

June 30, 2010

Jean Michel Herrewyn
Chief Executive Officer
Veolia Water S.A.
52 Rue D'Anjou
75384
Paris Cedex 8

Dear Mr Herrewyn,

Boston Common Asset Management, LLC is a global investment manager serving investors concerned about the social and environmental impact as well as the financial return of their investments. We are long-term shareowners of Veolia Environnement SA and our clients own approximately 203,411 shares.

We are writing to request information regarding our company's position on access to water as a human rights issue. There is a growing concern amongst investors, governments and civil society institutions regarding the importance of water as a resource, fair access to water by all, and public participation in the management of water resources.^{1 2} We share this concern, and with the global water crisis ever more increasing, we want to ensure that Veolia has a comprehensive viewpoint with respect to access to water and is pro-actively addressing the issue of stakeholder engagement in water management.

Boston Common Asset Management has a longstanding history of engaging global companies on water sustainability issues. We helped PepsiCo draft its water human rights policy statement and also engaged Suez on how to manage its community consultation process related to water privatization projects in the developing world in such places as Guatemala and Columbia. On a recent trip to Asia, Boston Common also highlighted the importance of managing a company's water footprint, including its supply chain with various Japanese and Korean companies in the information communications technology and manufacturing sectors, and encouraged those companies to participate in the new Carbon Disclosure Project initiative on water disclosure.

We are pleased to see that Veolia Water has identified "promoting access to water and health for all" as a key objective for sustainable development. We commend Veolia Water for endorsing the CEO Water Mandate. We would like to learn how Veolia Water will use this framework to help the company in the development, implementation, and disclosure of comprehensive access to water policies and practices.

¹ http://www.unglobalcompact.org/Issues/Environment/CEO_Water_Mandate/index.html

² Carmody, Lucy (2010) (eds), Water In China: Issues for Responsible Investors, Responsible Research.

To illustrate the growing global concern about water challenges, there have been numerous studies calling for companies to take more concrete steps and adopt transparent water policy and measures.

- The 2010 report ‘Water in China: Issues for Responsible Investors’ highlighted that the water crisis is deepening in China and the country’s water shortages are causing economic losses of almost \$35 billion annually. The water scarcity issues facing Veolia Water in China as well as other emerging markets presents our company with even greater risks in the years to come.
- The Carbon Disclosure Project launched the 2010 Water Disclosure Project with the aim of providing “critical water-related data from the world’s largest corporations to inform the global market place on investment risk and commercial opportunity”.

Best practices in the water sector now call for participation in the CEO Water Mandate and the Water Disclosure Project and adoption of comprehensive policies in relation to access to water and reporting.

Therefore, in order to better assess Veolia Water’s position on access to water and the risks associated with the company’s position in that area, ultimately impacting on our shareowner value, we request that Veolia Water responds to the following questions:

1. What are the company’s policies on access to water as a human rights issue?
2. What steps is Veolia Water taking to exert leadership in that area?
3. How does Veolia engage with local stakeholders and seek community participation in water management issues (as they relate to access to water resources, water distribution and pricing)?
4. How is the company using the CEO Water Mandate to help it formulate and implement Veolia’s access to water policies as well as improve its level of reporting and disclosure?

We appreciate your attention to this matter and look forward to your response. Within the next few weeks we plan to call Veolia Water’s investor relations office regarding our inquiry and discuss if we can schedule a conference call. In the meantime, if you have any questions we can be reached via telephone at +1.617.720.5557 or via email at lcompere@bostoncommonasset.com or cbichta@bostoncommonasset.com or at the following address: Boston Common Asset Management, 84 State Street, Suite 940, Boston, MA 02109.

Sincerely,

Lauren Compere
Managing Director and Director of Shareholder Advocacy

Constantina Bichta, Ph.D.
Principal ESG Researcher

cc: Malika Ghendouri, General Counsel, Laurent Auguste, Executive Vice President
North America, Dinah Louda, Executive Vice President and Communications Director.