DEME

SUSTAINABILITY REPORT

2018

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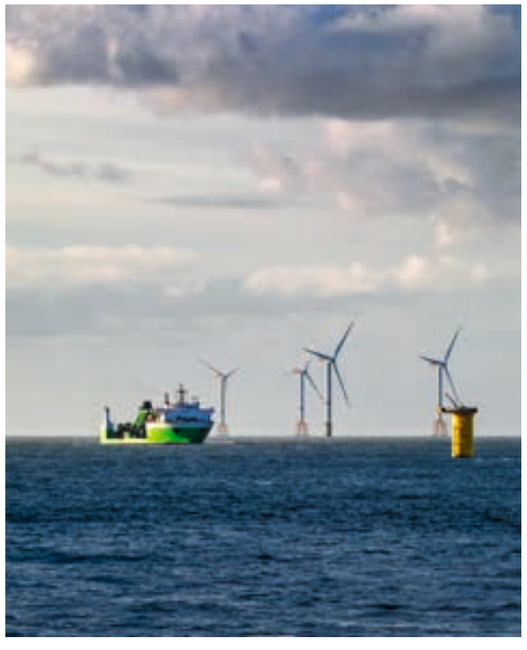
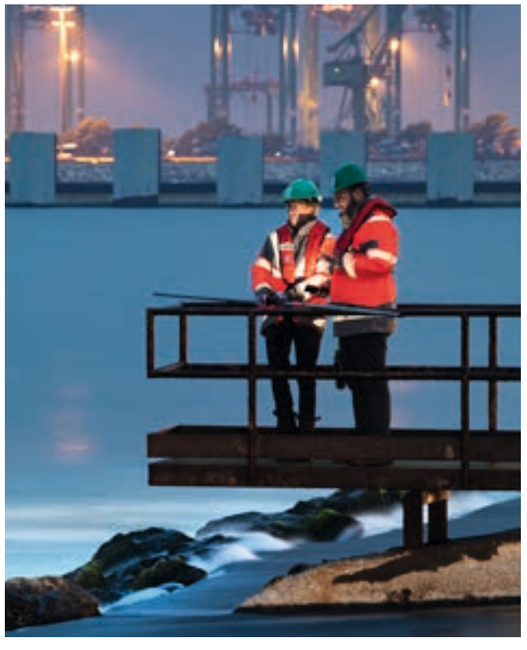
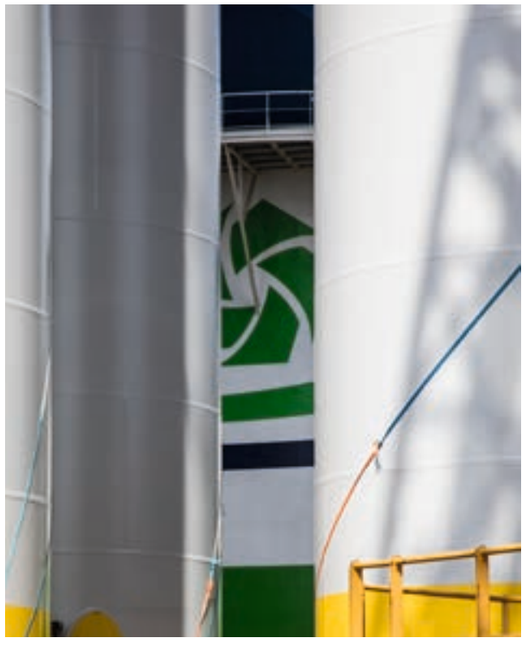






WELCOME TO DEME'S SUSTAINABILITY REPORT

COMPANY PROFILE

A global solutions provider

DEME is a world leader in the highly specialised fields of dredging, marine engineering and environmental remediation. We can build on more than 140 years of know-how and experience and have fostered a pioneering approach throughout our history, being a front runner in innovation and new technologies.

While our company roots are in Belgium, we have built a strong presence in all of the world's seas and continents, operating in more than 90 countries worldwide. We can rely on more than 5,000 highly skilled professionals across the globe. With a versatile fleet of over 100 vessels, backed by a broad range of auxiliary equipment, we can provide solutions for even the most complex projects.

Solutions for global challenges

Our vision is to work towards a sustainable future by offering solutions for global, worldwide challenges: rising sea levels, a growing population, reduction of emissions, polluted rivers and soils and the scarcity of natural resources.

Although our activities originated with our core dredging business, our portfolio has diversified substantially over the decades. Our offering includes dredging and land reclamation, solutions for the offshore energy market, infra marine solutions and environmental solutions. Our multidisciplinary capabilities, the synergies in many projects and our integrated corporate structure have made us into a global solutions provider.

Exploring new horizons

We also strongly believe in turning challenges into opportunities. That's why we are continuously looking for ways to deploy our knowledge and expertise in other activities, exploring new horizons and expanding our solutions portfolio.

We are developing technologies for the sustainable deep-sea harvesting of minerals on the ocean floor. As a leader in environmental remediation we are looking into solutions to tackle marine litter in our rivers and oceans. We are building on our experience in coastal protection to develop nature-based solutions to tackle the rising sea level. Our continued investments in new technologies and activities underline just how important innovation is to our company.

Share-holder structure

DEME's shareholder is the Brussels-based civil engineering contractor CFE, which is controlled by the Belgian investment Group Ackermans & van Haaren – both publicly listed companies on Euronext Brussels.

MESSAGE FROM THE CEO

TOGETHER WE STRIVE FOR SUSTAINABLE VALUE CREATION

Over the course of more than 140 years, DEME has grown into a world leader in the highly specialised fields of dredging, marine engineering and environmental remediation.

Our strategies, foresight and knowledge of the global risks and opportunities in the market have helped us to select the right projects to drive the business forward. But is that enough to take us into the future?

According to the World Economic Forum's Global Risks Outlook 2018, we all need to be more aware of the environmental issues that we face. From CO_2 emissions and rising sea levels to environmental degradation, increased pollution and scarce resources: none of these issues exist in a vacuum. So, how can we navigate the change that is upon us? How can we use the power of data and reason to lead the way to a fossil-free, diverse and closed-loop economy?

One option is provided by the United Nations Sustainable Development Goals (SDGs), part of the UN 2030 agenda for sustainable development. This is a concrete action plan to address the global challenges that we all – governments, companies and society – should take responsibility for. We believe that integrating the SDGs into our business will help us to create sustainable value for ourselves and our stakeholders.

Our efforts have already started. We are leveraging our resources and expertise to help achieve these universal goals for a sustainable future. And we plan to continue and expand our efforts. We understand that to create the largest possible impact on these goals, we need to do more than simply minimise the impact of our own operations. We also design and implement business solutions that address specific SDGs.

While everyone at DEME, together with our shareholders, is committed to playing a pioneering role that proactively investigates technological solutions to tackle the issues covered by the SDGs, we are not working alone. We have joined forces with partners in the maritime sector, science community, non-governmental organisations, technical solution providers, climate experts and many others. Together we can truly make a difference.

Because, if we do not tackle these global challenges together, what will the world become?

If we do not tackle these global challenges together, what will the world become?

This is the first time that we publish our integrated vision on sustainability. This report explains how we integrate the SDGs into our business and how this helps us to create sustainable value. We are convinced that our vision will result in long-term sustainable value for our customers, shareholders, company, partners, stakeholders and society.

Luc Vandenbulcke
Chief Executive Officer DEME

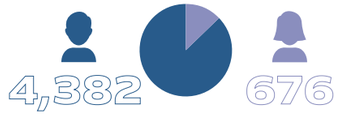
FACTS & FIGURES

Together with our employees, we are committed to being a sustainable, safe and global dredging, environmental and marine engineering solutions provider that benefits our stakeholders, our people and our planet.

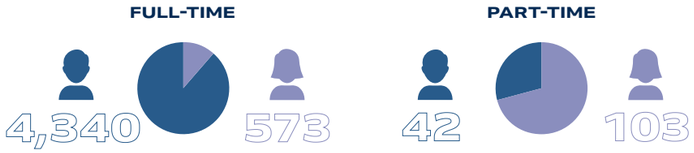
5,058
TOTAL COMPANY
(actuals December 2018)

MALE
FEMALE
TOTAL

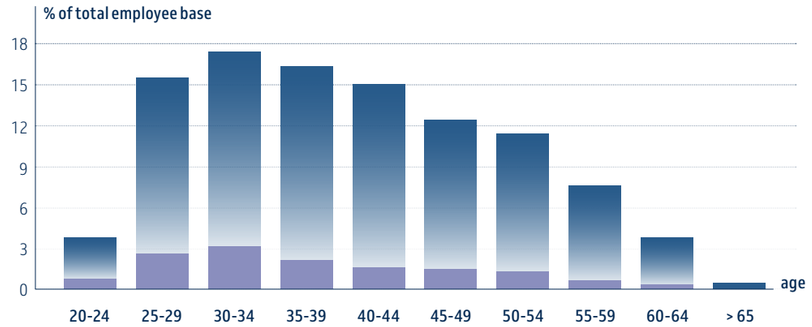
BREAKDOWN MALE/FEMALE



RATIO OF FULL-TIME AND PART-TIME EMPLOYEES



AGE PROFILE BY GENDER



TRAINING HOURS

NUMBER OF NATIONALITIES

FINANCIAL HIGHLIGHTS

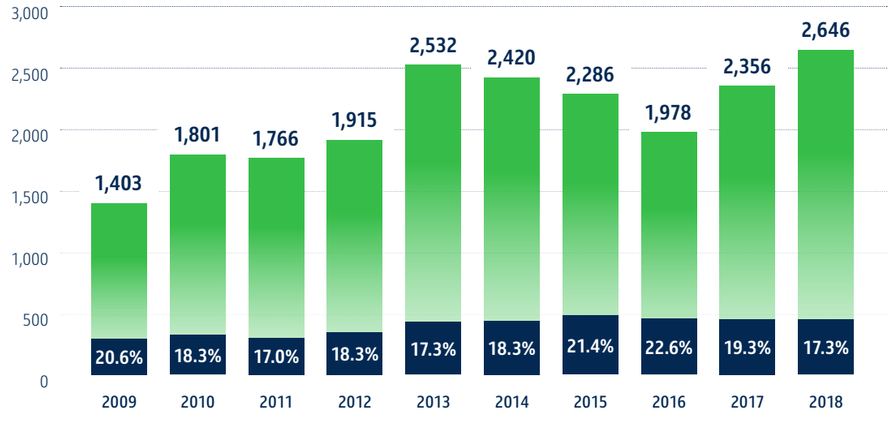
DEME GROUP KEY FIGURES

As of December 31, according to IFRS (*)
(in millions of EUR)

