ABOUT THIS REPORT

The 2018 Integrated CSR Report presents the way in which Saur fulfils its mission of providing long-term support for its customers and regions in ways that combine responsibility with performance and innovation.

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

Designed to deliver maximum visibility of the Group’s strategic direction, this report is intended to help stakeholders and investors understand and analyse overall company performance more clearly.

With leadership provided by the Group executive management teams, this report has been produced with the active input of several functional departments, generated in particular in workshop sessions.

This report focuses exclusively on the Group’s water pure player activities (operation, engineering and infrastructure contracting).
More than at any previous time, companies need to give meaning to their actions and revive their sense of collective adventure. Although the purpose and duty of private companies are to return a profit, they also have a broader responsibility, which in France has recently been underlined with the introduction of the PACTE law (Action Plan for Business Growth and Transformation); the responsibility to define itself relative to the public interest and address long-term environmental, economic and social cohesion issues.

Saur could be content simply to be seen as a reliable professional company whose technical expertise is recognised and appreciated by its partners. The risk of doing so would be to ignore what makes us unique. Our profession is central to the environment we all share, and we feel privileged to work in the water industry; as a result, we have taken the conscious decision to base our growth plans on a system-wide perspective as we envision the water services landscape of tomorrow. Gateways, intermediation and converging interests mean that the destiny of our company is intimately and inextricably linked to that of our stakeholders. Together, we form an indivisible whole.

And it is this holistic vision that sets us apart from our competitors. Water brings us closer, because it is what links us to local authorities, end user consumers and the regional ecosystem.

Water brings us closer, because it is what links us to local authorities, end user consumers and the regional ecosystem.

More than at any previous time, companies need to give meaning to their actions and revive their sense of collective adventure. Although the purpose and duty of private companies are to return a profit, they also have a broader responsibility, which in France has recently been underlined with the introduction of the PACTE law (Action Plan for Business Growth and Transformation); the responsibility to define itself relative to the public interest and address long-term environmental, economic and social cohesion issues.

Saur could be content simply to be seen as a reliable professional company whose technical expertise is recognised and appreciated by its partners. The risk of doing so would be to ignore what makes us unique. Our profession is central to the environment we all share, and we feel privileged to work in the water industry; as a result, we have taken the conscious decision to base our growth plans on a system-wide perspective as we envision the water services landscape of tomorrow. Gateways, intermediation and converging interests mean that the destiny of our company is intimately and inextricably linked to that of our stakeholders. Together, we form an indivisible whole.

And it is this holistic vision that sets us apart from our competitors. Water brings us closer, because it is what links us to local authorities, end user consumers and the regional ecosystem.
As a leading force in the management of water supply and wastewater treatment services, Saur works alongside local authorities and industrial companies to deliver their engineering, infrastructure contracting and operations projects. As a water industry pure player, the Group delivers its services with a clear commitment to innovation and technical, organisational and human agility in responding to the major challenges of water management, and contributing to ensuring that this resource remains a protected high-quality service available to all.

**OUR BUSINESS SECTORS**

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

- 1,800 drinking water treatment plants operated
- 180,000 km of drinking water supply pipelines operated
- 700 million m³ of drinking water produced every year

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

- 2,800 wastewater treatment plants operated
- 50,000 km of wastewater and stormwater drainage pipelines operated
- 500 million m³ of wastewater treated every year

**BUILDING WATER INFRASTRUCTURES**
The engineering and construction of water treatment facilities that combine performance with innovation and modular forward development.

- 750 km of pipelines laid every year by Cise TP
- 1,100 pipeline projects carried out every year by Cise TP
- 3,000 turnkey plants constructed by Stereau

**SAUR WORLDWIDE**

**OUR KEY FIGURES FOR 2018**
(Water pure player activities)

- 12 million residents served worldwide
- 7,000 partner local authorities
- 8,300 employees
- €1.3 billion in annual revenue
Our BUSINESS MODEL

The 2017 decision to become a pure player in the water services market highlighted Saur’s commitment to focus its innovation, research and investment capabilities on developing a different kind of bespoke package of services that would respond effectively to the challenges of the rapidly changing water industry. Saur is transforming and reinventing its core business to work alongside local authorities and industrial companies in France and abroad to achieve their sustainable water management goals, by building partnerships that combine access to the Group’s expertise and advanced technologies with enhanced customer control of the services delivered.

100 % WATER

Supplying drinking water

A vital service

Essential to life itself, water is a living material that is often transported over long distances. Originating in abstraction points, surface water or water tables, it is made drinkable in our treatment plants before being distributed through a pipeline network that is constantly monitored by a system of sophisticated sensors. It requires constant attention in order to provide consumers 24/7 with sufficient quantities of consistently high-quality water that complies fully with all regulatory bacteriological and physicochemical parameters.

So when water arrives at the consumer’s home, it is the end result of an enormous amount of work done behind the scenes by thousands of water industry professionals.

建施水基础设施

A regional development mission

Laying new drinking water, stormwater and wastewater pipeline networks, upgrading them, connecting them to treatment facilities, and building new plants for drinking water production and wastewater/industrial process water treatment... Our customers all benefit from the experience of Stereau and Cise TP, our engineering and infrastructure subsidiary companies, to construct facilities that reconcile improved supply with high treatment performance in ways that respect all stakeholders.

Managing the water cycle requires appropriate facilities tailored to the hydraulic and geomorphological features specific to each area and the intrinsic quality of the water resource. This means we must develop equally specific technical and financial responses that are both innovative and modular with a forward development path.

Treating wastewater

An essential environmental challenge

Before wastewater can be returned to the natural environment, its quality must be compatible with the watercourse into which it is discharged. The treatment we apply makes a very real contribution to protecting aquatic ecosystems and biodiversity. Collected wastewater is piped to our treatment plants, where it is purified before being returned to rivers and reservoirs or reused for regulated applications. Connected objects installed in, and upstream of, treatment plants provide real-time assurance of correct installation operation and discharge quality.

THE FUNDAMENTALS OF OUR BUSINESS

Deep local roots and a constant local presence

Saur has provided local support and services to its regional customers, local authorities and industrial companies for more than 80 years. These deep local roots have helped to create an ongoing trust-based relationship with all our customers, and to work alongside them as they transform their region without compromising their own distinctive characters.

As a partner of local authorities, Saur strives to make a positive socio-economic contribution to its operating regions via its purchasing policy, which seeks to use local suppliers and service providers, its initiatives to promote jobs for young people and employment integration, and its innovation policy implemented alongside its partners at local level.

In addition to its socio-economic contribution, Saur maintains close links with a broad diversity of stakeholders within its wider ecosystem. These include regional and local authorities, institutions, industrial companies, consumers, employees, suppliers, teaching and research organisations, trade bodies, general interest groups and shareholders. The Group is committed to building balanced relationships with all of these stakeholders - through regular meetings, working groups, trade shows and research and development partnerships - as part of a dynamic ambition to share progress.

Empowered teams focused on delivering service excellence

The commitment of all the men and women employed by the Group is an essential factor in its successful transformation. Saur is committed to maintaining their motivation by providing a professional working environment that promotes and encourages autonomy and the acceptance of responsibility. As genuine entrepreneurs within their regions, our managers are decision-makers who also provide proactive operational performance leadership for service delivery as part of their close relationship with customers. This relationship is further strengthened by short decision-making chains that offer employees the opportunity to demonstrate their agility and responsiveness.

Built around a simultaneously personal and collective structure, the Saur management policy is designed to strike a fair balance between collective interest and individual interest. In practical terms, this means that Saur combines fair recognition of individual effort and performance with promotion of collective commitment. More specifically, the Group applies a wages policy that rewards individual initiatives that boost collective performance, and in 2019 introduced an employee share ownership scheme to give employees a greater stake in the growth of their Group.

A Group with a deeply rooted culture of innovation

As a trailblazer in the development of smart technologies for the water industry, with the 2007 introduction of its operations control centres (OCCs), Saur continues to implement an ambitious digital innovation strategy for the benefit of the regions it serves.

Water resource management, water quality monitoring, consumption control, network performance, energy efficiency, on-site safety, data access and reporting... Saur explores all areas where innovation can make a difference in terms of new products, processes, services and systems, and embraces new technologies and artificial intelligence to deliver long-term improvements in its operational performance and support the changing water needs and uses of its customers. To achieve this, the Group’s R&D and innovation teams are constantly conducting experiments in-house and through open innovation partnerships with long-term Saur suppliers, startups, educational institutions, research organisations and business incubators to imagine and develop the water services of the future.
NATURAL RESOURCES VITAL TO OUR BUSINESS
- Water (groundwater and surface water resources)
- Sources of electricity and fossil fuels

PEOPLE AT THE HEART OF OUR PARTNERSHIP RELATIONS
- The commitment and expertise of 8,300 employees
- The trust of 7,000 local authorities and the demanding expectations of 12 million residents
- 18,000 supplier partners

A SOLID INDUSTRIAL BASE MANAGED BY THE OCCs® EXCLUSIVE TO SAUR
- 1,800 drinking water treatment plants operated
- 2,800 wastewater treatment plants operated
- 230,000 km of drinking water supply pipelines and wastewater drainage pipelines operated
- 3,000 turnkey structures commissioned

INNOVATION CAPABILITIES EXTENDED THROUGH COLLABORATION WITH THE DYNAMIC ECOSYSTEM
- €4 million invested in R&D and innovation
- 50 active patents, with 2 or 3 new patents filed every year
- Open innovation and new skills development at the Saur water academy
- Acquisition of the startup ImaGeau in 2017

A SOUND FINANCIAL SITUATION TO FACILITATE OUR GROWTH
- Net debt-to-EBITDA ratio: 4.5x (6% lower than in 2017)
- €54 million in free cash flow
- A balanced contracts portfolio (no contracts greater than 2% of revenue) with an average contract period of 11.7 years (public utilities outsourcing contracts)
- A majority shareholder and trusted partner

(*) OCC: Operations Control Centre

OUR BUSINESS MODEL
(2018 figures - Water pure player activities)

WHAT WE DO AND HOW WE DO IT

LOCAL, with a strong sense of public service and the will to build and maintain personal relationships with customers

VICTORIOUS by expanding our business to new regions and through the delivery of new services

COMPETITIVE by combining operational performance with service excellence at a fair price

INSPIRATIONAL by extracting maximum benefit from new technologies and envisioning the water services of the future

RESPONSIBLE by working alongside local authorities and industrial users to respond effectively to social and environmental challenges

DEDICATED TO WATER
- 700 million m³ of drinking water produced
- 78% efficient drinking water supply networks
- 500 million m³ of treated water returned to the natural world
- 10 OCCs, packed with smart technologies to optimise services, conserve water resources and protect watercourses used for discharges of treated water
- Anticipation and rapid response: 30,000 remotely managed sites and facilities

CLOSE TO LOCAL AUTHORITIES AND THE COMMUNITY
- Ensuring sustainable and resilient management of the water cycle at a time when resources are coming under increasing strain and maintaining the health quality of water supplied is paramount

CLOSE TO CUSTOMERS
- More than 200 regional branches and customer service points
- In-region call centres to build and maintain special relationships with consumers
- Home OCC and OCC Online: all the expertise of an OCC available locally and shared with local authorities

