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INTEGRATED REPORT



About this report

The 2019 Integrated Report presents the way in which the Saur Group 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 ambition, the way in which it creates financial and non-financial value for itself and its operating regions, how it manages risks and opportunities, its business model and governance. It also reports on the Group's contribution to the United Nations' sustainable development goals.

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.

In line with the Group's "pure player" strategy, the report exclusively features water-related activities from page 8 onwards (operations, engineering and works).

As the Group is more than ever tuned into the attitudes of its ecosystem, it has sought to include the views of a number of experts throughout this report. They agreed to share their opinions on the increasingly numerous and interconnected challenges of today and tomorrow. We offer them our warm thanks for the information they have supplied.

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Defending WATER

*“Tomorrow more than ever,
water will need Saur’s
commitment”*

The global crisis we have recently been experiencing has shown us that co-operation between public and private sectors – as well as employee commitment – are of key importance as we fulfil our obligations to our local regions. In a wider sense, it has revived the need to re-invent the company’s business model.

For the Saur Group’s 10,000 employees, this crisis has also provided an opportunity to test the strength of their front-line commitment, in normal and trying times alike, as they ensure that water stays safe and protected from any health risks so that it can remain accessible to everyone.

And they have demonstrated this commitment to the common good more than ever this year, and will continue to do so, because it is this legacy of commitment to local regions and their people – this specific expertise in serving the specific needs of our customers – that has guided us continuously since we first started our business in 1934.

Ultimately, working in water services, whether for a local authority or industrial company, means being constantly mindful that our mission is a public service. This is because water is a vital part of humanity’s shared heritage. Today, that conviction – which is shared by all Saur employees – assumes even greater strength. In this time of ecological crisis, both the quality and quantity of water are threatened, under pressure from global warming, demographic changes and agricultural and industrial activities. For those of us who have made water the cornerstone of our business, this is something impossible to ignore.

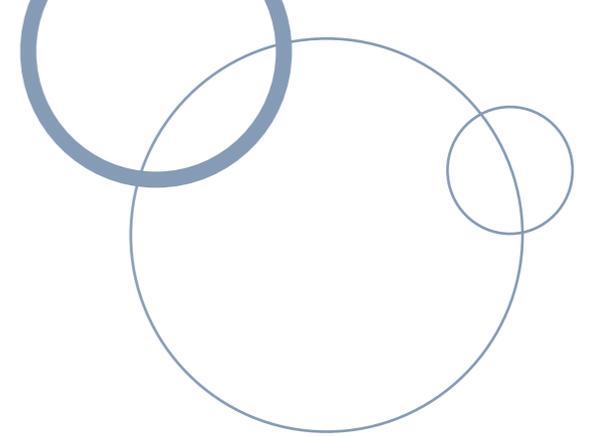
This ecological reality should prompt us to rethink our commitment to defending water. And if we are to be ready to face such issues, we will need to start by transforming ourselves. All of our strength, drawn from our past history, lies in our shared conviction in the importance of tackling these challenges; after all, for the past 90 years, we have shared the same commitment to the public good.

The purpose of the transformations we are currently undergoing is to equip us to fulfil our mission to defend water. And that means making sure that it is safe and available in sufficient quality and quantity, both in the short and the long term, for everyone, everywhere. It means making use of all our skills and innovations to ensure a sustainable future for water. But such a task will not be completed in two, five or even ten years. Making a **resolute commitment to defend water means building a long-term company strategy...** and that is what we are doing now.

Thanks to our medium-term strategy, with Initiative 2023 as its key milestone, and in support of our shareholder and partner EQT, we are now starting to build a plan for our future development based on four foundations: accelerating our digital transformation, tailoring our offers to account for the changing needs of our stakeholders, consolidating and developing our leadership status in the industrial market, and expanding our overseas operations.

These four pillars form the foundation of our strategic development. However, they would count for nothing without the real backbone of our Group: the men and women who bring it to life. They have demonstrated this once again during this unprecedented health crisis of 2020, standing steadfast at their posts. They will also be giving their all in the world to come, tirelessly defending water and working from their own local areas to build a shared world for everyone to live in.

Patrick BLETHON
Executive Chairman



GROUP profile

A recognised specialist in the water and sanitation sectors, Saur works in innovative, agile ways as it provides its expertise to local authority and industrial customers, addressing the challenges posed by a sector undergoing significant change. Its work is informed by a resolute commitment: to defend water.

OUR BUSINESS LINES



SUPPLYING drinking water

A vital service

Production, treatment, distribution and management of drinking water services, developing water preservation solutions and ensuring that the water supplied is of impeccable sanitary quality.

1,700

drinking water production plants operated

180,000

km of drinking water pipes operated



CONSTRUCTING water-related works

A land development mission

Engineering and construction of efficient, innovative and scalable water treatment facilities. Laying, reconditioning and maintenance of pipework.

750

km of networks installed every year by Cise TP

3,000

turnkey plants built by Stereau



TREATING wastewater

An essential environmental issue

Collection and treatment of used domestic wastewater, industrial water and treatment by-products in the interests of protecting aquatic ecosystems and the circular economy.

2,400

wastewater treatment plants operated

50,000

km of wastewater and rainwater pipes operated



MANAGING leisure facilities

Reinvented activities

Management of golf courses and campsites, emphasising human-scale design and offering innovative services anchored by a strong environmental policy and a new user experience.

130

campsites managed by Flower Campings

50

golf courses operated by Bluegreen

OUR KEY FIGURES FOR 2019



12.5 million

residents served worldwide



7,000

partner local authorities



10,000

employees



€1.5 billion

in annual revenue

THE SAUR GROUP WORLDWIDE



FINANCIAL performance

Turnover and EBITDA growth in 2019 driven by international operations and solid business in the French water industry and in engineering and works activities.

During the 2019 financial year, Saur produced a **turnover of €1,497m**, an increase of €138m compared to 2018 (+10%), a little over half of which (6.6%) came from organic growth, with the rest from external growth. Since 2017, turnover has risen by 16%, driven by an increase in turnover generated abroad (+€60m in 2 years, or +49%) and in engineering and works (+€41m, or +35%).

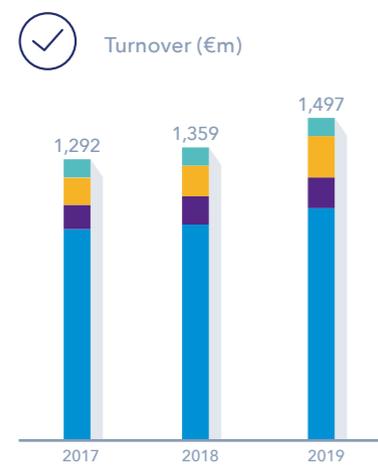
International growth has been driven by company acquisitions made since 2018, particularly in Spain and Colombia.

The "Water - France" category also grew by 8% compared to 2018 in a mature market, and has a portfolio that is diversified (with the largest contract accounting for 1% of turnover for this category) and stable, with local authority contracts signed for an average duration of 12 years.

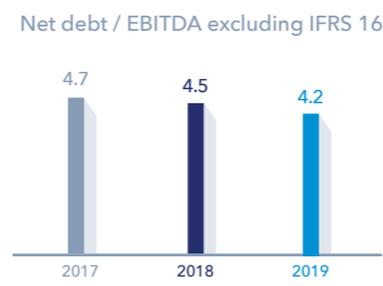
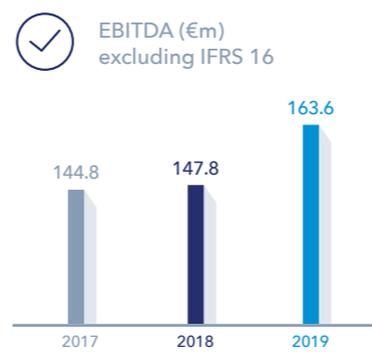
Measured using consistent methods (in particular excluding the impact of the IFRS 16 standard on leases, which entered into force in 2019) **EBITDA grew by €16m (+11%)** compared to 2018.

Gross investment now stands at €109m, a rise of 55% over 2018, including a doubling in the level of investment in the Group's digital transformation, from €9m in 2018 to €18m in 2019.

Net debt stood at €693m as of 31 December 2019, representing a net debt-to-EBITDA ratio of 4.2x, a drop of 0.3 points compared to 2018.



● Water - France
 ● Water - International
 ● Engineering and works
 ● Leisure



Results that support the Initiative 2023 development plan

The financial results for 2019 are the first step in implementing Initiative 2023, which mainly seeks to improve operational performance, win new business, accelerate international development and create a powerful technological platform dedicated to industrial water.

Continuing with this theme, at the international level, the Saur Group renewed its partnership in late 2019 with Saudi company Marafiq through their joint venture MaSa, for five additional years. In line with its ambition of strong growth in industrial water, Saur acquired Unidro (Italy) and Econvert (the Netherlands) at the beginning of 2020, representing an annual turnover of €60m.

In France, where the Group set up a new regional structure in late 2019 for its water activities, Saur signed new contracts worth 25 million euros in 2019, its second-best performance after a particularly successful year in 2018. Among the major new contracts were: Les Pennes Mirabeau, Caux Seine Agglomération, Cognac and Marmande.

As an active player of the ecological transition, the Group has continued to develop the imaGeau subsidiary, which specialises in the protection of water resources (acquired in late September 2017), and acquired the British company Riventa (energy-efficient pumping systems) in late 2019.

Regarding the Group's operations, the operational efficiency plan - initially launched in France - has delivered its initial expected gains,

which will be increased in 2020. This plan is also being rolled out internationally, particularly in Spain.

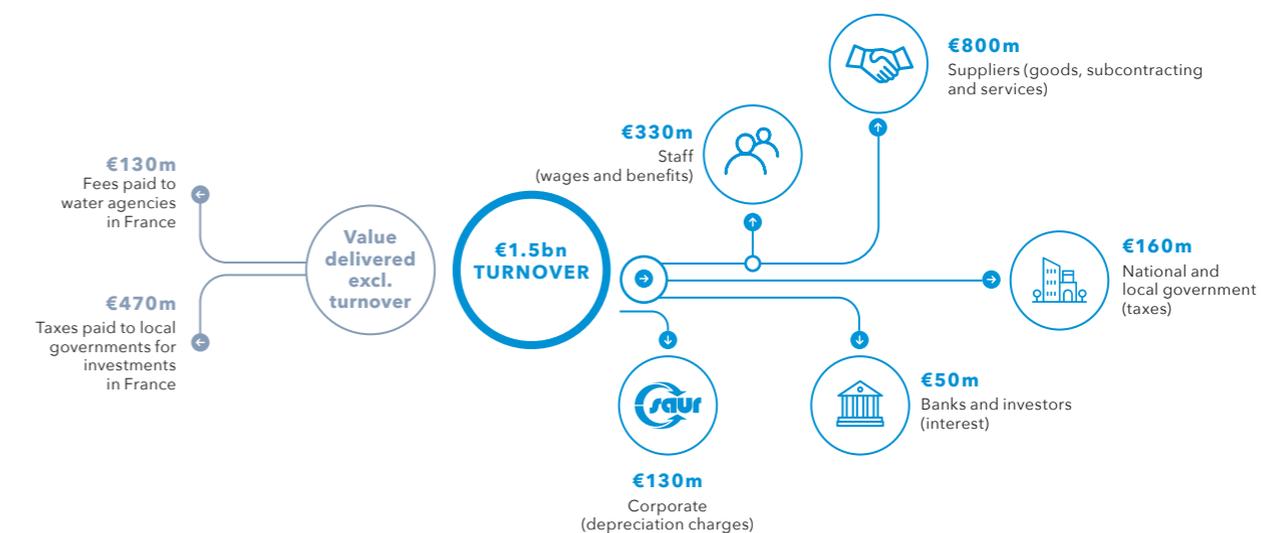
At the same time, in the fourth quarter of 2019 the Group launched a new multi-year plan for the digital transformation of its organisational structure, in order to improve operational efficiency.

Lastly, in the context of the current Covid-19 crisis, Saur has taken a series of decisions to protect its employees, ensure the continuity of vitally important services and protect its cash flows.



Creating value for the Group and its stakeholders

The Saur Group contributes to regional economic development by sharing the value created by its business activities.



HIGHLIGHTS OF 2019



Saur Industrie's first construction project: an industrial effluent methanisation unit for a paper mill in the Hauts-de-France region.

Saur acquires 51% of British start-up Riventa, a supplier of innovative solutions for the assessment and energy optimisation of pumping systems.



The Royan-Atlantique greater urban area awards Saur a nine-year contract for the management of its collective sanitation service, demonstrating its continued faith in the company.



At France's national firefighters' congress, Saur launches its DECI (external defence against fire) solution.

As part of a new employee shareholding plan, the Group opens the company's stock to employees in order to keep them invested in its strategic plans.



Saur moves into Latin America with the acquisition of Naunet, a water service company that serves 400,000 residents in one of Colombia's most dynamic areas.



The town of Cognac chooses Saur to run its public sanitation service until 2029, with a mandate to reduce infiltration water and improve energy efficiency.

At its Saint-Etienne Métropole wastewater treatment plant, Stereau commissions a wastewater biogas purification unit, which enables biogas to be injected into the urban network.

The Eaux Sud Calvados water utility, which serves more than 100 municipalities, awards Saur an eight-year contract for the production and distribution of drinking water. As part of the project, Saur will monitor water resources using EMI and employ predictive management tools to improve network performance.



Stereau implements membrane technology – a cutting-edge solution for protecting sensitive natural environments – at the new Grimaud wastewater treatment plant.



Saur wins a new contract in Poland to manage water and sanitation services for the Port of Gdansk – the largest in the country – and provide supplies to shipping vessels.

The Eaux d'Ile-de-France water utility chooses Stereau for the modernisation of its Arvigny drinking water production plant, an industrial "first" in low-pressure reverse osmosis.



ImaGeau's EMI application is enriched with public data for more than 4,500 historical water resource monitoring points in France, strengthening overall monitoring capability and effective decision-making in the interests of sustainable local water resource management.

Saur joins the "Wilco Industry" start-up accelerator to step up its water service innovation strategy.



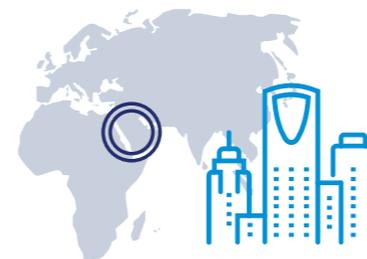
Seeking to modernise its drinking water plant, the Angoulême area's local authority chooses Stereau's Claricarb-R® solution, which treats micropollutants and manages rainfall-associated turbidity spikes in one process.



Cise TP is awarded a water security contract to lay 6.1 km of piping for a Seine pumping station linked to a drinking water production plant that supplies the town of Le Havre and its industrial sector.



The Guingamp-Paimpol local authority selects Stereau to design its new drinking water plant, which will be equipped with the CarboPlus® micropollutant treatment process.



Saur signs a five-year contract renewal with Marafiq to manage the industrial cities of Jubail, Yanbu and Ras Al-Khair (Saudi Arabia).

Gestagua strengthens its position in the Basque region with a contract covering the operation and maintenance of 11 drinking water production plants in Biscay (Spain), as well as the management of networks supplying 100,000 residents.



OUR STRATEGY AS A *pure player* IN THE WATER INDUSTRY

Aware of the threats to the environment, and convinced of the need to move towards resilient models of development, Saur intends to put its skills and values to use in fighting to defend water.

Protecting water means ensuring that it is safe, high quality, and available in sufficient quantities for everyone, everywhere, in the short and long term. For this reason, Saur's goal is to consolidate and strengthen its position as a pure player in the water industry, setting an example for its industry at a time of ecological crisis.

Backed by the skills that have made us proficient across the entire domestic water cycle, while still being able to provide solutions tailored to the needs of every local region, Saur has now set out to acquire a more detailed, shared understanding of the pressures on water resources, to ensure that they remain accessible in sufficient quantity everywhere.

This ambition is a logical extension for a Group which has always been rooted in the reality of the regions where it operates, and whose core business drives it to consistently combine economic efficiency with a positive local impact, both in social and environmental terms.

This is the goal of the long-term strategy which Saur has been developing since 2018 with its shareholder EQT, using the Initiative 2023 project - aimed at consolidating its basic foundation - to build the cornerstones of this strategy. Because the protection of water, more than any other resource, relies on the creation of a long-term strategy.

The years 2019 and 2020 are pivotal in formalising and expressing this clear vision, which represents a clear commitment to Saur's future. The Initiative 2023 plan, combined with the desire to present itself as a "defender of water", must be the first pillar of its strategic development.



The market is changing, as are professions and skills. The main thread of our transformation remains cross-disciplinarity. Indeed, the Group is actively involved in a variety of different areas, including: testing solutions in a project-oriented setting, using players with complementary skillsets; strengthening water treatment expertise; establishing new forms of relationships between service providers and consumers; and integrating new profiles (data analysis, IT functional expertise, product management, operations and logistics 5.0, hydrogeology, etc.).

Our strategic future is taking shape thanks to the commitment of men and women in four main lines of action.

Broadening the digital transformation of our business lines and services



Digital transformation is the basic condition required for improving water defence techniques, which is why Saur's goal is to develop:

- Streamlined operations: Saur has already made changes, including the wastewater treatment plant of the future, smart objects and data analysis techniques, which enable more targeted intervention work, as well as the use of algorithms.
- The enhancing of its customer offering (assets analysis, benchmarks, etc.).
- A re-imagined approach to customer relations management, in order to gradually turn our customers into conscientious consumers and eco-citizens active in their local region.
- Open innovation partnership strategies with incubators, smart city projects, and calls for projects within experimental regions.

Creating tailored responses to customer and consumer expectations

In response to the evolving expectations of stakeholders, Saur is building new solutions in the following areas:

- Technical performance of the service (network efficiency, water quality, wastewater treatment efficiency, etc.).
- Support for a sustainable ecological and energy transition (sustainable management of water resources, treatment of emerging pollution, sludge methanisation, etc.).
- Data transparency in relation to smart solutions and the challenge of preserving assets entrusted by local authorities.

