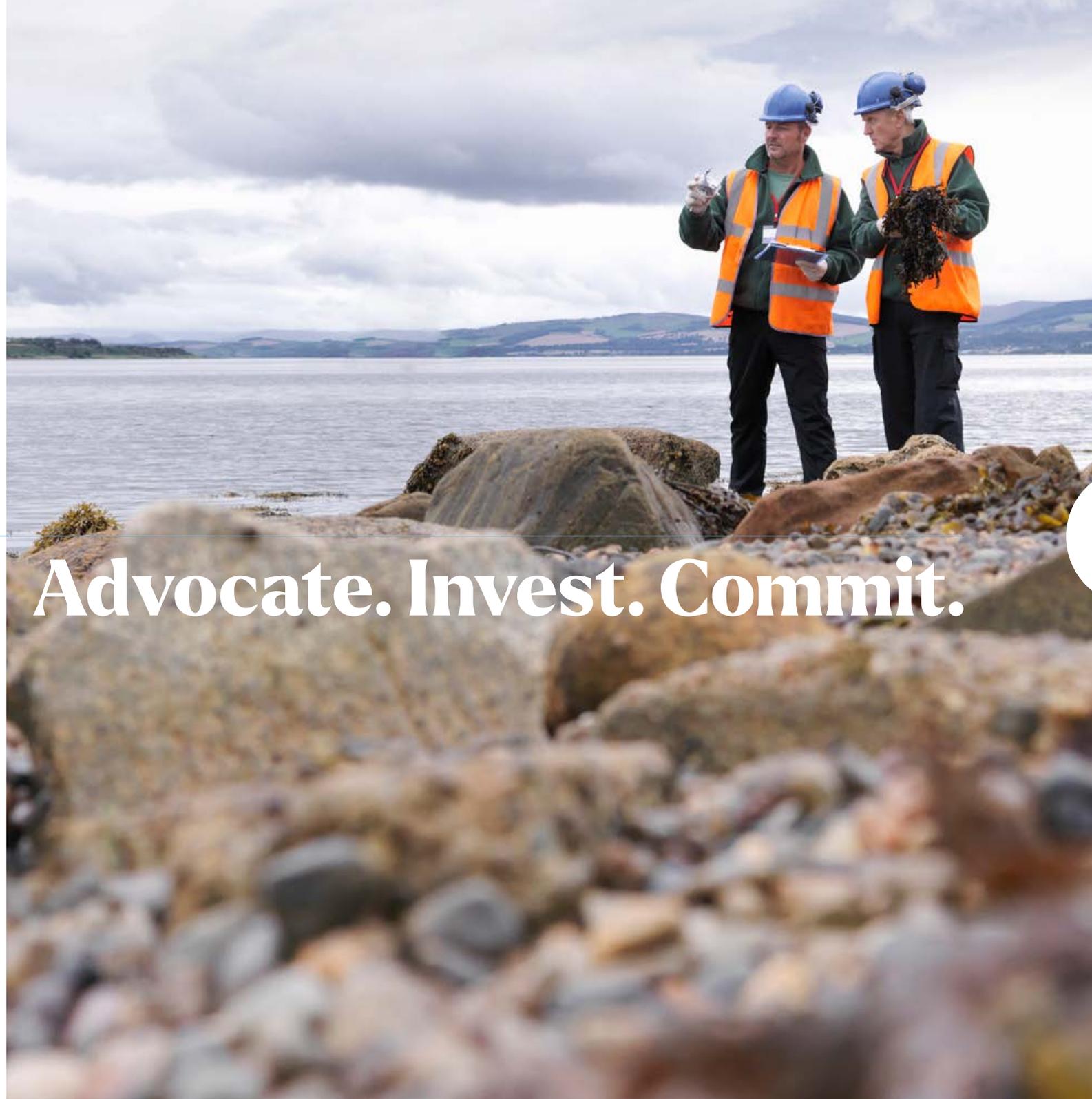




Integrated Report

2021



Advocate. Invest. Commit.



Advocating for the value of water

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About

Inspired by the integrated thinking advocated by the IIRC (International Integrated Reporting Council), this report provides a global overview of the Group and the environment within which it operates: its mission, its corporate purpose, the way in which it creates financial and non-financial value for itself and its stakeholders, its business model and its governance structure. It also reports on the contribution made by Saur to achieving the UN Sustainable Development Goals.

As an historic provider of water and other essential public services, the Saur Group acts to protect the environment in all the regions it serves. Throughout its history, and guided by its purpose – ensuring that everyone gives water the value it deserves – the Saur Group has always worked to make sure that small communities and major cities receive exactly the same quality of water services. Our ability to protect this resource, conserve it and rebalance the way we interact with it has a direct influence on the major global challenges of today and tomorrow: from climate change to food security, and from sustainable cities to inclusivity. We're all part of the solution. Keenly aware of the fact that water is the source of all life on Earth, our ambition is to make a positive impact and establish ourselves as the champion of the hydric transition by 2030.

"Advocating that everyone gives water the value it deserves."

Patrick Blethon, Executive Chairman of the Saur Group, France's third-largest water services provider, explains the strategic plan in place to support its corporate purpose of protecting and conserving water resources.



“A year in which we succeeded in creating a new Saur, marking the culmination of a process of transformational change that began in 2020.”

Patrick Blethon,
Executive Chairman of the Saur Group

Collective action, the true value of water, a new model for the industry... which of these do you think is the priority for water industry players?

P.B. — The truth is that there is no choice! We must take collective action to build a new development model that will allow us to ensure that everyone gives water the value it deserves. The implication of that is the need to consolidate those organizations with the ability to protect and conserve water resources everywhere, because as water industry players, it is our responsibility to take action now on building a safer world for future generations.

Reacting to events has prevailed over preemptive action for way too long. From now on, Saur wants to embrace its responsibilities, change its paradigm and move towards a circular business model that makes it more effective in preventing risk at every link in the water value chain, from its abstraction to its return into the natural world. So I invite every water industry player to join this imperative movement. We must provide the driving force behind this change and rethink the value we place on water in terms not only of its economic value, but also its technical value, its essential value for life, its universal value and its environmental value.

In 2021, Saur issued €950 million in sustainability-linked bonds for the first time, to refinance its debt. What was with the purpose of this operation?

P.B. — We wanted to align our financing strategy with our sustainability strategy. From now on, our financial performance is inextricably linked to our ability to make a real and measurable positive impact, and our investors will also judge us on the basis of our environmental and societal performance. It's important to understand the degree of revolution that the use of this sustainable finance instrument involves: making this choice has completely changed our performance model in ways that assert and highlight our status as a business that both performs and advocates.

In practical terms, the sustainable growth model linked to this instrument ties the cost of our financing to the achievement of the non-financial targets we have set for ourselves: the first is reducing our water consumption by 5% over a 10 year period, the second is to support and facilitate the ecological transition at regional level by reducing our greenhouse gas emissions intensity by a factor of six, and the third is to create a fully transparent working environment, at the same time as achieving gender parity in leadership roles.

How do you see your performance in 2021?

P.B. — I see it as a very good performance. It was the year in which we succeeded in creating a new Saur, marking the culmination of a process of transformational change that began in 2020. With the support of our shareholder EQT, and thanks to a redesigned and rejuvenated governance structure with greater representation for women, the face of the Group has changed dramatically. Today's Saur is a corporate group with real commitment; a business that has rebuilt its sustainable performance model, diversified its range of activities, and is winning new business internationally and in our traditional home market of France. The culmination of this metamorphic change will be the adoption of our corporate purpose and new brand identity early in 2022. Saur is making a crystal-clear statement about its ambition to act as a catalyst for change among all water industry players. If we are to achieve that ambition, we must first dare to reinvent our business lines and build new partnerships.

How do you see the short- and long-term outlook for the market in general, and Saur in particular?

P.B. — The water market is at a pivotal point in its history: either it recognizes that the hydric transition is essential and makes the necessary transformational changes, or it decides to continue doing business as usual, which will mean putting water resources, and therefore the whole of society, at risk.

Saur has had no hesitation in choosing the first of these options. Water is the most precious resource we have on our planet, and it deserves our best efforts. The whole purpose of our own transformation is to equip ourselves with the financial, human, technological and organizational resources to be the champion of the hydric transition by 2030. With a first-rate technical and technology portfolio, our corporate purpose drives us to take action, advocate and act as a unifying force for all the stakeholders around us to ensure that water is valued much more highly by everyone, everywhere. We will continue to develop innovative solutions, promote circular management methods, make our expertise available to new market players, support the ecological transformation of our industrial facilities, and promote cross-industry collaboration, rather than perpetuate the sterile conflict between outsourced management and public-sector in-house management.

The bottom line is that we must drive the hydric transition forward to deliver profound transformational change across the industry. And we will achieve that by inspiring others through our example, and by building a committed Group with international reach and the ability to deliver the step changes needed to promote our common cause of water.

Who we are

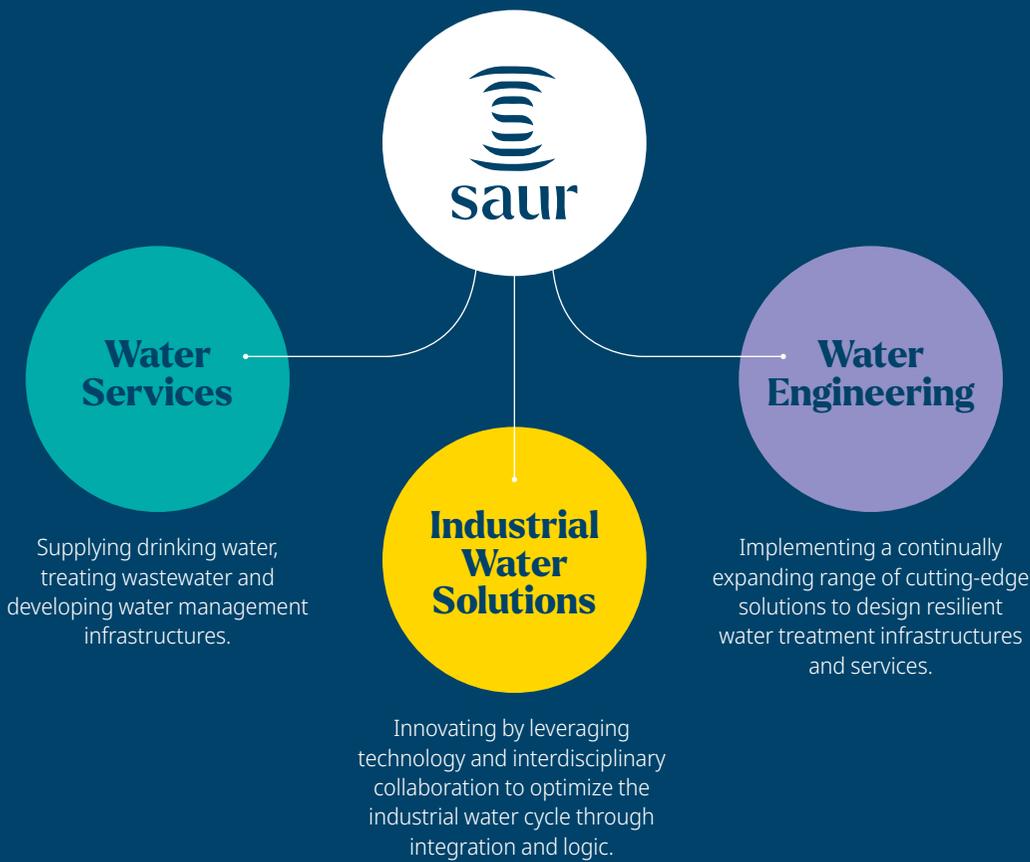
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Wherever we operate, people, industries and ecosystems face their own water-related challenges. We have a physical presence in 20 countries worldwide, and operate in more than 140 countries through our Industrial Water Solutions division.

- Municipal water concessions
- Industrial water projects



¹In accordance with international sanctions, Saur is engaged only in essential activities that do not violate these sanctions.



€32m

invested in the digital transformation and innovation.

20m

people served worldwide, and contracts with **9,500** local authority and industrial customers.

€1.7bn

in annual revenue for 2021.

Water Services France



74%
of Group annual revenue

7,314
employees

Water Services International



17%
of Group annual revenue

2,505
employees

Industrial Water Solutions



9%
of Group annual revenue

696
employees

€950m

Group's debt refinancing via Sustainability-Linked Bonds.

