

SUEZ GROUP'S SOCIAL DYNAMICS
Section on "Employment and Expertise Plan"

GROUP AGREEMENT DATED 3 July 2007,

hereinafter referred to as the "**Agreement**",

BETWEEN

SUEZ S.A., whose registered office is located at 16, rue de la Ville l'Evêque, Paris (75008), and its subsidiary companies meeting the conditions defined in Clause 2-1 of the Agreement, jointly represented by Mr. Gérard Mestrallet in his capacity as Chief Executive Officer of SUEZ S.A.,

of the first part,

AND

The European Consultative Committee represented by its Bureau.

AND

Representative trade-union organisations within the scope of the Agreement, duly entitled to sign the agreement, namely:

- **The European Trade Union Confederation** represented by Mr Jan Willem Goudriaan, Deputy General Secretary of the European Federation of Public Service Unions.
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- **The C.F.D.T.**, represented by Messers Bernard Larribaud and Laurent Grolier,
- **The C.F.E.-C.G.C.**, represented by Messers Fabrice Amathieu and Joseph Chapeau,
- **The C.F.T.C.**, represented by Mr Jacky Rouchouse,
- **The C.G.T.**, represented by Messers Yves Montobbio and François Mamet,
- **The C.G.T.-F.O.**, represented by Monsieur Jean-Luc Vignon,
- **The European Confederation of Managers (CEC)**, represented by Mr Philippe Mangelinckx,

of the second part,

hereinafter jointly referred to as the "**Parties**".

PREAMBLE

This European framework agreement defines the principles for implementing an Employment and Expertise Plan (GPEC) within European subsidiary companies of SUEZ.

This agreement is not intended to take the place of company regulations, agreements or practices currently in force in the SUEZ subsidiary companies that are more favourable than this text. In any case, the most favourable conditions shall apply to employees.

The employment and expertise plan (GPEC) is a strategic consideration in keeping with the company's strategic plan. This human resources engineering programme, which consists of designing, implementing and managing policies and practices aimed at reducing the differences between the company's requirements and resources both on a quantitative (workforce) and qualitative (skills) level. It comprises a double dimension: collective and individual.

- On the collective level, it involves integrating human resources as an entirely separate strategic variable and managing the developments in employment in the medium term from a quantitative and qualitative viewpoint.

- On the individual level, it involves allowing each paid employee to have a role in the marketplace and to create and implement a personal career development plan.

Thus, the GPEC must ensure the employability of the employees, in particular through anticipating trends in the following areas of activity:

- activities that evolve significantly in quantitative terms,
- strategic activities: activities for which the company must ensure the continuity of know-how and skills with respect to customers and suppliers,
- activities under strain: activities for which the workforce available on the market is scarce or which require a long apprenticeship,
- activities in which skills change significantly: activities in which the skills required change considerably, making a major adaptation plan necessary.
- activities rendered vulnerable by structural, economic or technological developments.

With developments in the market, technology, products and organisations constantly forcing companies to adapt, and in the framework of developing its policy of company social responsibility, SUEZ and its social partners want to:

- continue developing a proactive employment policy based on the foreseeable trends in the Group's activities,

- anticipate the major trends which will structure the developments relating to companies' requirements,
- define the means by which matching needs and resources can be met on an ongoing basis,
- ensure preventive management of trends in the age pyramid.
- ensure the employability of employees is maintained.

As a result, SUEZ intends to:

- build a management model for jobs and activities based on the best practices in force within the Group, and implement a common methodology,
- apply these principles in line with foreseeable trends in activities and with respect to their strategic and time-based prospects,
- work with Trade Union organisations and Staff Representatives,
- draw as much benefit as possible from its numerous establishments in various regions which will enable the creation of skills development and solidarity structures among the units.

SECTION 1 GENERAL PRINCIPLES OF THE EMPLOYMENT AND EXPERTISE PLAN (GPEC)

Article 1.1. Scope

This agreement applies to all the subsidiary companies fully integrated in the consolidated structure of the SUEZ Groupe in Europe.

Article 1.2. Methods of application

This text constitutes an agreement to directly apply in all the companies included in the scope of article 1.1 above, implementing the principles declared below within a time scale of one year at most from the date of signature of this agreement.

SUEZ companies at the highest level of negotiation with the Trade Union organisations, or failing this, the staff representative bodies, may enter into negotiations/discussions in order to complete and adapt the content, either at the initiative of management or of the Trade Union organisations, and failing this, of staff representative bodies (Works Committee, Works Council or equivalent) within the same period of one year from the date of signature of the present agreement.