With these in mind, the Group has entered into new forms of partnerships with local authorities, adopting an attitude of transparency with regard to the data returned to them by Saur. Saur also provides tailor-made options in its operational steering centre, depending on customer demands. The second issue is to consider the end user's needs by offering, in addition to water quality, additional services including (among others) digital interfaces.



Investing in cutting-edge technologies to serve the industrial market



A long-standing partner of the agrifood sector, the Saur Group is now enhancing the technological value it brings to the industrial market by creating a Europe-wide innovation platform dedicated to industrial water.

This enables the Group to support its future growth through industry-leading technological resources, in sectors with particularly strict requirements in terms of performance and safety (petrochemicals, pharmaceuticals, etc.). Saur can also draw upon a denser international sales networks thanks to the strong footholds enjoyed by its recent acquisitions in the Middle East, Asia, the United States and Northern Europe (Germany, Netherlands).

Accelerating our growth by internationalising our activities

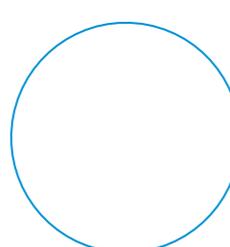
The Group is continuing its international development by implementing the most distinctive modules of its strategy at local level and dividing up its offering in order to meet the requirements expressed by prospects in a diverse ecosystem to which it must adapt.

Internationally, Saur is present in countries facing very diverse realities, ranging from technological markets requiring innovation to more emerging markets where expectations are focused on building or consolidating access to water and sanitation for the population.

The Group can capitalise on strong growth potential in Spain, and potentially in Latin America.



“The Saur Group: committed to defending water”



FOUR future challenges FOR OUR MARKETS

The Saur Group development in France and abroad is structured around four macro trends that impact its core businesses and business model.



The accelerating digital revolution

Described as the “third industrial revolution”, the digital revolution is profoundly reshaping the way we work, consume and collaborate. It is also transforming customer relations by offering additional services to simplify users’ lives or facilitate information sharing. The artificial intelligence and Internet of Things markets are becoming more mature and transforming society on a fundamental level. It is a development – a disruption, even – which presents considerable opportunities in the water industry, allowing us to streamline processes for greater agility and operational efficiency, rebalance customer relationships, and respond to new consumption patterns that demand greater responsiveness and ease of use. Having undergone a digital transformation over the last few years, the Group is stepping up its innovation strategy by leveraging an ecosystem of agile, disruptive start-ups, with higher standards for efficiency and competitiveness.

+ 2 pts / yr

productivity gains by 2024 through digital technology⁽¹⁾

68%

of the world’s population were using a smartphone by 2018⁽²⁾



The pressure on resources and climate change

Pollution, a growing demand for water and energy, water stress, a proliferation of extreme weather events, etc. Climate change and human activity, driven by demographic and economic growth, have produced an ever-growing series of impacts on resources and ecosystems, with increased competition over water. Local authorities and companies attempt to bring about an ecological transition and reduce their footprint and dependency on non-renewable resources. They are seeking new, more circular structural models that are more efficient and less demanding of natural resources. Local regions of the future will need to increase their resilience while managing the financial impacts of pollution and extreme weather events. This provides Saur with an opportunity to innovate for water defence, support the necessary changes in local regions, whether urban, semi-urban or rural, and to bring technological solutions to industrials.

1/4

of the world’s population faces water shortages⁽³⁾

2%

of treated wastewater is reused in Europe⁽³⁾



Growing societal expectations regarding the economic role played by companies

Whether through consultation processes or mass demonstrations, or via social networks, society is conveying its increasingly high expectations of the company and its contribution to the common good, with an implicit demand to achieve the UN’s sustainable development goals. The lines are shifting. This is evidenced by legislative changes, with the creation of new legal concepts (*raison d’être* and *entreprise à mission*) in France’s 2019 “Pacte” law, which articulate a requirement for companies to be both economically efficient and socially beneficial. Companies are required to make meaningful commitments to responsible behaviour and to back these up with actions that bring about collective progress, co-developed with the relevant stakeholders. These provide opportunities for Saur to affirm its ethical and community-minded values and strengthen its partnerships with local authorities by devising inclusive solutions that create value.

More than **100,000**

member companies of the United Nations Global Compact in nearly 170 countries⁽⁴⁾

62%

of French customers expect companies to tackle global issues such as sustainable development⁽⁵⁾



Changes in the economic, legislative and regulatory environments

Although the water market is buoyant worldwide, with an average growth of 4% per year, it is highly regulated in France and Europe. Both in France and abroad, the development of investment-intensive contractual models, as well as the growth in demand for treatment to address health and environmental challenges, are stimulating the markets accessible to water companies that work with local communities and industrial concerns. As a result of its expertise throughout the water chain and its ability to deliver modular services, the Saur Group is able to take advantage of these new trends and the associated potential for growth. In France, the NOTRe law is redrawing contractual boundaries and enabling the Group to develop new service offerings. Although the industry-wide *Assises de l’eau* initiative in 2018 and 2019 demonstrated the increased need for asset renewal, market dynamics will nonetheless most likely be affected by the Covid-19 health crisis.

A **4.9%**

annual increase in national water, sanitation and health budgets between 2014 and 2017⁽⁶⁾

45%

of world GDP under threat by 2050 from environmental and water resource pressure⁽⁷⁾

AN EXPERT’S VIEW



Observations by
Laura F. Zarza,
Content Manager
for Iagua

To what extent does the digital revolution represent an opportunity for transforming the water sector? Nowadays, people talk about “smart water”, but what solutions does that term cover?

Without question, the main challenge facing water management today is its scarcity. We are being pushed to reconsider our whole attitude to water, and – as a result of the digital revolution – we have the necessary tools to take on these challenges and use water intelligently in order to maximise economic and social well-being, without compromising its sustainability.

Thanks to new information and communication technologies (NICTs), it is now possible to map water resources and develop precise weather forecasting and availability models. The networks’ behaviour in response to different stresses can be anticipated, and improvements can be made to better manage them. With regard to service work, augmented reality can already provide us with a virtual control centre for a facility, and an

operator can become immersed in a recreation of that facility in order to identify the problem and model a solution. Lastly, data can be used to improve leak detection, gain better insight into water usage, and obtain data on treatment processes. The adoption of NICTs, particularly in industrial processes, is a reality for companies in this sector, with a corresponding impact on the entire water cycle. Their

implementation has brought about a significant improvement in production processes, including data collection and analysis, decision-making, infrastructure operations, maintenance work and user relations. This translates to greater efficiency and pushes the industry toward a more responsible, sustainable and transparent approach to water management.

Acting and partnering WITH OUR STAKEHOLDERS

The Saur Group has factored in the scale of the challenges facing its industry, and is aware that the task of defending water needs to engage all of its stakeholders. At a time of climate change, multiple players need to be involved in water management: local authorities, citizens, farmers, industrial concerns, experts, associations, NGOs, start-ups, etc. Recognising the importance of its mission, the Group intends to create increasingly close and committed partnerships to promote the most suitable solutions for ensuring that water remains a basic right for everyone, everywhere.

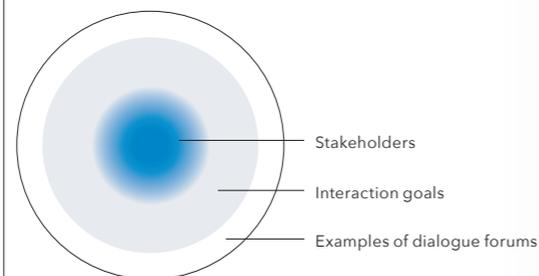
This process of dialogue and co-operation is nothing new for Saur. Its work has long been subject to fair-minded discussions governed by internal procedures. The Group's code of conduct is a reference guide for employees as they go about their professional business and conduct their relationships with all stakeholders.



The Saur Group: first player in the French water sector certified under the Iso 37001 anti-bribery standard.

By obtaining this certification, the Group has stepped up its efforts to conduct its operations in accordance with the highest international standards of business ethics. This accomplishment caps off a range of other CSR mechanisms, including an ethics charter, an anti-bribery policy and a personal data protection policy, all available on its website.

LEGEND



Controlling OUR RISKS, identifying OUR OPPORTUNITIES

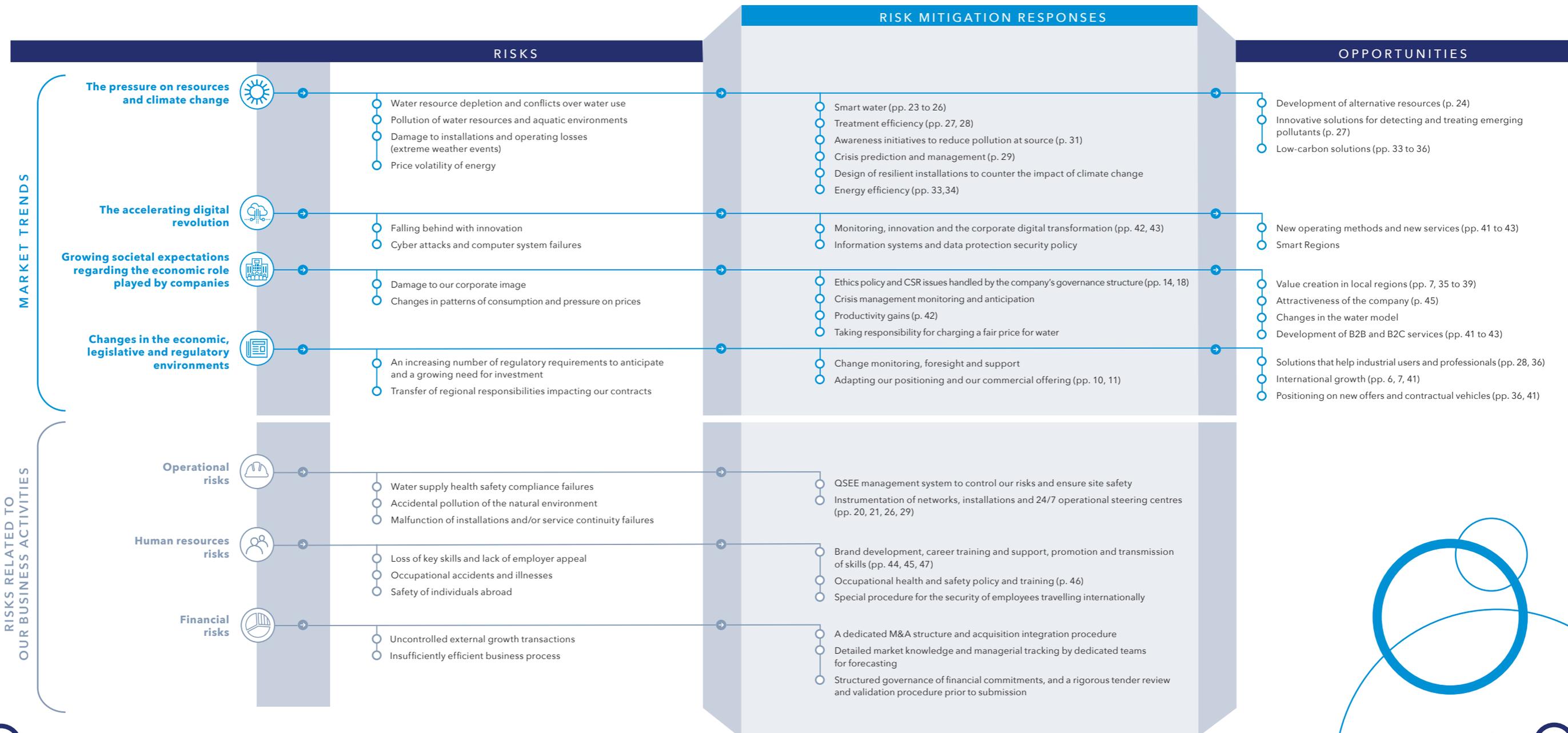
Changes in our environment are opening up new prospects for the Group and its customers. These changes call for agility and responsiveness in our day-to-day work. For the company, this requires robust analyses of threats and opportunities. Our strategy is focused on climate issues, the switch to digital, and customer satisfaction.

Our risk management policy

Risk management is the responsibility of the executive committee. It relies upon a comprehensive mapping process using the four types of risk identified by the COSO-ERM international standard: strategic, operations, 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.

In addition, Saur takes out dedicated insurance policies to cover various insurable risks.



A governance structure TAILORED TO THE CHALLENGES WE FACE

Saur's governance structure, which was renewed in late 2018 with the arrival of the new EQT shareholder, assists the Group with its strategic plans and supports its growth opportunities by making innovation and responsibility central to its work.

GOVERNANCE BODIES

Supervisory board and advisory board

Members of the supervisory board

- Jürgen RAUEN, Chairman and Independent Member
- Jean-François CIRELLI, Independent Member
- Philippe DELPECH, Independent Member
- Harald JENSEN, Independent Member
- Didier DELOFFRE, Employee Representative, Saur
- Matthias FACKLER, EQT Representative
- Thierry MALLET, Independent Member

The supervisory board has seven members: one EQT employee representative, five independent members and one employee representative. It bases its decisions on the work of an advisory board.

These two committees meet alternately at least once a month.

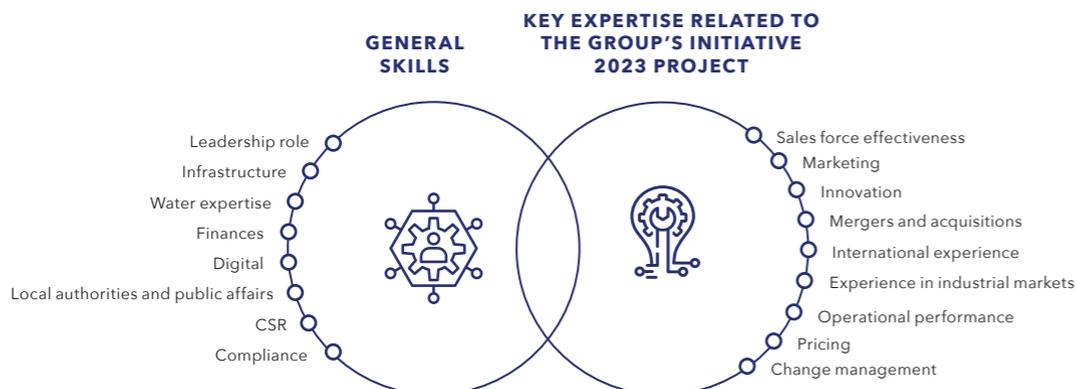
Their role is to oversee the management of the Group by its executive chairman. They make decisions on the Group's strategic issues.

19 meetings in 2019
97% participation

Members of the audit committee

Members of the appointments and remuneration committee

Varied and complementary skills and experience



Two specialised committees

Audit committee

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

Its core mission is to examine the financial statements to 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.

2 meetings in 2019
100% participation

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.

4 meetings in 2019
100% participation

General management committee

The general management committee is the body responsible for deliberation, consultation and decision-making on matters of strategy. It oversees the Group's performance in France and abroad, and ensures that the Group's project goals are achieved. It is chaired by Patrick BLETHON, and meets weekly.

Members of general management committee

- Patrick BLETHON, Executive Chairman
- Hugo BARDI, Chief Executive of Stereau
- Stéphane BRUNEL, Senior Executive Vice-President and Chief Financial Officer
- Corinne DESCOURS, Executive Vice-President Communication & CSR
- Anne-Laure DUVAUD, Executive Vice-President Corporate Secretary
- Estelle GRELIER, Senior Executive Vice-President Development, Marketing, Customer Services and Institutional Relations
- Alice GUEHENNEC, Vice-President Digital & Information Systems
- Christophe TANGUY, Senior Executive Vice-President Operations & Supply Chain
- Xavier SAVIGNY, Senior Executive Vice-President Human Resources, Organisation and Transformation
- Emmanuel VIVANT, Senior Executive Vice-President International



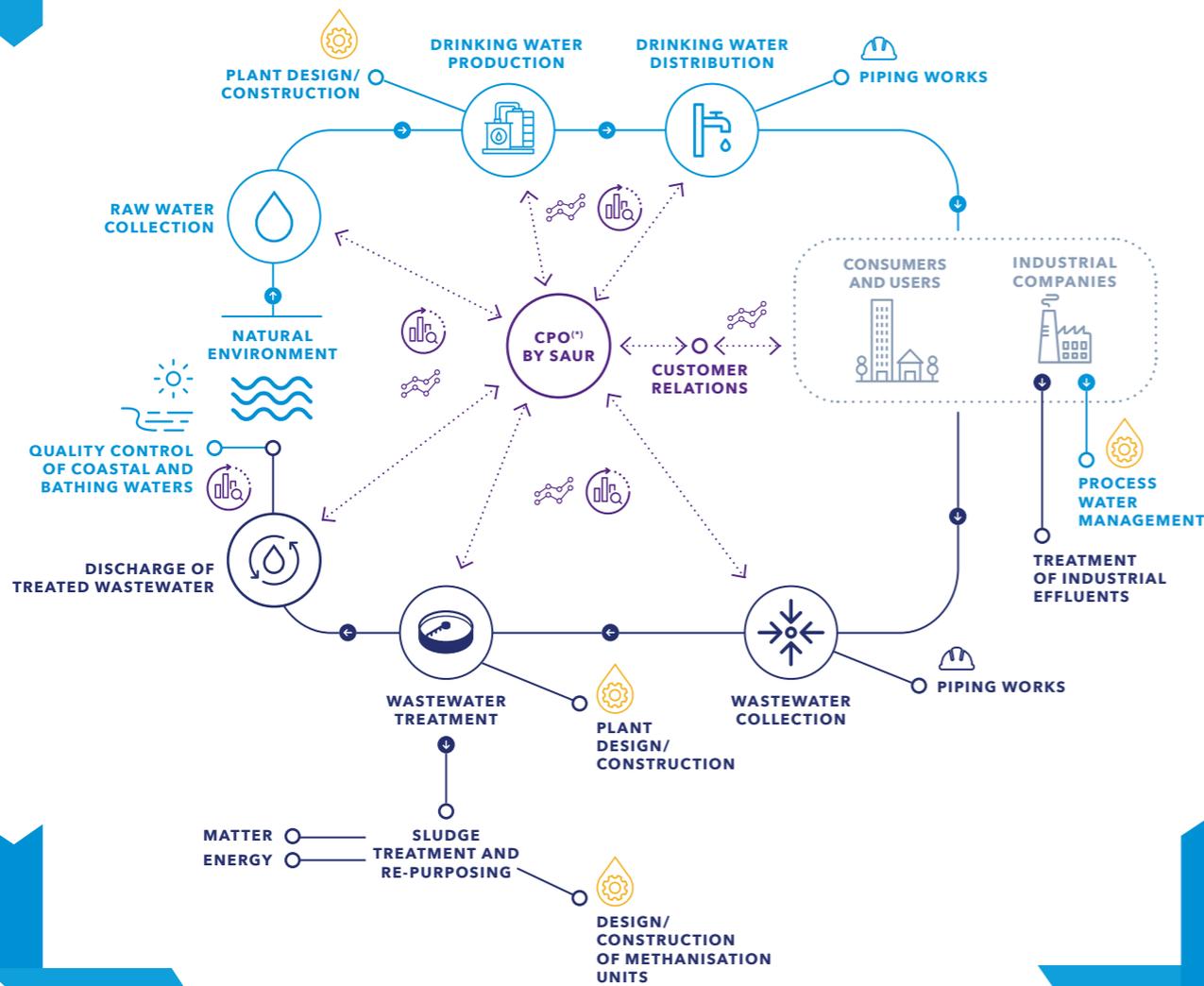
The principles and criteria governing the remuneration received by the executive chairman

Remuneration for the executive chairman is divided into a fixed and a variable component, reflecting the overall value created for the Group in the short, medium and long term. The variable component is determined using criteria closely related to how successfully the Group implements its Initiative 2023 strategy and achieves its financial and extra-financial targets, which are set based on demanding quantitative and qualitative performance criteria. The variable component is reviewed annually by the advisory board.

