



COMPANHIA RIOGRANDENSE DE SANEAMENTO - CORSAN

PUBLICLY HELD COMPANY

CVM REGISTER nº 016748

CNPJ nº 92.802.784/0001-90

NOTICE TO THE MARKET

CORSAN ANNOUNCES INITIATIVES FOR ENERGY EFFICIENCY IMPROVEMENTS AND WATER LOSS REDUCTION

IFC PRE-APPROVES A SUSTAINABILITY LINKED “A” LOAN OF UP TO R\$450 MILLION TO SUPPORT THIS CORSAN’S CAPITAL EXPENDITURE PROGRAM

Companhia Riograndense de Saneamento - Corsan (“**CORSAN**” or “**Company**”) announces to the Brazilian society, its clients and employees, and the market in general the launching of two significant initiatives linked to its sustainability efforts: energy efficiency improvements and water loss reduction (“**Project**”). Total Project cost amounts to R\$453 million, of which R\$358 million will be earmarked to reduce physical losses (water lost in the distribution network) and commercial losses (water that is used by the population, but not billed). The remaining R\$95 million will be used for substitution of outdated pumps and other equipment that are heavy users of energy.

The direct anticipated impact of this Project is to increase quality of water supply services in Rio Grande do Sul and the environmental benefits of reducing wasted water resources. At the market level, the Project will contribute to increase competitiveness of water sector in Brazil by demonstrating a feasible water loss reduction strategy that improves the financial viability of water utilities. The Project also contributes to introducing into the market sustainability linked loans as an innovative financial product, with potential to enable water infrastructure sector investments.

To support these CORSAN’s ESG (environmental, social and governance) initiatives, the International Finance Corporation (“**IFC**”) has signed the mandate letter for a sustainability linked “A” loan up to R\$450 million to CORSAN, to finance investments for water loss reduction and energy efficiency improvements. This was the first mandate signed under Utilities for Climate (“**U4C**”), an IFC initiative. The loan will have eight years tenor including two years grace period. The loan signing and the funds disbursement are expected to take place within the next months.

IFC is providing knowledge and capacity building under the U4C initiative, to support CORSAN’s efforts to reduce water losses in the water distribution network. The U4C initiative aims at combining advisory and investment to help clients tackle their most pressing needs and establish long term relationships. This CORSAN’s Project also contributes to introducing into the market sustainability linked loans as an IFC innovative financial product, with potential to enable water infrastructure sector investments.



In connection to the transaction, CORSAN signed a commitment with IFC to comply with a strict Environmental and Social Action Plan, in which goals for adapting to the best ESG practices in the market are established, in accordance with the Performance Standards of that institution, including the development of an Environmental and Social Assessment and Management System, practices related to working conditions and, also, health and safety of employees, communities and other stakeholders.

The Company's Management, through its Investor Relations department, is available to provide further information.

Porto Alegre, April 15, 2021.

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About Companhia Riograndense de Saneamento - Corsan

Corsan is responsible for the construction and operation of public drinking water supply and sewage services in the State of Rio Grande do Sul (RS). The Company operates in 317 of 497 municipalities and has 96.7% of universal access to drinking water in managed urban areas and 16.3% of universal access to sewage. Its scope reaches about six million people. Corsan also works by treating industrial effluents and solid residues from the III Petrochemical Complex, based in Triunfo (RS), as well as industrial effluents produced by the Industrial Motors Complex of General Motors do Brasil, in the city of Gravataí (RS). Corsan, headquartered in the city of Porto Alegre, is a mixed-capital company, whose share control is exercised by the State of Rio Grande do Sul.
