



GDF SUEZ

CEO WATER MANDATE

Communication on progress 2012

BY PEOPLE FOR PEOPLE

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GDF SUEZ / MEYSSONNIER ANTOINE

Water and Sustainable development: A cornerstone of GDF SUEZ Strategy.

Achieving water security and food security for all in an increasing water stressed world is intimately linked to energy security and is a huge challenge for the coming years. This nexus is the key of the resilience of livelihood and ecosystems. Access to water and sanitation worldwide is still a priority, we need to be part of the action.

In 2011, access to water and sanitation has been recognized as a human right. In 2012, the Bonn conference focuses on the unbreakable links between water, energy and food. Since 2008, GDF SUEZ, as a leader in energy sector and water and waste services in the world, has particularly developed its water stewardship among all the Group activities.

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 and better understanding of the water footprint of its activities. GDF SUEZ also considers stakeholder dialogue as pivotal in finding innovative and adapted solutions.

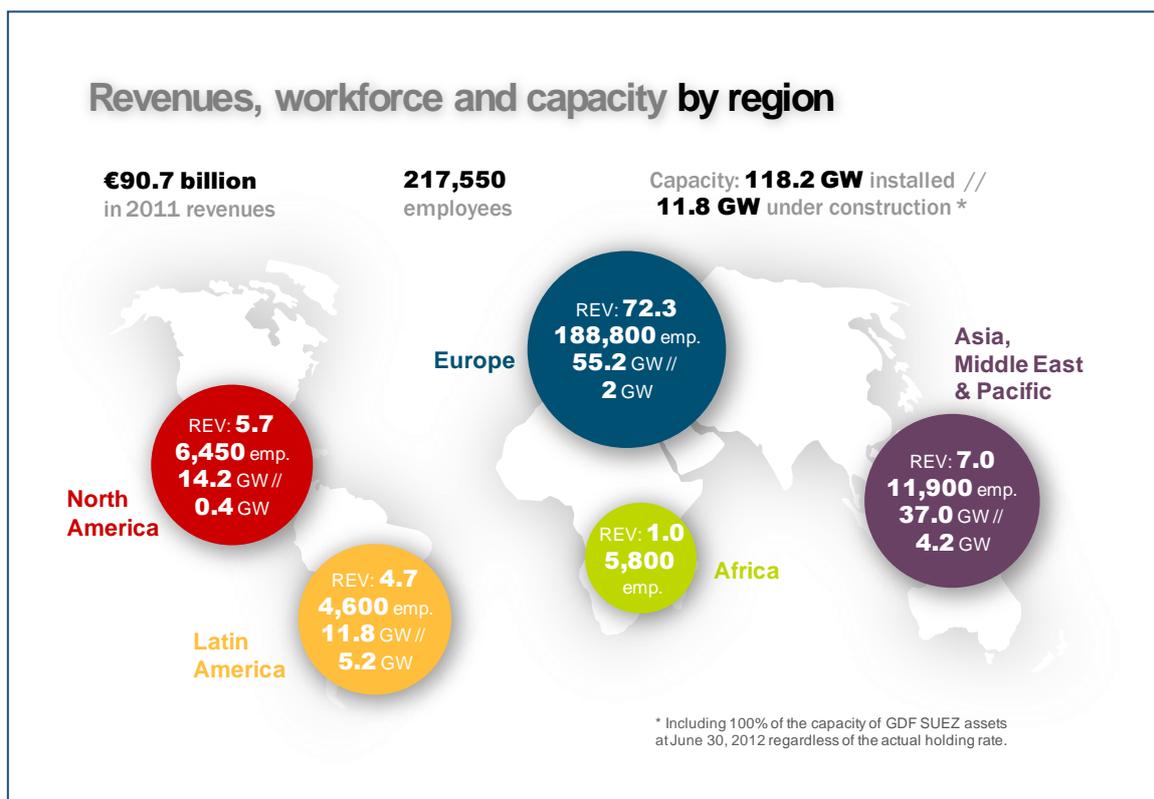
GDF SUEZ is a signatory to the United Nations Global Compact (UNGC), which seeks to promote responsible corporate citizenship. Having established conservation and preservation of natural resources as key priorities in its day-to-day management, the Group joined early the CEO Water Mandate initiative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

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 minimize our risks and 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 20, 2012

1. GDF SUEZ Overview



Key figures

- **€90.7 billion** in 2011 revenues.
- **1st** company in the “utilities” sector worldwide (*Forbes Global 2000*).
- **€11 billion** in gross investments in 2012.
- A presence in close to **70** countries.
- **217,550** employees throughout the world
 - inc. 60,700 in electricity and gas,
 - 77,350 in energy services,
 - and 79,500 in environmental services.
- **1,100** researchers and experts in **9** R&D centers.

GDF SUEZ operational organization

GDF SUEZ businesses are structured around **6** business lines – five active in energy and one active in environment.

GDF SUEZ Energy Europe

• **27,200**
employees.

- Energy management and trading.
- Power generation.
- Supply of natural gas to major clients in Europe.
- Marketing and sales.

GDF SUEZ Energy International

• **10,750**
employees.

