GDF SUEZ sites that might adversely affect the environment. These sites are audited by experts, and action plans are proposed. Environmental impact studies for potential new activities are conducted in partnership with major international NGOs (ProNatura), consulting firms (Véritas) and scientific institutions (Museums of Natural History in Paris and Brussels). The Group closely studies the opportunities that the land it uses may offer, especially in the Île-de-France region, for transformation into ecological corridors (study by GRTgaz) or into preferential habitat zones for certain species like bees (study by SITA). GRTgaz incorporates biodiversity protection into its procedures for siting new buildings and maintaining easement strips.

<http://www.gdfsuez.com/document/?f=files/en/gdf-suez-radd08-vus.pdf>

Partnerships with university

Universities and Chairs in Social Sciences (economics, political science, law, management, sociology, geography and town planning etc.) are closely linked to the water and sanitation business lines and to the activities carried out by international operators in these fields.

Teachers, students and researchers have expressed the wish to build up contacts with the private sector as a way of having access to information that will enhance their courses and their research work.

It is in this context that **SUEZ Environnement has developed partnerships with several teaching institutions in the field of human and social sciences, both in France and abroad.** Thus, the Company contributes to:

- strengthening its knowledge and its consulting capacity in the socio-economic and socio-political fields,
- participating in the discussions that are currently taking place in academic circles and on the international stage.

Subjects dealt with in these collaborations are mainly related to:

- public-private partnerships,
- rules of governance, transparency and the responsibility of public and private operators in water and sanitation,
- access to water in developing countries, price and pricing structures,
- sustainable development,
- project finance.”

Globally

- l'Unesco-IHE – Institute for Water Education (Delft, Pays-Bas)
- l'Unesco Center for Water Law, Policy and Sciences (Dundee, Royaume-Uni)
- Imperial College London (Royaume-Uni)
- Université de Northampton (Royaume-Uni)
- International water association

In France

- Agro Paris Tech, particularly the National School of Agricultural Engineering and Forestry (Engref)
Sciences Po (Paris, Rennes, International Social Observatory)
- l'Ecole Nationale des Ponts et Chaussées
- l'Ecole Centrale de Paris
- l'Ecole des hautes études en sciences sociales (EHESS)

In addition, through the IWA (International Water Association) Young Water Professionals program SUEZ Environnement supports an initiative aimed at creating a network of young researchers, engineers and students involved in the water and sanitation sectors across the world.

UNESCO-IHE Institute for Water Education (Delft, The Netherlands):

MSc courses (water Management), scholarships, technical assistance

One facet of the partnership between UNESCO–IHE and SUEZ Environnement is the courses we teach for the "Water Management" Master of Science ("Water Services Management" specialisation). SUEZ Environnement is responsible for courses on contractual and financial engineering in water services management, on adapting business models to different national social-economic contexts, as well as cross-functional issues such as corporate social responsibility, management of change, health and safety, etc. These courses present the governance rules associated with public-private partnerships, mainly in the form of case studies and talks with our subsidiary managers, but also with customers and representatives from the public sector.

In addition, SUEZ Environnement finances scholarships for students from developing countries who wish to pursue a 12-month master's degree in Delft, followed by 6 months of personal research task under the guidance of a subsidiary.

Lastly, SUEZ Environnement regularly collaborates with UNESCO-IHE on technical assistance projects developed by its subsidiary SAFEGE. For example, a shared management tool was installed in the four countries bordering the catchment area of the Sava river, a tributary of the Danube, to ensure coordinated implementation of the European Directive on water. The UNESCO-IHE (Institute for Water Education), a Dutch university which in 2001 passed under the aegis of UNESCO, is mainly attended by young professionals from Southern countries. Over the past 50 years, the university has graduated 13,000 students – scientists, engineers and decision-makers – from over 100 countries.

5. Community Engagement

GDF SUEZ encourage multi stakeholders dialogue in order to improve continuously it sustainable development approach.

The diagram below highlights the many different stakeholders, their expectations, and the ongoing across-the-board dialogue the Group favors.



