

An anti-corruption code has been set up in the subsidiaries, containing both the basic principles and concrete provisions to be applied in various risk situations. Added to this are the various concrete measures taken by the subsidiaries to ensure the application of these provisions.

Each entity is regularly subjected to an analysis of the risks and procedures by the internal audit unit. The internal audit is independent and its main mission is to support management and help it to better control risks.

The internal auditor reports in a functional way to CFE's Audit Committee by submitting the annual audit plan and presenting the main findings of the audits carried out and a follow-up of the action plans. If necessary, additional audit assignments may be carried out at the request of CFE Contracting's Audit Committee or Executive Committee. In 2020, the internal audit mainly focused on the principles of good project management. Other topics covered by the internal audits were the separation of powers in ERP systems, archiving, signing authority in payment software and the application of GDPR. A general analysis of the internal control system was also carried out at MOBIX. The results of the audits are presented to the members of CFE's Audit Committee and to CFE Contracting's Executive Committee, in order to agree on the corrective actions to be taken.

6. NON-FINANCIAL KEY PERFORMANCE INDICATORS (KPIs)

6.1. INTRODUCTION

The definition, collection and analysis of KPIs are an integral part of CFE's sustainability strategy. At least one KPI was chosen for each high materiality theme. For some more complex themes, such as transport, preference was given to the analysis of pilot projects. By regularly analyzing and following up on all these KPIs through specific dashboards, it is possible to closely validate the impact of the action plans implemented.

6.2. SOCIAL

To analyze the impact of targeted actions on social themes, all three divisions have been collecting a series of KPIs for several years. These KPIs relate to safety, well-being, diversity and training.

6.2.1. COMMON GENERAL INDICATORS

Employees by division				
	CFE	DEME	Total	
2018	3,524	5,074	8,598	
2019	3,276	5,134	8,410	
2020	3,250	4,976	8,226	

Staff by category			
2020	Manual workers	Office workers	Total
CFE	1,709	1,541	3,250
DEME	2,279	2,697	4,976
Total	3,988	4,238	8,226

Men / Women				
	Male office workers	Female office workers	Male manual workers	Female manual workers
2018	3,272	1,064	4,201	61
2019	3,289	1,115	3,934	72
2020	3,106	1,132	3,916	72

Training				
Number of hours by type of training	Total 2019	Total 2020	Hommes	Femmes
Technical	68,119	38,020	36,713	1,307
Health and safety	60,580	44,919	43,157	1,762
Environment	907	1,022	966	56
Management	17,129	6,953	6,683	270
IT	17,656	12,445	11,304	1,141
Admin/account/management/legal	14,039	12,001	11,072	929
Languages	8,598	6,498	5,226	1,272
Diversity	310	8,128	7,844	284
Others	13,247	14,342	13,846	496
Total	200,585	144,328	136,811	7,517

As safety is a constant concern, CFE Contracting and DEME have developed QHSE dashboards in order to follow the evolution of statistics as closely as possible and to take any necessary corrective measures as soon as possible.

Safety for CFE Contracting	2017	2018	2019	2020	industry average*
Frequency rate	16.76	19.42	13.72	26.12	31.08
Severity rate	0.49	0.49	0.44	0.61	1.05

* industry average 2019, source: fedris.be (NACE codes 41, 42 and 43 taken into account)
 Frequency rate CFE = number of accidents with work incapacity x 1 million divided by the number of hours worked
 Severity rate = number of calendar days of absence x 1,000 divided by the number of hours worked

Safety for DEME	2017	2018	2019	2020	industry average *
Frequency rate	0.27	0.21	0.24	0.19	3.54
Severity rate	0.03	0.072	0.097	0.04	0.67

* industry average 2019, source: fedris.be (NACE codes 08.12, 39, 42.13 and 42.919 taken into account)
 Frequency rate DEME = number of accidents with work incapacity (worldwide) multiplied by 200,000 divided by the number of hours worked by employees.
 Severity rate DEME = number of calendar days of absence (worldwide) multiplied by 1,000 and divided by the number of hours worked by employees.

