

SUSTAINABILITY REPORT

2019

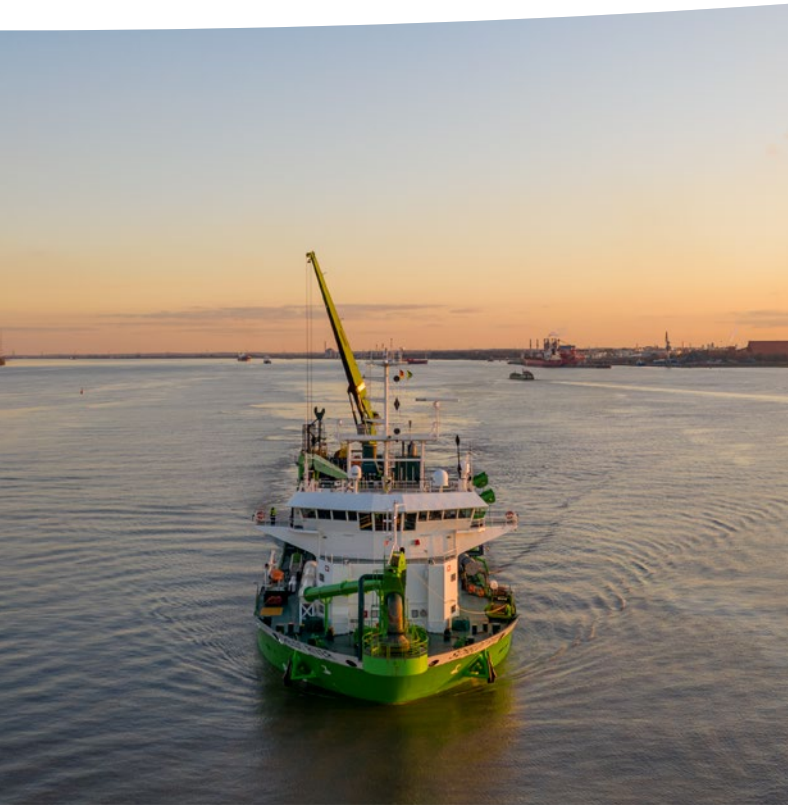




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DEME'S KEY SUSTAINABILITY THEMES

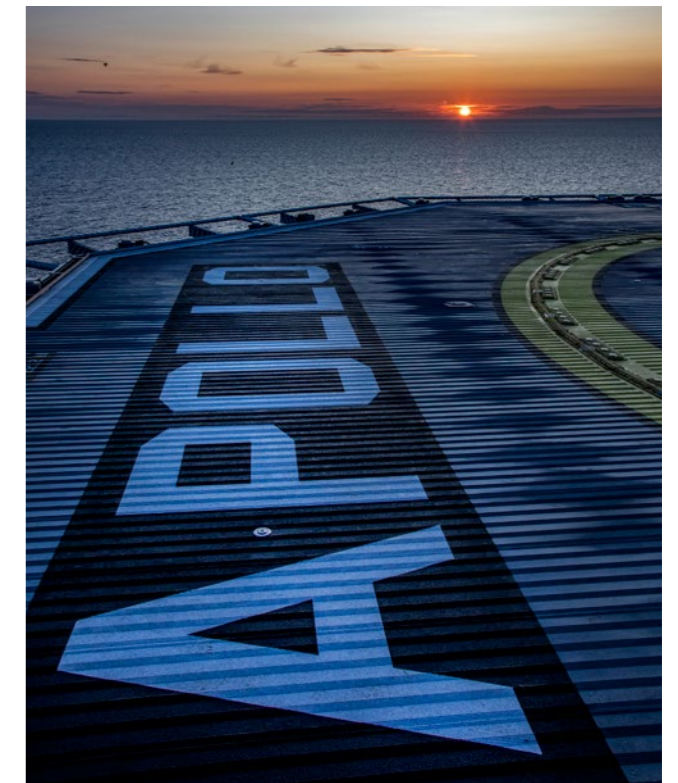
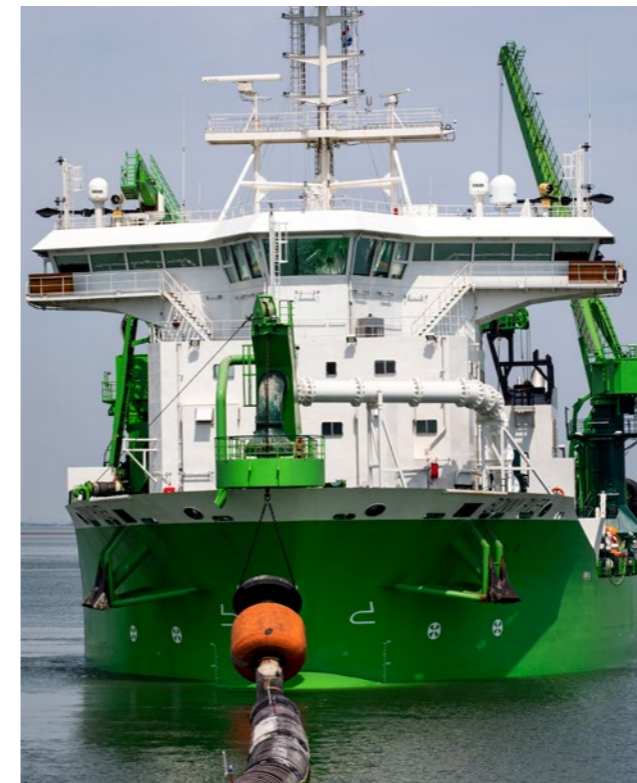
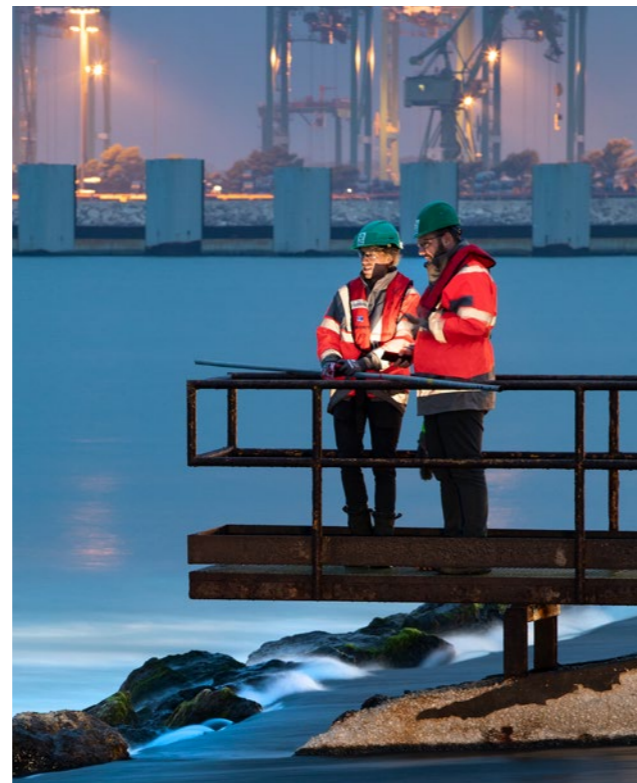
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WELCOME TO DEME'S SUSTAINABILITY REPORT





COMPANY PROFILE

A global solutions provider

DEME is a world leader in the highly specialised fields of dredging, solutions for the offshore energy market, infra marine and environmental works. 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 up a strong presence in all of the world's seas and continents, operating in more than 90 countries worldwide. We can rely on 5,200 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, seas 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 for tackling marine litter in our rivers and oceans. We are building on our experience in coastal protection to develop nature-based solutions to counter the rising sea level. Our continued investments in new technologies and activities underline just how important innovation is to our company.

Shareholder 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 BOARD OF DIRECTORS



Luc Vandembulcke
Chief Executive Officer DEME



Luc Bertrand
Chairman DEME

WE WANT TO CONTINUOUSLY CHALLENGE OURSELVES TO DEVELOP MORE SUSTAINABLE SOLUTIONS



We are pleased to present DEME's second Sustainability Report.

In our report we outline DEME's approach to sustainability and the progress we have made in 2019 towards achieving our ambitious goals. This comprehensive Sustainability Report not only highlights our commitment to sustainability, but also how we aim to communicate in a transparent way.

Our sustainability strategy aligns with the United Nations 2030 Sustainable Development Goals. For many years our innovative solutions have already been making a significant contribution to achieving these goals, but we continue to step up our efforts. We have identified key areas where we can play a major role and leverage our strengths to contribute to a sustainable world.