	2018	2017	DELTA
Turnover	2,645.8	2,356.0	289.8
EBITDA	458.9	455.5	3.4
EBIT	196.0	230.5	-34.5
Net result share of the group	155.6	155.1	0.5
Order book	4,010.0	3,520.0	490.0
Average # personnel (in FTE)	4,937	4,440	497
Shareholders' equity (excl. minority interests)	1,401.4	1,321.8	79.6
Net financial debt	-555.8	-285.7	-270.1
Balance sheet total	3,820.7	3,521.2	299.5
Total investments	410.2	622.9	-212.7
Dividend of the year	55.0	55.0	0.0

DEME GROUP EVOLUTION OF CONSOLIDATED TURNOVER AND EBITDA

As of December 31, according to IFRS (*)
(in millions of EUR)

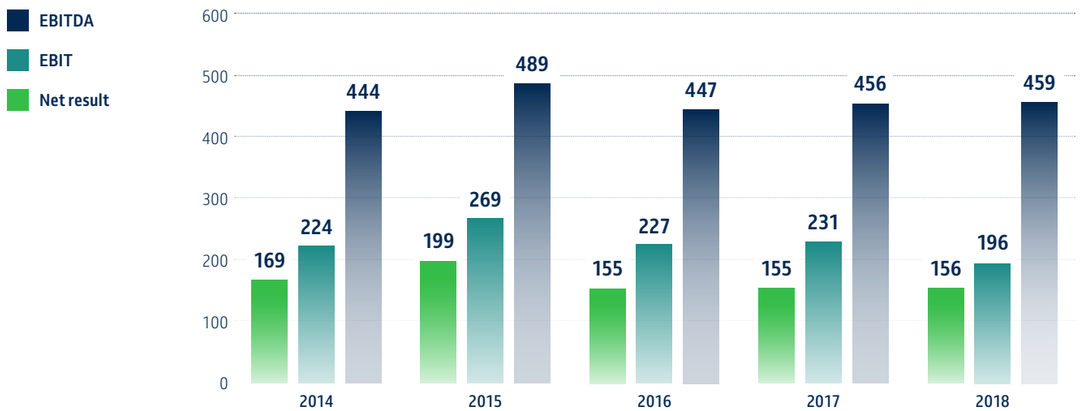


Definitions:

EBITDA is the sum of operating result (EBIT), depreciation, amortisation expenses and impairment of goodwill.
EBIT is the operating result or earnings before interest and taxes.
Order book is the contract value of assignments that are acquired as of December 31 but that is not yet accounted for as turnover because of non-completion.
Net financial debt is the sum of current and non-current financial liabilities decreased by cash and cash equivalents.
Total investments is the amount paid for the acquisition of intangible, tangible and financial fixed assets, which equals or is the total investment amount of the consolidated cash flow from investing activities.
(*) Following the introduction of the accounting standards IFRS 10 and IFRS 11, group companies jointly controlled by DEME are accounted for using the equity method with effective date as from January 1, 2014.

DEME GROUP EVOLUTION OF NET RESULT, EBIT AND EBITDA

As of December 31, according to IFRS (*)
(in millions of EUR)



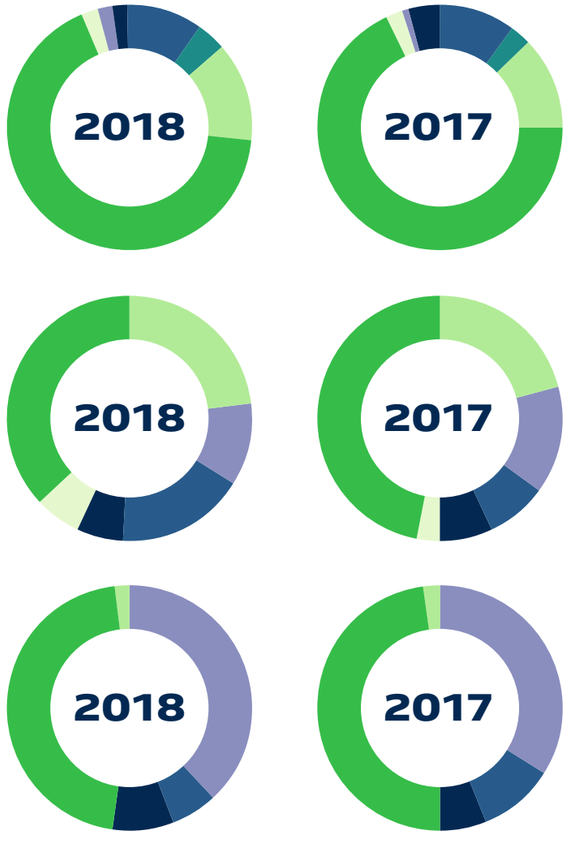
DEME GROUP TURNOVER BY REGION, BY ACTIVITY AND BY CUSTOMER

As of December 31, according to IFRS (*)

BY REGION	2018	2017
Europe - EU	67%	68%
Asia & Oceania	13%	12%
Africa	10%	10%
America	4%	3%
Indian subcontinent	2%	4%
Middle East	2%	1%
Europe - non EU	2%	2%

BY ACTIVITY	2018	2017
Marine works	37%	47%
Capital dredging	23%	21%
Fallpipe & landfalls	17%	8%
Maintenance dredging	11%	14%
Environmental	6%	7%
Civil works	6%	3%

BY CUSTOMER	2018	2017
Renewables	46%	48%
Government	38%	34%
Oil & Gas	8%	6%
Others	6%	10%
Mining	2%	2%



DEME'S CORE VALUES

Our core values can be summarised in the word 'STRIVE'. Forming the basis of our commitment to consistently deliver excellence to our customers and value to our company, our STRIVE values are reflected in everything we do. We also share these standards with our suppliers, subcontractors and partners.

SAFETY

The **personal safety and health** of employees and stakeholders is our greatest responsibility. Everyone has the right to work in a safe and **risk-free** environment at all times.

TECHNICAL LEADERSHIP

With an open mind and the **right team spirit**, we continue to improve all aspects of our work process and develop **trail-blazing solutions** to the needs and challenges of our customers.

RESPECT & INTEGRITY

Our employees are trained and motivated to meet the challenges ahead. **Individuality** and **diversity** are valued and performance is recognised. Our relationships with suppliers, subcontractors and partners reflect **respect**, **understanding** and **sound business practice**. We observe all applicable laws and regulations of the countries in which we are active. We respect **human rights** and prohibit unlawful discrimination.

INNOVATION

Innovation is the cornerstone of our achievements. We continuously **push our boundaries** by developing new, value-adding services and solutions.

VALUE CREATION

We make **result- and sustainability-driven** decisions in order to ensure **long-term growth** for the benefit of employees, customers and share-holders, including financial discipline to keep our company healthy.

ENVIRONMENT

We **protect the environment** and avoid any negative impact on the communities in which we do business.

COLLABORATION WITH OUR STAKEHOLDERS

As a global company operating in many different markets and locations, it is essential to maintain good working relationships with all our stakeholders. To achieve this, as well as to enhance awareness and foster multi-stakeholder collaborations, we foster on:

1. **Growing awareness about sustainability within our value chains, including our shareholders, suppliers, subcontractors, clients and partners.**
2. **Building partnerships and exchanging knowledge with research and knowledge centres, technology providers, policy institutions and Non-Governmental Organisations (NGOs) for sustainable economic development.**
3. **Creating a sustainable mindset within the organisation.**
4. **Communicating transparently about the progress made towards our sustainability goals.**
5. **Strengthening the capacity of local communities to maintain and sustain the projects we complete.**

DEME's vision

SETTING SUSTAINABLE GOALS AND MAKING THEM HAPPEN

DRIVING SUSTAINABLE DEVELOPMENT THROUGH OUR DAILY ACTIVITIES

At DEME, it is our ambition to fundamentally contribute to sustainable solutions for the global environmental, societal and economic challenges facing our world today.

Every day we are involved in a wide range of large, complex projects worldwide, ranging from dredging and land reclamation to marine infrastructure and offshore energy works. All these projects have a potential impact – positive or negative, minor or substantial – on communities, local economies and the overall climate.

OUR STRATEGY FOR SUSTAINABLE PERFORMANCE

We always strive to improve the sustainability of our own operations. An intense internal cooperation process took place across our activities, leading to a two-dimensional strategy for sustainable performance:

- **Explore sustainable business solutions** by providing solutions and building partnerships that drive change towards a low carbon, circular and resilient society.
- **Excel in our operations** by reducing the carbon and environmental footprint of our operations and by being a top employer.

This vision will help us to create sustainable value for our customers, DEME and society.

OUR COMMITMENT TO THE SUSTAINABLE DEVELOPMENT GOALS

It is undeniable that the world is facing multiple global challenges that could have a serious impact on our society and environment, unless we take action now. With its 17 Sustainable Development Goals, the UN has identified its priorities for creating a better world by 2030.

While these goals address different themes and aspects of sustainability, they are all interconnected. Together, they will help us to overcome global poverty, stop climate change and fight inequality so that we all live in a better world.

At DEME, we are fully committed to helping achieve the SDGs. These goals have helped us to understand the economic, environmental and social impact of our operations as we move towards a project portfolio with a strong sustainable focus.

To push sustainable value creation forward we have established a clear vision and have developed a sustainable performance strategy. Our clear objectives and targets for sustainable performance support the 2030 Agenda of the Sustainable Development Goals.

Extensive stakeholder consultations resulted in eight key sustainability themes which are the drivers for our sustainable performance.

To understand the key Sustainable Development Goals and related sustainability themes where we can have the most impact, extended stakeholder consultations were conducted, including

- Consultations with the executive committee, business managers of the different activity lines and leaders of both operational and supporting services. All interviewees were asked to assess the relevance and impact of the different Sustainable Development Goals for us and our external stakeholders. We also discussed the opportunities and challenges that our business will face in the future, to frame the importance of the SDGs within our business context.
- A sustainability poll, online survey and multiple workshops during the DEMEx innovation conference. More than 200 young DEME professionals explored the challenges of the Sustainable Development Goals and their impact on our business success.
- Research on key sustainability themes for and from our external stakeholders (publicly available information).

These extensive stakeholder consultations resulted in eight key sustainability themes which are the drivers for our sustainable performance. These eight sustainability themes help us to focus our sustainability strategy on those impact areas that are most relevant for our business and for our external stakeholders. Setting these priorities will help us to align our business decisions with the Sustainable Development Goals where DEME can create most impact.

As nexus we identified both strategic and operational objectives for each of the eight key sustainability themes. These objectives will enable us to drive our business towards sustainable value creation.