Article 1.3. Information content

Each year, the head of the company shall make a presentation to the staff representative bodies regarding the economic context in which the company's activity is conducted, based on its strategy, in particular with regard to the sector's volume of activity, the position of its main competitors and the development potential of its markets. This shall include a presentation of the forecast effects of this information on employment and remuneration.

If national regulations require it, the information shall include formal feedback from staff representatives.

At this time, at the ECC and the French Group Committee level, information on applying the employment and expertise plan (GPEC) within the subsidiary companies (see article 1.2 above) shall be communicated.

Article 1.4. Dialogue procedure

Activities will be conducted together with the Trade Union organisations and staff representative bodies in the context of their legal prerogatives and through meetings organised specifically where necessary.

Meetings called by Management will be paid as for working hours. Travelling and accommodation expenses will be charged to the employers.

In any case, the legal prerogatives of the Trade Union organisations and staff representative bodies shall not be undermined by the development of policies and measures set down in this agreement.

SUEZ, with the support of the GPEC Committees and management, shall implement methods of assessment and necessary measures to anticipate the foreseeable quantitative and qualitative trends in activities (growth/decline), regardless of the reasons for these trends: technology, markets, or strategy.

Cooperation between all the participants is essential to ensure the success of professional development.

Article 1.4.1. Training participants

An employment and expertise plan (GPEC) is reliant on adopting of a common vocabulary to allow all participants to work on the basis of joint definitions.

To ensure the success of this step, a training and information engineering process shall, as a priority, be deployed for the employment and expertise (GPEC) participants, in particular at subsidiary company level for the teams involved in negotiating and monitoring the employment and expertise plan (GPEC) (management and staff representatives).

SUEZ Management underwrites the resources necessary so that the training of staff representatives is carried out per country in coordination with the Trade Union organisation representatives at the EEC. This training will be founded on the present agreement and the common vocabulary provided for above.

This provision shall not impede specific training operations carried out by the Trade Union organisations for their representatives.

Article 1.4.2. Dialogue at European level

An employment and expertise (GPEC) committee is formed. This is a forward-looking think tank geared to the exchange of views and information and will undertake transnational monitoring.

It will normally meet twice a year.

Staff representation will comprise a representative per country having at least two BUs. Representation will be supplemented by a further representative for every 10,000 employees for countries having more than 10,000 employees.

Its main assignments will be to:

- anticipate major industrial trends having, as appropriate, recourse to external experts,
- anticipate the social developments linked to the Group's main industrial, organisational and technological projects,
- observe trends in the activity reference system,
- monitor, in this respect, the implementation and results of the actions undertaken per country.

Once a year, the SUEZ General Management shall present the company's strategy to the ECC body in accordance with article 1.3. of this agreement, together with a report of the actions carried out by country in the different subsidiary companies and European regions.

On this occasion, the GPEC Committee shall express their concerns and/or analyses of the situation and trends in the activities and employment within SUEZ.

Article 1.4.3. Dialogue at country level

A country GPEC Committee will be set up once there are at least two subsidiary companies in that country.

Beyond the missions devolved at European level, the role of this body shall be to act as an observatory which shall:

- monitor the development of activities and skills and its effects on employment per region,
- identify any possible links between the activities,
- develop the regions according to the number of Group companies present,
- anticipate activities by safeguarding professional careers,
- identify training paths linked to activity trends.

Information on the range of strategies of the various SUEZ subsidiary companies and their expected effects on employment will be provided once a year.

This Committee will normally meet twice a year.

Staff representation will comprise one representative for every 4,000 employees in the country.

Article 1.4.4. Dialogue at regional level

A region is a geographic area within a country having at least two subsidiary companies.

Regions shall be defined in agreement with the country GPEC Committee while taking account of the geographic criteria of each region (mountains, plains, etc.), and cultural and language criteria insofar as they might benefit from mobility without the constraint of moving home.

Within each of them, a SUEZ regional coordinator shall be appointed, whose duties will be to liaise between the various SUEZ entities in the region on GPEC matters.

In addition, the regional coordinator shall take the initiative to call a regional GPEC committee for an ordinary session twice a year.

Article 1.4.5. Method of appointing representatives to GPEC Committees

Nominations by Trade Union organisations or failing that by staff representatives must take into account fair representation by branch and by country on the European GPEC Committee, by branch and subsidiary company on the country GPEC Committee, as well as ensuring a balance among the unions present.

Any arbitration regarding nominations will be conducted by the European Trade Union Confederation (ETUC).

In the absence of a representative, a replacement may be appointed under the same rules.

