

LYONNAISE DES EAUX

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PRESS RELEASE

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Lyonnaise des Eaux, a SUEZ ENVIRONNEMENT subsidiary, wins a 9-year €10 million contract to produce and distribute drinking water to the Town of Olivet in Central France.

The Town of Olivet has awarded the management of its public drinking water production and distribution to Lyonnaise des Eaux, a subsidiary of SUEZ ENVIRONNEMENT. This contract, which will run for nine years, will take effect on 4 February 2015 and will generate approximately €10 million total revenue.

Lyonnaise des Eaux and the Town of Olivet will work within the framework of a modernised partnership based on innovation, transparency, the involvement of local residents, and the sustainable management of water resources, which are the cornerstones of the Contract for Water Health that Lyonnaise des Eaux launched over two years ago.

A NEW GOVERNANCE APPROACH BETWEEN THE TOWN AND LYONNAISE DES EAUX, WITH A VIEW TO GREATER CLARITY AND DIALOGUE

The Town of Olivet illustrates the challenge involved in renewing the governance of water utilities in keeping with the aims of elected officials and the expectations of residents.

New guidance rules for the water utility will be implemented with the creation of three committees: a technical committee, a users' committee and a governance committee, which will enable the Town of Olivet to guarantee the comprehensive governance of its water utility, and to manage the agreement in a detailed manner. These bodies will also enable the proper roll-out of the roadmap to be monitored during the agreement's nine-year term.

INNOVATION TO SUPPORT THE PROTECTION OF WATER RESOURCES

The protection of water resources will be based on three key commitments:

- Protecting underground water resources by optimising farming practices in the areas surrounding the catchment protection areas. A three-way agreement will be drawn up between Lyonnaise des Eaux, the Loiret Chamber of Agriculture and the Town of Olivet;
- Anticipating risk of water table pollution, and protecting underground resources that are close to the surface by monitoring emerging and phytosanitary pollutants in the water table and the Loiret River via two assessment campaigns every year;
- Rolling out 6,000 smart meters aimed at saving water resources. A remote monitoring system will enable each resident to see their consumption in real time, and therefore control it.

Residents will receive a warning in the event of a suspected leak in their home. Invoices will henceforth be based on actual consumption, rather than on estimated consumption.

Furthermore, the network will be divided into sectors in order to reduce water losses, which will enable the daily monitoring of the amounts consumed. The aim is to achieve a yield of over 90%.

IMPLEMENTATION OF A PROGRESSIVE SOCIAL PRICING SYSTEM AND A COMMUNITY SUPPORT MECHANISM

To help the most underprivileged residents gain access to water while encouraging water savings, Lyonnaise des Eaux has offered the Town of Olivet a pricing matrix that provides for a lower rate for the first 40 cubic metres. This pricing applies to all users, regardless of whether they live in detached or collective housing. This mechanism is supplemented by a community support fund managed by the CCAS (Community Social Action Centre), which will enable solutions to be found for people who are experiencing severe difficulties. This community support fund will operate via *Chèques Ô* ("water cheques") of €10 each.

INITIATIVES AIMED AT OPTIMISING THE QUALITY AND TASTE OF THE WATER

To improve the taste of the water, Olivet will be one of the first districts in France to benefit from a chlorine-free water research and development programme (75% less chlorine). The first year of the feasibility study will be operated by CIRSEE (the SUEZ ENVIRONNEMENT Research and Development Centre).

Lyonnaise des Eaux

Lyonnaise des Eaux, a subsidiary of SUEZ ENVIRONNEMENT, has 12,000 employees, supplies drinking water to 12 million residents and provides wastewater treatment for more than 9.4 million people in France.

Protecting the quantity and quality of water resources is at the heart of its concerns. To guarantee the future of water on a collective basis, Lyonnaise des Eaux launched the Contract for Water Health in November 2011; this is a modern partnership with local authorities that offers innovative proposals where governance, innovation, and business models are concerned. The effectiveness of its commitments is monitored by Vigéo, an independent extra-financial rating agency.

SUEZ ENVIRONNEMENT

Natural resources are not infinite. Every day, SUEZ ENVIRONNEMENT (Paris: SEV, Brussels: SEVB) and its subsidiaries deal with the challenge of protecting resources by providing innovative solutions to industries and to millions of people. SUEZ ENVIRONNEMENT supplies drinking water to 91 million people, provides wastewater treatment services for 63 million people and collects the waste produced by 57 million people. SUEZ ENVIRONNEMENT has 79,550 employees and, with its presence on five continents, is a world leader exclusively dedicated to water and waste management services. SUEZ ENVIRONNEMENT generated total revenues of EUR 15.1 billion in 2012.

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