Extraction of the environmental report from the annual report 2010

8.2 Industrial and Environmental Risk

Dassault Systèmes, which operates in the services sector, does not believe that it is exposed to significant environmental risks. None of the Company's sites is classified SEVESO (a classification of sites presenting risks due to dangerous substances used by the European Directive) or ICPE (classified sites presenting risks), and a significant portion of its assets are intangible, which limits the Company's industrial and environmental risks. The principal sites occupied by the Company are described in paragraph 8.1.

The Company is not aware of any environmental situations or factors which could have a significant impact on its financial situation or results, the organization of its operational locations being guided by a desire to rationalize its activities and take into account environmental considerations. (See paragraphs 8.1 and 8.3)

Dassault Systèmes does not produce dangerous waste, nor emissions having an environmental impact on the soil, air or water. The only elements for which there is a minor environmental risk, but which the Company believes could not have a significant impact on the Company's financial situation, are:

- a PCB (polychlorobiphenyls) transformer located in Concord, Massachusetts, in the United States; the transformer is equipped with a collection tray, and its retirement is planned.

- fuel reserves are stocked on the DS Campus HQ to provide electrical needs in case of a power outage. The fuel tanks have a total capacity of 20,000 liters and are installed underground; they are equipped with retention tanks with a firewall system and leak and smoke detection systems. In India, the fuel storage tanks serving the Bangalore site were removed in 2010.

The Company's activities do not generate noise or odors which could disturb its surroundings.

In light of the limited nature of the Company's industrial and environmental risks, the costs related to the assessment, prevention and treatment of industrial and environmental risks are not significant and are included in the different investment and expense items set forth in the consolidated financial statements.

In 2010, no provision or guaranty for environmental risks was recorded in the Company's consolidated financial statements.

In 2010, no charge was integrated in the financial statements as a result of a court decision related to environmental issues or for actions taken to repair any environmental damage.

In order to anticipate regulatory risks regarding the environment, the Company carefully monitors all environmental regulations that could potentially impact its business.

8.3 Environmental Report

8.3.1 Dassault Systèmes and environmental issues

Since Dassault Systèmes' business is in the services sector, it has little environmental impact. Nevertheless, the Company is aware of its responsibility for protecting the environment. It has thus made sustainable development central to its objectives, with a strategy based on sustainable innovation, and implemented a strategy for optimizing and transforming its activities to reduce its environmental impact.

8.3.1.1 Dassault Systèmes' solutions contribute to meeting environmental challenges

Each of Dassault Systèmes' brands offers a promise of environmental protection. PLM solutions for product lifecycle management now consider the "Product in life", which means not only the product itself, but also the integration of the product into its environment.

The PLM and Mainstream 3D solutions thus allow Dassault Systèmes' customers to reduce their products' environmental impact starting with the design phase. They contribute particularly to reducing the consumption of raw materials through the use of digital models, to optimize energy consumption as well as work processes and to manage product compliance with environmental standards. Finally, 3DVIA and 3D visualization allow experiential communications regarding environmental issues.

8.3.1.2 Consideration of environmental matters in the Company's operational locations

Dassault Systèmes' commitment to environmental matters is also reflected through recent decisions regarding its operational locations:

The DS Campus HQ

Dassault Systèmes' world headquarters, located in Vélizy (France), which is the worksite for 2,500 of the Company's employees, received the HQE certification "*NF Bâtiments tertiaires Démarche HQE*" as well as a "very effective" score in five environmental areas (water, energy, the building and its immediate surroundings, construction site and maintenance), exceeding the minimum of three areas required for HQE certification.

The optimization of energy consumption at the DS Campus HQ is based on different technologies, including:

- Computer servers: in connection with its activities, Dassault Systèmes uses a large number of computer servers. The heat generated by the servers is used to heat a significant portion of the air circulated at the DS Campus HQ;

- Lighting: Dassault Systèmes saves energy on the DS Campus HQ by using motion detectors and detectors of natural light together with high-yielding lighting elements. For example, the lights used are 30% more efficient than fluorescent lights and five times more efficient than incandescent lights, with a 12- to 15-times greater life expectancy;

- Maintenance: A centralized computerized system oversees the DS Campus HQ's energy consumption, making it possible to locate leaks and defects and accelerate repair work to avoid energy loss;

- Renewable energy: The DS Campus HQ has solar panels place on the building rooftops. When connected to the energy grid, which is planned for 2011, the solar panels could generate 5,000 kWh of renewable energy per year, feeding directly into the national EDF network.