DEME develops solutions and initiatives to address global challenges and megatrends - a rising sea level, growing population, reduction of CO2 emissions, polluted rivers, seas and soils and the scarcity of natural resources. Alongside this, we want to do our work in a responsible way, therefore we have a continual focus

on minimising the impact of our own operations. We strongly believe that this holistic approach is the only way forward, and it is one that differentiates us in the market. We want to continuously challenge ourselves to develop more sustainable solutions within our portfolio and excel in our operations.

We identified eight key sustainability themes that will support us to create and deliver sustainable value: Climate & Energy, Natural Capital, Sustainable Innovation, Waste & Resource Management, Health, Safety & Well-being, Diversity & Opportunity, Ethical Business and Local Communities. The report outlines our efforts and initiatives related to each theme.

Although our over 140 years of history has enabled us to develop solutions for tackling some of the world's most pressing issues, we realise our job is never finished. Our sustainability aspirations mean that we continually strive to explore new possibilities, new solutions and new technologies. We are dedicated to meeting and exceeding expectations as a sustainable company, and in many domains we go even further than the market and regulations demand.

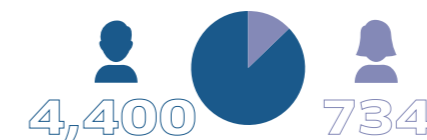
Just like our attitude to safety – our efforts won't stop – it is an ongoing process, never a 'done deal'.

FACTS & FIGURES

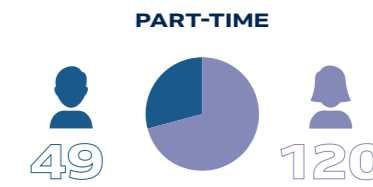
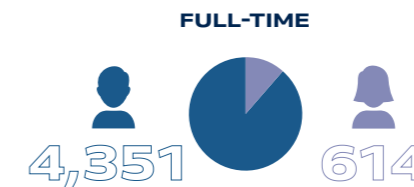
(actuals December 2019)

TOTAL MALE FEMALE

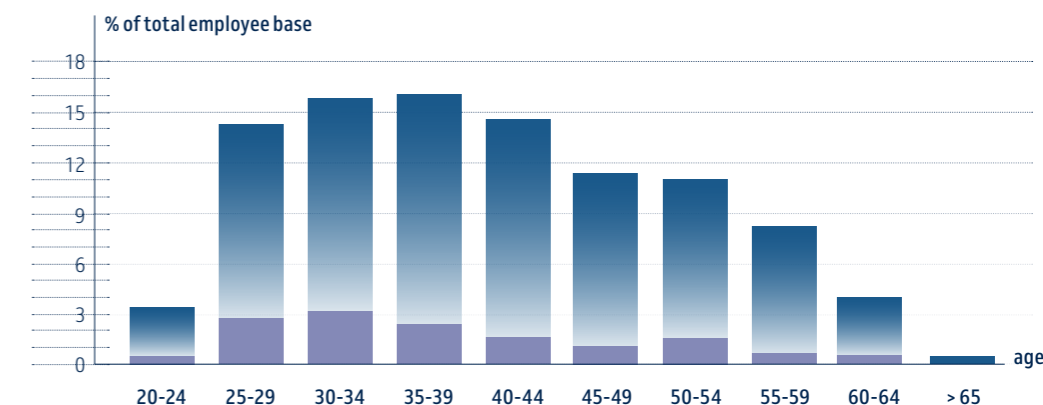
BREAKDOWN MALE/FEMALE



RATIO OF FULL-TIME AND PART-TIME EMPLOYEES



AGE PROFILE BY GENDER



TRAINING HOURS



NUMBER OF NATIONALITIES



GREENHOUSE GAS EMISSIONS

GREENHOUSE GAS (GHG) EMISSIONS WORLDWIDE (in kton CO₂ eq.)

693

TOTAL GHG EMISSIONS



CO₂ EMISSIONS ACCORDING TO CO₂ PERFORMANCE LADDER (in kton CO₂)

156

TOTAL BELGIUM & THE NETHERLANDS SCOPE 1 AND 2

*More information on reporting practices can be found on p. 54

FINANCIAL HIGHLIGHTS

DEME GROUP KEY FIGURES

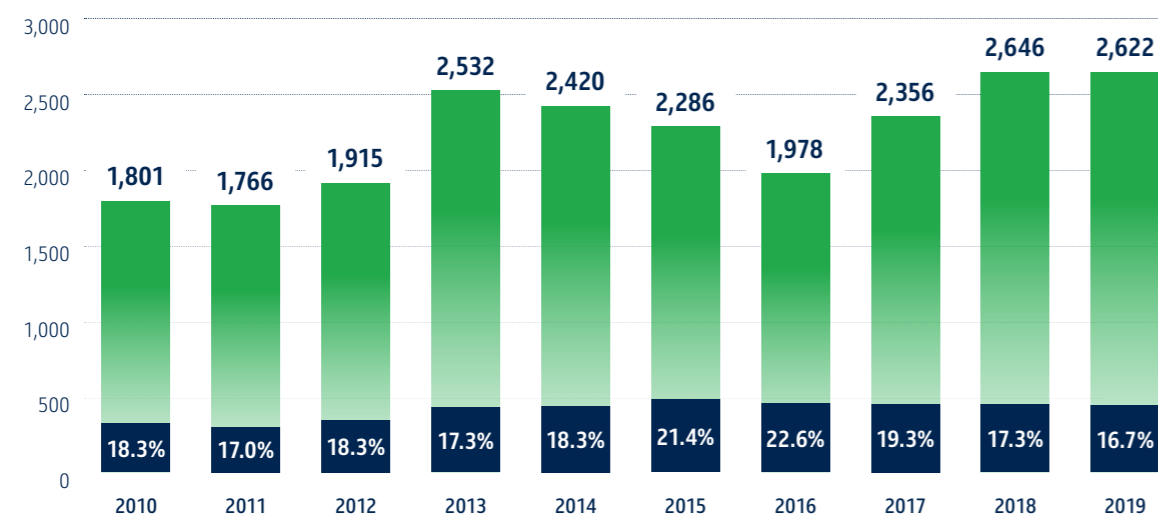
As of December 31
(in millions of EUR)

	2019	2018	DELTA
Turnover	2,622.0	2,645.8	-23.8
EBITDA	437.0	458.9	-21.9
EBIT	141.1	196.0	-54.9
Net result share of the Group	125.0	155.6	-30.6
Order book	3,750.0	4,010.0	-260.0
Average # personnel (in FTE)	5,089	4,937	152
Shareholders' equity (excl. minority interests)	1,435.5	1,401.4	34.1
Net financial debt	-708.5	-555.8	-152.7
Balance sheet total	3,944.8	3,820.7	124.1
Total investments	446.1	410.2	35.9
Dividend of the year	*	55.0	-55.0

(*) Due to the COVID-19 crisis and out of caution, the Board of Directors will ask the shareholders at the General Meeting to fully reserve the profit of the financial year 2019. The Board of Directors will evaluate the possibility to distribute an interim dividend by the fourth quarter of 2020 at the latest.

DEME GROUP EVOLUTION OF CONSOLIDATED TURNOVER AND EBITDA

As of December 31
(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 financial result and taxes and before our share in the result of joint ventures and associates.

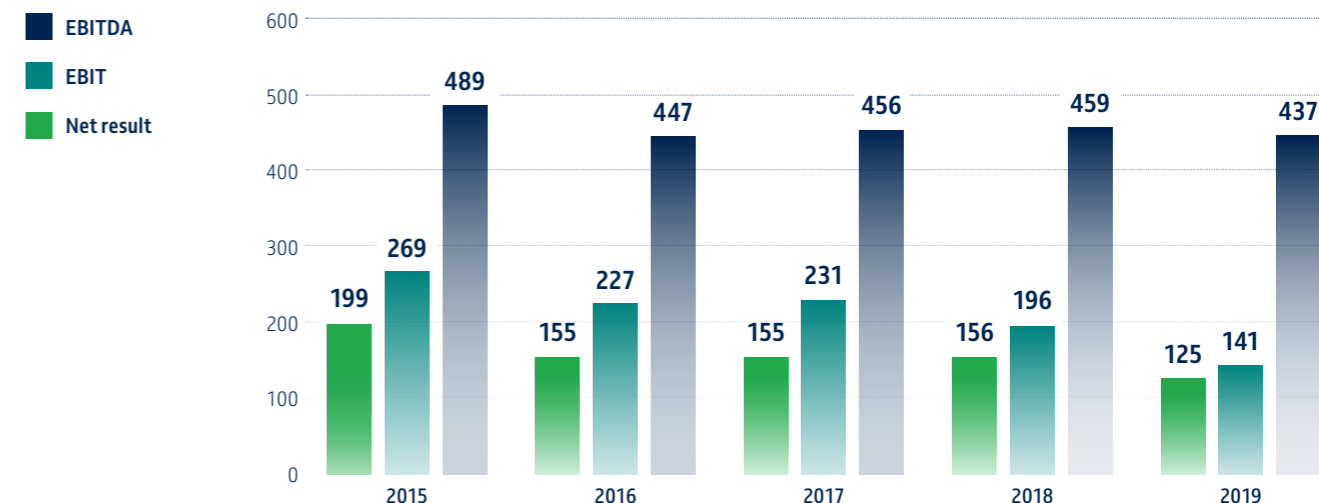
Order book is the contract value of assignments that are acquired as of December 31 but that is not yet accounted for as turnover because of non-completion.