SUSTAINABLE VALUE CREATION

To push sustainable value creation forward, we have established a clear vision, including strategic objectives and targets. We want to continuously challenge ourselves to develop more sustainable solutions within our portfolio so that our operations become more environmentally friendly.

We identified eight key sustainability themes that will support us to create sustainable value. Integrating these ambitious objectives into our day-to-day operations will leverage sustainable growth for DEME and society.

The table below gives an overview of how our two-dimensional strategy interacts with our key sustainability themes.

CLIMATE & ENERGY

Drive the energy transition by expanding our offshore energy solutions and by exploring new marine-based solutions for renewable energy production, connection and storage.

Improve adaptation against climate related hazards by building resilient infrastructure and providing dedicated flood protection solutions.

NATURAL CAPITAL

Protect, revive and build natural capital to address key environmental and societal challenges.

SUSTAINABLE INNOVATION

Stimulate the development of holistic solutions through multi-stakeholder partnerships to drive the transition towards a sustainable future.

WASTE & RESOURCE MANAGEMENT

Drive the resource transition by increasing the sustainable supply of materials.

Accelerate the shift towards a circular economy by providing solutions for waste, soil, water and sediments.

HEALTH, SAFETY & WELL-BEING

Develop future-proof infrastructure to enhance prosperity, well-being and a safe environment.

DIVERSITY & OPPORTUNITY

Create decent job opportunities to stimulate economic development and reduce inequality.

ETHICAL BUSINESS

Conduct business with integrity, including zero-tolerance against corruption and bribery in any form.

LOCAL COMMUNITIES

Increase the resilience of communities to cope with economic, environmental and social challenges.

EXPLORE SUSTAINABLE BUSINESS SOLUTIONS

"What business do we want to be in and how can we create sustainable growth?"

EXCEL IN OUR OPERATIONS

"How can we perform in the most sustainable way to leverage business solutions?"

CLIMATE & ENERGY

Improve energy efficiency in our operations.

Strive for a carbon neutral organisation by 2050 and reduce GHG emissions in the project value chain.

NATURAL CAPITAL

Minimise the environmental impact of our operations and strive for a net positive impact on biodiversity and ecosystems.

SUSTAINABLE INNOVATION

Enhance scientific research, upgrade the technological capabilities and encourage sustainable innovation within our projects.

WASTE & RESOURCE MANAGEMENT

Maximise efficient and circular use of materials throughout our projects.

HEALTH, SAFETY & WELL-BEING

Provide a safe, secure and healthy working environment for all people involved.

DIVERSITY & OPPORTUNITY

Ensure an inclusive workplace where all workers are treated equally with dignity and respect.

Strengthen employee competencies by facilitating talent development and promoting sustainable entrepreneurship.

ETHICAL BUSINESS

Respect and protect labour rights in our operations.

Embed an ethical business mindset within the organisation and transparently communicate about our ethical performance.

LOCAL COMMUNITIES

Build collaborative relationships with local communities through consultation, engagement and participation.

OUR TOOLS FOR PUTTING SUSTAINABILITY INTO PRACTICE

In order to assess and monitor our project portfolio, we have developed dedicated instruments and dashboards. Together, these tools strategically steer our decision-making process towards more sustainable offerings that integrate the SDGs.

Created in collaboration with an external sustainability expert, our SDG assessment tool focuses on the negative or positive contribution of our projects on the SDGs.

The in-depth results from the tool are based on interviews with key project and tender managers, as well as internal and publicly-disclosed information. Each project assessment includes a climate profile, an innovation profile and an overview of the project's connections to one or more of the SDGs. The key objectives of this tool are:

- To gain a better insight into current and potential environmental and social risks and benefits of projects in which we participate as a contractor, partner or investor;
- To provide a structured and common basis for communication on project impacts to key stakeholders (investors, NGOs, employees, affected communities, etc.);
- To get a clear picture of a project's contribution to the SDGs;
- To identify areas of further investigation related to environmental or social risks;
- To help develop a process for evaluating a project's environmental and social risks at an early stage (tendering phase, design phase, etc.).

The results show us that some projects contribute significantly to a single SDG such as renewable energy or resilient infrastructure. Other projects have a broad impact on multiple SDGs, such as resource-based dredging projects and integrated brownfield developments.

So far, we have used the tool on ten medium- to large-scale projects and tender opportunities in 2018. In 2019, another 23 projects will be assessed, representing almost half of our business revenues. The tool strengthens our capacity to identify and manage environmental, economic and social risks and opportunities, driving decision-making towards project opportunities with the most sustainable impact.

The next chapter elaborates on our key sustainability themes. We look at their impact on the SDGs and the key challenges and objectives. We give examples of how the theme has been integrated into our business solutions and operations.

DEME'S KEY SUSTAINABILITY THEMES

CLIMATE AND ENERGY

Turbine installation at Rentel offshore wind farm, Belgium

CONNECTED SUSTAINABLE DEVELOPMENT GOALS

DESCRIPTION

The SDGs recognise climate change as one of our biggest challenges. In particular, how the adverse impacts of climate change can undermine efforts to achieve sustainable development.

This includes the increasing global temperature, rising sea levels, ocean acidification and other climate changes which seriously affect coastal areas and low-lying coastal countries, including many of the least developed countries and small island developing states. The survival of many societies and of the planet's biological support systems is at risk.

Furthermore, there is a growing global need for access to affordable, reliable and sustainable energy. The International Energy Agency expects this need to be met by renewable energy production. However, we should not overlook the importance of increasing the efficiency of current energy production and energy usage.

DEME CHALLENGE

We are faced with two main challenges related to climate and energy. Firstly, reducing our energy consumption and improving energy efficiency. By its very nature, dredging is an energy-intensive activity that requires continual optimisation of our operations to improve our energy efficiency.

Secondly, reducing the carbon footprint of our operations. As greenhouse gases (GHG) will be the main obstacle for the coming decades, we need to reduce GHG emissions for our operations and in the project value chain. Connected to this are the integration of eco-friendly energy and the availability of (renewable) shore power and clean fuels.

DEME VISION AND APPROACH

Explore sustainable business solutions

Our Explore approach to achieving our climate and energy vision focuses on infrastructure. We are implementing climate resilient infrastructure that is better adapted to climate-related hazards, including flood protection solutions. Furthermore, we are driving the energy transition forward by expanding our offshore renewable energy solutions thanks to our specialised teams who have worked on the largest wind farms in some of the most challenging marine environments in the world. We continue to explore new marine-based solutions for renewable energy production (including hydrogen, tidal & wave geothermal and solar energy), connection and storage. Together, these projects improve access to affordable energy, increase the share of renewable energy and improve energy efficiency.

Excel in our operations

Our Excel approach to becoming climate neutral has already started, with a shift towards climate-neutral vessels and programmes to reduce GHG emissions in our project value chain. By scaling up our current actions, introducing new programmes and optimising our energy efficiency, we aim to have the most energy efficient fleet in the industry. In concrete terms, we plan to reduce our GHG emissions by 40% (compared to 2008) by 2030 and strive to be completely climate neutral by 2050.

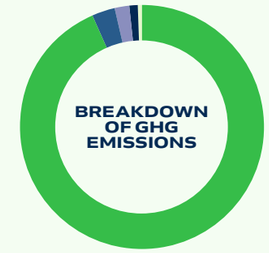
OUR 2030 TARGETS

By 2030 we anticipate integrating carbon-free fuels and renewable energy into all our solutions, including our vessels, floating equipment, car fleet and offices, a prerequisite in our striving to become a climate neutral organisation by 2050.

TOTAL WORLDWIDE GHG EMISSIONS 2018

687,086

ton CO_2 eq.



FUEL VESSELS & FLOATING EQUIPMENT	93.5%
FUEL OFF-ROAD EQUIPMENT	3%
AIR TRAVEL	2%
CAR FLEET	1%
OFFICES	0.5%

Note: only limited indirect GHG emissions are included here (e.g. electricity and air travel). While these indirect emissions are a consequence of DEME's activities, they are managed by sources not owned or controlled by DEME.

THEME IN ACTION

CO_2 performance ladder

In the Benelux, DEME is certified according to the requirements of the CO_2 performance ladder, which encourages companies to map out and reduce their CO_2 emissions. Since 2012 LRQA (an accredited independent party) has regularly verified our processes and results. In 2018 DEME passed the renewal audit with the highest qualification level (level 5).

Fleet of the Future

As part of our ambitious goal to become climate neutral by 2050, we have started a multi-year investment programme called "Fleet of the Future".

The programme recognises that approximately 90% of the GHG emissions we produce are directly linked to our working equipment and its fuel use. To tackle this, we are investing in implementing future-proof technology on board our vessels and heavy equipment.

We are taking the lead in the industry by implementing dual fuel (DF) technology on our new vessels. DF engines are capable of running on liquefied natural gas (LNG), reducing carbon dioxide emissions and almost eliminating SOx, NOx and particle emissions. DF technology will also avoid future lock-ins when climate-neutral marine fuels become more widely available.

Our recent fleet additions – TSHDs 'Minerva' and 'Scheldt River' and cable laying vessel 'Living Stone' – are unique in their market segments as the first vessels in our industry to run on LNG. They also have a Green Passport and a Clean Design notation. This is a major stepping stone in the transition towards climate-neutral fuels.

Our continuous investment programme means that we have the most updated and youngest fleet of marine equipment in the industry. This empowers us to perform at the highest environmental standards to reduce our GHG emissions.

Electrical cutter

Currently, the cleanest energy that can be used to fuel our dredging fleet is renewable electricity from wind or solar. Our first fully-electric and autonomous dredger 'Blanew' recently joined our fleet. The vessel is especially designed for dredging works in marinas, canals and lakes. In order to reduce exhaust gas emissions and to minimise noise when working in marinas, 'Blanew' is powered by an umbilical, floating electric cable that is directly connected to the shore-based renewable electricity network.

Shipboard Energy Efficiency Management Plan (SEEMP)

Our new SEEMP programme improves the energy efficiency of our vessels by raising awareness and optimising our machinery and equipment, including preventive maintenance regimes that improve voyage optimisation and monitor propeller performance.

DRIVE programme

Our continuous improvement programme, "DRIVE", is based on the well-known principles of Lean and Six Sigma. DRIVE focuses on improving operational and technical processes as well as sustainability aspects like safety and energy efficiency.

In 2018, our DRIVE team advanced the company's digital capabilities by leveraging Big Data and the Internet of Things (IoT) to allow all our activities to be stored in one Cloud database – the DEME Reporting Engine (DRE). This enables visual representation of the progress of megaprojects, as well as the detailed analysis of the production of each individual vessel for better managerial and operational decisions.