Dassault Systèmes generally includes requirements regarding sustainable development in the terms and conditions for bids from suppliers of the DS Campus HQ. In particular, the terms and conditions for maintaining the green spaces and cleaning the DS Campus HQ require the service provider to use non-toxic products.

To the extent possible, Dassault Systèmes seeks to work with companies that are, or are in the process of becoming, ISO 9001 and 14001 certified. For example, the Company has put in place real-time monitoring of the results of operational incidents and building maintenance with the assistance of ISO 9001 certified companies.

Boston Campus

In 2010, Dassault Systèmes announced the opening of a new DS Campus in the United States located in Waltham, Massachusetts, near Boston. Employees are expected to move in at the end of 2011. This new Campus will provide workspace for Dassault Systèmes' employees currently located in Concord and Lowell, Massachusetts.

The Boston Campus received the American certification LEED Gold, awarded for buildings designed to optimize environmental performance and built according to strict environmental standards. Dassault Systèmes is also seeking the LEED Silver certifications for the buildings' interior organization and furnishings.

Green offices at Pune

In November 2010, Dassault Systèmes' employees in India moved into offices in Pune, near Mumbai, with the "Green Office" certification. These offices are equipped with double windows on their exterior facade, LED light bulbs and low energy consumption air conditioning not typical in India. Water faucets are equipped with infrared detection systems to conserve water usage. In addition, during construction, the bricks and paint used were produced using recycled materials. Waste recycling was also put in place on the site.

8.3.1.3 Environmental impact of the Company's transportation policy

Since the Company's business is in the service sector, transportation is the principal source of its greenhouse gas emissions.

Dassault Systèmes' travel policy limits the use of transportation and reduces the impact of travel on the environment by encouraging meetings by conference call and video conference rather than by physical travel, train travel rather than air travel for trips under three hours in length, and economy class for air travel (the carbon footprint of business class being substantially greater than for economy class).

The greenhouse gas effect of travel is presented in paragraph 8.3.4.

8.3.1.4 Environmental considerations of the Company's computer equipment management policy

Dassault Systèmes places significant importance on managing its computer equipment both in terms of usage and recycling.

The Company's computer equipment includes fixed terminals, laptop computers and the servers of its data center. All the computer equipment has received the "Energy Star" certificate. When buying new material, the Company gives preference to environmental certificates such as "Energy Star" and "TCO", which are internationally recognized.

8.3.1.5 Creating Company employee awareness

Dassault Systèmes pursues an on-going policy of employee awareness by involving them in steps taken to save water and energy through presentations of actions and technologies which can reduce the environmental impact of the Company's activities.

In 2010, the Company organized on the DS Campus HQ a week of communication dedicated to sustainable development, with a presentation of the carbon footprint analysis for the campus by the Social and Environmental Responsibility Department. In addition, Dassault Systèmes created a "Sustainable Development for All" community on its intranet site. The community is composed of Company employees who wish to share ideas on sustainable development and the environment.

8.3.2 Methodology for environmental reporting

In 2010, Dassault Systèmes adopted its "Environmental Reporting Protocol", a system defining the Company's environmental indicators and the methodology for collecting and calculating environmental information. This system may evolve as part of the on-going process of improvement undertaken by the Company, or to take account of changes in applicable regulations.

The targeted perimeter for environmental reporting covers Dassault Systèmes SA and the companies controlled by the Company. Entities acquired by Dassault Systèmes during the year are not integrated in the environmental reporting perimeter until one full year of operation has passed.

During 2010, the environmental reporting perimeter covered 90% of the Company's employees. Dassault Systèmes, which follows a process of continuous improvement, seeks to cover the entire targeted perimeter by increasing the number of sites receiving the environmental reporting questionnaire.

The environmental indicators determined for 2010 are set forth in paragraph 8.3.3. Because the environmental information available for 2009 covered principally the Company's headquarters, changes in the indicators between 2009 and 2010 are communicated and commented on with respect to the DS Campus HQ.

Environmental data were collected and consolidated by the Social and Environmental Responsibility Department on the basis of the environmental reporting Protocol and the responses to questionnaires sent to contributors (principally, the Finance, Human Resources and R&D Departments) identified at each Company entity concerned. For certain questions, such as the carbon footprint and data concerning recycling, external service providers were also consulted.

When information could not be produced on the basis of real consumption (particularly for sites for which the charges related to water and energy consumption are included in rental charges), the environmental reporting Protocol specifies the approach to be followed to make necessary estimates (for example, an estimate of water and energy consumption on the basis of averages observed on other sites pro rata according to the number of employees and square footage occupied).