CLOSE TO REGIONS
- 91% of annual revenue shared with employees, suppliers, governmental bodies and local authorities
- 93% of purchases made in Group operating countries
- 570 work/study and other trainees welcomed
- 91% of annual revenue covered by ISO 14001 certification
- A reduction of 4% in our energy footprint and a 6% reduction in GHG emissions between 2015 and 2018
- Local recovery of 98% of wastewater treatment plant residual sludge for use as a soil improver or source of energy

CLOSE TO PEOPLE
- 65% of employees received training during the year
- 93% of people employed under permanent contracts of employment
- A 24% reduction in the accident frequency rate between 2015 and 2018
- An employee shareholding scheme

AND FINANCIALLY EFFICIENT
- €1.3 billion in annual revenue (up 6% on 2017)
- Sustained profitability (EBITDA of €135 million)
- Net income equivalent to 3% of annual revenue
- Capex equivalent to 4.8% of annual revenue

ENSURING A SUSTAINABLE FUTURE
- A strategic plan for transformational change and growth « INITIATIVE 2023 »
- A strong local presence: 200 regional branches and customer service points
- A sound financial situation: net debt-to-EBITDA ratio of 4.5x (down 6% on 2017)
- A sustainable water cycle: 78% of drinking water supply networks and 500 million m³ of treated water returned to the natural world

SUSTAINABLE INVESTMENT CAPACITY
- A strategic plan for transformational change and growth « INITIATIVE 2023 »
- Net debt-to-EBITDA ratio: 4.5x (6% lower than in 2017)
- €54 million in free cash flow
- A balanced contracts portfolio (no contracts greater than 2% of revenue) with an average contract period of 11.7 years (public utilities outsourcing contracts)
- A majority shareholder and trusted partner

AN ESSENTIAL SERVICE
SUPPLYING DRINKING WATER
TREATING WASTEWATER
BUILDING WATER INFRASTRUCTURES

FOR LOCAL AUTHORITIES, INDUSTRIAL USERS, AND CONSUMERS

THE ASSETS THAT ALLOW US TO OFFER DISTINCTIVE BESPOKE SERVICES

A STRONG LOCAL PRESENCE
- Allows us to support the transformational change of regions without compromising their own distinctive characters

AN AGILE STRUCTURE AND INNOVATIVE MANAGEMENT
- Are the cornerstones of bespoke solutions and joint management to deliver high-quality water services to all our regions

A CO-CONSTRUCTION RELATIONSHIP
- Based on short decision-making loops and a transparent partnership-based approach

TEAMS EMPOWERED TO TAKE RESPONSIBILITY
- For boosting the operational performance of the service

INVESTMENT CAPACITY
- To expand our areas of expertise and position ourselves in new markets

SAUR WATER PURE PLAYER

VALUE CREATION RESOURCES
- The commitment and expertise of 8,300 employees
- The trust of 7,000 local authorities and the demanding expectations of 12 million residents
- 18,000 supplier partners

INVESTMENT CAPACITY
- A strategic plan for transformational change and growth « INITIATIVE 2023 »
- Net debt-to-EBITDA ratio: 4.5x (6% lower than in 2017)
- €54 million in free cash flow
- A balanced contracts portfolio (no contracts greater than 2% of revenue) with an average contract period of 11.7 years (public utilities outsourcing contracts)
- A majority shareholder and trusted partner

(*) OCC: Operations Control Centre

SAUR INTEGRATED CSR REPORT 2018

OUR CAPITAL ASSETS AND VALUE CREATION RESOURCES

INNOVATION CAPABILITIES EXTENDED THROUGH COLLABORATION WITH THE DYNAMIC ECOSYSTEM
- €4 million invested in R&D and innovation
- 50 active patents, with 2 or 3 new patents filed every year
- Open innovation and new skills development at the Saur water academy
- Acquisition of the startup ImaGeau in 2017

A STRATEGIC PLAN FOR TRANSFORMATIONAL CHANGE AND GROWTH "INITIATIVE 2023"

- 10 OCCs, packed with smart technologies to optimise services, conserve water resources and protect watercourses used for discharges of treated water
- Anticipation and rapid response: 30,000 remotely managed sites and facilities

ENSURING A SUSTAINABLE FUTURE
- A strategic plan for transformational change and growth « INITIATIVE 2023 »
- Net debt-to-EBITDA ratio: 4.5x (6% lower than in 2017)
- €54 million in free cash flow
- A balanced contracts portfolio (no contracts greater than 2% of revenue) with an average contract period of 11.7 years (public utilities outsourcing contracts)
- A majority shareholder and trusted partner

(*) OCC: Operations Control Centre

SAUR INTEGRATED CSR REPORT 2018

OUR BUSINESS MODEL
(2018 figures - Water pure player activities)

WHAT WE DO AND HOW WE DO IT

LOCAL, with a strong sense of public service and the will to build and maintain personal relationships with customers

VICTORIOUS by expanding our business to new regions and through the delivery of new services

COMPETITIVE by combining operational performance with service excellence at a fair price

INSPIRATIONAL by extracting maximum benefit from new technologies and envisioning the water services of the future

RESPONSIBLE by working alongside local authorities and industrial users to respond effectively to social and environmental challenges

DEDICATED TO WATER
- 700 million m³ of drinking water produced
- 78% efficient drinking water supply networks
- 500 million m³ of treated water returned to the natural world
- 10 OCCs, packed with smart technologies to optimise services, conserve water resources and protect watercourses used for discharges of treated water
- Anticipation and rapid response: 30,000 remotely managed sites and facilities

CLOSE TO CUSTOMERS
- More than 200 regional branches and customer service points
- In-region call centres to build and maintain special relationships with consumers
- Home OCC and OCC Online: all the expertise of an OCC available locally and shared with local authorities

CLOSE TO REGIONS
- 91% of annual revenue shared with employees, suppliers, governmental bodies and local authorities
- 93% of purchases made in Group operating countries
- 570 work/study and other trainees welcomed
- 91% of annual revenue covered by ISO 14001 certification
- A reduction of 4% in our energy footprint and a 6% reduction in GHG emissions between 2015 and 2018
- Local recovery of 98% of wastewater treatment plant residual sludge for use as a soil improver or source of energy

CLOSE TO PEOPLE
- 65% of employees received training during the year
- 93% of people employed under permanent contracts of employment
- A 24% reduction in the accident frequency rate between 2015 and 2018
- An employee shareholding scheme

AND FINANCIALLY EFFICIENT
- €1.3 billion in annual revenue (up 6% on 2017)
- Sustained profitability (EBITDA of €135 million)
- Net income equivalent to 3% of annual revenue
- Capex equivalent to 4.8% of annual revenue

ENSURING A SUSTAINABLE FUTURE
- A strategic plan for transformational change and growth « INITIATIVE 2023 »
- Net debt-to-EBITDA ratio: 4.5x (6% lower than in 2017)
- €54 million in free cash flow
- A balanced contracts portfolio (no contracts greater than 2% of revenue) with an average contract period of 11.7 years (public utilities outsourcing contracts)
- A majority shareholder and trusted partner

(*) OCC: Operations Control Centre

SAUR INTEGRATED CSR REPORT 2018

OUR BUSINESS MODEL
(2018 figures - Water pure player activities)
FOUR CHALLENGES FOR THE FUTURE

As a water services operator, Saur development in France and abroad is structured around four macro trends that impact its core businesses and business model: the pressure on resources and climate change, the digital revolution, changes in the economic, legislative and regulatory environments, and the growing expectations that the wider society now has of companies. All these trends present our company with both challenges and opportunities.

The pressure on resources and climate change

Pollution, rising demand for water and energy, water stress and increased frequency of extreme weather events: human activity and the effect of climate change are impacting more heavily all the time on natural resources and ecosystems. At the forefront of this trend, local authorities are preparing for their ecological transition and are looking for new development models that are more respectful of natural resources, consume fewer of them, and are more circular and resilient. This presents Saur with the opportunity to build the sustainable solutions needed to support and facilitate this essential transition.

The accelerating digital revolution

New methods of production, distribution, consumption and collaboration: the digital revolution and artificial intelligence are driving profound transformational change in society. This disruptive trend offers major opportunities to optimise business practices, reinvent customer relationships, and respond effectively to new consumer habits and expectations. Saur develops innovative systems and tools that offer greater service transparency, personalisation and immediacy at enhanced levels of performance and competitiveness.

The growing expectations that society now has of the role of companies in the economy

Now a matter for public debate, the relationship between business and the public interest reflects an increasing level of expectation in the wider society about the role of companies in contributing to economic, environmental and social change at regional level. The public now expects genuinely responsible commitments to be translated into practical actions that will improve life for everyone. All these changes offer Saur opportunities to further strengthen its status as a partner of local authorities by devising and developing inclusive solutions that create local value, and assert values of corporate ethics and social solidarity.

Changes in the economic, legislative and regulatory environments

Although the water market remains buoyant at the global level, with an average year-on-year growth rate of 4%, it is nevertheless highly regulated in France and the wider Europe. The development of investment-intensive contractual models and demand for increasingly effective treatment (micropollutants, circular economy, etc.) are energising the markets available to water companies in France and abroad. The fact that its expertise is applied at every link in the water chain means that Saur is well placed to take advantage of these new trends and their associated development potential. In France, the NOTRe law introduced to restructure the country’s regions has redrawn the contractual perimeters of water supply and wastewater treatment services in such a way as to open up the possibility of offering new packages of products and services.

As early as 2017, Saur conducted an analysis to assess its contribution to achieving the 17 Sustainable Development Goals (SDGs) set by the United Nations. Spanning the 169 targets, this analysis has accurately identified existing links between the environmental, employment and social initiatives implemented by Saur and the SDGs, and enabled the Group to prioritise action around six key goals with direct links to its own business sectors:

- Water resource availability
- Water resource quality
- Public awareness of the need to protect resources
- Biodiversity and ecosystemic services
- Energy transition
- Circular economy
- Sustainable cities
- Local resident safety and living environment
- Workplace safety and wellbeing
- Diversity and inclusion
- Equal opportunities
- Recruitment and talent development
- Employee relations dialogue
- Human rights
- Procurement practices
- Regional identity and local development
- Consumer health
- Access to water and sanitation services
- Social pricing
- Service continuity and adaptation to climate change
- Innovation and new services
- Digitalisation of operations
- Data and privacy protection
- Shared governance and open data
- Business ethics
- CSR performance transparency

By redefining its CSR strategy in 2017 and focusing on the six key goals, Saur has developed a new road map for its business and CSR development. This roadmap prioritises the Group’s initiatives around these six key goals and details its activities for 2018 and 2023.
**OUR RISKS AND OPPORTUNITIES**

Risks and opportunities related to market trends

**THE PRESSURE ON RESOURCES AND CLIMATE CHANGE**
- Water resource depletion and conflicts over water use
- Water resource pollution
- Damage to installations and operating losses
- Price volatility of all materials, particularly energy

**THE ACCELERATING DIGITAL REVOLUTION**
- Smart technologies for managing resources and water stress situations, monitoring water quality and controlling consumption
- Production of water from alternative resources (re-use of treated wastewater, desalination)
- Personal data protection in accordance with the GDPR
- Cyber attacks and computer system failures
- Malfunction of installations and/or service continuity failures