- **6** business areas:
United Kingdom-Europe;
North America;
Latin America;
Middle East,
Turkey & Africa;
Asia; Australia.
- Power production.
- Supply of natural gas and electricity.

GDF SUEZ Global Gas & LNG

• **1,750**
employees.

- Exploration & Production.
- Liquid natural gas portfolio management.

GDF SUEZ Infrastructures

• **17,700**
employees.

- Natural-gas transmission network.
- LNG terminals in France.
- Storage activities in and outside France.
- Gas distribution networks in France.

GDF SUEZ Energy Services

• **77,350**
employees.

- Management of urban networks in and outside France.
- Management of industrial and tertiary electrical installations.
- Global multitechnical offers.

SUEZ Environnement

• **79,500**
employees.

- Water and sanitation services.
- Water-treatment engineering.
- Waste management.



2. Direct operations

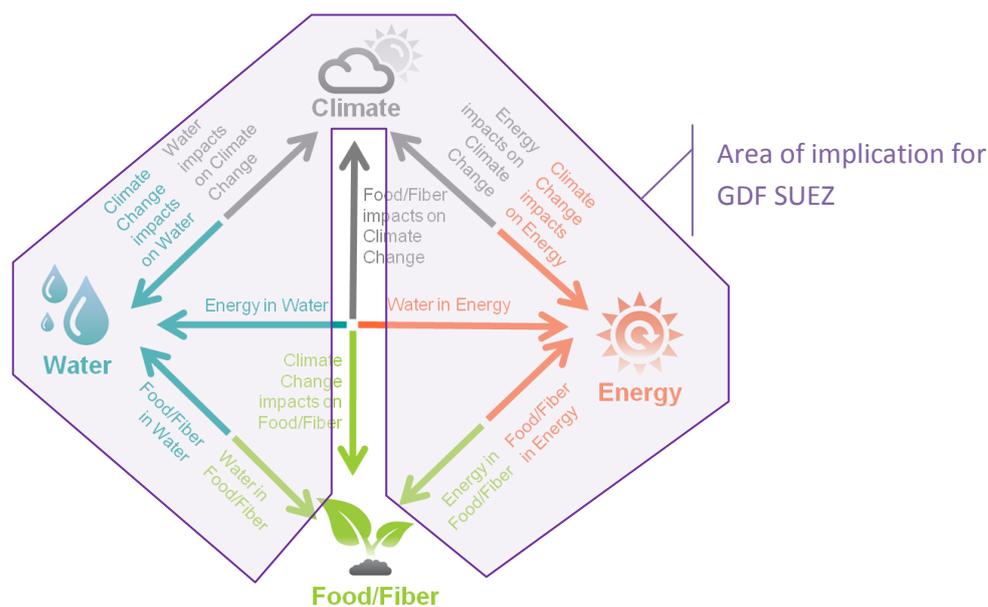
Energy, water and waste treatment are indispensable to the economic and social development of over seven billion human beings. Because these activities are strategic for humanity, GDF SUEZ aims to become a major benchmark in sustainable development, and water stewardship.

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 and environmental responsibilities in every country where it does business. This commitment takes on particular importance in the current economic and financial crisis.

2.1. Water is part of GDF SUEZ sustainable development strategy.

Regarding its activities GDF SUEZ is involved in most of the nexus between water-energy-climate change-food.



Source: WBCSD, Water-Energy-Food nexus

Hence water is a part of the GDF SUEZ sustainable development strategy.

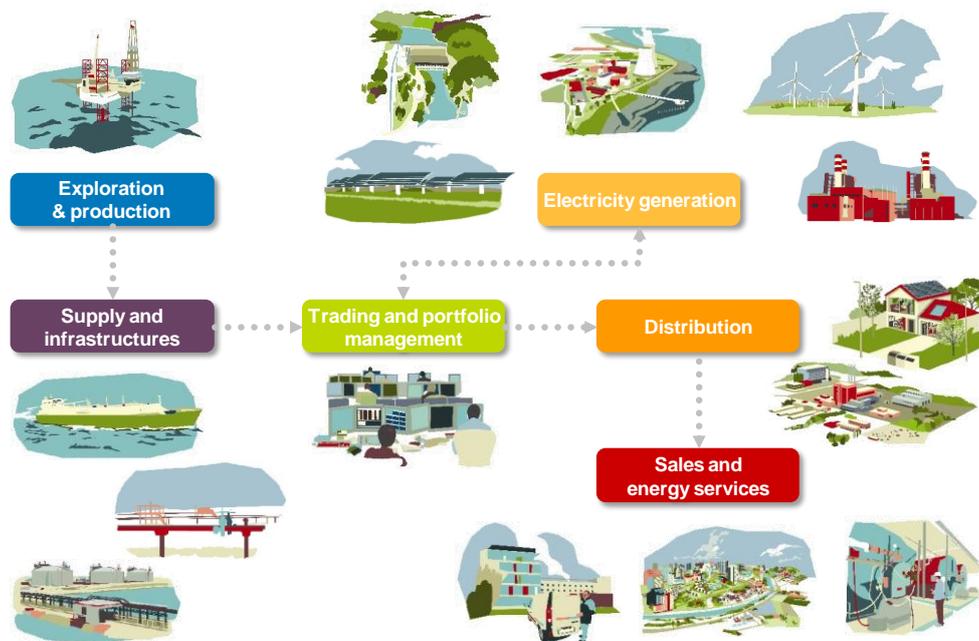
(<http://www.gdfsuez.com/en/commitments/climate-environmental/preserving-water-reducing-air-pollution/>)

GDF SUEZ Sustainable Development policy is mainstreamed in the whole Group (<http://www.gdfsuez.com/en/analysts/strategy/strategic-commitment/>). 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.