Net financial debt is the sum of current and non-current interest-bearing debt decreased with cash and cash equivalents.

Total investments is the amount paid for the acquisition of intangible, tangible and financial fixed assets, which equals the total investment amount of the consolidated cash flow from investing activities.

DEME GROUP EVOLUTION OF NET RESULT, EBIT AND EBITDA

As of December 31
(in millions of EUR)



DEME GROUP TURNOVER BY REGION AND ACTIVITY LINE

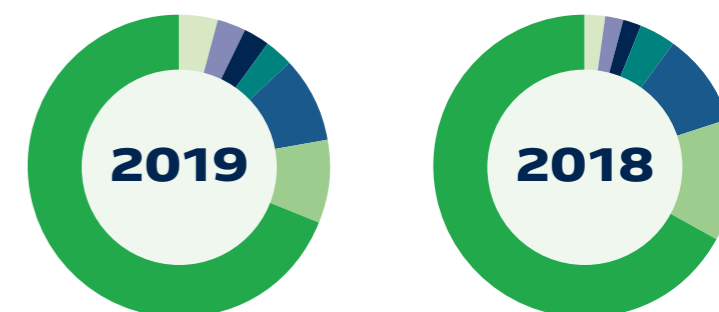
As of December 31

BY REGION

	2019	2018
Europe - EU	69%	67%
Asia & Oceania	9%	13%
Africa	9%	10%
Europe - non EU	4%	2%
Indian subcontinent	3%	2%
Middle East	3%	2%
America	3%	4%

BY ACTIVITY LINE

	2019	2018
DEME Offshore	44%	51%
Dredging**	41%	37%
Infra	7%	5%
Environmental	6%	5%
Others***	2%	2%



(**) Of which maintenance dredging 10% in 2019 and 11% in 2018, of total turnover.

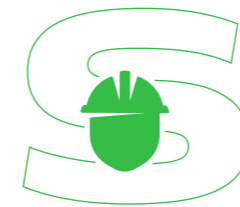
(***) Salvage works, marine aggregates, concession and deep-sea harvesting activities are represented in Activity Line Others.

For more information on our activities and financial highlights, we refer to the DEME Activity Report 2019 and the DEME Financial Report 2019.



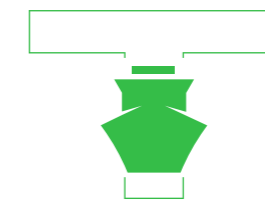
DEME'S CORE VALUES

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 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 shareholders, 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 emphasise:

- 1 Growing awareness about sustainability within our value chains, including our employees, shareholders, suppliers, subcontractors, customers 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.

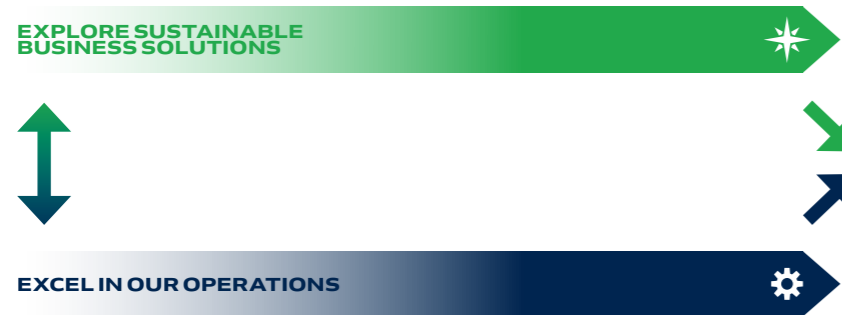
Every day we are involved in a wide range of large, complex projects worldwide, ranging from dredging and land reclamation to infra marine infrastructure, environmental and offshore energy works. All these projects have a potential impact – positive or negative, minor or substantial – on communities,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

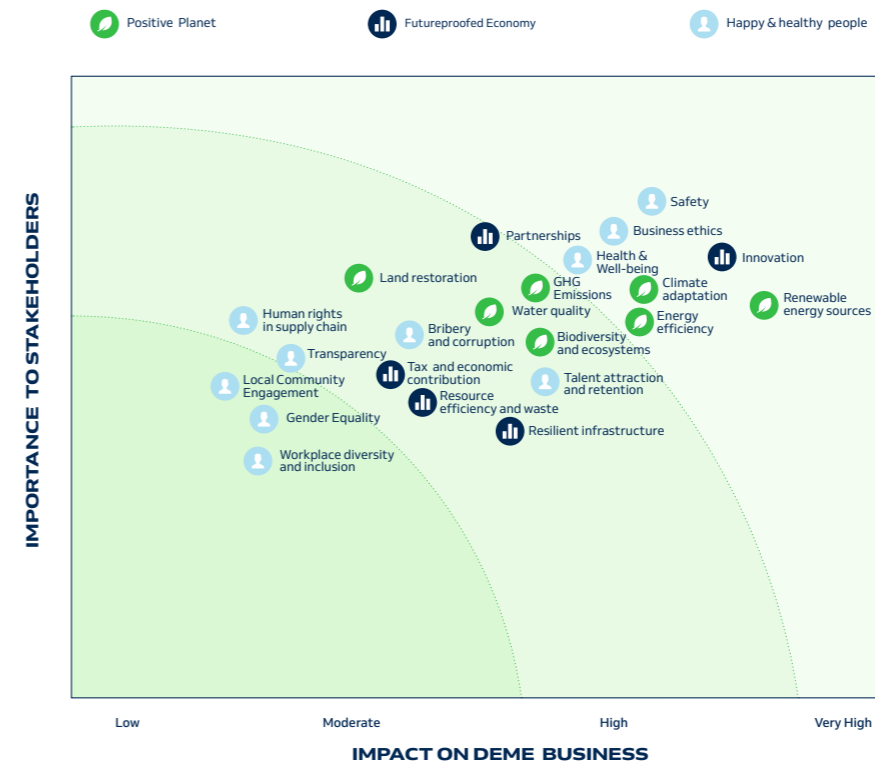
It is undeniable that the world is facing multiple global challenges that could have a serious impact on society and environment, unless we take action now. With its 17 Sustainable Development Goals, the UN has identified its priorities for creating a better world by 2030.

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 developed a sustainable performance strategy.

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, extensive stakeholder consultations were conducted in 2017 and 2018, 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 2018 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 in-depth stakeholder consultations and additional research resulted in a materiality matrix reflecting key priorities, based on business impact and importance to our stakeholders. The materiality assessment helped us to further define our sustainability strategy, resulting 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 the 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 and excel in our operations.

We identified eight key sustainability themes that will support us in creating 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, to actively and proactively prevent corruption or 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 climate-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 solutions that integrate the SDGs.

As part of the proactive and pioneering role we want to play in achieving the SDGs, we are focusing on moving towards a project portfolio with a strong sustainable focus. Therefore we have created an **SDG Assessment Tool** in collaboration with an external sustainability expert. This tool helps us to gain further insight into the impact of the overall project on the SDG targets.

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 connection to one or more of the SDGs. Insights to highlight:

- In 2018, 10 medium to large projects were comprehensively assessed,

followed by 23 additional projects in 2019. All of these projects combined represent almost half of our business revenue and cover all of our activities.

- Certain projects, such as resource-based dredging projects and integrated brown-field developments, have a very broad impact on almost all SDGs, while other projects, such as renewable energy, infrastructure and site rehabilitation projects, significantly contribute to specific SDGs.

- Almost all of the projects in which we participate are a strong enabler of economic development in both developed and developing regions, creating local job opportunities and building local capacity. More than 80% of the assessed projects contribute to local economic growth. Additionally, 75% of the projects contributed to the development of

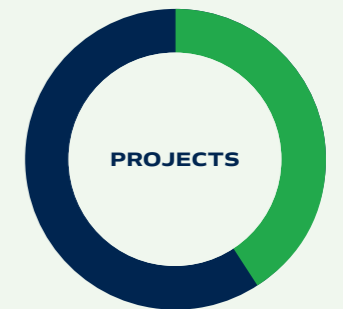
future-proof infrastructure to enhance security, prosperity and well-being.