Additionally, the big data collected by the vessels' sensors are used to scientifically compare their performance so we can determine the best choice for each project upfront, increasing productivity and lowering energy requirements.

The electric-powered vessel 'Blanew' is silent and does not produce emissions.

Electrical CSD 'Blanew'

Improved vessel design

When designing and upgrading our fleet, we study ways to improve energy efficiency at the same time. Measures include:

- Optimisation of the hull design, for example by introducing bulbous bows;
- Development of high-efficiency dredge pumps, jet water systems and excavating tools. This has resulted in increased production rates and lower use of energy per m^3 of dredged sediments;
- Use of efficient drive trains. The integrated drive trains include frequency drives, variable speed generators and energy management systems for higher energy efficiency;
- Automated processes like pump and cutter controllers are more accurate than operations controlled by human operators;
- Green energy technologies, including photovoltaic panels, wind turbines and recuperation of heat from engines to heat the crew accommodation.

Shore power technology

We are continuously evaluating, testing and integrating new green technologies to reduce our GHG emissions. Recently, we invested in shore power technology for our cutter suction dredgers (CSD) when at berth in the Port of Astakos, Greece.

Prior to the installation of shore power technology in the Port of Astakos, vessels needed to use auxiliary power as their main power supply when in idle mode. Besides being neither economical nor ecological, it also adds to the wear and tear of the engine. The alternative, external generators, require frequent refuelling.

In addition to the financial investment being quickly recouped thanks to the reduced fuel bills and generator rentals, shore power technology has reduced CO_2 emissions, eliminated engine noise, and has ensured that powering up is a lot easier and safer for the crew. The auxiliary generator is only used during maintenance of onboard systems. Other CSDs calling at the Port of Astakos can also use this new power supply while laying idle.

NATURAL CAPITAL

CONNECTED SUSTAINABLE DEVELOPMENT GOALS

DESCRIPTION

Our oceans, seas, rivers and coastlines are vital for a healthy planet and economy. For this reason, it is important to find solutions that safeguard and improve marine and terrestrial ecosystems by de-polluting, restoring and enhancing our oceans, rivers, coastal areas, ports and land.

A pilot project to test nature-based coastal defence solutions

DEME CHALLENGE

There are two key elements to this sustainability theme: protecting biodiversity and avoiding (ocean) habitat disturbance during our operations.

DEME VISION AND APPROACH

Explore sustainable business solutions

Our Explore approach aims to prevent and reduce marine pollution and sustainably revive and rebuild marine, coastal, inland waterway and terrestrial ecosystems. We work with our clients during the project design and engineering stages to integrate a holistic approach to engaging with natural ecosystems.

Excel in our operations

It is undeniable that marine contracting (seabed dredging, harbour extensions, offshore wind turbine installation, underwater cable-laying, deep-sea harvesting, etc.) alters the environment. However, our Excel approach focuses on working with nature to minimise the environmental impact of our operations and, where possible, striving for a net positive impact on biodiversity and ecosystems. This includes ecosystem service assessments and novel nature-inspired designs.

OUR 2030 TARGETS

Looking to the future, we plan to assess, reduce and restore the environmental impact of our operations and create awareness about preservation and restoration of ecosystem services. Part of this will involve integrating nature-inspired design into our project engineering.

THEME IN ACTION

Global Sea Mineral Resources (GSR)

GSR is the deep-sea exploratory division of the DEME Group. In 2013, the International Seabed Authority (ISA) awarded us a 15-year contract to explore the Clarion Clipperton Zone (CCZ) with a view to developing technologies that can collect polymetallic nodules from the ocean floor.

We believe that all deep-sea activities need to be underpinned by good science, good monitoring and tough enforcement. We advocate a precautionary approach and are collaborating with the scientific community and the regulator, the ISA, to ensure the highest levels of oversight and develop tailored, ecosystem-based management strategies to ensure that biodiversity and ecosystem health and functions are maintained.

One way of mitigating such risk is to allocate set-aside areas that remain unmined and non-impacted from the effects of seabed activities. We support the proposal to establish a network of marine reserve areas that represent at least 30% of the oceans. This is already the case in the region where we conduct research. The ISA proactively established a network of nine Areas of Particular Environmental Interest (APEIs). Each APEI is an area of 400 km², totalling 1.44 million square kilometres, which is the equivalent to ~35 % of the CCZ. Furthermore, contractors also need to establish representative set-aside areas within their contract areas, which will again contribute to the maintenance of regional biodiversity and ecosystem health and function.

As in any industry, the regulatory body and contractors need to manage potential uncertainties as well as risks. Key to managing uncertainty is to have robust environmental adaptive management tools in place, that may be refined once more is learned. Each contractor is required to conduct a thorough Environmental Impact Assessment (EIA) before any commercial operations can take place. EIAs evolve as our knowledge increases. The EIAs will result in an Environmental Impact Statement and this, along with an Environmental Management and Monitoring Plan, and Closure Plan, are required for submission to the ISA as part of the application for commercial operations.

GSR was the first contractor to publish an environmental impact assessment for a scientific test in 2018. In the interest of independence, we were joined by JPI Oceans, a consortium of scientists from nine European countries. To date, we have primarily been focused on component tests, while establishing a comprehensive environmental baseline involving biodiversity, connectivity and ecosystem services studies. We will be conducting a series of field trials and our nodule collector, Patania II, has been equipped with a variety of sensors to help us understand the efficiency of nodule-sediment separation, and where improvements may need to be made in engineering design. Those improvements, if needed, will be incorporated into the next trial. It is an iterative process and we remain committed to the highest levels of transparency.

We believe that any deep-sea activities need to be underpinned by good science, good monitoring and tough enforcement

Flood protection measures inspired by nature

We have co-developed multiple novel initiatives that integrate nature to offer flood protection services. For example, Coastbusters, our beach protection programme, and habitat restoration/creation with biogenic reefs as an alternative for coastal zone management.

As part of our field trial process, we have installed Coastbuster reefs with different types of biodegradable substrates for 'grass matting' near the Belgian town of De Panne. The tests will show whether biogenic reefs (shellfish, marine flora, sand mason worm reefs) have the capacity to reduce erosion of the beach, including from storm waves and can keep up with sea level rises by natural accretion. Compared to conventional approaches, ecosystem-based flood defences can improve water quality and carbon sequestration, produce fisheries, stimulate biodiversity, improve nature conservation and create recreational space. The tests are due to be concluded in 2020.

QHSE-S risk management system

We use an integrated QHSE-S (Quality Health Safety Environment) risk management system for the management of all relevant environmental aspects of all our sites and operations to ensure a consistent global level of environmental performance.

The QHSE-S system also includes a mandatory environmental key performance indicator (KPI) which triggers pro-active "green initiatives". These are any change or modification to a process, equipment or set-up that reduces the environmental impact of the project.

The goal of this KPI is to raise environmental awareness of all employees, identify the environmental impact of each process and come up with innovative initiatives to reduce this impact. A recent green initiative focused on changing to biodegradable oils and grease for the hydraulic and lubrication systems of our floating equipment.

ISO 14001 certification

All DEME companies are ISO 14001 certified. This international standard specifies requirements for an effective environmental management system (EMS). Our EMS is integrated in the DEME QHSE-S risk management system, which is monitored via internal and external audits.

Ecoplume at the Mauritius container terminal quay

Our proactive and proprietary Ecoplume turbidity monitoring system harnesses hydrographic modelling to big data (in this case, past and real-time meteorological, wave, tidal and current data) to create flawless forecasts of the volume and direction of any turbidity. The forecasts can be validated in real time to further refine the system.

Ecoplume has empowered us to conduct large-scale dredging works in the vicinity of sensitive receptor sites, such as coral reefs or seagrass beds, without causing any environmental incidents. This complements traditional approaches that are often mandated by the project's Environmental Impact Assessment.

We used Ecoplume for the extension and strengthening of the Mauritius container terminal quay project in Port Louis Harbour. We needed to perform dredging and reclamation works without damaging the marine life and habitats in the surrounding environment which includes the Ramsar site ecosystem (Rivulet Terre Rouge Estuary Bird Sanctuary, a protected reserve) and the Fort William wetland.

The most significant effect of the dredging and reclamation process is the suspension of sediment particles as they are removed from the seabed and discharged in the reclamation area. Thanks to the use of Ecoplume, our monitoring indicated that exceedance of total suspended solids (TSS) levels in the area was short-term and localised.

Noise mitigation during offshore wind turbine installation

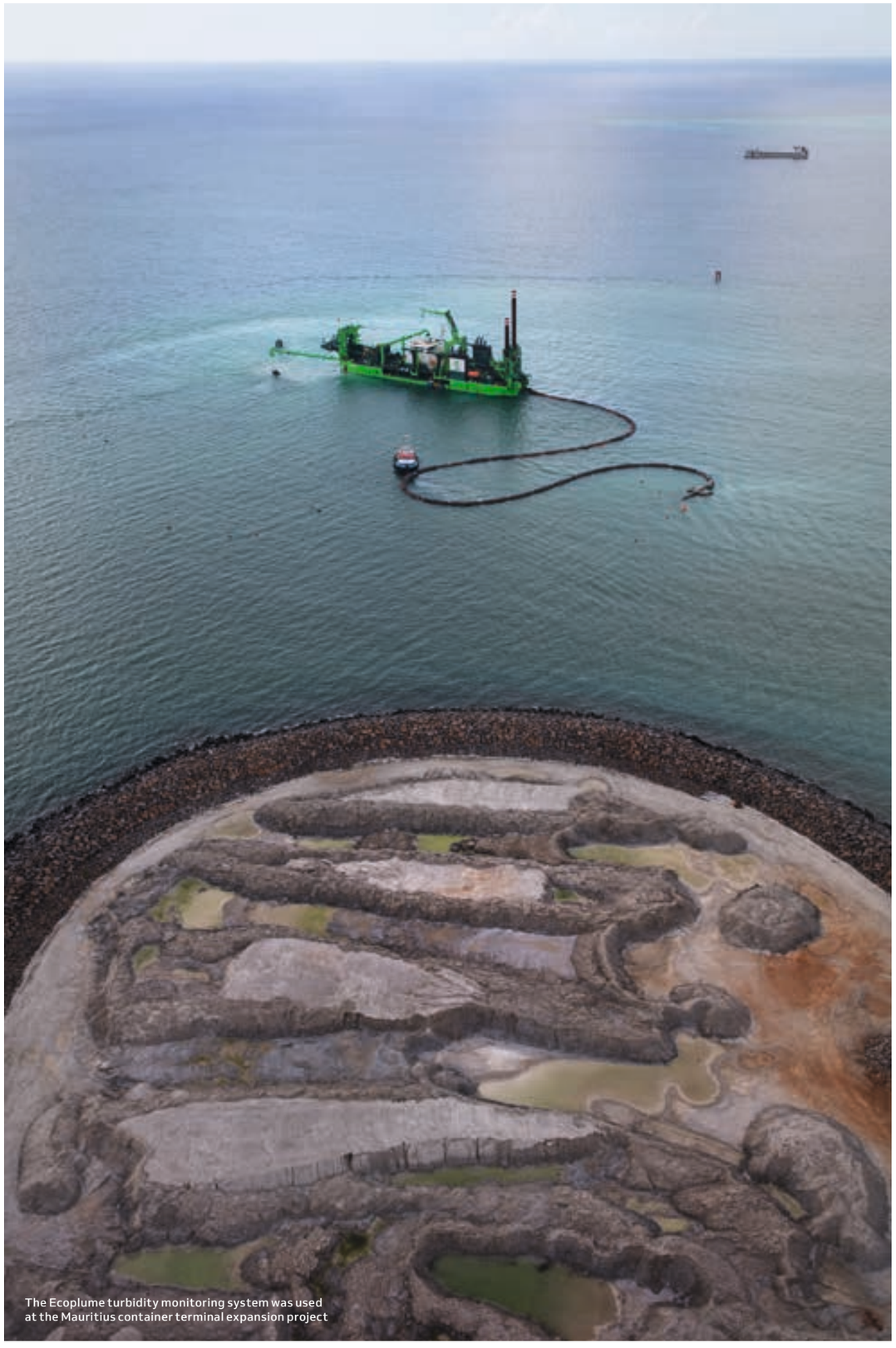
Most marine fauna depend on sound for almost all vital functions, meaning that the effects of construction noise on marine species is a pressing issue.