6.2.2. INDICATORS SPECIFIC TO DEME'S PRIORITY OBJECTIVES

High materiality themes: Health, safety & well-being

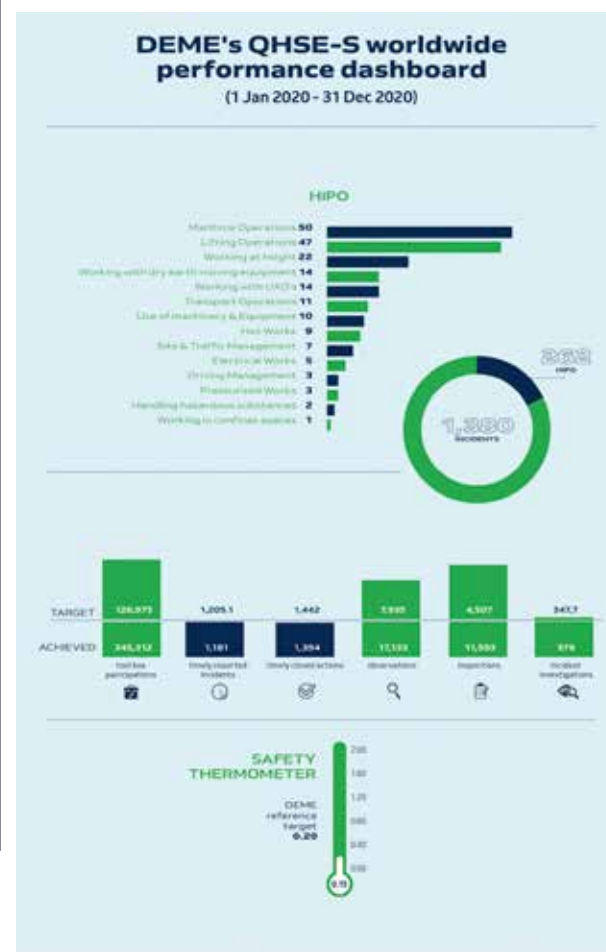
In the social or societal themes, DEME chose the theme 'Health, safety & well-being' (see materiality matrix defined in chapter 5.3). DEME has therefore developed a safety dashboard which, in addition to the frequency and severity rates as mentioned in point 6.2.1, also includes the number of toolbox participations, the number of incidents, the number of incidents reported in time, etc. This information is shown in the table below.

A full report on the safety policy is available on the DEME website (<https://www.deme-group.com/publications>)

Name of the KPI	Definition of the KPI	Unit	2019	2020
HIPO incidents	A high potential (HIPO) incident is an incident that could have had severe consequences for quality, health, safety or environment. This includes incidents from third parties such as subcontractors, clients, JV partners.	#	406	262
Toolbox participation	All project, vessel and office staff/crew must participate, as a minimum, once a week in a toolbox meeting. Toolbox meetings include safety moment day, vessel-project safety meeting and pre-work meeting.	#	447,137	345,312
Timely reported incidents	All incidents with damage, near misses/dangerous situations and complaints/non-conformities have to be reported in IMPACT within 24 hours.	#	1,174	1,181
Timely closed actions	All actions resulting from incidents & investigations, audits, management reviews and year action plans need to be closed out within their set due date.	#	1,218	1,394

Observations	All project, vessel and office staff/crew has to fill in/complete a minimum of 3 observations per year	#	23,191	17,133
Inspections	QHSE-S inspections are to be conducted by the following functions: - Superintendents up to Project Director to each conduct 1 inspection per month on the project - Vessel Management (Master, Chief Engineer) to each conduct 1 inspection per week on board	#	14,605	11,593
Incident investigations	All incidents that require an investigation according to the DEME Incident management procedure, should have an incident investigation	#	381	379

All those KPIs are based on internal guidance, and are part of QHSE-S worldwide performance dashboard



Medium materiality theme: Diversity & opportunity

The indicators concerning the number of hours of training and the gender breakdown are already included in section 6.2.2.

With regard to the number of employees, men/women, DEME's goal is to ensure that all its employees have equal opportunities in terms of internal mobility and to actively support and guide them in this process.

Name of the KPI	Definition of the KPI	Unit	2019	2020
Performance and career development	Participation rate in the performance measurement programme Time To for all Staff and for all crew during the reporting period	percentage	(1) TIMETOSTAFF = 85 (2) TIMETOCREW = 70	(1) TIMETOSTAFF = 86 (2) TIMETOCREW = 80

Name of the KPI	Definition of the KPI	Unit	2019	2020
Number of nationalities	Based on internal guidance. The total number of nationalities among permanent employees in the organisation on December 31st.	#	82	80

All those KPIs are based on internal guidance.

With regard to training, performance and career development, DEME's goal is to improve employee satisfaction through competence-based management and to provide training opportunities and career development plans for all employees.

