

INTEGRATED REPORT 2020

Standing for water



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As a pure player in water and essential public services, Saur works to protect the environment in all the regions it serves. Throughout its history, the Group has been proactive in ensuring that small communities receive exactly the same quality of water services as major cities; a commitment guided by its corporate purpose: **standing for water.**

Against a background of global healthcare crisis in 2020, the Saur Group has been more active and involved than ever to ensure continuity of essential services, all the while taking its duty of water quality vigilance to an even higher level. To achieve this, Saur has further strengthened its relationships with stakeholders at every link in the water value chain, from local authority and industrial customers to consumers, technical services and health authorities.

This report summarizes the events of a year marked by exceptional commitment, during which the Group redrew its CSR roadmap to align it even more closely with its corporate purpose. This roadmap has been prepared to address three priorities: protecting and safeguarding water quality and quantity, developing and supporting the regions, and encouraging employee development.

Inspired by the 'integrated thinking' approach promoted by the International Integrated Reporting Council (IIRC), this report forms part of a wider policy of corporate transparency. It provides a global overview of the Group and the environment within which it operates: its ambition, the way in which it creates financial and non-financial value for itself and its operating regions, and how it manages risks and opportunities, its business model and its governance. It also reports on the contribution made by the Group to the UN Sustainable Development Goals.

PATRICK BLETHON
EXECUTIVE CHAIRMAN OF SAUR

“To be at the forefront of a sustainable future”



Last spring, as we lived through the health crisis and its economic fallout, all of us were trying to imagine what the post-pandemic world would look like. Many hoped for nothing short of a revolution; a sudden shift in our development models towards a more responsible and sustainable economy.

But 2020 has shown us that this is not the right discussion to be having. Not because there will be no post-pandemic world, but because the sustainable future to which we aspire will not emerge spontaneously from the crisis. The truth is that we must now work at a fundamental level to build it brick by brick, and how well we succeed will depend on the daily and hands-on involvement of everyone in society.

For Saur, this means making it crystal clear that we are much more than just a company. We are a community of men and women committed to standing for water in every region. Inherited from our history and public service

mission, this corporate purpose must be the cornerstone of our business today and going forward.

That is why I am particularly proud of the work accomplished by our teams throughout the past year. In the midst of an historic crisis that has kept us at full stretch on the operational frontline, we have nevertheless succeeded in making a fresh start and showing our stakeholders that they can rely on us to meet the challenges of water. We are ready and determined to be part of the global effort required to build a world fit for everyone to live in.

The strategic impetus we gave to that ambition in June 2020 is a concrete expression of our commitment to make it happen.

I am thinking here particularly of the way we have transformed our business model to work even more closely with our customers to address water needs at regional level. I am also thinking of the acquisitions that have enabled us to build a European center of expertise for industrial water users. Lastly, I am thinking of the markets we have conquered in the Middle East through our commitment to deploying the best innovations available to deliver guaranteed water quality, operational excellence and resource protection.

All these projects – and there are others! – are practical expressions of our Corporate Social Responsibility vision.



In addition to being a strategic priority for Saur, this vision is also – and most importantly – central to everything we do. It is vital to our ability to generate positive impacts for customers, our teams and the public.

These decisive steps position us as a major contributor to the process of regional ecological transition.

Although we have every reason to be proud of this situation, our increased commitment brings with it new responsibilities. Responding effectively to the needs of our customers and regions remains our top priority. But we now must go further still, contributing to the emerging debate around the future of water, and working with all our stakeholders on structuring this sustainable future.

The threats to water resources, dilapidated infrastructures, and the issue of recognizing, measuring and expressing the worth of water raised by the United Nations are all issues that must be addressed if we are to achieve truly ecological management of water in France and internationally.

2020 gave us the opportunity to position ourselves at the forefront of a sustainable future, take our technological expertise to a new level, and show the world that we have a voice. The years ahead will allow us to demonstrate that this voice carries meaning and impact.

“Our stakeholders know they can count on us to meet the challenges of water.”

Standing for water is our corporate purpose

Standing for water means guaranteeing that it is safe and available short-term and long-term in sufficient quality and quantity, everywhere and for everyone.

The commitment shared by all our teams towards the local authorities and industrial users they serve allows us to provide essential water supply and wastewater services at regional level right around the world.

€1.5 billion

in annual revenue for 2020.

€31.8 m

invested in transformation and digital innovation.



The Saur Group accelerated the pace of its international expansion in 2020, with a series of acquisitions and structurally significant new business successes. Saur now has an operating presence in 19 countries.

- Municipal water concessions
- Industrial water projects

10,400

employees in **19** countries following the Group's strategic acquisitions.

12.5 m

residents served worldwide, and contracts with **7,000** local authorities.

PUBLIC SERVICE MISSION

Saur responds to the ecological emergency

As a water industry pure player, Saur is consolidating its status as a global leader at this time of ecological emergency. With its innovative and sustainable solutions for every stage of the water cycle, the Group is absolutely committed to protecting water resources for future generations.

Learn more about our solutions on pages 22 to 37 of this integrated report

We create value at every stage in the water cycle

Through its 1,600 drinking water production plants and 2,400 wastewater treatment plants, the Saur Group commitment to 'stand for water' has a very tangible relevance locally and internationally. It contributes to regional economic development (with 3,000 turnkey projects delivered), the creation of water networks that deliver security of supply (230,000 km of pipelines under management), and delivering the ecological transition with 95% of residual wastewater treatment sludge recovered and repurposed.

Resources

HUMAN

→ 10,400 employees

FINANCIAL

→ €1.5 billion in annual revenue

→ Debt/EBITDA ratio: 4.2 x

INTELLECTUAL

→ 60 active patents

NATURAL

→ Water (groundwater and surface water), green power generation and fossil fuels

SOCIETAL

→ 7,000 local authority customers serving 12.5 million consumers, and more than 4,000 industrial customers worldwide

→ 18,000 suppliers and partners

Treating wastewater - an environmental challenge

The collection and treatment of wastewater and treatment by-products to promote the protection of aquatic ecosystems and the circular economy.

700m/m³

700 billion liters of drinking water produced.



Building water infrastructures to serve our regions

The engineering and construction of water treatment facilities that combine performance with innovation and modular forward development. Pipeline laying, remediation and maintenance.

Drinking water supply – a vital service in France and internationally

The production, treatment, supply and management of drinking water by developing solutions that protect the resource and ensure the delivery of water with impeccable health quality.

Value Sharing

HUMAN

- €350m paid to employees in salaries and benefits
- 86% of employees received training during the year
- 26% reduction in the lost time accident frequency rate since 2018

FINANCIAL

- €80m Banks and investors (interest)
- €130m Corporate (Saur depreciation charges)

INTELLECTUAL

- €31.8m invested in the digital transformation and innovation

NATURAL

- 550 million m³ of treated water returned to the natural world
- 77% efficiency for drinking water supply networks
- 99.1% bacteriological compliance rate for water supplied
- 92% of annual revenue covered by ISO 14001 certification

SOCIETAL

- €800m in subcontracting purchases
 - €80m to national and local governments (taxes and duties)
- Contribution to investment in the water cycle:
- €130 in fees paid to water authorities
 - €490m in taxes paid to local authorities for investments in France





Emilie, a Technician at Eau de Garonne, works on an automated control system.

Taking the lead



NOV. 12, 2020

Saumur Val-de-Loire awards Saur a contract to supply water and wastewater services to 32 communities

This new public service outsourcing contract covers 80,000 residents, and was awarded in recognition of the Saur commitment to consumer services, technical performance, shared governance and integration within the local economic fabric.

NOV. 16, 2020

A stronger and more international Industry Division

Formed to accelerate the growth of the Group, the Industry Division brings together the advanced technologies of the French industrial water businesses with the international activities of the three specialist industrial water treatment companies acquired in 2020: Nijhuis, Unidro and Econvert.

DEC. 3, 2020

Saudi Arabia: the most ambitious program in the world

A consortium of companies led by the Saur Group has been awarded the first contract of Saudi Arabia's most ambitious water infrastructure privatization program. This contract provides for the management of 15,000 km of water pipeline networks, 50 drinking water production plants and 10 wastewater treatment plants, and will contribute to improving the lives of 3.5 million people. It also progresses Saur's international ambitions, particularly in the Middle East.

Key trends in our markets

12

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An ever-decreasing resource

The management of water as a strategic resource is part of a long-term vision, and requires sustainable solutions to be introduced at every stage of the water cycle. The ultimate goal seems simple enough: ensuring that future generations have water of sufficient quality and in sufficient quantities. But demand for this vital resource is increasing all the time as tensions rise driven by climate change and population growth. At the same time, efficient wastewater treatment systems remain in short supply. Although the overall level of investment is increasing, World Bank figures suggest that today's budgets would have to be tripled to finance universal access to safe water.

€5.7 billion

people could now be living in areas where water will be in short supply for at least one month a year by 2050 (UN Report Nov. 2020).



Water under the microscope

Reducing – preferably eliminating – waterborne micropollutants is an essential challenge. Even in very small quantities, a number of the micropollutants emitted as a result of human activity have a “significant potential impact”, according to INRAE (the French public agricultural sciences research institute). Micropollutants are emerging all the time, so assessing their incidence in wastewater is difficult, but some 23,000 of these individual substances have been identified so far. A number of different technologies are emerging to treat them, including biological degradation (using bacteria), oxidation (ozonation), filtration (membrane) and absorption (activated carbon), a process whose development requires intensified levels of R&D and innovation.

80%

of all the world's wastewater is returned to natural ecosystems without being treated or reused (UN Report Nov. 2020).

6 times

Increasing at around **1% year-on-year**, water consumption has grown by a factor of six over the last century.



A new quality/price equation

Customers in general, and local authorities and their technical departments in particular, are paying increasingly close attention to the service they receive in terms of water quality, operational response, customer relations and local presence. At the same time, prices are also under the microscope: the outsourced water management market has been subject to very strong downward pressure on prices for the last decade.

Some of France's major cities took the decision to return to public management of water services following the 2020 municipal elections. The market is changing very quickly, requiring private-sector water companies to adapt even faster.

1 liter

of water in 5 is lost in France – that's equivalent to the annual consumption needs of 18.5 million people.



Promoting new water usage patterns

A quarter of all drinking water consumption in France is domestic; a clear sign of how important consumer usage patterns are. Consumers are aware of the importance of controlling their water consumption more effectively, and the industry has responsibility to promote the adoption of new water usage patterns at community level to improve the quality and sustainability of water management.

In doing so, they are able to build on the tools and data made possible by their own digital transformation with the ultimate aim of making their infrastructures smarter and more communicative in ways that provide users with the information they need to become more aware of these issues.

146 liters

of water per day are consumed on average by every person in France. That's **42%** less than in Switzerland, but **13%** more than in Germany.

Trends and challenges: the contribution made by Group stakeholders

The consultation process held in 2020 resulted in Saur Group stakeholders unanimously reaffirming its three operational missions: supplying high-quality water, ensuring its permanent availability and delivering continuity of service.



The Saur Group wants to involve all its stakeholders in the crucial mission of standing for water: local authorities, the public, farmers, industrial companies, experts, non-profits, NGOs, startups and employees. The Group's 40 most senior managers also contributed to the process by analyzing the impact of the Group's business challenges. This year's consultation process focused the attention of more than 38,000 stakeholders on 27 of these challenges.