GDF SUEZ measures its success by how well it is rooted within its regions and how well it implements community actions with all stakeholders.

GDF SUEZ encourages dialogue with its stakeholders (customers and populations served, employees, neighbors of installations, economic players, elected officials, opinion makers, etc.), at all levels of the Group – in the field, within its operating entities, in its business lines, and globally.

For example, multi stakeholders meetings were organized at GDF SUEZ level in 2009. Coordination meetings with stakeholders were organized in 2008 at Electrabel (European subsidiary in Energy) and SUEZ Environnement. During projects, stakeholders were involved at an early stage to get their opinions on the projects' execution and long-term impact.

The International Social Observatory

GDF SUEZ has continued to encourage exchanges with all stakeholders through the International Social Observatory (OSI). A symposium on governance has strengthened the discussion among managers of major companies and trade union and political leaders on the considerable changes that are taking place all over the world. The evolution of the current crisis has proved the relevance of the courses brought up for discussion within the OSI, and the need to think about what concrete steps should be taken to make them a reality. In 2008,

the OSI continued its work on the international health policies of major global corporate groups, and supported the initiatives of its branches in Morocco and Argentina. The latter organized a much-noted seminar that facilitated an exchange between companies, academics and trade union members (both French and South American) on the challenges of sustainable development and corporate social responsibility in Latin America.

<http://www.gdfsuez.com/document/?f=files/en/gdf-suez-radd08-vus.pdf>

At SUEZ Environnement several initiatives were launched to encourage stakeholders' dialogue. Indeed, as part of its responsibilities, it promotes participation in local development in collaboration with all stakeholders. The business has thus developed practices and methods that promote the development of local roots, the training of teams in social issues and the transfer of knowledge.

SUEZ Environnement is also committed to considering the reasonable expectations of its stakeholders and integrates its partners in strategy development by :

- Pursuing an active dialogue with stakeholders through regular consultation meetings in order to harmonize business strategy with the expectations of civil society.
- Acting as a driver of sustainable local development, it participates actively in the economic and social life (employment, reintegration, etc.) of the communities where it operates and partners with local cooperatives in their sustainable development efforts related to its activities.
- Providing regular and accessible information on its sustainable development actions based on reliable and verifiable data.

SUEZ Environnement and its Moroccan subsidiary, Lydec, are partners of Alliance Maghreb Machrek pour l'Eau (ALMAE – the Maghreb Machrek Water Alliance), which supports initiatives in favor of women. Lydec has completed an assessment on the place of women in the company. On this basis, a training program covering equal opportunities issues will be developed.

Foresight Advisory Council (FAC)

Service providers are involved in citizens' daily lives. They must establish effective dialogue at the local and international levels. To nourish this dialogue, SUEZ Environnement created the Foresight Advisory Council (FAC) in 2004.

A council of independent experts

The FAC is composed of 25 independent experts from various countries. All are specialists in environmental and developmental issues. They are researchers, academics, senior government officials, business executives, members of non-governmental organizations or international institutions. The council is convened twice a year by Margaret Catley Carlson, President of the Crop Diversity Trust.

The FAC comprises two bodies:

- the Business and Development Committee, composed of experts in management, governance, socio-economics or law, and a majority of representatives from emerging economies (Algeria, Brazil, India, Morocco, Oman, etc.) capable of raising awareness about the expectations or challenges facing their countries,
- the Science and Technology Committee, principally comprising scientists from Western countries (agronomists, hydrologists, microbiologists, epidemiologists, etc.)

Freely and openly debating the company's strategy and initiatives

SUEZ Environnement presents its strategy, research and initiatives to FAC members. Experts debate these freely before formulating their recommendations. In so doing, the FAC contributed to the development of keynote messages that the business has presented to the World Water Forum in 2009 in Istanbul, as it did in 2006 in Mexico.

The FAC also encourages SUEZ Environnement to remain as open as possible to dialogue with civil society. In particular, it guides the search for partnerships and the definition of specific commitments, contributing in this way to progress in providing access to drinking water and wastewater services for all.