2.2. Energy: a global leader in independent power generation.

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



GDF SUEZ consumes or uses water for:

- Cooling (thermal power plants) or heating (LNG terminals) systems
- Hydropower plant
- Demineralization
- Flues gas treatment
- Industrial uses
- Gas exploration and storage
- District heating
- Etc...

In 2011, the water consumption for energy activities was 44 Mm³ for industrial uses and 192.2 Mm³ for cooling and heating.

Actions plans are implemented locally to decrease the water consumption and reduce the impacts on the ecosystems. The reuse and recycling of the water is also one of the solutions considered by the plants. Those action plans are included into the climate change adaptation strategy.

According to the Enterprise Risk Management policy of GDF SUEZ, environmental risks are assessed at any levels of the Group. At corporate level, complementally to the map of environmental risks, we have made a focus on the water-related risk. In 2011 and 2012, we have implemented the Global Water Tool for all the energy sites. Regarding the results about the probability to be present in a

watershed stressed area in 2025 (World Resource Institute data), we will make local risk analysis and deploy action plans where it will be necessary.

Examples of best practices:



Netherlands and the power plants water balance

In 2009, Electrabel Netherlands has decided to launch an analysis about reduction of water use in Dutch Power Plants. After studies and measurements, they have found a potential savings of water on each plant from 10 to 20%.



Brine reuse in Storengy

In some places, natural gas is stored in saline cavities. The process consists in extracting brine from the cavities and injecting the gas instead of it. Storengy has signed a convention with a chemical industry to sale them this brine instead of losing it or sending it back, after treatment, to the milieu. Thus 70% of the water withdrawal of Storengy in France is transformed in brine and reused by industry.



Netherlands - less chemicals in the cooling water

In order to prevent macrofouling in the cooling systems, we usually inject biocidal products in the water. In Netherlands they have implemented in all their power plants a technology which doesn't require this injection. They are using the 'Taproggesystem' which consists in cleaning the tubes with sponge rubber balls. <http://en.wikipedia.org/wiki/Taprogge>

2.3. Environment: a world leader in water and waste 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. The Business Line is active in all water and waste cycles and is thus an expert in those areas. It operates on behalf of both local authorities and private entities.

SUEZ Environnement's water-related activities include, in particular:

- capture, treatment and distribution of drinking water;
- network maintenance and plant operation;
- customer management;
- municipal and industrial waste water collection and treatment;
- design, construction, occasional funding and operation of drinking water production plants and waste water treatment plants, as well as desalination and treatment plants for recycling it back into use;
- studies, master plans, modeling of underground water tables and hydraulic flows, and project management of infrastructure and water management projects;
- biological and energy recovery of sludge from sewage plants.

SUEZ Environnement waste activities include, in particular:

- waste collection (from households, local authorities and industries; non-hazardous and hazardous, excluding waste that may be contaminated by radioactive residue from nuclear activity) and urban cleaning;
- pre-treatment of this waste;
- sorting, recycling and energy recovery from organic and recycled matter;
- incineration or landfill removal of residual matter;
- integrated management of industrial sites (sanitation, cleanup and rehabilitation of polluted sites and soil); and
- treatment and recovery of sludge.

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. In 2011, the linear loss index was 14.2 m³/km/day (applying GDF SUEZ reporting rules).

Examples of best practices:



Water management in Algiers becomes a global benchmark

In December 2005, SUEZ ENVIRONNEMENT signed an agreement with the Algerian authorities to manage the Algiers Water and Sanitation Board (SEAAL) for six years, with the goal of improving water supplies to the capital. The challenge was considerable since, in 2006, only 8% of Algiers' inhabitants had continuous water service 24 hours per day.

Five years later, the goals were met: In 2011, 100% of Algiers' population had a continuous supply.

To achieve these results, the Group and the SEAAL adopted a new partnership model to strengthen long-term core competencies. The next stage consists of optimizing network upkeep and maintenance, implementing a Geographic Information System to detect leaks and technical incidents upstream, as well as improving global user services.

This success led to a five-year renewal of the SUEZ ENVIRONNEMENT contract and its extension to other regions in Algeria with high tourism potential, such as the province of Tipaza (28 new cities and 600,000 inhabitants).



SUEZ ENVIRONNEMENT's example recognized at the Global Water Summit

In April 2011, Global Water Intelligence and the International Desalination Association held the Global Water Summit in Berlin. At this event, awards were given for exemplary efforts. Nobel Peace Prize winner and former UN General Secretary Kofi Annan bestowed three honors on SUEZ ENVIRONNEMENT and its partners. The SEAAL (Algiers Water and Sanitation Board) received the "Water Performance of the Year" Grand Prize for improving the long-term performance of water services in Algiers. The Group received a distinction for "Transaction of the year in the field of desalination." Finally, Agbar, the Group's subsidiary in Spain, was nominated for "the water company that made the biggest contribution to development in the international water sector."