The Saur materiality assessment addressed not only the environmental, social and societal challenges that impact its business model, but also its products, services

and governance. Reassuringly for the Group, the analysis shows a level of alignment between stakeholder expectations and the vision shared by the 40 most senior executives. The following emerge from the analysis:

Materiality-based priorities – 6 core business issues

- 17 Guaranteeing water quality & consumer health
- 1 Preservation of water availability
- 8 Health & Safety
- 18 Continuity of services & crisis management
- 23 Ethics & exemplarity of our practices
- 19 Customer and consumer information & satisfaction (NEW)

3 issues placed significantly higher by external stakeholders

- 5 Contribution to the protection of biodiversity & ecosystems
- 13 Access to water & sanitation
- 14 Human Rights

Some representative key figures to emerge from the consultation process:

75%

of stakeholders interviewed identified water supply quality as a Saur Group priority.

50%

of customers interviewed identified stakeholder dialog as a Saur Group priority.

1/3

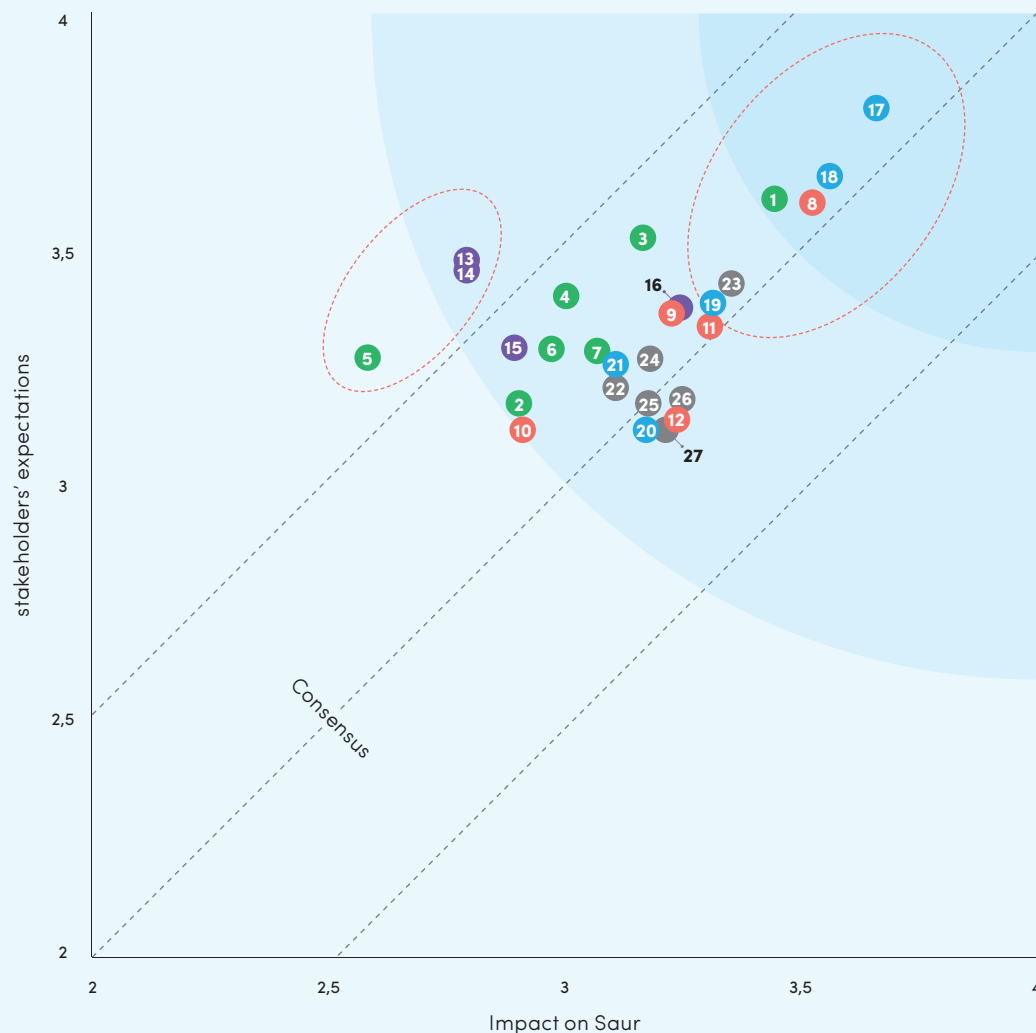
of customers interviewed and more than 50% of end consumers identified biodiversity protection as a Saur Group priority.

2/3

of stakeholders interviewed identified the health and safety of employees and subcontractors as a Saur Group priority.

50%

of end consumers interviewed identified providing users with information and raising their awareness of water use as a Saur Group priority.



The Saur materiality analysis

ENVIRONMENT

- 1 Preservation of water availability
- 2 Reducing our energy/carbon footprint
- 3 Impacts of our sites & operations on the direct environment and local residents
- 4 Resources & waste management (circular economy)
- 5 Contribution to the protection of biodiversity and ecosystems
- 6 Eco-design of our facilities & solutions
- 7 Raising the awareness of our users and citizens to the value of water, its responsible use & the preservation of the resource

SOCIAL

- 8 Health & Safety
- 9 Employees' engagement & well-being
- 10 Inclusion
- 11 Skills development & continuity
- 12 Listening to employees & social partnership

SOCIETY

- 13 Access to water & sanitation
- 14 Human Rights
- 15 Responsible procurement
- 16 Local presence & development

SOLUTIONS & SERVICES

- 17 Guaranteeing water quality & consumer health
- 18 Continuity of services & crisis management
- 19 Customers & consumers' information and satisfaction
- 20 Digital risks & opportunities
- 21 Contribution to the development of resilient & sustainable cities and industries

GOVERNANCE

- 22 Responsible governance
- 23 Ethics & exemplarity of our practices
- 24 Dialogue with our stakeholders
- 25 Sharing a common culture of societal and environmental responsibility
- 26 Data management & piloting shared with our customers
- 27 Innovation in business models



A strategy that directly addresses the major challenges facing water

Making a firm commitment to stand for water means building a long-term corporate strategy and offering innovative and sustainable solutions for every part of the water cycle in France and internationally.



Saur has set itself the ambition of exceeding €2 billion in annual revenue by 2024, and is restructuring to put in place the resources needed to achieve that target. In 2020, the focus was on organizational performance and renewed international ambitions, and clearly resulted in the preparation of a strategic roadmap built around the four cornerstones of Group growth: France, international markets, technological expertise and engineering..

01 An increasingly competitive business environment in France

— In France, the Water Management division continues to pursue its competitiveness goals by consolidating its positions in the public service outsourcing market, forming partnerships with public water companies and focusing on supply network upgrading and extension work. At a time of unequivocal financial and resource protection challenges,

the Group's Operations Control Centers (OCCs) are more important than ever as operations sectors develop, and customers expect high levels of service alongside operational transparency. The fact is that local authorities are becoming increasingly demanding in terms of flexibility and responsiveness, so Saur is restructuring to meet these expectations. Its goals are: to become more competitive, increase the quality of service perceived by consumers, ensure full compliance with contractual commitments and improve its commercial responsiveness. This shift in direction reflects profound changes in society and the growing public awareness of water-related issues: in France, the NOTRe law is changing the balance of water management at local level; in many other countries, aging supply networks require major investment, at the same time as eco-awareness of water, its quality and the way we use it is growing among the general public worldwide.

02 Acceleration in international business growth

— In combination with its technical leadership, Saur's commitment to promoting the right to clean water is driving the Group to build the high-value-added solutions essential to its international expansion. The acceleration



€2 billion

That's the Saur annual revenue target for 2024.

in its growth worldwide will come primarily from those regions where Saur already has a strong presence: the Iberian Peninsula and the Persian Gulf. The countries in these regions share the same feature of having a large proportion of their water supply and wastewater treatment services managed by private operators under a number of different arrangements, ranging from public/private partnerships and concessions to service contracts. In these countries, Saur is using twin strategies to strengthen its position in the market: partnerships with local companies and/or the recruitment of sales staff with local market experience. This approach allows the Group to adapt its solutions to meet specific local needs and match quality and price expectations.

03 Enabling industrial companies and local authorities to benefit from our technological expertise

— By consolidating its global platform of technologies for industrial water users, Saur is significantly strengthening the expertise it can bring to bear on boosting the financial and environmental performance of its customers. In addition to seeking a better balance between the Group's

40%

of Group EBITDA in 2021 will be generated from international operations.

French and international activities, the creation of the new Industrial Technologies division is designed to win new business from more industrial customers. The global market for industrial water infrastructures and services is growing at 7% year-on-year (4% in France) according to Global Water Intelligence. The range of equipment and solutions offered to industrial customers by this new division has been considerably expanded as a result of strategic acquisitions made in 2020: Nijhuis, Econvert, Riventa and Unidro. It is structured around 4 key propositions: market positioning as a full-service supplier offering every stage from equipment design and manufacture to installation and maintenance, the advanced expertise in all key water technologies offered by its global engineering platform, growth via expansion in priority geographic regions, and the supply of additional equipment and services.

04 Stronger technical support for major projects

— The recent drinking water crises in certain regions of France highlight the need to question the serious operational issues that result from the race for volume. As a Group committed to standing for of water, Saur wants to present itself as the value-added alternative prepared to take a step change away from other industry stakeholders to advance the ecological transition and use digital opportunities to deliver fully considered and rational management of water resources.

Saur wants to use its range of engineering expertise to demonstrate its technical excellence to local authority customers. The ultimate goal here is to build more sustainable and resilient infrastructures by scaling up that expertise. Consolidating its engineering activities, which includes the two subsidiary companies of Stereau and Cise-TP, will set the benchmark for management of major local authority infrastructure and supply network projects. The Group's engineering and frontline operations businesses are set to play an increasingly important role in serving local authority customers worldwide. While it is true that the strength of the Group lies simultaneously in its market positioning and the expertise of its teams, its success must be driven by a genuine vision of what tomorrow's water resources should be for future generations.

Accelerating sustainable growth through transformational change

To accelerate the effective implementation of its strategic roadmap, the Group has embarked on a profound and rapid process of transformational change. From a new organizational structure for France, to a series of digital innovations, a shift in cultural mindset and the development of new skills, Saur is using every lever at its disposal.



Local presence is key to anticipating and fulfilling the expectations of its customers and consumers, so the restructured organization is more granular at local level, bringing the business even closer to its customers.

An organizational structure for France to bring the Group closer to its customers and consumers

— Implemented at regional level from spring 2021 onwards, the new organizational structure introduces a more streamlined regional network designed to adapt more effectively to new water industry challenges, and take responsiveness to a new level. There are now eleven regional divisions, which are also working closer with local communities and consumers to deliver faster decision-making and provide a more flexible service offering.

Introducing closer and more direct contact between expert teams and operations teams is improving agility and giving us the opportunity to offer Group customers custom-made support packages.

Leveraging data to optimize the water cycle

— The Group is accelerating its digital transformation with the aim of seizing the opportunities offered by digital technologies and robotics to improve the quality of water management services and processes. With its Data & Digital Center (DDC) created in partnership with Capgemini, Saur is investing in data analysis to drive innovation forward for more a resilient, predictive and secure model of water management. This full-on digital factory is dedicated to the industrial scaling and introduction of digital and data innovation using multidisciplinary skills ranging from transformation consultancy to business application development in conjunction with customer experience specialists, data processing, engineering and industrial information systems.