8.3.3 Company environmental indicators

8.3.3.1 Company consumption levels

Energy

Total energy consumption amounted to 48,593,231 kWh in 2010, including electricity consumption, natural gas consumption on site and energy consumption at Dassault Systèmes' data centers.

Electricity consumption (in kWh)	Year 2010
Europe	28,259,584
of which DS Campus HQ	*17,053,212*
Americas	16,288,940
Asia	4,044,707
Total	**48,593,231**

At the DS Campus HQ electricity consumption amounted to 17,053,212 kWh in 2010 compared to 14,601,500 kWh in 2009, which corresponded to an average electricity consumption per employee of 6,762 kWh per year in 2010 compared to 6,136 kWh per year in 2009. The increase in energy consumption was principally due to the increase in the number of servers installed in the offices at DS Campus HQ following the integration during 2010 of teams from IBM PLM. In addition, heavy snows and cold in December 2010 required increased heating in the DS Campus HQ facilities.

Dassault Systèmes has located part of its servers at several data centers in the world. Energy consumption at these centers is included in the total electricity consumption above. The most important data center underwent major modifications in 2010 with the "virtualization" of its servers: the replacement of several physical servers by a single high density virtual server. The "virtualization" of servers leads to better use of material, savings in space at the data center and a reduction in power consumed by the infrastructure, and thus a reduction in greenhouse gas emissions. The percentage of virtual servers in the world is estimated at 28% for 2009 according to a study by Gartner. Dassault Systèmes is far ahead in this area with 80% of the servers at its principal data center already virtualized. For equivalent capacity, the virtualization of the data center generated a 25% savings in energy consumption in 2010 for this data center.

Water consumption

Total water consumption amounted to 28,224 cubic meters in 2010.

Water consumption (in cubic meters)	Year 2010
Europe	22,538
of which DS Campus HQ	*18,241*
Americas	3,467
Asia	2,219
Total	**28,224**

On the DS Campus HQ, water consumption for 2010 amounted to slightly more than 18,241 cubic meters (7.32 cubic meters per employee), compared to 27,239 cubic meters (11.45 cubic meters per employee) in 2009. The substantial decrease was due to the fact that setting up the DS Campus HQ required an exceptional consumption level for planting the green areas in 2009 following the Company's arrive in November, 2008.

Paper and packaging

Total paper consumption amounted to 79 metric tonnes in 2010.

Paper consumption (in metric tonnes)	Year 2010
Europe	52
of which DS Campus HQ	*30*
Americas	23
Asia	4
Total	**79**

Paper consumption at the DS Campus HQ amounted to 30 metric tonnes in 2010, compared to 28 metric tonnes in 2009, as a result of the integration during 2010 of teams from IBM PLM. Between 2009 and 2010, paper consumption per employee on the DS Campus HQ remained at 11.8 kg/employee. Since moving to the DS Campus HQ, Dassault Systèmes has significantly reduced its paper consumption. The installation of multifunction printers has allowed the optimization of paper consumption at the DS Campus HQ.

On the DS Campus HQ, the paper used is FSC certified, an eco-label which ensures sustainable forest management. At a global level, 60% of employees use paper that is 100% recycled or FSC certified.

Packaging at Dassault Systèmes consists principally of packaging for the Company's software products. Since 2007, the supplier responsible for packaging the Company's products has complied with Reach (Registration Evaluation and Authorization of Chemicals), a legal framework for environmental protection in Europe, and received the Imprim'Vert label for its printing facility, which certifies, among other things, that no toxic products are used and that waste is sorted for recycling. The supplier's packaging is 100% recyclable and biodegradable.

8.3.3.2 Waste treatment

Waste generally

In light of the nature of its business, Dassault Systèmes generates principal ordinary waste (food products) and paper, cardboard and plastic. The Company does not generate hazardous waste.

For most of the Company's subsidiaries, waste collection is performed by the local government, which does not provide any information regarding the waste collected, thus making it impossible to indicate tonnage in the environmental report.

Nevertheless, all the Company's subsidiaries included in the 2010 reporting perimeter were asked whether recycling was carried out on their site. The table below indicates the percentage of employees performing recycling by geographic zone.

Percentage of employees performing recycling	***Year 2010***
Europe	90
of which DS Campus HQ	*100*
Americas	74
Asia	100
% of employees performing recycling in the world	**86**

On the DS Campus HQ, the service provider which collects waste is ISO 9001 certified for collection and ISO 14001 certified at all its waste treatment sites. The service provider carries out the sorting and collection of paper and boxes, removes large waste items once each quarter and offers electrical battery collection. The ordinary waste at the DS Campus HQ is recycled for energy production by the service provider.