OUR value creation model

SAUR: A PURE PLAYER AND A WATER DEFENDER

CUTTING-EDGE EXPERTISE, SERVICES AND TECHNOLOGIES
at each stage of the water cycle, designed to serve local communities and industrial partners



LEGEND

- Smart water
 - . Active resource management
 - . Energy optimisation
 - . Smart networks
 - . Asset management
 - . Remote meter reading
 - . Constant sanitation assessment
- Quality analyses of supplied water
- Quality analyses of treated wastewater and the natural environment
- Cutting-edge technologies

OUR STRENGTHS AND RESOURCES

- Natural resources vital to our business**
 - Water (groundwater and surface water resources)
 - Sources of electricity and fossil fuels
- A solid industrial base managed by the CPO by Saur**
 - **1,700** drinking water treatment plants operated
 - **2,400** wastewater treatment plants operated
 - **230,000 km** of pipelines operated
 - **3,000** turnkey structures commissioned
- An ability to innovate**
 - **€5 million** invested in R&D and innovation
 - Nearly **60** active patents
 - Partnerships with start-ups incubators
 - Corporate acquisitions to strengthen our expertise
- People at the heart of our partnership relations**
 - The commitment and expertise of our employees
 - The trust of **7,000** local authorities and the demanding expectations of **12.5 million** residents
 - **18,000** supplier partners
 - A growing international presence

CREATING VALUE AND CONTRIBUTING TO SDGs (**)

- Ensuring sustainable, resilient management of the WATER CYCLE in the face of growing pressure on resources**
 - **78%** efficient drinking water supply networks
 - **500 million m³** of treated water returned to the natural world
 - **10** CPO, packed with smart technologies to optimise services and preserve water and aquatic ecosystems
- Maintaining the sanitary quality of distributed water and reinventing CUSTOMER relations to achieve an increasingly personalised, transparent service**
 - **750 million m³** of drinking water produced
 - **99.3%** bacteriological compliance in water supplied
 - **More than 200** regional branches and customer service points
 - A multi-channel relationship with consumers using call centres and digital communication
 - Home CPO and CPO Online: all the expertise of an CPO available locally and shared with local authorities
- Supporting dynamic REGIONAL economies and limiting the environmental footprint imposed by water services**
 - **97%** of purchases made in Group operating countries
 - **600** work/study and other trainees welcomed
 - **87%** of annual revenue covered by Iso 14001 certification
 - A reduction of our energy and carbon footprints by €m between 2017 and 2019, a **1%** and **7%** drop respectively
 - Local recovery of **95%** of wastewater treatment plant residual sludge
- Providing Group EMPLOYEES with an attractive, secure, fair, dynamic and collaborative professional environment**
 - **70%** of employees received training during the year
 - A **15%** reduction in the accident frequency rate between 2017 and 2019
 - A **68%** increase in the percentage of women in executives roles between 2017 and 2019



Protecting and safeguarding THE QUALITY AND QUANTITY OF WATER

The ultimate essential resource, water is now under threat from a variety of sources (demographics, pollution, climate change), with extreme events along with other, more subtle changes which are no less problematic. That's why the defence of water, in terms of both quantity and quality, is central to the Saur Group's strategy, as it works with a number of players in its ecosystem to tackle the issues of today.



AN EXPERT'S VIEW

Amid a context of climate change and resource pressure, in what ways can – and must – water management evolve? Should we develop alternative solutions, update economic models, or move toward a circular economy? How can this be done? Geographer and Ceres⁽¹⁾ director Magali Reghezza-Zitt offers a brief answer to this question

What would you say are the issues associated with water defence today?

It's difficult to give an overview of the issues associated with water: there are as many issues as there are regional areas! In every case, the parameters – not just environmental, but also social – are different: the availability of water, the "Mediterraneanisation" of the climate, the demographics, the displacement of pollutions, and so on. The water deficit may be either chronic or temporary, depending on these factors. And it can worsen depending on the social component, i.e. water use. Hotter summers will require cooling for towns and cities, accompanied by shifts in tourist pressure and possible conflicts over use. Pressure on water is also inversely proportional to water availability. That potentially means having to choose between supporting electricity production or agriculture!

What solutions are there?

We need to rethink how we use water and, depending on the geographical location, our perception of water: what constitutes acceptable water quality for each type of use? Standards should encourage this change. Additionally, water companies need to devise a resilient approach to their service, one that maintains business continuity during a crisis or an extreme climate phenomenon. Otherwise, a whole range of areas will become unprofitable for certain activities (industrial, tourist, agricultural, etc.).

How can we redefine our approach to water?

Local authorities – with the help of citizen movements – have woken up to the issue of universal access to water with a minimum level of quality. One possibility is to redefine what a public-private service means, with modulated prices according to best practices and volumes used. Beyond a certain level of consumption, prices would become a deterrent. The question then becomes: how can operators support customers in using water more responsibly?

(1) Ceres is a teaching centre for environmental and social issues within the Ecole Normale Supérieure (France).

Protecting WATER RESOURCES

The water cycle is experiencing increasing pressure due to the consequences of climate change (water stress, severe low-water levels, flooding, etc.). Saur is committed to its preservation, combining its expertise with the complementary skills of its stakeholders to provide integrated management of water resources and ecosystems.

Better resource management through better understanding

Climate change and human activities impact the availability and quality of water resources. A variety of models (the WRI's Water Risk Atlas, Drias rainfall projections for France, etc.) assess exposure to water-related risks by world region. The company needs to have access to such data if it is to plan and develop tailored solutions.

Coupled with the internal development of instrumentation and the predictive models developed by its data scientists, this information forms a foundation that the Group can use to produce recommendations for the relevant geographical regions (e.g. security upgrades, alternative resources, instrumentation for sensitive sites, etc.).

✓ Exposure to water stress according to the WRI⁽²⁾



LEGEND

- Low (<10%)
- Low - Medium (10-20%)
- Medium - High (20-40%)
- High (40-80%)
- Extremely high (>80%)

Size of rings proportional to number of regions where Saur operates in each country (e.g. 13 regions in France, 9 regions in Spain, etc.). Each portion of rings represents the number of regions related to the associated risk.



Added value of data and data analysis

Innovation is our No.1 ally in protecting water. The EMI web solution – developed by imaGeau, a Saur group subsidiary – anticipates the risks associated with the production of water from groundwater sources (shortages in the event of drought, overuse of boreholes, non-point source pollution, etc.). EMI provides a mapped view of four key indicators of local vulnerability. EMI's goal is to produce highly detailed analyses of aggregated data. Using this data, EMI can predict changes in the resources over the short, medium and long term, thus enabling local authorities to anticipate and prioritise their investments. In 2019, this solution was presented to the SIIViM ("International Innovation Summit in Median Cities", French edition) and awarded "Digital Innovation of 2019". It will be presented at the Quebec edition of the summit in 2020.

EMI chosen by

30

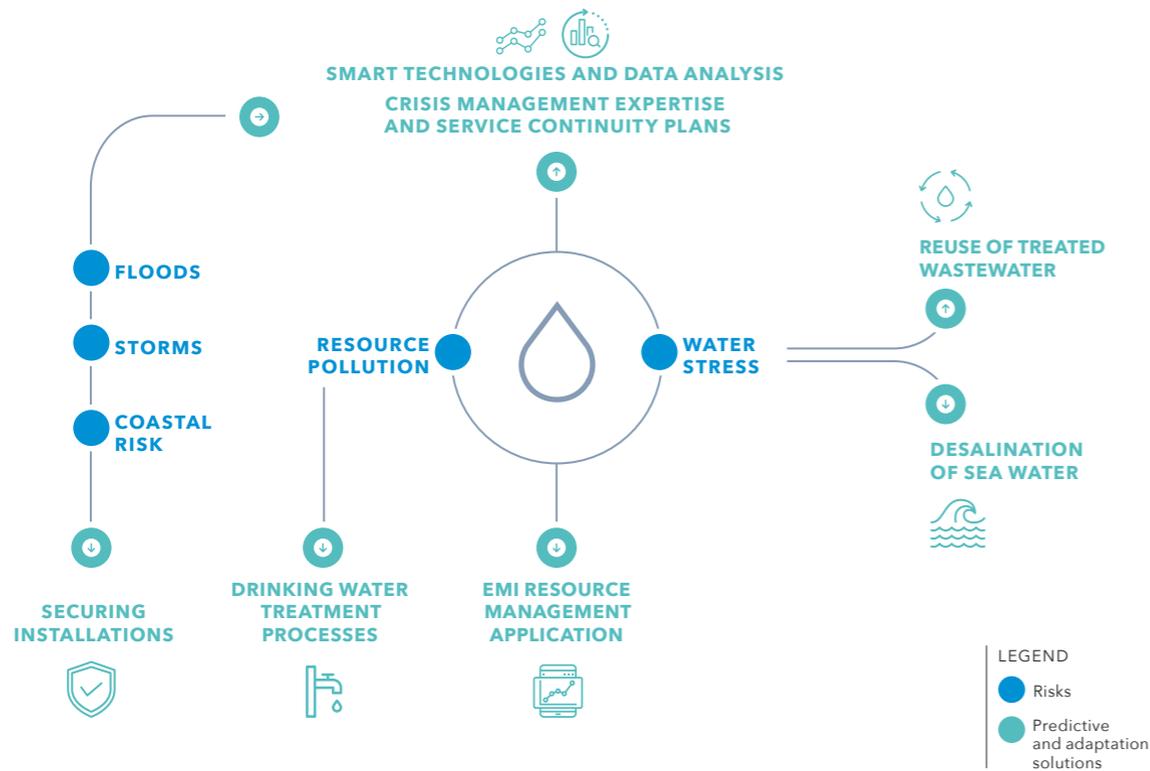
new local authority customers



(2) WRI - World resources institute - Aqueduct water risk atlas



Solutions in response to the impacts of climate change



Adapting solutions to local water resource issues

Solutions for rainy periods

During periods of heavy rain, drinking water treatment plants are regularly faced with peaks in the turbidity of raw water taken from the natural environment – a key indicator of water quality, as a number of pollutants such as bacteria, pesticides and drug residues can collect in suspended particulates.

In anticipation of tighter regulations aimed at further increasing the

water protection requirement, the Saur Group is offering its customers solutions for treating rainfall-sensitive raw water and ensuring consistent drinking-water quality. After a few runs in Le Havre (Seine-Maritime), Tolerme (Lot) and Nevers (Nièvre), the Claricarb-R® solution – an innovation developed by Stereau – is being deployed in the Pontil drinking water plant in Angoulême (Charente, France). This technology combines water clarification with an activated carbon treatment using the Carboflux® process. This keeps the quality of distributed water consistent, regardless of variations in the quality and flow-rate of raw water, and any deterioration in the quality of raw water is treated immediately.

Solutions tailored for water stress areas

Saur provides two types of technological solutions to its customers:

- the reuse of treated wastewater for agricultural, urban or industrial use, and for the replenishment of water reserves in compliance with the laws of each country;
- seawater desalination in countries or territories with low freshwater resources, such as the Canary Islands, the Antilles and Saudi Arabia. However, this process must consider both high energy-consumption levels and the vulnerability of facilities in the face of rising sea levels.

Increasing NETWORK PERFORMANCE THROUGH BETTER UNDERSTANDING

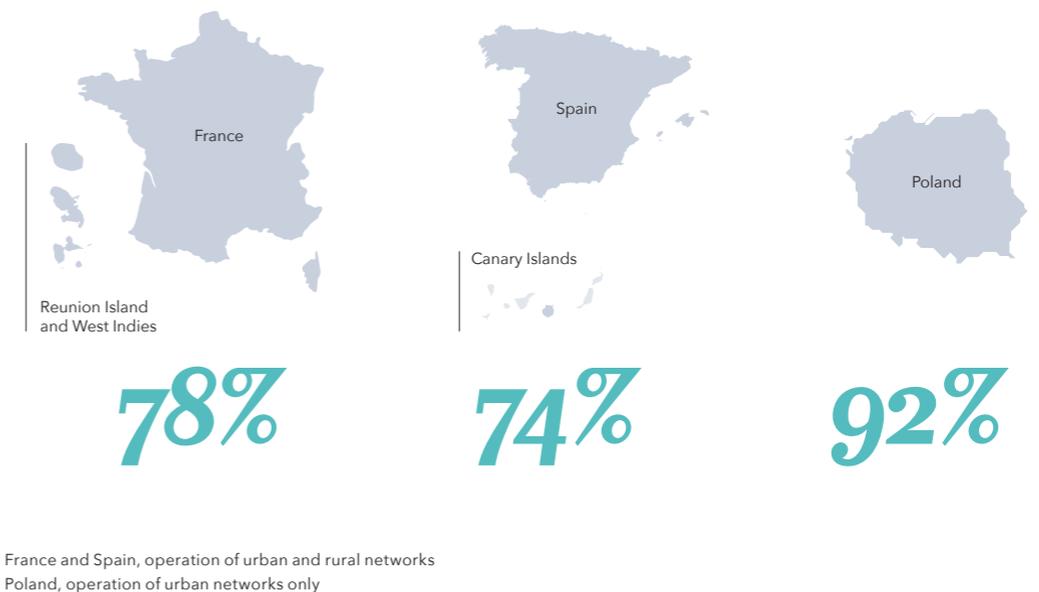
The distribution network upstream of the consumer

The network management policy developed by the Group relies on a combination of technological innovations and expertise concentrated in its operational steering centres.

Reducing leaks in the network is crucial from a societal point of view, and local authorities require solutions that will help them manage their ageing pipes as efficiently as possible. This is both a duty and a responsibility for all actors committed to defending water in each geographical area. The leakage rate is around 20% in France, according to a study co-published at the end of 2019 by the *Fédération des entreprises de l'eau (FP2E⁽¹⁾)*. However, this rate depends on the type of geographical area being served: in an urban setting, networks are more compact and thus offer the potential for lower levels of water loss.



Performance of networks operated by Saur



(1) <https://fp2e.org/>.

The Rézo+ expert solution developed by the Group is structured around the following key pillars: conducting appraisals by setting up an intelligent network, analysing data, managing site work visits based on data collected and interpreted by the CPO⁽¹⁾, and lastly, developing sustainability by prioritising investment in terms of maintenance and replacement. This is done with one end goal in mind: to increase the lifespan of the assets entrusted to our care by the local authority.

Greater responsiveness allows us to better identify and repair leaks, prioritise outstanding work, and improve network performance in the long term. The Saur Group is expanding its skillset by experimenting with new technologies, such as aerial leak detection with drones, or Pure Technologies' SmartBall® (a smart hydrophone introduced into the network to analyse acoustic signatures and diagnose leaks).

Machine learning algorithms are also used. When working with piping (based on the material used, previous incidents, diameter, age, vibrations from road traffic, etc.), the model learns from its "history" in order to match certain combinations of conditions with a high probability of leaks over a chosen time interval. Urgent replacements are thus prioritised for improved asset management efficiency.



The Saur Group is a participant in the Sphereau⁽²⁾ research project (Hierarchical programming solutions for water network efficiency), certified by the Hydreos (Grand Est region water sector) and DREAM («Sustainability of Water Resources within Aquatic Environments») clusters, in partnership with an ecosystem of organisations in eastern France. The purpose of this decision-making tool is to establish the most appropriate instrumentation for effectively monitoring water distribution systems at an optimal cost in medium-sized towns, based on a dynamic analysis of all network information. A pilot programme is under way in the Pulligny (Meurthe-et-Moselle) water network.

In addition to monitoring networks' hydraulic performance, the Saur Group also provides local authorities with the option of equipping strategic points in their networks with sensors to continuously monitor various parameters: flow rate, pressure, residual chlorine, turbidity, conductivity and pH. Intelligent data analysis makes it possible to quickly detect anomalies and minimise their impacts using predictive models. In late 2019, Saur installed intelligent sensors⁽³⁾ in networks covered by 18 different contracts.