This concentration of expertise gives Saur an innovation platform from which to invent, roll out and industrialize

solutions that deliver effective responses to the major environmental and health challenges now faced by the water industry. These range from forecasting and managing the volumes of water to be processed by treatment plants to defining the overall architecture of an information system that brings a new perspective to consumer relationships and communication.

Accelerating innovation with an entire ecosystem of startups

— So to deliver its digital transformation, the Saur Group is relying simultaneously on its internal innovation policy and open innovation strategy. More specifically, the Group is working closely with startups that are helping it to look at technology in new ways and to rethink its approach to customer service. The main points of focus are: water resource protection, energy footprint reduction, treatment process optimization, asset lifespan extension, and more seamless delivery of services to customers. By joining the partners club at WILCO, France's leading business accelerator, Saur is also accelerating its innovation strategy by working alongside ambitious startups on new types of experiment.

Similarly, Saur's 51% equity stake in startup company ImaGeau opens up opportunities for new services, such as the launch of the info-secheresse.fr online public service platform, which aggregates qualified and spatialized drought data for all the departments of France. Using the open data model, this platform continuously gathers and interprets rainfall, hydrological and hydrogeological data to provide real-time monitoring of the trend in water resources at local level.

INNOVATION

Digitalized Home OCCs

To meet demand for new services focused on water usage and consumption, the Group is making its Home OCCs – water services control centers scaled to meet the needs of customer local authorities, and complementary to our regional Operations Control Centers (OCCs) – smarter and more digital. The aim of this innovation is to facilitate community wastewater treatment services using an entirely transparent system.



XAVIER SAVIGNY, SENIOR EXECUTIVE VICE-PRESIDENT HUMAN RESOURCES, ORGANIZATION AND TRANSFORMATION

“Working together is what powers our transformation”

Against the background of its transformation and international expansion, Saur continues to facilitate the development of its people. The Group is also committed to providing clear explanations of the societal issues facing its teams.



How are Saur employees involved in this ambitious Group transformation strategy?

— There can be no doubt that the Saur transformation is both profound and rapid. But that fact is clearly understood, and everyone in the Group is fully committed to helping Saur become the most innovative, attractive and responsible global water industry stakeholder. To help us all move forward together towards achieving this ambition, we've identified three directions in which we want to develop our corporate culture: putting customers at the center of our concerns, leading by example in the ecological transition at regional level, and driving innovation to envision cutting-edge technological solutions. These are the cornerstones of our strategy which unites us and has won us the

commitment of all our employees in France and worldwide to work as a single collective force to deliver this transformation.

Our transformation also includes a revitalized social dialog model based on mutual trust and responsibility through a process of constructive dialog with employee representatives and trade unions. This dynamic structure is now in place, and will enable us to meet our business challenges around competitiveness and sustainable growth.

How will you succeed in stimulating this spirit of innovation and responsibility?

— We're activating several levers simultaneously to prepare our people for the water industry professions and careers of tomorrow. We have signed an exceptional Job and Competency Planning agreement with our social partners, which means that we can encourage internal mobility whenever possible, and put in place a framework that allows all of us to achieve our full potential through a personalized training program. We're also convinced that innovation depends on a stronger involvement of new generations within the company. So the creation of NextGenVoices in November 2020 reflects that determination, and responds to the challenge of listening to our future generations and encouraging them to contribute to the company. NextGenVoices is a global team of around 30 employees from all backgrounds. They're under 35, and are there to challenge the Group Executive Committee on priority

issues such as our corporate purpose, employer brand, cultural change, operational excellence and digitalization.

What are you doing in practical terms to make customers the focal point of the Group?

— Our preference for operational realities and the field experience we've gained have been our strength for many years; it's what our customers appreciate and it's what will allow us to succeed in the new challenges of water by working as closely as possible with the issues involved and the ways in which water is used. But today, that realization is no longer enough... we have to move up a gear. We need to adapt our organization, processes and skills. That's why, by introducing our new organizational structure, we're taking the resources we provide to our operations teams to a new level, so that they can fulfill their missions even more effectively and ensure our sustainable growth and competitiveness as a Group. The tools we use to do our work are increasingly digital, which helps us to become more transparent and efficient, at the same time as offering our customers greater functionality. In terms of skills, we are all contributors to the efficiency of our business and the success of our strategic plan. And we must all prepare ourselves now for the jobs and careers of tomorrow, regardless of whether we work in operations, industrial IT or support functions.

*Read Priority 3: Encouraging employee development on pages 34 to 37.

Profitable and responsible growth

For 80 years, Saur has worked to supply safe and affordable water in the regions it serves. Making the universal right to water and sanitation a reality aligns perfectly with our contribution to achieving the UN SDGs and the Global Compact.



When the Group became a member of the Global Compact in 2003, it gave its commitment to promote and ensure compliance with the 10 principles on human rights, labor standards, the environment and the need to combat corruption. The Group renews this commitment annually, and publishes information about the action it has taken and promotes the fundamental values of the Global Compact.

In the same spirit, and with its commitment to stand for water, the Saur Group is a natural contributor to achieving the Sustainable Development Goals (SDG) set by the United Nations for 2030. The business activities, policies and actions of the Group contribute directly and indirectly to all the SDGs, and have a direct impact on 30% of the 169 targets associated with the 17 SDGs. Although the impact of Saur is – logically – focused predominantly on SDG 6 ‘Clean Water and Sanitation’, its actions are also prioritized around eleven other SDGs related to its social responsibility and local innovation challenges.

Based primarily on feedback from its stakeholders, the Saur Group revised its CSR roadmap in 2020 to support its positioning of standing for water, with a reduced number of nine commitments, supported by ambitious objectives for 2025.



Protecting and safeguarding water quality and quantity

1. Anticipating and complying with all laws and regulations on water and aquatic environments

All our business and all our product and service portfolio assessed against the European sustainability standard (“green taxonomy”)

ACTIONS

- Integrating sustainability criteria into the design of new products and services, and evaluating these new products and services as well as all our other activities

2. Conserving water resource

Saving water equivalent to the annual consumption of 100,000 people

ACTIONS

- Reducing industrial and personal consumption of water
- Improving drinking water supply network performance
- Promoting the reuse of treated wastewater

3. Promoting responsible use of water

100% of sensitive water management contracts guaranteed by a drought prevention plan

ACTIONS

- Rolling out the EMI predictive modeling technology for those contracts most sensitive to water shortages



Developing and supporting the regions

4. Strengthening the relationship of trust and co-construction with our stakeholders

100% of water management contract customers have access to Saur's digital offering, including real-time sharing of operations data

ACTIONS

- Developing transparent data sharing with customers (local authority services) and water industry players to offer full access to data

5. Taking action to deliver the ecological transition

100% of electricity from renewable sources

ACTIONS

- Reducing energy consumption
- Increasing the amount of renewable energies generated on our own sites and those of our customers
- Working with local authorities to develop local offsetting projects
- Meeting our own energy needs from renewable energy generators

6. Contributing to local socio-economic ecosystems

10% of the permanent workforce are work/study apprentices and other trainees

ACTIONS

- Welcoming apprentices and other trainees
- Ensuring that they stay with the Group and work with it in standing for water

21



Encouraging employee development

7. Respecting business ethics and human rights

100% of our supplier and partner contracts include a business ethics clause

ACTIONS

- E-learning and face-to-face training for all employees, especially those employed in sensitive roles

8. Supporting the eco-responsible commitment of our people

Our internal surveys result in engagement scores at least as high as those in the Top 25% of comparable companies

ACTIONS

- Communicating more regularly and widely on Group strategy, and involving employees more closely in its construction
- Developing a distinctively Saur style of management
- Making the work done by everyone meaningful

9. Promoting inclusion and diversity

At least 40% of our managers are women (parity)

ACTIONS

- Facilitating careers in the 3 main job families of Operations, Customer Service and Support, and achieving gender equality (in accordance with the 40/60 principle) by working collaboratively with partner educational institutions, creating mentoring programs and providing appropriate communication



A technician from the Saur specialist high-pressure pipeline cleaning subsidiary Alliance Environnement prepares for a cleaning operation.



Targeting excellence in everything we do

JULY 16, 2020

Launch of info-secheresse.fr, the free-to-use drought monitoring platform

Info-secheresse.fr uses open data technology to continuously gather and interpret rainfall, hydrological and hydrogeological data. Created by startup company imaGeau, it provides real-time monitoring of the trend in water resources at local level.

JULY 28, 2020

Saur researchers focus on identifying the Covid-19 virus in wastewater

Conducted by Saur in 20 representative facilities, this study found no trace of Sars-CoV-2 in wastewater and sludge from Group wastewater treatment plants. As a partner in the 'Obépine' network set up to monitor the wastewater circulation dynamics of the Covid-19 virus, Saur has a role to play in the early-stage detection of any future upsurge in the pandemic.

NOV. 8, 2020

The digital factory becomes a reality

The Saur 'Data & Digital Center' is effectively a digital factory dedicated to upscaling digital and data innovations to an industrial scale. The ultimate goal is to provide local authorities, industrial companies and consumers with new tools that allow them to become active stakeholders, rather than purely consumers of water at regional level.

Protecting and safeguarding water quality and quantity

The Group commitment to providing guaranteed access to safe, high-quality water, acting ahead of new legislation and promoting responsible water use are clearly natural priorities for its CSR roadmap.

That commitment is delivered by working in close collaboration with stakeholders to develop sustainable solutions for every stage of the water cycle.

700m/m³

of drinking water produced by the Group in 2020.

2,400

wastewater treatment plants.

1,600

drinking water production plants operated.



12.5m

local residents supplied with drinking water and wastewater treatment services by Saur.



Anticipating and complying with all laws and regulations on water and aquatic environments

The technological innovations developed by the Group aim to exceed the highest quality standards currently defined by the European taxonomy of sustainable investments. Based on this standard, Saur is engaged in building new solutions that protect the environment and aquatic habitats.

Close monitoring of pesticides

— Pesticides are the main source of water quality degradation in France, but their effects can be complex to understand. Hundreds of these products are used by today's agricultural industry, and the development and introduction of new active ingredients continues. The ways in which these molecules behave in natural environments is complex. So to observe how they degrade and their impact on natural waters, the Saur Technical Department has developed a new tool to make them easier to treat: the Pesticide Observatory.

Based on the data published by French government ministries on the quantities of pesticides applied, analyses conducted in all types of water, and current legislation, this Observatory not only analyzes the active principles and metabolites currently in use, but also seeks to identify those

that Saur could encounter in the future. Gaining this level of understanding of pesticides, their presence in water and their precise characteristics gives Saur to gain a better understanding of the raw water the Group must ultimately make drinkable, and use the information to adapt its drinking water treatment processes accordingly.

Focusing on the performance of wastewater drainage systems!

— Between now and the end of 2021, French local authorities with populations above 10,000 will be legally required to analyze their wastewater drainage systems on a permanent basis. The aim of this new obligation is to provide continuous monitoring of wastewater system operation and structural condition, so Saur has developed and implemented a new solution that meets all the regulatory goals of permanent ongoing analysis: DIAG 360°. Thanks to this solution, Saur is able to offer local authorities a data processing and value extraction solution, backed up by system user and decision support. This solution facilitates continuous evaluation of the work carried out by the local authority on the physical drainage system, its performance, and the real-world impact of wastewater treatment systems on the ecosystems into which they discharge.