Article 1.4.6. Dialogue at company level (the highest echelon of Trade Union representation or, failing that, of staff representation)

To ensure equal treatment between companies, irrespective of their Branch or nationality, the Trade Union organisations or, failing that the staff representative bodies, may enter into negotiations with the management of each subsidiary company based on the minimum common basis of this framework agreement.

Without questioning the legal prerogatives of staff representative bodies, the content of the negotiations shall be adapted to the actual circumstances of the subsidiary company.

Each subsidiary company shall set the timetable for informing and/or consulting in accordance with article 1.3. of this agreement to provide visibility of trends in the activity and organisation and in particular of the dialogue on the methods of setting up necessary systems.

SECTION 2 - GPEC SYSTEMS

Article 2.1. Inventory by company and by country

An inventory by subsidiary company shall be drawn up based on:

- A skills and activity reference system in line with a SUEZ standard to be defined (qualitative/quantitative).
- A census of resources in line with the activity reference system, specifically including age, length of service and place of work.
- Human Resources management systems
- Practices

Article 2.2. Forecast

On the basis of the inventory explained in article 2.1 of this agreement, the systems must enable an analytical forecast to be made, taking account of the aging of the population, the effects of turnover and/or strategic and economic assumptions.

These aspects will be reported on by the bodies concerned, as specified in article 1.4 of this agreement.

Article 2.3. Information on actions taken

To monitor the trends in careers, training, recruitment, tutoring and internal movements developed in section 3 of this agreement, the various bodies mentioned in article 1.4 of this agreement shall be informed of the actions taken and the anticipated forecasts.

The setting up of monitoring systems shall be defined taking into account the information to be communicated, such as Social Professional Categories (CSP), activities, geographic locations, the numbers recruited and redeployed and types of contract.

SECTION 3 – MANAGEMENT, RECRUITMENT AND TRAINING OF STAFF

SUEZ is continuing and expanding a process for ensuring the employability of employees throughout their professional development and respecting diversity, impartiality and equal opportunities. SUEZ will do everything possible to ensure continuity of employment among its employees, even in the event of problems.

Article 3.1. Management of individual development according to the agreements and legal regulations in force in each country

In parallel with recruitment plans, career planning shall provide:

- a response to the need for adapting employment to company plans, changes in activities and the aspirations of employees,
- opportunities to be proposed to employees that foster their career development,
- retraining where this is necessary.

The individual development of each employee shall be taken into account.

To do this, a discussion shall be conducted on the systems and practices in force to improve their content so that within each country a common base will be created.

This approach shall apply to the development and deployment of the following systems:

- Communication and announcement (by means to be specified) of jobs available and future activities in order to foster individual analysis of career development,
- Interviews on the personal development ambitions, enabling in a regular way and at significant intervals, the employee to envisage the development of their skills,
- Career assessment,

- Professional training,
- Confirmatory experience,
- Leave of absence for training.

Article 3.2. Recruitment policy

When a job is to be filled (vacancy following internal mobility, departure or because a new job has been created), the managers and HR managers involved in recruitment shall give priority to internal Group applicants, depending on their skills and on whether their profile matches the post, either immediately or following adaptation.

Jobs to be filled are published on the platform, accessed via the SUEZ Intranet, or on the Internet site or by other means to be specified.

As a priority, these jobs shall be reserved for SUEZ employees for a period of 3 weeks.

Recruitment shall meet the equal opportunities and the anti discrimination requirements, while respecting the balance in age-related pyramids, in particular through the recruitment of young people, while ensuring the skills transfer.

Comparing the structure of the age pyramid with the need to ensure the continuity of certain skills may result in specific actions. The Group will focus in particular on:

- developing facilities for young people during initial employment and in the acquisition of new skills by means of a targeted recruitment policy,
- ensuring the success of the internal or external integration into the Group of young employees through monitoring involving the recruiting manager and the HR manager during the initial employment period (allowing those involved to make use of all aspects for performing this mission successfully) and during the integration period (evaluating the skills match, achievement of objectives and any adaptation),
- organising skills transmission through internal and external training activities or tutoring, and by using the most experienced expertise,
- arranging a period of coverage by the job holder in the case of voluntary mobility.

Article 3.3. Training Policy

Multi-annual professional training policies and associated budgets shall include the short and medium term objectives expressed in the GPEC, especially for the activities mentioned in the introduction to this agreement, senior employees and apprentices.

To obtain additional financing (from SUEZ and/or interbranches or Business Units, or externally) and to forward plan for the improved versatility of employees, multi-annual training courses shall be planned in compliance with national regulations.

Article 3.4. Tutoring

For proper organisation of skills transfer, especially between generations, volunteer employees shall give tutoring sessions. The assignment shall be preceded by a special training course, including specific teaching methods.