20

countries in which the Saur Group is present, following strategic acquisitions.

“As farmers, we’re definitely more sensitive than most to the uncertainties of the weather. Water is an inseparable part of my day-to-day life and everything I do, whether in arable farming or livestock. I’ve learned never to waste it. For us, it represents life itself.”

Brigitte Bertrand,

Manager of a sheep farm in the Gard region of France



01



“We want to work hand in hand with all those who share our concerns: from elected representatives to industrial companies, from those who manage water resources to innovators, and from engineers to farmers and consumers.”

Edmée Cuisinier,
Chief Sustainability Officer of the
Saur Group

Advocating for the value of water

Major challenges to be overcome

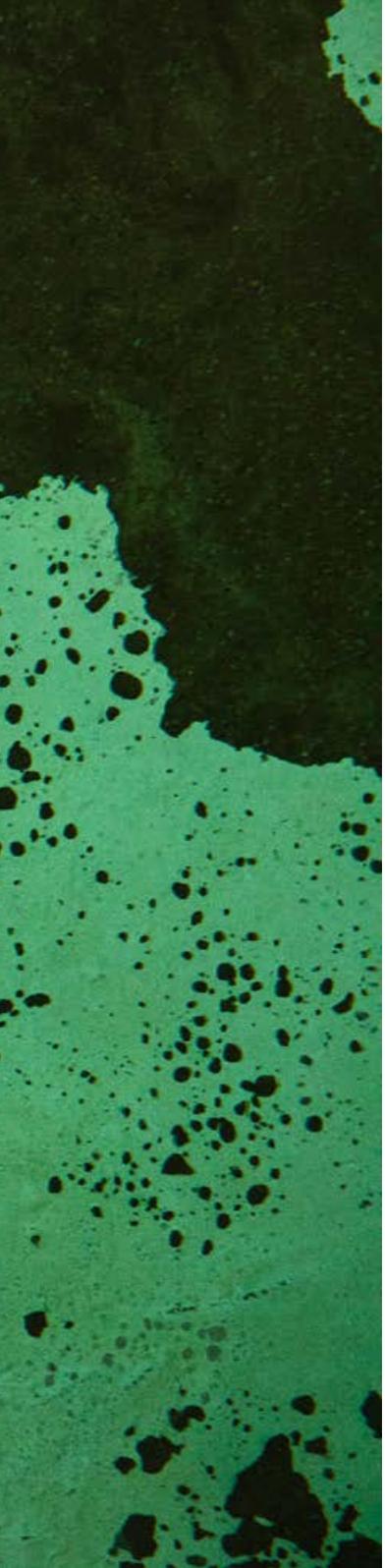
Underlying trends, such as climate change, demographic and geopolitical developments and economic disparities are having a lasting impact on the water market and threatening water resources. It is imperative that we respond to these risks and identify effective levers for action in the best interests of all our stakeholders.

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A resource under threat

— Climate change is driving an increase in the intensity and frequency of extreme weather events, such as floods, storms and droughts. At the same time, we see constant diminution of arctic ice caps and snow cover. So climate change is changing the distribution of water on Earth. This means that even the most highly developed countries can experience shortages of high-quality water, with the potential to cause problems in ensuring continuous availability of sufficient water for every category of consumer, from the general public to industrial users and farmers. So this is the first challenge that we have identified as a priority: the availability of high-quality water.





0.5%

of all water on Earth is usable and available in the form of fresh water¹.

2bn

people worldwide have no access to safely managed drinking water services².

1.6bn

people will not have access to drinking water by 2030 if current trends continue².

¹ Source: United Nations, 2021

² Source: WHO/UNICEF Joint Monitoring Programme for Water Supply Report for 2021

A continuous increase in sources of pollution

— Problems over water quantity are combined with those of water quality. Water is becoming increasingly polluted as a result of human activity in general, and farming and industry in particular, making its treatment more complex and more demanding all the time. Water quality is intrinsically fragile, and changes when its cycle is disrupted, preventing nature from fulfilling its role as a regulator of water quality. The dramatic increase in the number of pollution sources jeopardizes our ability to protect and restore the quality of aquatic environments, and maintain the economic activities that depend on them. Lastly, water is also the target of malicious acts, from disrespect to bacteriological attacks and even cyberattacks on infrastructures.

Profound regional disparities

— Although everyone in Europe consumes between 100 and 200 liters of water every day, the reality in some developing countries is a tiny percentage of that. During the Covid-19 pandemic, three out of every ten people worldwide had no opportunity to wash their hands with soap and water in their homes. Supplying high-quality water to consumers can be impeded by the obsolescence of some supply networks and inadequate wastewater systems, which can sometimes be due to a lack of investment.

The need for collective awareness

— Faced with these major challenges to water availability and quality, water industry players have a clear duty to provide all stakeholders, particularly customers and consumers (local authorities and end users), with the information and awareness they need to control their consumption more effectively, and alert them to the true value of water. Everyone is now convinced that water is a common good, but the types of behavior seen in many countries does not reflect this general awareness. That is the reason why we want all our partners to advance with us in the same direction, which will rebuild mutual trust in our combined efforts to conserve the quantity and quality of water resources. This is a strategic priority, and achieving it will enable us to meet the many challenges posed by the hydric transition.



Water and climate... it's the same fight

At the Glasgow COP 26 conference in 2021, the leaders of the Water and Climate Coalition called for urgent action to address the impacts of climate change on water. The scientific organizations, private-sector bodies, United Nations, NGOs, national governments and civil society representatives who make up the coalition recommend the introduction of greater data and information sharing to facilitate the integrated management of water and climate; two issues as complex as they are crucial. Scheduled for the end of November 2022 in Egypt, COP 27 will discuss water-related issues as an extension of its Ocean for Climate Declaration, which was supported by more than 100 civil society organizations at COP 26.

A bold, ambitious and inspirational journey ahead

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Our corporate purpose is our long-term compass

Water is the source of all life, and therefore the most precious resource on our planet. As such, it deserves our best efforts.

The availability of high-quality water is one of the greatest challenges we face today, and one that we will continue to face in the years that lie ahead. Climate change and its manifestations in the form of floods, storms and droughts are forcing all of us, from policymakers to users, and from industrial companies to local authorities, to change the way we see and treat our water resources. But before we can do that, we must first dare to reinvent our business and build new partnerships.

This is why the Saur Group has declared a new corporate purpose focused on valuing water as it deserves to be valued:

“Our company purpose is to advocate that everyone (municipalities, industries, citizens, farmers, NGOs, and civil society as a whole) gives water the value it deserves. Beyond our initial business – that of providing an adequate supply and responsible treatment of high-quality water – we are committed to act and convince others so that together we can invest to save water, and invent new models to preserve the most precious resource on our planet.”

This corporate purpose will guide all our decisions, and set the course for our transformation to becoming the champion of the hydric transition by 2030. We are a water industry pure player: water is our profession, our expertise and our competency. We believe in the ability of our Group to bring forward a model that preserves and protects water resources and promotes the circular economy through innovation.

In completely rethinking our brand identity and ‘Mission Water’ signature, we are asserting this commitment and promoting a sustainable business model, which we are currently in the process of building with input from all our employees. Behind Mission Water, our 12,000 employees are working every day in 20 countries worldwide to build a different, committed and meaningful Group that interacts continually with its ecosystem to help create a safer world for tomorrow's generations.

Our mission is our operational guide

For almost a century, the Saur Group has been at work protecting and conserving water resources in all its operating regions. As a basic, essential resource for all forms of life, water is central to our very existence. In today's world, this precious resource is subject to many threats that not only jeopardize our own future, but also the survival of all ecosystems and natural environments. At a time when the challenges of the ecological transition are central to the problems faced by society worldwide, Saur is reasserting its commitments to taking action, advocating and rallying all stakeholders to ensure a safer world for future generations. Mission Water is the fusion of all 3 of these commitments.

- 1 — As a global force in the water industry, we take action on a daily basis to ensure that people have the water they need in terms of quantity and quality.
- 2 — To ensure that this happens, we advocate that everyone (municipalities, industries, citizens, farmers, NGOs and civil society as a whole) gives water the value it deserves.
- 3 — At Saur, we are innovators, catalysts and unifiers. We use all our knowledge, expertise and skills to rally as many people as possible around the stakes of water.

Over and above our traditional core business, we are committed to act and convince others around the world so that together we can invest to save water and invent new models to preserve the most precious resource on our planet.

Saur. Mission Water.

A determination emboldened by that of our ecosystem

Determined to improve the availability of high-quality water and build trust among all stakeholders concerned with, and involved in, water management, we are encouraged by the level of commitment shown by every part of our ecosystem. Customers, public authorities, financial institutions and employees: together we can do this. The wider context is in our favor, and the changes we have already made collectively are working.

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Our customers are already taking action

— Our 'historical' customers are changing. A movement to remunicipalize water management exists in France and around the world. Some municipalities are also actively involved in supporting the conversion to organic agriculture, particularly upstream of water catchment areas. They are also relying on Saur to provide them with the solutions they need to maintain water availability and ensure continuity of public service. For example, the challenges posed by desalination and security of drinking water supply faced by the city of Las Palmas on the Spanish island of Gran Canaria are as technical as they are financial. So its public-private partnership with our Spanish subsidiary Emalsa is key to urban water management. Working closely with the Las Palmas City Authority, Emalsa has implemented a unique governance model in which

all decisions, whether financial or technical, are taken unanimously. For this reason, Las Palmas is already looking like a textbook case for the future. "Our partnership with the City is a perfect illustration of a long-term, future-proof vision, as well as a model for other public-private collaborations in other major cities of the world", says Saur Spain CEO Rogério Koehn.

Working through its Public-Sector Department, the Saur Group intends to respond to recent market developments, including the remunicipalization of public-sector water services, new expectations in terms of ecological transition, and data-driven service management for local authority customers. "We are working to build a modular range of services and digital solutions that can be adapted to the individual needs





of public-sector water services to help them combat climate change and conserve water resources more effectively”, explains Vincent Pégoud, Senior Executive Vice-President, Public-Sector Partnerships.

Industrial companies are ready to invest in guaranteeing production continuity, provided they can see a return on that investment. They are also engaging in increasingly ambitious zero water stress strategies, at the same time as accelerating the actions they are taking to reduce their carbon footprint.

The regulatory and financial environment is changing

— From protecting water to conserving and restoring ecosystems, and reducing pollution, legislation is being tightened to guarantee sanitary safety in France and in Europe. A new regulatory requirement in Switzerland has recently introduced an additional micropollutant treatment stage for some wastewater treatment plants. The Saur Group company Stereau was awarded the contract to install the first wastewater micropollutant treatment facility at Penthaz in French-speaking Switzerland. Two of the Group’s CarboPlus treatment units with micrograin activated carbon granules have been in operation at this plant since 2018. Thirteen additional units have since been completed or are currently under construction by Stereau. At Saur, we see this legislative framework as an opportunity to transform ourselves and ensure not only our own long-term future, but also that of the invaluable resource that is water. At the same time, this regulatory trend is encouraging companies to commit to ambitious sustainable development policies, align their financing strategies with ESG (Environment, Social, Governance) policies, and actively reconcile financial performance with social and environmental responsibility.

Our employees are keen to commit

— The young people we are hiring today have a real desire to work in the water industry. Their expectations mirror those of a civil society that is actively advocating for water through non-profit organizations, social media and international summits like the upcoming COP 27 and One Ocean Summit. These younger generations want jobs with purpose, they want to make a positive impact in their daily job, and are favoring companies with a clear commitment to environmental issues. To encourage them to join us and make their contribution to the action we are taking and the solutions we are implementing, we must listen to them and provide them with concrete answers.

“Legislation is being tightened to promote health safety in France and in Europe.”

85%

of the French population believes that companies are legitimate actors in promoting the cause of the environment and facilitating technological progress¹.



64%

of under-30s see the environment as a top priority².

¹ Source: IFOP poll, 2021

² Source: Mazars-Viavoce, 2021

The committed involvement of our stakeholders

Supplying high-quality water, ensuring its ongoing availability, providing continuity of service, and taking care of health and safety: these issues have been identified as major concerns by Saur's internal and external stakeholders, and are central to our corporate purpose.