Wastewater treatment plants put an end to micropollutants

— Saur developed its patented CarboPlus® process for eliminating micropollutants for industrial users in response to the tightening of European regulations on the elimination of micropollutants. But regardless of whether it is used to ensure the health safety of drinking water, protect the natural environment or control the environmental impact of an industrial plant, CarboPlus® is a custom-made solution, and each project is led by a team of specialists from the design stage right through to delivery. This principle is based on eliminating a very broad spectrum of micropollutants at low cost by using activated carbon to absorb them. Tested as early as 2015, this technology can eliminate almost all pharmaceutical micropollutants from industrial wastewater, considerably outperforming other technologies tested (ozonation, membrane technologies, etc.) by the international pharma giant Sanofi in its own production facilities.

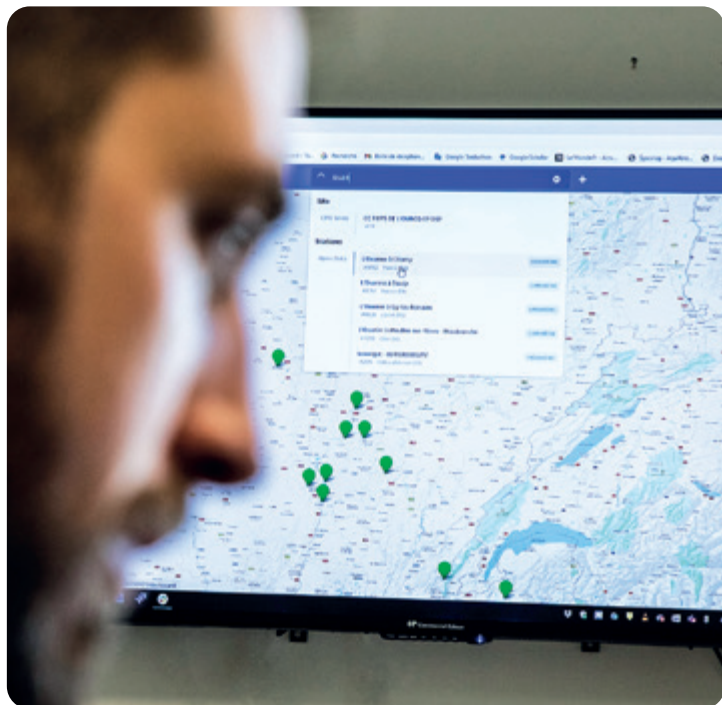
The great advantage of this process is just how simple and clean it is to use, because undesirable molecules are neither concentrated nor converted to toxic or mutagenic

WHAT THE LAW SAYS

The European Water Framework Directive (WFD)

This directive commits Member States to achieve good qualitative and quantitative status of all water bodies. Amended in December 2020, the revised European Drinking Water Directive requires action to be taken in four main areas: updating the list of water quality parameters to be monitored, consumer information, risk-based monitoring of the resource from catchment to tap, and revision of the framework governing materials in contact with drinking water.

by-products, but trapped and destroyed when the carbon is reactivated. This technology allows the Group to support its industrial customers more effectively in reducing the environmental impact of their facilities. The new contract signed in 2020 with the Sanofi production facility in Compiègne outsources effluent management to the water treatment experts of Saur and the Group's CarboPlus® Mobile technology. Since then, the technology has also been introduced in Geneva and Annemasse to remove micropollutants from wastewater to levels that ensure compliance with Swiss regulations.



100 m

data items gathered by Saur subsidiary ImaGeau to predict and control drought risks*.

300

boreholes managed by ImaGeau and 135 user local authorities.

Conserving water resource

The Saur Group wants all its local authority and industrial customers to benefit from uninterrupted water supply. So it is working closely with subsidiary company ImaGeau on the development and implementation of solutions that protect water catchments against periods of drought.

Anticipating risks to improve changes to the way water is used

— As water stress levels increase and heat waves become more common, maintaining drinking water production capacity is becoming more challenging for local authorities. In response to these increasingly frequent occurrences, ImaGeau has developed the EMI app to predict the risk of drought and ensure optimum operation of water production facilities by providing the right information at the right time.

EMI supports operators in their decision-making and implementation of optimization measures (borehole regeneration cycle, pumping cycle, etc.), as well as continuous monitoring of drought risks. It generates regular reports on the local situation and production facility parameters.

Saur activates its regional monitoring network

— At the end of March 2020, Saur began work on conducting a study at 20 representative sites (in terms of size, process and region) to identify any possible presence of the Sars-CoV-2 coronavirus in wastewater. Although analysis of the data revealed no traces of the virus in the water or residual sludge at these treatment plants, the monitoring network will continue to track the pandemic as it evolves. Traces of the virus in wastewater are detectable even before those infected with the virus experience symptoms.

Its status as a partner of the Eau de Paris laboratory has given Saur the opportunity to join the Obépine (wastewater epidemiological observatory) network of researchers and academics working in a variety of specialist fields together with local authorities and the public and private sector wastewater operators working on their behalf. By providing the network with data gathered at its treatment plants, Saur is playing a major contributory role in the early detection of any resurgence of the pandemic in France. This long-term research project involves 150 treatment plants operated by water service providers.

*All this information is available at info-secheresse.fr.



Promoting the responsible use of water

28

SAUR — INTEGRATED REPORT 2020

Promoting responsible water resource availability for today and tomorrow means ensuring that every drop is used as effectively as possible. But how? The answer is to make facilities and networks more efficient, trace every leak, and facilitate the reuse of treated wastewater.



To do so, Saur has joined the ECOD'O action program to promote water saving measures by industrial users in every sector, from tourism to steel. The program has twin goals: to facilitate the adoption of circular economy loops based on water consumption analyses and reuse solutions, and to make companies more aware of how vulnerable their businesses are to the threats and challenges of climate change.

Analyses and reuse solutions

— Designed by the Chamber of Commerce and Industry (CCI) for the French region of Morbihan, where critical periods of drought are likely to intensify and become more frequent, ECOD'O draws on Saur's expertise in water reuse to help around 30 industrial companies to optimize their water cycle and cut back on their consumption. Companies

were selected to join the program by the CCI following a call for projects. As a program partner, Saur has developed and implemented a methodology for reusing water leaving wastewater treatment plants. It applies multiple criteria, increasing the ways in which water is used in the plant and its quality at the point of use, the volumes required by industrial users, and analysis of the water discharged by the wastewater treatment plant. When treating wastewater, Saur uses proven technologies that eliminate suspended matter using a filtration and settling system, and the elimination of microbiological organisms and dissolved salts.

Whether the final objective is to produce drinking water or to desalinate seawater, each application requires an appropriate treatment regime. The innovative approach developed by Saur uses a combination of physical and chemical treatments to deliver a quality of water guaranteed to be appropriate for its intended use, and which complies fully with current and future regulations. In addition to agricultural uses, treated wastewater is reused to irrigate landscaped and recreational spaces, such as sports grounds and golf courses, as well as for urban uses like road cleaning and for industry. The process has already been adopted by the Rhuys-Kerver golf course (see inset). Saur is convinced that the reuse of treated wastewater is a

UPDATE ON...

Treated wastewater reuse in Europe

France reuses less than 1% of its treated wastewater, which is less than Italy and Spain, where the figure is between 8% and 14%, and falls far short of Israel, where 80% treated wastewater is reused. Regulations will soon be changing to encourage this practice as much as possible. The target set by the European Commission is to increase the volume of treated wastewater recycled by a factor of six. The new regulation passed in May 2020 is designed to facilitate the adoption of treated wastewater reuse, "while ensuring that it is used in a safe and environmentally sound manner," in the words of the Commission.

180,000 km

of drinking water pipelines are maintained by Saur, with particular emphasis on leak tracking and repair.

REUSING TREATED WASTEWATER IN THE REAL WORLD**Even greener greens**

As part of its commitment to rewriting the rulebook, Saur has contributed to a number of conferences showcasing the benefits of reusing treated wastewater with the real-life case history of the Rhuys-Kerver golf course in the Morbihan region of western France. For more than ten years, this golf course has used treated wastewater from the Saint-Gildas-de-Rhuys wastewater treatment plant to water 19 of the course's 60 hectares. The initiative also extends to other Blue Green courses that take full advantage of Saur Group expertise in the reuse of treated wastewater.

solution for coping with water shortages and meeting new domestic, agricultural and industrial demand, and is therefore involving local decision-makers and public authorities in this approach.

Tracking leaks in the drinking water supply system

— Saur uses state-of-the-art technologies to monitor its customers' supply systems in real time. Using the innovative SmartBall® system developed by Pure Technologies (a Xylem Group company) and its ultra-sensitive acoustic sensors, Saur is able to identify and locate leaks the size of a pinhead. When inspecting the water supply pipes of the Syndicat Mixte des Eaux de Chalon Sud-Ouest water company in France, the system was used to substantially reduce water wastage from a 16.2-kilometer drinking water pipe that feeds the Varennes water treatment plant to the Buxy reservoir in Saône-et-Loire. In Spain, Saur subsidiary Gestagua now uses an augmented reality solution to locate leaks and optimize water network management.

Saur also offers local authorities the opportunity to install Intellitect sensors at strategic points in their drinking water supply networks to provide continual monitoring of flow rate, pressure, residual chlorine, turbidity, conductivity and pH. These sensor-generated data enable fast, early-stage detection of issues that can then be addressed by the use of predictive modeling. The process will be installed in the supply network serving the urban community of Agen (in the Lot-et-Garonne department of France), which has contracted Saur to manage its drinking water supply services.

Nijhuis Industries and its substantial contribution to water conservation worldwide

— The range of products and services offered by Saur to local authorities and industrial users has been considerably extended as a result of the unique approach adopted by Nijhuis Industries. This substantial portfolio of advanced technologies gives Saur the opportunity to offer new, efficient and sustainable treatment solutions alongside digital control and monitoring systems. With operations in the Netherlands, the UK, Poland, Russia, Germany, the UAE, Saudi Arabia, Singapore, Chile, Mexico and the USA, the strategic investment made in acquiring Nijhuis is central to accelerating the future growth of the Saur Group.

Developing and supporting the regions

The Saur Group supports its partner regions in their transition in response to climate change.

Its ultimate goal is to boost installation efficiency and to offer consumers everywhere the opportunity to use clean energy from local renewable sources.

341

young people on work-study apprenticeship in 2020.

1,500

electric vehicles will be in service with the Group's fleet by 2025.

€2 m

in funding provided, 200 employees involved and 220 projects helped by Saur Solidarités since 2007.



52

major new infrastructures to be created by 2030 to secure the water cycle of the region around Las Palmas in the Canary Islands.

KEY WORD

Semop*

"This new participatory form of governance enables local authorities to monitor the fulfillment of contractual commitments and receive a continuous flow of information about service delivery and operation."

Saur Regional Director

*French single transaction public/private companies

Strengthening the relationship of trust and co-construction with our stakeholders

Saur maintains close trust-based relationships with all its stakeholders. These relationships begin with sharing its operational data openly and transparently with customers, so that they can work hand-in-hand with technical services towards smart management of urban authority data.