Tutoring will be set up within each entity after negotiation with social partners. These negotiations shall ensure that the number of employees for whom the tutor takes responsibility is reasonable and suitable in relation to the activity.

SECTION 4 – MOBILITY

- Arrangements regarding mobility methods are deployed in some subsidiary companies.
- A European framework mobility agreement is attached to this agreement in order to provide a minimum base for all employees.
- The most favourable provisions shall apply to the employee.

Article 4.1. External and internal mobility constraints

A vital aspect of the GPEC is to anticipate risks linked to economic problems, and to the management of the Group and the companies that it comprises, so that essential preventive action can be taken.

Consequently, the GPEC Committees shall debate any possible risks arising in the event of potential loss of contracts, economic risk or pilot-study reorganisation. To facilitate frank discussions, members of GPEC Committees have a duty of reticence on these subjects in relation to the outside.

When the risk is known, the usual representative bodies (Works Committee or Works Council) are convened under the standard regulations, to suggest an agreed method suited to the circumstances and to plan full mobilisation of Group solidarity supported by an extraordinary meeting of the GPEC concerned.

All means possible will be explored in order to offer redeployment within the Group, or where this is relevant, specific undertakings made for returning to the original job.

Article 4.2. Voluntary inter-group mobility

Inter-Group mobility shall apply to four types of professional and geographic development as specifically identified:

- development in the same kind of job,

- development involving a similar job by adapting skills,
- development linked to individual professional re-training,
- individual development in the context of a collective professional re-training programme.

To encourage these types of development, support is provided in the Group companies in order to:

- find available posts,
- identify the skills that require adaptation or training,
- establish the adaptation and/or training plan required,
- prepare the employee for the interview process following his/her application,
- verify that the necessary means are in place to ensure the success of the candidate's integration into the new job.

Inter group mobility arrangements are detailed in Appendix 1.

SECTION 5 - PERSONAL DEVELOPMENT OF EMPLOYEES AGED 45 AND OVER

Article 5.1.

SUEZ shall pay particular attention to applying equal opportunities principles for employees aged 45 years and over in terms of recruitment, promotion, remuneration and career support.

In particular, they shall benefit from:

- a career assessment
- an adjustment and support programme,
- secondments to accessible jobs and activities, in order to enhance employability.

SECTION 6 – PHYSICALLY-DEMANDING WORK

PREAMBLE : Definition of physically-demanding work

A physically demanding job is one having physical or psychological stress requiring a constant effort of adaptation from the employee leaving lasting, identifiable and irreversible effects on that employee's health.

The diverse nature of the work situations and the criteria of a physically demanding job make the choice of indicators a difficult one.

The choice shall be made at the level of the Health and Safety Management Committee, suggesting to the GPEC Committee the definition of physically demanding work while in particular taking account of climatic conditions, geographical conditions, regulations or specific requirements. Proposals that might have to be based on contributions by experts (ergonomists, industrial medical advisors, etc.) must be produced within a period of one year from signing this agreement. This approach will be based in particular on the proposals of Health and Safety Committees or their equivalent, as well as those of Activity Committees for Health and Safety. Under this requirement, specific meetings may be organised by the Management Committee for Health and Safety.

In general, the criteria determining irreversible effects from physically demanding work are as follows:

- reduced life expectancy,
- life expectancy altered by incapacity due to work,
- frailty exacerbated by accident or illness,
- physical or mental impairment.

The aim of this approach is to contribute to improving working conditions, to redeploying employees through professional training and to specific measures for managing end of career.

Article 6.1. Improving working conditions

Health, Safety and Working Conditions Committees or their equivalent shall inform the Management Committee for Health and Safety of their recommendations for improving working conditions.

Article 6.2. Forward planning and re-training

Employees in physically demanding work enjoy the benefits of an enhanced support and prevention system for changes in employment and skills, subject to a of 2 years seniority in the company.

These measures do not create obstacles but complete the anticipated career management principles provided for in this agreement.

Article 6.3. Specific measures to maintain employment for those in physically demanding work.

Several measures may be envisaged depending on the level of the employee's exposure to physically demanding factors, notably, the arrangement of the workstation (tutoring) or professional re-training.

As part of the preventive actions, a certain measures shall be implemented, such as:

- a career assessment,
- a programme of adaptation and assistance, which may provide a savings scheme proportional to exposure to physically demanding work and its degree. These measures should allow the employee's employability to be maintained by introducing specific rights to professional training or time off.
- secondment to accessible jobs and activities, in order to develop their employability.

