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Dear Ms Hauter

Your recent open letter to me at Suez and received through our water companies (such as Aguas Argentinas, Aguas Andinas, United Water, etc.) is regrettable because through false and misleading accusations it seriously distorts the excellent work being undertaken daily by over 30,000 Suez men and women working in local water companies throughout the world. These dedicated professionals - Argentinians, Bolivians, Brazilians, Indonesians, Moroccans, Jordanians, South Africans, French, Spanish, Americans ... and many others - are working energetically to bring safe, affordable water to all people - rich and poor alike.

Your letter also fails to recognize that Suez holds the same human rights values that you espouse and that its staff work diligently with international agencies, local elected officials, community organizations, and, most importantly, local residents to diminish the misery caused by lack of water and sanitation services in numerous areas throughout the developing world.

What is Suez's motive for doing this? According to Public Citizen, it is purely to reap huge profits. I will agree with you that we are a publicly-listed company, one that has to provide a reasonable reward to its thousands of shareholders from throughout the world for the investment they make. Their investment allows SUEZ to have the expertise and resources needed to provide our customers with safe, affordable water services. Every year, millions of dollars are channeled into research, water plants, pipes, education and training. Our company is over one hundred and forty years old, it prides itself in always having had a culture and goals of excellence in providing services that are essential for life.

Bringing reliable, clean water to every person on earth is one of the greatest challenges of this century. Today, almost one-quarter of the world's people lack this resource, which is a basic human right. Water is also the foundation which allows communities in the developing world to prosper. When water arrives in these areas, it has an immediate impact on hygiene and health. There is less illness, less working days are lost through sickness, children and women are relieved of time consuming water tasks. Families spend less on medication for water-related diseases, areas like these prosper economically, small businesses surface, a virtuous circle sets in. But the right of access to water can only be implemented if the necessary infrastructures are built and maintained by dedicated workers, technicians and managers. From rain to tap water,

the gap is immense but one that can be filled in by committed State leaders, politicians, development agencies, water professionals, communities and ONGs.

The work of women and men of Suez does not stop after a day's work, they are personally involved in this challenge. Ten years ago, they created Aquassistance, an NGO that has provided emergency water assistance to thousands of people during conflicts, droughts, earthquakes and other natural disasters. After the recent tsunami, Indonesian colleagues and Aquassistance volunteers staff worked hand in hand with local authorities to relieve the plight of thousands of local residents.

As a corporation, Suez strives to make a strong contribution to finding solutions to the challenge water represents. In 1999, Suez launched a program called "Water for All" (several years before Public Citizen used the same name) to accelerate and facilitate water access for the poorest people in communities where the company held concessions. In these areas, which include Argentina, Bolivia, Brazil, South Africa and Morocco, we serve 8 million people who live in poverty. We have installed new connections to more than 4 million poor people during the last ten years. We have partnered with local NGO's, including ESSOR and ADEIS in Manaus (Brazil), and Mvula Trust in the Eastern Cape Province of South Africa, to accomplish a number of highly regarded projects for the poor.

Our history demonstrates that we have the staying power to meet local needs and to bring economic growth to communities. In France, Suez's origins lie in the establishment of a water company that started its business in Cannes in 1880 – and is still active there. In the U.S., United Water traces its origins to the establishment of the Hackensack Water Company in 1869. Locally owned and operated, the company began serving small communities in New Jersey. Its innovations in technology and its expanding network and service area, its leadership in helping to preserve local water sources, all made it the engine for social and economic growth of the region. From this modest beginning, we have grown to serve drinking water to the homes of tens of millions of households worldwide. In both the U.S. and France, the lesson of our history is that local leadership, innovative technology, efficient practices, high quality service and products are the hallmarks of our value to communities.

Suez is the parent of a family of dozens of local water companies in five continents. We practice our corporate values locally. We believe in and commit ourselves to building local capacity to meet local needs. We hire and train local people to operate and manage facilities. Every day we carry out this commitment. For example, in Casablanca, our local company LYDEC employs 3,300 Moroccans. The company's activity supports the local economy by generating the equivalent number of sub-contracting jobs. They benefit from about 90,000 hours of training per year, under the responsibility of Deputy Managing Director Abdelhak Aqallal and HR Manager Chakib Benazzouz. The face of Suez in Manaus (Brazil) is Fernando Paraguasu; in Jakarta Yan Hardus is the Customer Relation Manager; in La Paz, Alberto Chavez is the COO; in Port Vila (Vanuatu) we are Yvonnick Raffin; in Boise Idaho, we are Greg Wyatt, a person with over 30 years experience in water services. These are people known well by the local community, Suez people who have devoted their lives to serving their neighbors.

We are committed to working with local residents, local social service agencies, and local governments. We have a long and successful history of contractual work for communities of all

sizes and locations. When we contract with partner communities, we mutually agree on the terms of our services. When contracts end, we leave, with the knowledge that we have contributed to the improvement of people's lives and the future of their community.

Our culture is also one of innovation and technological rigor. Our first concern is to provide safe drinking water, and to remove the pollutants from used water. 200 Suez researchers, in partnership with universities and research centers, have developed hundreds of innovations in water and sewage treatment. We commit US\$35 million each year to research into systems which can bring ever higher quality, as well as reduce the use and costs of chemicals and energy in treatment and distribution systems. We work to bring these technical advances into practical use as quickly as possible. Indeed, many developing countries boast operations we have built or are operating where the energy efficiency and water treatment systems are the latest generation, and surpass the older systems currently operating in many more developed countries.

The expertise and services we bring to local communities has a cost. Recognizing this cost is not putting a price on water, but rather, acknowledging that water at its origin may not be convenient nor safe to those who need it, and therefore must be transported and treated. It is also acknowledging that wastewater collection and treatment have a cost too. Unlike your letter suggests, Suez' activity itself is not causing pollution; in fact, we work to minimize the pollution generated by the communities and industries that we serve.

Water is one of the greatest challenges of the 21st century. It will require the cooperation of all: individuals and local communities to conserve; local and national governments to dedicate resources to infrastructure; financial underwriters to participate in and facilitate new projects; expert and experienced providers like Suez to innovate, care for infrastructures and bring efficient technologies into being; and NGO's to participate in identifying needs and finding solutions.

Obstructionism and inflammatory rhetoric, which has been the tactic of Public Citizen's web site and petitions, do little to further the cause of delivering reliable, pure water and removing polluted water, which are needed by each of the world's communities. I invite you to work with us on the ground where we operate. There is much to be gained in cooperation.

I hope you will demonstrate your good will by posting this letter on your web site so that others who have forwarded your open letter to us may see our response. Another letter will be sent to your organization soon, with real facts for specific cases, that will address each of your specific comments on Suez's activities.

Sincerely,

Jean-Louis Chaussade
Chief Executive Officer
Suez Environnement