Long-term partnership

— The ambitious investment strategy for the water infrastructures of Las Palmas in the Canary Islands is an excellent example of a long-term partnership between the city authority and the Empresa Mixta de Agua de Las Palmas (Emalsa) water company in January 2021. Via this subsidiary of the Group's Spanish entity Gestagua, Saur has a high level of responsibility for managing the city's water supply and wastewater treatment systems.

The projects covered by the contract include upgrading the water supply and wastewater drainage systems, building a new wastewater treatment plant to relieve pressure on the current facility, and a second desalination plant to

reduce dependence on the existing single resource. There are also plans to completely eliminate any discharge of untreated sewage, which Saur is achieving by upgrading and extending more than 1,000 kilometers of pipelines, removing 132 discharge points and building 18 stormwater retention tanks.

Working collaboratively with customers

— Saur is developing tools and models to further increase the level of transparency that already exists in its relationships with local authority and industrial customers. The OCC online platform is already capable of continuous visualization of all structures and work in progress, and generating comprehensive reports. In preparation for 2025, the Group is preparing a real-time data sharing platform to deliver total transparency with the various technical departments.

This unprecedented level of transparency is central to the new Naïa management tool for consumers. Naïa includes a secure easy-to-use app called Saur & Moi (Saur & Me) that allows users to track their consumption and review and pay their bills at any time. The customer service department has also been expanded to offer new services under the partnership with HomeServe, and offers consumers on-demand emergency and maintenance services for their own domestic water systems.

Taking action to deliver the ecological transition

The ecological transition inevitably involves water management, where the challenge is to generate renewable energy (electricity, heat and biomethane) at local level. This process can be optimized profitably by pooling waste from different sources.

Targeting overall reductions in energy consumption

— The technologies developed by Riventa – a company in which Saur is the main shareholder – can reduce the volume of energy required by drinking water production plant pumps by between 5% and 20%. The data generated by its innovative sensors are processed using algorithms that accurately diagnose pump efficiency and improve pumping system operation, maintenance and energy consumption. Experimental installations in the Paris Region have already demonstrated annual energy savings in excess of 20%. During 2020, these technologies were deployed in Saur's 60 largest drinking water production plants in France.

Developing renewable energies

— Saur supports its operating regions in delivering their own energy transition by offering solutions to generate energy from renewable sources, including methanization. This process involves transforming organic waste into biogas, which generates greenhouse gas emissions four times lower than those of fossil fuels. Saur has developed a methanization technology for the liquid sludge discharged directly from wastewater treatment plants, and is supported by its subsidiary Econvert, which specializes in designing industrial effluent methanization units. This solution has already been successfully implemented at the Saint-Étienne Métropole wastewater treatment plant, which will soon be followed by the Aubenas plant when methanization operations begin in summer 2021.

Emagin: using AI to take water treatment performance to a new level

— Using Artificial Intelligence (AI) technology with integrated predictive algorithms, the latest generation of Emagin software improves forecasting of water and wastewater treatment plant requirements. Using AI to create a comprehensive model of a treatment plant creates the opportunity to measure performance gains very accurately and manage the plant on the basis of preventive maintenance. Once the predictive models now being built have been tested and adjusted, the teams will be trained in using this valuable new tool. The test program will begin in June 2021 at the Glasgow-Dalmuir wastewater treatment plant in Scotland, which treats the effluent of 600,000 people. By 2022, Saur expects the Emagin software package to be widely installed and measuring plant performance gains in process safety, chemical consumption and energy consumption.

BREAKDOWN OF EMISSIONS

The Group carbon balance

In 2020, Saur emitted 210,000 tonnes of CO₂ equivalent across Scopes 1 and 2 (direct emissions from vehicles and energy consumption) – the equivalent of a French city of 40,000 people – and approximately 530,000 tonnes of Scope 3 emissions (mainly those produced as a result of consuming water treatment products).





50%

of all work/study apprentices hired on permanent contracts on completion of their training contracts; that's the target for 2024.

37%

of Colombian users experienced more than 2 days per week of intermittent water supply in 2020, compared with 80% before the arrival of Saur in 2019.

Contributing to local socio-economic ecosystems

All over the world, in cities and rural communities, Saur works to guarantee the continuous availability of water. And because it provides services locally, the company is also a contributor to regional employment. Committed to the principle of knowledge transfer, it is particularly keen to hire and train new graduates and apprentices.

Improving access to water, from Europe...

— Working alongside the Fédération Professionnelle des Entreprises de l'Eau (the French Water Companies Federation) and other stakeholders, Saur is calling on the European institutions to promote universal access to wastewater treatment by making it a legal right. The aim here is to guarantee improved access to wastewater services for the 10 million people in the European Union who are still partially deprived of this basic entitlement.

... to South America

— Working through the five Colombian concessions gained as a result of its Naunet acquisition, the Group sup-

plies drinking water to half a million people in mid-sized communities in three departments on the Atlantic coast. A total of 300 employees ensure that residents have permanent access to water, particularly in rural areas.

In 2020:

- The Aguas de la Peninsula concession renovated a drinking water well and introduced a water leakage remediation program using camera-based leak detection systems
- Aguamag installed three new electromagnetic flow meters for production and supply control, and purchased a tanker truck to deliver emergency water supplies to areas where the Covid-19 pandemic had resulted in shortages
- Aguas de Albania upgraded its primary network, and Aguas de Aracataca acquired new laboratory equipment for water quality control

An even more active year for Saur Solidarités

— The Group's focus on local development initiatives is not limited to France, but also extends to countries where standing for water is a daily challenge. Since 2007, the Saur Solidarités endowment fund – and before it the Saur Foundation – has been the outreach extension of this commitment. Saur supports a number of projects that facilitate access to water, social relationships, humanitarian aid, social integration and environmental protection. The nine projects supported during 2020 include two in Cameroon, one in Benin, one in Madagascar, one in Senegal and four in France. Since 2007, Saur Solidarités has provided funding of €2 million across 220 projects supported by 200 Group employees.

Encouraging employee development

Saur's strategic ambition to combine economic growth with international expansion and transformational change throughout the Group is rooted in the skills, expertise and collective commitment of its teams. Paying close attention to the personal and professional development, working conditions and working environment of all its people without prejudice or discrimination and regardless of location is therefore a key priority at Saur.

90%

of Group employees completed at least one training program in 2020.

89/100

was the overall score awarded to the Group in the 2020 gender equality index published by the French Employment Ministry (compared with 78/100 in 2019).

84,370

hours of training were provided across the Group during 2020.



0.27

The Group accident severity rate continues to decline.

-65%

The number of lost time accidents across all our Spanish subsidiaries fell from 26 in 2019 to 9 in 2020 (a 65% decrease). The severity rate also fell from 0.64 to 0.2.

Respecting business ethics and human rights

Committed to conducting business in accordance with the highest international standards of business ethics, and to ensure that safety is central to its corporate roadmap, Saur has developed a series of measures to pursue its growth targets without compromising on its core values.

As committed as ever to combating corruption

— Corruption and dishonesty of any kind are highly detrimental to every part of the company's ecosystem. Saur has introduced a series of counter-corruption measures and implements a zero-tolerance policy. Those already implemented include a code of conduct listing behaviors to be avoided, a training program for those employees most exposed to corruption-related risks, and a disciplinary system to sanction violations of the Code of Conduct. Saur has been ISO 37001 - Anti-Corruption Management System - certified since 2019. Saur is the first French water company to be awarded this certification, and only the seventh company of any kind in France.

Putting safety first

— As part of guaranteeing the health and safety of its teams, Saur relies not only on safety instructions, regular training and inspections, but also on national technical safety action plans designed to address clearly identified risks. During the health crisis of 2020, Saur activated its business continuity plan, which includes all those measures relating to personal protective equipment, the working environment, hygiene measures, training and communication routines. The Covid-19 manual contains all the instructions included in the Crisis Management Plan. The 2020 Continuous Safety Improvement Plan focused particularly on:

- inexcusable safety lapses and the golden rules of safety in response to clearly identified risks, requiring individuals to lead by example
- regular safety tours and inspections to ensure that vigilance is never relaxed
- local and specific safety challenges

It also included a number of new online training modules and the provision of personal protective equipment. The Saur Group risk prevention policy is certified compliant with ISO 45001.

Supporting the eco-responsible commitment our people

Keeping its teams engaged and committed to the Group, Saur supports them in achieving their career goals with a constantly expanding catalog of training programs available via the MyAcademy online resource. The aim is always to ensure that Saur remains a united Group in which everyone is empowered to develop their careers.

Richer career paths

— Saur offers its people richly diversified career paths, and is further developing its internal mobility options to provide even more opportunities for skills development. Every employee receives guidance and encouragement to play an active role in managing their own career path in accordance with management priorities and the needs of the company, as identified in the Job and Competency Planning agreement.

Saur provides training to support employee skills development in ways consistent with the Group's strategic ambitions, and that help individuals to become more autonomous. From this point onwards, employees will be able to engage in collaborative and custom-made training programs. In July 2020, Saur launched its MyAcademy career management system to monitor and manage 185 online

training modules specifically designed to help employees progress their careers. The new system allows them to register for sessions chosen from their own personal training plans or those specifically designed for their own geographic region.

The system also invites trainees to evaluate completed modules, and use the 'Like your training module' option to rate and share their feedback. Often employees themselves, the creators of these training sessions are also invited to share their passion by promoting particular modules!

An internal engagement barometer

— To bring forward a human resources strategic management plan that reflects the views and concerns of all employees, Saur wanted to learn more about the needs and expectations of its people. So the Group took the decision to continue with its internal engagement barometer, and has renewed its contract with Peakon, the world's leading platform for employee engagement measurement and enhancement. This provides Saur with a system that generates the most accurate possible measurement of employee aspirations across all business sectors and subsidiary companies in France and abroad.



185

training modules in 2020, including 130 on everyday tools which is 10 times more than in 2019.





Promoting inclusion and diversity

Saur has put in place a number of measures to improve gender diversity within its teams and recruit more women into an industry that is still – wrongly! – seen as very much a man's world.



Saur focuses its work on promoting gender equality through its EllEau network, whose 60+ ambassadors support talented women in developing their careers. EllEau concentrates on the three key priorities of recruitment, career support (with parenting and by monitoring discrepancies in promotion and pay) and sexism awareness. To ensure that it represents all Saur subsidiaries and to encourage local initiatives, EllEau now reaches out internationally, and has welcomed its first Italian and Spanish ambassadors.

The Group has also introduced further measures, including quarterly reporting to the Executive Committee of gender diversity indicators, taking part in the review of the European equal opportunities agreement and entering into partnership with the Femmes Ingénieurs organization, which encourages women to enter the engineering professions.

A week-long focus on women in the workplace

— Saur held its first gender equality week in March 2020, an event designed to bring members of the network closer together, promote career prospects for women, highlight

gender diversity issues with a local event, and highlight the value contribution to the company made by women. This initiative helped us to attract new women and men to the cause, and was so successful that it will be repeated in 2021!

Women's PPE under test in western France

— It's not a code name, but a problem that is on the way to finding a solution: Personal Protective Equipment for women, available in several sizes to fit women's body shapes. Feedback from the tests currently underway in western France will be used to adapt and finalize designs before the widespread introduction of 100% women's PPE.

double

The number of women on the Group Executive Committee doubled from 3 to 6 in 2020.