Along with network instrumentation, the Saur Group is also developing ad hoc predictive models intended for specific contexts, such as "Predict-THM" kinetic modelling, which depicts changes in trihalomethane levels when bromides are present in drinking water networks.

The sanitation network downstream of the consumer

Sanitation networks, which suffer from ageing and blockages, need to be regularly inspected and maintained. Through its partnership with British start-up Acoustic Sensing Technology Ltd.⁽⁴⁾, which began in 2016, the Saur Group is able to make use of an innovative sonar-type pre-diagnostic technology. This system, known as SewerBatt™, allows workers to inspect the structural condition of networks, quickly and without major work. The results make it easier to target remedial work, making it possible to reserve more expensive video inspections for critical areas. After a series of conclusive test results from the Montauban, Causade, Montech and Beaumont-de-Lomagne (France) networks, Saur is working towards rolling this technology out to its customers.

Developing TREATMENTS FOR WATER QUALITY TAILORED TO EACH USE

Saur's know-how and expertise as a pure player in the water sector enable it to offer services to suit all requirements. Whether it's ensuring the sanitary quality of the water supplied to customers, tailoring treatments in accordance with industrial constraints, or maintaining the receiving environments to which wastewater is returned, the Saur Group provides bespoke treatment solutions.

Implementing processes in response to emerging pollutants

Consumers and public authorities are increasingly focused on the question of "emerging" pollutants (drug residues, micropollutants, endocrine disruptors, etc.). Saur has developed powerful processes to treat such pollutants and ensure that the drinking water it distributes is safe and high-quality. In this respect, the CarboPlus® family of processes - a Group exclusive for treating micropollutants - are enjoying growing success with local authority customers. They are suitable for treating both drinking water and wastewater. In the former case, they provide a secure supply of water amid an environment of polluted raw water; in the latter, they protect aquatic environments receiving treated wastewater.

2019 was marked by a number of openings and new modernisation contracts for plants using the CarboPlus® process, such as Guingamp-Paimpol (Côtes-d'Armor, France) and Pulligny (Meurthe-et-Moselle, France).

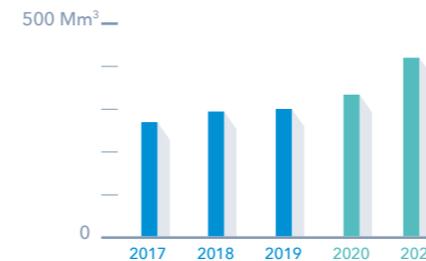


Opening of the new Syndicat des Eaux de Pulligny⁽⁵⁾ drinking water plant (France)

This drinking water production plant, which supplies 15,000 residents, is equipped with the Carboflux® process to reduce pesticides and micropollutants via adsorption, while improving the taste of the water for the consumer: an investment decision made by the local authority in preparation for changing quality standards.



Changes in the volume of water treated using a CarboPlus® process



49 sites equipped at the end of 2019, for a total of 300 million m³ treated/year



Qualifying the effectiveness of our solutions with bioassays

In early 2019, the Saur Group's R&D division created a test platform at the Saint-Fons wastewater treatment plant (Rhône, France) in order to demonstrate the effectiveness of the CarboPlus micrograins® process against non-point source pollution, with substantial analytical monitoring and a battery of bioassays (biological tools for detecting ecological stress). With 50% financing from the Rhône-Méditerranée-Corse water agency, this study - which ends in 2020 - brings together three partners: Lyon's INRAE, and the companies Hydreka-Inoveo and Viewpoint. Three types of bioassays are tested with primary organisms such as crustaceans, gastropods, leeches and bacteria. Initial results showed the positive impact of the fluidised activated carbon treatment, as well as the complementary character of the different measurement types, with inline visualisation of biological stresses that chemical analyses are very often unable to show.

(1) CPO - Operational steering centre
 (2) <https://www.tlgpro.fr/projet-sphereau/>
 (3) In partnership with Intellitect water
 (4) <http://acousticsensing.co.uk/>

(5) This water authority comprises 47 municipalities and is located in the heart of Lorraine.

Reverse osmosis: wide-ranging potential for improving water quality

Although commonly used for seawater desalination, reverse osmosis has many other applications. For example, to soften the water distributed and remove nitrates and micropollutants, high-performance membrane filtration solutions using low-pressure reverse osmosis can be installed. The Arvigny plant (Seine-et-Marne, France), operated by the Eaux d'Ile-de-France water utility, is currently undergoing modernisation and will be France's first industrial benchmark for this drinking-water treatment process. The water, pumped from the deep layers of the Paris basin, will be treated using eight filtration skids⁽¹⁾ in which the membranes are positioned. This technology produces pure water (with the membranes acting as a physical barrier), while also reducing the hardness of the water. Household appliances and boilers are thus less affected by scaling - an additional benefit for users.



Cutting-edge solutions for industrial users

Some industrial activities require very high-quality process water, such as the nuclear industry. For example, Saur Industrie was selected in 2019 to equip the Orano Malvesi site near Narbonne (France) with its ultrafiltration/reverse osmosis solutions. The treated water will be used for boilers, motor cooling or the dilution of chemicals.

The specific requirements of industrial users represent a significant market for the Saur Group. Its position in the industrial market was reinforced in Poland with the acquisition of Separator Service⁽²⁾, a specialist in wastewater treatment services for industrial customers - such as airports, military installations, service stations and motorway companies - with a specialisation in the separation of liquid industrial effluents containing a mixture of hydrocarbons and water.

Stricter requirements regarding the quality of water discharged by treatment plants

Although Saur takes great care at all times to ensure the quality of treated effluents returned to the natural environment, some particularly sensitive environments such as coastal areas with bathing sites or other activities related to the marine environment, require the implementation of specific treatments. The same is true for treated effluents intended for reuse. Membrane technologies are one possible answer to these constraints. A process of this kind was introduced in 2019 at the new Grimaud treatment plant (Var, France), which was built by Stereau to protect water quality in the Gulf of Saint-Tropez. Suspended particulates and microplastics are physically retained by the membranes, which also significantly reduce the amount of bacteria released into the natural environment, thereby ensuring bathing water quality. The treated water is clear, ensuring that the river retains its natural appearance before reaching the Mediterranean.

The same technology is being deployed in Colombia to re-purpose treated wastewater for local agricultural use, thereby reducing pressure on the resource.



Ensuring CONTINUITY OF SERVICE AND ACCESS TO WATER

In addition to the Group's ability to provide technical solutions for an efficient water service, maintaining continuity of service under all circumstances - and improving access to water and sanitation in communities where these benefits are lacking - are central to our responsibility and public service commitment, wherever we operate.

Taking local resilience into account

Increases in extreme natural phenomena (floods, storms, extended droughts) require changes in water and sanitation infrastructure and structural service-provision plans in order to anticipate and improve resilience in the face of such events.

In Spain, where drought situations are a regular occurrence, the municipality of Villarrobledo and Gestagua have worked together to better understand and anticipate long-term risks and minimise crisis situations. By modelling various drought scenarios, cross-referenced against consumption data and water supply performance, it has been possible to establish structural and operational preventive measures for optimal use of the boreholes available, alongside a leak reduction plan for the network.

A culture of engagement and common interest, with proven effectiveness in a crisis

Forward planning, vigilance and exceptional measures: these are the three levels that are activated by operational teams when dealing with the arrival of an exceptional event, whether climate-related or otherwise. This crisis mechanism is tested every year, and can maintain and/or quickly re-establish service continuity with local authorities. The Group's operational steering centres play a key role in managing these situations, ensuring the availability and coordination of the necessary resources in critical areas for maximum responsiveness, 24/7.

The Saur Group's crisis management structure and its civic-minded employees have once again demonstrated their effectiveness in maintaining continuity of service for water and sanitation during the Covid-19 health crisis.

Improving access to water and sanitation - everywhere and for everyone

Access to water and sanitation is recognised by the UN as a fundamental human right, and remains a challenge for one in three people worldwide. Historically, Saur has contributed to the delivery of these essential services in rural communities in France. This same drive to make a meaningful contribution to the development of water and sanitation infrastructure

underpins the company's international expansion goals. Universal access to water is a responsibility for all stakeholders in the sector.



2.2 billion

people - 29% of the world's population - do not have access to safely-managed domestic drinking water services⁽³⁾

In Colombia, where the Group established operations in June 2019, many infrastructure investments have been made to improve or provide water access to local communities. A desalination plant was fully renovated and recommissioned to supply water to 100 new homes; likewise, repairs were made to a deep borehole in order to supply drinking water to a rural area covering nearly 700 families. Investments have also been made to reduce the turbidity of the water distributed and ensure better network monitoring through the installation of district meters. Lastly, in Maicao, several kilometres of networks have been installed to provide water or sanitation to around 350 users. The goal is to make all areas fully habitable.



Protecting water with natural solutions inspired by nature

The Group's natural lagoon system (with reed-bed filtration) has been used to treat wastewater for a number of years; as it is no longer able to meet the latest discharge standards, research into improving this process has been conducted with Ifremer, Inria, Ecosym and Naskeo Environnement. The Phycover project, initiated in 2016, has explored an innovative avenue for treatment using microalgae, which offer improved removal of suspended particulates, nitrogen and phosphorus. It is very effective in summer months, and is particularly well suited to towns with seaside activity.

(1) These are filtration solutions with multiple filters, each serving a specific purpose
(2) <http://separator.pl/>

(3) Report by the 2019 WHO/UNICEF Joint Monitoring Program

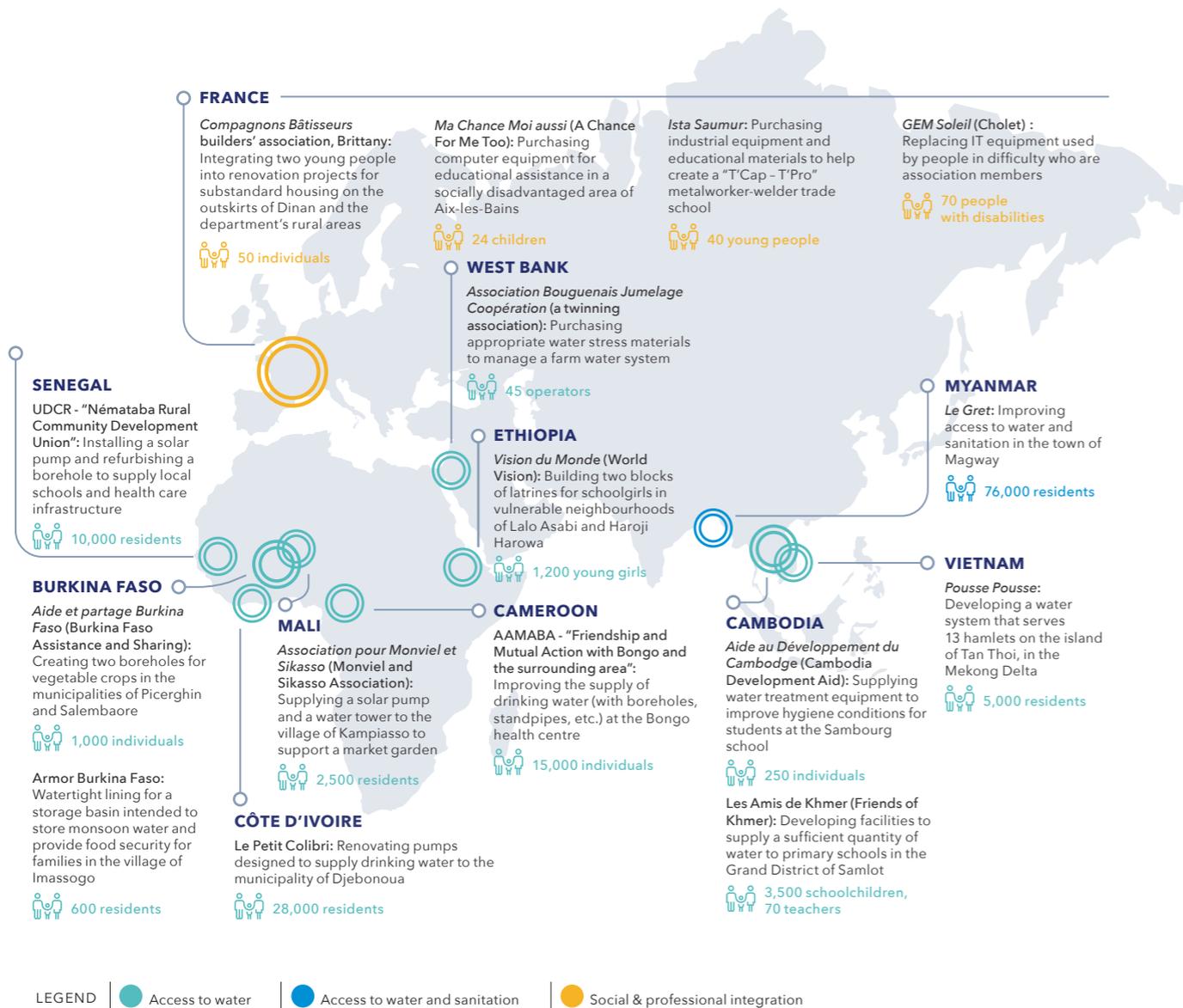
Saur Solidarités: an endowment fund for the most vulnerable

Since 2007, the Saur Solidarités endowment fund – and before that, the Saur Foundation – has been working to support public-interest initiatives, with a particular focus on local regional development efforts in France, as well as in countries where water defence is a daily issue.

Access to water and sanitation is a key avenue for improving the daily lives of vulnerable population groups. Each supported association is sponsored by a Group employee. These sponsors can, where appropriate, travel to the areas in question and provide services in the form of a skills sponsorship. This support goes beyond basic financial assistance to provide the Group's expertise directly to the associations.

16

projects supported in 2019, 75% of which are associated with access to water and sanitation



Engaging ALSO MEANS STIMULATING INTEREST

To ensure that in future, everyone can be involved in defending water, Saur is carrying out numerous public awareness-raising initiatives.

"The hidden treasure of wastewater": a new resource for the local region in Montauban

Participated in the agriculture and innovation fair held in Montauban (Tarn-et-Garonne, France) from 4 to 6 October 2019, where topics of discussion included golf course irrigation with treated wastewater from the treatment plant, as well as the production of standardised compost from the plant's sludge.

Fête de l'eau water festival: an event held every summer on the beaches and bathing areas of France.

Established a travelling educational village aimed at informing and educating young children, with games and fun workshops on the themes of looking after water, preserving biodiversity, and practical ways of caring for the environment.



Konstancin Days: an annual event to achieve widespread awareness

On 15 and 16 June 2019, Saur Konstancja (Poland) sponsored this annual event, held in the Konstancin-Jeziorna municipality's spa resort, where children participated in many fun events, including workshops on chemistry and photovoltaics.

The Water Playground cycle: a record-breaking water-themed playground

In Poland, Gdańsk's "Water City" travelled to Orunia, Jelitkowo, Przymorze and Kokoszki, offering a 24-hour format designed to teach pro-environmental behaviour through play.

Industrial tourism: a gateway to diversity in water usage

The Gdańsk treatment plant (Poland) holds open days on two Saturdays every year to offer visitors an educational journey. The tour is led by guides, who describe the wastewater treatment processes involved and explain the impact of waste that is not meant to be disposed of in the sewers. SNG's hosting of the "Water Fun Land" festivities also picked up an award at the "Gdansk City of Entrepreneurship" event, held by Gdańsk's Entrepreneurship Foundation in association with the Municipality of Gdańsk and Polska Press.



The "Water Guardians": promoting our shared responsibility for water through innovation

A full range of media was used to help establish the Saur Group as a new water player in Colombia. Multichannel communication and partnership initiatives were employed to communicate educational messages to consumers and schoolchildren, ensuring that they can all become "water guardians" through their daily behaviour.



Democratising water issues in Spain from an early age

In addition to water-saving measures, schoolchildren's awareness was further raised by Gestagua using educational kits and mascots to describe the main pollutants found in water and explain which items cannot be disposed of in the sink or toilets, or left abandoned in the environment.

Supporting local regions IN THEIR TRANSITIONS

The Group's business is by nature deeply rooted in local regions, and is always based in part on its proximity to, and relationships with, customers and users. By maintaining such close ties, the Group bears a responsibility to address the specific challenges these regions face, particularly with regard to professional integration and the ecological and energy transition.



AN EXPERT'S VIEW

How can we shape the local regions of tomorrow? How can we support this transition? The Saur Group interviewed Yannick Blanc, Chairman of Futuribles International⁽¹⁾, to ask him these questions. A few excerpts from our conversation below:

What would you say are the issues associated with regional transitions today?

Ecological and low-carbon transitions, social and inclusive transformations, demographic movements: it isn't possible to split regional transformations into neat segments like this, because everything is linked. What we are experiencing with these various

crises - whether ecological or health-related - shows us the extent to which social, environmental, economic and societal factors feed and influence one another.

What role can a company like Saur play in supporting this transition?

Water is a key resource for local regions - in terms of its quality, of course, but also its availability. Water has long been managed as an abundant resource, but there will need to be a paradigm shift. A company in the water sector has to tailor the solutions and services it offers based on how people use them. In addition, an economic player like the Saur Group can - and must - play a key role in the socio-economic dynamism of local regions, by offering employment and professional integration.

What part do new approaches such as co-construction, consultation and collective thinking have to play in transforming local

regions? And what are the pitfalls?

While national borders are crumbling, barriers between stakeholders are coming down too: between the public and institutions, and between companies and associations and foundations. This is the time to be seeking out partnerships, giving everyone a greater ability to take action. The difficulty of such a collaborative approach lies in enabling each type of stakeholder to make their own contribution to the transition. The current obstacle - as the crises have shown - is that there has been a lack of creativity in how we take collective action. The solution is not so much to revolutionise the model as to expand upon it, combining our companies' industrial know-how, technical culture and scientific excellence with user experience. No stakeholder is able to develop a strategy in isolation. We should never underestimate the sum total of the skills available in the population as a whole. It's a resource that always has the power to surprise!

(1) The Futuribles International association is a futurology think tank. Its goals are to understand current transformations, explore possible futures, debate the issues of tomorrow and inform policies and strategies.