**THE GROWING EXPECTATIONS THAT SOCIETY NOW HAS OF THE ROLE OF COMPANIES IN THE ECONOMY**
- Changing scope of regional responsibilities and new forms of professional (property management companies, farmers, etc.)
- Revised rules and models of smart regions
- Business ethics, taking responsibility for charging a fair price for water and supporting the poorest in society
- Productivity gains and the development of new services
- Working with the French Water Companies Federation to develop the water industry business model for the future

**CHANGES IN THE ECONOMIC, LEGISLATIVE AND REGULATORY ENVIRONMENTS**
- Regulatory, legislative and standards monitoring, anticipation of the associated impacts and participation in all these changes
- As our manufacuring and our commercial offering
- The changing scope of regional responsibilities and new forms of contract in France: positioning on new tenders and new local authorities
- Services that create value for subscribers and local authorities
- Positioning in today’s expanding international water market
- Solutions that help industrial users to treat their effluents and water professionals (property management companies, farmers, etc.) to meet their specific constraints

**Risks and opportunities related to our business activities**

**OPERATIONAL RISKS**
- Water supply health safety compliance failures
- Faulty installation design and/or construction
- Malfunction of installations and/or service continuity failures
- Software of the environment and energy management system to control our risks
- Instrumentation of networks, installations and 24/7 operations control centres
- Rollout of smart technologies
- Providing effective bespoke solutions to the environmental challenges faced by customers, and shrinking the environmental footprint of the Group

**FINANCIAL RISKS**
- Insufficient financing capacity
- Lack of anticipation and cost control
- Inaccurate assessment of tender business plans
- Uncontrolled external growth transactions

**HUMAN RESOURCES RISKS**
- Loss of key skills and lack of employee appeal
- Occupational accidents and illnesses
- Career management, training, rewarding and transferring expertise, and employer brand development
- Occupational health and safety policy
- Enhancement of employee commitment

**Legend:**
- our risks
- our responses and opportunities

**Risk management policy**

Risk management is the responsibility of the executive committee, and is based on a comprehensive mapping of risks using the 4 types of risk identified by the COSO-ERM international standard: strategic, operational, reporting and compliance. The impact of each risk identified and our vulnerability relative to the level of control are assessed by our experts in the discipline most directly affected by the risk concerned (operations, customer relations, ISD, etc.).

This overview is regularly reviewed, particularly in light of internal and external events, as the basis for adapting action plans and control systems.

Saur has also put in place dedicated insurance policies to cover those risks for which it may be held liable.
In 2018, Saur defined its new Initiative strategy for achieving its vision of becoming a pure player in water services and capitalising on its unique business model built around proximity to customers, operational efficiency (with the emphasis on its operations control centres) and expertise in developing and delivering advanced technologies and services.

In partnership with EQT, our new shareholder since November 2018, we have clarified our action plans to align with its specific expectations and its ambition for Saur.

Unveiled internally in March 2019, the Group Initiative 2023 strategy is based on the 3 priorities - growth, excellence and commitment - that will make our vision a reality.

**Growth**
France remains a key market for Saur Group business growth. The NOTRe law has created, and will continue to create, new opportunities by expanding the Group’s target markets. Our goals are simultaneously to boost our contract renewal rate and to win new customers, particularly larger local authorities. The development of new technical solutions for our customers (biomethanation, decarbonation, water resources monitoring, etc.) and new services for consumers (excessive water consumption alerts, emergency assistance for water supply issues within the home, etc.) and local authorities (fire protection schemes, connected networks, OCC expertise, etc.) all have the potential to generate underlying value we can rely on.

International growth is also a Saur priority. This form of growth will build on the solid foundations we already have in place in Spain, Poland, Saudi Arabia and the United Kingdom.

Working through Saur Industrie, created in 2016, the Group is also putting in place the resources needed to position itself more broadly in the industrial water cycle (process water, wastewater treatment) in France and internationally, not only by leveraging its own proprietary technologies and expertise, but also through targeted acquisitions that provide access to new markets.

**Excellence**
Service quality and operational performance are inseparable. Our ambition is to optimise our technical and energy performance in parallel with delivering on our contractual commitments, ensure a level of service quality that is appreciated by all our customers, and enable local authorities to control their own water services and associated assets through a transparent governance model based on genuine partnership. This ambition is accompanied by a commitment to deliver the right service at the right price that is more competitive as a result of a more efficient organisational structure. From redesigning and upgrading our purchasing and logistics processes, to meticulously applying our procedures and developing our customer relationships, efficiency gains in our working methods will be supported by innovation and substantial investments in our IT systems. Over the next two years, these investments will virtually double relative to the 2018 figure.

The initial effects of these structurally important long-term projects will feed through during 2019.

**Commitment at every level**
Our corporate plan is also a map for employee and management transformational change, which must strike the right balance between management autonomy and corporate cohesion.

Our deliberately decentralised organisational structure brings us closer to the regions we serve through 166 sectors in France, and puts power on the front line of our business. Management autonomy and empowerment are accompanied by the implementation of systems and indicators managers can use to fine-tune activities within their own scope of responsibility as the basis for appropriate and rapid decision-making.

At the same time, cohesion is a very important value at Saur, and has its basis in solidarity and team spirit. The 2018 reintroduction of mentoring as a vector for sharing experience and values is central to our proactive commitment. Collective benefit was also the inspiration behind the employee share ownership scheme introduced in 2019 to strengthen employee commitment to our corporate plan. Our initiatives to promote collective benefit go hand in hand with recognising and rewarding individual effort, merit and performance. We are also profoundly changing our pay policy to ensure more effective recognition of individual initiative and its contribution to collective performance.

Lastly, company commitment also encompasses its engagement with social and environmental issues. This is by no means a virtuous gesture, but a practical way of supporting our teams and customers towards the creation of economic value, at the same time as responding to today’s challenges together.
Our GOVERNANCE

Redesigned following the 2018 arrival of new majority shareholder EQT, Saur Group governance is committed to supporting the company’s Initiative 2023 strategic project and its growth opportunities around a central commitment to business ethics and responsibility.

GOVERNANCE BODIES

Governance is structured around a supervisory board, an advisory board and two specialist committees (the audit committee and the appointments and remuneration committee).

Supervisory board and advisory board

The supervisory board has seven members: one EQT employee representative, five independent members and one employee representative.

It meets at least four times per year.

The supervisory board controls the management of the Company under the leadership of its Chairman. It makes decisions on strategic issues affecting Company life.

The supervisory board is supported by an advisory board.

Specialist committees

Two specialist committees have been formed:

• An audit committee;
• An appointments and remuneration committee.

Audit committee

The two members of the audit committee meet at least three times per year.

Its core mission is to examine the financial statements, ensure that the financial information they contain truthful and that the company’s internal compliance systems are effective. It inspects treasury management, supervises Group risk management and examines disputes or arbitrations above a certain threshold.

Appointments and remuneration committee

The two members of the appointments and remuneration committee meet 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 profit sharing plan for Group employees, and the mandatory annual pay negotiations.

Executive committee

The executive committee, chaired by Louis-Roch Burgard, has fifteen members.

The executive committee has responsibility for consideration, consultation and decision-making relative to key issues. It sets the strategic guidelines for the Group and monitors its performance.

It meets at least monthly.

The principles and criteria governing the remuneration received by the Executive Chairman

The remuneration received by the Executive Chairman is made up of a fixed component and a variable component reflecting overall value creation in the short, medium and long terms. Closely linked to successful implementation of the Group Initiative 2023 strategy and the achievement of financial and non-financial goals, it is set on the basis of demanding quantitative and qualitative performance criteria.

The variable component of this remuneration is set on the basis of three criteria:

- Financial indicators (EBITDA and cash flow);
- Health, safety and accident prevention indicators (occupational accident frequency rate);
- The supervisory board’s assessment of the Executive Chairman’s personal performance, particularly in relation to implementation of Initiative 2023.
The Group CSR governance structure is based on a pragmatically aligned organisation designed to create a culture of social responsibility within the company. It is led and guided by a CSR department with interactive links to all the company’s central services and operations departments.

The CSR director is a member of the executive committee and raises issues relating to the Group CSR commitment at its meetings. In 2018, the members of the executive committee were involved in structuring the CSR roadmap defined on the basis of the updated materiality analysis of issues conducted in 2017. Closely aligned with the overall strategy of the company, this roadmap is implemented by management at entity level.

Operational structure

The CSR department supports and facilitates implementation of the policy, initiates projects and consolidates all Saur key CSR performance indicators every year as the basis for reporting on the progress made by the company towards achieving the goals set out in its roadmap. These results are published in the integrated CSR report, submitted to the executive committee and forwarded to the supervisory board.

ETHICS AND COMPLIANCE:
A STRONG COMMITMENT

Respect for ethical values, the principles of integrity and regulation are priorities at every level of the company across the full spectrum of Saur operational business sectors and geographic locations. This commitment is now a crucial issue for the Group as regulatory constraints become more demanding and the expectations of society increase.

Business ethics

Having signed the UN Global Compact in 2003, the Group is fully committed to ensuring impeccable business conduct regardless of circumstances. To deliver on its commitments, Saur works from a solid base of uncompromising rules and practices that have been expanded over the years and shared with all employees. The ethics charter and code of conduct respectively set out the Group’s fundamental ethical principles and the common framework of professional conduct and practices expected of employees. Further procedures complement the code of conduct where necessary. In 2018, Saur clarified its general policy on the acceptance of gifts, invitations and sponsorship, and updated the charter governing those employees with responsibilities as local elected officials.

As a channel for conveying the Group’s culture of integrity, the in-house corruption and dishonesty risk training programme ensures that anti-corruption commitments are properly communicated and adopted throughout the company. In 2018, this training was received by the members of management bodies and staff occupying positions most exposed to the risk of corruption. In 2019, a similar e-learning course will be rolled out to a wider target group of employees. Fully aware of the risks specific to its own market, Saur has also tightened up its system for preventing anti-competitive practices, with particular emphasis on producing a guide containing practical recommendations for full compliance with fair competition legislation. Dedicated training programmes were also attended during 2018 by the members of management bodies.

Personal data protection

Saur gathers and processes personal data as part of its normal business practice. Since personal data protection is integral to respecting individual privacy and freedoms, Saur has identified it as a key ethical and responsibility issue. In 2018, Saur followed up on previous initiatives with implementation of its programme to ensure alignment of its procedures and processing practices with the European general data protection regulation (GDPR). This commitment involved the appointment of an internal data protection officer (DPO), who has introduced a governance structure designed to ensure full regulatory compliance throughout the Group.

The new measures introduced include:

- Implementation and monitoring of the processing register;
- Updating of the personal data management policy;
- Formal definition of the Group’s guiding principles and practices;
- Training and awareness-raising information for employees in the context of their jobs;
- Updating of the NICT (new information & communication technologies) charter that applies to all employees;
- Addition of a GDPR-specific appendix to the Group’s general IT security policy;
- Drafting of a whistleblowing procedure for flagging up violations.

The Saur ethics charter, its code of conduct, anti-corruption policy and personal data management policy can be viewed on www.saur.com website.
The Saur CSR policy is structured around 5 cornerstones and focuses the company on 20 clearly stated progress goals.