During the Hohe See wind turbine project in the German Bight in 2018-2019, we equipped our heavy-lift jack-up installation vessel with an IHC Noise Mitigation Sleeve (NMS). This big cylindrical double-walled steel tube surrounded the monopile (MP) during the piling process and contained the sound emitted from the MP by internal reflection of the sound waves, damping it in the contained air bubble and by diffraction of the air bubbles created within the IHC NMS. Additionally, a double big bubble curtain (DBBC) surrounded the installation vessel, making a loop with a radius of about 100 m. The DBBC captures secondary sound waves that slip past the IHC NMS.

Together, the IHC NMS and DBBC mitigated noise levels to meet the stringent noise limit of 160 dB Sound Exposure Limit (SEL) imposed by the German government.

For future projects, we are preparing our installation equipment using a novel integrated solution for noise mitigation.

For future projects, we are preparing our installation equipment using a novel integrated solution for noise mitigation. This involves an extra integrated element that doesn't jeopardize the basic functioning of the pile gripper.



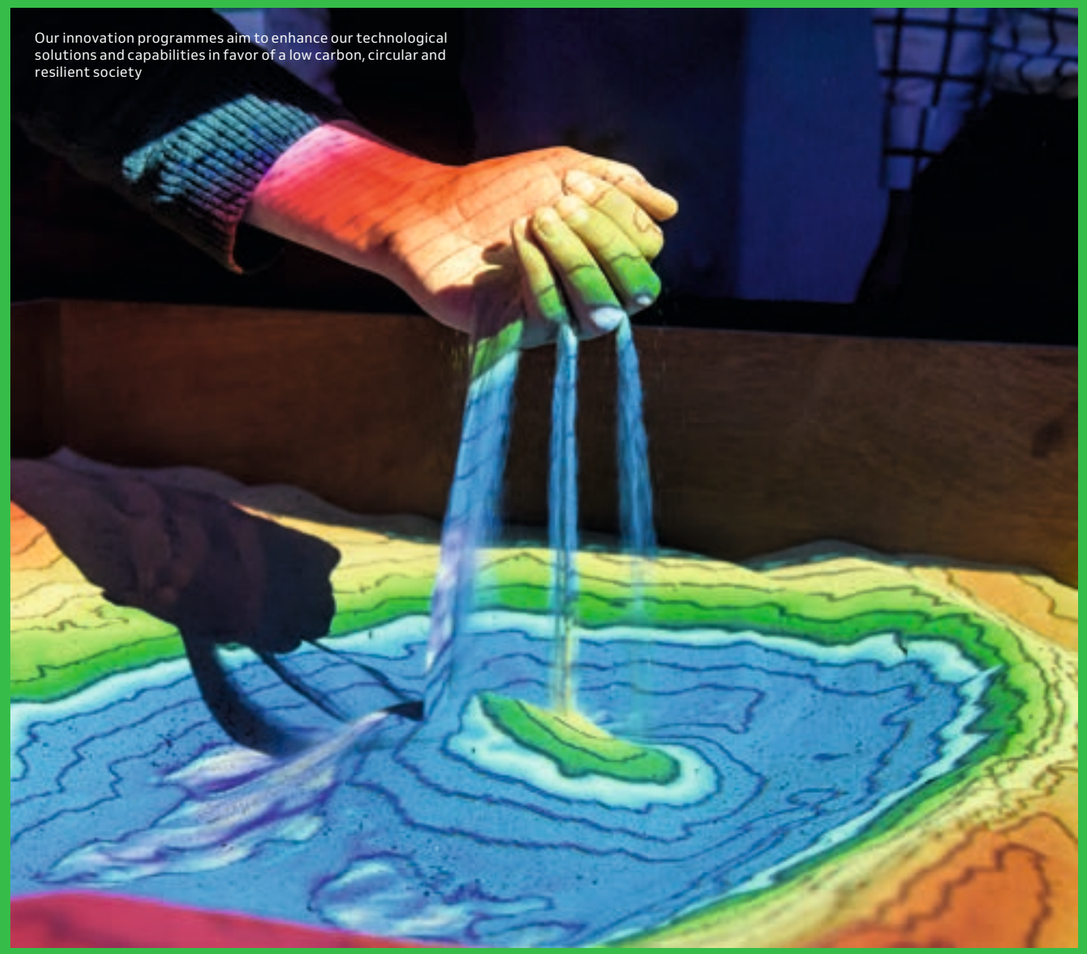
The Ecoplume turbidity monitoring system was used at the Mauritius container terminal expansion project

SUSTAINABLE INNOVATION

CONNECTED SUSTAINABLE DEVELOPMENT GOALS

DESCRIPTION

Investments in infrastructure (transport, energy, water, ICT, housing, etc.) are crucial for achieving sustainable development, empowering communities worldwide and facilitating sustainable growth.



Our innovation programmes aim to enhance our technological solutions and capabilities in favor of a low carbon, circular and resilient society

DEME CHALLENGE

Our challenge is to enable the concurrent use of oceans and seas for traditional maritime activities (shipping, fisheries, oil & gas, tourism, etc.) and for new, large-scale activities (offshore marine renewable energy, aquaculture, nautical leisure, nature conservation, etc.).

DEME VISION AND APPROACH

Explore sustainable business solutions

Our Explore approach is to participate in multi-stakeholder partnerships and inter- and intra-industry collaborations to drive the transition towards sustainable and holistic solutions.

Excel in our operations

Our Excel approach is to enhance scientific research, upgrade technological capabilities and encourage sustainable innovation within our projects.

OUR 2030 TARGETS

We will continue to promote sustainable entrepreneurship within the organisation by building multi-stakeholder partnerships that support sustainable R&D and embrace projects in favour of the global energy transition, the circular economy and the environment.

THEME IN ACTION

DEMEx and DEME Innovation Diver

Two of our innovation programmes – DEMEx and DEME Innovation Diver – aim to enhance our technological solutions and capabilities in favor of a low carbon, circular and resilient society. One of the results of the DEME Innovation Diver is an exoskeleton suit for manual lifting tasks on our vessels.

Blauwe Cluster

We take a leading role in the Blauwe Cluster (Blue Cluster). This is an industry cluster that uses the “blue economy” as an engine of sustainable growth. The idea is to align R&D priorities with national and international sustainable development priorities in order to multiply the impact of the R&D investments. This type ofinnovative collaboration enables sharing of sustainability knowledge and best practices.

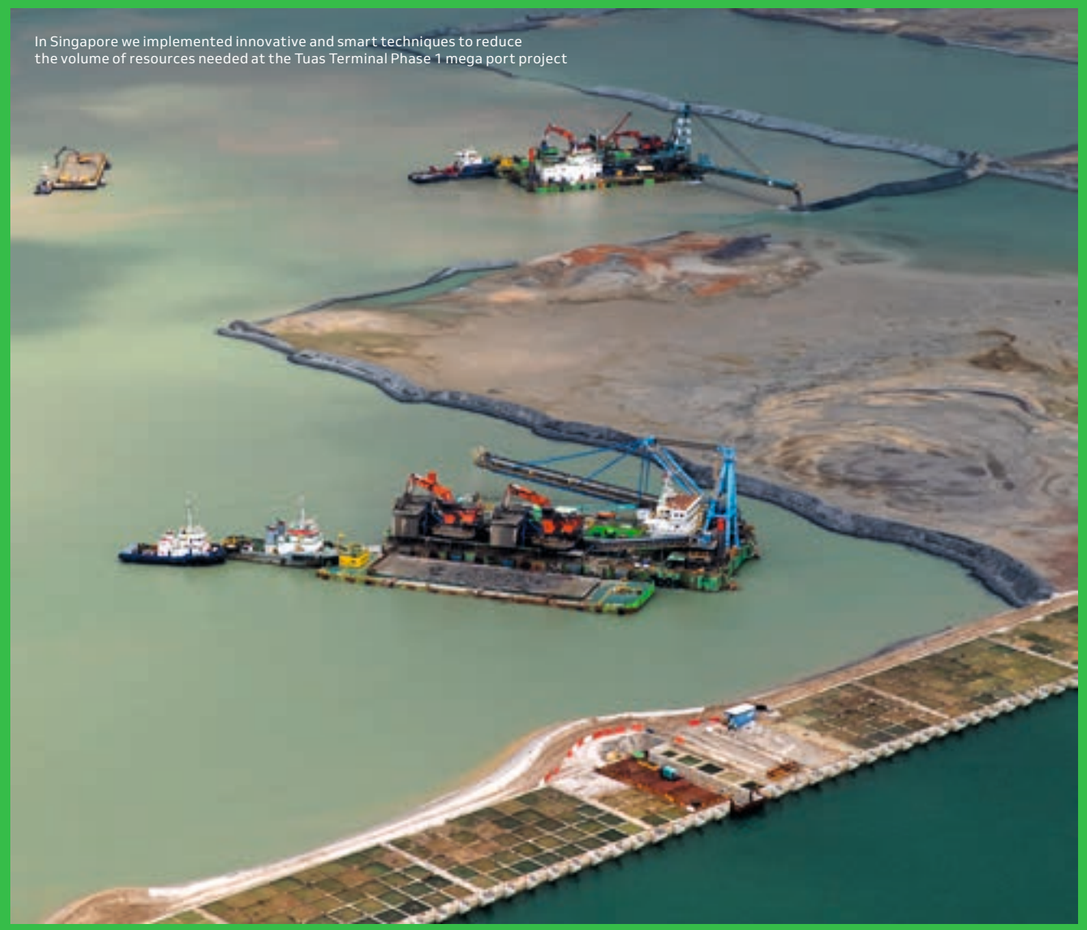
Exoskeletons reduce tension during heavy lifting tasks

WASTE AND RESOURCE MANAGEMENT

CONNECTED SUSTAINABLE DEVELOPMENT GOALS

DESCRIPTION

Resource demand is increasing as a result of the growing human population making SDG 12 essential for our future. Achieving this goal requires the establishment of a circular economy to successfully manage soil, sediment, water and land to ensure the efficient use of natural resources. Reducing waste generation through resource reduction, reuse and recycling is also an important element.