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ENVIRONMENTAL CHALLENGES

- 1 Ongoing availability of water
- 2 Reducing our energy/carbon footprint
- 3 The impact of our facilities and operations on the immediate environment and local residents
- 4 Resource and waste management (circular economy)
- 5 Contributing to biodiversity and ecosystem protection
- 6 Applying eco-design principles to our installations and solutions
- 7 Raising user and public awareness of the true value of water, its responsible use and the need to conserve water resources

SOCIAL CHALLENGES

- 8 Health and safety
- 9 Employee engagement and well-being
- 10 Inclusivity
- 11 Skills development and maintenance
- 12 Listening to employees and social partnerships

SOCIETAL CHALLENGES

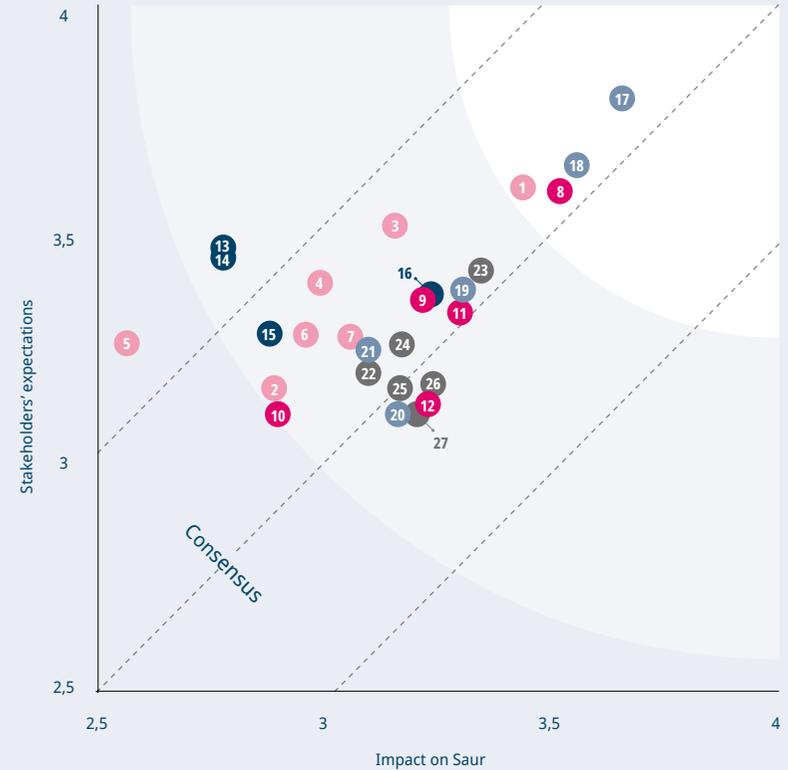
- 13 Access to water supplies and wastewater treatment
- 14 Human Rights
- 15 Responsible purchasing
- 16 Regional identity and local development

SOLUTIONS AND SERVICES CHALLENGES

- 17 Guaranteeing water quality and consumer health
- 18 Service continuity and crisis management
- 19 Customer and consumer information and satisfaction
- 20 The risks and opportunities of digital
- 21 Contributing to the development of resilient and sustainable cities and industries

GOVERNANCE CHALLENGES

- 22 Responsible governance
- 23 Ethics and exemplary practices
- 24 Stakeholder dialog
- 25 Sharing a common culture of social and environmental responsibility
- 26 Data management and shared control with customers
- 27 Innovation in financial models



Our materiality matrix

The Saur Group updated its materiality matrix in 2020. This process involved questioning more than 38,000 stakeholders, including employees, local authorities, members of the public, farmers, industrial companies, experts, non-profit organizations and startups. The Group's Top 40 executives also contributed to the process by analyzing the impact of the issues identified on Saur business activities. The Saur materiality assessment addressed the environmental, social and societal challenges that impact its business model, as well as its products, services and governance. It emerged that 75% of the stakeholders questioned identified the quality of water supplied as a priority for the Saur Group, while 50% of end consumers surveyed identified user information and awareness about water use as a Saur Group priority. We engage on a daily basis with all these issues as part of responding collectively to the challenges of ensuring continual availability of high-quality water and building trust between stakeholders.

Global challenges

Water and sanitation are certainly essential for life, but they are equally essential components of sustainable development, from health and nutrition to gender equality and the economy. To meet the increasingly urgent challenges posed by, and related to, water, Saur takes practical daily action as part of contributing to the Sustainable Development Goals set by the United Nations, which has declared the period from 2018 to 2028 as its Water Action Decade.

Our contribution to the UN SDGs

OUR PRIORITY IS TO ENSURE WATER AND SANITATION FOR AS MANY PEOPLE AS POSSIBLE

The Saur Mission Water corporate mission aligns directly with the Sustainable Development Goals (SDGs) set by the United Nations to be achieved by 2030. The majority of the Saur Group business policies and activities focus primarily on SDG 6: *Ensure availability and sustainable management of water and sanitation for all.*



TAKING ACTION AT LOCAL LEVEL IN EVERY REGION

In terms of social responsibility and the challenges of local innovation, we have focused our work on 11 SDGs related to climate action, responsible consumption and production, gender equality, biodiversity, energy and cities.



HAVING A DIRECT IMPACT ON 30% OF THE 17 UN SDGS

We have a direct impact on 30% of the 169 targets associated with the 17 United Nations Sustainable Development Goals. At a time when 90% of all natural disasters are water related, and water scarcity already affects four out of ten people, we are working with our entire ecosystem of stakeholders – employees, customers, public authorities, NGOs and others – to address the full range of water challenges.

“Water is an exhaustible source of life, so we must avoid making the same mistakes as previous generations. We need to change our mindset and our habits. That’s the first step on the road to change.”

Laura Bagienska,
Environmental Protection Manager at
Aflofarm Farmacja Polska



02



“Saur was the first company in Poland to receive certification for converting wastewater back into drinking water. In the more general sense, we’re working on small-scale, modular closed-loop water solutions for residential, urban and business applications.”

Menno Holterman,
CEO of Nijhuis Saur Industries

Investing to save water and inventing new models

Saur Group's value creation

One of our most distinctive features is that we are involved in only one business... water. And we have one mission, which is to provide our customers with the right quantity and quality of water they need, and do so at the right price. We do that on three levels: we supply drinking water, treat wastewater and develop water management infrastructures. We provide solutions that enable the rational management of water in response to the challenges of today and tomorrow. We also build bridges between stakeholders, and reconcile the needs of our customers with water resource availability.



Our business model

Resources

HUMAN

- **12,000** employees in **20** countries

INDUSTRIAL

- **1,600** drinking water production sites
- **2,400** wastewater treatment sites
- **230,000km** of network systems managed

FINANCIAL

- **€1.7bn** in annual revenue
- **€950m**: raised with inaugural Sustainability-Linked bonds issuance
- Debt/EBITDA ratio: **3.6x** in 2021

INTELLECTUAL

- **60** active patents
- **€31.8m** invested in transformation and digital innovation

ENVIRONMENTAL

- **738mm³** of drinking water produced (compared with 700mm³ in 2020)
- **187GWh** of primary energy and **1,198GWh** of electricity consumed

SOCIETAL

- A presence in **140** countries
- **16,700** suppliers and partners

Business activities

Water Services

The Water Services Division brings our ~100 years of experience together with state-of-the-art management and continuous innovation that combines efficiency and resilience with a local presence close to our customers. Its services include the production and supply of drinking water, protecting water resource quality, and treating and recycling wastewater.

Water Engineering

The Water Engineering division concentrates the most effective techniques for conserving and (re)using water. Its services cover the entire water cycle, from production, treatment and distribution to commissioning. It offers a comprehensive range of state-of-the-art services for reducing ecological and water footprints, as well as consultancy, specialist services and project management.

Industrial Water Solutions

At the heart of the Industrial Water Solutions division is the conviction that by combining imagination with technological innovation and interdisciplinary collaboration, we can optimize the water cycle through integrated management. Services include the construction, operation and maintenance of the most effective water management systems, to optimize every stage of the industrial water cycle, and treat industrial process water.

Shared value creation

HUMAN

- **€352m** total gross payroll
- **81%** of employees completed at least one training program in 2021
- **47%** of hires are under permanent contracts of employment
- **26%** of executive positions are occupied by women

FINANCIAL & ECONOMIC

- **€25m** paid in interest to banks and investors
- **€160m** in depreciation charges
- **20 m** residents served worldwide
- **9,200** local authority customers
- **4,000+** industrial customers worldwide

ENVIRONMENTAL

- **590mm³** of treated water returned to the natural world
- **93%** of the residual sludge from our French wastewater treatment sites is recycled
- **80%** efficiency for drinking water supply networks
- **98%** bacteriological compliance rate for water supplied
- **86%** of AR covered by ISO 14001 certification

SOCIETAL

- **95%** of purchases are made in the operating country
- **€80m** paid in taxes and duties to national and local governments
- **738bn** liters of drinking water produced
- **3,000** turnkey structures commissioned
- A direct positive impact on **30%** of the 17 UN SDGs
- **51,000+** people have benefited directly from support provided by the Saur Solidarités endowment fund
- **48%** of funding allocated by Saur Solidarités is dedicated to water and wastewater service access projects

CONTRIBUTION TO INVESTMENT IN THE WATER CYCLE

- **€125m** in fees paid to water authorities
- **€496m** in taxes paid to local authorities for investments in France

A more responsible model

Our sustainability strategy is rooted in the work we do every day, and is the driving force behind our actions.

The Saur 2021-2025 roadmap details nine commitments aiming to create, through our transformation, a positive impact company.

22

Changing models even if it means acting ahead of, or even forcing, regulatory change

We are accelerating the pace of technical and technological innovation. Regulatory change is encouraging us in this direction, as are our local authority and industrial customers, as they introduce increasingly ambitious zero water stress and zero carbon strategies at pace. We provide them with the responses they need, and anticipate future needs. This includes conducting European Union Green Taxonomy assessments for all our products and services, and incorporating sustainability criteria into their design.

COMMITMENT #1 - ACCELERATING RESPONSIBLE AND CONTINUOUS INNOVATION

- ◆ Integrate sustainability criteria into the design of new products and services, evaluate these new products and services as part of our overall business

Changing the model: yes, we really are daring to do it! This means selling water savings, rather than carrying on with selling 'only' water volume. It's high time we abandoned the single model of billing by the m³! Only that way can we invent models that contribute to effective water conservation. We believe that it's also time for us to help those companies that place their trust in us to achieve their carbon reduction targets by providing them with much more than simply technical services, which is why we're introducing a new and broad range of integrated water resource management services. This is the transformation we have begun to make through our commitment to saving an amount of water equivalent to that consumed by 100,000 people every year.

COMMITMENT #2 - SELLING WATER SAVINGS, NOT ONLY WATER VOLUME

- ◆ Reducing industrial and personal consumption
- ◆ Improving the performance of drinking water systems and plants
- ◆ Promoting the reuse of treated wastewater

Delivering continual progress even in those areas we already know so well

Our expertise is widely recognized, but we now want to make the transition to proactive prevention. So we're going to make it possible for our local authority and industrial customers to manage their water needs on the basis of forward planning and rational consumption, beginning with a guarantee that a drought prevention plan will be implemented for every contract at risk of water shortage.

COMMITMENT #3 - FROM REACTIVE TO PROACTIVE

- Deploy EMI solution on contracts most sensitive to water shortage

We are adding data science to our experience-based science.

We are no longer limiting ourselves solely to working physically on infrastructures. We now capture data in real time, which is why we are committed to providing our local authority and industrial customers with full and transparent access to our operational data.

COMMITMENT #4 - ENRICHING THE "SCIENCE OF EXPERIENCE" WITH DATA

- Develop transparent data sharing with customers (municipal departments) and become the first water sector player to offer full data access

We are continuously intensifying our regional presence. We are committed to contributing to our operating regions, with particular emphasis on jobs and employment integration: our target is to achieve 10% representation of interns and work-study trainees in our permanent labor force.

COMMITMENT #5 - CONTRIBUTING TO LOCAL ECONOMIC AND SOCIAL LIFE

- Welcoming apprentices and trainees
- Make sure to retain them, make them want to value water by our side

Leading by example right across our business, both internally and externally

We also lead by example in our management of energy. Like every other industry in the world today, our challenge is to decarbonize. And we need to do that very quickly, and certainly within 10 years, because the energy transition won't wait. We are committed to start the process of running our operations on 100% electricity from renewable sources in 2023. Looking further to the future, we are targeting net zero carbon for Scopes 1 and 2 as early as 2035.