ZOOM ON

EllEau network ambassadors

EllEau network members had the opportunity to discuss past and future initiatives at the first virtual annual meeting organized by the Group. Attended by more than sixty people, the meeting highlighted the consensus of everyone at Saur to reach out even further internationally. So to improve the representation of international subsidiaries and encourage local initiatives, EllEau has inducted its first Spanish and Italian ambassadors, who used this meeting to speak about the status of female employees in their countries.



Stéphanie, a Chemist at the Eau de Garonne plant in Agen, checks the quality of the post-treatment discharge water.



Strategic leadership

JAN. 7, 2020

Patrick Blethon is appointed Executive Chairman of Saur

After a richly diverse career in international management, Patrick Blethon joined Saur as its Deputy CEO in September 2019. He was appointed Executive Chairman on January 7, 2020 with a mission to transform the Group's growth model.

SEPT. 30, 2020

A Management Committee redesigned for greater agility

Saur introduced a new format for its General Management Committee. More streamlined and now structured around three core businesses, this new format has been designed to simplify decision-making, further develop our commercial and technological synergies and – ultimately – accelerate our transformation.

NOV. 18, 2020

Launch of NextGen'Voices

NextGen'Voices is an international team of 30 employees, all aged under 35, formed to give extra impetus to the transformation of the Group. Its mission is to make an active contribution to the Group transformation, and work with the Executive Committee to pave the way for a future more focused on innovation and sustainability.

A governance structure aligned with our new business dynamic

The new Saur Group governance structure has been designed to support the strategic transformation of its business model. To achieve its goals and position Saur as a European leader, pure player and the Group that stands for water, the Group has adjusted its governance to make executive management more responsive and operationally efficient.

The Supervisory Board

The mission of the Supervisory Board is to oversee the leadership of Saur provided by its Executive Chairman. It makes decisions on strategic issues that directly affect the life of the Group.

The Board has seven members: one representing EQT, one employee representative and five independent members. Its decisions are informed by the work of an Advisory Board. Both boards meet alternately at intervals of one month or less.

MEMBERS:

Jürgen Rauen, Chairman and independent member

Agnès Audier, independent member

Didier Deloffre, employee representative, Saur

Jean-François Cirelli, independent member

Matthias Fackler, EQT representative

Philippe Delpéch, independent member

Thierry Mallet, independent member

Two specialized committees

Audit committee

Its core mission is to examine the financial statements to ensure that the financial information they contain is truthful and that the company's internal compliance systems are effective. It inspects treasury management, supervises Group risk management and examines disputes or arbitrations above a certain threshold. The audit committee meets at least twice per year.

MEMBERS:

Agnès Audier, Chair of the audit committee

Didier Deloffre, employee representative

Matthias Fackler, EQT representative

19

meetings in 2020

97%

participation

2

meetings in 2020

100%

participation

SHAREHOLDING STRUCTURE

EQT is the main shareholder in Saur

Founded by the Wallenberg family of leading Swedish industrialists, the EQT Partners private equity fund has a pronounced Nordic heritage that has influenced its corporate purpose, which is to help companies grow by embracing sustainable development. The company name EQT is short for 'Equity', reflecting the fact that it works alongside companies in its portfolio to help them become more sustainable and better prepared to face the future. EQT Partners has itself grown to become one of the world's leading private equity investors over the last 25 years. With 700 employees in 17 countries worldwide, EQT has €50 billion in assets under management.

Appointments and remuneration committee

With two members of the appointments and remuneration committee, their mission is to advise on the appointment, dismissal and remuneration (including bonuses and benefits of any kind) of the Chairman and members of the executive committee, and any other Group employee whose gross fixed annual salary exceeds a certain threshold. It is also consulted regarding the underlying principles of the Group remuneration policy, the implementation of any profitsharing plan for Group employees, and the mandatory annual pay negotiations. The appointments and remuneration committee meets at least twice per year.

MEMBERS:

Jürgen Rauen, Chairman of the appointments and remuneration committee
Jean-François Cirelli, independent member

4

meetings in 2020

100%

participation

General management committee

The general management committee is the body responsible for deliberation, consultation and decision-making on matters of strategy. It oversees the Group's performance in France and abroad, and ensures that the Group's project goals are achieved. The digital and cultural transformation of the company and its commercial success rely on its ability to accelerate the rollout of its strategic roadmap to stand for water in France and internationally. Chaired by Patrick Blethon, it meets monthly.

COMPOSITION :

Patrick Blethon, Executive Chairman
Albin Jacquemont, Chief Financial and Acquisitions Officer
Alice Guehennec, Vice-President Digital & Information Systems
Anne-Laure Duvaud, Executive Vice-President Corporate Secretary
Christophe Tanguy, Senior Executive Vice-President Operations
Emmanuel Vivant, Senior Executive Vice-President International
Estelle Grelier, Senior Executive Vice-President Commercial Strategy and Development, and Marketing
Hugo Bardi, Senior Executive Vice-President Saur Water Engineering
Menno Holterman, Senior Executive Vice-President Saur Industrial Water
Pierre Casteran, Senior Executive Vice-President Western France
Vincent Pégoud, Senior Executive Vice-President Eastern France
Xavier Savigny, Senior Executive Vice-President Human Resources, Organization, Transformation, Communication and CSR

The group executive committee

In its role of providing support and advice to the general management committee, the group executive board also evolved in 2020, with its team being expanded to include key corporate functions as part of accelerating ownership and implementation of strategic decisions and guidelines at all levels of the Group as Saur establishes itself as a European leader in the ecological transition. It now has 14 members working alongside the general management committee.

Risk management at Saur

The Group has put in place a series of measures to identify and control its risks.



A risk map has been prepared to identify those situations that pose the highest risk, and must therefore be the priority focus for our prevention, detection and control systems. Regular training sessions around these issues are attended by senior management and all those working in positions that make them particularly exposed to corruption-related risks.

Our risk management policy

— The Executive Board provides oversight of risk management on the basis of a comprehensive risk map prepared in accordance with the four types of risk identified by the COSO-ERM international standard: strategic, operations, reporting and compliance. The impact of each risk identified and associated level of vulnerability – relative to

the level of control– are assessed by our experts in the discipline most directly affected by the risk concerned (operations, customer relations, Information Systems, etc.).

This overview is regularly reviewed, particularly in light of internal and external events, as the basis for adapting action plans and control systems. Saur has also put in place dedicated insurance policies to cover the full range of insurable risks.

Our assessment of major risks

— In 2019, Saur conducted a comprehensive assessment of its major business-related risks, as the basis for identifying priority risks based on their potential impact and probability of occurrence.

The risk map was then updated in 2020. This aligned potential incident or problem scenarios with each of the individual risks identified within the company's major areas of risk. These scenarios have since been shared with all our managers to gather their views on the associated probabilities of occurrence, and the most appropriate preventive measures. This process is also helping us to raise awareness of our risk prevention policy among all levels of management.

HOW DOES IT WORK?

The major risk assessment process

This example illustrates the major risk assessment process at Saur in the context of the risk map that identifies major areas of risk, such as Drinking Water Quality, Cybersecurity, Natural Disasters, Reputation, etc.

Area of risk	→ ENVIRONMENT
(Potential) risk	→ Saur is implicated in an accidental pollution incident
Scenario (fictional!)	→ a Saur wastewater treatment plant accidentally discharges non-compliant wastewater that kills fish in the natural environment. An angling club blames the Group in the local press.
Preventive measure (potentially one of many)	→ continuous monitoring of discharges.



ANNE-LAURE DUVAUD,
GROUP GENERAL SECRETARY & MANAGEMENT COMMITTEE MEMBER

“The indispensable added-value of business ethics and transparency”

As part of developing trust-based relationships with its stakeholders, Saur is committed to defining, implementing and monitoring the application of its ethical principles via its general management team. Anne-Laure Duvaud, Group General Secretary and General Management Committee member, explains...



How would you define your role as head of the Saur Business Ethics & Compliance

Department?

— In companies, we’ve made the transition from policeman to relationship facilitator. In reality, the term ‘compliance’ falls short of reflecting the full breadth and depth of our involvement with our internal stakeholders – our employees who are also our best ambassadors – and our external stakeholders, whose interests do not always converge. For example, we have an essential role to play in the relationships we have with the local authorities that contribute two-thirds of our revenues in France. The way we interact with them, advise them and exchange information with them at every stage of our mission

are inseparable from the services we actually provide them with. Raising the standards of business ethics and compliance is integral to our service offering, and an important part of tendering for public sector contracts. In today’s world, it’s impossible to operate without a frame of reference, a personal data management policy or an overarching commitment that begins with the Executive Chairman of Saur and extends right through to the local teams who have everyday contact with customers. It’s no longer a choice, but a duty integral to the company in all our markets worldwide.

How can this commitment to business ethics and transparency be made a daily reality?

— Simply by ensuring that they are regular agenda items for all the most strategically important meetings of the Saur executive management team, and by making them part of daily life for our teams. We run information campaigns and have produced a business ethics and compliance declaration for employees to sign up to via an app. That effectively puts an end to any pretense that gifts, special privileges, inappropriate attention, discriminatory behavior, etc. are poorly defined and/or misunderstood concepts. We provide information as soon as a new employee joins us (welcome pack), as well as in more educational (e-learning), informative (video animations) and more entertaining (quizzes) formats to reach as many people as possible. The ultimate aim of all these initiatives

is to make a difference; we want every employee to be proud of working in a company with real business ethics.

What are your priorities for promoting business ethics and transparency for the long term?

— We’re now beginning to see a generation of people of working age, elected officials and decision-makers who’ve been trained in, and grown up with, the principles of vigilance and special focus on business ethics and transparency enshrined by the Sapin II Law*. The separation of power from control is now the norm in corporate governance. Holding individuals accountable for insurance, safety, ethics and compliance issues is no longer something new or surprising. It’s simply not possible to do business without focusing on these areas. In the same way as consumers, our customers pay close attention to the legal and regulatory framework, and incorporate it into their contractual relationships, just as we do with our suppliers, and ensure that all the necessary checks and balances are in place. We’re also seeing a higher level of awareness around these issues in contracts, as well as the benefits of ethical and transparent frameworks and standards compliance (AFNOR (the French standards Institute)), CNIL (French data protection regulator), etc.), in day-to-day relationships. The value this adds is now undeniable.

*French anti-corruption law of December 9, 2016, otherwise known as the Sapin II Law.



Maxime is a Scheduler at the Operations Control Center in Agen. It's his job to coordinate the tasks assigned to field service operators.

Succeeding in the challenges of our time

WORKPLACE GENDER EQUALITY 2020

Saur scores higher

Like all companies with more than 1,000 employees in France, Saur published its 2020 workplace gender equality results on March 1: with an overall score of 89/100, Saur was able to report a significant 11-point increase in performance over the previous two years. The Group remains committed to further improvement, and will now focus its attention on the two areas of equal pay and internal promotion.