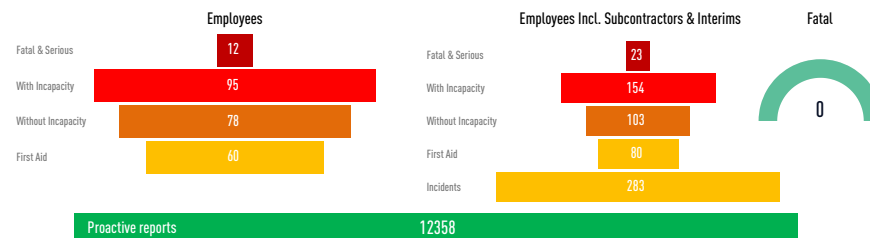
DEME is also keen to build on our 'One DEME, One team' spirit by drawing on the rich diversity of our operational teams and inclusive social relations.

6.2.3. INDICATORS SPECIFIC TO HIGH MATERIALITY GOALS AT CFE CONTRACTING AND BPI

High materiality theme: Health & Safety

In the social or societal themes, CFE Contracting and BPI have also chosen the theme of health and safety (see materiality matrix defined in Chapter 5.5). A dashboard containing the main information for each subsidiary is updated at least once a month to keep track of safety-related data.

Information on the frequency and severity rate is given in Chapter 6.2.1.



High materiality theme: guarantee decent working conditions for all

As much attention is paid to the safety of subcontractors and temporary workers as that of our own staff.

All the safety indicators take subcontractors into account.

High materiality theme: Talent attraction, training & retention

Training data features in Chapter 6.2.1.

Here is the data for CFE Contracting and BPI only.

Number of hours by type of training	Total 2018	Total 2019	Total 2020	Men	Women
Technical	18,354	15,578	16,434	15,127	1,307
Health and safety	13,203	20,182	12,071	10,309	1,762
Environment	80	180	807	751	56
Management	5,953	5,009	1,434	1,164	270
IT	2,273	4,513	3,354	2,213	1,141
Admin/account/management/legal	1,741	3,840	2,589	1,660	929
Languages	4,561	6,177	3,271	1,999	1,272
Diversity	0	0	3,320	3,036	284
Others	1,951	2,872	2,993	2,497	496
Total (h)	48,116	58,350	46,273	38,756	7,517
Total / no. employees (h/pers)	14	18	14		

To monitor the inflow and outflow of personnel, CFE Contracting analyses the indicator relating to length of service.

Length of service (excl. DEME)	2018	2019	2020
< 1	452	412	379
1-5	965	1,047	1,150
6-10	567	530	508
11-15	502	511	453
16-20	298	300	287
21-25	127	117	145
> 25	613	359	328
Total	3,524	3,276	3,250

One way to ensure the well-being and health of staff is to monitor the absenteeism indicator.

Absenteeisme	2018	2019	2020
Number of days absence due to illness	70,871	90,498	68,312
Number of days absence due to work-related accidents	4,488	6,957	4,203
Number of days absence due to travel work/home accident	492	122	256
Number of days absence due to occupational illness	0	0	0
Number of days worked	1,892,886	1,802,571	1,805,789
Absenteeism rate	4.01%	5.41%	4.03%

NB: these values relate to the entire CFE group

6.2.4. MISCELLANEOUS

Like every year, other regular KPIs related to human resources issues are also reported:

Number of employees by type of contract for the whole CFE group (incl. DEME)				
	Open-ended contract	Fixed-term contract	Work & studies	Total
2018	7,939	648	11	8,598
2019	8,065	334	11	8,410
2020	7,895	327	4	8,226

Age pyramid				
by 5-year bracket	2018	2019	2020	
< 25	377	380	331	
26-30	1,207	1,165	1,086	
31-35	1,320	1,242	1,213	
36-40	1,267	1,250	1,267	
41-45	1,182	1,176	1,147	
46-50	1,049	973	974	
51-55	1,040	1,026	1,025	
56-60	770	785	773	
> 60	386	413	410	

Seniority of employees for the whole CFE group (incl. DEME)				
by 5-year bracket	2018	2019	2020	
<1	1,144	912	648	
1-5	2,652	2,928	3,034	
6-10	1,767	1,509	1,508	
11-15	1,104	1,352	1,327	
16-20	701	685	637	
21-25	352	344	409	
>25	878	680	663	

6.3. ENVIRONMENT

6.3.1. COMMON GENERAL INDICATORS

Again this year, non-financial environmental reporting focuses mainly on the CO₂ production of the three divisions.

CFE follows the Greenhouse Gas Protocol and reports its GHG emissions according to the operational approach of the three scopes:

SCOPE 1

Direct greenhouse gas (GHG) emissions are related to the use of fuel and fossil fuels. Only the production of CO₂ is taken into account, not other greenhouse emissions. This concerns only purchased fuel and fossil fuels that are used in its own facilities, equipment and vessels or on its own projects. Fuel used in its own electricity generators is also included in Scope 1.