COMMITMENT #6 - CONTRIBUTE TO THE DECARBONIZATION OF INDUSTRIES

- Reduction of energy consumption
- Self production (solar panels)
- Power Purchase Agreement (PPA)
- Certificate of Energy Attribute (EAC)
- Reduction in current fleet consumption
- Introduction of electric vehicles

We care about all the actions we take, and those taken by our stakeholders. Which is why we include our suppliers in this sense of responsibility through our commitment to include a business ethics clause in all our supply contracts.

COMMITMENT #7 - SHARING OUR SENSE OF RESPONSIBILITY

- Include a compliance and ethics clause in all of our contracts with partners and suppliers

Becoming a campaigning company also means changing our management methods. To acculturate all our employees to the dangers we are addressing, the dream we are pursuing, and the societal usefulness we have chosen to achieve, we are working to involve them more closely and make their daily work more meaningful.

COMMITMENT #8 - DEEPLY CONNECTED WITH OUR EMPLOYEES

- Develop communication on the Group's strategy, involve employees more in its construction
- Adapting our management methods
- Making everyone's work meaningful

We are translating our sense of responsibility into practical action. We care about reflecting the wider society in which we exist, so we are fully committed to gender equality within the company.

COMMITMENT #9 - BEING INCLUSIVE AND DIVERSE

- Facilitate careers in the 3 main job families (Operations, Customer Service, Support) and achieve gender equality in executive positions (according to the principle of 40/60) by collaborating with partner schools, creating mentoring programs and adapted communication

A path towards reinventing our industry

Fulfilling our corporate purpose, refusing to compromise on our convictions, inevitably means continuing to do our job of managing water at sufficient levels of quality and quantity, at the same time as developing our organizational structure, methods, orientations, and internal processes.

The transformation we have decided to, and in many ways have already embarked upon, is accompanied by two goals:

- to use our 2021-2025 Sustainability Roadmap and its nine commitments to become a positive impact company,
- to continue to work cooperatively with all our stakeholders; internally with all employees, and externally with all stakeholders concerned with, and involved in, water management.

To achieve these goals, we have mapped out our pathway to the future and defined a set of steps - five so far - that challenge us in areas as varied as the way we do business and the way we think about our growth model.



Being properly prepared, a prerequisite to our pathway

International expertise

The creation of Industrial Water Solutions division in 2021 has given the Group a more international dimension, and considerably consolidated its expertise by bringing together:

- **Nijhuis**, Dutch market leader in industrial water treatment solutions
- **Unidro**, Italian specialist in water treatment systems and processes for wastewater treatment and reuse in heavy industry, which has a longstanding presence in the Middle East, Asia and USA
- **Econvert**, European leader and specialist in treating industrial wastewater using anaerobic biological processes. The Group is now supported by a series of densified international sales networks.

Renewables

As part of its strategy to reduce its carbon intensity, the Group signed a Corporate Power Purchase Agreement with ENGIE in September 2021. The four-year agreement covers the annual fixed-price purchase of 40GWh of electricity from renewable sources; an amount equivalent to the power consumption of 2,500 households. The renewable energy certificates of the electricity to be supplied are evidenced by guarantees of origin from the hydropower plants operated by ENGIE subsidiary, the SHEM (Société Hydro-Électrique du Midi). This contract, which comes into effect in 2022, is an excellent illustration of the Group's strategic approach to working for a positive impact on the environment, water and all its stakeholders.



As part of aligning its financing and ESG strategies, Saur has set **three non-financial performance targets**:

0.5%

annual reduction in the volume of water abstracted per subscriber.

83%

reduction in its operational carbon intensity by 2025 (compared with 2020).

40%

representation of women in executive positions by 2025.



01

Enriching the “science of experience” with data

26

Unlike water, data is an inexhaustible resource whose analysis enables remote smart management of infrastructure facilities, in addition to physical maintenance and repair. Saur is now rolling out a series of new digital solutions to take maximum advantage of all data-driven opportunities.

Transitioning to a data-driven culture

— As part of encouraging and facilitating new operating methods and extending its expertise in data science, Saur has set up its own Data &

Digital Center to provide a digital factory dedicated to the industrialization of data-driven innovations. One of the services already deployed focuses on improved accuracy of leak detection throughout the 170,000km of water supply networks managed by Saur in France. This new service will help to protect water resources, at the same time as reducing local authority capital expenditure on network renewals. Using historical maintenance data cross-referenced by AI algorithms with other data, such as pipeline age, material and installation date, substantially improves the process of predicting which network sections are most likely to leak. The use of these algorithms has made it possible to produce and share the most objective and accurate network performance analysis possible with local authorities, as the basis for proposing the most appropriate pipeline replacement and upgrade plans. As local authorities struggle with lower

levels of capital expenditure resources, the challenge is to optimize their investment to cope more effectively with the challenges posed by aging network assets.

Data gives us Hypervision

— Operationally, our Hypervision solution allows us to cross-reference data from all the information systems available within a given region with information from operations or customer service data. This unified single platform manages all the data collected to provide a global and - more importantly - optimized overview of water infrastructures. By analyzing the thousands of data points collected by our sensors, we can detect and manage incidents affecting our facilities, networks and production plants predictively and in real time, allowing us to take action or adjust our settings remotely.

Expertise and technology: the winning combination

— The new and sustainable solutions now offered by Saur have won the Group the contract to manage the Exona wastewater treatment plant in Corbeil-Essonnes, near Paris, as well as the wastewater drainage networks that supply the plant (capacity: 100,000 population equivalent). In its contract bid, Saur recommended the implementation of a system enabling continual diagnostic analysis and dynamic management of the wastewater drainage networks, using data analysis technology and a predictive model to forecast peak loads and weather events. The result is that the network is continuously monitored, and effluent discharges into the natural world have been substantially reduced. Other initiatives, such as the installation of a mobile biogas purification unit and storage for the VNG (Vehicle Natural Gas) produced, will

reduce the plant's greenhouse gas emissions by 10%.

Developing the expertise needed to deliver the hydric transition

— We are also preparing for the future by planning now for those areas of expertise that will make the most effective contribution to better water management going forward. As part of this commitment, Saur is a partner in the Strategic Business Analytics Chair at ESSEC international business school. This educational program uses advanced technologies, including artificial intelligence, to analyze company data and propose practical solutions to problems such as limiting the impact of the cyanobacteria blooms that disrupt drinking water production processes (see next page).

A drought monitoring platform

The info-sécheresse platform developed by the Saur Group subsidiary imaGeau was enhanced during 2021 with the addition of a forecasting system to help local authorities, businesses and public users to predict drought risks more accurately. Thanks to the use of open data, this free platform for monitoring droughts in France processes more than 100 million governmental data items on rainfall, groundwater levels and river flow rates to provide real-time monitoring of changes in regional water resources and calculate the risk of drought.

02

From reactive to proactive

Climate emergencies and extreme situations have taught us how to react. But we now want to go further and exploit the full potential of data science so that our customers and users have the information they need to make rational and predictive water management choices.

Rational and predictive water management choices

— As severe weather events become more frequent, Saur is helping local authorities, industrial companies and individuals to protect themselves from the worst effects. To give them the information they need to make rational and predictive water management choices, the Group is using data science to provide preventive analyses of water availability. More specifically, Saur has undertaken to use its (Environmental Monitoring Interface) smart management solution to guarantee implementation of a drought prevention plan for every contract at risk of water shortage. Providing a 'control tower' real-time overview of water sta-

tus, EMI gathers data from water management structures and groundwater levels to calculate drought indicators, map them and generate summarized reports.

In 2021, Saur conducted a project in conjunction with the Syndicat Départemental de l'eau de la Manche (SDEAU50) water authority responsible for a region subject to frequent episodes of drought. To improve drought forecasting and preparation, Saur subsidiary ima-Geau used the EMI app to provide continuous analysis of water supply shortages in real time. As a result, SDEAU50 can now monitor river flow rate trends over a 10-day period, and groundwater levels over periods varying between 5 days and 3 months.

Using Artificial intelligence to combat algal blooms

A predictive model is being used to monitor the development of blue-green algae in southwestern Brittany. The Pays Bigouden Sud joint communities authority (CCPBS), Saur and the Limosphere research agency challenged students at ESSEC to create an algorithm that could predict the proliferation of these cyanobacteria - aka blue-green algae - at the end of each summer. Although naturally present in water, these bacteria can become toxic in high concentrations. The benefit for Saur is to be alerted of this proliferation so that the water treatment plant process can be adjusted accordingly. This type of predictive model opens up a wide range of solutions for Saur and its customers.

03 Selling water savings

As the availability of water faces new threats, so new models must emerge to preserve and protect this vital resource. One of them - the rational and reasonable use of water resources - must become a strategic priority for the industry as a whole. So what would happen if we could invent a model that makes a really effective contribution to protecting and conserving the universal resource that is water?

Eau de Garonne commits to water savings for the urban community of Agen

— The Saur Group company Eau de Garonne has been providing the urban community of Agen with drinking water and wastewater treatment services since 2019. The company operates a 1,600km underground network supplying around 50,000 customers. At 7.6 million cubic meters, the amount of water transported in this network is very substantial. To protect its water resources, Eau de Garonne has stepped up its partnership with the urban community to focus investment on network quality and leak location to reduce water losses, and has arranged upskilling programs for all its employees. The combination of these changes saved 1mm³ of water in 2021.

Inventing new pricing models

— Today's operating environment demands consideration of more virtuous pricing models that would facilitate the development of information and education for water users, alerting them to its true value, and encouraging them

to save water. The key to developing a 'fair' pricing system appropriate to the challenges faced by water is to ensure that everyone is involved in the process.

Saving by reusing treated water

— In 2021, the Saur Group renewed its contract to operate the Vathia-Gonia wastewater treatment plant in Cyprus. This plant is the largest in the Group to treat wastewater using membrane filtration technology. Designed and built by Stereau, the Saur Group engineering division, and our Cypriot civil engineering partner Iacovou Group, this high-tech solution delivers significant savings in drinking water supply by reusing purified wastewater. But how? The membranes used also act as a physical barrier to viruses, bacteria and suspended solids. On this island renowned for its water shortages, it's a solution that relieves the pressure on water imposed by agriculture, which accounts for 70% of total drinking water demand.

1mm³

of water saved thanks to the collaborative efforts of Eau de Garonne and the urban community of Agen.

100,000

Saur is committed to saving a volume of water equivalent to the consumption of a city with 100,000 residents.



Breaking away from traditional models

CASE STUDY

Many experts agree that our society does not realize just how precious water is, and how many important aspects of our lives depend on it. Without water, we would have much bigger energy problems, no food, no hygiene/health care, educational challenges... the list goes on. Wherever you look, water plays a crucial role. So for Saur, the mission is to deliver value-added services that will enable our society, our industries and our planet to move towards a sustainable and resilient future. And that's already possible.

Innovation is key

Continuous innovation is just one of the solutions that will enable us to make better use of water: from resource management to the water, energy and food security nexus, and from digitalization to remote monitoring - like the smart meters that help small- and large-scale users become more efficient - to industrial water solutions. This ability to drive innovation forward has already led to decentralized water on demand, for example. This solution completely rethinks the traditional linear water distribution system in which drinking water is produced in a fixed location and distributed through miles of network to the end user, after which the wastewater is treated and released back into the environment so that the whole process can be repeated over and over again. Challenged by climatic hazards, this linear water infrastructure becomes less efficient as water is wasted in some locations and the cost of supplying it to other locations increases.

From a linear model to a decentralized model

We are working on small-scale, adaptive closed-loop water solutions for residential, urban and business applications. This means leaving traditional schemes behind in favor, for example, of collecting rainwater and converting it into drinking water, or reusing treated wastewater in washing machines or for toilet flushing, or making wastewater suitable for fertilizing gardens or agricultural land. All these cyclical processes can then be infinitely repeated on demand to provide the required



170m³

of water abstracted to meet the average consumption of a drinking water subscriber.

quantity and quality of water. Similarly, we are also considering the conversion of industrial effluents into drinking or process water. And there is nothing to prevent us from thinking about new ways of using water, one of the most important of which could be using non-drinkable water for garden irrigation. These are safe solutions that prevent the wastage of precious resources. Creating new water-related services will play a key role in delivering customer satisfaction for large or small industrial and/or local authority users, as well as using water in the most productive and appropriate ways.