In Singapore we implemented innovative and smart techniques to reduce the volume of resources needed at the Tuas Terminal Phase 1 mega port project

DEME CHALLENGE

Our challenge is to ensure efficient use of resources and circular business processes wherever possible. The materials that we focus on most are minerals (sand, gravel, concrete, etc.), metals (steel, etc.) and wastes. Unfortunately, we often have limited influence on the materials we can use when building infrastructure due to local regulations that frequently prefer virgin materials to sustainable alternatives.

DEME VISION AND APPROACH

Explore sustainable business solutions

Our Explore approach is to drive the resource transition by increasing the sustainable supply of resources. As we provide technical solutions for waste, soil, water and sediments, the shift towards a circular economy will be accelerated.

Excel in our operations

Our Excel approach to waste and resource management is to provide sustainable substitutes for building materials and minerals. Our technology re-purposes waste materials after treatment to maximise the efficient and circular use of materials throughout our projects.

OUR 2030 TARGETS

We will continue to reduce waste in our operations and maximise the reuse of waste streams to minimise our impact on the environment.

THEME IN ACTION

Brownfield regeneration at Blue Gate, Antwerp

An example of circular land use is Blue Gate in Antwerp, Belgium, a 66 ha polluted site. This is one of the most complex remediation projects we have ever been involved in, both in terms of scale but also because of the number of parties involved in the Public Private Partnership.

Blue Gate Antwerp is the transformation of Antwerp's old petroleum harbour into the first circular, eco-effective, water-bound sustainable business park in Belgium. The redevelopment is being undertaken in three phases, which will run until the end of 2036.

We are the main contractor for the project and are responsible for all remediation landscaping and infrastructure works, including constructing a new bridge. The overall project uses sustainable land management concepts to emphasise the sustainable reuse of soil, sediment and water to halt land and soil degradation. The soil-sediment-water system delivers many services (food supply, soil energy, water regulation, space for human activity, etc.) in a sustainable way.

In the first phase, we have removed mineral oils, PAHs and heavy metals. We have moved almost 600,000 m^3 of terrain, remediated 100,000 tonnes of polluted soils and moved 200,000 tonnes. This phase of remediation and infrastructure works is due to be finished in 2019.

Our challenge is to ensure efficient use of resources and circular business processes

Tuas Terminal Phase 1, Singapore

In Singapore, we implemented innovative and smart techniques to reduce the volume of resources needed at the Tuas Terminal Phase 1 mega port project.

Instead of using (long distance) virgin sand, we maximised the reuse of existing, local reclamation materials such as dredged materials, earth from civil excavation works and crushed rock from drilling and blasting. This lowered the overall carbon footprint of the project, as well as substantially lowering the relative resource impact compared to the baseline work method.

Polymetallic nodules

Increasing global populations, urbanisation and the urgent need to move towards a net-zero carbon economy is putting pressure on already strained resources and infrastructure.

The UN estimates that by 2100 there will be 11.2 billion people on the planet and two-thirds of that population will live in urban areas. In their most recent report, the IPCC estimated that 70 to 85 percent of our energy supply must come from renewable sources by 2075 if we are to meet the 2.0°C target.

For this, we would need a fivefold increase of the investments in renewables and energy storage and these technologies depend on minerals such as nickel, copper, manganese and cobalt. There are numerous studies that set out the resource challenge of meeting net zero emissions. Some predictions estimate that future demand exceeds all known terrestrial resources. There is, however, no doubt that if we are to decarbonise our energy and transport systems and reach a circular closed loop economy, we require primary sources of critical metals; recycling, though important, is not enough.

Nickel, copper, manganese and cobalt never appear together in terrestrial deposits. On land three separate mines are needed to extract them, often resulting in deforestation, overburden and tailings, the displacement of communities and creation of transport networks in increasingly remote areas. The CO_2 emissions that accompany their extraction are therefore much higher than if the same metals were obtained from the single deep-sea source. The polymetallic nodules that we are prospecting in the CCZ contain these exact metals; the rest of the nodule is sand. Moreover, unlike terrestrial mining, there is no overburden that needs to be removed and no tailings created.

It is estimated that the nodules in the CCZ hold 1.2 times more manganese, 1.8 times more nickel and 3.4 times more cobalt than all known land-based reserves combined. It is for these reasons that we support the responsible collection of polymetallic nodules from the sea floor.

The diversity of supply is of critical importance to human development and welfare. With robust environmental controls, a stringent regulatory framework and tough enforcement, we believe that seabed minerals could present a viable source for these critical metals.

We are excited and proud to be working towards our transition to a decarbonised world and closed loop economy.

We delivered a physico-chemical waste water treatment plant for Borealis

Borealis

In Kallo, Belgium, we finished a year-long project to deliver a physico-chemical waste water treatment plant for Borealis, a petrochemical company. Borealis needed to meet stricter environmental requirements, but they were restricted to the limited space available in their existing production facility. We rose to the challenge, and utilised our expertise in waste, soil and sediment treatment and recycling to provide the company with a compact and effective solution.

The innovative pre-prototype nodule collector 'Patania II' will be tested in the harsh environment of the deep sea, 4,500 m below the ocean surface

HEALTH, SAFETY AND WELL-BEING

CONNECTED SUSTAINABLE DEVELOPMENT GOALS

DESCRIPTION

Everyone has the right to work in a safe, secure and healthy working environment. SDGs 3 and 8 are concerned with providing this basic right for everyone, wherever they work.

Our Excel approach is to provide a safe, secure and healthy working environment for all people involved in our operations

DEME CHALLENGE

We operate in challenging, dangerous environments, so workplace health, well-being and safety – for our own people, as well as subcontractors, suppliers, partners and other stakeholders – is an ongoing concern. We take this responsibility seriously and seek to ensure that everyone on site is part of a safe and environmentally-friendly workplace.

DEME VISION AND APPROACH

Explore sustainable business solutions

Our Explore approach to health, safety and well-being is to develop futureproof infrastructure that enhances prosperity, well-being and a safe environment.

Excel in our operations

Our Excel approach is to provide a safe, secure and healthy working environment for all people involved in our operations. In order to achieve this, we analyse and manage every potentially dangerous situation related to our working activities and workplaces, so risks remain at an acceptable level.

OUR 2030 TARGETS

We will continue our efforts to completely avoid lost time incidents by improving the health, safety and well-being of everyone on our vessels and sites. To achieve this, we will increase our investments in employee health and well-being.

We have a global safety and health action plan in response to global trends. This is translated into annual plans specific to each activity line, and is updated and evaluated at least once a year after comprehensive reviews.

THEME IN ACTION

Stop Work Authority

DEME's CEO has explicitly given all employees a 'Stop Work Authority' which they can use when they feel that they are confronted with a potentially unsafe situation. Work will only resume after all concerns raised in the Stop Work order have been adequately addressed. Most issues can be promptly resolved. However, occasionally, additional investigations and corrective actions are required to identify and address the root cause of a safety issue.

High Potential Incidents (HIPO)

A HIPO is an incident that could have severe consequences for people, property, quality, environment or reputation. Focusing on potential consequences and severity of incidents, instead of what actually went wrong, results in a more proactive and preventive approach and encourages employees to constantly look for possible risks in their working environment.

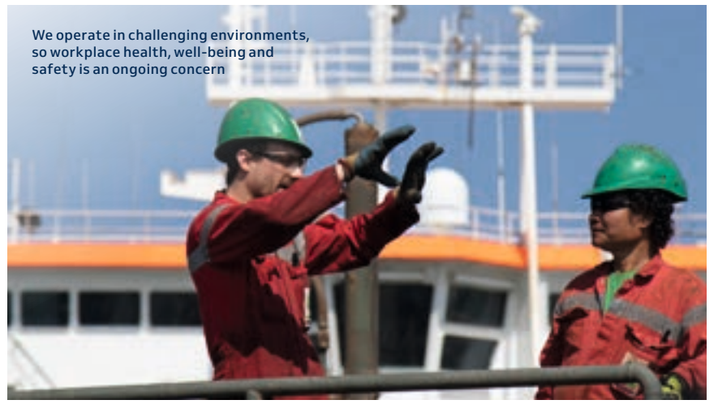
HIPOs include all types of incidents from incidents with damage or near-misses to dangerous situations. It also includes third-party incidents, so that DEME can learn from its subcontractors, suppliers and clients.

The result is a clear view of the major risks within the company. Potential risks are flagged to develop workplace-related action plans. DEME employees, both ashore and at sea, can then take appropriate measures on the work floor. In 2018 several initiatives and campaigns were developed based on these HIPO analyses:

- Renewed DEME Rigging Training
- DEME Safety Week 'Standard Lifts'
- Safety Moment Day 'Fire Safety'
- Mooring Campaign
- Safety on Cranes

Safety Week

Following HIPO analysis, we launched several lifting campaigns. During our Safety Week, we released several toolbox movies to employees worldwide showing the main risks of a selection of standard lifts. We also encouraged every activity line within DEME to promote their manual of standard lifts related to its own specific lifting activities.