Taking action

TO ENSURE A REDUCED ENERGY FOOTPRINT

Like water, energy is a resource that needs to be managed, with an emphasis on the company's role as an operator that contributes to local regional initiatives, including climate plans, local resilience projects, sustainable cities, and so on. The Group's actions are driven by a desire to set an example, innovate and promote change, while working with local communities to build sustainable solutions that set us apart from the competition.

Setting an example in the energy and carbon performance

Although the water industry's impact on the climate remains moderate compared to other industries, it may still account for a non-trivial share of a region's emissions. It is therefore imperative to control the energy and carbon performance of water and sanitation services, so that we can deliver a competitive service and assist our local authority customers with their energy/climate strategies. Defending water always implies - first and foremost - a commitment to limiting the environmental phenomena that may ultimately threaten it.

Saur has been active for a number of years in improving the energy efficiency of its facilities, thanks to new innovation opportunities driven by digital technologies. To achieve its objectives, the Group is working with an ecosystem of innovative SMEs and start-ups. Its work is focused in two main areas:

- The identification of more efficient equipment, including intelligent sanitation pumps from the US company Xylem (tested in 2019), which are designed to reduce blockages and energy consumption;
- The implementation of innovative algorithms and sensors used to automate and simplify processes for analysing installations' operational data, and conduct operations more efficiently.



Energy footprint
(within the reporting scope defined in p. 48)

0.92

GWh / €m in 2019

A 1% reduction between 2017 and 2019, despite an increase in the Group's net energy consumption resulting from the incorporation of Emalsa - a Spanish subsidiary in which the Group has held a controlling stake since October 2018 - which is involved in the highly energy-intensive process of desalinated water production.



In 2019, Gestagua became the first Spanish company to receive Iso 50001 certification from AENOR.

74%

of turnover covered by Iso 50001 energy management certification
(within the reporting scope defined in p. 48)

Through its acquisition of 51% of British start-up Riventa⁽¹⁾ in 2019, the Group acquired an innovative solution for monitoring the real-time performance of pumps in drinking-water production plants – a key process in energy optimisation, as pumping accounts on average for 70% of the energy consumed by a plant. The technology has been successfully trialled at several pilot sites, and as of 2020, it is now being rolled out to the 60 top drinking-water plants operated by Saur, with expected energy savings ranging from 5% to 20% of annual pumping consumption.

The Group is also exploring the use of artificial intelligence algorithms to improve its energy performance for other applications, such as: a joint initiative with Purecontrol to develop a virtual assistant for the operation of small to medium-sized wastewater treatment plants; or the Metron solution, designed for the real-time identification of optimal settings for incinerating sewage sludge at the Saint-Fons treatment plant (Rhône, France).



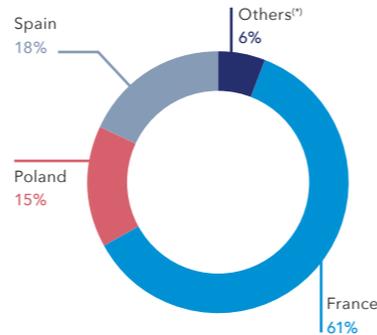
Incorporating the Saur Group's operations into an ecosystem sensitive to ecological issues

Saur is examining new offerings from car manufacturers to reduce the footprint of its vehicle fleet, in addition to improving travel for its staff. Allowing for range limitations, electric vehicles have been supplied in some areas, such as the Pays de l'Or greater urban area (Hérault, France), where the vehicles are used for meter reading. In Poland, 10% of the company's vehicle fleet consists of electric vehicles – in accordance with national regulations – and car sharing is employed. In Scotland, electric vehicles are being used for maintenance and operational work at the Glasgow wastewater treatment plant.



Carbon footprint (within the reporting scope defined in p. 48)

Breakdown of total GHG emissions in 2019
(scopes 1 and 2)



(*) Saudi Arabia, Cyprus, UK



235,000 tonnes of CO₂e

66% of which is linked to energy consumption



Contributing TO THE PRODUCTION OF NEW RESOURCES

“Next generation” facilities, which create renewable energies or new materials, provide additional added value for local regions. Many opportunities have been taken to maximise their environmental value beyond drinking water production or wastewater treatment, in order to incorporate the production of new resources.

Producing energy through methanisation

The methanisation of sludge from domestic treatment plants or industrial effluents makes it possible to produce green gas. This renewable energy production method is booming at a time when local regions are favouring circular economy projects and targeting lower dependency on fossil fuels. The Saur Group assists local authorities and industrial operators with their projects, and aims to develop a slate of services for small-scale wastewater treatment plants, where profitability thresholds are harder to achieve.

The aim is to reduce the volume of waste and convert it into renewable energy as a replacement for fossil fuels. Once captured, the biogas can be reused on site and/or converted into biomethane for reinjection into the gas network. The Furania wastewater treatment plant (Saint-Etienne Métropole, France) took advantage of the Group's skills and innovative abilities when it hired Stereau to build a purification unit to treat the plant's biogas and inject it into the urban biomethane network. This expertise was also

acknowledged by the intermunicipal sanitation authority of Marne-la-Vallée (France), which, in early 2020, entrusted the Group with a concession contract for the treatment of wastewater in its region, including the construction and operation of a methanisation unit. Through its work in this region, Saur continues to demonstrate its expertise in environmental issues. After Saint-Etienne and Aubenas, this represents a new benchmark for Stereau in the construction of methanisation units.



Methanisation is a natural process involving the biological degradation of organic matter, which produces gas known as “biogas” or green gas. In treatment plants, this organic matter comes from sludge and grease produced during wastewater treatment.

According to data estimated by Ademe (2014), the entire theoretical methanogenic potential from all the sludge WWTP is 2.13 TWh / year.



At the Glasgow wastewater treatment plant (UK), which serves around 600,000 residents, the Riventa diagnostic system has identified energy optimisation potential for items that account for around 60% of the energy consumed by the site – pumping and air overpressure – and has led to the development of an optimum replacement plan.

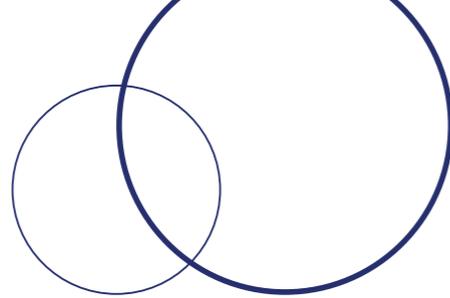
The Group will also test the Riventa solution in Jubail (Saudi Arabia), on one of the world's largest seawater cooling units. The objective is two-fold: to reduce the installation's substantial energy footprint, and to optimise the highly complex and costly maintenance cycle for the 28 pumps that draw seawater from the Persian Gulf.



Building solutions with industrial partners

Saur Industrie has built a methanisation unit at the Sical paper works (Groupe Rossmann, France) in order to help the company treat its effluents under increasingly drastic discharge constraints, at a time when its production capacity is expanding. The unit will be operational in 2020, and will produce 100 Nm³/hr of biogas treated and re-purposed for the plant own energy needs, thereby reducing the company's reliance on fossil fuels... and its carbon footprint.

Following several months of operations at the Orangina wastewater treatment plant (Meyzieu, France) and its methanisation unit, Saur Industrie was able to improve the quality of the waste discharged into the Grand Lyon sanitation network and significantly increase the quantity of biogas recovered.



Co-exploiting water and heat via a unique resource: the Albien aquifer

Exceptional both in terms of its dimensions and the quality of its water, the Albien deep subterranean captive aquifer covers a large part of the Paris basin (France). Located at a depth of 600 metres, its water is at a temperature of 28°C. A single-purpose public-private partnership (SEMOP) has been created to drill into, exploit and maintain this aquifer. Thermal recovery work will be performed to extract calories from the water using heat pumps. The heat produced will be injected into the urban heating network. The raw water will have its iron content extracted to make it potable, providing water resources for the town of Saint-Germain-en-Laye (Yvelines, France). 980,000 m³ of water will be pumped up every year, representing 40% of the consumption of the town of Saint-Germain-en-Laye.



Objective: to increase the share of renewable energy in the production of heat for the district heating network of the town of Saint-Germain-en-Laye from 50 to 80%.



Boosting the local introduction of renewable energies

One of the issues addressed by the Corrèze Renewable Energies public-private partnership (Nouvelle-Aquitaine, France), created by the Corrèze Departmental Council in May 2019, is biomethanisation. This company operates under private law, but with mixed public-private capital from expert partners: Saur, Sunseo⁽¹⁾ and Hydrowatt⁽²⁾, each specialising in a renewable energies sector that the department wishes to develop. Regarding biomethanisation, a study has been launched to identify all sources of raw materials (agricultural and community waste). Saur will work alongside farmers in particular to develop this project.

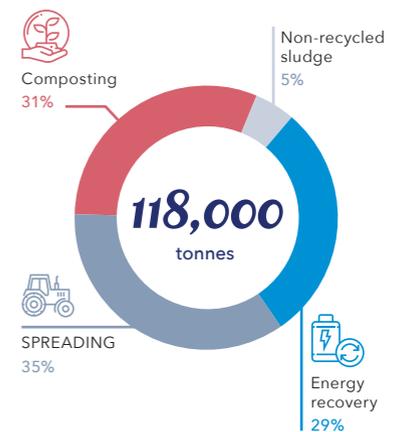
Participating in the circular economy by recovering what can be recovered

In addition to the methanisation of sewage sludge and the reuse of treated wastewater, which serve to orient the Group's operations around a circular economy approach, the Group's R&D teams are also exploring the possibility of using treatment processes to create new resources. For example, the Group is developing a process for re-purposing carbonate beads from its Calcycle® water decarbonation process. In 2019, a feasibility study was conducted at Calcia sites located near factories equipped with the Calcycle® solution, in order to examine whether this material could be re-used for the cement manufacturing industry. If this experiment is successful, research will be carried out to see if it can be extended to other sites.

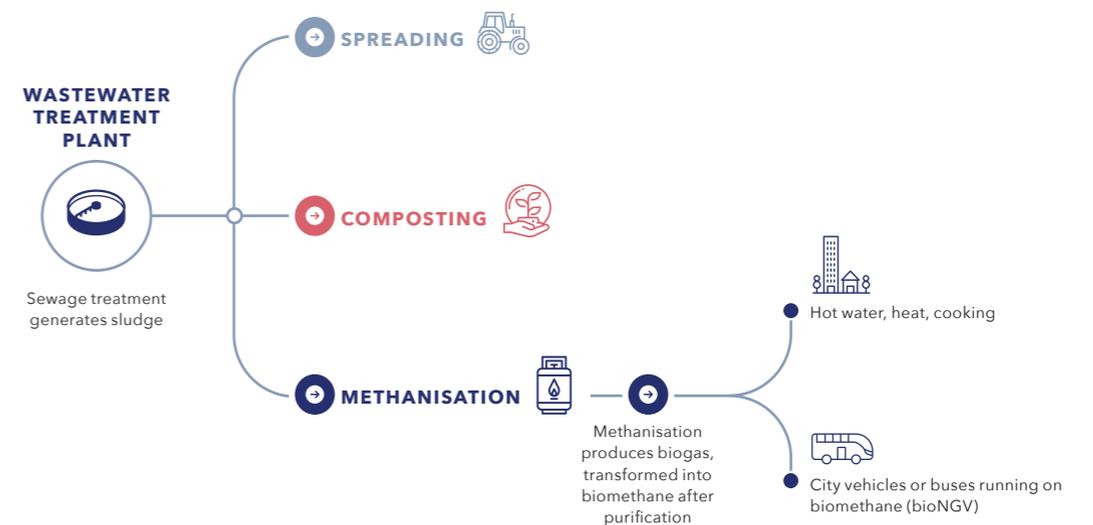
In addition, for many years the Group has been re-purposing wastewater treatment sludge for agricultural use. This process takes a similar approach by providing farmers with a low-cost organic soil conditioner as a substitute for chemical fertilisers. Saur works with professional associations that are partners of the industry (Syprea, Amorce, Fnade, FP2E, etc.) to ensure the viability of this sludge recovery process, whose regulatory framework is currently being revised. The process comes in response to strong demand from our partner communities and farmers, but has prompted questions from different stakeholders.



Breakdown of sludge recovery (within the reporting scope defined on p.48)



Wastewater treatment plants, a part of the circular economy



(1) Sunseo specialises in solar work
(2) Hydrowatt is the hydroelectric division of UNITE

Engaging

WITH STAKEHOLDERS AT A REGIONAL LEVEL

With its decentralised structure and local roots, Saur operates in several different ways in the regions where it is based. Whether it is purchasing from and supporting nearby economic operations, creating jobs, developing skills, or integrating workers, the Group strives to create synergies with local stakeholders.

Participating in local economic ecosystems

Nearly 97% of our purchases are made in the country of establishment; and wherever possible and applicable, the Group works with suppliers and subcontractors with local operations. These close geographical relationships allow us to ensure a stable flow of supplies, capitalise on expertise and co-develop new products and services.

In addition to purchases, Saur is involved in entrepreneurial clubs that promote local development initiatives.

As such, Saur sponsored the 4th edition of the "Talents du Territoire" event in Morbihan (France), which promotes local entrepreneurs who share the company's values.

97%

of purchasing volumes in 2019 came from suppliers in the country of establishment (within the reporting scope defined in p.48)

Enabling young people to access employment through apprenticeships

For many years, Saur has been investing in apprenticeships to provide training and professional integration. This initiative offers a number of advantages: it provides local employment opportunities for young people, who receive multi-skilled training; it satisfies operational requirements; and it allows the company to train future employees in trades facing recruitment shortages, while acclimatising them to the company's culture. This learning philosophy also nurtures a spirit of solidarity among Group employees.

For the start of the 2019 academic year, a new professional degree course/apprenticeship in sanitation and water treatment systems engineering (Gaste) was created. This bachelor's degree, which offers opportunities in the fields of water treatment unit management, maintenance management, and operational control centre scheduling, complements the Group's existing apprenticeship programmes, whose training already covers the first year of higher education through to engineering school certification. The innovation lies in the fact that it offers participants additional internal training as schedulers, who are somewhat akin to air traffic controllers for the water industry. This role is central to the Saur Group's structural model: a scheduler manages the daily work of several thousand field operatives, with the aim of improving water management, strengthening data traceability, and optimising human and service work. In addition to the necessary skills in hydraulics,

electromechanics and automation, the training courses take other areas of expertise into account, such as data management, which improves reliability and transforms the way in which operations are conducted.



579

young people hired under professional integration contracts in 2019 - a 10% increase over 2017 (within the reporting scope defined in p.48)



Plant managers and maintenance managers need to incorporate insights from digital technology.

Other initiatives are being implemented regionally, with almost certain job opportunities for students, since the courses are the product of partnerships between the training organisation, local authorities and the trainees' host company. For instance, at the Saumur site (Maine-et-Loire, France), following the success of the first cohort of nine graduate apprentices, Saur welcomed a class of fifteen new apprentice employees for the second year running. The story was the same in Nîmes (Gard, France), where we welcomed a third cohort of apprentice TTEs (water treatment technicians) in September.



Professional integration: Cise TP signs a national agreement with AFPA

In 2019, Cise TP, through the Saur Water Academy - our internal training organisation - signed a national agreement aimed at integrating and training employees via professional training contracts. The course is delivered by Cise TP, which intends to use this mechanism to recruit its future staff in the pipework sector - a profession suffering from a shortage of candidates. This system enables local recruitment through professional integration programmes, while adhering to the principles of diversity, anti-discrimination, and equality of opportunity. This agreement is an excellent way to match the needs and resources of private companies like Saur and public employment/professional integration agencies. The experiment has shown that there is a viable way for the Group to recruit quality staff locally.



The University of Las Palmas de Gran Canaria (Canary Islands, Spain) awards Emalsa for training young people over the past three years.



Saur earns HappyIndex Trainees 2020 certification in France: proof that students and trainees enjoy a positive everyday experience.

Creating pathways for disadvantaged job seekers

Working alongside public employment organisations, professional integration agencies, and employer integration associations operating in the regions surrounding our partner communities, the Saur Group supports those who are in urgent need of job assistance. Integration opportunities are examined for the most appropriate roles, either as internal employees or subcontractors. The end goal is primarily to offer sustainable employment within the company's workforce; when this is not possible, the goal is to integrate/train the applicant in transferable positions within the industry. Depending on the need, a tailored professional integration path is constructed to enable applicants to acquire the skills and competencies required for the job role.

Saur is also committed to changing perceptions of people with disabilities. As such, in 2019 it participated in the "DuoDay" initiative, alongside the *Pôle Emploi* government agency. The event is designed to establish intra-company pairings between people with disabilities and volunteer professionals, with the goal of overcoming prejudices and taking steps towards inclusion.

Rethinking OUR ORGANISATIONAL STRUCTURES AND conducting OUR BUSINESS DIGITALLY

The Group is taking steps to improve its competitiveness through a combination of economic performance and a commitment to the common good. To this end, it is changing how it is organised in France and abroad, accelerating its digital transformation, and strengthening its commitments to employee development. These changes will help the Group achieve its growth objectives, enabling it to bring more added value to its customers, stakeholders and the regions in which it operates.



AN EXPERT'S VIEW

How can we shape the company of tomorrow? Faced with new corporate challenges and expectations, how can we bring new meaning to what we do? Dominique Turcq, a strategy consultant and organisational specialist, examines this question.

What are the key components of tomorrow's company?

Tomorrow's company won't be fundamentally different from today's company, or yesterday's... it will still have shareholders, a company name, employees, customers and suppliers, and regulatory and social frameworks. In an increasingly complex environment, it will need to account for inevitable changes

such as the digital transformation. The difference will lie in how it retains its basic DNA and adapts it to the new requirements of customers and future staff. How can digital technology be used to change the company? How can workforce diversity and new working practices provide a competitive advantage?

How do we design and support the transformation of water professions?