Orléans - Innovative solutions to protect water resources

Against a background of stiff competition, Lyonnaise des Eaux made its mark with an innovative bid in several areas, ensuring the renewal of its water management contract for the city of Orléans (Loiret). Initiatives will include the protection of water resources with, for example, the development of a wetland. Additional initiatives will be a photovoltaic panel project to limit greenhouse gas emissions and an electricity supply based largely on green energy. Each year, for eight years, 1,000 lead connections will be replaced and 4 km of pipeline will be renewed. Finally, 20,000 remote-reading meters will be rolled out over a two-year period, all of which will save significant quantities of water. .

2.4. Water-energy nexus: GDF SUEZ synergies

Synergies between energy sector and water sector have been developed during the last years, specifically with the implementation of desalination linked with a power plant.



Perth: Southern hemisphere's desalination plant awarded in 2007

In Australia, rainwater is not sufficient to replenish water reserves whilst demographic pressure is increasing. Finding a solution to the rarefaction of water resources is therefore a priority of the country's environmental and economic policy. In order to respond to this challenge, a water desalination factory using reverse osmosis technology was built in Perth in November 2006. With an annual production of 143,000 m³ per day, it is the second biggest factory carrying out desalination by reverse osmosis in Australia and the southern hemisphere.

The factory works with innovative high pressure pump systems and uses wind energy for optimal energy efficiency. The first to use renewable energy, the Perth factory was awarded the title of desalination factory of the year 2007 at the Global Water Awards.



Al Dur: the largest desalination plant with Reverse Osmosis technology in the Middle East

Al Dur, in Bahrain, is the largest Seawater Reverse Osmosis plant drawing water from the Gulf with a capacity of 218,208m³/d and 1,234MW of power production. It is a potent symbol of the acceptance of reverse osmosis as a credible desalination technology in the region.

Without any thermal component, after Barka II in Oman, the project has fought against the odds to prove that Reverse Osmosis technology, allied with robust pretreatment, can enable reliable, flexible delivery of water at a reasonable price. The new facility meets a vital need not only for the people of Bahrain, but for membrane desalination technology, putting it back on a path for growth in the region.

The project was developed by a consortium of International Power (formerly GDF Suez Energy International), Gulf Investment Corporation, Capital Management House, Instrata Capital and GOSI. Degrémont was the contractor for the desalination plant (engineering, procurement and construction), and Hyundai Heavy Industries for the power element.

Synergies can also be developed between energy and gas activities.



SPEM, Montoir-de-Bretagne: Performance in sustainable development

The implementation of the project SPEM of GDF SUEZ, the first combined cycle power plant in western France, is fully consistent with a sustainable development approach. Indeed, this plant helps to strengthen the grid through its technological and environmental performance for the region Pays de la Loire. Proximity to the LNG terminal will reduce the environmental impact: water heated by the central Loire may be used by the LNG terminal to regasify Liquefied Natural Gas, which keeps out water without impacting Loire the ecosystem.

Looking at the multi-activities of Group and the important role in the nexus, we aim to develop synergies to optimize water use and energy consumption.

3. Supply chain and watershed management

3.1. Supply chain 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 built a strong purchasing policy including sustainable development approach in order to respect the UN Global compact 10 principles.

Human rights are part of this principle and are 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.

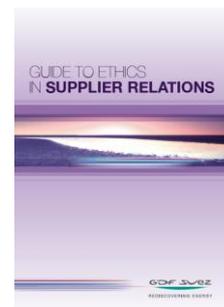
GDF SUEZ incorporates its environmental and social concerns in its purchasing procedures. For that reason, its contracting specifications include criteria for selecting suppliers and products as a function of its social and environmental commitments.

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.



Sustainable purchases

The sustainable purchasing policy comes within the scope of the Group's sustainable development policy, its values and its various charters. Its aim is to be reflected in the everyday activity of buyers, particularly in forming and maintaining healthy relationship with suppliers. To raise awareness among buyers on sustainable purchasing and to provide them with the tools they need on a daily basis, a training campaign for sustainable purchasing was launched in France in 2011. Other sessions will be organized in 2012. The long-term aim is to train all buyers.

In order to go further with its sustainable approach, the Group signed the Credit Mediation Charter in 2010. The charter commits the Group to setting up sustainable partnerships with SMEs. In late 2011, GDF SUEZ launched a Global Compact membership campaign based on its 100 biggest suppliers (in terms of sales, excluding energy purchases). Of the 51 suppliers who had not already signed on to the Compact, it was agreed with the business lines to approach 24 (some were at the end of their contracts or in dispute). To date, four new suppliers have joined the Global Compact. To increase their knowledge of our sustainable purchasing policy, a dedicated portal for suppliers was created in 2011.

<http://www.gdfsuez.com/en/commitments/responsible-purchasing/responsible-purchasing-policy/>

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.