- Almost half of the assessed projects help to combat climate change. With our offshore wind projects, covering a substantial part of our revenues, we help drive the energy transition.

- We continuously strive to strengthen the economic and environmental resilience of local communities without impacting the climate and depleting our planet's resources. Moreover, we are aware of the impact we sometimes have on marine and freshwater ecosystems, given the very nature of our activities, therefore we continually focus on minimising our environmental footprint and protecting these ecosystems. 🌱



PORTFOLIO ASSESSMENT 2018-2019



PROJECTS ASSESSED	41%
PROJECTS NOT ASSESSED	59%

DEME'S KEY SUSTAINABILITY THEMES



CLIMATE AND ENERGY

CONNECTED SUSTAINABLE DEVELOPMENT GOALS



We are driving the energy transition forward by expanding our offshore renewable energy solutions

DEME CHALLENGE

Climate change is one of the greatest threats to our planet and society. Increasing global temperatures fuelled by greenhouse gas (GHG) emissions lead to rising sea levels, ocean acidification and extreme weather events. At the same time, there is a growing need for access to affordable, reliable and sustainable energy. DEME provides solutions to increase the resilience to climate change and the much needed energy transition. And indeed, we also want to continuously optimise our own operations to improve our energy efficiency. We further need to assess and reduce the GHG emissions coming from our operations and in the project value chain.

DEME VISION AND APPROACH

Explore sustainable business solutions

Our Explore approach to achieving our climate and energy vision focuses on 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. We continue to explore new marine-based solutions for renewable energy production (including tidal and wave, geothermal, solar and hydrogen energy), connection and storage. Together, these projects improve access to affordable energy and increase the share of renewable energy.

Excel in our operations

By their very nature, DEME's activities are energy intensive. We therefore implemented our Energy & Greenhouse Gas Emissions Policy with the aim to become climate neutral by 2050, with a shift towards climate-neutral vessels and programmes to reduce GHG emissions in the 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.

OUR 2030 TARGETS

By 2030 we anticipate integrating climate-neutral 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. In concrete terms, we plan to reduce our GHG emissions by 40% relative to 2008 by 2030.

CLIMATE AND ENERGY IN ACTION

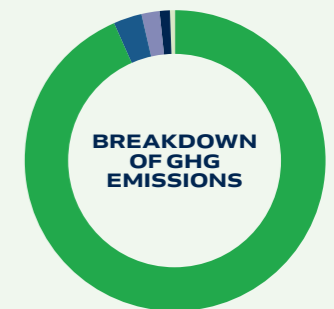
Fleet of the future

We embarked on a multi-year, multi-million efficiency and sustainability action plan and one that will see our fleet switch to lower emission fuels. Although we have taken the International Maritime Organization's greenhouse gas regulations into account, our own measures to cut emissions are going above and beyond the IMO's requirements. To work towards these goals, recent new vessels are able to run on both marine diesel oil and LNG and they are ready to run on climate-neutral fuels like biodiesel and liquified green methane. DEME is the first company in the sector

that made the decision to switch to dual fuel engines and around 10% of our fleet can already operate on LNG. This includes two of the latest new giants: 'Spartacus', the world's most powerful cutter suction dredger, and the next-generation offshore installation vessel 'Orion'. Also, an additional programme kicked-off aimed at further reducing fleet emissions. 🌱

TOTAL WORLDWIDE GHG EMISSIONS 2019

693
(in kton CO₂ eq.)



Category	Percentage
FUEL VESSELS & FLOATING EQUIPMENT	94%
FUEL OFF-ROAD EQUIPMENT	2%
AIR TRAVEL	2%
CAR FLEET	1%
OFFICES	1%

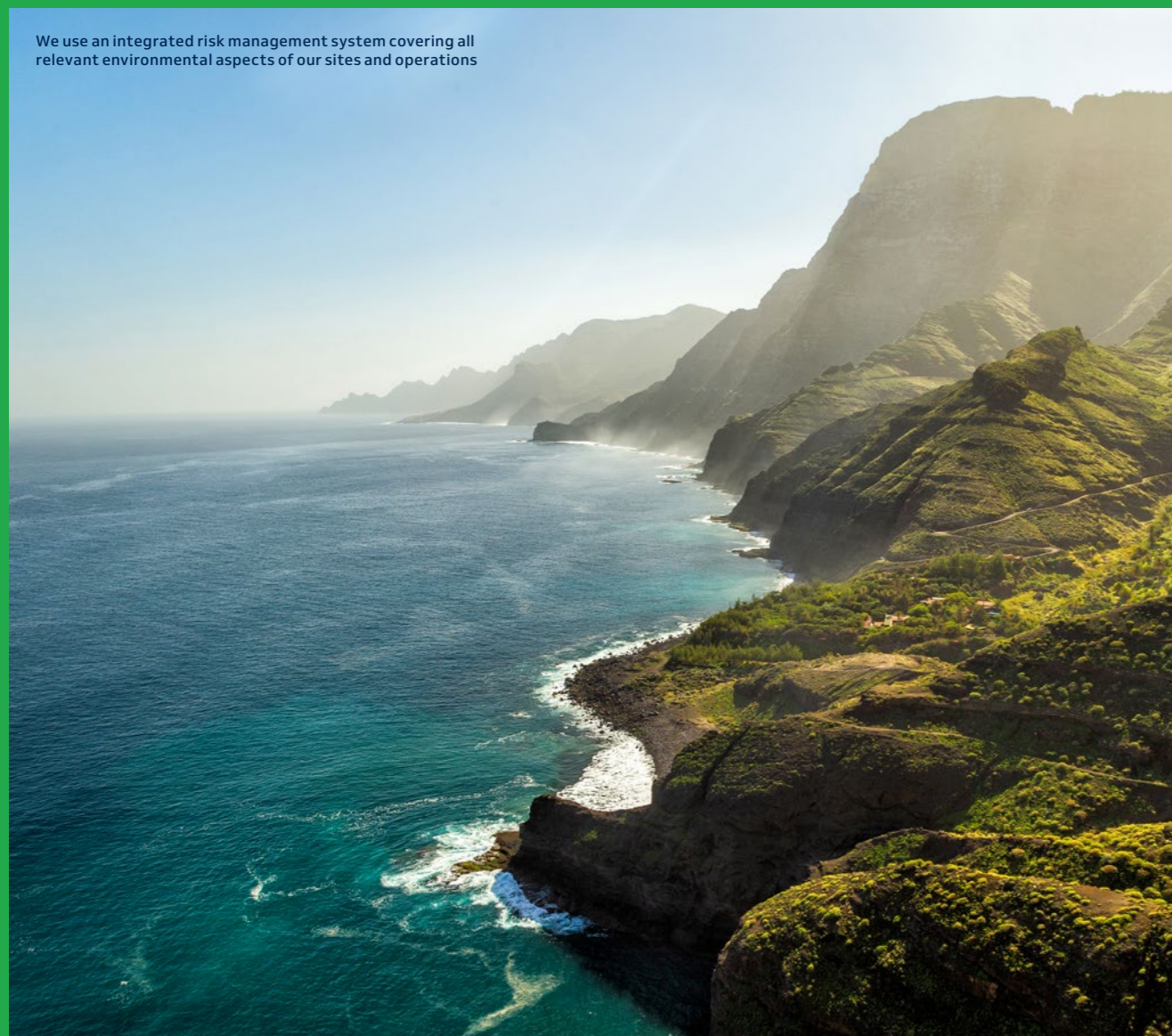
Note: only limited indirect GHG emissions are included here (e.g. electricity and air travel). While these indirect emissions are a consequence of DEME's activities, they are managed by sources not owned or controlled by DEME.

NATURAL CAPITAL

CONNECTED SUSTAINABLE DEVELOPMENT GOALS



We use an integrated risk management system covering all relevant environmental aspects of our sites and operations



DEME CHALLENGE

Our oceans, seas, rivers and coastlines are vital for a healthy planet and economy. It is undeniable that marine contracting (seabed dredging, harbour extensions, offshore wind turbine installation, underwater cable laying, deep-sea harvesting, etc.) alters the environment. 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. There are two key elements to this sustainability theme: protecting biodiversity and avoiding (marine) habitat disturbance during our operations.