Saur’s implementation of its Initiative 2023 strategic project ensures continuity of its ambition to deliver sustainable growth on the basis of three priorities: business development through geographic expansion and the introduction of new services, excellence by aligning operational performance with service quality, and commitment, both personal and collective.

Looking beyond purely financial performance, Saur ensures that its business activities are conducted responsibly to meet environmental and social challenges, and create non-financial value for its customers and the regions, its employees and society as a whole. This commitment is set out in the CSR roadmap that accompanies the Group’s growth plan.

OUR CSR ROADMAP TO 2023

The Saur CSR policy is structured around 5 cornerstones and focuses the company on 20 clearly stated progress goals.

GROWTH THAT CREATES VALUE FOR OUR STAKEHOLDERS

Our PERFORMANCE

OUR GOALS

Our PERFORMANCE

OUR GOALS

Our PERFORMANCE

OUR GOALS

Our PERFORMANCE

OUR GOALS

Our PERFORMANCE

OUR GOALS

Our PERFORMANCE

OUR GOALS

Our PERFORMANCE

OUR GOALS

Our PERFORMANCE

OUR GOALS

Our PERFORMANCE

OUR GOALS

Our PERFORMANCE

OUR GOALS

Our PERFORMANCE

OUR GOALS

Our PERFORMANCE

OUR GOALS

Our PERFORMANCE

OUR GOALS

Our PERFORMANCE

OUR GOALS

Our PERFORMANCE

OUR GOALS

Our PERFORMANCE

OUR GOALS
Water is essential to life and must be preserved and accessible to everyone. That is why Saur, a socially responsible company, undertakes to deliver high-quality water to all its consumers, to assure the continuity of services and protect aquatic ecosystems. In a rapidly changing environment (climate change, demographic changes and urbanisation, new lifestyle and consumption habits), we are preparing for the future by thinking today about the water management of tomorrow.

### OUR WATER SOLUTIONS

The first accelerating pace of change in the water industry presents many challenges for local authorities and industrial companies, including resource conservation, water quality, pipeline network performance and controlling consumption. Saur is now fully refocused on its core business of water services, backed by higher investment and expanded R&D resources that are enabling the Group to take on the challenges of tomorrow and meet the expectations of increasingly informed and demanding consumers. The smart technologies we develop, either in-house or with the help of external startups, are constantly expanding functions and services offered by our operations control centres (OCCs).

#### Conserving water resources for the long term

Using the EMI application to monitor groundwater resources

Against the background of increasing demand for water resources, the EMI application developed by Saur subsidiary company imaGeau makes it possible to predict risks with the potential to impact groundwater availability, including shortages in times of drought, overexploitation of boreholes and pollution. EMI analyses a set of data transmitted by sensors installed in water tables and boreholes to calculate a series of vulnerability indicators. The application can also be used at any time to view the ongoing real-time status of monitored resources, flag up alerts and take action based on dependable data.

Olivier Depraz, CEO of imaGeau (a Saur Group company)

**How does imaGeau contribute to changing perceptions about water resources?**

O. D.: “In recent years, we have seen an increasing and widespread awareness of the risks associated with water resource depletion, and the need to protect the resources we have. imaGeau was set up by the CNRS (the French National Centre for Scientific Research) out of work done jointly by engineers and researchers to examine ways of protecting water resources through the use of accurate and continuous monitoring. That is the background to the development of our EMI (Environmental Monitoring Interface) smart management solution as a way of enabling more economical and optimised resource management to check the levels of groundwater reserves, monitor catchment areas and reduce the associated levels of energy consumption.”

**How do Saur and imaGeau work together on designing the future of water management?**

O. D.: “Following an initial alliance in 2014, Saur acquired imaGeau in 2017. This strategic acquisition initiative reflects the evolutionary movement of Saur towards a model based on efficient water resource management, focused essentially on the smart use of data. This uncompromisingly disruptive model is now a strong source of synergies and a major driver of growth through the emergence of new services. So the acquisition of imaGeau gives Saur the ability to offer local authorities an innovative process that can anticipate periods of drought, ensure optimum water quality and avoid operational overspend, at the same time as accelerating our development as a result of gaining access to Saur resources and markets.”

#### Developing alternative solutions for areas of water stress

The effects of climate change will have an increasingly significant impact on water cycle management. Saur addresses this reality by designing technology-based solutions specific to each local context, whether in France or abroad; these include reusing treated wastewater in areas of water stress for applications such as agricultural irrigation, landscape sprinkling and even refilling reservoirs. Seawater desalination is also one of the Group’s responses for countries where freshwater resources are limited. In 2018, Saur recruited people with new skills to help develop this area of expertise.

O. D.: “The EMI application was rolled out during 2018 by the syndicat des eaux de Seurre Val de Saône in the Côte d’Or region of France to monitor and manage 5 boreholes at different water abstraction locations in the local authority area. In the Loire-Atlantique region, the Vignoble-Grand Lieu drinking water supply authority has also chosen EMI to provide secure management of 11 boreholes in the catchment area serving the Basse Goulaine drinking water production plant. Supplying more than 400,000 consumers in 42 local communities, this facility is strategically important at regional level.”

2018

- The EMI application was rolled out during 2018 by the syndicat des eaux de Seurre Val de Saône in the Côte d’Or region of France to monitor and manage 5 boreholes at different water abstraction locations in the local authority area. In the Loire-Atlantique region, the Vignoble-Grand Lieu drinking water supply authority has also chosen EMI to provide secure management of 11 boreholes in the catchment area serving the Basse Goulaine drinking water production plant. Supplying more than 400,000 consumers in 42 local communities, this facility is strategically important at regional level.

2018

- Saur is expanding in Spain by strengthening its position in the Canary Islands through Emalsa, the company responsible for water management in Las Palmas, and a European pioneer in seawater desalination. Emalsa employs 300 people and manages every stage of the water cycle for the 400,000 residents of the Canary Islands capital. The company has built an enviable reputation for its expert use of seawater desalination technology using reverse osmosis, and currently produces up to 85,000 m³ of drinking water every day using this method.

### OUR GOALS FOR 2023

- 1,550 water abstraction points instrumented and monitored via our EMI groundwater management application
- 100 water treatment plants equipped with Saur Carboplus® family processes to eliminate micropollutants
- To increase the number of contracts under the terms of which water supply networks are continuously monitored using multi-parameter sensors
- +1% increase in drinking water supply network efficiency
- 50% of funds allocated by Saur Solidarités dedicated to water and sanitation access projects

There will be life after oil; there will be no life after water.”

Using Rézo+ to improve drinking water supply network efficiency

In supporting local authorities in their efforts to reduce water losses from supply pipelines, Saur develops plans to monitor and optimise network operation. The Rézo+ solution uses smart networks connected directly to the Group’s OCCs, which then apply multiple criteria to analyse the data gathered. This system offers local authorities many benefits, including greater responsiveness, more efficient leak detection and repair, and prioritisation of work needed to achieve long term network efficiency. In addition to ground level searches, Saur is also experimenting with aerial identification of leaks using satellite and drone imagery.

Guaranteeing the health safety and convenience of water supplied to consumers

Using CarboPlus® to ensure the health quality of water

Pesticides, detergents, drug residues... Many molecules resulting from all kinds of human activity are now present in water resources. Concentrations may be low, but their multiplicity and diversity pose a potential risk to human health and the environment. Introduced at the polishing treatment stage in drinking water production plants, the CarboPlus® process developed by Saur provides proven and effective elimination of these micropollutants. As a result, local authorities are now able to guarantee the health safety of water supplied to consumers and act ahead of future drinking water quality standards.

Improving the quality of wastewater discharges treated using CarboPlus®

The CarboPlus® process patented by Saur eliminates the micropollutants present in domestic and industrial effluent at low cost by adsorbing them onto activated carbon. From pesticides to drug residues, this process permanently removes undesirable substances from water.Installed in the outlet flow of wastewater treatment plants, CarboPlus® improves the quality of discharges into the natural environment to protect aquatic ecosystems.

Using connected networks to improve drinking water supply reliability

In the Haute-Vienne region of France, Saur is experimenting with the drinking water supply network of tomorrow in partnership with the Vienne Braise-Gorre water authority. All the company’s infrastructures will be fitted with a panel of smart sensors to create a life-size laboratory in which to test the network of the future. The project is being rolled out as part of a collaborative innovation initiative involving a number of partners: leading suppliers to the Saur Group, around fifteen startups, and institutional stakeholders. The project goals are to continuously monitor the quality of water supplied, ensure optimum installation efficiency and test the relevance of new technologies in this application. The key focus of this experiment is to develop predictive algorithms that will interpret the information contained in the acquired data and use it as the basis for forecasting and optimising the service.

In partnership with Intellitect Water, Saur is already offering local authorities the opportunity to fit Intellitect sensors at strategic points in their drinking water supply networks to provide continual monitoring of multiple parameters including flow rate, pressure, residual chlorine, turbidity, conductivity and pH. Smart analysis of data enables fast, early-stage detection of issues so that their impacts can be limited by the use of predictive modelling. This solution will be installed in the supply network serving the urban authority area of Agen (in the Lot-et-Garonne department of France), which awarded Saur the public service contract to manage its drinking water supply services from 1 January 2019 onwards.

Protecting aquatic ecosystems

Improving the quality of wastewater discharges treated using CarboPlus®

The CarboPlus® process patented by Saur eliminates the micropollutants present in domestic and industrial effluent at low cost by adsorbing them onto activated carbon. From pesticides to drug residues, this process permanently removes undesirable substances from water. Installed in the outlet flow of wastewater treatment plants, CarboPlus® improves the quality of discharges into the natural environment to protect aquatic ecosystems.

Using Calcycle to increase water softness

Although hard water poses no risk to consumer health, it is nevertheless the cause of several inconvenient problems, including premature wear and tear to equipment, increased energy consumption and leakage risks, as well as the potential to irritate sensitive skin. Developed out of a technology partnership with the Dutch company Brabant Water, Calcycle softens water and offers a number of benefits compared with traditional decaarbonation, including lower consumption of reagents and the option to recover beads of limescale removed from the water.

Using Rézo+ to improve drinking water supply network efficiency

In supporting local authorities in their efforts to reduce water losses from supply pipelines, Saur develops plans to monitor and optimise network operation. The Rézo+ solution uses smart networks connected directly to the Group’s OCCs, which then apply multiple criteria to analyse the data gathered. This system offers local authorities many benefits, including greater responsiveness, more efficient leak detection and repair, and prioritisation of work needed to achieve long term network efficiency. In addition to ground level searches, Saur is also experimenting with aerial identification of leaks using satellite and drone imagery.

Guaranteeing the health safety and convenience of water supplied to consumers

Using CarboPlus® to ensure the health quality of water

Pesticides, detergents, drug residues... Many molecules resulting from all kinds of human activity are now present in water resources. Concentrations may be low, but their multiplicity and diversity pose a potential risk to human health and the environment. Introduced at the polishing treatment stage in drinking water production plants, the CarboPlus® process developed by Saur provides proven and effective elimination of these micropollutants. As a result, local authorities are now able to guarantee the health safety of water supplied to consumers and act ahead of future drinking water quality standards.