04

Accelerating the pace of technical and technological innovation

The climate emergency and the introduction of stricter regulations require us to engage in a process of continual innovation to preserve and protect the common good that is water.

30

Regulations may be becoming stricter all the time, but there can be no doubt that they are driving innovation and present a very real opportunity for the Saur Group. The EU taxonomy for sustainable activities (aka the 'green taxonomy') has already brought Saur to integrate more sustainability criteria into the design of its products and services. This legislative framework is encouraging us to implement our 2021-2025 sustainability roadmap more effectively, and help our local authority and industrial customers to achieve their zero water stress and zero carbon targets more quickly.

Producing high-quality water in a single step

— The Saur transformation is designed to make the Group's stakeholders central to its

operations in order to help them control and reduce their water consumption. We develop and offer technology-driven solutions to meet all the needs of our industry, from drinking water treatment to industrial process water and municipal wastewater treatment, and the reuse of treated wastewater, including modular solutions for drinking water and wastewater processing. One of these, the NMS-dNF direct nanofiltration developed by Nijhuis Saur Industries integrates a number of distinct technological solutions to treat suspended solids, viruses, bacteria and colorants in a single step. This all-in-one technology can be used to produce drinking water and process water, and to reuse treated wastewater, etc.

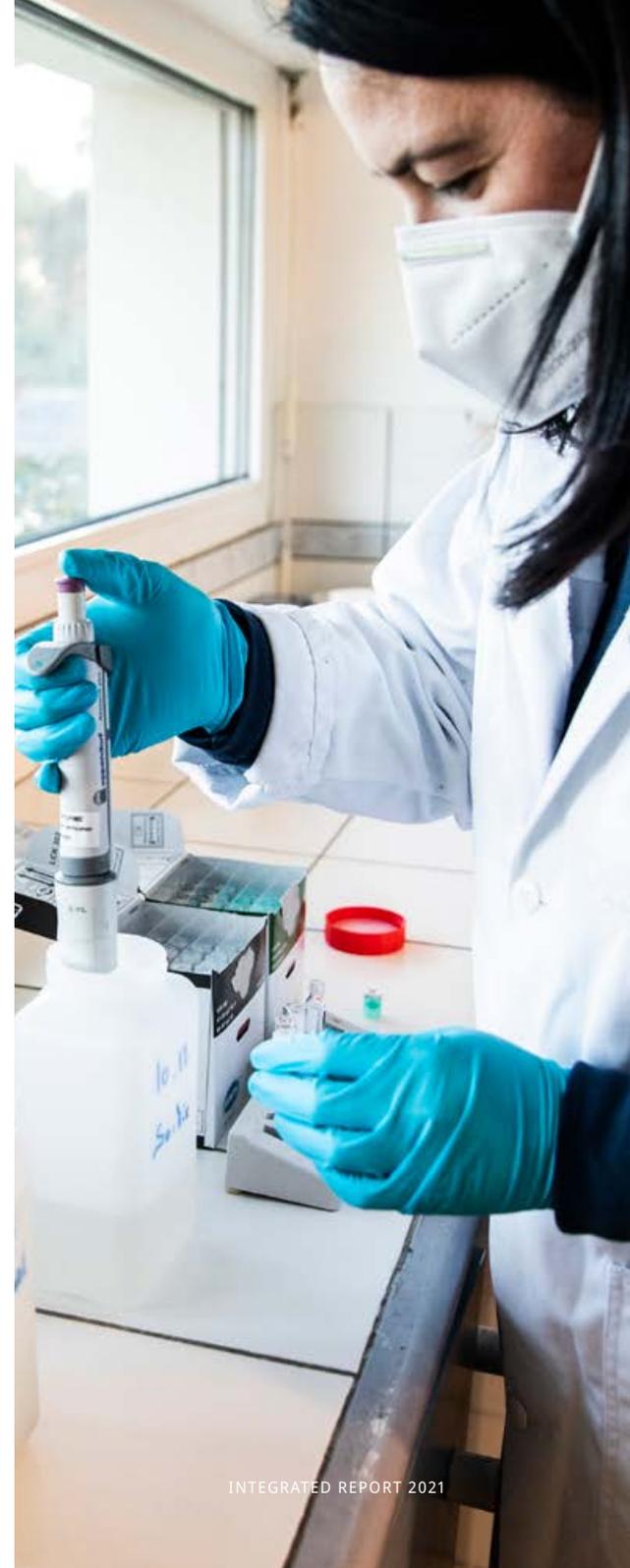
The virtuous example of biomethanization

— Technical and technological innovation is allowing us to adapt more quickly to climate change. But how? Through the development of more virtuous solutions, such as sewage sludge methanization, a biological process that breaks down organic matter in the absence of oxygen to produce renewable energy. For example, the new wastewater treatment plant designed by Stereau for the town of Aubenas in the Ardèche region of southern France can produce and inject 300,000m³ of biomethane

per year into the city's mains gas supply network. Following on from the Furania treatment plant in Saint-Étienne, the Aubenas wastewater treatment plant sets a new benchmark for the Group in terms of sludge biomethanization.

Developing bioassays with ToxMate

— The use of living organisms to detect the presence of micropollutants is on the increase in the water industry. Saur is conducting trials to test the suitability of ToxMate, a new and innovative biological system, for wastewater treatment in Saint-Fons (Rhône), and for drinking water production in Férel (Morbihan). Using 24/7 video tracking to monitor the behavior of three populations of invertebrates provides water quality information based on their reaction in the presence of toxic substances. When adverse reactions are detected, ToxMate alerts site managers immediately. The combination of water pollution level bio-indicators and this particular innovation marks a considerable step forward for water treatment industry stakeholders.



05

Stepping up the fight against water pollution

The Group is working with its customers, technical services and partners in France and internationally to develop practical and sustainable solutions to address the root causes of water pollution, rather than just its consequences.

Water pollution is a major health and environmental risk that needs to be reduced to the absolute minimum. Rather than encourage a proliferation of different treatments, we believe that it is essential to build, invent and innovate to advance current best practice in water treatment to the point where we can address emerging sources of pollution more effectively. It will be from the convergence of these actions that new models capable of meeting the challenge of water pollution will emerge.

Controlling leachate pollution at source

— The Group is also taking action on pollution from leachates, the liquids that leach out from landfill waste sites as a result of water percolation, and pose a serious threat to surface water and groundwater sources. Increasing numbers of municipal wastewater treatment plants are not able to meet the latest standards governing the discharge of treated water into the natural world. Nijhuis Saur Industries has responded by offering and installing effluent decontamination solutions within waste treatment plants. For the Giugliano solid waste storage facility in the Campania region of Italy, Nijhuis Saur Industries has developed a series of advanced treatment technologies that produce clean water, at the same time as reducing leachate pollution. The treatment process incorporates a prefabricated filter, a flotation system, and biological treatment used in association with a reverse osmosis process. The site now treats around 60m³ of wastewater in this way every day.

Responding to water stress by reusing treated wastewater

— A chronic water deficit and a growing population conspire to make water resources a major challenge for the Egyptian economy, which depends on the river Nile for 70% of its



water supply. In an attempt to protect river water quality and limit drinking water demand to domestic use only, Nijhuis Saur Industries has installed an innovative wastewater treatment system at the industrial wastewater treatment plant of the future ANOPC (Assiut National Oil Processing Company) Hydrocracking Complex. The installation uses zero liquid discharge technologies that minimize wastewater discharges, at the same time as maximizing the recovery of water that, once treated, can be reused as industrial process water. Nijhuis Saur Industries is responding to Egypt's need to produce high value-added energy products under conditions compatible with the Egyptian climate, while limiting pressure on resources and avoiding the discharge of pollutants into the Nile.

The Dutch water authority Waterschap Rijn en IJssel, Nijhuis Saur Industries and Van Remmen UV have together reached an important milestone in their joint development of a method for removing drug residues from hospital wastewater. A trial has shown that the use of UV and ozone technologies can remove at least 80% of drug residues from discharged wastewater at source. MediOxi received the prestigious Dutch Achterhoek Open Innovation Award for this innovation.

“We have abundant water resources, but they have been debased, abused and wasted. And climate change is now the biggest threat. We must act urgently to better care for this resource, by pushing back against pollution and deep groundwater pumping. We owe it to future generations not to appropriate these reserves, and we have no right to do so.”

Pierre Delouvrié,

Mayor of Saint-Hilaire-de-Lusignan in the Nouvelle-Aquitaine region of France



03



“Thousands of urban communities in Europe and the Middle East trust us to provide their citizens with high-quality water and efficient wastewater treatment. Our ability to combine high performance with local presence and resilience is central to the value proposition our customers appreciate.”

Estelle Grelier,
Senior Executive Vice-President Group
Commercial Strategy and Development,
and Marketing

Committing to acting and convincing others

Innovation with – and for – our customers across all our operating regions

34

Often closely linked, the challenges posed by climate change and water are encouraging all water industry stakeholders to accelerate their innovation processes.

The world is changing, and our customers are changing with it. Local authorities are asking us for the solutions they need to meet their challenges around water availability and ensure continuity of public service. Industrial companies are implementing increasingly ambitious zero water stress strategies, at the same time making serious commitments on achieving zero carbon. We are therefore actively driving innovation forward with them, and for them, in all our operating regions.

Recognition for our innovations

— Saur expertise in innovation is recognized worldwide with many international awards. The Orly drinking water production plant managed

by our subsidiary Stereau won Water Project of the Year at the 2021 Global Water Awards. This project involved the construction of a new drinking water treatment plant with a flow rate of 150,000m³ per day, and an advanced micropollutant treatment capability. Nijhuis Saur Industries received the Industrial Project of the Year award for its wastewater treatment plant at the L'Oréal production facility in Warsaw, which enables 75,000m³ of waste process water to be reused every year, marking the culmination of an action plan introduced in 2013. Under the terms of its 'Sharing Beauty with All' sustainability program, L'Oréal set three major goals for 2020: reducing water consumption by 60%, reducing waste generation by 60% and reducing CO₂ emissions by 60%. The Polish wastewater treatment and reuse plant is an integral part of this program, and has been hailed as the most impressive technical and environmental achievement yet in industrial water and wastewater treatment.

According to IFC (International Finance Corporation) estimates, the cost of producing non-drinkable recycled water would be as little as \$0.32 per m³, compared with \$0.45 for drinking water, and more than \$0.50 for desalinated water.



“These awards represent a very significant level of recognition for the work that all our teams at Aquapor do every day to deliver our high-quality water service to more than 1.9 million customers.”

António Cunha,
CEO of Aquapor

Nijhuis Saur Industries was also a contender with its innovative Closed Loop Concept. Based on technologies normally used in aerospace, this solution has been tested in residential areas in Silvolde in the Netherlands, and provides completely autonomous drinking water production and wastewater treatment services by leveraging wastewater reuse solutions. The ultimate aim of the project is to create closed local water circuits to offer small-scale decentralized solutions to remove any need for a central wastewater treatment plant. The same project is also a pilot for reducing household drinking water consumption.

Aquapor, the Group's Portuguese subsidiary, received the APDA (Portuguese Association of Water and Sanitation Services) Golden Pipe award for best customer service, with its satisfaction rating of 92% - a great performance. As part of its response to the Covid-19 pandemic, Aquapor restructured its customer service department to increase the number of customer points of contact. The company has also done a lot of work on simplifying water bills and making them easier to understand. Aquapor and its branches have also received 16 customer service quality awards from the Portuguese Water and Waste Services Regulatory Authority (ERSAR). Its customer service department receives more than 50,000 calls per month, but still manages to maintain an average waiting time of just 70 seconds. It also receives more than 10,000 e-mails every month, and answers 95% of them within 24 hours.





Making water savings easier to achieve with algorithms

— To improve the performance of its networks, the Saur Group has developed algorithms that correlate night-time flows and meter data with a broad range of network characteristics, and network history. It also makes it much quicker to locate new leaks, and also has the ability to recommend those areas where maintenance work, or even pipeline replacement, would be most effective. The result is a powerful decision-support tool to enable water savings.