DEME VISION AND APPROACH

Explore sustainable business solutions

Our Explore approach aims to protect, revive and build natural capital. Our focus here is to prevent and reduce marine pollution and to sustainably revive and rebuild marine, coastal, inland waterway and terrestrial ecosystems. We work with our customers during the project design and engineering stages to integrate a holistic approach to engaging with natural ecosystems. Our activities include brown-field redevelopment, soil decontamination, treatment of polluted soil and dredged sediments, solutions for (marine) litter as well as the high-tech cleaning of water, with a focus on design, build and operation using innovative techniques.

Excel in our operations

Being aware that marine contracting has an impact on the environment, our Excel approach focuses on minimising the environmental impact of our operations by protecting biodiversity and avoiding habitat disturbance (e.g. by means of noise mitigation). Where possible, we strive for a net positive impact on biodiversity and ecosystems.

This includes ecosystem service assessments and novel nature-inspired designs. We use an integrated QHSE-S risk management system for managing of all the relevant environmental aspects of our sites and operations.

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 ecosystems. Part of this will involve integrating nature-inspired design into our project engineering.

NATURAL CAPITAL IN ACTION

Green initiatives

While striving for continuous improvements to reduce the environmental impact of our operations, we introduced 'green initiatives', which are employees' actions to make changes or modifications to a process, equipment or setup to minimise the environmental impact of the project. We are aiming to launch at least one green initiative for every project with a duration longer than three months. The objective of a green initiative is to increase environmental awareness and to encourage projects to review processes and decrease the environmental impact. Examples include: (re) using recycled materials on our projects, installing solar panels on a project to provide green energy and organising local beach clean-ups.

Environmental campaign

In 2019, the Green Initiatives Campaign was taken to the next level with the launch of the DEME Environmental Campaign. Our Environmental Campaign focused on energy consumption, air and soil emissions and waste management. Posters, videos and a quiz about the different topics were organised. Compared with 2018, we saw the number of green initiatives double. In 2020 we plan to continue the campaign focusing on other topics. 🌱

105

green initiatives in 2019

- 🌬️ **22** minimising air emissions
- 💧 **4** preventing emissions in water
- ♻️ **40** avoiding and reusing waste
- ⬆️ **5** preventing soil emissions
- 🌿 **16** protecting fauna and flora
- ⚡ **15** raising energy efficiency
- 🌳 **3** "smart" use of natural resources



We revitalise former industrial sites with our soil and water decontamination expertise

SUSTAINABLE INNOVATION

CONNECTED SUSTAINABLE DEVELOPMENT GOALS



We embrace projects that promote the global energy transition, the circular economy and resilient infrastructure for the future



DEME CHALLENGE

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

Excel in our operations

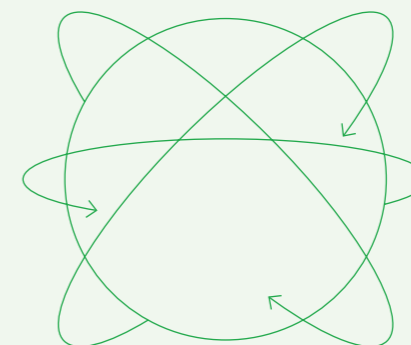
Our Excel approach is to enhance scientific research, upgrade technological capabilities and encourage sustainable innovation within our projects.

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 that promote the global energy transition, the circular economy and resilient infrastructure for the future.

11

sustainable innovation initiatives will be implemented



SUSTAINABLE INNOVATION IN ACTION

DEMEx and DEME Innovation Diver

In 2019, 11 innovation initiatives were approved by the DEME Innovation Board. These initiatives are a result of the DEMEx innovation programme, aimed at enhancing our technological solutions and capabilities in line with a low-carbon, circular and sustainable world. All of the initial ideas were guided through a stage gate process of discovery, ideation and final selection based on a set of criteria. Every 'idea owner' had to convincingly explain the contribution the initiative makes to the SDGs.

In 2020 the DEME Innovation Diver programme, targeting all our employees, will focus on finding innovative solutions for a number of global challenges.

Blauwe Cluster

We are taking 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. In 2019, together with five business partners and Ghent University, we kicked off the BlueMarine³.com project. This project focuses on the biological, technical and economic feasibility of the local cultivation of seaweed, molluscs and shrimp. This is expected to lead to the creation of a multispecies cultivation pilot installation in Flanders that will in time accelerate large-scale production initiatives and aquaculture industry development.

In another research project launched in 2019 by a consortium including DEME, new concepts for commercial marine floating photovoltaics (MFPV) are being studied, monitored and evaluated. The MPVAqua project is aiming to be the first to set up offshore solar energy parks in the North Sea, possibly in combination with wind farms or aquaculture.

Both projects are being supported by the Flanders Innovation & Entrepreneurship Agency (VLAIO).

Combining hydrogen expertise

In November 2019 DEME, Engie, Exmar, Fluxys, Port of Antwerp, Port of Zeebrugge and WaterstofNet signed a cooperation agreement to bring their expertise together in a coordinated way to take steps towards a Belgian hydrogen economy. The partners will make a joint analysis of the entire hydrogen import and transport chain to map out the financial, technical and regulatory aspects of the various components in the logistics chain. As a pioneer in the development, construction and financing of offshore wind farms, we want to make full use of our expertise for the production, transport and storage of green hydrogen from renewable energy sources. 🌱

Investments in infrastructure, including transport, energy, water, ICT, housing, etc., are crucial for achieving sustainable development



WASTE AND RESOURCE MANAGEMENT

CONNECTED SUSTAINABLE DEVELOPMENT GOALS



Our technology repurposes waste materials after treatment to maximise their efficient and circular use throughout our projects



DEME CHALLENGE

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.

Our challenge is to ensure efficient use of resources and circular business processes wherever possible. The materials that we are mainly focused on are minerals (sand, gravel, concrete, etc.), metals (steel, etc.) and waste. Unfortunately, we often have limited influence on the materials we can use when building infrastructure due to local regulations that frequently prefer unused 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 repurposes dredged sediments and waste materials after treatment to maximise their efficient and circular use 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.

WASTE AND RESOURCE MANAGEMENT IN ACTION

Marine litter hunter

To tackle the increasing problem of river pollution, we are starting a test phase with a 'marine litter hunter' on the River Scheldt in Belgium. The test set-up consists of a fixed installation that passively collects floating and suspended litter from the water and a mobile system that actively collects bigger pieces of litter. By collecting plastic in rivers

we can avoid it ending up in our seas and oceans, where it is more difficult to deal with the problem. Being a leader in environmental solutions, specialising in soil, sludge and water remediation, it is a logical step to use our expertise to cooperate actively on solutions for the global waste problem.

Tackle Ocean Plastics travelling exhibition

While we investigate and develop technological solutions for the global plastic soup challenge, we also want to raise awareness on the threat of plastic pollution. A touring Tackle Ocean Plastics exhibition shows the impact plastic pollution has on our ecosystem. In 2019 the exhibition travelled to various locations in Belgium, including a summer tour along the coast. 🌱

Our touring Tackle Ocean Plastics Exhibition shows the impact plastic pollution has on our ecosystem



HEALTH, SAFETY AND WELL-BEING

CONNECTED
SUSTAINABLE
DEVELOPMENT GOALS



We set the highest safety and well-being standards

DEME CHALLENGE

Everyone has the right to work in a safe, secure and healthy working environment. Due to the nature of our work, many projects take place in challenging and sometimes even dangerous environments. Workplace health, well-being and safety – for our own people, as well as subcontractors, suppliers, partners and other stakeholders – are therefore an ongoing priority. We take this responsibility seriously and seek to ensure that everyone on site has a safe and secure workplace.

DEME VISION AND APPROACH

Explore sustainable business solutions

Our Explore approach to health, safety and well-being is to develop future-proof infrastructure that enhances prosperity, well-being and a safe environment. Additionally, we set high safety and well-being standards for all the partners we work with, to make sure these standards and safe practices are adopted and adhered to everywhere in the world.

Excel in our operations

Our Excel approach is to provide a safe, secure and healthy working environment for all the 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 are striving for zero accidents. We will continue our efforts by improving the health, safety and well-being of everyone on our vessels or at our sites. We have a 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 every year after comprehensive reviews.

QHSE-S KPIs are in place at all levels of the DEME organisation: activity lines, business units, projects, sites and vessels. The QHSE-S KPIs include both leading (observations, inspections, timely closed actions, toolbox participations) and lagging indicators (timely reported incidents, incident investigations, safety thermometer) concerning safety and health.