We operate in challenging environments, so workplace health, well-being and safety is an ongoing concern

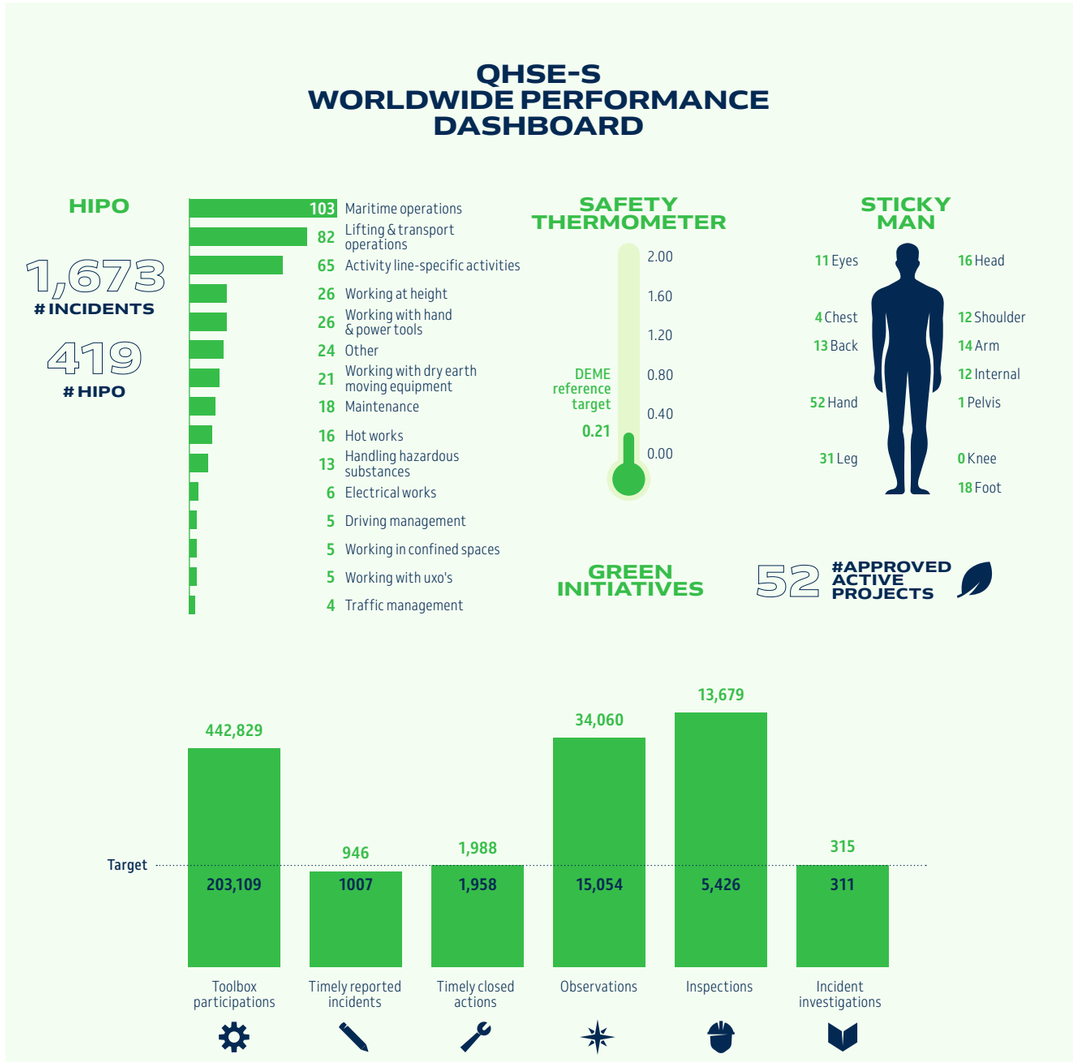
QHSE-S

As part of our QHSE-S programme, we introduced the Worldwide Performance Dashboard which allows us to benchmark our QHSE-S performance with other companies in a global context. With one target line per QHSE-S KPI, we can quickly see which KPIs are on target, which surpass the target, and which still need to be focused on.

Recently, the JIWE project in Singapore received the prestigious SHARP award (Safety and Health Award Recognition for Projects) from Singapore's Workplace Safety and Health Council.

The award recognises projects that have achieved excellence in safety and health performance and management systems based on the following criteria:

1. Projects with more than 1,500,000 injury-free man hours;
2. Projects with high scores according to the Construction Safety Audit Scoring system;
3. The Culture SAFE programme;
4. The LIFE programme with high scores based on observations via mobile applications.



Energy@DEME promotes a healthy and sports-minded company culture

QHSE-S certifications

By the end of 2018, 59 DEME companies worldwide had achieved full certification according to the latest QHSE-S standards, including ISO 14001 (Environmental Management Systems), ISO 9001 (Quality Management Systems) and ISO 45001 (Occupational Health & Safety Management Systems).

The CHILD programme

Since 2011 we have been holding annual CHILD (Colleagues Help Injuries to Leave DEME) initiatives that aim to engrain safety into the company's culture.

One specific campaign was the Safety Moment Day about fire safety and prevention that was held all over the world in November 2018. In addition to evacuating over 600 employees from the Head Office as if it was a real emergency, there were practical workshops about fire prevention and firefighting. Hazard Hunts were organised on our vessels, on our projects and in DEME offices where employees were asked to identify and control fire risks in their working environment. Additionally, the group-wide campaign included posters outlining the five golden rules for fire safety and identifying hazards when carrying out hot works.

Energy@DEME

This year we proudly celebrate the 15th anniversary of our Energy@DEME sports and well-being programme.

The campaign encourages our employees to become healthier and do more exercise, especially in groups since team sports can contribute substantially to a person's well-being. We collaborated with Energy Lab, an external specialist consultant, to structure the activities, share health tips across different company channels and provide an expert support network in an informal setting.

The programme includes sports such as: running, cycling, football, rowing, climbing and yoga. Employees welcome the opportunity to meet new faces outside the workplace, have fun together and foster a healthy team spirit.

Almost 200 DEME employees participated in the Climbing for Life event in France which provides challenges for cyclists, runners and walkers. DEME also sponsored the event and the accompanying diabetes awareness campaign.

At the legendary Dragon Boat Race in Antwerp, Belgium, two DEME teams also took home the trophies for first and second place.

We showed our appreciation for employees who motivated others to get involved in our activity programmes by acknowledging them as DEME Heroes and setting them a new challenge: to climb the summits in the French Vosges. We fully supported our DEME Heroes during the preparation of their life-changing journey with medical and nutritional coaching.

Together for Mobility

The Together for Mobility programme, started in 2017, aims to tackle the issue of commuting which has a negative impact on recruitment and retention, as well as on the environment. As a direct result of the programme, employees can now enjoy:

- Increased flexibility in daily working hours for office positions;
- Seven satellite offices in the Benelux. The latest satellite office opened in November 2018;
- Regulated home working;
- Support in the form of work organisation and IT infrastructure;
- Encourage bike commuting by offering discounts when buying a bicycle;
- A new Waterbus service which operates from the centre of Antwerp and stops directly in front of the DEME head office.

Job satisfaction survey

In 2018, we organised our second job satisfaction survey. Over 60% of our employees took the time to complete a detailed, anonymous survey. The HIVA (University of Leuven) and our HR department analysed the results of the scientifically-based questionnaire to show us where we still need to improve. We will also divide the results based on job type across our activities to develop tailor-made action plans that we hope will lead to further improvements. The third job satisfaction survey will be organised at the end of 2021.

DIVERSITY AND OPPORTUNITY

CONNECTED SUSTAINABLE DEVELOPMENT GOALS

DESCRIPTION

This theme promotes inclusive working environments where everyone has the same opportunities for promotion and training regardless of their gender, age, religion, sexual orientation, nationality, culture, political conviction, mental or physical ability.


We aim to hire, employ and develop the best people in our industries

DEME CHALLENGE

A necessary condition for our planned growth is the recruitment for a significant number of job openings that need to be filled based on competencies, skill and development potential. Furthermore, we need to mitigate employee turnover as much as possible to reduce the possible loss of expertise across the company.

DEME VISION AND APPROACH

Explore sustainable business solutions

Our Explore approach to diversity and opportunity is to create decent job opportunities to pursue a career within the group, provided employees have the appropriate qualifications, training and experience. This policy will stimulate economic development and reduce inequality.

Excel in our operations

Our Excel approach focuses on ensuring an inclusive workplace where all people are treated equally, with dignity and respect. Furthermore, we strengthen employee competencies by facilitating talent development and promoting sustainable entrepreneurship.

OUR 2030 TARGETS

We aim to increase gender diversity and internationalisation across management positions while improving employee understanding of career opportunities, training options and working conditions. Also, we provide training opportunities and follow-up personal career development for all employees.


Over the past year we faced the challenge of recruiting more than 600 employees, including 150 crew members

THEME IN ACTION

Recruitment practices

Our recruitment practices aim to hire, employ and develop the best people in our industries while actively promoting the enhanced development of our differentiated workforce.

Thanks to a surge in our offshore energy projects, as well as in our dredging, infra marine and environmental activities, we faced the considerable challenge of recruiting more than 600 employees, including 150 crew members. This massive recruitment drive was unprecedented in our history.

Training for starters

In 2018 we focused on expanding our training offering for starters with our Basics4Starters, people management and leadership skills training courses. Employees can access the range of courses, divided into mandatory training, recommended training and courses of interest, via the updated training system. We also spent time developing DEME 2030, our senior management development programme.

Time To for all staff

Time To for all staff is our large-scale, competency-based performance measurement programme. The programme monitors and evaluates all objectives related to services and the development of technical and management skills.

Currently the participation ratio for Time To for all staff is 85%. In 2019 we plan to roll out Time To for crew.

ETHICAL BUSINESS

CONNECTED SUSTAINABLE DEVELOPMENT GOALS

DESCRIPTION

Ethical business practices include good governance of processes, strengthening transparency and incorporating anti-corruption measures.

DEME CHALLENGE

Conducting business in an ethical way confirms and strengthens our solid and sustainable reputation. We operate in countries with a higher risk profile for non-ethical practices, so we need to be vigilant at all times, including when working with third parties (recruitment agencies, subcontractors, etc.).

DEME VISION AND APPROACH

Explore sustainable business solutions

Our Explore approach is to conduct business with integrity and zero tolerance for corruption or bribery in any form. Our commitment to ethical business forms part of our STRIVE values.

Excel in our operations

Our Excel approach is to embed an ethical business mindset within the organisation and only cooperate with third parties who apply an equal ethical standard. This includes but is not limited to respect and protect human rights as defined in the United Nations Universal Declaration of Human Rights, never tolerate slavery, child labour, forced or compulsory labour, human trafficking, corruption or fraude.

OUR 2030 TARGETS

We will raise ethical business integrity awareness across the organisation, ensure decent working conditions for all involved and encourage social dialogue. We only engage with stakeholders that abide by the same ethical standards we do. We will make ethical business-related information easily accessible.

THEME IN ACTION

DEME Code of Ethics and Business Integrity

The DEME Code of Ethics and Business Integrity is based on the principle that we should always act with honesty and integrity in all matters. The Code's purpose is to help our employees engage in the right behaviour and align with our core values.