	Year	
Waste treatment at DS Campus HQ	**2010**	**2009**
Normal waste (metric tonnes)	50	53
Recyclable paper waste (metric tonnes)	73	65
% of ordinary waste recycled	**59%**	**55%**

The proportion of recycled waste increased from 55% in 2009 to 59% in 2010. The global increase in ordinary waste generated on the DS Campus HQ was due to the increase in the number of employees working on the site. On a per employee basis, the quantity of waste decreased from 49.6 kg/ employee in 2009 to 48.7 kg/employee in 2010.

Specific waste

The table below sets forth data regarding computer equipment recycling by the Company.

Computers recycled (in kg)	**Year 2010**
Europe	4,800
of which DS Campus HQ	*3,900*
Americas	700
Asia	1,100
Total	**6,600**

In 2010, on the DS Campus HQ, 3.9 metric tonnes of computer equipment were recycled by certified outside service providers in accordance with the European WEEE (Waste Electrical and Electronic Equipment) directive. The computer recycling documentation is provided to Dassault Systèmes by the service provider.

Globally, 45 sites, representing 70% of the Company's employees, included in their contracts with printer suppliers a requirement that ink cartridges be collected and recycled (as is the case at the DS Campus HQ) or sent to companies specialized in recycling specific waste.

8.3.4 Greenhouse gas emissions

To analyze its carbon footprint on a global basis, Dassault Systèmes uses the GHG Protocol (GreenHouse Gas Protocol). This method of evaluation of greenhouse gas effects was launched in 2001 by the World Business Council for Sustainable Development (WBCSD) and the World Resource Institute (WRI). It was developed through a partnership among businesses, non-governmental organizations and governments in order to create a common framework for accounting and reporting, measurement tools and actions to resist climate change. The GHG Protocol is currently the most widely used method at the international level.

The GHG Protocol divides the operational perimeter of greenhouse gas emissions of an organization as follows:

- Scope 1: direct emissions resulting from the combustion of fossil fuels from resources owned or controlled by the enterprise,

- Scope 2: indirect emissions resulting from the purchase or production of electricity,

- Scope 3: all other indirect emissions, from the extended supply chain to transport of goods and persons.

In 2010 Dassault Systèmes evaluated its global carbon impact using this methodology on the basis of emissions recognized for 2009 over a perimeter covering 60% of the Company's employees.

The information used to evaluate the global carbon footprint of the Company covered a perimeter representing 90% of its employees. The results are set forth below:

Year	**2010**
Scope 1	***Metric Tonnes CO2 emissions***
Emissions due to on-site fuel consumption	**92**
Total emissions due to the use of company vehicles	**2,306**
Emissions due to the use of company vehicles in Europe	2,222
Emissions due to the use of company vehicles in the Americas	13
Emissions due to the use of company vehicles in Asia	71
Emissions due to the use of refrigerants	**159**
Total scope 1	**2,557**
Scope 2	
Total emissions due to purchases of electricity	**12,954**
Emissions due to purchases of electricity in Europe	3,146
Emissions due to purchases of electricity in the Americas	7,177
Emissions due to purchases of electricity in Asia	2,631
Total scope 2	**12,954**
Scope 3	
Total emissions due to employee business air travel	**12,526**
Emissions due to employee business air travel in Europe	3,799
Emissions due to employee business air travel in the Americas	7,926
Emissions due to employee business air travel in Asia	801
Total emissions due to employee business travel by train	**494**
Emissions due to employee travel by train in Europe	180
Emissions due to employee travel by train in the Americas	5
Emissions due to employee travel by train in Asia	309
Total scope 3	**13,020**
Total greenhouse gas emissions (scopes 1 + 2 + 3)	**28,531**

8.3.5 NRE correspondence table

Article R. 225-105 of the Code of Commerce	**Environmental report**
Water consumption	8.3.3.1
Energy consumption	8.3.3.1
Raw materials consumption	8.3.3.1
Measures taken to improve energy efficiency	8.3.1
Use of renewable energy	8.3.1
Conditions of use of the soil, discharge into the air, water and soil	8.2 and 8.3.1
Noise and odor	8.2
Waste treatment	8.3.3.2
Measures taken to limit impact on environmental equilibrium and natural environments	8.2
Measures taken to ensure legal compliance	8.2
Evaluation processes or business environmental certificates	8.3.4
Expenses undertaken to prevent environmental impact of the Company's business activities	8.2
Existence of Company environmental management services	8.3.2
Employee training and information	8.3.1.5
Provisions and guaranties for environmental issues	8.2
Indemnifications paid during the year pursuant to judicial decisions on environmental matters	8.2
Matters assigned to foreign subsidiaries	8.3.1