HEALTH, SAFETY AND WELL-BEING IN ACTION

QHSE-S Dashboard

The status of the DEME QHSE-S KPIs is published in a QHSE-S dashboard and communicated to all employees on a quarterly basis. The KPI performance is also discussed on a regular basis during meetings of the relevant management teams, where, if necessary, specific actions and initiatives are identified. The overall QHSE-S performance evaluation, including the KPI results, is managed by yearly management reviews.

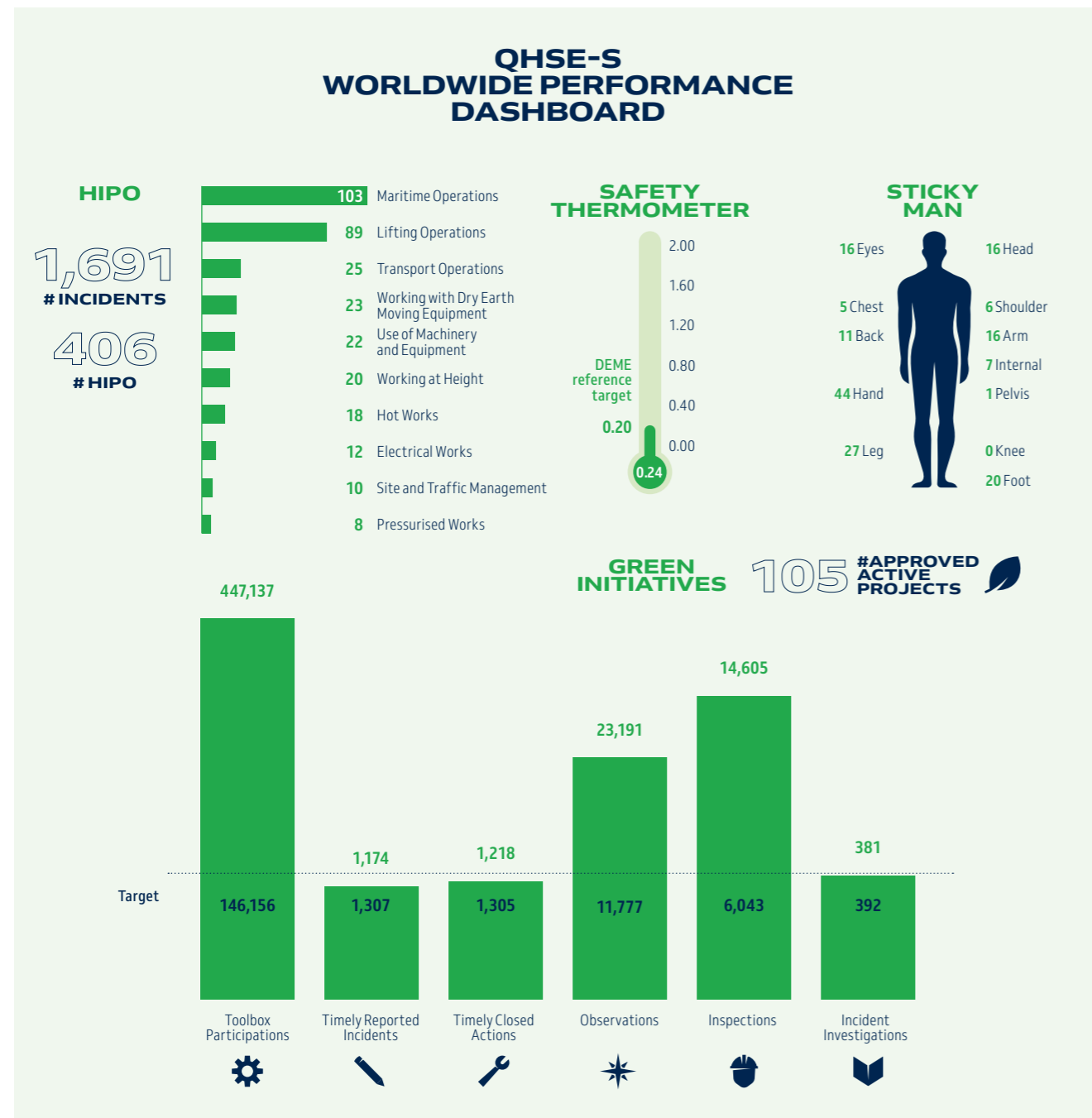
During 2019 we noted that our KPIs on timely reported incidents and incident investigations were not being met. We will therefore launch a DEME-wide, customised incident investigation course in 2020.

As part of our (high potential) incident trend analysis, we conduct an extensive Lost Time Incidents (LTI) analysis. Based on the findings, we set up specific action plans and campaigns.

More detailed information is available in our [DEME QHSE-S Performance Report](#).



Further improving the health, safety and well-being of everyone on our vessels and at our sites is our highest priority



Getting safely to your workplace

Based on our High Potential Incidents (HIPO) trend analysis, the yearly Safety Week of 2019 was focused on the theme 'Getting safely to your workplace', highlighting the specific risks of each type of workplace. Stepping on board a crew transfer vessel from the quayside requires different work preparation than driving through an environmental remediation site, for example.

Given the growing popularity of electric bicycles, special attention was also given to employees who have switched to cycling to work as they run a greater risk of falling and sustaining more severe injuries than those with traditional bicycles.

Employees could learn from five different scenarios through video presentations, all covering different HIPO incidents that actually occurred in the company. Additionally, posters were distributed to use in toolbox meetings and to promote the campaign. 🌱

DIVERSITY AND OPPORTUNITY

CONNECTED SUSTAINABLE DEVELOPMENT GOALS



An inclusive workplace is key to engaging and retaining diverse talent

DEME CHALLENGE

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. Given our planned growth, a significant number of job openings 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 enable employees to pursue a fulfilling and rewarding career within the group. 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. Additionally, we provide training opportunities and follow up personal career development plans for all employees.

GENDER RATIO

■ TOTAL ■ MALE ■ FEMALE

PERMANENT STAFF



PERMANENT CREW & WORKERS



PERFORMANCE & CAREER DEVELOPMENT

Participation rate of the PERMANENT STAFF participating in the TimetoStaff programme. **85%**

Participation rate of the PERMANENT CREW participating in the TimetoCrew programme. **70%**

DIVERSITY AND OPPORTUNITY IN ACTION

Performance and career management

In 2019, a new indicator about performance and career development was introduced which reflects the participation rate in the performance measurement programme 'Time To', our large-scale, competency-based performance tool. Managers use this tool to monitor and evaluate all objectives related to performance and the development of technical and management skills. In addition to the existing Time To for all staff, we rolled out Time To for crew in 2019. Participation rates in 2019 were 85% for all staff and already 70% for our crew.

Top Employer Award

In 2019 DEME was awarded the Top Employer certification in Belgium. The certification process demonstrated that DEME provides exceptional employee conditions, nurtures and develops talent throughout all levels of the organisation and has demonstrated its leadership status in the HR environment, always striving to optimise its employment practices and to develop its employees.

Onboarder

The innovative Onboarder tool provides intensive guidance for new employees in order to strengthen their engagement. The interactive digital tool helps the new employee achieve a smoothly phased introduction to the organisation. This tool is part of a larger onboarding programme with an induction and various more specific training programmes.

People management training for senior crew

We have set up a specific training module for supervisors on board our vessels. This training course aims to provide better individual support for crew members and to further improve teamwork. Also, our captains and chief engineers participated in a series of workshops.

Work and stress prevention

In 2019 we organised several sessions about well-being at work. Specific modules focused on stress and burnout, detecting and dealing with stress and the role of the supervisor in helping create stress-resilient teams within the company. 🌱

A training module for supervisors on board our vessels was organised in 2019



ETHICAL BUSINESS

CONNECTED SUSTAINABLE DEVELOPMENT GOALS



Conducting business in an ethical way confirms and strengthens our solid and sustainable reputation

DEME CHALLENGE

Ethical business practices include good governance of processes, strengthening transparency and incorporating anti-corruption measures, among others. Conducting business in an ethical way confirms and strengthens our solid and sustainable reputation. In our daily business we work together closely with both public officials and third parties, such as (joint venture) partners, subcontractors and recruitment agencies. We often operate in countries with a higher risk profile for non-ethical practices (e.g. ranking low in the Corruption Perceptions Index by Transparency International). The specificity of our activities requires us to be highly vigilant so that our ethical standards, as set out in our Code of Ethics and Business Integrity, are adhered to at all times.

DEME VISION AND APPROACH

Explore sustainable business solutions

Our Explore approach is to conduct business with integrity and actively and proactively prevent corruption or bribery in any form. Our commitment to ethical business is part of our STRIVE values. We see it as our obligation to notify third parties we work with about DEME's Code of Ethics and Business Integrity.

Excel in our operations

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.