Water for all Foundation

In 2008, the SUEZ Environnement - Water for All Foundation supported and assisted ten projects by NGOs specialized in water management and development. The SUEZ Environnement - Water for All Foundation provides these projects with financial support but also, for some of them, its expertise (technical, administrative, methodological, training etc.), complementary to that of the NGOs proposing the projects. The expertise and/or technical aid provided by the Foundation call upon SUEZ Environnement know-how, in terms of the suitable technologies, contractual relations, service management methods and follow-up tools, tariff policy and definition of suitable payment methods, training courses for skills transfer, etc.

The SUEZ Environnement - Water for All Foundation intervenes in Africa (Senegal, Burkina Faso, Chad and Madagascar), in Asia Pacific (Philippines and New Caledonia), in the Greater Antilles (Haiti).

6. Transparency

Transparency goes to the heart of accountability. Leading companies recognize that transparency and disclosure are crucial in terms of meeting the expectations of a wide group of stakeholders. Such efforts help companies focus on continuous improvement and turning principles into results – a process which is crucial in terms of realizing gains and building trust.

6. 1. Transparency: GDF SUEZ has ensured itself the means necessary to comply with the most stringent corporate governance requirements, in keeping with its own culture of transparency.

At the highest level of the Company, these issues are reviewed by the Board of Directors' Ethics, Environment and Sustainable Development Committee.

Ethics policies are coordinated from the Executive Committee by the Group's General Secretary, who is also its Chief Ethics Officer.

The Business Ethics and Compliance Division, which reports to the Office of the General Secretary, collaborates in establishing the Group's ethics rules, and ensures they are incorporated into its strategy, management and practices.

Each business line and business unit has its own ethics officer. The Group has a network of more than 100 ethics officers and ethics coordinators who are thus at work in the field throughout the Group.

The Compliance Committee, chaired by the Group's Chief Ethics Officer, includes the heads of the Audit, Legal, Compliance and Ethics Divisions. It ensures that the Group complies with its own ethics rules throughout, and can detect any abuse.

As of July 22, 2008, the GDF SUEZ Board of Directors adopted a set of documents to establish the channels and resources for efficient Group operation. These documents lay out the rights and duties of each Director with complete transparency:

- The Internal Regulations define the composition and operations of the Board, and the scope of Board, General Management, and Board Committee responsibility.
- The Directors' Charter sets down rules for carrying out the office of a Director: respect for the company's interests, compliance with the law and the bylaws, the Directors' independence and duty of expression, conflicts of interest, professionalism, involvement, and efficiency.
- The Code of Conduct lays down rules covering transactions in the Company's securities and insider trading, applying to Directors, corporate officers, and all employees.

Code of Conduct:

<http://www.gdfsuez.com/document/?f=files/en/code-of-conduct-handling-of-the-info-gdf-suezb8110708.pdf>

Internal Regulations:

<http://www.gdfsuez.com/document/?f=files/en/gdfsuez-internal-regulations-081217-en.pdf>

Directors' Charter:

<http://www.gdfsuez.com/document/?f=files/en/gdfsuez-directors-charter-081217-en.pdf>

A set of documents establish the framework and rules to which all of the Group's current actions must adhere: the guidelines for commercial relationships, the environmental charter, guidelines for handling information: protecting the confidentiality of inside information, code of conduct, purchasing ethics, and ethics in supplier relations.

All ethics documents and guides currently in preparation will be published in 20 languages and widely distributed. They will present the rules and principles to gird the Group against risks that might affect its operation, integrity or image. They must serve as a benchmark for all units, enabling them to comply at all times with all national and international regulations. In particular, they present lists of best practices and prohibited practices within the Group for all situations an employee might face in a commercial relationship: invitations and gifts, commissions, conflicts of interest, fraud, financing of political parties, etc.

The Group has set up two courses of training in ethics questions for managers. In 2008, 3,665 employees participated in online training modules, two of which concerned questions of corruption in public contracts. The online courses are available in five languages. This training helps sensitize managers to questions of ethics, and gives them the keys to good conduct in their own professional activities.