SECTION 7 – MISCELLANEOUS PROVISIONS

Article 7.1. Setting up cross-company pilot projects

In order to co-ordinate and validate the implementation of this agreement, two pilot projects shall be conducted in regions to be decided in France and Belgium.

The purpose is to check standardisation of common systems, the involvement of the participants (common training and information) and to enable, as appropriate, the enrichment or amendment of this Agreement.

In any event, the parties agree to meet to assess the effectiveness of this agreement and the pilot operations being undertaken after a two year period.

Article 7.2 Resources

Implementation of this agreement will be facilitated by suitable resources:

- The appointment by SUEZ of regional coordinators firstly within the framework of setting up cross-company studies.
- Internal SUEZ resources for defining activity reference systems, involvement in training provisions, drawing up activity statistics, and implementing various systems.
- Resources for trade union organisations and staff representatives to take part in drawing up activity provisions and provisions for the initial training of participants, for preparing and taking part in the various GPEC bodies, for monitoring experiments and for discussing implementation methods.

SECTION 8 – FINAL PROVISIONS

Article 8.1. Monitoring the Agreement

Representatives of the SUEZ European Consultative Committee (the ECC) will be responsible for monitoring the agreement through the intermediary of the ECC Bureau.

For the purposes for implementing the agreement and particularly in the event of amending a provision, additional members may also be made responsible for monitoring it.

Article 8.2. Interpretation and revision

Since this agreement is translated into several languages, only the original version drawn up in French (the signed version) is binding on the signatories. Questions of interpretation relating to the agreement are the sole prerogative of the monitoring committee mentioned above.

The agreement may be revised in accordance with the relevant provisions of the Employment Code.

Article 8.3. Taking effect and duration of the Agreement

The agreement will come into effect on the day after being deposited with the Paris DDTE and the legal clerk of the Paris "Conseil de Prud'hommes" (Employment Inspectorate).

The agreement is reached for an unlimited period.

Article 8.4. Depositing the Agreement

In accordance with the provisions of article L. 132-10 of the Employment Code, the agreement shall be deposited with the Paris "Direction départementale du travail et de l'emploi" (DDTE - Departmental Work and Employment Management) and the legal clerk of the Paris "Conseil de Prud'hommes".

Signed in 10 copies,

Paris, 3rd July 2007,

For SUEZ S.A. and its subsidiary companies fulfilling the conditions stated in article 1-1 of the agreement,

Gérard MESTRALLET

For the **European Trade Union Confederation**

Jan Willem GOUDRIAAN

For the **C.F.D.T.** ,

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APPENDIX 1 – MOBILITY

Article 1 Principles

Mobility is based on volunteering. In every case, and with the aim of covering every situation regarding mobility, the formal acceptance of the employee is required, in principle in the form of a new employment contract, or a codicil.

Article 2 Integration arrangements

- Integrating the new job must normally take place within a period of three months.
- The effective transfer date is decided jointly between the two companies.
- The employee shall integrate the new unit without a trial period. However, a period of adaptation may be agreed between the unit being left and the new unit.
- The employee retains:
 - 1 His/her starting date in one of the companies of the Group. There may be special provisions regarding additional pension terms.
 - 2 His/her job grading (subject to conversion in the event of change of collective or joint agreement).
 - 3 His/her overall fixed annual salary. Any variable element - premium or bonus - will be subject to negotiation.

Nevertheless, if the employee is in agreement, points 2 and 3 can be adjusted.

Monitoring mobility by HR management

The role of the HR manager is to ensure that the employees are properly integrated. For this purpose, a mobility report is conducted after three months in the new job, then at the end of twelve months to ensure mobility has been successful.

In the event of failure after the period of adaptation, a discussion is organised between the two HR managers in order to try and reach an agreed solution. A more in-depth report may be envisaged in order to explore other avenues such as reorientation within the Group, additional training, etc.

Furthermore, if a period of adaptation has been decided, the employee and/or the company may bring an end to their collaboration. The return to the original company, will be made to the original job, or failing that to a similar job and under the initial financial terms. In this situation the Regional GPEC Committee shall be informed.

Article 3 Geographic mobility

At the highest level in each subsidiary company, an agreement on geographic mobility may be negotiated for employment contracts that do not exclude this possibility while at the same time respecting prior agreements and local regulations. It will deal at least with the following:

- Reconnaissance visits.
- Moving house by the employee and his/her family and associated expenses.
- Time off for moving.
- Compensation for change of place of residence.
- Transitory period of separation from the family and taking responsibility for temporary accommodation or double residence costs.
- Assistance in seeking accommodation and dealing with administrative matters.
- Assistance with the reemployment of the spouse and schooling for the children.