OUR 2030 TARGETS

To raise ethical business and integrity awareness across the organisation, we will ensure that every employee has followed frequent training courses on ethical awareness. We further ensure decent working conditions for all involved and encourage social dialogue. For every project, we aim to guarantee that we only work with stakeholders that abide by the same ethical standards.

ETHICAL BUSINESS IN ACTION

Mandatory ethical awareness training

We reached 88% of our employees with the mandatory ethical awareness training, with figures remaining stable for 2019. However, we noticed that it is much harder to reach our crew and to encourage them to take e-learning courses. Therefore, as from 2020 we will focus our mandatory e-learning on all of our personnel, including our crew, with the ultimate goal of reaching all of our employees onboard and ashore. In addition, we will organise classroom toolboxes, broadcasting the same content on ethical business awareness to our crew as well. This will enable us to positively influence their participation.

Policy on raising and reporting integrity issues

Our policy on raising and reporting integrity issues, which is the equivalent of a whistleblowing policy, enables any individual, employee or third party to report any misconduct or wrongdoing involving DEME or its stakeholders in good faith, without fear of retaliation. The Compliance Department reports to the DEME Board of Directors and annually presents its action plan. 🌱

88%

Ratio of DEME staff that have received our Compliance Awareness training

0

Number of idle days because of a strike or lock-out

LOCAL COMMUNITIES

CONNECTED SUSTAINABLE DEVELOPMENT GOALS



We build collaborative relationships with local communities through consultation, engagement and participation

DEME CHALLENGE

DEME operates in all of the world's seas and continents. Building collaborative and sustainable partnerships in different locations around the world is essential to the success of our operations. We endeavour to give back to local communities and are involved in many social projects worldwide which are aligned with both our own core values and the Sustainable Development Goals.

DEME VISION AND APPROACH

Explore sustainable business solutions

Our Explore approach is to help increase the resilience and infrastructure of the communities where we work to cope with economic, environmental and social challenges. Many of our employees come from local communities we operate in or spend years working in them, so they have a good insight into the challenges these communities face. We leverage this experience to make a positive impact.

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 through our DEME4Life programme. In the next decade leading up to 2030, our ambition is to continue to support a wide variety of social projects across the globe.

LOCAL COMMUNITIES IN ACTION

Mercy Ships

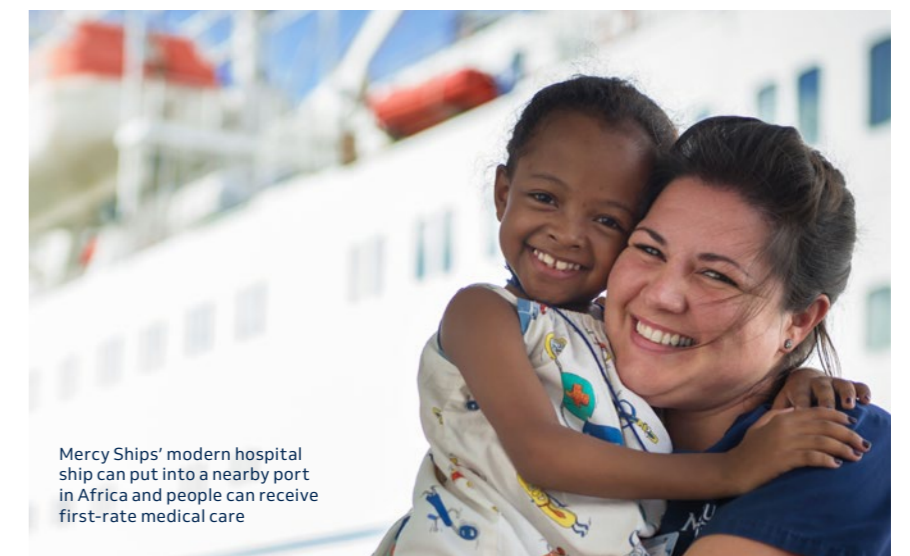
DEME has already been active on the African continent for more than 50 years, from Angola to Nigeria. Our strong presence on the continent is an ideal opportunity for DEME4Life to support Mercy Ships.

This unique floating hospital is the world's largest civilian hospital ship providing state-of-the-art care totally free of charge. Because over 50% of the population in Africa lives within 100 miles of the coast, Mercy Ships' modern hospital ship can put into a nearby port and people can receive first-rate medical care. The 400-strong crew of volunteers includes captains, sailors,

surgeons, nurses, kitchen staff and cleaners. Mercy Ships is always looking for skilled mariners and we promote this volunteering opportunity within our own organisation. With the support of DEME4Life, maritime training can be funded, a new X-ray installation can be purchased and contributions are also made to medical programmes and infrastructure, among other things.

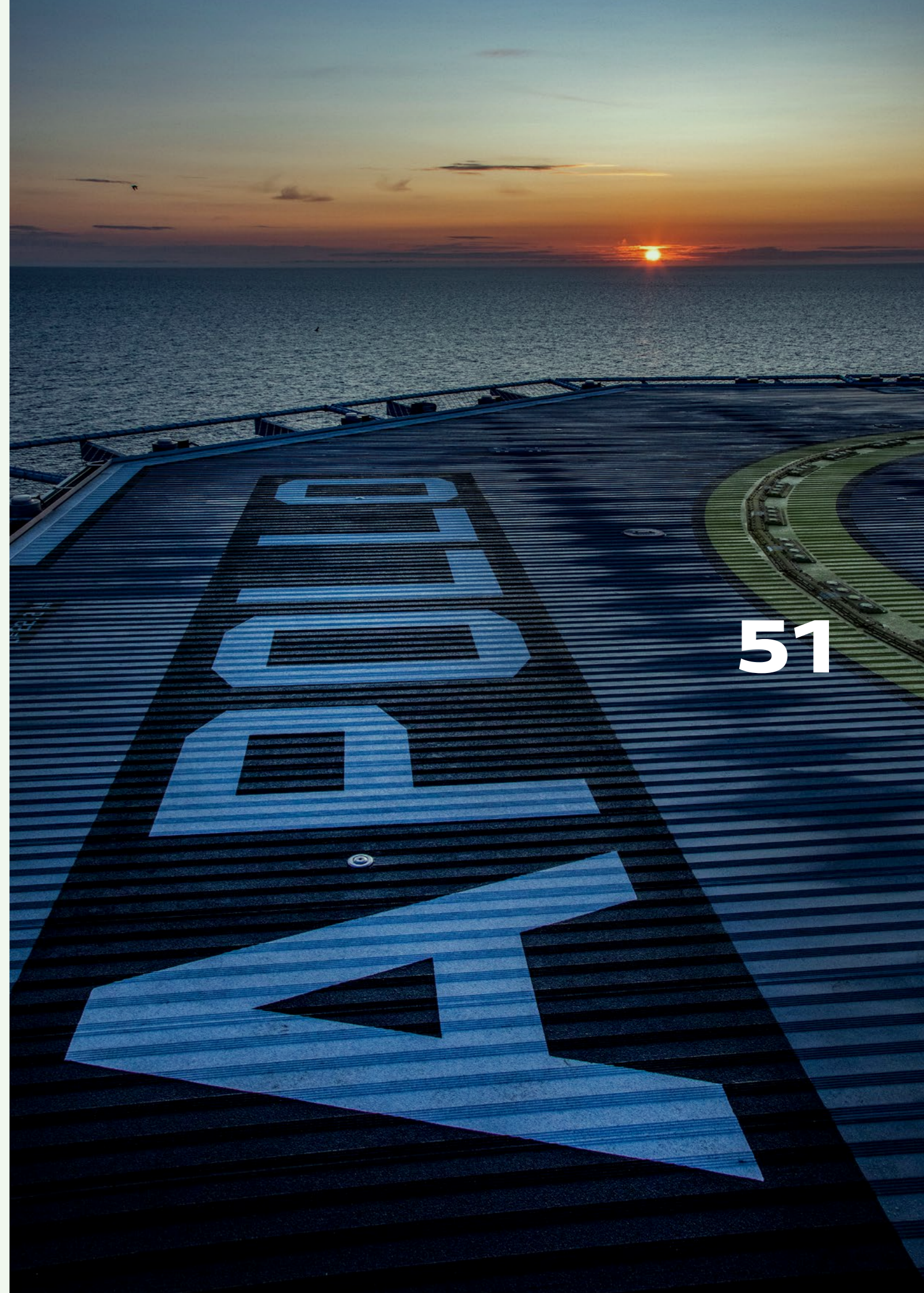
World Clean Up

On DEME projects worldwide, we are confronted with litter on a daily basis. For World Clean Up, the global initiative for a cleaner planet, we launched a call to action to clean up litter from beaches, rivers, forests and streets. Hundreds of employees volunteered to participate in the World Clean Up. In Nigeria, for example, a group of employees organised a litter hunt on the river banks at the Bonny and Onne project sites, while in the Netherlands litter was cleaned up from the beach in Vlissingen. ♻️



Mercy Ships' modern hospital ship can put into a nearby port in Africa and people can receive first-rate medical care

GOVERNANCE AND REPORTING PRACTICES



GOOD GOVERNANCE EVERY STEP OF THE WAY

Our sustainability governance model focuses on two dimensions:

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

There are four main layers within our governance structure: the 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, along with the related objectives and targets. The programme

is discussed at the Board of Directors meetings.