6.2 GDF SUEZ is signatory of the UN Global Compact principles

GDF SUEZ was one of the first companies to join the Global Compact when the initiative was launched by the Secretary General of the United Nations.

The GDF SUEZ Group's Sustainable Development policy, its principles of corporate governance, and its principal charters all comply with the principles of the Global Compact.

The Group and all its employees share one certainty: sustainable development is an imperative. The associated environmental, ethical, social and societal challenges are unavoidable for a company like ours.

GDF SUEZ has established a policy on ethics and fighting corruption. Its commitments in this regard are formally laid down in the Sustainable Development policy, the Ethics Charter (currently in preparation), and the Ethics Guidelines for Commercial Relationships.

Communication on progress

The principles of the Global Compact reinforce GDF SUEZ's commitment to sustainable development in its own activities, and encourage internal synergy.

In less than 10 years, the Global Compact has become a platform for the exchange of views and information among the United Nations, business, trade unions, and society at large – a place for promoting and sharing values and best practices for responsible management.

Every year, GDF SUEZ is preparing its communication on progress report for the UN GLOBAL COMPACT. The Communication on progress can be found on various websites from the UN GLOBAL COMPACT web to the French network "association des amis du pacte mondial) and GDF SUEZ web site.

Ethics

G rard Mestrallet recently signed the letter from the Top Executives of Industry in support of actively applying the 2003 United Nations Convention against Corruption, ratified by 130 countries. This letter to the Secretary General of the UN was signed by 29 other top executives of international companies.

French UN Global Compact network "association des amis du Pacte Mondial"

G rard Mestrallet, Chairman and CEO of GDF SUEZ is leading the French UN Global compact network. This year the Global Compact has more than 6,000 members all over the world, nearly 600 of them in France, embracing a gamut of large, small and medium-size businesses and other organizations.

6.3. GDF SUEZ is member of several networks working on transparency and sustainable development

GDF SUEZ is member of various national and international networks working on sustainable development and ethical issues. As an example, the Group is member of the network Transparence international, the French network of Transparency international.

SUEZ Environnement is member of the Water Integrity network. This network, formed in 2006, stimulates anti-corruption activities in the water sector locally, nationally and globally. It promotes solutions-oriented actions and coalition-building between civil society, private and public sectors, medias and governments

Web site: <http://www.waterintegritynetwork.net>

6.4 Sustainable development Performance indicators

For GDF SUEZ measuring sustainable development performance should be done through environmental, social and financial reporting.

In order to ensure the transparency and reliability of the data it publishes, GDF SUEZ has initiated the progressive review by its Auditors of the quality of certain indicators related to the environmental and corporate data published. This is a well established procedure

implemented in accordance with the Global Reporting Initiative guidelines and with the French “New Economic Regulations” (NRE) Act.

Among the verified Key Performance Indicators, 2 are directly related to water:

• **Consumption of water used for industrial process (GRI EN8) :**

Water consumption for industrial process: volume of water removed from surface water, ground water and the public network. This is the volume of water used for water softening installations, low NOx installations, de-sulphurisation installations and bottom-ashes extraction in open circuits. Water consumption for cleansing activities (SITA) is included. The following water consumption are excluded from this indicator: water for cooling system, water used by third parties, sanitary water.

• **Consumption of water used for cooling process (GRI EN8) :**

Volume of water removed from surface water used for cooling process that does not return to the source (evaporated water or water sent to the sewage) or for which water quality have been changed + Total ground water and public network water consumption for cooling process.

A dedicated reporting tool enables the structured communication of data. This tool, called CERIS, is an IT solution for environmental reporting, which enables the management of the network of environmental agents and coordinators, the management and documentation of the environmental reporting scope, the input, control and consolidation of indicators, the production of reports and finally the availability or publication of the documentation necessary for the collection of data and the control of information feedback. CERIS now covers all the Business Lines and is today deployed directly in most Business Lines and subsidiaries. As a consequence, the consumptions of water used for industrial process and for cooling process are monitored and well-known for each subsidiary and for each Business Lines, allowing the implementation of either global, either local action plans, depending on the criticality of the situation.