Sustainable marketing

GDF SUEZ's industrial customers face the same imperatives of environmental, social and economic excellence that their suppliers have to take into account and try to integrate into their products and services. Many of the Group's subsidiaries now offer innovative solutions to reduce environmental footprints, cut greenhouse-gas emissions, protect the health of employees and ensure industrial safety. To promote internal debate over the sustainable products and services offered to industrial customers and local authorities, the Group facilitates synergies between its businesses to respond in a comprehensive way with the full range of its expertise, and more specifically to customer needs in terms of sustainable development. This action, launched in France and Belgium, has been rolled out to the Group's other European markets and to North America, and will soon be offered to all the Group's businesses in the B-to-B markets.

Sustainable products and services for residential and tertiary sector customers have also been developed and are offered by the Group's subsidiaries; energy efficiency and conservation of resources are key to the commercial offerings of suppliers of energy, energy services, water and waste treatment at GDF SUEZ.

3.2. Watershed stewardship

Sensitive and local actor, GDF SUEZ is involved in the watershed management.

In 2008, during the 16th sustainable development commission, the United Nations confirmed the interest of water management by watershed. Today managing water by watershed seems to be obviousness. We can't manage water without taking into account the other uses upstream and downstream of the river.



Kwinana, Australia – Change of water source

The serious droughts that have occurred in recent years in Australia and the increase in demand for drinking water have led local companies to promote alternatives to the use of fresh water. Accordingly, International Power's Kwinana cogeneration plant (capacity of 122 MW electric and 287 GJ of steam per day), located near Perth, has modified its process so that it can substitute 80% of its the drinking water used by recycled industrial process water. Reusing treated industrial water has cut demand for drinking water resources. Companies in the industrial zone have since followed the Kwinana plant's example, further reducing the demand for fresh water.



"Libellule" wetland management zones

Lyonnaise des Eaux through its subsidiary SDEI is launching its first "Libellule" wetland management zone at a site overseen by the SIVOM de Palus, a multi-commune association, located in the commune of Saint-Just in the Languedoc-Rousillon region. Literally meaning dragonfly, "Libellule" is a French pun-acronym for "biological freedom and fight against emerging pollutants". The wetland is a tertiary wastewater treatment solution consisting of successive basins (1.7 ha) relying on the purification capacity of certain plants to treat certain micro-pollutants (pesticides, metals, pharmaceutical residues). The wetland also harbors conditions that promote biodiversity.

www.lyonnaise-des-eaux.fr/actualite/collectivites/zone-libellule-utiliser-nature-reduire-nouveaux-polluants

4. Collective action

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

- Ensuring that populations have access to basic essential services such as energy, water and sanitation;
- Water stewardship
- Adaptation to climate change
- Depletion of natural resources and the need to promote circular economy
- Security of water supplies

To ensure these activities, collective actions are needed.

4.1. Working with National, Regional and Local levels

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

The critical issue of Community legislation on its activity, especially energy and water policies, requires GDF SUEZ to monitor it closely and maintain a sustained presence in EU institutions. For every European initiative that concerns the Group, a strategy of influence is defined in order to share and communicate the Group's position on these subjects. This lobbying activity may be conducted directly with the institutions or via professional organizations. The complete transparency of this activity is proved by the GDF SUEZ Group's registration and recognition in the Transparency Register of community institutions* which covers all the activities conducted to directly or indirectly influence the development or implementation of policies and the decision-making processes of the EU's institutions. In particular, the register includes the following information: a list of associations/federations/confederations of which the Group is a member, the estimated cost of its lobbying activities, the amount and source of finance received from EU institutions, etc.

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. More recently the Group contribute to the study "L'entreprise et l'eau : vers une gestion responsable" (Company and water: toward a responsible management) made by Deloitte and EpE.

In 2012, GDF SUEZ was engaged in the 6th World Water Forum in Marseille, especially in the "harmonized water and energy" thematic. The Group has promoted solutions on the platform of solutions and participated to multiple working groups and sessions. We will maintain this involvement for the preparation of the next forum in 2015.

4.2. Encourage R&D and Innovation

GDF SUEZ encourages the development and use of new technologies including water efficiency, desalination, and ecological footprint. In 2011, the Group devoted 231 million Euros into R&D

programs conducted. Investment in research and innovation is a central theme of GDF SUEZ's development and a major asset to prepare for the future. Over 1,100 researchers, driven by a passion for innovation, contribute to technological excellence in all the Group's businesses. The GDF SUEZ Research and Innovation Division responds to requests by the Business Lines for research in pursuit of operational excellence and categorizes prospective corporate research programs into three strategic priorities: zero-carbon energy production, smart management of energy and the environment, and future gas chains. The programs concerning future technologies are:

- The city and building of tomorrow,
- Smart energy and environment,
- Renewable energies,
- CO₂ capture and storage (CCS),
- Offshore LNG,
- Future gas chains.

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

GDF SUEZ has research centers all over the world:



Water footprint is part of the R&I activities. In 2012, the Group has started to include the water footprint in the Life Cycle Analysis (LCA) of the KWh electric. In the coming years, it would also be integrated in the natural gas chain LCA.