Improving the quality of wastewater discharges treated using CarboPlus®

The CarboPlus® process patented by Saur eliminates the micropollutants present in domestic and industrial effluent at low cost by adsorbing them onto activated carbon. From pesticides to drug residues, this process permanently removes undesirable substances from water. Installed in the outlet flow of wastewater treatment plants, CarboPlus® improves the quality of discharges into the natural environment to protect aquatic ecosystems.

Using connected networks to improve drinking water supply reliability

In the Haute-Vienne region of France, Saur is experimenting with the drinking water supply network of tomorrow in partnership with the Vienne Braise-Gorre water authority. All the company’s infrastructures will be fitted with a panel of smart sensors to create a life-size laboratory in which to test the network of the future. The project is being rolled out as part of a collaborative innovation initiative involving a number of partners: leading suppliers to the Saur Group, around fifteen startups, and institutional stakeholders. The project goals are to continuously monitor the quality of water supplied, ensure optimum installation efficiency and test the relevance of new technologies in this application. The key focus of this experiment is to develop predictive algorithms that will interpret the information contained in the acquired data and use it as the basis for forecasting and optimising the service.

In partnership with Intellitect Water, Saur is already offering local authorities the opportunity to fit Intellitect sensors at strategic points in their drinking water supply networks to provide continual monitoring of multiple parameters including flow rate, pressure, residual chlorine, turbidity, conductivity and pH. Smart analysis of data enables fast, early-stage detection of issues so that their impacts can be limited by the use of predictive modelling. This solution will be installed in the supply network serving the urban authority area of Agen (in the Lot-et-Garonne department of France), which awarded Saur the public service contract to manage its drinking water supply services from 1 January 2019 onwards.

Protecting aquatic ecosystems

Improving the quality of wastewater discharges treated using CarboPlus®

The CarboPlus® process patented by Saur eliminates the micropollutants present in domestic and industrial effluent at low cost by adsorbing them onto activated carbon. From pesticides to drug residues, this process permanently removes undesirable substances from water. Installed in the outlet flow of wastewater treatment plants, CarboPlus® improves the quality of discharges into the natural environment to protect aquatic ecosystems.

Using Calcycle to increase water softness

Although hard water poses no risk to consumer health, it is nevertheless the cause of several inconvenient problems, including premature wear and tear to equipment, increased energy consumption and leakage risks, as well as the potential to irritate sensitive skin. Developed out of a technology partnership with the Dutch company Brabant Water, Calcycle softens water and offers a number of benefits compared with traditional decaarbonation, including lower consumption of reagents and the option to recover beads of limescale removed from the water.

Performance indicators

- Efficiency for drinking water supply networks: 78%
- Bacteriological compliance rate for water supplied: 99.1%
- Physicochemical compliance rate for water supplied: 97.6%
- Water treatment plants equipped with CarboPlus® family processes to eliminate micropollutants: 47%
- Treatment efficiency in terms of COD: 94.4%
Adapting to cope with extreme weather events

As extreme weather events become increasingly frequent, Saur has implemented a crisis management system to act ahead of risks and maintain continuity of service, or reinstate service as quickly as possible. This system is underpinned by the expertise, operational systems and operations procedures concentrated in its operations control centres (OCCs). Thanks to its highly decentralised business structure, Saur is able to focus all the required resources on critical areas to offer its customers a very high level of responsiveness 24/7.

Facilitating access to clean water and sanitation

Saur places great importance on supporting regional stakeholders in France and abroad. The Group takes action via its Saur Solidarités endowment foundation to support public interest initiatives in many areas of need, with particular priority given to ensuring access to clean water and sanitation services to improve the daily lives of vulnerable people. Each non-profit organisation supported is sponsored personally by a Saur employee. If necessary, sponsors may travel to the areas concerned to provide personal skills sponsorship. This type of support supplements purely financial aid and allows non-profit organisations to benefit directly from the expertise of the Group.

2018

Saur had a very strong presence in the regions of the Caribbean hit by Hurricane Irma in 2018, and worked alongside island authorities to bring in large-scale human and technical resources from Guadeloupe and Martinique to help the people affected, restore access to water as quickly as possible in Saint-Barthélemy, and repair the severely damaged wastewater treatment plant.

Our customers are changing and their needs are evolving. Saur represents the high quality and exacting standards of a responsible and respectable company, combined with the know-how and sense of customer service of a day-to-day partner. Our dynamic approach is based on our agility and our capacity to invent a new, modern and personalised customer relationship to ensure that our customers, consumers and users can enjoy ever greater confidence and value.

Emmanuel Durand, Regional Director, Morbihan and West Brittany

How does Saur deliver on its commitment to help struggling customers on a daily basis?

E. D.: We have always cared for struggling customers through our non-negotiable policy of ensuring that everyone can live in decent sanitary conditions. Saur partners the Fonds de Solidarité Logement (FSL) French social housing in close two-way contact with departmental councils. We also work alongside local joint social action centres (CCAS), particularly through the Pass Eau financial aid scheme designed by Saur for customers struggling to pay their bills. We are trying to bring forward many more such initiatives, and were involved in setting up a FACE (Fondation pour l’Exclusion - Foundation for Action to Combat Exclusion) club here in Brittany.

CLOSE TO customers

Consumers have very real expectations when it comes to receiving information about their water. They want local information about their service and the quality of water that comes out of their taps. And they also want useful, practical information and services to help them monitor and control their consumption more effectively. It’s the job of water industry professionals to provide them with that information.*

Marillys Macé, Director general of the CIEau (French water information centre)

How does digital technology help Saur to strengthen its customer relationships?

E. D.: For Saur, being close to customers means offering them personal support from experts in every region, as well as personalised and transparent service. Digital technology allows us to drive innovation forward and align fully with their new habits and expectations by promoting self-care, simplifying the relationship and offering new home monitoring systems that enable improved management of the service. This commitment to quality applies equally to local authorities as we respond to their growing demand to take back ownership of operations. We share our operational data with them within a transparency policy we see as essential to maintaining a trust-based relationship.

* Thanks to the CLIC (French confederation of water industry professionals).
Fully involved in providing what is an essential public service, the Group is committed to delivering a high-quality service and building effective customer relationships that combine professionalism with local presence and new technologies. Closely attentive to the changing needs and expectations of our customers, we are equally committed to enhancing their experience by offering an increasingly personalised service. With local authorities, new models of cooperation are being introduced to enable shared governance of water services and a more responsive collaborative relationship.

Enhancing the customer experience

Building special relationships with consumers through local services

Saur combines digital communication with physical and verbal channels to establish one-to-one personalised relationships with its customers. As consumers become increasingly connected, the use of digital resources maximises flexibility and immediacy when following standard customer pathways where there is no need to ask specific questions, and also enables the interchange of personally tailored information. Saur also maintains close personal face-to-face and phone relationships via regionally-based customer service advisers who have a detailed personal knowledge of their area. Our customer service points are located to meet local needs: as part of the drinking water supply and wastewater treatment contract awarded to Saur in 2018 by the urban authority area of Agen, two new customer service points have been opened, one of which is in the city centre. A mobile service point will also improve the service accessibility throughout the urban area.

Wherever possible, we also offer the option of booking a personal face-to-face interview to deal with particular questions or issues. These meetings offer further valuable opportunities to build relationships and deliver added value to consumers. For customers struggling financially, our social support representatives are in place to provide appropriate support and assistance in conjunction with local authority social services.

New services for consumers

The growth of the Internet of Things and the extraction of value from gathered data dramatically increase the range of opportunities for offering our customers a broader range of personalised services. These are designed to encourage and facilitate more economical ways of using water, and make daily life simpler for consumers. Following successful pilot testing in 6 regions during 2018, Saur is progressively rolling out its second-generation smart meter solution, which includes a service to alert consumers of excessive water consumption. So as well as having the opportunity to view their consumption on a day by day basis, consumers are now notified immediately by e-mail and/or text message if their water usage is above normal. And the bills they receive are now based on actual meter readings rather than estimates. Remote meter reading also means that it is no longer necessary to agree a time for a technician to read meters installed in the home.

2018

Saur has upgraded its entire digital communication structure to meet consumer expectations in terms of response times and autonomy. This includes updating all the public spaces of its customer websites. The new responsive design interface is more user-friendly, with seamless browsing navigation and a richer customer experience. And the new design is already paying off; because the hit count was up by 25% year-on-year in 2018. The total number of digital messages (e-mails and texts) sent to customers to inform them of an event affecting them was also up nearly fourfold over the same period.

As part of offering consumers services tailored to their precise needs, the Group formed a partnership with HomeServe, the leading provider of home assistance services. HomeServe has designed service packages specifically for Saur to offer its customers a range of services that cover every type of domestic plumbing problem for which homeowners have responsibility. This range of assistance solutions is aimed at both homeowners and tenants, whose options align with the responsibilities they have under the terms of their lease.

New collaborative working methods for shared governance of water services

Local authorities that delegate management of their water services are now moving towards new forms of governance in favour of those that enable close joint governance alongside the delegated service provider. This trend is driven by a desire to take back control of these important services, which in turn increases the need for data analysis, reporting and transparency. So Saur is committed to providing all the data and information local authorities need to make their own technical and financial choices.

Centralising information to share it more effectively

The Group operations control centres (OCCs) that control, manage and analyse water service data deliver on the twin imperatives of optimising operational performance and providing local authorities with total transparency of operation. The real-time continuous information sharing provided by the OCC online digital platform gives local authorities a comprehensive real-time overview of their delegated service that includes not only data, but also maps, performance reports and many other sources of insights. All of which facilitate a closer dialogue and working relationship with the operator.

Saur is equally committed to developing long-term digital solutions for its customers, including its remote meter reading technology. Interoperable and fully compliant with the current Afnor standard, it can be operated either by the local authority or by any new delegated operator. This new freedom is well appreciated by customers, who previously had no choice other than to use proprietary meter reading systems that became obsolete whenever there was a change of operator.

The Semop: a new form of joint water services management

Although not yet commonplace, the Semop (single transaction public/private company) to manage public water supply and wastewater treatment services offers a solution midway between public service delegation and local authority water management. Saur welcomes this new form of cooperative management, which is a genuine public/private partnership that enables a close joint management relationship of water services within which information and decisions are shared. In 2018, two local authorities set up Semop companies with Saur: Saint-Affrique, for the management of its public drinking water service, and Oiman Agglomération, for the management of its public wastewater collection and treatment service.

Promoting eco-friendly actions that can be taken by all consumers

As a part of promoting collective responsibility for water-related challenges, Saur develops public awareness initiatives to encourage economical use of water and good practices designed to reduce sources of pollution. Every summer, Saur hosts its annual Water Festival in partnership with local authorities. In 2018, this travelling festival designed to introduce even the youngest children to the idea of protecting water and aquatic environments visited 13 beaches and swimming destinations in France. The Group also supports local authorities with their initiatives to raise public awareness about more specific issues, such as good practices for disposing of wet wipes, which are responsible for many wastewater pipeline blockages and overspills into the natural environment and houses.