SCOPE 2

Indirect greenhouse gas (GHG) emissions are related to the consumption of purchased electricity. Only the production of CO₂ is taken into account, not other greenhouse emissions. The electricity that the companies purchase is in many cases from both renewable and non-renewable sources. Only when the amount of renewable energy purchased by a company is explicitly set out in a contract can a breakdown be made for each party. Otherwise, it isn't possible to know exactly how much renewable energy they have actually received. Subsequently, there is no breakdown in this report.

SCOPE 3

These are the other forms of indirect greenhouse gas emissions. These emissions are the consequence of CFE's activities, but come from sources over which CFE has neither control nor ownership. In this case, the data collected relates only to emissions from air travel.

DEME includes carbon dioxide (CO₂), nitrous oxide (N₂O) and methane (CH₄) emissions in its carbon footprint. Global measurements and those for Belgium and the Netherlands are analyzed separately. Calculation methods differ between DEME and CFE. For CFE Contracting and BPI, the ADEME carbon footprint method is used.

GHG SCOPE 1-2 CFE CONTRACTING & BPI

	unit	2017	2018	2019	2020
CO ₂ emissions scope 1	Tons CO ₂	13,290	19,298	14,754	15,812
CO ₂ emissions scope 2	Tons CO ₂	2,583	4,565	3,063	1,872
CO ₂ emissions scope 1+2	Tons CO ₂	15,873	23,863	17,817	17,684

For DEME, for the Netherlands and Belgium only, dedicated emission factors are used according to the CO₂ performance scale. (<https://www.co2emissiefactoren.nl>).

For DEME's global GHG emissions, two types of emission factors are used:

- In the selection of emission factors or conversion factors, IMO sector emission factors are used for ships.
- For all other equipment, Defra (the UK Department for Environment, Food and Rural Affairs) global emission factors are used.

GHG SCOPE 1-2- 3 DEME

DEME (Worldwide)	unit	2018	2019	2020
GHG(CO ₂ +N ₂ O+CH ₄) emissions (scope 1)	Tonnes CO ₂ -eq.		676,000	659,000
GHG(CO ₂ +N ₂ O+CH ₄) emissions (scope 2)	Tonnes CO ₂ -eq.		5,000	1,000
GHG(CO ₂ +N ₂ O+CH ₄) emissions (scope 3)	Tonnes CO ₂ -eq.		12,000	10,000
CO₂ emissions (scope 1, 2 & 3)	Tonnes CO₂-eq.	687,000	693,000	670,000

CO₂ EMISSIONS BELGIUM + THE NETHERLANDS (according to performance ladder scheme)

DEME Belgium + The Netherlands	unit	2017	2018	2019	2020
CO ₂ emissions (scope 1)	Tonnes CO ₂	109,178	126,356	148,773	191,000
CO ₂ emissions (scope 2)	Tonnes CO ₂	4,740	5,376	7,796	2,000
CO₂ emissions (scope 1&2)	Tonnes CO₂	113,918	131,732	156,569	193,000

We found that the CO₂ emissions for CFE Contracting's construction companies are particularly influenced by the type of construction site and work carried out during the year. In particular, construction sites with large-scale structural work will require significant electricity and fuel consumption to operate all the construction machinery and tower cranes. Completion sites during the winter period will require high energy inputs to heat and dry the buildings. Vehicle consumption will also be strongly influenced by the distance from the construction site. All these elements vary greatly from year to year.

The CO₂ emissions of multi-technical companies are relatively more stable. That is why it is necessary to monitor the different consumptions as closely as possible in order to have a more precise and targeted follow-up of the measures undertaken. The detailed information for CFE Contracting can be found in Chapter 6.3.3.

The significant improvement in Scope 2 at CFE Contracting is especially linked to the switch to green energy in many subsidiaries.

6.3.2. INDICATORS SPECIFIC TO DEME'S HIGH MATERIALITY GOALS

Specific CO₂ reduction goals

DEME has specific improvement programmes aimed at further reducing the impact on the environment during a project's implementation. For instance, specific emission reduction programmes aim to further reduce greenhouse gas emissions that contribute to climate change, as well as other pollutants that contribute to reducing local air quality.

DEME aims to achieve a 40% reduction in greenhouse gases by 2030 compared to the reference year 2008 set by the International Maritime Organization (IMO). DEME wants to become a climate neutral company by 2050.