GDF SUEZ has also a cross-reference table featuring the principles of the United Nations “Global Compact, of which GDF SUEZ has been a founding member since 2000 (annex 1)

GDF SUEZ has developed several working groups on ecological footprint and performance indicators:

- At the R&D department of GDF SUEZ and SUEZ ENVIRONNEMENT, two dedicated team works on the elaboration of an ecological footprint tool for the Group.
- At the environmental department, the environmental network is currently working on the selection of new reporting indicators to cover all the environmental risks including water footprint.

ANNEXES

ANNEXE 1: Some of the actions launched by GDF SUEZ under the Principles of the Global Compact

A table of actions and initiatives set up by GDF SUEZ under the ten principles of the Global Compact appears on page 127 of the 2009 Activities and sustainable development report.

<http://www.gdfsuez.com/radd2009/en/appli.htm>

ANNEXE 2: GDF SUEZ PROFILE

Rediscovering energy

One of the leading energy providers in the world, GDF SUEZ is active across the entire energy value chain, in electricity and natural gas, upstream to downstream. It develops its businesses (energy, energy services and environment) around a responsible-growth model to take up the great challenges: responding to energy needs, ensuring the security of supply, fighting against climate change and maximizing the use of resources. GDF SUEZ relies on diversified supply sources as well as flexible and high-performance power generation in order to provide innovative energy solutions to individuals, cities and businesses. The Group employs 200,000 people worldwide and achieved revenues of €83.1 billion in 2008. GDF SUEZ is listed on the Brussels, Luxembourg and Paris stock exchanges and is represented in the main international indices: CAC 40, BEL 20, DJ Stoxx 50, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe and ASPI Eurozone.

Key figures, year-end 2009

- 200,650 employees throughout the world 3,000 municipalities served
- EUR 79.9 billion in 2009 revenues
- EUR 30 billion in investments over 2008-2010
- 1,200 researchers and specialists in 9 R&D centers

Serving the public interest

No.1 group in the “utilities” sector worldwide
No.6 company in the world Organization

Producing reliable electricity

72.7 GW of installed power-production capacity
18.4% of capacity from renewable sources

Supplying natural gas continuously

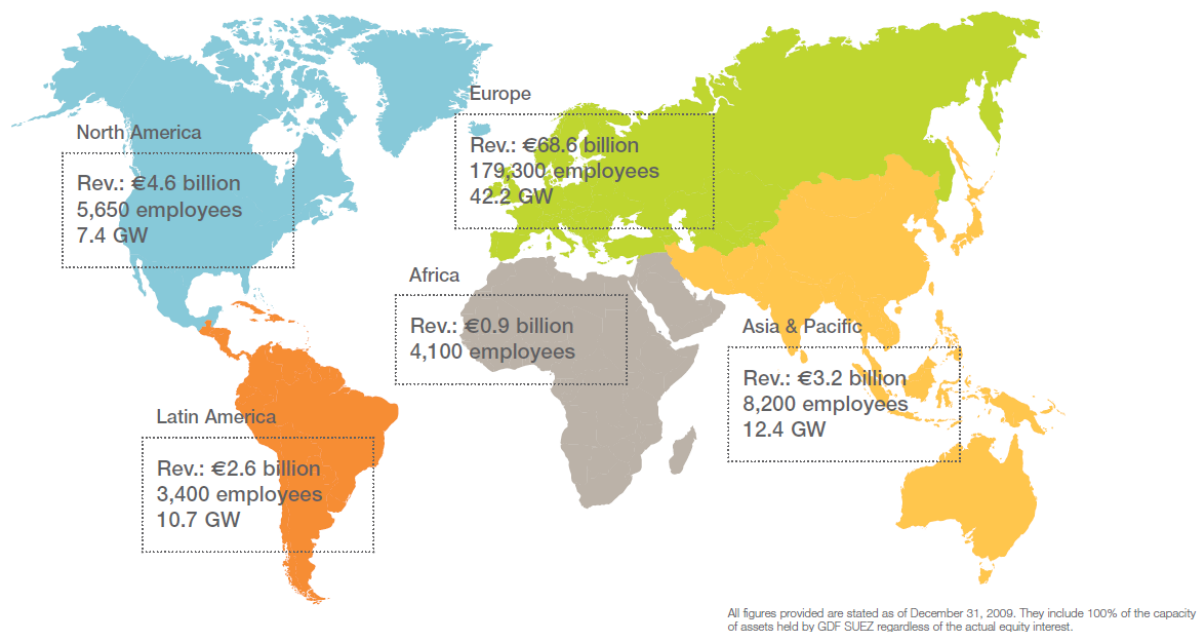
110 bcm of natural gas transported per year
17 LNG tankers inc. two regasification vessels