Performance indicators

-25%

of visitor numbers to Saur customer websites between 2015 and 2018

5.9 million

outgoing contacts provided proactive service information

150

customer service points

500

local authorities connected to OCC online or eCell 2.0
CLOSE TO regions

In France and internationally, regions and communities - whether urban or rural - are changing significantly and rapidly. As a business with deep roots, longstanding commitment and unwavering focus on the future, we support the development of Saur operating regions through our business activities, our expertise and our partnerships, at the same time as facilitating environmental and social value creation.

OUR GOALS FOR 2023

+ than 95% of purchases made from suppliers in the country where the company is located

6% of the workforce employed under employment integration contracts (work/study students, trainees and VIE scheme interns)

To improve energy efficiency from our water supply and wastewater management services

20% of our electricity generated from renewable energy sources

6 innovative products or services developed in partnership with our suppliers and startups rolled out by 2020

Faustine Gérard, Branch Manager, West Brittany Agency

As a local stakeholder, how does Saur see its role as a ‘partner to local authorities’?

F. G.: Being close to our customers is central to our business. Combined with our expertise in water services, our size and the agility of our organisational structure allow us to position ourselves as a full partner for local authorities. So we’re now developing new governance models to enhance that proximity.

Here in Brittany, for example, Saur has been awarded the wastewater management contract for the urban community of Dinan. Together, we have set up a Semop (single transaction public/private company) to enable maximum information sharing, and decision-making and joint management of services alongside the local authority.

How does your branch contribute to the dynamism of the region it serves?

F. G.: I like to refer to Saur as a ‘pollinator company’ that interacts at a high level with all regional stakeholders, and a genuine contributor to the local economy and local life. In this context, the employment integration of jobseekers - particularly young people - and the appeal of the careers we offer are key day-to-day challenges. Our local roots also extend beyond purely our business activities, so that we can make a positive impact on every region we operate in. So we partner with local non-profits, other organisations and community events. And wherever we can justify doing so, we ensure that we make our purchases locally as possible.

Faustine Gérard, Branch Manager, West Brittany Agency

Facilitating access to jobs

Saur supports the training of young people and facilitates their entry into the world of work through a range of different mechanisms and partnerships with educational stakeholders. Around 500 trainees, VIE (Volontariat International en Entreprise - International Volunteering in Business) scheme interns and work/study students are welcomed into the company every year.

The Group also works to integrate jobseekers by working as closely as possible with regional employment institutions. Saur also partners with local business networks actively involved in promoting employment opportunities, such as GEIQ (Groupements d’Employeurs pour l’Insertion et la Qualification - Employer Groups for Work Integration and Qualifications) and FACE (Fondation Agir Contre l’Exclusion - Foundation for Action to Combat Exclusion), and plays an active role in local jobs forums.

Contributing to dynamic regional economies

Deep local roots

Its decentralised organisational structure - 6,900 employees in 20 regional divisions and 60 branches throughout France, and branches in each of its main operating countries - makes Saur a significant provider of local jobs and a substantial contributor to economic life in its operating regions. This support for employment extends via our purchasing policy - 93% of purchases are made in-country - which sources a significant percentage of supplies locally.

The Agen urban community is committed to re-generating its entire area by implementing a bold economic strategy that combines the ability to promote the local ecological and energy transition through innovation, and provide residents with the resources they need to be part of the digital revolution. It intends to become a community devoted to permanent experimentation, where synergies between local stakeholders are increasing and expanding.”

Jean Dionis du Séjour, Mayor and Chairman of the Agen urban community

To quantify the contribution it makes to the economic vibrancy of regions more accurately, Saur has measured the socio-economic impact of its business activities in terms of jobs provided and GDP generated in France as a whole, and in each of the French departments in which it is based. The 2018 study revealed that for every 1 direct job provided by Saur, 2.7 further jobs in France were supported by purchases made and wages and taxes paid by the company in 2017. So, Saur supported 25,000 jobs and generated wealth creation totalling €971 million.

With the support of the Pays de Loire Region, Saur has opened a learning centre at Saumur in the Grand Ouest region, where the Group has a strong presence. Every year, this facility will train a dozen apprentices for careers in water supply, wastewater treatment, and network management and maintenance. This one-year training programme gives apprentices the opportunity to leave with a certified professional qualification. For Saur, it is also a direct response to the challenges it faces in recruiting and training its talented people of the future at local level.

Saur has agreed with FACE to set up the 49th network club in the city of Vannes. And at the beginning of 2019, we welcomed a first group of secondary school students for a one-week internship designed to introduce them to the world of work, the company and its career opportunities.
Shrinking the environmental footprint of water supply and wastewater management services

As the environmental impact of human activity becomes increasingly intrusive, Saur is committed to developing sustainable management of water services. The Group offers its customers tailor-made solutions that help them achieve environmental challenges, and promotes the principles of the circular economy to optimise the use of resources at regional level. These commitments are integral to a longstanding environmental management policy. It was back in 2007 that Saur was first awarded ISO 14001 certification for all its water supply and wastewater treatment activities in France, since when it has been renewed every three years and deployed on our main international locations.

Energy performance

The Group has twin goals: contributing to the energy transition in its operating regions and reducing its expenditure on electricity, which is its main source of energy. A number of action plans are now being implemented to achieve these goals: an increase in energy audits (more than 40 audits were conducted in France during 2018), the development of innovative technologies and installation of more energy efficient equipment, and solutions to manage the most energy hungry equipment and processes, such as aeration in wastewater treatment. Whenever possible and appropriate, the Group uses energy from renewable sources in its plants, as is the case in the Canary Islands, where Saur subsidiary company Emalsa is working in collaboration with a third party on an experiment to investigate the feasibility of offshore wind energy to help power the existing seawater desalination process.

As proof of our commitment, 74% of the Group’s water and wastewater activities are ISO 50001 certified, and in France, 19 GWh in energy savings certificates were obtained in 2018 under the CUMAC scheme for calculating energy savings achieved through investment.

Renewable energy generation

To support regions in achieving their own energy transition, Saur is making its technical expertise available to local authorities as the basis for offering efficient renewable energy generation solutions. This expertise was strengthened in 2018 through the recruitment of new skills.

During the year, the Group won two contracts to build wastewater treatment plants that will use the methanisation process to recover energy from residual treatment sludge and inject the resulting biomethane produced into the mains gas distribution grid, reflecting a strong trend in today’s market. Now-under construction in Saint-Etienne and Aubaines, these new-generation wastewater treatment plants will become operational in 2019 and 2020 respectively, and will generate more than 10,000 MWh annually. This solution facilitates local recovery of residual sludge for use in renewable energy generation, which also reduces greenhouse gas emissions, since the biomethane produced from renewable sources replaces natural gas.

Recovery of wastewater treatment plant residual sludge for use on the land

Residual sludge is the Group’s main source of waste, with 113,000 tonnes produced by its wastewater treatment plants in 2018. Besides the methanisation, Saur recovers this material via local channels for use as a soil conditioner. This short recovery circuit helps to reduce the use of chemical fertilisers on the land. In 2018, 38% of residual sludge was recovered for spreading, and a further 38% for composting (compost produced in France complies with the national NF U44-095 quality standard).

Carbon footprint

The Group is involving all its businesses in achieving its commitment to shrink its carbon footprint, which has been measured and assessed annually since 2008. In terms of its indirect greenhouse gas emissions, Saur is focusing its action on boosting the energy efficiency of its installations and generating renewable energy in its operating plants and water supply networks. The Group is working on its direct emissions through initiatives to improve the energy profile of its vehicle fleet by gradually increasing the number of electric and hybrid vehicles in its French and international fleets.

Joint innovation with regional stakeholders

Saur maintains close relationships with its local ecosystem of SMEs, startups, research organisations, universities and other stakeholders as part of building a joint innovation culture. This allows the Group to identify stakeholders with innovative projects that could create value for the company and its stakeholders; solutions that could improve customer experience, boost operational performance or provide real-time data sharing and analysis. Saur then works with the identified partners on agile experimental projects to develop solutions potentially useful to the water landscape of the future.

At regional level, Saur also supports local startup initiatives like the Bic Inov’Up incubator in Nîmes - in 2018 - and B crucial Hacking, a challenge for committed startups and responsible Breton companies, which we are partnering in 2019.

Performance indicators

-8% Reduction in the drinking water production energy footprint between 2015 and 2018 in France (0.60 kWh/m² in 2018)

-4% Reduction in the wastewater treatment energy footprint between 2015 and 2018 in France (1.37 kWh/kg COD eliminated in 2018)

-5% of total greenhouse gas emissions between 2015 and 2018

98% of residual sludge recovered in the form of materials or energy

The Group formed a new team dedicated to digital innovation in September 2018. An integral part of the innovation ecosystem, it develops partnerships with stakeholders in education and research (including IOEau [the International Office for Water], the University of Limoges and the University of Technology of Compiègne) and attends trade fairs, such as Sivim in Nover, Digiweek in Nîmes and Pollutec in Lyon. Of 145 projects considered, 26 have been tested on pilot sites and 7 have resulted in products ready to be rolled out from 2019 onwards in areas such as energy performance, pipeline acoustic analysis, domestic water consumption reduction and the development of predictive algorithms to optimise water management.
We place community and the daily efforts of our 8,300 dedicated men and women at the heart of our success. As a company on the human scale, the Saur Group is committed to offering its current and future employees an attractive, safe, dynamic and collaborative working environment in which they can develop personally and professionally.

**Emmanuelle Climent, Group HR Development Director**

**How do you facilitate the development of your people on a daily basis?**

E. C.: The success of Saur depends on the daily commitment shown by all our people. We’re absolutely committed to making the work they do meaningful, so that they can take pride in being team members and in making their own contribution to providing an essential resource that everyone needs: water. To achieve that, we facilitate their professional development, support their skills development and promote the recognition and transfer of practical techniques. This body of experience and expertise represents a rich resource that everyone needs. Water. To achieve that, we facilitate their professional development, support their skills development and promote the recognition and transfer of practical techniques. This body of experience and expertise represents a rich resource that everyone needs: water. To achieve that, we facilitate their professional development, support their skills development and promote the recognition and transfer of practical techniques. This body of experience and expertise represents a rich resource that everyone needs: water.

**So how does Saur respond to the challenge of attracting and retaining talented people?**

E. C.: Attracting new and talented people is central to our human resources policy. The human story we are writing for the Group is one in which we hope everyone will share, and we rely on the strength of our people to achieve that. We facilitate their professional development, support their skills development and promote the recognition and transfer of practical techniques. This body of experience and expertise represents a rich resource that everyone needs: water.

**Guaranteeing the health and safety of employees**

Protecting the health and safety of employees is a non-negotiable priority for the Group, which applies a strict and demanding risk prevention policy accredited by OHSAS 18001 certification. The new safety roadmap for 2018-2023 contains a common set of requirements applicable to all Group entities in France and internationally, and sets an ambitious target: zero risk taking for zero accident. As part of its commitment to progress, each entity incorporates health and safety targets and initiatives into its strategic plan, and records and analyses every accident. All safety indicators are consolidated at Group level by the Safety Management Committee, a new body recently introduced to monitor the progress of roadmap initiatives.

**Supporting employees in a fast-changing company**

Skills development

To support its ongoing growth against a background of fast-moving changes in its business environment and the digital revolution, Saur is both developing and updating the skills of its people.