4.3. Working with international organizations

The Group has been involved in many works related to sustainable water use and management at international level.

Global compact and CEO Water Mandate

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 was engaged in the CEO Water Mandate since 2007, year of the creation.

WBSCD

GDF SUEZ supports the work of several existing water initiatives involving the private sector.

The WBSCD is a proactive actor on this issue. In 2011, GDF SUEZ has become a member of the water leadership group. They work on five axes:

- Water, energy, food, climate change linkages
- The 'true value' of water
- Water stewardship, and the development and implementation of the Global Water Tool
- Access to good water and sanitation
- Water reuse

5. 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.

Constructive partnerships to reach the Millennium Development Goals

For the Group, sustainable development is critical in helping regions achieve socioeconomic development and helping our company achieve sustainable growth. A company like ours must confront many environmental, ethical, corporate and societal issues, which is why the Group was one of the first companies to launch projects aimed at meeting the Millennium Development Goals. The Group is a partner of many organizations working toward universal education and other social causes. It is present in the field to offer concrete solutions that create a sustainable environment for its customers and, everyday, it takes many initiatives to support small business and local economies.

Example Goal 7: GDF SUEZ is to ensure a sustainable environment for its customers.

GDF SUEZ intends to fully ensure its social responsibility for environmental sustainability in all countries where it operates. This commitment takes on particular importance in the context of the current financial and economic crisis.

As part of this millennium goal, it is important to note that the creation and maintenance of a sustainable environment is at the heart of the Group's activities. Controlling the impact of its activities on the environment is one of its major goals of the Group. Environmental performance is one of its management tools. The group supports public and private actors to protect natural resources and integrate the principles of sustainable development into country policies and programs.

- With regard to access to water, the Millennium Development Goals aim to "reduce by half the percentage of the population that does not have sustainable access to safe drinking water and sanitation.

The group contributes to the achievement of this target mainly via SUEZ ENVIRONMENT. For twelve years, SUEZ ENVIRONMENT operates in countries that meet this challenge; his role has always been to help them. Over the last twelve years of international development period of SUEZ ENVIRONMENT, the company has made in partnership with public authorities, drinking water to nearly 10 million people in developing countries, including 8 million and 1.8 million individual access to communal water points, also 4.5 million people were connected to a sewerage system.

- With regard to the protection of biodiversity, the group has implemented several projects. As a stakeholder of the Grenelle de l'Environnement, the Group is committed to develop action plans for all sensitive sites by the end of 2015 in Europe.

- Another focus of this millennium goal is to improve by 2020 the lives of at least 100 Million slum dwellers. Of these trades, GDF SUEZ has implemented several programs to improve the living conditions of slum dwellers by allowing them to have access to water, improved sanitation and energy. For example, in Morocco, LYDEC has access to electricity, water and sanitation is a priority in response to the expectations of customers and authorities.

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

The Group has agreed to establish action plans at all sensitive sites in Europe by 2015. 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>

6. Community engagement

6.1. Encourage dialogue with multi-stakeholders

GDF SUEZ encourage multi-stakeholders dialogue in order to improve continuously its 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 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 in the Group. For example, multi stakeholders' dialogue sessions were organized in 2009 at GDF SUEZ and in 2008 at Electabel and SUEZ Environnement.

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.

GDF SUEZ Scientific Council – a unique advisory body

The Scientific Council is conducted by its chairman and the GDF SUEZ Research and Innovation Division. Membership is offered to high level personalities, who are external to the Group with recognized scientific skills. It acts as a debating and advisory body for the Group's General Management, providing advices and external insights regarding all the topics in its field of expertise that could have impact on the GDF SUEZ Group. Via the personal network of its members, it grants access to the most appropriate national, European and international knowledge. The Council has two ways to act: either on request of the General Management, or on its own initiative depending on the knowledge it has gained on the Group.

The members of the GDF SUEZ Scientific Council therefore:

- provide their personal vision on societal expectations, on technological developments, and on economic and socio-political trends;
- reply to queries in order to explore and analyze the topics or trends that may have an effect on the activities of the Group in the future;
- share their analysis on recent events, on the evolution of local situations, on the perceptions and opinions they have gathered in their field of work;
- issue advices regarding the outlook and policies of the Group, based on their own personal expertise.

Waterblog

Waterblog is a conversation forum initiated by Suez Environnement to exchange and share information about news and advancements in the area of water.

On-the-ground experiences, innovative practices, expert points of view: Waterblog aims to present water issues from all angles.

Waterblog is for everyone: novices and experts, elected officials and associations, professionals and curious individuals, journalists and students.

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

Foresight Advisory Council (FAC) – Anticipating tomorrow’s challenges

Further developing SUEZ ENVIRONNEMENT’s strategy in relation to major environmental and societal challenges is the mission of the FAC, or Foresight Advisory Council, created in 2004. A consultative body bringing together 25 international personalities from various backgrounds – university lecturers, representatives of associations, senior officials, former members of governments, company directors, etc.– whose mission is to challenge the directors of SUEZ ENVIRONNEMENT.