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.

In 2019, the Sustainability Board met every two months to evaluate the sustainability performance of our project portfolio and the progress made towards our objectives from both a strategic and operational perspective.

The members of the Sustainability Board are: Luc Vandenbulcke, Alain Bernard, Philip Hermans, Hugo Bouvy, Els Verbraecken, Eric Tancre, 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.

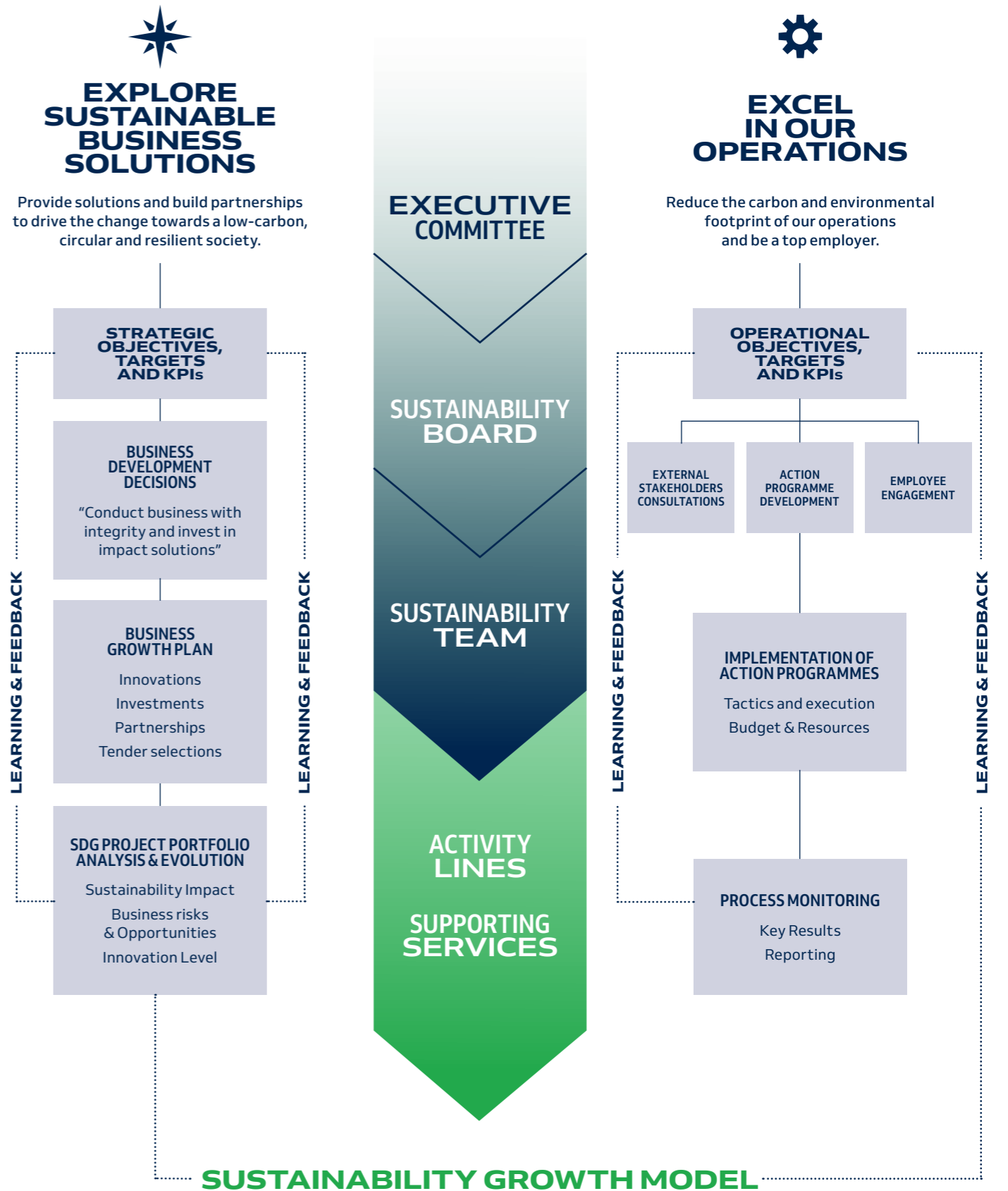
The activity lines and supporting services implement the strategic and operational sustainability objectives, targets and measures. ♻️



FROM LEFT TO RIGHT

- Eric Tancre | Managing Director Activity Line Infra, Managing Director Activity Line Dredging
- Alain Bernard | Executive Chairman Board of Directors
- Theo Van De Kerckhove | Chief Operating Officer
- Bart Verboomen | Managing Director Technical Department, General Manager Baggerwerken Decloedt & Zoon
- Hans Casier | Chief Human Resources Officer
- Jiska Verhulst | Sustainability Director

- Hugo Bouvy | General Manager DEMA Offshore
- Els Verbraecken | Chief Financial Officer
- Philip Hermans | Managing Director Activity Line Dredging
- Luc Vandenbulcke | Chief Executive Officer
- Dirk Poppe | Area Director Eastern Europe and Russia, Managing Director Activity Line Environmental
- Filip Vandeputte | Sustainability Manager



REPORTING PRACTICES

SCOPE OF INFORMATION

The information in the Sustainability Report 2019 covers DEME and its subsidiaries. For a complete overview of our subsidiaries, we refer to our Financial Report 2019. Unless stated otherwise, references to DEME should be read as references to the entire DEME Group.

REPORTING PERIOD

The Sustainability Report 2019 was published on 30 March 2020 and covers the period from January 1 to December 31, 2019. We are aiming to publish the Sustainability Report on an annual basis.

REPORT CONTENT

This report has been prepared using the GRI principles. In line with these principles, we have provided a GRI Content Index, which is available on demand. The report covers eight sustainability themes on which DEME Group has an economic, environmental or social impact:

- Climate and energy
- Natural capital
- Sustainable innovation
- Waste and resource management
- Health, safety and well-being
- Diversity and opportunity
- Ethical business
- Local communities

There are no significant changes in the sustainability themes compared to our last report. However, in 2019, we took large steps to improve and increase the amount of quantitative, non-financial information for every sustainability theme. We have the ambition to have this information externally verified in the future.

For questions related to the content of the report, please contact sustainability@deme-group.com

SCOPING AND CALCULATION METHODOLOGIES OF THE SUSTAINABILITY FIGURES PROVIDED

GHG emissions

DEME follows the Greenhouse Gas Protocol (ISO14064) and reports its GHG emissions according to the operational approach for three scopes:

- **Scope 1** includes all direct GHG emissions. Direct GHG emissions occur from sources that are owned or controlled by DEME (e.g. combustion of fuel and natural gas).
- **Scope 2** accounts for GHG emissions from the generation of electricity purchased by DEME. Scope 2 emissions physically occur at the facility where electricity is generated.
- **Scope 3** is a reporting category for all other indirect emissions. These emissions are a consequence of DEME's activities, but occur through sources not owned or controlled by DEME. Here we only report the emissions which result from business air miles.

DEME includes carbon dioxide (CO₂), nitrous oxide (N₂O) and methane (CH₄) emissions in its carbon footprint.

In the selection of emission factors or conversion factors (linking fuel consumption to CO₂eq emissions), sector-specific emission factors from the IMO are used for vessels. For all other equipment, the worldwide (direct CO₂) emission factors of Defra (the UK Department for Environment, Food and Rural Affairs) will be used. For the Netherlands and Belgium, dedicated emission factors are used in accordance with the CO₂ Performance Ladder (<https://www.co2emissiefactoren.nl/>).

Headcount

Here we report the total number of permanent employees on DEME's payroll on December 31st, 2019. Temporary employees and subcontractors are not included. The list of statutory companies which are considered is limited to consolidated companies in accordance with IFRS accounting rules (joint ventures and associates are excluded). 🌱



Forward-looking Statements

This sustainability 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 sustainability 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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