The company has put in place systems, resources and processes to identify the skills and development potential of each individual. Having this human resources knowledge makes it possible both to support employee career development and to ensure that we respond to the challenges facing the company by having “the right person in the right place at the right time”. It also allows us to identify individual training needs and opportunities for job mobility.

To offer employees a more comprehensive panel of training opportunities that is more accurately tailored to the full diversity of individual needs, a digital training platform has been developed and introduced to complement traditional classroom-based modules. It offers regularly updated and easily accessible tailor-made content designed to allow employees to take an active role in their own personal training programme.
Attracting and valuing diversity

As a signatory of the IMS Entreprenant pour la Cité diversity charter since 2009, the Group is committed to preventing all forms of discrimination in its recruitment and throughout the careers of its employees. In addition to its global ‘Equal opportunities, diversity, discrimination prevention and occupational quality of life’ agreement (renewed in 2016), Saur officially launched its new professional equality network in 2018. Led jointly by a member of the executive committee and a regional manager, it promotes gender equality in the company, where women account for 19% of the total workforce.

Recognising expertise and ensuring that it is passed on

The Group recognises the wealth of knowledge and expertise represented by its senior employees (18% of the workforce is aged over 55), and is encouraging the transfer of skills and facilitating the emergence of new talent. Saur is also committed to making individuals feel recognised and valued for their operational excellence and expertise.

Developing collaborative working

Twenty years after its first intranet, Saur launched a digital collaborative working platform called MySaur in 2018. Used in conjunction with Office 365, it opens the door to collaborative working via Sharepoint or Teams, and provides users with a knowledge base administered by a Knowledge Manager. Accessible to all employees, this database brings together documentation that entities can use to boost their efficiency and raise quality levels.

Measuring employee satisfaction

An in-house opinion survey of around 1,000 employees has been conducted every year in France since 2017. The survey gathers their expectations and level of satisfaction on a range of subjects, including occupational wellbeing (interest in the work they do and the recognition they receive in return, the quality of internal relations, task-specific tools and resources, work/life balance, pay, etc.). With an overall satisfaction rating of 6.8 out of 10 in 2018, Saur remains clearly above the national average (6.2) (1) for the second year in succession.

(1) Source: the survey company Occurrence
**Non-financial INDICATORS**

In terms of France, the reporting scope covers all the water pure player activities - operations, engineering and infrastructure services - of Saur and those subsidiary companies (excluding real estate and financial subsidiaries) in which the Group held at least a 50% stake at 31/12/2018. Internationally, it includes the main operating locations of Cyprus, Poland, Saudi Arabia, Spain, and the UK, and adopts the same principle of majority shareholding. In terms of management contracts, only those data relating directly to Saur activity are consolidated.

Variances of reporting scope as a result of external growth, company disposal, company formation, company cessation or contract wins and losses are reflected in the indicators. The variance seen for 2018 relates chiefly to the acquisition of Alliance Environment and the increased holding of Saur in Emalsa, which is now above 50%.

The indicator consolidation definitions and methods are as stated in the Saur CSR reporting protocol. They are based on the guidelines of the Global Reporting Initiative (version 4).

### EMPLOYMENT INDICATORS

#### JOBS & DIVERSITY

<table>
<thead>
<tr>
<th>Unit</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Group workforce at 31/12</td>
<td>Number</td>
<td>6,102</td>
<td>6,702</td>
<td>6,711</td>
</tr>
<tr>
<td>Proportion of women</td>
<td>%</td>
<td>19</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Proportion of men</td>
<td>%</td>
<td>82</td>
<td>81</td>
<td>81</td>
</tr>
<tr>
<td>Proportion of women in the management population</td>
<td>%</td>
<td>25</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Proportion of women in the leadership positions</td>
<td>%</td>
<td>10</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Proportion of employees with permanent contracts of employment</td>
<td>%</td>
<td>93</td>
<td>92</td>
<td>92</td>
</tr>
<tr>
<td>Proportion of under-26s</td>
<td>%</td>
<td>8</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Proportion of over-55s</td>
<td>%</td>
<td>16</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Proportion of disabled employees</td>
<td>%</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

#### EMPLOYMENT INDICATORS

<table>
<thead>
<tr>
<th>Unit</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of external recruitments</td>
<td>Number</td>
<td>1,221</td>
<td>1,546</td>
<td>1,040</td>
</tr>
<tr>
<td>Proportion of recruitments under permanent contracts of employment</td>
<td>%</td>
<td>60</td>
<td>53</td>
<td>43</td>
</tr>
<tr>
<td>Proportion of women in recruitments</td>
<td>%</td>
<td>25</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Total number of departures (exc. transfers)</td>
<td>Number</td>
<td>1,021</td>
<td>963</td>
<td>1,077</td>
</tr>
<tr>
<td>Proportion accounted for by resignations</td>
<td>%</td>
<td>19</td>
<td>15</td>
<td>12</td>
</tr>
<tr>
<td>Proportion accounted for by dismissals</td>
<td>%</td>
<td>10</td>
<td>16</td>
<td>15</td>
</tr>
</tbody>
</table>

#### PAY

<table>
<thead>
<tr>
<th>Unit</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total gross payroll</td>
<td>€m</td>
<td>237</td>
<td>239</td>
<td>221</td>
</tr>
<tr>
<td>Total profit-related bonus reserve</td>
<td>€m</td>
<td>4.2</td>
<td>4.1</td>
<td>5.6</td>
</tr>
<tr>
<td>Total profit sharing</td>
<td>€m</td>
<td>8.2</td>
<td>6.2</td>
<td>6.6</td>
</tr>
</tbody>
</table>

#### SKILLS DEVELOPMENT

| Training | Number of training hours provided | Number | 104,920 | 87,193 | 85,278 | 77,568 | 126,264 | 114,023 | 112,171 | 101,329 |
|----------|----------------------------------|--------|----------|----------|----------|----------|----------|----------|----------|
| Proportion of employees completing at least one training course | % | 65 | 76 | 64 | 56 | 65 | 78 | 68 | 59 |
| Expenditure on training as a percentage of payroll | % | 2.5 | 2.1 | 1.9 | 2.2 | 2.2 | 2.0 | 1.8 | 2.1 |

#### OCCUPATIONAL SAFETY

<table>
<thead>
<tr>
<th>Unit</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lost time accident frequency rate</td>
<td>5.9</td>
<td>7.3</td>
<td>8.9</td>
<td>10.9</td>
</tr>
<tr>
<td>Severity rate</td>
<td>0.27</td>
<td>0.34</td>
<td>0.38</td>
<td>0.52</td>
</tr>
<tr>
<td>Proportion of annual revenue covered by OHSAS 18001 certification</td>
<td>%</td>
<td>95</td>
<td>95</td>
<td>ND</td>
</tr>
</tbody>
</table>

#### OCCUPATIONAL WELLBEING

<table>
<thead>
<tr>
<th>Unit</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee overall satisfaction rating (annual engagement barometer, scope France)</td>
<td>Rating/10</td>
<td>6.8</td>
<td>6.9</td>
<td>-</td>
</tr>
</tbody>
</table>

#### ABSENTEEISM

<table>
<thead>
<tr>
<th>Unit</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total rate of absenteeism</td>
<td>%</td>
<td>2.1</td>
<td>3.1</td>
<td>3.1</td>
</tr>
<tr>
<td>Rate of absenteeism for illness</td>
<td>%</td>
<td>2.4</td>
<td>2.4</td>
<td>2.3</td>
</tr>
</tbody>
</table>
### EMPLOYEE REPRESENTATION

| Total number of employee representatives (exc. health, safety and working conditions committee members) | Number | 480 | 463 | 456 | 517 | 543 | 512 | 506 | 568 |
| Number of health, safety and working conditions committee members | Number | 95 | 95*** | 95*** | 95*** | 125 | 115*** | 114*** | 118*** |

- : not applicable on the perimeter / ND: unconsolidated for the year

(*: value modified compared to the data published in the 2017 report

In 2018, Saur acquired Alliance Environnement in France, and increased its equity stake in the Spanish entity Emalsa at the end of the year. These external growth transactions impact workforce numbers: Alliance Environnement employees are now consolidated for reporting purposes, since this entity is now more than 50% owned by Saur.

Since this external growth took place at the end of the year, it shows little impact on payroll for the year.

In 2018, training initiatives were characterised by the introduction of initiatives to maintain end upgrade skills, with personally profiled training sessions whose average duration was longer than in 2017.

Once again, the focus on safety during the year resulted in fewer accidents, although this issue remains a major goal for the company.

### ENVIRONMENTAL INDICATORS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of annual revenue covered by ISO 14001 (environmental management) certification</td>
<td>%</td>
<td>95</td>
<td>95</td>
<td>93</td>
<td>98</td>
<td>91</td>
<td>92</td>
<td>ND</td>
<td>ND</td>
</tr>
<tr>
<td>Proportion of annual revenue covered by ISO 50001 (energy management) certification</td>
<td>%</td>
<td>83</td>
<td>87</td>
<td>ND</td>
<td>ND</td>
<td>74</td>
<td>76</td>
<td>ND</td>
<td>ND</td>
</tr>
</tbody>
</table>

**WATER - RESOURCE CONSERVATION**

| Water abstraction | Million m³ | 665 | 657 | 620 | 647 | 737 | 722 | 693 | 719 |
| Drinking water supply networks | % | 78 | 77 | 78 | 78 | 78 | 78 | 78 | 78 |
| Linear loss index | %/km/day | 2.1 | 2.3 | 2.2 | 2.2 | 2.4 | 2.4 | 2.4 | 2.4 |

**TREATMENT OF WASTEWATER BEFORE RETURNING IT TO THE NATURAL WORLD**

| Treatment of wastewater | Million m³ | 328 | 283 | 107 | 302 | 488 | 437 | 443 | 460 |
| Treatment efficiency in terms of COD | % | 95.0 | 95.2 | 96.8 | 94.6 | 94.4 | 93.5 | 93.4 | 92.5 |
| Treatment efficiency in terms of BOD | % | 98.3 | 98.5 | 99.0 | 98.0 | 98.0 | 97.5 | 97.5 | 96.4 |
| Treatment efficiency in terms of TNE** | % | 89.7 | 89.6 | 89.4 | 89.2 | 88.3 | 89.3*** | ND | ND |
| Treatment efficiency in terms of PPh** | % | 84.3 | 84.0 | 82.8 | 83.1 | 85.3 | 85.6*** | ND | ND |

**MICROPOLLUTANTS TREATMENT**

| Number of treatment plants equipped with Saur Carboplus® family processes | Number | 46 | 40 | 36 | 35 | 47 | 40 | 36 | 35 |

**WASTE AND THE CIRCULAR ECONOMY**

| Wastewater treatment plant sludge | tonnes of EM | 79,297 | 76,236*** | 72,969*** | 67,999*** | 112,800 | 106,309*** | 100,473*** | 98,185*** |
| of which recovered/reused | % | 97 | 97 | 97 | 98 | 98 | 98 | 98 | 97 |
| spreading part in sludge recovery | % | 44 | 42 | 45 | 48 | 38 | ND | ND | ND |