Rationalizing energy consumption

110 urban heating and cooling networks managed worldwide
35 public-private partnerships throughout Europe

Protecting natural resources

90 million residents supplied with drinking water
46 million individuals provided with waste management services

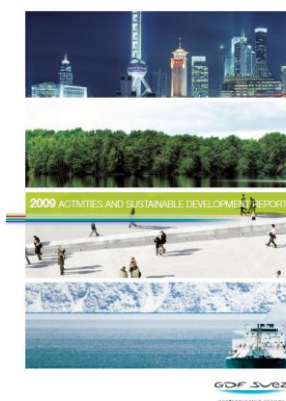


GDF SUEZ activities are performed by six operational business lines in energy and environment.

- GDF SUEZ Energy Europe and International – Europe – International - Benedelux
- GDF SUEZ Energy et Services
- GDF SUEZ Infrastructures
- GDF SUEZ Energy France
- GDF SUEZ Global Gas and LNG
- GDF SUEZ Environment

ANNEXE 3

2009 ACTIVITIES AND SUSTAINABLE DEVELOPMENT REPORT



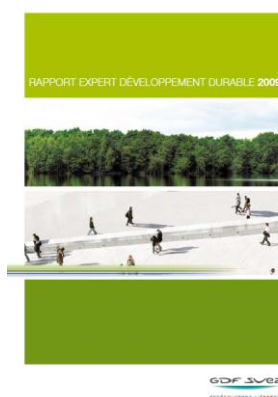
<http://www.gdfsuez.com/radd2009/en/appli.htm>

Actions committed to sustainable development

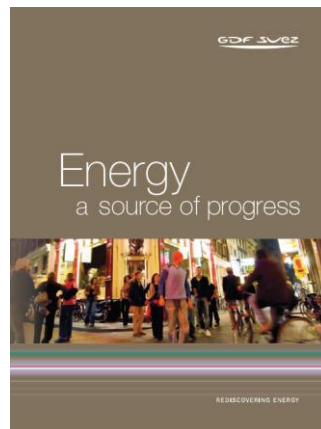


<http://www.gdfsuez.com/document/?f=files/en/gdf-suez-brochure-5-enjeux-03-2010-vus.pdf>

COMING SOON : 2009 SUSTAINABLE DEVELOPMENT EXPERT REPORT

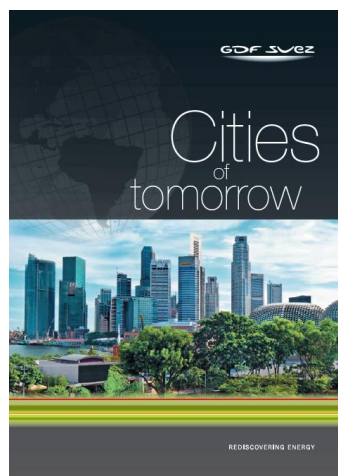


GDF SUEZ CORPORATE BROCHURE



<http://www.gdfsuez.com/document/?f=files/en/gdf-suez-energy-a-source-of-progress.pdf>

CITIES OF TOMORROW 2009



<http://www.gdfsuez.com/document/?f=files/en/cities-of-tomorrow-gb-18-pages.pdf>