Twice a year, the members of the FAC freely debate our strategic alignments, our positioning and our initiatives. They then draft their recommendations. “The company will table its vision for changes to its business, its projects and certain situations that it has to confront. However, if one of the experts wants to discuss a particular point, or if a subject has concerned him, he has complete freedom to place it on the FAC’s agenda”, explains Margaret Catley Carlson, Chair of the FAC and Honorary President of the Global Water Partnership.

The main virtue of the FAC’s meetings is that they force us to think globally and to give better consideration to human and societal imperatives, as well as technical and economic aspects.

6.2. GDF SUEZ acting as a socially responsible company

GDF SUEZ Internal monitoring of water and energy insecurity

In December 2009 the Group set up an internal monitor of water and energy insecurity. The purpose of this structure is to study, measure, and understand the mechanisms of energy and water insecurity with the aim of taking action in all the countries where GDF SUEZ is present.

In December 2011, this monitoring entity, known as the Observatoire, organized its second conference in Paris, with almost 150 participants acting on an international scale. The Group aims to highlight local initiatives and promote best practices among the various players involved.



“Rassembleurs d’énergies”: Promoting access to sustainable energy for all

With 20% of the world population not having access to electricity and more than one in four people in Europe facing energy scarcity, access to energy – an essential service – is key to poverty reduction.

Through GDF SUEZ Rassembleurs d’Énergies, the Group provides technical and/or financial support for projects that promote access to sustainable energy for disadvantaged populations throughout the world.

The Group’s aim is to capitalize on this dynamic to foster economic and social development of isolated towns and regions and reduce energy scarcity for low-income customers.

To find out more, e-mail: rassembleursdenergies@gdfsuez.com

SUEZ Environnement/Institut de France – Fonds Suez Environnement Initiatives

From the moment it was established in 2008, the SUEZ ENVIRONNEMENT “Water for All” Foundation, under the auspices of the Institut de France was focused on supporting initiatives aimed at improving access to basic services in the developing world.

Having gained three years of experience alongside the Institut de France, SUEZ ENVIRONNEMENT decided to inaugurate the FONDS SUEZ ENVIRONNEMENT INITIATIVES in January 2011. Chaired by Jean-Louis CHAUSSADE, Chief Executive Officer of SUEZ ENVIRONNEMENT, this endowment fund will take over the commitments and maintain the values of the Institut de France’s “Water for All” Foundation.

The FONDS SUEZ ENVIRONNEMENT INITIATIVES carries out concrete actions aimed at providing access to water, sanitation, waste water treatment and waste management in developing countries, encourages skills development and is involved in meeting the social needs in France.

With a budget of 4 million Euros a year for 2011 and also in 2012, the FONDS SUEZ ENVIRONNEMENT INITIATIVES has established a number of priorities:

- Improving access to basic services – water, sanitation and waste management – in the developing world
- Building capacities
- Responding to emergencies
- Encouraging innovation
- Meeting social needs in France

The FONDS SUEZ ENVIRONNEMENT INITIATIVES and its partners are careful to ensure that, in all projects, the conditions are favorable to achieving sustainable results and suitable solutions.

<http://www.suez-environnement.com/group/suez-environnement-initiatives-fund/>

6.3. Employees engagement:

<http://www.gdfsuez.com/en/commitments/solidarity/involvement-employees/>

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, Created in 1994, Aquassistance has 730 members. In 2011, 67 different people, members of the association, took part in 53 missions on the spot and spent 913 days in the terrain on 49 different projects. At December 31, 2011, the association had 84 projects in progress, principally concerning drinking water. In addition to its own resources, to finance its projects Aquassistance relies on the SUEZ Environment Initiatives Gift Fund, help from other private foundations and subscriptions from local authorities and water agencies. In 2011, among other projects, Aquassistance successfully completed a project involving the drilling of 10 wells in Burkina Faso and a project for bringing in piped water in Benin, for a sum in excess of 100,000 Euros each.

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



Energy Assistance. Created in 2001, Energy Assistance has more than 600 members and donors. It has conducted more than 120 projects since it was founded in 2001. Almost 280 projects are under study, and 40 are currently in progress. These projects target energy access for clinics, orphanages, schools, villages and social tourism centers located in isolated areas where poor populations live on the margins of the economy.

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



CODEGAZ is a non-profit association formed by GDF SUEZ employees in 1989; it was granted non-profit, public utility status in 2007. Since it was founded, the association has completed more than 300 humanitarian projects in 16 different countries. It applies an integrated development policy by helping vulnerable populations in the areas of food, water, health, assistance for children, education/training, energy and micro-economic development. <http://www.codegaz.org/>

6.4. Partnerships with universities and schools

HEC “Business Sustainability” Chair:

The HEC “Business Sustainability” Chair was created in July 2010 by GDF SUEZ and the HEC (Hautes Études Commerciales) Group as part of a five-year partnership. The purpose of this chair is to contribute to a better understanding of the relationship between corporate performance and sustainable development. The HEC Paris-GDF SUEZ Chair is the responsibility of Rodolphe Durand, a professor at HEC Paris, the Director of the Corporate Strategy and Policy Department and head of business strategy specializations for the MBA and doctorate programs. He has written numerous academic papers and several books, and his prize-winning research focuses on the strategic, social and institutional determinants of corporate competitive advantage.