The transformation of these professions and the associated skills must be an integral part of the company's mission (and thus a part of the goal it is working toward), and not just its methods, resources and constraints. So, in terms of water, which is a vital resource, there is a whole range of new skills to be explored and new business areas to invest in: sociology, social and political management, health management, and responsible resource management. For example, data scientist is one such new profession enabling better resource management. In future, externalities will be a key issue to analyse, and out of all the water-related sciences, biology will probably pose a considerable challenge. A wide range

of prospects exist: phytoremediation, the addition of metabolites to improve health, etc. And we must not forget to incorporate more human ways of working, namely contact and geographical proximity, which offer genuine competitive advantages to customers and employees alike.

A commitment to defending water has now become a priority for players such as Saur. What practical form does this take in the daily lives of employees?

Taking positive action means having values and protecting water; it is a challenge for the Anthropocene⁽¹⁾ era. Water will be at the heart of the next crisis, but also the next solution. The water sector is one which has a natural purpose; this is a precious advantage when it comes to attracting these new skills and retaining loyal employees committed to the defence of water. It is this mission that will provide meaning; it is an essential motivating factor.

(1) The Anthropocene is a term referring to a new geological era in which humans have acquired such an influence over the biosphere that they have become its central player.

Engaging IN ORGANISATIONAL TRANSFORMATION

In line with the development ambitions conveyed in its strategic project, the Group is changing its organisational structure in France and abroad. It is developing an acquisition strategy to strengthen its innovation capabilities and its catalogue of technological solutions and services.

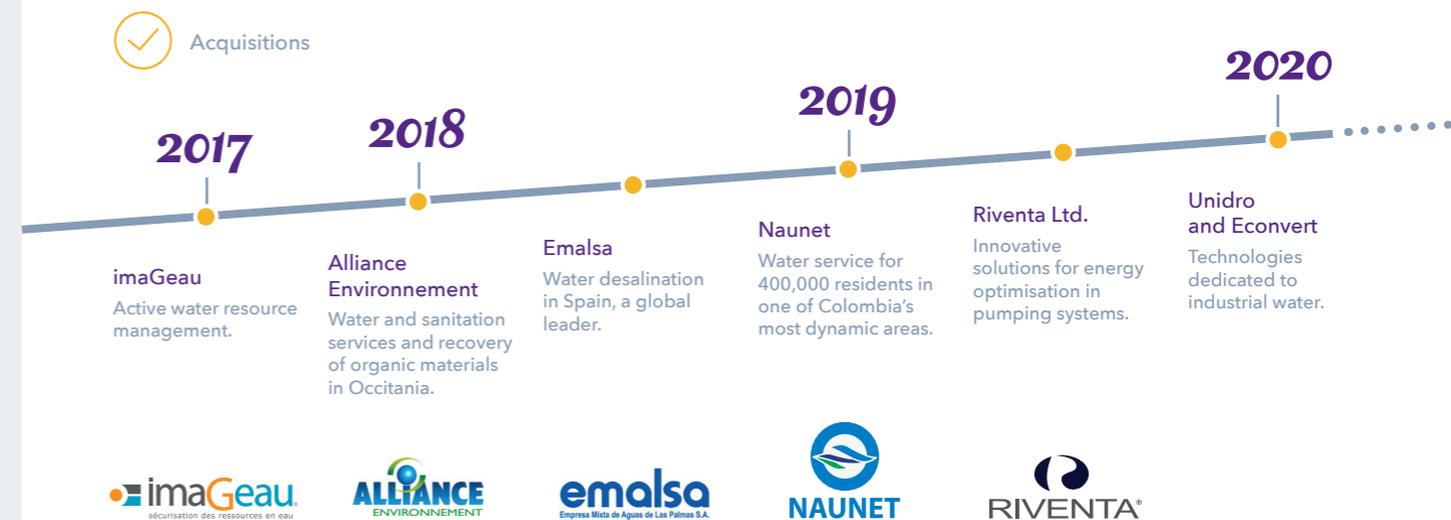
A structural redesign for greater efficiency and agility

Since 1 January 2020, Saur has relied on a new regional structure in France which favours tighter geographical scopes of responsibility to make teams more available and more efficient in meeting customers' needs. Responsiveness, agility, proximity and responsibility are the watchwords of this structure, which is built around 6 delegated departments, 29 regional divisions (including two in France's overseas departments) and 8 operational steering centres (CPOs), in order to realise the ambitions of our Initiative 2023 project within our local regions.

To support the Group's international expansion and facilitate the sharing of best practices from one country to another, a more integrated steering system has been implemented with centralised sales co-ordination in our key regions, including Spain and Latin America, where a significant portion of our development objectives are focused.

Strengthening the Saur Group's expertise and positioning via a targeted acquisition strategy

The Group's external growth relies on targeted acquisitions of companies which strengthen its international positioning and provide complementary cutting-edge expertise in the "pure player" water sector. By creating additional added value, the Group will access new markets involving local governments and industrial players.



Investing

IN DIGITAL TRANSFORMATION TO CULTIVATE EXPERTISE AND DEVELOP WATER-RELATED SOLUTIONS

Industries are being revolutionised as a new generation of technologies come to market. Saur has embarked on a major digital transformation program that is prompting a profound re-examination of its water practices, bringing greater operational effectiveness, enhanced customer relations and new modular services for improved water management.

Simplifying and optimising internal processes

Smart objects, algorithms, and automation through artificial intelligence provide powerful ways of optimising operations performance. Using digital technology, the Group aims to increase productivity and responsiveness, while replacing repetitive tasks with those that have higher added value. This is because algorithms can, for example, predict the occurrence of a leak before it even happens, meaning that technicians can leverage their skills to anticipate issues, rather than react to them. As it develops solutions for the future, Saur is working with multi-disciplinary teams that offer greater agility by involving IT specialists and operational staff in the process as early as the initial discussion phase.

At the same time, an employee support plan is being rolled out to ensure that everyone has fully absorbed this profound transformation in working practices. Special training is being held, both for operational staff and customer advisers. New collaborative tools are likewise being deployed with

user training programmes. These include the Collab Corner sessions organised by the Information Services department's change management team, which introduce the functions of the tools and facilitate their adoption. Lastly, awareness training is also regularly conducted on required cybersecurity precautions.

Sharing information and tracking contract performance in real time

Saur offers local authorities the ability to access data-sharing platforms (CPO Online in France, Azul in Spain, etc.), with interfaces that enable real-time monitoring of contract fulfilment and data associated with operations and consumers. These digital platforms provide key data: volumes distributed, work performed, customer complaints, maps and performance reports. They are analysed and interpreted by our experts and cross-referenced against external databases, making them a useful decision-making tool for local government investment. These secure web interfaces are accessible around the clock, and can be configured in accordance with the requirements of elected officials and technicians. They also comply with personal data protection regulations.



Digitising customer relationships and offering new services

Saur is developing an enhanced omnichannel experience for the end consumer, supported by a proactive communication strategy that provides information on meter reading dates, scheduled work on the network, etc., using email, text messaging and social media. At the same time, personalised services broken down into real-time segments are offered to get consumers actively involved in the process, with overconsumption alerts, the ability to control and tracking consumption, etc. A significant investment programme is planned to accelerate the modernisation of digital tools and streamline dialogue at the various levels of the water cycle.



Engineering and project management in the age of BIM

Digital tools are also seeing more widespread use in the construction industry. "BIM" (Building Information Modelling) is becoming the poster child for a method of project management that combines collaborative work and digital models. Group subsidiary Stereau is offering its customers - both public and private - the option of switching to a BIM system. Its industrial designers have been trained in this method, and 100% of the operations handled by its teams are "BIM compatible". Working in BIM mode makes it possible to share all information for a given operation. This generates knock-on benefits throughout the life cycle of a project (design, construction, operation, maintenance). Lastly, it offers customers the option of optimising and streamlining the management of their assets using standardised information included in the digital model for each item of equipment.

Open Innovation for the water management of tomorrow

To overcome the key innovation challenges it faces - whether technological, structural or service-related - Saur relies both on a policy of internal innovation and an open innovation strategy. The latter draws upon external resources, using agility and complementary skills to create added value in line with local communities needs. By facilitating this strategy, in partnership with operational staff and the Group's R&D teams, it becomes possible to construct solutions together and move further toward making them a reality.

Innovation touches on a very wide range of themes, including employee safety, the protection of water resources, energy footprint reduction, treatment process optimisation, asset lifespan augmentation, and the streamlining of customer services. These digital innovations are enabling a gradual move towards more secure, predictive models.



Innovation by Saur



In 2019, Saur joined Wilco's Industry accelerator to focus and accelerate its water innovation strategy by conducting experiments with start-ups from this accelerator. Wilco's team was impressed by the Group's pragmatic approach to open innovation, which provides start-ups with a sandbox for experimentation, enabling them to roll out their solutions in a practical, in-situ way, in a sector that is not well known to entrepreneurs but offers strong prospects for development.

Empowering and supporting EMPLOYEES

The Group's strategic growth and transformation goals are built on the collective expertise, skills and engagement of its employees. Against a background of profound change in its industry, Saur is seeking to support skills development by making planning, agility, responsibility and sharing central to its collective plans.

Enhancing skills development through substantive training programmes

In order to further improve its performance and support its various transformation projects, the Group is offering training programmes that lead to qualifications, certifications and diplomas. Its courses provide training on new, emerging professions and the skills that its employees will need to master the new technologies used. This makes internal promotion an area of key importance for company policy.

The strategic pillars of the 2019 training plan were as follows:

- Revitalise professional training courses in a way that maintains and develops the fundamentals.
- Continue managerial training initiatives that contribute to the improvement of operational performance.
- Promote skills transfers and onboarding within the company.
- Provide digital training courses with access to a digital platform.

Permanent training staff and a new network of occasional internal trainers at Saur Water Academy have passed on core technical skills and fostered versatility, in an environment where employee safety is the top priority.

In Colombia, where the Group established operations in 2019, a special training plan has been devised to improve employee skills and minimise discrepancies between their performance and professional requirements.



59 employees make up the Group's network of occasional internal trainers (RFIO) in France, with national coverage of intervention work in close geographical proximity to the operations sites. This network, which was created to promote employees' professional and personal development, is comprised of an interdisciplinary team trained in the fundamentals of skills transfer, pedagogical techniques, and group management.



MyAcademy: a new online training tool

As of summer 2019, all Group employees in France now have access to MyAcademy, a digital training platform available on PCs and smartphones. It facilitates employee training, enhances the current slate of courses and offers more precise monitoring of the skills delivered.

70% of staff took part in at least one training course during the year (within the reporting scope defined in p.48)



The *Ordre des Compagnons* celebrates its first birthday

Saur's prestigious *Ordre des Compagnons* is a professional order of 150 particularly committed journeymen who have distinguished themselves in terms of hard and soft skills. It specifically addresses the question of how skills are transferred within our business. The Order has spread beyond French borders with the incorporation of Spanish journeymen. This has given Gestagua and Emalsa the opportunity to develop a stronger sense of collective belonging, and enabled the Group to share its common values and working practices.

Driving transformation with skills mapping

Employees and their skills are central to the Group's strategy for building the business of tomorrow. Because the key to this is to have the right staff in the right place at the right time, it is vitally important that we have a clear picture of our resources so that we can develop and support them. A forward-looking employment and skills management (GPEC) approach was implemented, starting with the development of a skills assessment framework. After that, experts worked with Group journeymen and occasional internal trainers to assign skills targets to job roles. The most innovative aspect is that a significant proportion of employees in France have had the opportunity to assess themselves and compare their results with their manager's. An analysis of the results of this study will be completed in 2020, at which point a development action plan will be initiated for employees and managers.



PathMotion: an innovative online initiative to help persuade top talent to join Saur

A conversation-based platform was launched in 2019, enabling all candidates to communicate directly with [Saur ambassadors](#). It presents portraits of Group staff in various occupations. It can also be used to publicise the Group's positions and opportunities through a series of regular "live chats".

Encouraging commitment to attract new talent

The Group faces various recruitment issues depending on the positions sought and the expectations of potential candidates. To raise awareness of the diversity and attractiveness of its job positions, as well as its corporate values, Saur strives to increase its presence and raise its profile among targeted groups. In 2019, the Group held a round of recruitment fairs at a dozen higher education institutions, with the aim of meeting its future talent. 120 CVs were selected following meetings with more than 200 young people.

In its discussions with young people, who have an expectation that companies adopt a clear stance on environmental issues, Saur differentiates itself by pointing to its strengths. The prospects offered by the Group, particularly through its international mobility policy, are attractive in that they offer talented individuals the ability to explore multiple occupations, possibly even in multiple different countries. In addition, the Graduate Program, devised along the lines of a professional incubator scheme, offers an accelerated career path mechanism for new employees.

To address the lack of candidates for certain positions that are currently vacant, the Group has also introduced a co-opting scheme to identify talent across the whole of France. Since the scheme began in

June 2018, more than 80 co-opting bonuses have been paid, rewarding employees who introduce and hire new talent.



Gestagua sponsors Young Water Professionals conference

Several company representatives attended the conference, which was held in November 2019 at the Canal Foundation and the Polytechnic University of Madrid's Higher Technical School (Spain), in order to share their knowledge and experience in the sector. High-level professionals and researchers from universities and research centres discussed how the sector was transforming itself through information technologies, innovative filtration systems and new economic and governance paradigms for the 21st century. The initiative was supported by event sponsor Gestagua, which has a strong commitment to the professional development of young people in this sector.

Providing

A SAFE AND STIMULATING WORK ENVIRONMENT

Working conditions are central to our strategy, which includes an unflinching commitment to the health and safety of our employees and a strong desire to provide all staff with a diversity-friendly workplace where they can fulfil their potential.

Ensuring employee health and safety

Maintaining employees' health and safety at work is an absolute priority for the Group, which has implemented a rigorous risk prevention policy that has received OHSAS 18001 certification. The goals of the 2020 action plan build on previous action plans initiated or completed in 2019 in relation to key risk areas, such as the use of cutting tools, work at height and the handling of chlorine. The plan has been enhanced with the establishment of a Group-wide security challenge.

Company management is strongly involved in prevention and safety in the workplace and focuses primarily on this subject in its managerial communication messages, exhorting all staff to stay alert.

Gestagua's risk prevention department is working on raising awareness and implementing a safety culture. Having established critical points, it has now initiated training plans and equipment replacement campaigns. Outcomes for the year were positive, with a significant reduction of nearly 20% in the frequency of workplace accidents, and a 7% decrease in severity.



Starting with the acquisition of Naunet in Colombia, and with the aim of improving working health and safety practices in a country in which legislation of the kind found in Europe is lacking, Saur has been adopting a proactive approach including on-site inspections, the creation of a hazard identification matrix and the foundations of activities committees. Stakeholder training initiatives have also been implemented, aimed at increasing the organisation's maturity level through improved analysis of the causes of accidents and the development of a shared risk prevention policy involving all employees.



Group safety results⁽¹⁾



Although the Group's results follow a positive trend, Saur is fully committed to the long-term prevention of accidents.

(1) Number of accidents with stoppage / number of working hours * 1,000,000
 (2) Number of working days lost to stoppages / number of working hours * 1,000

(*) Excluding Colombian subsidiary acquired in 2019 (see reporting scope on p.48)



Saur has been a diversity charter signatory since 2009, and in this respect has made commitments in various areas such as workplace gender equality and disability.



ElEau: an initiative to promote diversity

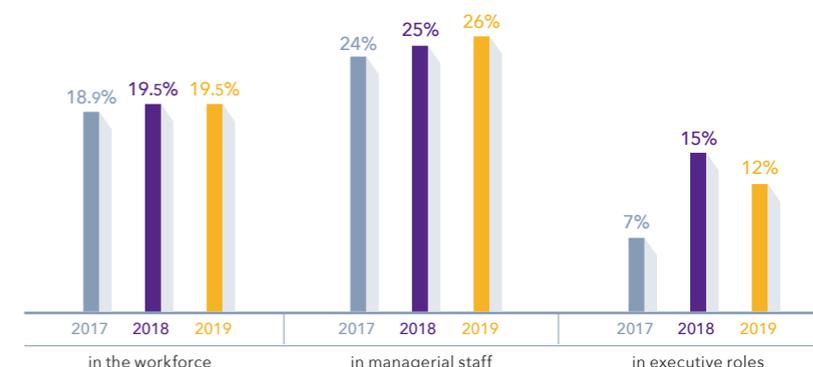
The ElEau network, launched in 2018, aims to highlight women in the Saur Group and change mindsets to make it easier for women to take roles within the company. With more than 50 ambassadors of both sexes, the network took shape gradually and was involved in various awareness-raising initiatives in 2019:

- A programme of breakfast events - a dozen of which were hosted by members of the executive committee - as a forum for questions on workplace gender equality
- An intranet campaign highlighting the profiles of women in technical roles, as well as men in customer-facing roles at Saur, with the aim of "breaking stereotypes" and showing the value of mixed teams

The 2020 programme is now being organised around the theme of recruitment, promotion and - most importantly - changes in mindsets.



Proportion of women^(*)



A strong commitment to workplace gender equality

The Group has taken proactive measures, in advance of the publication of regulations such as France's workplace gender equality index, to implement initiatives supporting equality and diversity in the company, and is rolling them out to all countries where it operates. With women making up 19% of the Group's workforce - the legacy of a traditionally male-dominated sector - stronger female staff representation remains a genuine challenge, requiring involvement at a very early stage of the school guidance process, among other areas. The increase in the proportion of women in executive roles is also an area where the Group seeks to make progress.



#UnJourUnMétier

("One Day, One Profession"): an initiative supported by Saur that allows a disabled job seeker to spend one day with a company exploring a particular profession.



EXTRA-FINANCIAL indicators

The publication of our employment, environmental and social indicators complements the information presented throughout the pages of this report, providing a more comprehensive view of the Group's extra-financial performance in relation to its material CSR challenges.



Saur is rated Gold by Ecovadis in 2019, a rating agency specialising in assessing the CSR performance of companies. With a score of 75/100, Saur is in the top 4% of companies evaluated by Ecovadis in the water sector.