Inventing tomorrow's technologies today

— In France, the Saumur Val-de-Loire local authority has awarded Saur the contract to supply water and wastewater services to 45 of its cities. A new governance structure has been introduced using the Saumur Vision collaborative interaction platform, enabling joint management with the municipality and its technical services (drinking water treatment oversight, operational scheduling, dynamic mapping, customer data, administrative and contractual documentation, etc.). Saur also plans to increase network efficiency to 90% by 2025 through the use of artificial intelligence to support decision-making, combined with the latest generation of smart connected equipment for sectorization and leak pre-location. To provide a local, more accessible and fairer service to the public, Saur operates customer service points across the urban community to ensure that no end-user is more than 10 minutes away from help and information.

Accelerating our expansion in the Middle East

— The Saur Group has had a presence in the Middle East for more than 15 years, concentrated mainly in Saudi Arabia. The Group has formed a partnership with local digital solutions specialist Obeikan to develop the digitalization of the Saudi water and public services market. This collaboration marks a new step forward in one of the driest countries in the world, but one which leads from the front in terms of water-related innovations. Saur has the experience, technology and ambition needed to become a key player in this market. In 2021, a consortium led by Saur was awarded a new major contract as part of the country's water infrastructure privatization policy. The contract covers the eastern part of Saudi Arabia - an area roughly the size of France - and involves the provision of water services for 5.2 million people. This is the second contract won by the Group in Saudi Arabia, following the North-West regional contract awarded in December 2020. The seven-year contract will strengthen the position of Saur in the Middle Eastern market, at the same time as offering new opportunities for further growth.

“With 15 years of experience in the Middle East, we have a persuasive story to tell. And more and more customers want to hear it.”

Anass Derraz,
Regional Director, Strategy
& Development for Saur
in the Middle East



Collective innovation

— Since preparing for the future and driving innovation demand collective efforts, Saur is a member of Astee, the French Scientific and Technical Association for Water and the Environment. For nearly 120 years, this French recognized public-interest organization has brought water and waste professionals together to share knowledge, practices and expertise. It promotes projects that lead by example or are particularly relevant in terms of improving local public environmental services, as well as all aspects of regional development and sustainable management, from climate change and digital transformation to end-user relationships. The Group actively oversees the five scientific and technical committees with their 45 working groups, and attends all annual conferences.

A major force in the electronics industry

— At the end of 2021, Nijhuis Saur Industries was awarded the funding contract for the design, construction, operation and maintenance of a water treatment and reuse plant for a French electronics company. In order to meet the ever-growing demand for microchips, this customer wanted to invest in a new water treatment solution that would help to increase its production capacity. Worth €37.5 million (excluding civil engineering), this construction contract gives the Saur Group the opportunity to implement its expertise in the management of complex industrial wastewater treatment and reuse facilities. The Saur Group will operate these facilities for a period of ten years, generating annual revenue of €1.8 million.



Solutions built around our talented teams

We could never succeed in meeting the targets set for our challenges or be useful to society in ways that would completely live up to our corporate purpose without our people, their expertise and their commitment. It is our responsibility to give them the resources they need to succeed. That means providing the right working conditions, the training needed to expand and refine their skills, and a working environment open to diversity and collaborative working.

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Promoting and facilitating employee engagement

Saur uses three channels to provide its people with the resources they need to develop professionally and increase their skills: training, dialog and management innovation. Giving every individual the guidance and encouragement they need to take ownership of their own career is integral to our values.



Saur has chosen to adopt an ambitious corporate purpose, because it is totally committed to energizing every employee by providing them with meaningful work. The Group is therefore putting everything in place to work closely with - and for - all its teams, even though achieving that means changing its organizational structure.

Self-training for the water industry careers of tomorrow

— Saur offers its people regular training opportunities to support their skills development and help them gain the autonomy required to achieve the Group's strategic ambitions. The MyAcademy online training platform is open to all Saur employees. They can register for any of the 185 e-learning modules that fit with their own personal training plans or those specifically designed for their own geographic region.

81%

of Group employees in France completed at least one training program in 2021.

349

work/study trainees and 90 interns joined the Group in 2021.

Asking employees for their opinion and measuring their engagement

— To ensure that its dynamic human resources management plan combines strategic imperatives with personal concerns, Saur conducts an annual worldwide internal opinion survey to measure the engagement of its employees. The survey is designed to measure the satisfaction and aspirations of each individual as accurately as possible. This annual exercise was complemented in September 2021 with a series of employee forums. It was a year in which co-creation took on a very special dimension at Saur with the development of our corporate purpose so that everyone, wherever in the world they may be, shares the same challenges and solutions for valuing water as it deserves to be valued. The Group is very supportive of internal dialog and encourages all initiatives that bring teams and managers closer together. For example, our Spanish subsidiary Gestagua organized a number of sessions giving employees the opportunity to discuss the full range of company-related issues directly with CEO Rogério Koehn.

The discontinuation of trial periods: initiative rewarded

— To accelerate the hiring of 1,700 people in a single year, Saur took the decision in March 2021 to discontinue trial periods for all vacant roles. This initiative, rewarded with the HR Innovation Award by *Cadremploi* and *Le Figaro Économie*, was the first of its kind anywhere in France. Since March 2021, no new employee, whether manager, director or work/study trainee, has been required to work a trial period. The change is intended to boost the confidence of the candidate and to increase management accountability.



Net Zero Carbon: a completely new kind of internal initiative

In the UK, 18 Nijhuis Saur Industries employees from a broad range of job profiles and regions, and with an equally broad spread of experience, have joined forces to develop a Net Zero plan. With input and guidance from a consultant, this working group of volunteers successfully developed a greenhouse gas emissions reduction plan, hosted internal awareness sessions, and organized the installation of electric vehicle battery charging terminals. Their plans for 2022 include developing a roadmap to net zero, and encouraging their suppliers and partners to take part in the process.



Promoting inclusion and diversity

Saur has put in place a series of initiatives to boost diversity within its teams, with particular emphasis on increasing gender diversity at every level of the organization.

Supporting talented young people in our regions

— Saur is committed to integrating young people into the world of work. In 2021, the Group launched its new ElectroSchool apprenticeship training program for its future electromechanical engineers. In Saumur and Saint-Étienne, 24 apprentices will follow a two-year program to graduate with a Senior Industrial Maintenance Technician qualification. The program is based on the practices and expertise of existing Saur employees, with content tailored to align with changes underway in the Group, particularly in terms of digitalization. The intention is to hire all graduates as Group employees on graduation. But attracting new people also means reaching out to meet them. So in June 2021, Cise TP joined forces with COREVA, an SME specialist in structural construction, to sponsor the 2020-2022 class of students on the Civil Engineering and Sustainable Construction program at the Rennes University Institute of Technology. Cise TP gave a presentation of its business, and welcomed students to its own facilities for an immersive experience session.



93/100

Gender Equality Index score for 2021
(89/100 in 2020).

Welcoming greater numbers of talented women

— In accordance with growing expectations of society, Saur is committed to achieving gender equality across the company, and promoting gender diversity in all career paths. This commitment is central to the Saur mission, because our ability to have a positive and lasting impact on the world depends directly on how successful we are in bringing our values to life throughout the Group. So Saur has set itself the goal of having 40% representation of women in executive positions by 2025.

The Group is proud to work alongside the ElleEau network to improve gender diversity and equality of professional opportunity in what is an historically male-dominated industry. The 60+ network ambassadors work at many levels, from hiring to career support (parenting arrangements, monitoring promotions and pay gaps, etc.), as well as raising employee awareness of the need to push back against sexism.

To mark International Women's Day, Saur organized a series of initiatives between March 8 and 12, 2021 as part of its 7th Gender Diversity Week with the aim of reasserting the Group's commitments and practical actions around promoting equality of professional opportunity. The ElleEau network hosted a national gender diversity forum setting out its priority actions. Awareness-raising campaigns were also designed and run to spread the word on good practices around gender equality.

With help from the ElleEau network, Saur subsidiaries also used social media to promote the contribution made by women to the Group, and showcase the extensive range offered by the water industry.

Promoting and facilitating the employment of people with disabilities

— In 2021, Saur participated in the European Week for the Employment of People with Disabilities (SEEPH), an annual event that promotes the employability of people with disabilities. During the week, the Group gave all its employees the opportunity to take a training module on disability employment via the MyAcademy digital training platform. This open-access course is designed to raise awareness and deconstruct stereotypes. It explains how to facilitate the workplace integration of people with disabilities, and provide the support needed to retain these valuable employees.

40%
representation of women
in executive positions
by 2025.



A committed governance structure

Group governance was restructured in 2021 to reflect our collective ambition to serve the vital resource that is water. The new open and multidisciplinary structure is focused on actioning our corporate purpose in ways that prioritize recognition of the true value of water.

It also represents our commitment and the sustainable business model we are building with our stakeholders, beginning with our 12,000 employees in 20 countries worldwide.

The Supervisory board

The Supervisory board oversees the management of the company by its Chairman. It takes decisions on the strategic issues that affect company life. It meets at least four times per year. Chaired by Jürgen Rauen, the Supervisory board has eight members: one representing EQT, six independent members and one employee representative. It bases its decisions on the work of an Advisory board which meets once a month to take decisions on the strategic aspects of the Saur Group business activities. The fact that the Group attaches such great importance to meeting ESG criteria is the reason why it formed a steering committee dedicated to this issue (SteerCo ESG) in 2021. The quarterly meetings of this committee are attended by representatives of the Sustainability Department, our shareholder EQT and the Supervisory board, as well as governance team members with specific expertise on the topics discussed.

The Audit committee

The Audit committee meets at least twice per year. Its core mission is to examine the financial statements to check the accuracy of the financial information they contain, and the effectiveness of the company's internal compliance processes. It verifies cash management, supervises Group risk management and examines disputes or arbitrations that have escalated above a certain threshold.

The Appointments and Remuneration committee

The Appointments and Remuneration committee meets at least twice per year. Its 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 employee profit-sharing plan, and the mandatory annual pay negotiations.

General management committee

Chaired by Patrick Blethon, the General management committee has 13 members. As the body responsible for deliberation, consultation and decision-making, it meets weekly to address issues and factors of direct relevance to day-to-day company operations.

Members:

- **Patrick Blethon**
Executive Chairman of the Saur Group
- **Hugo Bardi**
Senior Executive Vice-President,
Saur Water Engineering
- **Pierre Castéran**
Senior Executive Vice-President,
West France
- **Anne-Laure Duvaud**
Group General Secretary
- **Marie Francolin**
Group Chief Strategy Deployment
& Chief of Staff
- **Estelle Grelier**
Senior Executive Vice-President Group
Commercial Strategy, Development
and Marketing
- **Alice Guehennec**
Chief Digital and Information Officer
- **Menno Holterman**
Chief Executive Officer Nijhuis
Saur Industries
- **Albin Jacquemont**
Group Chief Financial and Acquisitions
Officer
- **Vincent Pégoud**
Senior Executive Vice-President
Public-Sector Partnerships
- **Xavier Piccino**
Senior Executive Vice-President,
East France
- **Xavier Savigny**
Group Chief Human Resources,
Organization and Transformation
- **Christophe Tanguy**
Senior Executive Vice-President Group
Operations

The Executive committee

Chaired by Patrick Blethon, the Executive committee has 36 members representing key Saur Group functions. It supports the General management committee and discusses major issues affecting company life. The Executive committee meets quarterly.

EQT, the main Saur shareholder

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 future-proof companies and make a positive impact. EQT therefore works alongside the 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 more than 700 employees in 17 countries worldwide, EQT has approximately €82 billion in assets under management.

Our risk and compliance management system

Consistent with its ambitions for growth, particularly in international markets, Saur is conducting a detailed review of its risk management and compliance systems. This new dynamic is built around co-construction and digitalization.

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An approach shared at every level of the company

— The Executive committee has ultimate responsibility for risk management. Its role is to reduce Group exposure to risks by ensuring that they are recognized at all levels of the organizational structure, preparing action plans and monitoring action plan implementation and effectiveness. All Group operations and central services departments are also involved in implementing and ensuring compliance with risk management procedures as they apply to their specific scopes of responsibility. In 2021, the Group introduced stricter measures for detecting and preventing corruption-related risks.