Fondaterra:

The goal of Fondaterra, the European Foundation for Sustainable Territories, which is a university partnership foundation formed by the Université de Versailles Saint Quentin in Yvelines, is to create a major interdisciplinary center of excellence in Europe in the area of local sustainable development. Fondaterra brings together a range of actors (individuals and organizations involved in research and higher education, regions, corporations, schools and civil society organizations) and enhances a host of diverse skills that promote interdisciplinary projects including multiple actors. As a strategic partner, GDF SUEZ helps to create pilot projects in four areas: energy efficiency of buildings, sustainable urban planning, sustainable territorial mobility, and the adaptation and social transition of territories to environmental changes.

Éco-École:

In May 2010, GDF SUEZ signed a three-year partnership agreement with Éco-École in France. Éco-École is an international program of environmental and sustainable development education for elementary schools, middle schools and high schools. Éco-École is a label awarded to schools that are committed to eco-friendly operation and which include the program in their curricula. Developed by the Foundation for Environmental Education in Europe and sponsored by the Ministry of Education and supported by the Ministry of Ecology, Sustainable Development, Transportation and Housing, the objective of Éco-École is to produce concrete achievements in improving the environmental impact of participating schools.

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” specialization). These courses deal with Health and Safety, Sustainable development, business

models... Part of 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.

Knowledge sharing - University training projects:

In 2011, Agbar, Madrid Polytechnic University (UPM) and the Polytechnic University of Catalonia Barcelona Tech (UPC) signed an agreement to launch joint training projects and programs in their own specific areas of expertise.

The aim is to create a reference framework to promote the three institutions' collaboration in training and knowledge sharing projects. This will allow each institution to supplement the others by contributing knowledge in the areas where they have the most experience. The very first program resulting from this agreement, the Masters in Technology and Water Management (www.masteragbar.net), was developed by Aqua Development Network (Agbar) in collaboration with the UPM and UPC and will run from next November.

7. 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.

7.1. 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. (Amendment of these documents by the Board in 2012) 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.
http://www.gdfsuez.com/wp-content/uploads/2012/05/governance_governance_ri_gdfsuez_2012_04_23.pdf
- 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.
http://www.gdfsuez.com/wp-content/uploads/2012/05/governance_governance_gdfsuez_charte_administrateur_2008_12_17.pdf
- 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.
http://www.gdfsuez.com/wp-content/uploads/2012/05/governance_governance_code_de_bonne_conduite_2011_01_13.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.

7.2. 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

Gérard Mestrallet 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"

Gérard 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.

7.3. 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>

7.4 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 consumptions 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.

2011 was a revolution year for the water reporting, we have changed the primary indicators in order to go deeper in the knowledge of water footprint and water balance. Further than the 2 externally checked indicators, the entities report now also:

- The volume of water withdrawal per water source (GRI EN8)
- The volume of water discharge per receptor (GRI EN21)
- The water recycled and the water reused (GRI EN10)

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)

For the second year GDF SUEZ has responded to the CDP Water questionnaire.

In 2011-2012, we have started to analyze water-related risk facing the water-stressed areas. The tool selected for this job is the Global Water Tool of the WBCSD.

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 R&D department also we work on the integration of the water footprint in the Life Cycle Assessment (LCA) of the kWh of electricity worldwide and the LCA of the natural gas chain.
- 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.

ANNEX 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 87 of the [2011 Sustainable development report](#).

ANNEX 2: Publications

2011 Sustainable development report



http://gdfsuez.beevirtua.com/uid_cac44b12-7f86-4a1f-b4a4-183d6fd13690/beevirtua/beevirtua.html#app=9483&adf3-lang=en

2011 Activities report



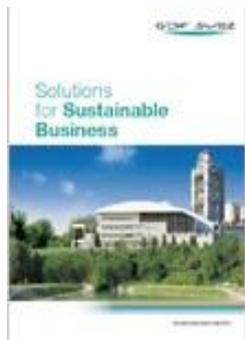
http://gdfsuez.beevirtua.com/uid_c5d229ab-86f6-4816-8ca6-421f75c536b4/beevirtua/beevirtua.html#app=a338&adf3-lang=en&ccb3-pageId=0&9557-source=xmlConfs/init.xml

2011 Registration document



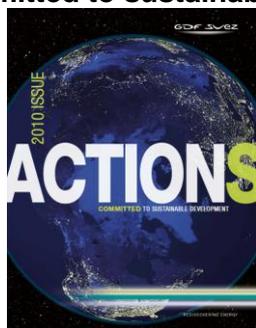
http://gdfsuez.beevirtua.com/uid_7129afe1-5583-414a-a840-05a64f2168f5/beevirtua/beevirtua.html#app=7ad5&adf3-lang=en&ccb3-pageId=0&9557-source=xmlConfs/init.xml

Solutions for sustainable business



<http://www.gdfsuez.com/wp-content/uploads/2012/05/brochure-solutions-durables-en.pdf>

Actions committed to sustainable development



<http://www.gdfsuez.com/wp-content/uploads/2012/05/gdf-suez-brochure-5-enjeux-03-2010-vf1.pdf>



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