REPORTING SCOPE

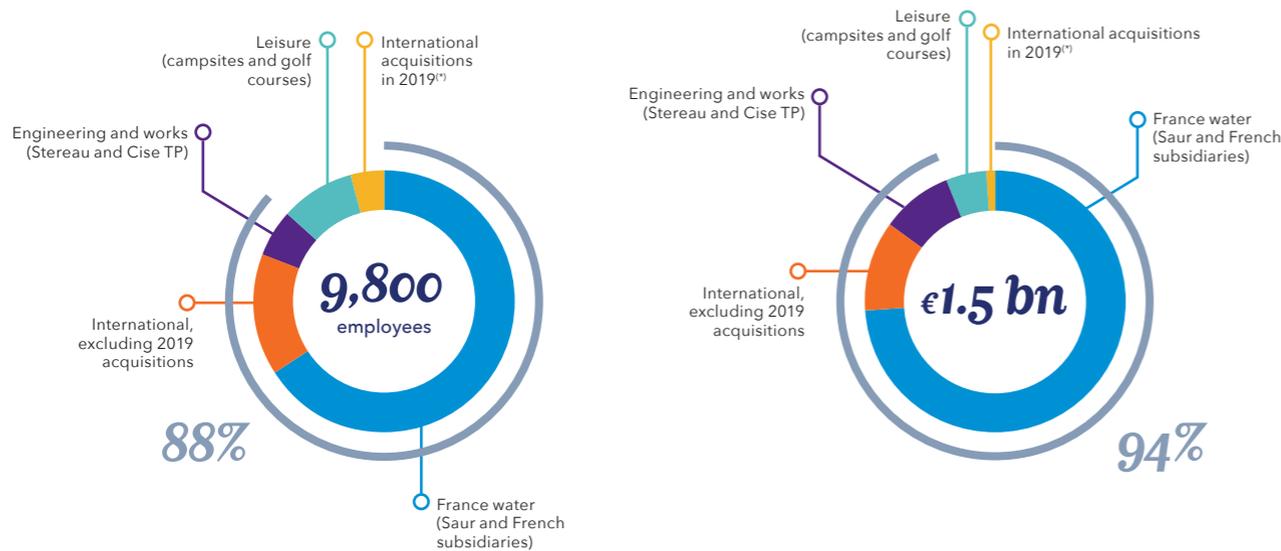
The employment, environmental and social indicators reporting published in this report covers the Saur Group's pure-player activities in the water sector (water, engineering and construction activities), in France and for its major overseas locations in 2019, i.e. Cyprus, Poland, Saudi Arabia, Spain, and the United Kingdom. Only subsidiaries in which the Group has a holding of at least 50% are taken into account, and subcontracted services are excluded. For management contracts, only data linked to Saur's activity are consolidated.

Entities acquired during the 2019 financial year, including the Colombian subsidiary, are not included in this report.

This scope covers 96% of staff and more than 99% of turnover for the Group's "Water Industry Pure Player" entities in which the company holds a stake of 50% or greater.

It represents 88% of staff numbers and 94% of Group turnover across all business lines, excluding real estate and financial subsidiaries, for structures in which the company holds a stake of 50% or greater.

The indicators identified by the symbol (v) have been verified by KPMG, an independent third party and the Group's statutory auditor. The audit report is published on p.56-57.

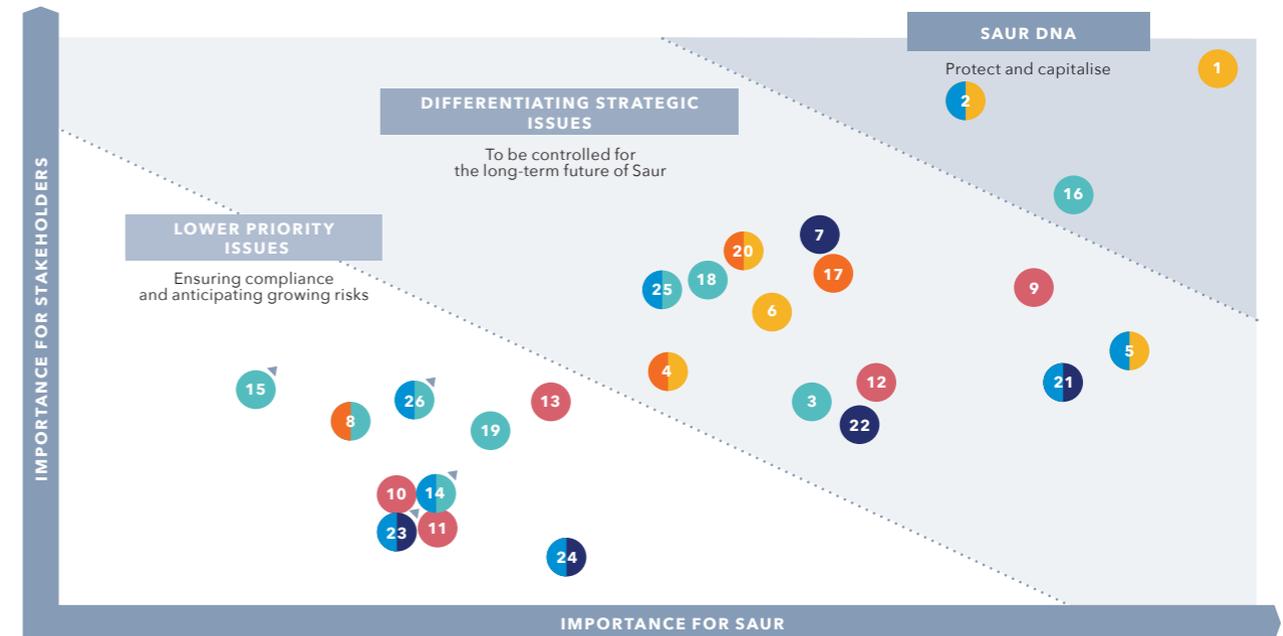


LEGEND | Pure player reporting scope for 2019

MATERIALITY MATRIX

In late 2017, as part of refocusing its businesses on water industries challenges, Saur produced an updated materiality assessment in order to rank the most pressing CSR issues requiring attention. The issues were identified based on the environmental, social and societal challenges that impact our business model, along with other, more operational risks directly associated with the water sector. To help prioritise these issues, interviews were conducted with internal and external stakeholders, supplemented by the use of an artificial intelligence monitoring tool. The 26 issues analysed in this materiality assessment are categorised into six risk families shown on pages 16 and 17, in order to make it easier to follow the consistency of the two approaches.

Saur Group CSR issues matrix



LEGEND

THE PRESSURE ON RESOURCES AND CLIMATE CHANGE

- 1. Water resource availability
- 2. Water resource quality
- 4. Biodiversity and ecosystemic services
- 5. Energy transition
- 6. Circular economy
- 20. Service continuity and adaptation to climate change

THE ACCELERATING DIGITAL REVOLUTION

- 7. Sustainable cities
- 21. Innovation and new services
- 22. Digitalisation of operations
- 23. Data and privacy protection
- 24. Shared governance and open data

OPERATIONAL RISKS

- 4. Biodiversity and ecosystemic services
- 8. Local resident safety and living environment
- 17. Consumer health
- 20. Service continuity and adaptation to climate change

GROWING SOCIETAL EXPECTATIONS REGARDING THE ECONOMIC ROLE PLAYED BY COMPANIES

- 3. Public awareness of the need to protect resources
- 8. Local resident safety and living environment
- 14. Human rights
- 15. Procurement practices
- 16. Regional identity and local development
- 18. Access to water and sanitation services
- 19. Social pricing
- 25. Business ethics
- 26. CSR performance transparency

CHANGES IN THE ECONOMIC, LEGISLATIVE AND REGULATORY ENVIRONMENTS

- 2. Water resource quality
- 5. Energy transition
- 14. Human rights
- 21. Innovation and new services
- 23. Data and privacy protection
- 24. Shared governance and open data
- 25. Business ethics
- 26. CSR performance transparency

HUMAN RESOURCES RISKS

- 9. Workplace safety and wellbeing
- 10. Diversity and inclusion
- 11. Equal opportunities
- 12. Recruitment and talent development
- 13. Employee relations dialogue

Issue identified as increasing in 2017, and incorporated into the Group's material CSR issues.

EMPLOYMENT INDICATORS

JOBS & DIVERSITY

	Unit	FRANCE				FRANCE & INTERNATIONAL LOCATIONS			
		2019	2018	2017	2016	2019	2018	2017	2016
Staff numbers as of 31/12	Number	7,173	6,902	6,702	6,711	8,637	8,338	7,860	7,866
Proportion of women	%	20	19	19	19	19	19	19	19
Proportion of managers	%	17	17	16	15	17	16	15	15
Proportion of women among managerial staff	%	26	25	24	24	26	25	ND	ND
Proportion of women in executive roles ^(M)	%	8	10	6	9	12	15	ND	ND
Proportion of employees with permanent contracts of employment	%	92	93	92	94	92	93	92	93
Proportion of under-26s	%	9	8	ND	ND	8	7	ND	ND
Proportion of over-55s	%	17	16	16	16	19	18	17	17
Proportion of disabled employees	%	4	3	3	3	4	3	3	3

TURNOVER

	Unit	2019	2018	2017	2016	2019	2018	2017	2016
Total number of hires outside of group	Number	1,311	1,221	954	884	1,537	1,498	1,203	1,036
Proportion of permanently contracted staff hires	%	57	60	53	43	53	58 ^(*)	46	40
Proportion of women among hires	%	23	25	24	26	21	23	ND	ND
Total number of departures (exc. transfers)	Number	1,040	1,021	963	1,077	1,238	1,300	1,205	1,302
proportion accounted for by resignations	%	18	19	15	12	21	20	16	12
proportion accounted for by dismissals	%	12	10	16	15	13	11	15	13

PAY

	Unit	2019	2018	2017	2016	2019	2018	2017	2016
Total gross payroll	€m	259	237	239	221	297	267	267	250
Value of the profit-sharing reserve	€m	3.5	4.2	4.1	5.6	3.5	4.2	4.1	5.6
Value of incentive plan	€m	12.5	8.2	6.2	6.2	12.8	8.5	6.2	6.2

SKILLS DEVELOPMENT

Training

	Unit	2019	2018	2017	2016	2019	2018	2017	2016
Number of hours' training received during the year	Hours	104,273	104,930	87,195	85,278	139,598	126,244	114,023	112,171
Proportion of staff having taken at least one training course during the year ^(M)	%	67	66	76	64	70	68 ^(*)	78	68
Training expenditure as % of total payroll	%	2.4	2.5	2.1	1.9	2.2	2.2	2.0	1.8

Transmission of knowledge

	Unit	2019	2018	2017	2016	2019	2018	2017	2016
Number of <i>compagnons</i> (journeymen) among staff	Number	130	-	-	-	144	-	-	-

OCCUPATIONAL SAFETY

	Unit	2019	2018	2017	2016	2019	2018	2017	2016
Frequency rate of accidents with work stoppage ^(M)		9.1	7.5 ^(*)	7.3	8.9	9.6	11.3 ^(*)	11.4	12.1
Severity level of workplace accidents ^(M)		0.33	0.34 ^(*)	0.34	0.38	0.34	0.41 ^(*)	0.38	0.42
Percentage of turnover covered by an Ohsas 18001 certification	%	93	95	ND	ND	87	92	ND	ND

OCCUPATIONAL WELLBEING

	Unit	2019	2018	2017	2016	2019	2018	2017	2016
Employee satisfaction reported in annual engagement survey (scope France)	Rating/10	6.2	6.8	6.9	-	-	-	-	-

ABSENTEEISM

	Unit	FRANCE				FRANCE & INTERNATIONAL LOCATIONS			
		2019	2018	2017	2016	2019	2018	2017	2016
Total absenteeism rate	%	ND	3.1	3.1	3.1	ND ^(**)	3.6	3.4	3.5
Absenteeism rate for illness	%	ND	2.4	2.4	2.3	ND ^(**)	2.9	2.7	2.6

EMPLOYEE REPRESENTATION

	Unit	2019	2018	2017	2016	2019	2018	2017	2016
Total number of staff representatives (excluding members of health, safety and work conditions commission)	Number	521	480	463	456	636	543	512	506
Number of health, safety and working conditions committee members (CSSCTs)	Number		95	95	95		125	115	114

--: not applicable on the perimeter / ND: unconsolidated for the year / (v) Indicator verified by KPMG for the 2019 financial year
 (*) Value modified compared to the data published in the 2018 report / (**) Data for France not available as of publication date: Group consolidation therefore not possible

As mentioned on p.48, the stated staff numbers do not include the acquisitions made by the Group in 2019. For the sake of consistency with all the other indicators, they will be included for the 2020 financial year only.
 In 2019, amid a context of corporate transformation, the Group continued to maintain and increase skills of employees, both in terms of funds allocated and training provided.
 An emphasis on safety led to a reduction in accident numbers (particularly in Spain), as well as in accident severity. Nevertheless, this area remains a key objective for the company.

ENVIRONMENTAL INDICATORS

ENVIRONMENTAL MANAGEMENT

	Unit	FRANCE				FRANCE & INTERNATIONAL LOCATIONS			
		2019	2018	2017	2016	2019	2018	2017	2016
Proportion of turnover covered by an Iso 14001 (environmental management) certification	%	93	95	95	95	87	91	92	ND
Proportion of turnover covered by an Iso 50001 (energy management) certification	%	85	83	87	ND	74	74	78	ND

WATER - RESOURCE CONSERVATION

Water abstraction

	Unit	2019	2018	2017	2016	2019	2018	2017	2016
Volume of water taken from the natural environment	Million m ³	667	665	657	620	759	737	722	693
Number of installations monitored via EMI	Number	184	ND	ND	-	184	ND	ND	-

Drinking water supply networks

	Unit	2019	2018	2017	2016	2019	2018	2017	2016
Network performance	%	78 ^(***)	77 ^(*)	77	78	78 ^(***)	77 ^(*)	78	78
Network linear losses index (LLI)	m ³ /km/day	ND	2.1	2.3	2.2	ND ^(**)	2.4	2.4	2.4

Treatment of wastewater before returning it to the natural world

	Unit	2019	2018	2017	2016	2019	2018	2017	2016
Volumes of wastewater treated (treatment plants ≥ 2,000 pe)	Million m ³	310	328	283	307	491	488	437	463
Treatment performance in terms of COD ^(M)	%	95.1	95.0	95.2	94.8	94.5	94.4	93.5	93.4
Treatment performance in terms of BOD	%	98.6	98.3	98.5	98.0	98.1	98.0	97.5	97.5
Treatment performance in terms of NTK (for plants dealing with nitrogen)	%	90.0	89.7	89.6	ND	88.4	88.3	89.3	ND
Treatment performance in terms of Pt (for plants dealing with phosphorus)	%	85.1	84.3	84.0	ND	86.3	86.1 ^(*)	85.6	ND

Micropollutants treatment

	Unit	2019	2018	2017	2016	2019	2018	2017	2016
Number of treatment plants equipped with a Saur Carbo+ family process	Number	48	46	ND	ND	49	47	ND	ND

WASTE AND THE CIRCULAR ECONOMY

Unit	FRANCE				FRANCE & INTERNATIONAL LOCATIONS				
	2019	2018	2017	2016	2019	2018	2017	2016	
Quantity of sludge produced by WWTP activity	tonnes of DM	77,695	74,397	74,236	72,969	117,682	108,710 ^(v)	106,309	100,473
Share of sludge production reused	%	97	97	97	97	95	98	98	98
of which spreading	%	42	44	ND	ND	37	38	ND	ND
of which composting	%	48	49	ND	ND	33	38	ND	ND

ENERGY - ENERGY TRANSITION

Energy consumption

Primary energy consumption	GWh	164	146	152	156	177	158	162	164
Electricity consumption	GWh	899	882	874	842	1,128	1,013	967	936
Overall energy footprint imposed by business activities ^(****)	GWh/€m	0.86	0.90	0.94	0.95	0.92	0.91	0.93	0.94
"Green" electricity consumption ^(v)	GWh	32	26	29	53	32	26	29	53

Energy efficiency

Electricity consumption per m ³ of water produced ^(v)	kWh/m ³	0.63	0.64 ^(v)	0.64 ^(v)	0.64	0.76	0.65 ^(v)	0.62 ^(v)	0.61
Consumption of electricity per kg of COD eliminated during sanitation ^(v)	kWh/kg COD	1.37	1.38 ^(v)	1.39 ^(v)	1.41	1.10	1.13 ^(v)	1.13 ^(v)	1.09
Certified energy savings	MWh Cumac	17,133	19,022	23,798	9,875	17,133	19,022	23,798	9,875

GREENHOUSE GASES - CLIMATE CHANGE MITIGATION

Total GHGs emissions	tonnes CO ₂ e	144,181	144,282	156,642	174,899	235,293	215,036	216,796	232,454
Direct GHGs emissions (scope 1) ^(v)	tonnes CO ₂ e	45,214	41,276	41,953	42,651	50,318	45,683	45,773	46,059
Indirect GHGs emissions as a result of electricity consumption (scope 2) ^(v)	tonnes CO ₂ e	70,036	71,279	81,391	95,604	155,256	131,766	129,436	144,788
GHGs emissions avoided	tonnes CO ₂ e	2,711	2,751	ND	ND	3,577	3,643	ND	ND

--: not applicable on the perimeter

ND: unconsolidated for the year

(v) Indicator verified by KPMG for the 2019 financial year

(*) Value modified compared to the data published in the 2018 report

(**) Data for France not available as of publication date: Group consolidation therefore not possible

(***) Best estimate to date

(****) Overall energy footprint imposed by business activities: energy consumption (electricity and primary energy) / revenue generated

pe: population equivalent / DM: dry material

EMI: an application dedicated to active resource management

CarboPlus®: micropollutant treatment process patented by Saur

A number of indicators were impacted in 2019 by the inclusion of Emalsa in Spain (drinking water and sanitation) for its first complete financial year, as a result of Saur's majority shareholding in this entity since October 2018.