**ENERGY - ENERGY TRANSITION**

**Consumption of energy**

| Consumption of primary energy | GWh | 146 | 152 | 156 | 158 | 162 | 164 | 168*** |
| Consumption of electricity | GWh | 882 | 874 | 842 | 877 | 1,013 | 967 | 936*** | 965*** |
| Overall energy footprint imposed by business activities*** | GWh/Em | 0.90 | 0.94 | 0.95 | 0.93*** | 0.91 | 0.93 | 0.94 | 0.91*** |

**Energy efficiency**

| Consumption of electricity per m³ of water produced**** | kWh/m³ | 0.60 | 0.62 | 0.64 | 0.65 | 0.63 | 0.60 | 0.61 | 0.62 |
| Consumption of electricity per kg of COD eliminated**** | kWh/kg COD | 1.37 | 1.38 | 1.41 | 1.42 | 1.10 | 1.10 | 1.10 | 1.11 |
| Certified energy savings | MWh Cumul | 19,022 | 23,799 | 9,875 | 19,451 | 19,022 | 23,799 | 9,875 | 19,451 |

**GREENHOUSE GASES - CLIMATE CHANGE MITIGATION**

| Total GHG emissions | tonnes CO₂eq | 144,282 | 171,429 | 174,399 | 173,622 | 215,036 | 215,796 | 222,454*** | 228,318*** |
| Direct GHG emissions | tonnes CO₂eq | 41,276 | 41,923*** | 43,613*** | 42,824*** | 45,483 | 45,732*** | 46,509*** | 46,274*** |
| Indirect GHG emissions as a result of electricity consumption | tonnes CO₂eq | 71,279 | 81,391*** | 95,624*** | 93,786*** | 121,766 | 125,436*** | 144,178*** | 140,281*** |
| GHG emissions avoided | tonnes CO₂eq | 2,751 | ND | ND | ND | 3,643 | ND | ND | ND |

---

**CONSUMER HEALTH**

The changes seen in indicators for 2018 have been driven by the inclusion of new entities within the scope of our reporting. The first of these is the extension of the reporting scope to include our business activities in Cyprus (biowaste treatment for Vathia Gonia), while the second is the impact of external growth in general, and the Spanish company Emalsa (drinking water supply and wastewater treatment) in particular, where Saur increased its equity stake to more than 50% in October 2018.

ISO 50001 certification: the number of certified entities is unchanged from 2017, so the change shown relates to the monetary weightings of the entities concerned.

Energy: the process optimisation initiatives already in place continue to deliver further improvements in energy efficiency. For the period 2015 to 2018, these improvements are quantified at 8% in drinking water and 4% in wastewater treatment (France). The overall energy footprint in France and internationally shrank by 4% over the same period.

GHG: changes in reporting scope and emission factors make it difficult to compare emissions over the period between 2015 and 2018. However, energy optimisation initiatives have had a positive impact on emissions, and over the full extent of the French and International reporting scope, the reduction in emissions achieved during this period is estimated at 6%.

**ACCES TO WATER AND CONSUMER HEALTH**

| Quantity of drinking water produced | Million m³ | 656 | 631 | 595 | 603 | 725 | 694 | 666 | 673 |
| Number of drinking water production plants operated | Number | 1,725 | 1,817 | 1,624 | 1,842 | 1,756 | 1,848 | 1,855 | 1,876 |
| of which proportion of plants operated in rural locations or small communities (producing < 100 m³/hour) | % | 77 | 78 | 78 | 76 | 73 | ND | ND | ND |
| Length of water supply pipeline network | km | 177,291 | 185,620 | 181,336 | ND | 184,076 | 188,533 | 185,063 | ND |
| Bacteriological compliance rate for water supplied | % | 99.9 | 99.4 | 98.6 | 98.0 | 99.1 | 99.4 | 98.8 | 98.9 |
| Physicochemical compliance rate for water supplied | % | 97.0 | 97.6 | 97.5 | 97.6 | 97.6 | 97.0 | 97.8 | 97.8 |
**ACCESS TO WASTEWATER TREATMENT**

<table>
<thead>
<tr>
<th>Volume of wastewater treated</th>
<th>Million m³</th>
<th>360</th>
<th>303</th>
<th>329</th>
<th>311</th>
<th>520</th>
<th>457</th>
<th>485</th>
<th>470(*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of wastewater plants operated</td>
<td>Number</td>
<td>2,723</td>
<td>2,615</td>
<td>2,566</td>
<td>2,368</td>
<td>2,764</td>
<td>2,642</td>
<td>2,593</td>
<td>2,395</td>
</tr>
<tr>
<td>of which proportion of plants operated in rural locations or small communities/capacity &lt; 2,500 pe</td>
<td>%</td>
<td>74</td>
<td>74</td>
<td>73</td>
<td>72</td>
<td>76</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
</tr>
<tr>
<td>Length of wastewater collection pipeline networks</td>
<td>km</td>
<td>44,915</td>
<td>41,401</td>
<td>40,419</td>
<td>ND</td>
<td>49,252</td>
<td>44,811</td>
<td>43,771</td>
<td>ND</td>
</tr>
</tbody>
</table>

**CONTRIBUTION TO THE ECONOMY**

| Taxation, charges and taxes paid | €m | 158 | 165 | ND | ND | 170 | 174 | ND | ND |
| Expenditure on purchases from suppliers, service providers and subcontractors | €m | 637 | 605 | ND | ND | 724 | 681 | ND | ND |
| Share of purchases made from suppliers in the country where the company is located | % | 97 | ND | ND | ND | 93 | ND | ND | ND |

**WORKPLACE INTEGRATION OF YOUNG PEOPLE**

| Number of work/study students in 2017 | Number | 289 | 252 | 246 | 264 | - | - | - | - |
| Number of trainees and VIE scheme interns joining the company during the year | Number | 199 | 180 | 192 | 239 | 278 | 268 | 289 | 214 |

**BUSINESS ETHICS**

| Proportion of target employees trained on the subject of anti-corruption | % | - | - | ND | ND | ND | ND | 94(**) | ND |
| Proportion of target employees trained on the subject of anticompetitive practices | % | - | - | ND | ND | ND | ND | 94(**) | ND |

**SOCIAL AID**

| Total donations made by Saur Solidalités during the year | € | - | - | - | - | 150,000 | 150,000 | 130,000 | 130,000 |
| Rate of funds allocated by Saur Solidalités dedicated to water and sanitation access projects | % | - | - | - | - | 66 | 44 | ND | ND |

- not applicable on the perimeter per population equivalent
- VIE: International Volunteering in Business

**GLOBAL COMPACT**

<table>
<thead>
<tr>
<th>Respecting human rights is a fundamental principle of Saur enshrined in the company’s ethical charter. This principle is applied not only to the Saur human resources management policy, but also to its purchasing policy, which is designed to ensure responsible relationships with its suppliers and subcontractors, and via its relationships with at-risk communities. Identified as an important practical issue, it will be the subject of a Group-wide study to be conducted during 2019 to assess the need for any improvement in existing systems.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principles 1 &amp; 2</td>
</tr>
<tr>
<td>Support and respect the protection of internationally proclaimed human rights</td>
</tr>
<tr>
<td>Ensure not to complicit in human rights abuses</td>
</tr>
</tbody>
</table>

**HUMAN RIGHTS**

**INTERNATIONAL LABOUR STANDARDS**

| Principles 3 to 6 |
| Uphold the freedom of association and the effective recognition of the right to collective bargaining |
| Uphold the elimination of all forms of forced or compulsory labour |
| Uphold the effective abolition of child labour |
| Uphold the elimination of discrimination in respect of employment and occupation |

**ENVIRONMENT**

| Principles 7 to 9 |
| Support a precautionary approach to environmental challenges |
| Undertake initiatives to promote greater environmental responsibility |
| Encourage the development and diffusion of environmentally friendly technologies |

**ANTI-CORRUPTION**

**Respect for ethical values, the principles of integrity and regulation are priorities at every level of the company. In 2018, Saur formalised its anti-corruption policy, detailing how this commitment is implemented within the company. Dedicated training courses were provided for the members of management bodies, and staff occupying positions most exposed to the risk of corruption.**

| Principles 10 |
| Work against corruption in all its forms, including extortion and bribery |

**INTEGRATED CSR REPORT 2018**

As with environmental indicators, the changes seen in activity internationally during 2018 relate to changes in our scope of reporting (Cyprus and Emalsa).

As in previous years, the business conducted by the Group includes the provision of water supply and wastewater treatment services to urban and rural communities, backed by a commitment to deliver a consistent level of quality to all customers and consumers.

As a proactive contributor to the economic health of the regions it serves, 2018 saw the Group maintain a high percentage of purchases from suppliers located in its operating countries and increase its contribution to youth employment.

**The following table identifies how we are responding to these 10 principles. It also shows how our actions link to the 6 Sustainable Development Goals (SDGs) most impacted by the nature of the Group’s business activities.**

<table>
<thead>
<tr>
<th><strong>HUMAN RIGHTS</strong></th>
<th><strong>COMMITMENTS AND ACHIEVEMENTS IN 2018</strong></th>
<th><strong>SDG LINK</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Principles 1 &amp; 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support and respect the protection of internationally proclaimed human rights</td>
<td>Our CSR challenges as a water industry pure player</td>
<td>p.11</td>
</tr>
<tr>
<td>Ensure not to complicit in human rights abuses</td>
<td>Ethics and compliance: a strong commitment</td>
<td>p.19</td>
</tr>
<tr>
<td>Principles 3 to 6</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GLOBAL COMPACT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Respecting human rights is a fundamental principle of Saur enshrined in the company’s ethical charter. This principle is applied not only to the Saur human resources management policy, but also to its purchasing policy, which is designed to ensure responsible relationships with its suppliers and subcontractors, and via its relationships with at-risk communities. Identified as an important practical issue, it will be the subject of a Group-wide study to be conducted during 2019 to assess the need for any improvement in existing systems.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principles 1 &amp; 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support and respect the protection of internationally proclaimed human rights</td>
<td>Our CSR challenges as a water industry pure player</td>
<td>p.11</td>
</tr>
<tr>
<td>Ensure not to complicit in human rights abuses</td>
<td>Ethics and compliance: a strong commitment</td>
<td>p.19</td>
</tr>
<tr>
<td>Principles 3 to 6</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INTERNATIONAL LABOUR STANDARDS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principles 3 to 6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uphold the freedom of association and the effective recognition of the right to collective bargaining</td>
<td>Our CSR challenges as a water industry pure player</td>
<td>p.11</td>
</tr>
<tr>
<td>Uphold the elimination of all forms of forced or compulsory labour</td>
<td>Ethics and compliance: a strong commitment</td>
<td>p.19</td>
</tr>
<tr>
<td>Uphold the effective abolition of child labour</td>
<td>Our CSR roadmap to 2023</td>
<td>p.21</td>
</tr>
<tr>
<td>Uphold the elimination of discrimination in respect of employment and occupation</td>
<td>Facilitating access to clean water and sanitation</td>
<td>p.26</td>
</tr>
<tr>
<td><strong>ENVIRONMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principles 7 to 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support a precautionary approach to environmental challenges</td>
<td>Building special relationships with consumers through local services</td>
<td>p.28</td>
</tr>
<tr>
<td><strong>ANTI-CORRUPTION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principles 10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work against corruption in all its forms, including extortion and bribery</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>