New risk maps and a collaborative approach

— In 2021, the Group updated the ways in which it identifies major risks, taking the decision to adopt a new methodology and involve employees working in a broad diversity of roles worldwide. Managers were asked to complete online questionnaires in order to provide the most detailed overview possible of the risks to which the Group could

be potentially exposed. The mapping of major risks allows Saur to identify priority risks based on their potential impact and probability of occurrence, and this process identified 186 theoretical risk scenarios in 2021. This mapping process makes it possible to direct and focus personal effort and financial resources on preventing those risks most significant for the Group, and raise awareness of the risk prevention process among all employees.

A mandatory requirement under the French Sapin II legislation¹, the Saur corruption risk map was updated in 2021 to identify the highest risk scenarios on which the Group's prevention, detection and control systems must be focused. As with the process of mapping major risks, Saur worked collaboratively by conducting dozens of interviews throughout the Group.

¹The French anti-corruption law of December 9, 2016 for increased transparency, corruption prevention and the modernisation of the economy.





“Business ethics and compliance are everyone’s responsibility, whether employees or managers. Each of us must accept responsibility for everything we do and the decisions we make, not only personally, but also on behalf of the Saur Group and its reputation.”

Carole Kalil,
Ethics & Compliance, Risk
Management & Insurance Director

Employee involvement is key to business ethics and compliance

— When it comes to business ethics and compliance, the commitment of everyone in the Group is key, so Saur encourages the participation of employees, managers and top management team members in developing the appropriate systems. A Group Ethics and Compliance committee has been formed to oversee the rollout of this approach and, more particularly, provides oversight of compliance with the Sapin II law. To ensure that all its employees are fully convinced of the importance and relevance of addressing these issues effectively, Saur is introducing co-constructed initiatives and offering practical hands-on training. Saur coordinates and leads a network of eight compliance officers (in France, Spain, Portugal, Colombia, the Middle East and Saur Industrial Water Solutions division). These ethics and compliance ambassadors are responsible for channeling news on these issues to the teams, and providing input for ethics and compliance training sessions. They also interact and meet regularly to swap and share best practices.

The central role of process digitalization

— Digitalization is absolutely central to the transformation of the Group and its risk management, ethics and compliance processes. The newly introduced Ethics and Compliance digital platform is available for employees to report gifts and invitations received. The same platform will also be used to provide central management and oversight of sponsorship deals, following the redesign of the Group’s sponsorship policy, and also offers an anti-corruption e-learning module. The Group is continuing with its development of a third-party business ethics and compliance assessment matrix, with the ultimate aim of making this a global verification tool and providing employees with a comprehensive system to use.

Process digitalization has also progressed in terms of insurance, with the rollout of a system for central management of Group public liability claims and better control of their legal and financial impacts.

Launch of the new Code of Conduct

Saur has published a new Code of Conduct that addresses not only business ethics and compliance issues, but also discrimination, harassment, the General Data Protection Regulation (GDPR) and the protection of company property. Distributed internally and available externally, this document is designed to help combat all forms of corruption, defines the basic principles of corruption prevention, and covers a broad range of eventualities, including the acceptance of gifts and invitations, conflicts of interest, the use of business consultants and sponsorship. Validated by the governance bodies and social partners, the code provides the compass that guides each of us on how to behave responsibly on a daily basis.

Our financial and extra-financial performance

Saur delivered a record performance in 2021

Annual revenue for 2021

€1,435m €1,675m

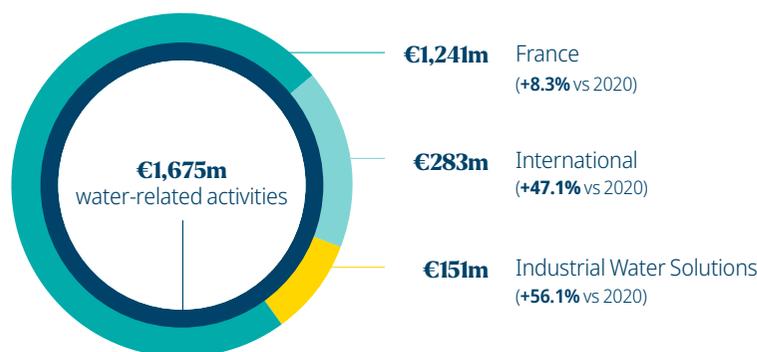


2020 2021

+16.7%

The net impact of acquisitions on growth was 8.3 percentage points; the majority of this impact was due to the integration of Aquapor from January 1, 2021 onwards. Organic growth (excluding the impact of changes to the Group scope of consolidation) was therefore up **8.4%**.

Breakdown of annual revenue for 2021



In 2021

+8.4%

organic growth¹

EBITDA²

€245m

+31.5% vs 2020

Adjusted EBITDA³

€251m

+31.5% vs 2020

Free cash flow⁴

€103m

+13.1% vs 2020

A **+31.5%** in EBITDA (our main financial performance indicator) to **€245 million**. Our margin rate was significantly higher (+1.6 percentage points) than in 2020, as a result of integrating Aquapor and the value added by the solutions provided to customers.

Free Cash Flow generation totaled **€103 million**, **+15.1%** on 2020. This performance reflects the strength of our EBITDA result, combined with a significant improvement in working capital requirement.

Saur is the first company in the water industry to have refinanced its debt using a Sustainability-Linked Bond issue (face value: €950 million). This transaction enabled the Group to refinance its debt and extend the term to maturity of its borrowings. At December 31, 2021, the Group held cash and cash equivalents totaling €214 million. Group net debt⁵ including borrowings totaled €870 million at December 31, 2021, reflecting a significant reduction on the €974 million figure reported at December 31, 2020.

¹ Organic growth: this growth rate is calculated on a like-for-like basis and does not take account of mergers and acquisitions.

² EBITDA: Earnings Before Interest, Taxes, Depreciation & Amortization.

³ Adjusted EBITDA: Reported EBITDA adjusted for (a) discontinued operations, (b) minority interests and associated holdings, and (c) the proforma impacts of M&A.

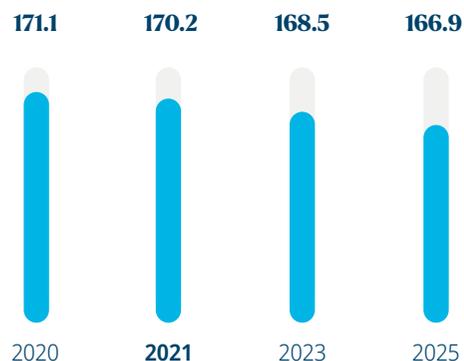
⁴ Free Cash Flow: Funds generated by operations, minus changes in working capital requirement and internal capital expenditure.

⁵ Net debt: Net financial debt (post-IFRS16) includes current and non-current financial debt, less cash and cash equivalents.

Sustainability-Linked Financing 2021 report

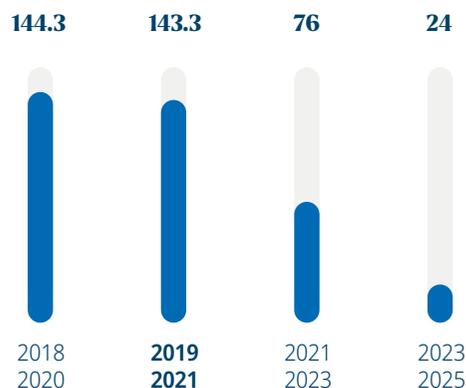
Information on performance and monitoring of the ESG KPIs included in Saur's Sustainability-Linked Financing Framework¹. All three KPIs were verified to a limited level of assurance by a Statutory Auditor, as indicated in KPMG's limited assurance report published in the present document (page 54).

KPI #1: Water withdrawals per subscriber for drinking water production (in m³ per subscriber)



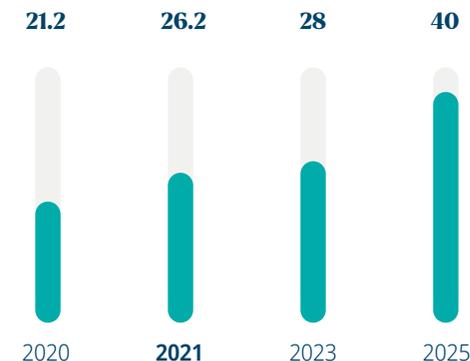
The Saur Group is on track to meet its commitment to reduce the volume of water abstracted from the natural environment by **0.5%** per year, per subscriber, in order to achieve a long-term downward trend of **5%** over 10 years. The Group's 2021 performance of **-0.5%** on 2020 relied heavily on the level of performance achieved in France, where network efficiency is a major operational priority. For example, 1 million m³ were saved in Agen during 2021 following implementation of an ambitious water savings plan. Over and above this performance, the Group has embarked on a cultural transformation towards prioritizing water savings and resource conservation, a process that began with involving stakeholders in the construction of its new corporate purpose announced early in 2022. The Group is also planning an ambitious employee training campaign for 2022 to inform all its people of the new corporate purpose and the Group's sustainable commitments.

KPI #2: Carbon intensity for Scopes 1 and 2 (3-year rolling average) (in metric tons of CO₂eq/€m)



The Saur Group is well on track to meet its commitment to reduce the Scopes 1 and 2 carbon intensity of its activities from **144.3 tCO₂eq/€m** to **24.0 tCO₂eq/€m** by 2025. Behind the 3-year rolling average for the period 2019-2021, the carbon intensity figure for 2021 was **135.9 tCO₂eq/€m**, reflecting an **8%** decline on 2020, largely as a result of the increased use of electricity from renewable sources in France. The complete neutralization of Scope 2 emissions by achieving **100% consumption** of electricity from renewable sources will be a major lever in achieving this target, and will be implemented by the Group in the course of 2022. In September 2021, the Saur Group signed its first corporate PPA (Power Purchase Agreement for renewables) with ENGIE, under the terms of which the Group will purchase 40 GWh per year of hydropower generated electricity, and engaged the first steps of its low carbon mobility strategy.

KPI #3: Share of executive positions held by women (in %)



The Saur Group has set itself the ambitious goal of achieving gender equality in executive positions with a minimum target of **40%** representation of women by 2025. Having reached **26.2%** by the end of 2021, compared with the **21.2%** figure for the end of 2020, the Group is ahead of schedule in achieving this target. The French government's equality index score for the Saur Group increased from **89/100 in 2020** to **93/100 in 2021**, evidencing the importance placed on this issue by the Group's executive management team, and involvement of managers and the ElEau network in improving hiring and promotion rates for talented women within the company. Among the key initiatives already implemented, the launch of a mentoring program in 2021 is proving effective in advancing internal promotion and will be further extended in 2022.

Please refer to the Methodology section for more information about the scope of these indicators and the methods used to calculate them.

¹ https://dnr54354splcz.cloudfront.net/publications/EN_SAUR_RSE2020_A4_030921_WA2.pdf

Environmental indicators

	France			Gestagua	France and international (including Gestagua)		
	2021	2020	2019	2021	2021	2020	2019

Environmental management

Proportion of turnover covered by ISO 14001 certification	95%	95%	93%	34.7%	86%	92%	87%
Proportion of turnover covered by ISO 50001 certification	89%	85%	85%	6.5%	66%	73%	74%

Water - Resource conservation

Water abstraction

Volume of water abstracted per subscriber (m ³ /subscriber) (v)	162	/	/	147	170.2	171.1	/
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Drinking water supply networks

Network performance (**)	79%	78%	78%	71%	80%	77%	78%
Network linear loss index (LLI) (in m ³ /km/day)	2.2	2.0	2.4	7.5	2.3	2.2	2.6

Treatment of wastewater before returning it to the natural world*

Volumes of wastewater treated	356	368	338	33	590	546	511
Treatment efficiency in terms of COD (v)	94.6%	95.0%	95.1%	93.6%	94%	94.5%	94.4%
Treatment efficiency in terms of BOD	97.9%	98.6%	98.6%	96.9%	97.6%	98.1%	98.1%
Treatment efficiency in terms of NTK	89.7%	89.5%	90.0%	72.3%	85.9%	88.5%	88.4%
Treatment efficiency in terms of P	84.5%	85.0%	85.1%	80.2%	83.4%	86.3%	86.3%

Energy - Energy transition

Energy consumption (v)

Primary energy consumption (GWh)	151.6	149.9	164.4	3.3	187	166	177
Electricity consumption (GWh)	908	901	899	35	1,198	1,142	1,128
Consumption of electricity from renewable sources (GWh) (v)	75	32	32	0	75	32	32

	France			Gestagua	France and international (including Gestagua)		
	2021	2020	2019	2021	2021	2020	2019