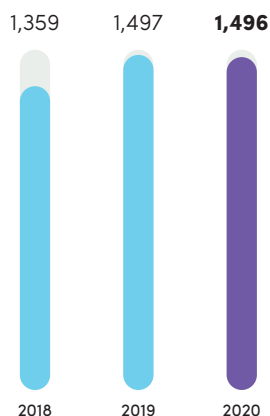
TRIPLE PERFORMANCE

Triple QSE certification for the Glasgow wastewater treatment plant

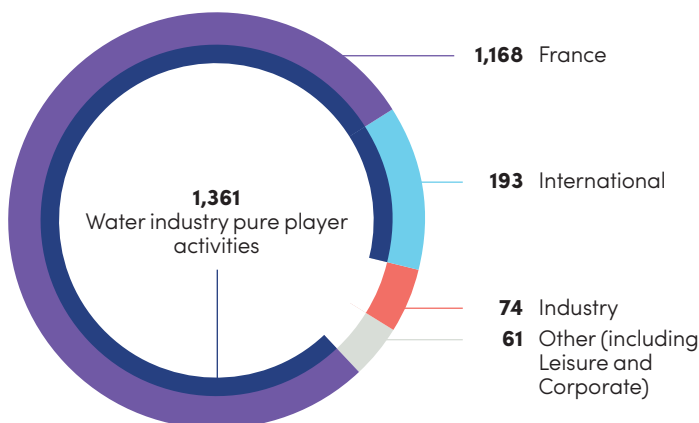
Glasgow (Scotland) has received ISO 9001, ISO 14001 and ISO 45001 certification for the quality, environmental and safety performance of its Dalmeir wastewater treatment plant, which treats the wastewater of around 600,000 people. Glasgow's wastewater treatment plant is the only one in Scotland to have achieved this triple certification, and one of just a handful in the UK as a whole. The achievement was far from a foregone conclusion, since the two-day audit of the plant was conducted at the height of the Covid-19 health crisis. This triple certification highlights the ability of the Saur Group to successfully export its highest operational standards internationally.

The Group emerges even stronger from 2020

Annual Revenue Group (€m)



Annual Revenue by sectors (€m)



The past year was marked by a sustained level of external growth, with the acquisition of three industrial companies (Nijhuis, Unidro and Econvert), the acquisition of Derichebourg Aqua, and the first equity investment in the Aquapor Group, a major force in the Portuguese water industry. All these acquisitions will help Saur to strengthen its position in the Industrial sector and accelerate its international development.

* Activities within the scope of this report, excluding acquisitions made in 2020

ACQUISITIONS

The decisive added value of acquisitions

Nijhuis: diversifying the Group profile with the addition of a global technology platform specializing in industrial water treatment solutions.

Unidro et Econvert: consolidating the European platform of industrial water treatment and reuse technologies, which form an essential link in the European chain and are closely complementary to that provided by Nijhuis.

Derichebourg Aqua: a strategic partnership that expands our range of technology and local services for local authorities, from water supply to wastewater treatment.

Aquapor: a new stage in the internationalization of the Group, establishing Saur as a global leader in the ecological transition as it affects the water industry, and the market No. 3 in the Iberian Peninsula.

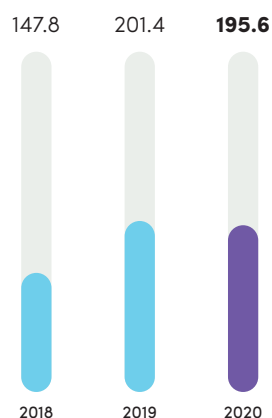
€60.7 m

Operating income before non-recurring items.

€127.8 m

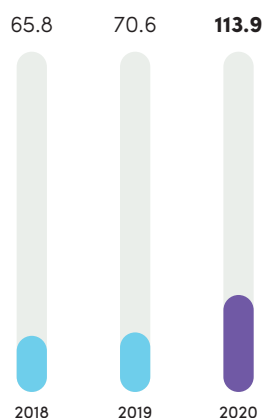
Free cash flow from operations (net flows from operating activities + property, plant and equipment and intangible assets, i.e. Net CapEx).

EBITDA* (€m)



Combined with the implementation of ambitious performance plans, this contribution from acquisitions enabled Saur to generate a level of annual revenue comparable to the previous year (€1,496 million) and maintain a high level of profitability (EBITDA equivalent to 13.1% of annual revenue, reflecting a slight decrease of 0.3 points compared with 2019) despite a trading environment negatively impacted by the Covid-19 epidemic.

Net CapEx (€m)



The Group has continued to implement a proactive investment policy: gross capital expenditure totaled €123.5 million in 2020, up significantly by €14 million on the 2019 figure, largely as a result of acceleration in the digital transformation of the Group, which was the focus for capital expenditure of €31.8m in 2020 (compared with €17.7m in 2019).

Net debt / EBITDA exc. IFRS 16 (€m)



Group net debt totaled €874 million at December 31, 2020 (excluding IFRS), reflecting an increase of €181 million on the previous year; this increase is explained by strong external growth in 2020 and by the increase in capital expenditure. Group debt leverage increased by 1.4 percentage points over the 2019 figure to end the year at 5.6 x EBITDA. This measure is temporarily impacted by the initial minority equity stake taken in Aquapor, which is reflected in net debt, but not in the Group consolidated EBITDA. Adjusted to eliminate this impact, the figure is 4.4 x EBITDA.

* EBITDA includes the impact of IFRS 16 from January 1, 2019, which equates to €37.8 million in 2019 and €39.1 million in 2020

Employment Indicators

	France			France and international		
	2020	2019	2018	2020	2019	2018

Jobs and diversity

Staff numbers as of 31/12	7,165	7,173	6,902	9,041	8,637	8,338
Proportion of women	20%	20%	19%	20%	19%	19%
Proportion of managers	18%	17%	17%	17%	17%	16%
Proportion of women among managerial staff	27%	26%	25%	27%	26%	25%
Proportion of women in executive roles (v)	10%	8%	10%	13%	12%	15%
Proportion of employees with permanent contracts of employment (%)	91%	92%	93%	91%	92%	93%
Proportion of under-26s	10%	9%	8%	9%	8%	7%
Proportion of over-55s	16.6%	17%	16%	17%	19%	18%
Proportion of disabled employees (direct employment or via subcontracting)	3%	4%	3%	2%	4%	3%
Number of hires outside the group	1,547	1,311	1,221	2,117	1,537	1,498
Proportion of permanently contracted staff hires	44%	57%	60%	53%	53%	58%
Proportion of women among hires	23%	23%	25%	22%	21%	23%

Pay

Total gross payroll	€257 m	€259 m	€237 m	€297 m	€297 m	€267 m
Value of the profit-sharing reserve	€1.5 m	€3.5 m	€4.2 m	€1.5 m	€3.5 m	€4.2 m
Value of incentive plan	€7.6 m	€12.5 m	€8.2 m	€8.2 m	€12.8 m	€8.5 m

Skills development

Number of hours' training provided during the year	69,524	107,273	104,930	84,370	139,598	126,244
Percentage of employees who received at least 1 training course during the year (v)	90%	67%	66%	86%	70%	68%
Training expenditure as a % of total payroll	1.8%	2.4%	2.5%	1.5%	2.2%	2.2%

Occupational safety

Frequency rate of accidents at work with work stoppage (v)	9.1	9.1	7.5	8.4	9.6	11.3
Severity level of workplace accidents (v)	0.31	0.33	0.34	0.27	0.34	0.41
Percentage of turnover covered by an OHSAS 18001 certification	93%	93%	95%	87%	87%	92%

Occupational wellbeing

Employee satisfaction reported in annual engagement survey (scope France)	6.8/10	6.2/10	6.8/10	/	/	/
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	France			France and international		
	2020	2019	2018	2020	2019	2018
Absenteeism						
Total absenteeism rate	3.6%	N/A	3.1%	4%	N/A	3.6%
Absenteeism rate for illness	2.3%	N/A	2.4%	2.6%	N/A	2.9%
Employee representation						
Total number of staff representatives (excluding members of health, safety and work conditions commission)	458	521	480	582	636	543
Number of health, safety and working conditions committee members (CSSCTs)			95			125

(v): Indicator verified by KPMG for the 2020 financial year

CSSCT: *Commission de Santé, Sécurité et des Conditions de Travail* (Health, Safety & Working Conditions Committee)

As referred to on p.52, the workforce figure shown excludes acquisitions made by the Group in 2020.

Environmental Indicators

	France			France and international		
	2020	2019	2018	2020	2019	2018
Environmental management						
Proportion of turnover covered by ISO 14001 certification	95%	93%	95%	92%	87%	91%
Proportion of turnover covered by ISO 50001 certification	85%	85%	83%	73%	74%	74%
Water - Resource conservation						
Water abstraction						
Volume of water taken from the natural environment	651 Mm ³ **	667 Mm ³	665 Mm ³	768 Mm ³ **	759 Mm ³	737 Mm ³
Drinking water supply networks						
Network performance	78%	78%	77%	77%	78%	77%
Network linear losses index (LLI)	2 m ³ /km/d	2.4 m ³ /km/d	2.1 m ³ /km/d	2.2 m ³ /km/d	N/A	2.4 m ³ /km/d
Treatment of wastewater before returning it to the natural world*						
Volumes of wastewater treated (treatment plants ≥ 2,000 pe)	340m ³	310m ³	328m ³	523m ³	491m ³	488m ³
Treatment performance in terms of COD (v)	95%	95.1%	95%	94.5%	94.5%	94.4%
Treatment performance in terms of BOD	98.6%	98.6%	98.3%	98.1%	98.1%	98%

PERFORMANCE

Environmental Indicators	France			France and international		
	2020	2019	2018	2020	2019	2018
Treatment performance in terms of NTK (for plants dealing with nitrogen)	89.5%	90%	89.7%	88.5%	88.4%	88.3%
Treatment performance in terms of Pt (for plants dealing with phosphorus)	85%	85.1%	84.3%	86.3%	86.3%	86.1%
Micropollutants treatment						
Number of treatment plants equipped with a Saur Carbo+ family process	61	48	46	61	49	47

Waste and the circular economy

Quantity of sludge produced by WWTP activity	76,151 tonnes of DM	77,695 tonnes of DM	74,397 tonnes of DM	118,200 tonnes of DM	117,682 tonnes of DM	108,710 tonnes of DM
Share of sludge production reused	93%	97%	97%	93%	95%	98%
of which spreading	38%	42%	44%	34%	37%	38%
of which composting	49%	48%	49%	34%	33%	38%

Energy - Energy transition

Energy consumption						
Primary energy consumption	150 GWh	164 GWh	146 GWh	166 GWh	177 GWh	158 GWh
Electricity consumption	901 GWh	899 GWh	882 GWh	1,142 GWh	1,128 GWh	1,013 GWh
Overall energy footprint imposed by business activities	0.9 GWh/€m	0.86 GWh/€m	0.9 GWh/€m	0.96 GWh/€m	0.92 GWh/€m	0.91 GWh/€m
"Green" electricity consumption (v)	32 GWh	32 GWh	26 GWh	32 GWh	32 GWh	26 GWh
Energy efficiency						
Electricity consumption per m ³ of water produced (v)	0.64 kWh/m³	0.63 kWh/m ³	0.64 kWh/m ³	0.73 kWh/m³	0.76 kWh/m ³	0.65 kWh/m ³
Consumption of electricity per kg of COD eliminated during sanitation (v)*	1.38 kWh/kg COD	1.37 kWh/kg COD	1.38 kWh/kg COD	1.14 kWh/kg COD	1.1 kWh/kg COD	1.13 kWh/kg COD
Certified energy savings	24,953 MWh Cumac	17,133 MWh Cumac	19,022 MWh Cumac	24,953 MWh Cumac	17,133 MWh Cumac	19,022 MWh Cumac