Certifications: the scope of certified entities is identical to that of 2018; the rate change is related to monetary weightings of the entities.

Energy: process streamlining has made it possible to continue improving energy efficiency in France. The Group's consolidation has been impacted by Emalsa's electricity consumption. This entity operates a seawater desalination plant in the Canary Islands, which provides a response to situations of water stress, but is also energy intensive.

GHGs: changes are linked directly to changes in energy consumption.

SOCIAL INDICATORS

ACCESS TO WATER AND CONSUMER HEALTH

Unit	FRANCE				FRANCE & INTERNATIONAL LOCATIONS				
	2019	2018	2017	2016	2019	2018	2017	2016	
Quantity of drinking water produced	Million m ³	657	656	631	595	743	725	694	666
Number of drinking water production plants operated	Number	1,662	1,725	1,817	1,824	1,692	1,756	1,848	1,855
Length of water supply pipeline networks	km	173,063	177,291	183,620	180,336	179,928	184,076	188,533	185,083
Bacteriological compliance rate for water supplied ^(v)	%	99.2	98.9	99.4	98.6	99.3	99.1	99.4	98.8
Physical/chemical compliance rate for water supplied	%	97.6	97.0	96.8	97.5	98.0	97.6	97.0	97.8
Number of contracts with networks using next-generation intelligent probes	Number	18	ND	ND	ND	19	ND	ND	ND

ACCESS TO WASTEWATER TREATMENT

Volume of wastewater treated	Million m ³	338	360	303	329	511	520	457	485
Number of wastewater treatment plants operated	Number	2,361	2,733	2,615	2,566	2,393	2,764	2,642	2,593
Length of wastewater collection pipeline networks	km	44,522	44,915	41,451	40,419	48,884	49,252	44,811	43,771

CONTRIBUTION TO THE ECONOMY

Expenditure on purchases from suppliers, service providers and subcontractors	€m	603	637	605	ND	694	724	681	ND
Proportion of purchases made in the country of operation ^(v)	%	97	97	ND	ND	97	93	ND	ND

PROFESSIONAL INTEGRATION OF YOUNG PEOPLE

Number of work-study contracts as of 31/12	Number	306	289	252	ND	307	-	-	-
Number of interns and VIE (international volunteers hosted)	Number	152	199	180	ND	272	278	ND	ND

BUSINESS ETHICS

Proportion of target employees trained in anti-corruption issues ^(v)	%	94	94	ND	ND	92	ND	ND	ND
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SOCIAL AID

Rate of funds allocated by Saur Solidarités dedicated to water and sanitation access projects ^(v)	%	-	-	-	-	81	66	ND	ND
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--: not applicable on the perimeter

ND: unconsolidated for the year

(v) Indicator verified by KPMG for the 2019 financial year

As with environmental indicators, variations in drinking water produced internationally in 2019 are linked to the inclusion of Emalsa in Spain for its first complete financial year.

Following on from previous years, the Group has been providing access to water and sanitation in urban and rural areas, while striving to provide the same level of quality to everyone.

In 2019, as part of its efforts to support economic dynamism in local regions, the Group maintained its commitment to provide professional integration to young people and purchase a high percentage of its supplies from local suppliers in the countries in which it operates.

METHODOLOGY

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

History and limitations of scope

Historical indicators are shown for three years. Variances of reporting scope as a result of company disposal, company formation, company cessation or contracts won or lost are reflected in the indicators. However, as stated in the definition of the scope (page 48), international entities acquired in 2019 as part of the Group's external growth strategy (Colombian subsidiary Naunet, Riventa in the United Kingdom and Separator Service in Poland) are not consolidated for this financial year.

For some indicators, the values for particular entities may not be significant, and are therefore not incorporated. Similarly, some indicators specific to certain areas of business activity refer only to more tightly-circumscribed scopes of reporting. In either case, the limitations of scope are indicated below.

Employment indicators

In terms of management contracts, only Group employees are included.

Staff

Staff numbers

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

Management staff and executive roles

In France, the cadre (management staff) concept has a statutory meaning; internationally, three types of function are deemed equivalent to cadre status: managers who supervise teams, experts with a higher education degree, and leaders. Executive roles include directors, deputies and members of executive or management committees.

Turnover

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

Pay

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

Skills development^(*)

External and internal training, whether face-to-face or via e-learning, are taken into account.

Training expenditure includes the salary costs of employees trained, travel costs and the cost of instruction.

Compagnons are members of a guild organisation created at Saur in 2018. A list of *maitres compagnons* is provided by name.

Occupational safety

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

Occupational wellbeing

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

Absenteeism^(*)

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

Employee representation^(*)

Employee representative numbers are based on lists of elected or appointed representatives, and lists provided by trade unions, the members and alternate members of the various entity employee representative organisations: union representatives, employee representatives, members of works councils and the central works committee, and unified employee representative bodies.

Environmental and social indicators

In terms of management contracts, only energy consumed as a result of work done by Group employees is included.

Water supply and wastewater treatment

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

Drinking water

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

Wastewater treatment

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

Waste and the circular economy

Wastewater treatment sludge is the principal source of waste. For purposes of comparison, the quantity is expressed as dry material, independent of water content.

The quantity of sludge produced corresponds to the sludge evacuated for recovery or disposal, or incinerated on site.

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

Energy - Energy transition^(**)

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

Electricity consumption includes buildings, technical facilities and office systems. The ratios per m³ produced and kg

COD eliminated arrived at by isolating operations-related consumption are used to monitor the energy efficiency of drinking water production and wastewater treatment processes which represent the largest items of electricity consumption. In France, energy efficiency indicators are consolidated within Saur's Iso 50001 "Energy Management" certification scope.

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

Greenhouse Gases - Climate change mitigation^(**)

Total greenhouse gas (GHG) emissions correspond to regulatory scopes 1 and 2 and a part of scope 3.

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

. fuel and natural gas combustion and fugitive emissions from electricity consumption in France's overseas departments (emissions calculated using the Bilan Carbone[®] spreadsheet)

. wastewater treatment (emissions calculated in accordance with ASTEE - scientific and technical association for water and the environment - standards, and validated by ADEME, the french environment and energy management agency).

Indirect (scope 2) emissions from consumption of purchased electricity are quantified using the Bilan Carbone[®] spreadsheet and breaking down consumption by country.

The Scope 3 emissions taken into account represent indirect upstream energy emissions. They are assessed using the Bilan Carbone[®] spreadsheet.

Emissions avoided through the agricultural use of sewage sludge are calculated on the basis of average sludge composition (values proposed by France's IRSTEA environmental and agricultural research institute in its Gestaboues guide) and fertiliser emission factors published in ADEME's Base carbone emission factors database.

Regional contribution

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

Professional integration of young people

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

Business ethics

A list of target employees who require anti-corruption training is produced every year using a list of functions deemed to be the most sensitive. This indicator is consolidated, for the 2019 financial year, for France and Spain only.

(*) A number of small entities, accounting for less than 2% of the workforce in total, are not consolidated in these indicators.

(**) A number of small entities acquired in France over the last few years, accounting for less than 3% of turnover, are not consolidated in these indicators. They are listed in the reporting protocol.

INDEPENDENT THIRD PARTY REPORT

Limited assurance report by one of the Statutory Auditors on a selection of social, environmental and societal information included in the integrated report.

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended 31 December 2019

To the Management Board,

In our capacity as statutory auditor of Saur SAS (hereinafter the "Entity") we hereby report to you on our limited assurance report on a selection of social, environmental and societal⁽¹⁾ information included in the integrated report (hereinafter the "Information"), selected by the Entity and identified by the symbol (v) in the integrated report for fiscal year ended December 31st, 2019 (hereinafter the "Report").

The conclusion set out below relates to this Information only and not to all of the information presented.

Responsibility of the Entity

The Communication & CSR Department is responsible for preparing the Information. The Information has been prepared in accordance with the Entity's procedures (hereinafter the "Protocol"), the main elements of which are presented in the Report and available upon request at the Entity's head office.

Independence and quality control

Our independence is defined by the requirements of article L.822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the Statutory Auditor

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on the compliance of the Information, in all material respects, with the requirements of the Protocol.

Nature and scope of our work

The work described below was performed in accordance with the professional guidance of the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes or CNCC) applicable to such engagements and with ISAE 3000⁽²⁾:

- We obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated;
- We assessed the suitability of the criteria of the Protocol with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We obtained an understanding of internal control and risk management procedures the Entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;

- We implemented:

- analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
- tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities⁽³⁾ and covers between 55% and 100% of the consolidated data selected for these tests.

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

Means and resources

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

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

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Information selected by the company and identified by the sign (v) is not presented fairly in accordance with the Protocol, in all material respects.

Paris-La Défense, on June 15th, 2020
KPMG S.A.

Anne Garans
Partner
Sustainability Services

Bertrand de Nucé
Partner



List of verified information

EMPLOYMENT INFORMATION

- Proportion of women in executive roles
- Proportion of staff having taken at least one training course during the year
- Frequency rate of accidents with work stoppage
- Severity level of workplace accidents

ENVIRONMENTAL INFORMATION

- Treatment performance in terms of COD
- "Green" electricity consumption
- Electricity consumption per m³ of water produced
- Consumption of electricity per kg of COD eliminated during sanitation
- Direct GHG emissions (scope 1)
- Indirect GHG emissions as a result of electricity consumption (scope 2)

SOCIAL INFORMATION

- Bacteriological compliance rate for water supplied
- Proportion of purchases made in the country of operation
- Proportion of target employees trained in anti-corruption issues
- Rate of funds allocated by Saur Solidarités dedicated to water and sanitation access projects

(1) See list of verified information

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

(3) Saur SAS (France); Gestagua (Spain).

CONTRIBUTING TO THE UNITED NATIONS Agenda 2030

The Saur Group, through its commitment to defending water, is perfectly placed to contribute to the United Nations 2030 Sustainable Development Goals (SDGs).

Since 2017, Saur has been analysing its contribution to the 169 targets that comprise the 17 SDGs. The activities, policies and initiatives conducted by the Group affect every SDG to one degree or another, with repercussions for 30% of the 169 targets. While Saur's main impact is evidently on SDG 6, "Clean water and sanitation", its work also focuses on five other SDGs in connection with its social responsibility and its innovations for local regions.



A significant contribution to six of the United Nations' Sustainable Development Goals

	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p> <ul style="list-style-type: none"> Employee training throughout their careers Professional integration for young people through apprenticeships and inclusive employment policies School visits to promote water professions Educational courses and activities to raise awareness of environmental issues
	<p>Ensure availability and sustainable management of water and sanitation for all</p> <ul style="list-style-type: none"> Smart water to preserve water resources Development of tailored solutions for areas of water stress (reuse of treated wastewater, desalination) Processes for treating emerging pollutants and improving treatment efficiency to protect aquatic ecosystems Assuming responsibility for fair water prices and supporting to the most underprivileged Helping to improve access to water and sanitation: through the Group's expansion abroad (e.g. Colombia) or through its Saur Solidarités endowment fund Multi-channel communication with consumers and eco-citizen applications
	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <ul style="list-style-type: none"> Employee skills development Training programmes to facilitate employee engagement with digital transformation in the water industry Occupational health and safety policy Support for employment at regional level: direct jobs, indirect jobs related to purchasing, professional integration
	<p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p> <ul style="list-style-type: none"> Smart water networks Designing sustainable, resilient facilities: high environmental quality plants that produce resources (energy, organic amendments, phosphorus, etc.) Research & development and open innovation programmes with suppliers and start-ups
	<p>Make cities and human settlements inclusive, safe, resilient and sustainable</p> <ul style="list-style-type: none"> Smart water and smart regions Advanced treatment processes to protect aquatic ecosystems Management of water system assets Crisis management during extreme weather events Iso 14001 environmental certification for business activities, prevention of nuisances (e.g. odour-related)
	<p>Ensure sustainable consumption and production patterns</p> <ul style="list-style-type: none"> Smart water to preserve water resources Optimisation of wastewater treatment efficiency Raising consumer awareness on water-saving measures Energy efficient facilities (Iso 50001 certification) Renewable energy production (e.g. methanisation) Circular economy: re-using treated wastewater, recovering materials or energy from sludge, recycling materials from water treatment processes Iso 14001 environmental certification for business activities CSR clauses in purchasing contracts Annual CSR reporting

COMMITMENT TO THE Global Compact



Introduced in 2000 by the United Nations, the Global Compact is the largest international voluntary corporate social responsibility initiative. When the Group became a member in 2003, it gave its commitment to promote and ensure compliance with 10 principles covering human rights, labour standards, the environment and the need to combat corruption. The Group renews its commitment annually, and publishes information about the action it has taken to implement and promote the fundamental values of the Global Compact.

The following table identifies how we are responding to these 10 principles. It also shows how our actions link to the 6 SDGs most impacted by the nature of our business activities.

GLOBAL COMPACT	COMMITMENTS AND ACHIEVEMENTS IN 2019 <small>Correlation with report chapters and paragraphs</small>	SDG LINK														
HUMAN RIGHTS Principles 1 & 2 <ul style="list-style-type: none"> Support and respect the protection of internationally proclaimed human rights Ensure not to complicit in human rights abuses 	Respect for human rights is a basic principle of our company, enshrined in our ethical charter. This principle is applied not only via the Saur human resources management policy, but also via its purchasing policy, which is designed to ensure responsible relationships with its suppliers and subcontractors, and via its relationships with at-risk communities. It has been identified as a material issue, and in 2019 was the subject of a Group risk analysis, in conjunction with an examination of current control systems. <table border="0"> <tr> <td>pp.14-15</td> <td>Acting and partnering with our stakeholders</td> </tr> <tr> <td>pp.29-30</td> <td>Ensuring continuity of service and access to water</td> </tr> <tr> <td>p.49</td> <td>Materiality matrix</td> </tr> <tr> <td>p.53</td> <td>Social indicators</td> </tr> </table>	pp.14-15	Acting and partnering with our stakeholders	pp.29-30	Ensuring continuity of service and access to water	p.49	Materiality matrix	p.53	Social indicators	 						
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INTERNATIONAL LABOUR STANDARDS Principles 3 to 6 <ul style="list-style-type: none"> 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 	Saur bases its management on consultancy and respect for employee relations dialogue. Regular interaction with the social partners throughout the year facilitated the initiation of negotiations and signature of agreements with trade union organisations covering a broad range of topics, including employee relations dialogue and the exercise of trade union rights, equal opportunities, diversity and discrimination prevention. A number of agreements were signed in 2019, including an agreement to create new employee representative bodies in France (social and economic committees - central and local). <table border="0"> <tr> <td>pp.14-15</td> <td>Acting and partnering with our stakeholders</td> </tr> <tr> <td>p.38</td> <td>Enabling young people to access employment through apprenticeships</td> </tr> <tr> <td>p.39</td> <td>Creating pathways for disadvantaged job seekers</td> </tr> <tr> <td>pp.44-45</td> <td>Empowering and supporting employees</td> </tr> <tr> <td>p.47</td> <td>Providing a safe and stimulating work environment</td> </tr> <tr> <td>p.49</td> <td>Materiality matrix</td> </tr> <tr> <td>pp.50-53</td> <td>Employment and social indicators</td> </tr> </table>	pp.14-15	Acting and partnering with our stakeholders	p.38	Enabling young people to access employment through apprenticeships	p.39	Creating pathways for disadvantaged job seekers	pp.44-45	Empowering and supporting employees	p.47	Providing a safe and stimulating work environment	p.49	Materiality matrix	pp.50-53	Employment and social indicators	
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ENVIRONMENT Principles 7 to 9 <ul style="list-style-type: none"> Support a precautionary approach to environmental challenges Undertake initiatives to promote greater environmental responsibility Encourage the development and diffusion of environmentally friendly technologies 	Environmental responsibility is a core priority for Saur's business units, which are committed to defending water. The Group is committed to developing innovative bespoke solutions that optimise the use of resources within a circular economy and reduces the environmental impact of its activities. <table border="0"> <tr> <td>pp.16-17</td> <td>Controlling our risks, identifying our opportunities</td> </tr> <tr> <td>pp.22-31</td> <td>Chapter « Protecting and safeguarding the quality and the quantity of water »</td> </tr> <tr> <td>pp.33-37</td> <td>Supporting local regions in their transitions</td> </tr> <tr> <td>pp.42-43</td> <td>Investing in digital transformation to cultivate expertise and promote water-related issues</td> </tr> <tr> <td>p.49</td> <td>Materiality matrix</td> </tr> <tr> <td>pp.51-53</td> <td>Environmental and social indicators</td> </tr> </table>	pp.16-17	Controlling our risks, identifying our opportunities	pp.22-31	Chapter « Protecting and safeguarding the quality and the quantity of water »	pp.33-37	Supporting local regions in their transitions	pp.42-43	Investing in digital transformation to cultivate expertise and promote water-related issues	p.49	Materiality matrix	pp.51-53	Environmental and social indicators	 		
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ANTI-CORRUPTION Principle 10 <ul style="list-style-type: none"> Work against corruption in all its forms, including extortion and bribery 	Respect for ethical values, the principles of integrity and regulation are priorities at every level of the company. The Group formalised its anti-corruption policy, detailing how this commitment is implemented within the company. Specific training is provided to employees in positions that are most exposed to risks of corruption. In 2019, building off its code of conduct, Saur set out the ethical principles that apply to its supplier relationships, and obtained Iso 37001 certification for its anti-bribery management system. <table border="0"> <tr> <td>pp.14-15</td> <td>Acting and partnering with our stakeholders</td> </tr> <tr> <td>pp.16-17</td> <td>Controlling our risks, identifying our opportunities</td> </tr> <tr> <td>p.49</td> <td>Materiality matrix</td> </tr> <tr> <td>p.53</td> <td>Social indicators</td> </tr> </table>	pp.14-15	Acting and partnering with our stakeholders	pp.16-17	Controlling our risks, identifying our opportunities	p.49	Materiality matrix	p.53	Social indicators							
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www.saur.com



Head office: 11 chemin de Bretagne
92130 Issy-les-Moulineaux
France
www.saur.com

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