Complying with our Code of Ethics and Business Integrity paves the way for stronger relationships by enhancing the trust between us and our stakeholders. Our Code and its related documents provide useful guidance in making sound ethical business decisions in our daily work and inspire dialogue about the key ethics and compliance issues that we may face.

We have developed an annual employee awareness programme, so all employees are properly informed and trained about the company's expectations concerning ethical business conduct. A certificate is issued to the employee following successful completion of this compulsory programme.

We have a clear policy of carrying out all activities with integrity and not tolerating any form of corruption.

Our Code of Ethics and Business Integrity also forms the basis of a full-fledged corporate compliance programme. As a global company, we operate in some countries that have a higher score on Transparency International's perception of corruption index. In order to comply with our Code, we have introduced a due diligence procedure which ensures a thorough sanction screening of third parties before we enter into a business relationship. We also have a clear policy of carrying out all activities with integrity and not tolerating any form of corruption. Therefore, the second step in our due diligence procedure is an anti-corruption screening of all third parties that we would like to do business with. This screening detects and prevents fraud and corruption risks at a very early stage.

By screening third parties in addition to specific procedures for outgoing payments, a comprehensive training programme for our employees, and monitoring the follow-up, we create effective tools against fraud and corruption.

Social dialogue

We are convinced that social dialogue and open communication between employees and management are essential for creating optimal and safe working conditions, establishing a fair policy in terms of working conditions and successfully executing all our activities.

LOCAL COMMUNITIES

CONNECTED SUSTAINABLE DEVELOPMENT GOALS

DESCRIPTION

The communities key sustainability theme is about building collaborative relationships with local communities through consultation, engagement and participation.

In India we partner with the Namma Beach-Namma Chenai beach cleaning programme

DEME CHALLENGE

Building collaborative and sustainable partnerships around our projects in different locations around the world requires trust between all parties and knowledge of local cultures and customs.

DEME VISION AND APPROACH

Explore sustainable business solutions

Our Explore approach is to help increase the resilience of communities to cope with economic, environmental and social challenges.

Excel in our operations

Our Excel approach is to build collaborative relationships with local communities through consultation, engagement and participation. By starting these relationships when preparing for a new project or investment, we can better understand local needs and concerns, which we can then address in our decision-making process.

OUR 2030 TARGETS

Giving back to the community is embedded in our company culture. With DEME4Life we continue to support a wide variety of social projects across the globe.

THEME IN ACTION

CMTON

Combined Marine Terminal Operations Worldwide (CTOW) - a joint venture company owned by DEME and two other partners - offers a full package of professional maritime services for the operation of dedicated maritime terminals. In Nigeria, CTOW operates through its Nigerian subsidiary, CMTON. CMTON employs an exclusively Nigerian workforce. Thanks to a comprehensive training programme and close monitoring of performance and skills, the workforce is stimulated to work their way up within CMTON.

DEME4Life

Many of the DEME4Life initiatives are driven by our employees, who often spend years working locally, supporting and working with local charitable organisations in the communities where they live and operate. Projects around the world include:

- A partnership with **Ondernemer voor Ondernemers** for a sustainable dredging project on the Congo River, including an educational programme that offers Congolese youngsters a four-year study programme at the Antwerp Maritime Academy;
- **The Namma Beach-Namma Chennai beach cleaning programme** in India aims to raise local awareness about plastic pollution and mobilises the local community to participate in beach cleaning initiatives. The programme also supports projects in local schools and several community initiatives in Chennai;
- **De Steenschuit,** a Belgian organisation that helps unemployed youngsters gain skills and experience so they can find employment or continue their education;
- A partnership with **The Red Pencil,** an NGO that offers both creative and clinical arts therapy services to various organisations including hospitals, family centres, shelters and schools, as well as humanitarian missions in communities;
- Supporting **Mercy Ships'** activities with funding and volunteers. Mercy Ships' hospital ship, the Africa Mercy, sails along the African coastline and offers free local operations, medical treatment and medical training. Following the success of the current ship, a second ship is under construction in China. This is an absolute highlight for us and a huge milestone for Mercy Ships. The new ship, Global Mercy, will be the largest private hospital ship with 199 hospital beds and 6 operating theatres.

Mercy Ships sails along the African coastline to offer free medical treatments and training

DEME, SUSTAINABILITY AND THE FUTURE

GOOD GOVERNANCE EVERY STEP OF THE WAY

In 2018 we implemented a new sustainability governance approach within our company, which gives us a solid foundation for developing and embedding our sustainability strategy and framework throughout our organisation.

Our sustainability governance model focuses on two dimensions:

1 **Explore sustainable business solutions.**
2 **Excel in our operations.**

Our sustainability governance has four main layers: Executive Committee, Sustainability Board, Sustainability Team and Process Owners of the different activity lines and supporting services.

Every year, the **Executive Committee** reviews and approves our sustainability action programmes and reviews our objectives and targets.

The **Sustainability Board** provides guidance on both strategic and operational sustainability topics to ensure that all strategic and operational decisions are aligned with our values, sustainability strategy and objectives. The Sustainability Board meets at least on a quarterly basis to evaluate the sustainability performance of our project portfolio and the progress made towards our sustainability objectives from both a strategic and operational perspective.

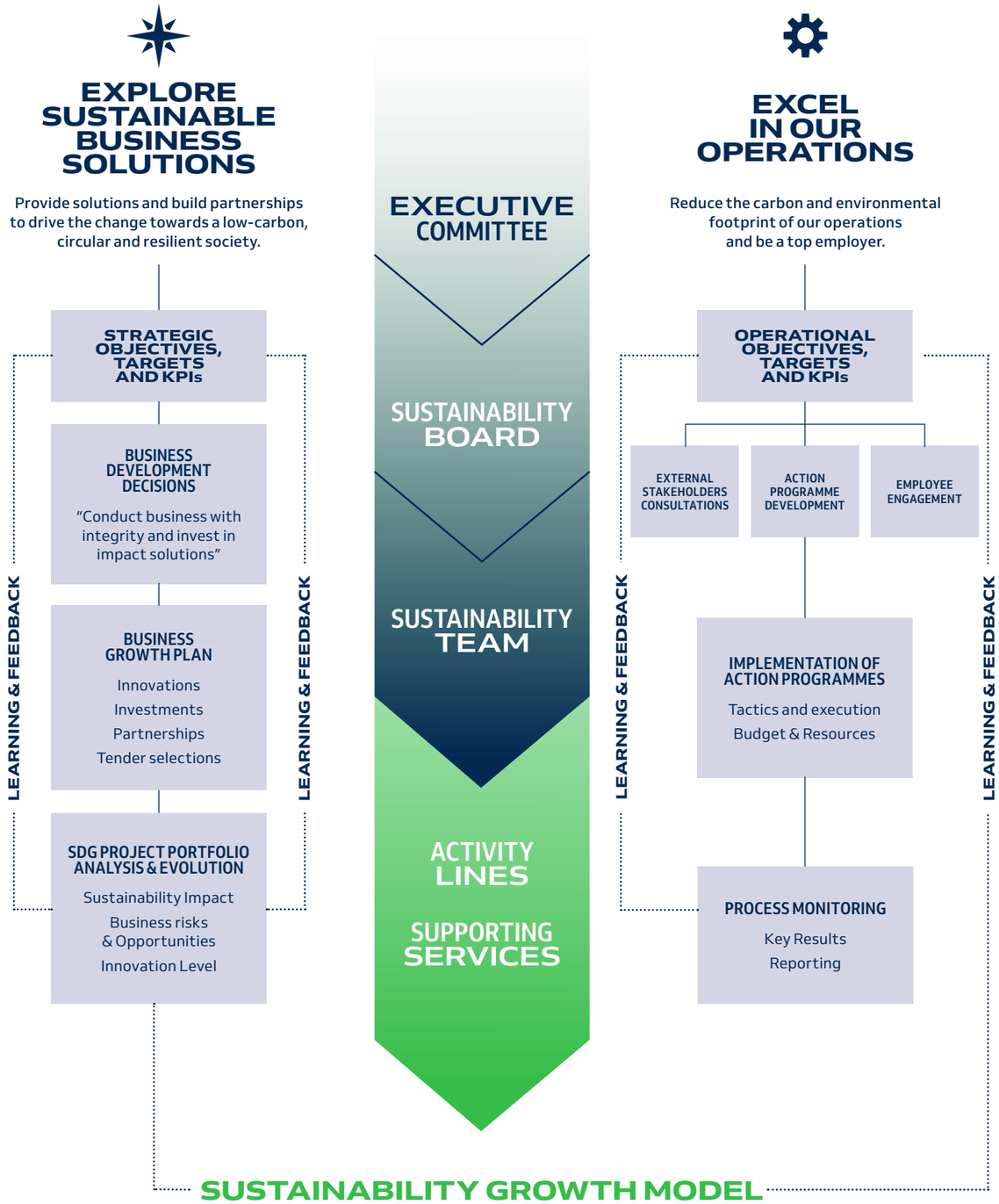
A comprehensive project sustainability assessment programme, facilitated by an independent external consultant, and in-depth analysis of new impact solutions help the company to make well-founded business development decisions when selecting new project opportunities and investment programmes. The insights generated from these assessments help to orient our business offerings towards solutions that create sustainable value and long-lasting positive change for our stakeholders.

The members of the Sustainability Board are: Luc Vandenbulcke, Alain Bernard, Philip Hermans, Hugo Bouvy, Els Verbraecken, Eric Tancré, Theo Van De Kerckhove and several senior managers, including the Chief Human Resources Officer, the Head of the Technical Department and the Manager of the Environmental activity line.

The **Sustainability Team** is responsible for embedding sustainability into our business operations. Together, the Sustainability Team:

- Translates the sustainability strategy into clear objectives, targets and KPIs;
- Drives and facilitates the development of the sustainability action programmes;
- Creates awareness across the organisation;
- Engages with external stakeholders;
- Organises the monitoring of key results;
- Reports on performance and progress.

The **activity lines** and **supporting services** implement the strategic and operational sustainability objectives, targets and measures.



Forward-looking Statements

This activity report may contain forward-looking statements. Such statements refer to future expectations and other forward-looking perceptions that are based on the management's current views, estimates and assumptions concerning future events. Such forward-looking statements, by their nature, are subject to known and unknown risks, uncertainties and other factors, which may cause the actual results to be materially different from those contemplated, projected, forecasted, estimated or budgeted whether expressed or implied, by these forward-looking statements contained in this activity report.

DEME neither undertakes to update any forward-looking statements to reflect the actual results, nor assumes any obligation to correct inaccurate data, information, conclusions or opinions published by third parties in relation to this or any other report or press release issued by DEME.

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