Greenhouse gases - Climate change mitigation

Direct GHGs emissions (scope 1) (v)	41,226 tonnes CO₂e	45,214 tonnes CO ₂ e	41,276 tonnes CO ₂ e	46,088 tonnes CO₂e	50,318 tonnes CO ₂ e	45,683 tonnes CO ₂ e
Indirect GHGs emissions as a result of electricity consumption (scope 2) (v)	75,414 tonnes CO₂e	70,036 tonnes CO ₂ e	71,279 tonnes CO ₂ e	162,487 tonnes CO₂e	155,256 tonnes CO ₂ e	131,766 tonnes CO ₂ e

N/A: Not Available

(v): Indicator verified by KPMG for the 2020 financial year

(*) Figures exclude Colombia

(**) Best current estimate

AR: annual revenue / PE = population equivalent / WWTP = wastewater treatment plant / DM = dry material

EMI: app developed by Saur subsidiary ImaGeau to provide active management of the CarboPlus® micropollutant treatment process patented by Saur

Social Indicators

	France			France and international		
	2020	2019	2018	2020	2019	2018
Access to water and consumer health						
Quantity of drinking water produced	646m/m³	657m/m³	656m/m³	706m/m³	743m/m³	725m/m³
Number of drinking water production plants operated	1,592	1,662	1,725	1,634	1,692	1,756
Length of water supply pipeline networks	166,744 km	173,063 km	177,291 km	174,806 km	179,928 km	184,076 km
Bacteriological compliance rate for water supplied (v)	99.3%	99.2%	98.9%	99.1%	99.3%	99.1%
Physical/chemical compliance rate for water supplied	96%	97.6%	97%	92.8%	98%	97.6%
Access to wastewater treatment						
Volume of wastewater treated	368m/m³	338m/m³	36m/m³ ³³	546m/m³	511m/m³	520m/m³
Number of wastewater treatment plants operated	2,384	2,361	2,733	2,416	2,393	2,764
Length of wastewater collection pipeline networks	45,597 km	44,522 km	44,915 km	50,506 km	48,884 km	49,252 km
Contribution to the economy						
Expenditure on purchases from suppliers, service providers and subcontractors	€479m*	€603m	€637m	€577m*	€694m	€724m
Proportion of purchases made in the country of operation (v)	95%	97%	97%	95%	97%	93%
Professional integration of young people						
Number of work-study apprentices as of 31/12	323	306	289	341	307	N/A
Number of interns and VIE	92	152	199	162	272	278
Business ethics						
Proportion of target employees trained in anti-corruption issues (v)	93%	94%	94%	85%**	92%	N/A
Social aid						
Rate of funds allocated by Saur Solidarités dedicated to water and sanitation access projects (v)	/	/	/	48%	81%	66%

N/A: Not Available

(v): Indicator verified by KPMG for the 2020 financial year

(*) following a change in method, the 2020 figure has been calculated by restating the total amount of intra-group purchases

(**) calculated on the basis of France + Spain + Colombia

Methodology

The Group's reporting mechanism follows the rules set out in its reporting protocol, updated annually by the CSR department. It gives a detailed description of each indicator and the internal consolidation tools used to produce data at Group level within the "water industry pure player" scope. These data are verified and validated at source, and are then tested for consistency during the consolidation stages by the originating departments and the CSR department.

Reporting Scope

The employment, environmental and social indicators reporting published in this report covers the Saur Group's pure-player activities in the water sector (water, engineering and construction activities), in France and for its major overseas locations in 2020 i.e Saudi Arabia, Cyprus, Colombia, Spain, Poland the United Kingdom. Only subsidiaries in which the Group has a holding of at least 50% are taken into account, and subcontracted services are excluded.

Entities acquired during the 2020 financial year, including Econvert, Nijhuis and Unidro subsidiaries, are not included in this report. Subsidiaries related to the 'Leisure' business activity (golf courses and campsites) are also excluded. This scope covers 87% of staff and 91% of Group revenue across all business activities, excluding real estate and financial subsidiaries and entities in which the company holds an equity stake of 50% or more (these data cover the period from 01/01/2020 to 12/31/2020).

Employment Indicators

Staff

→ STAFF NUMBERS

Figures represent the number of employees active as of December 31 of the financial year, whether on permanent or fixed-term contracts, including work-study apprenticeship. This includes seconded officials, seasonal workers and expatriates.

→ MANAGEMENT STAFF AND EXECUTIVE ROLES

In France, the cadre (management staff) concept has a statutory meaning; internationally, three types of func-

tion are deemed equivalent to cadre status: managers who supervise teams, experts with a higher education degree, and leaders. Executive roles include directors, deputies and members of executive or management committees.

Turnover

All recruitments made outside the scope of the Group are treated as external recruitments.

Pay

Salaries paid in foreign currencies are converted to Euros at the exchange rate prevailing on 31 December of the financial year concerned.

Skills development

External and internal training, whether face-to-face or via e-learning, are taken into account. Training expenditure includes the salary costs of employees trained, travel costs and the cost of instruction.

Occupational safety

The frequency rate of accidents with work stoppage and severity level of workplace accidents are calculated in accordance with the provisions set out in the French government order of 12 December 1985.

Occupational wellbeing

The annual barometer is produced by an external organization which generates the rating. Up until 2018, the survey was conducted by telephone among a sample of employees. In 2019, the panel was extended to include all employees with access to Saur's intranet in France via an anonymous online survey.

Absenteeism

The absenteeism rate shown represents the number of working days' absence (accidents in the workplace and when travelling, illness, maternity leave, absences for family events, authorized and unauthorized unpaid absence, strike, layoffs and part-time working on health grounds) divided by the total number of working days.

Employee representation

Employee representative numbers are based on lists of elected or appointed representatives, and lists provided by trade unions, the members and alternate members of the various entity employee representative organizations: union representatives, employee representatives, mem-

bers of works councils and the central works committee, and unified employee representative bodies.

Environmental and social indicators

Water supply and wastewater treatment

Water consumption relates essentially to the production of drinking water by Saur. The published value refers to the quantity of raw water abstracted from the natural environment to produce drinking water and/or water for irrigation.

→ DRINKING WATER

The supply network performance, linear losses index and compliance rates are estimated in accordance with definitions P104.3, P106.3, P101.1 and P102.1 of the regulatory indicators for mayors. These definitions are published on the www.services.eaufrance.fr website. Consequently, compliance rates for France are calculated using services that produce more than 1,000 m³/day. For Spain and Poland, compliance rates are calculated using all services.

→ WASTEWATER TREATMENT

The volume of wastewater treated is consolidated for all wastewater treatment plants in the social section of the report, and for those plants with a capacity of 2,000 population equivalent or higher in the environmental section, beyond which threshold continuous flow monitoring and regular discharge controls are obligatory. For these wastewater treatment plants, the treatment performance figures reflect the ratio between the quantities of pollution eliminated and those received by the wastewater treatment plant, which is estimated by analyzing chemical oxygen demand and biological oxygen demand (COD and BOD), nitrogen and phosphorous.

Waste and the circular economy

For purposes of comparison, the quantity is expressed as dry material, independent of water content. The quantity of sludge produced corresponds to the sludge evacuated for recovery or disposal, or incinerated on site.

The following are considered as waste recovery channels: composting, agricultural spreading, heat recovery and landfill with recovery of biogas.

Energy – Energy transition

Primary energy consumption includes the fuel (petrol, diesel and NGV) consumed by vehicles and machinery, and the natural gas and fuel oil consumed by buildings and processes.

Electricity consumption includes buildings, technical facilities and office systems. The ratios per m³ produced and kg COD eliminated arrived at by isolating operations-related consumption are used to monitor the energy efficiency of drinking water production and wastewater treatment processes which represent the largest items of electricity consumption. In France, energy efficiency indicators are consolidated within Saur's Iso 50001 "Energy Management" certification scope.

Consumption of green electricity generated from renewable energy sources is consolidated on the basis of certificates provided by the supplier.

Greenhouse Gases – Climate change mitigation

Direct (scope 1) emissions include CO₂, CH₄ and N₂O released as a result of:

- fuel and natural gas combustion (emissions calculated using the Bilan Carbone® spreadsheet)
- wastewater treatment (emissions calculated in accordance with ASTEE – scientific and technical association for water and the environment – standards, and validated by ADEME, the French environment and energy management agency).

Regional contribution

Actors (suppliers, service providers and subcontractors) in the country of establishment are included in this category according to their invoicing address.

Professional integration of young people

Interns and international work experience candidates: each placement is counted as one unit; contracts covering two financial years are counted for each calendar year.

Business ethics

A list of target employees who require anti-corruption training is produced every year using a list of functions deemed to be the most sensitive. This indicator is consolidated, for the 2020 financial year, for France, Spain and Colombia only.

Independent limited assurance report by one of the Statutory Auditors, appointed as the independent third party, on a selection of social, environmental societal indicators published in the Integrated Report. For the year ended 31 December 2020.

To the Management Board,

As requested and in our capacity as the independent third party of SAUR S.A.S. (hereinafter the "Entity"), we have performed a review to enable us to provide limited assurance on a selection social, environmental and societal information¹ for the year ended 31 December 2020 identified by the symbol (v) (hereinafter the "Information"), and disclosed in the Integrated Report of the Entity (hereinafter the "Report").

The conclusions expressed below relate solely to the Information and not to all the information presented.

Responsibility of the Entity

It is the CSR Department responsibility to prepare the Information in accordance with the guidelines used by the Entity (hereinafter the "Guidelines"), summarised in the methodological notes presented in the Integrated Report and available on request at the Entity's headquarters.

Independence and quality control

Our independence is defined by the provisions of Article L.822-11-3 of the French Commercial Code and the French Code of Ethics for statutory auditors (*Code de déontologie*). Moreover, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with applicable ethical rules, professional standards, laws and regulations.

Responsibility of the Statutory Auditor appointed as the independent third party

On the basis of our work, it is our responsibility to express limited assurance that the Information is fairly presented, in all material respects, in accordance with the Guidelines.

Nature and scope of our work

The work described below was performed in accordance with the professional guidance of the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes or CNCC*) and with ISAE 3000²:

- We obtained an understanding of the all the consolidated entities' activities;
- We assessed the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and

understandability, and taking into account industry best practices where appropriate;

- We obtained an understanding of internal control and risk management procedures the Entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;

For the selected Information, we implemented:

- analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
- tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities³ and covers between 46% and 100% of the consolidated Information.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of six people.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Information selected by the Entity and identified by the symbol (v) in the Report, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, on May 5th, 2021

KPMG S.A.

Anne Garans

Partner

Sustainability Services

Bertrand de Nucé

Partner

1. Proportion of women in executive roles; Percentage of employees who received at least 1 training course during the year; Frequency rate of accidents with work stoppage; Severity level of workplace accidents; Proportion of purchases made in the country of operation; Proportion of target employees trained in anti-corruption issues; "Green" electricity consumption; Direct Greenhouse gases emissions (scope 1); Indirect Greenhouse gases emissions as a result of electricity consumption (scope 2); Treatment performance in terms of COD; Electricity consumption per m³ of water produced; Consumption of electricity per kg of COD eliminated during sanitation; Bacteriological compliance rate for water supplied; Rate of funds allocated by Saur Solidarités dedicated to water and sanitation access projects.

2. ISAE 3000: international standard on assurance engagements other than audits or reviews of historical financial information.

3. SAUR S.A.S. (France); SAUR Emalsa (Spain).



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www.saur.com

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