Energy efficiency

Electricity consumption per m ³ of water produced (kWh/m ³) (v)	0.64	0.64	0.64	0.39	0.74	0.73	0.76
Consumption of electricity per kg of COD eliminated during sanitation (v)	1.40	1.38	1.38	1.32	1.06	1.14	1.10
Certified energy savings (mWh Cumac)	70,718	24,953	17,133	0	70,718	24,953	17,133

Greenhouse gases - Climate change mitigation

Direct GHG emissions (scope 1) (tons CO ₂ e) (v)	44,573	41,226	45,214	1,102	56,122	46,088	50,318
Indirect GHG emissions as a result of electricity consumption (scope 2) (tons CO ₂ e)(v)	71,461	75,414	70,036	8,272	171,466	162,487	155,256
Carbon intensity for Scopes 1 and 2 (3-year rolling average) (in metric tons of CO ₂ eq/€m)	/	/	/	/	143,3	144,3	/

Waste and circular economy

Quantity of sludge produced by WWTP activity (tons of DM)	90,614	76,151	77,695	4,631	156,030	118,200	117,682
Proportion of sludge recovered	91%	93%	97%	30%	93%	93%	95%
of which spreading	51%	38%	42%	96%	48%	34%	37%
of which composting	36%	49%	48%	4%	23%	34%	33%

*: figure excluding Colombia

** : last year data

(v): Indicator verified by KPMG for the 2021 financial year

WWTP: Wastewater treatment plant / DM : dry material

Social indicators

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	France			Gestagua	France and international (including Gestagua)		
	2021	2020	2019	2021	2021	2020	2019
Employment and diversity							
Total workforce as of 31/12	7,314	7,165	7,173	472	10,515	9,041	8,637
Proportion of women	21%	20%	20%	17.8%	21%	20%	19%
Proportion of women in executive positions (v)	23%	/	/	28.6%	26.2%	21.2%	/
Proportion of employees on permanent contracts	90%	91%	92%	86.7%	88%	91%	92%
Proportion of employees under 26 years-old	12%	10%	9%	0.85%	10%	9%	8%
Proportion of employees over 55 years-old	18%	17%	17%	20.3%	19.4%	17%	19%
Proportion of disabled employees	3.2%	2.8%	3.6%	1.3%	2.5%	2.5%	4%
Number of external hires	1,829	1,547	1,311	113	2,421	2,117	1,537
Proportion of new hires on permanent contracts	40%	44%	57%	35.4%	47%	53%	53%
Proportion of women among hires	14%	17%	18%	20%	15.1%	18%	17%
Pay							
Total gross payroll (M€)	267	257	259	14	352	297	297
Skills development							
Number of hours of training provided during the year	86,904	69,524	107,273	3,452	103,493	84,370	139,598
Percentage of employees completing at least one training program during the year (v)	89%	90%	67%	82.6%	81%	86%	70%
Expenditure on training as a percentage of payroll	2%	1.8%	2.4%	0.09%	1.5%	1.5%	2.2%

	France			Gestagua	France and international (including Gestagua)		
	2021	2020	2019	2021	2021	2020	2019
Occupational safety							
Occupational accident frequency rate (with lost-time) (v)	11.4	9.1	9.1	5.67	10.7	8.4	9.6
Occupational accident severity rate (v)	0.7	0.31	0.33	0.13	0.5	0.3	0.3
Proportion of turnover covered by an ISO 45001 certification	95%	93%	93%	22%	85%	87%	87%
Absenteeism							
Total absenteeism rate	3.2%	3.6%	2.9%	5.9%	4.2%	4%	/
Sick leave rate	2.5%	2.3%	/	5.3%	3%	2.6%	/
Occupational wellbeing							
Imposed employee turnover rate	4.7%	/	/	0.9%	5.7%	/	/
Employee satisfaction reported in annual engagement survey	/	/	/	/	6.4	6.8	/
Employee representation							
Total number of staff representatives (excluding members of health, safety and work conditions commission)	518	458	521	/	/	582	636
Number of health, safety and working conditions committee members (CSSCTs)	97	/	/	/	/	/	/

Societal indicators

	France			Gestagua	France and international (including Gestagua)		
	2021	2020	2019	2021	2021	2020	2019

Access to water and consumer health

Volume of water abstracted from the natural world (mm ³)	585	651	667	14.7	696*	/	/
Quantity of drinking water produced (mm ³)	628	646	657	9	738	706	743
Number of water treatment plants operated	1,527	1,592	1,662	10	1,609	1,634	1,692
Length of drinking water supply networks (km)	176,122	166,744	173,063	3,507	187,991	174,806	179,928
Bacteriological compliance rate of water supplied (v)	98.6%	99.3%	99.2%	99.8%	98.1%	99.1%	99.3%
Physico-chemical compliance rate for water supplied	94.1%	96.0%	97.6%	99.5%	95.4%	92.8%	98.0%

Access to wastewater treatment

Volume of wastewater treated (mm ³)	356	368	338	33	590	546	511
Number of wastewater treatment plants operated	2,434	2,384	2,361	24	2,520	2,416	2,393
Length of wastewater drainage networks	47,387	45,597	44,522	2,139	53,880	50,506	48,884

Contribution to the economy

Expenditure on purchases from suppliers, service providers and subcontractors (M€)	623	479	603	17.1	851	577	694
Percentage of purchases made in the operating country (v)	97%	95%	97%	99.7%	95%	95%	97%

	France			Gestagua	France and international (including Gestagua)		
	2021	2020	2019	2021	2021	2020	2019

Professional integration of young people

Number of work/study apprentices as of 31 December	349	323	306	0	377	341	307
Number of interns	90	92	152	2	206	162	272
Percentage of workforce (bodies) represented by interns and work/study apprentices	6%	/	/	0.42%	5.5%	/	/

Business Ethics and compliance

Percentage of targeted employees trained in corruption prevention (v)	89%	94%	73.2%	81%	85%	92%
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Solidarity

Share of funds allocated by <i>Saur Solidarités</i> dedicated to water and sanitation access projects (v)	/	/	/	/	48%	48%	81%
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(v): Indicator verified by KPMG for the 2021 financial year

Methodology

The Group's reporting mechanism follows the rules set out in its reporting protocol, updated annually by the CSR department and all the business line management teams concerned. 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, Portugal and 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 reporting period are not included in the report. Subsidiaries related to the 'Leisure' business activity (golf courses and campsites) are also excluded. The reporting scope therefore covers 100% of the Group financial consolidation scope.

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

The reporting methodology has been modified with effect from the 2021 financial year onwards to reflect the organizational structure of Saur and ensure comparability between France and the Group's other operating countries. Executive functions are defined as follows:

- All employees two levels of seniority below the Executive Chairman
- Plus those employees of Saur International three levels of seniority below the Executive Chairman

This indicator excludes management assistants, interns, and work-study trainees.

Hires

The total number of hires external to the global scope between January 1 and December 31. All recruitments made outside the scope of the Group are treated as external recruitments.

Imposed employee turnover rate

Employee turnover is calculated on the basis of resignations and departures initiated by employees during their trial period and relates to the total number of employees for the previous year.

Pay

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

Skills development

External and internal training, whether face-to-face or via e-learning, are taken into account and relates to the total number of employees present on December 31 of the year concerned. Training expenditure includes the salary costs of employees trained, travel costs and the cost of instruction.

Occupational safety

The frequency rate of accidents with lost time and severity rate of workplace accidents are calculated in accordance with the provisions set out in the French government order of 12 December 1985, and apply to all consolidated countries. The French scope of this indicator was extended in 2021.

Frequency rate (total number of lost-time injury accidents x 1,000,000) / number of hours worked.

Severity rate: Number of days off work as a result of occupational accidents / Number of hours worked x 1,000.

Occupational wellbeing

The annual barometer is produced by an external organization which generates the rating. The panel includes all employees, whose opinions are gathered via an anonymized 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. The number of downtime days recorded varies to reflect the regulations applicable in individual countries.

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, members of works councils and the central works committee.

Environmental and social indicators

Drinking water

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 shown in the Price and Service

Quality Report (RPQS). These definitions are published on the www.services.eaufrance.fr website. Consequently, compliance rates for France are calculated using services producing more than 1,000 m³/ day. For Spain, Portugal 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.

Volume of water abstracted per subscriber

The volume of water abstracted per subscriber is the ratio between the total volume of water abstracted from the natural world plus the balance of volumes imported and exported and the number of drinking water subscribers on December 1 (to include subscribers whose contracts expire at the end of the year). In most cases, a subscriber is a billing address (e.g., a household or business). Subscribers that use only wastewater treatment services, and those with wholesale contracts (local authorities, farmers, etc.) are not included.

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 (including company cars) 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 obtained 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

The figure given for total greenhouse gas (GHG) emissions refers to Scopes 1 and 2. Direct (Scope 1) emissions include CO₂, CH₄ and N₂O released as a result of:

- fuel and natural gas combustion (calculated in accordance with GHG Protocol methodology and emission factors), excluding French-administered territories outside Europe
- wastewater purification (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).

Indirect (Scope 2) emissions as a result of electricity consumption are calculated in accordance with the GHG Protocol market-based method. For each country or location, the most accurate plant emission factors available are used. The emission factors applied are those used for the Bilan Carbone© carbon assessment protocol developed by ADEME, the French Environment and Energy Management Agency. According to the GHG Protocol market-based method, the consumption figure for electricity whose renewable origin is guaranteed by contractual agreements (guarantees of origin) is deducted from total electricity consumption.

Carbon intensity

Carbon intensity is the ratio of total Scope 1 and Scope 2 CO₂ equivalent emissions to annual revenue for the reporting year. Scope 1 covers primary energy consumption (natural gas, fuel oil, diesel, VNG, etc.), while

Scope 2 covers electricity consumption. The data presented provide a rolling three-year average (for 2019-2021).

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 and compliance

A list of targeted employees who require anti-corruption training is produced every year using a list of functions deemed to be the most sensitive. The current Group training cycle runs from 2020 to the end of 2022. The annual indicators published in the Integrated Report therefore reflect the current progress of this three-year campaign. Those French employees who received training in 2020 and 2021 and who were still employed by the Group on December 31, 2021 are included. The overall percentage has been calculated solely on the basis of those who received training in 2021.

Independent assurance report by one of the Statutory Auditors, appointed as the independent third party, on a selection of consolidated social, environmental, and societal indicators published in the Integrated Report

For the year ended 31 December 2021

To the Management Board,

As requested and in our capacity as the independent third party of your company (hereinafter the "Entity"), we have performed a review to enable us to provide limited assurance on a selection of consolidated social, environmental and societal information¹ for the year ended 31 December 2021 identified by the symbol √ (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 Entity's activity / 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 45% 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 √, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, on April 25th, 2022
KPMG S.A.

Anne Garans
Partner
Sustainability Services

Bertrand de Nucé
Audit Partner

¹Treatment efficiency in terms of COD; Consumption of electricity from renewable sources; Primary energy consumption; Electricity consumption; Electricity consumption per m³ of water produced; Direct Greenhouse gases emissions (scope 1); Indirect Greenhouse gases emissions as a result of electricity consumption (scope 2); Carbon intensity for Scopes 1 and 2 (3-year rolling average); Proportion of women in executive positions; Percentage of employees completing at least one training program during the year; Occupational accident frequency rate (with lost-time); Occupational accident severity rate; Volume of water abstracted per subscriber; Bacteriological compliance rate of water supplied; Percentage of purchases made in the operating country; Percentage of targeted employees trained in corruption prevention; Rate of funds allocated by Saur Solidarités dedicated to water and sanitation access projects; Consumption of electricity per kg of COD eliminated during sanitation.

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

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



Published April 2022

This report is published by the Saur's CSR & Brand department.

Design & Production: WordAppeal.

Photo credits: Saur, DR, Image & Co, Géraldine Aresteanu, GettyImages and Unsplash image banks.

Illustration : Sebastien Morales / Creamcrackers

The report is printed by Moutot Imprimerie on PEFC-certified paper.



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Saur — S.A.S. au capital de 101 529 000 Euros — 339 379 984 R.C.S. Nanterre
TVA intracommunautaire : FR 28 339 379 984

Saur - French simplified joint-stock company (SAS) capitalised at €101,529,000 – R.C.S Nanterre 339 379 984
Intracommunity VAT no.: FR 28 339 379 984

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