Given that more than 90% of greenhouse gas emissions can be attributed to the fuel consumption of ships, DEME is pursuing a multi-year investment plan that involves providing its new fleet with the most advanced fuel-saving technology and the use of low-emission fuels such as LNG, biodiesel and future green fuels containing hydrogen such as green methanol or green hydrogen. In addition, DEME is constantly working to further increase the energy efficiency of the entire fleet with technological measures such as waste heat recovery systems that convert the exhaust gas into electrical energy. There is also a constant focus on process optimization and productivity improvement. In 2020, DEME also focused on further optimizing the recording of energy data, setting up an integrated data structure and developing the necessary monitoring tools.

Medium materiality theme: natural capital

To measure the attention given to the preservation of natural capital, DEME records the number of green initiatives approved each year. DEME's goal is to implement at least one green initiative for each project lasting more than 3 months.

Name of the KPI	Definition of the KPI	Unit	2019	2020
Total number of approved green initiatives	A «Green initiative» is any initiative, change or modification to a process, equipment or setup that reduces the environmental impact of the project.	#	105	128

6.3.3. INDICATORS SPECIFIC TO HIGH MATERIALITY GOALS AT CFE CONTRACTING AND BPI

High materiality theme: Waste reduction

Since the start of 2020, a new indicator is being monitored in all of CFE Contracting's subsidiaries. The five main waste fractions are measured 4x/year and integrated into the environmental dashboard.

Waste	Unit	2019	2020
Mixed	tonnes	/	9,498
Wood	tonnes	/	3,855
Inert	tonnes	/	9,498
Hazardous	tonnes	/	38
Steel	tonnes	/	542
TOTAL	tonnes		23,431
TOTAL / turnover	tonnes/M€		25.69

Energy consumption is also a closely monitored point.

Energy	Unit	2019	2020
Electricity	kwh		12,990.826
Gas	kwh		3,195.251
Fuel	kwh		11,064.479
TOTAL	kwh		27,252.576
TOTAL / turnover	kwh/k€		29.89

High materiality theme: Modular & circular principles in our projects

Circularity and modularity are at the heart of CFE Contracting and BPI's concerns.

Woodshapers' turnover will be used as a key indicator as of 2021.

As regards circularity, lessons learned from the ZIN construction site will be used to define an appropriate performance indicator. In the meantime, significant awareness-raising is taking place in the various subsidiaries concerning circularity. Training courses have been organized with organizations such as CSTC, build circular or ecobuild.

High materiality theme: Material transport optimization

The pilot consolidation centre project in Brussels as well as the construction sites in Luxembourg that also use a consolidation centre will serve as a reference for determining an effective performance indicator during 2021. In the meantime, all the lessons learned on these construction sites are passed on to the various subsidiaries. Site visits are also performed internally to explain the approach.

Medium materiality theme: alternative transport modes promotion

The fleet is the biggest emitter of CO₂ for Scope 1. CFE Contracting has therefore decided to monitor this consumption.

Fleet	Unit	2019	2.020
Diesel - Car	litre		2,755,474
Hybrid - Car	litre		1,870
Unleaded - Car	litre		287,367
Diesel - Truck	litre		670,768
Hybrid - Truck	litre		0
Unleaded - Truck	litre		4,198
Cars	#		1,909
Trucks	#		108
consumption cars / #cars	litre/#		1,595
consumption trucks / #trucks	litre/#		6,250

6.4. GOVERNANCE

6.4.1. COMMON GENERAL INDICATORS

Good governance of the different divisions is assured by charters and procedures.

	CFE	CFE Contracting	BPI	DEME
corporate governance charter	ok	ok	ok	ok
procedures	*	ok	ok**	ok
code anti corruption	*	ok	ok	ok

* transferred to CFE Contracting and BPI

** internal policy on financial transactions

All the documents specific to governance are regularly reviewed.

6.4.2. INDICATORS SPECIFIC TO DEME'S HIGH MATERIALITY GOALS

High materiality theme: innovation

To measure the attention given to innovation, DEME records the number of innovative initiatives approved each year. DEME's goal is to:

- (1) Ensure the adoption of sustainability as (part of) every challenge in every innovation campaign.
- (2) Ensure that sustainability is always part of the assessment criteria for each innovation campaign.

Name of the KPI	Definition of the KPI	Unit	2019	2020
Approved innovation initiatives	The total number of approved innovation initiatives following DEME's innovation campaigns during the reporting period.	#	11	18

High materiality theme: Ethical business

To measure knowledge of the governance principles and in particular the procedures relating to business ethics, DEME records the ratio of staff who have undergone specific training known as 'Compliance training'.

DEME's goal is to ensure that every employee has frequently followed training on ethical awareness.

Name of the KPI	Definition of the KPI	Unit	2019	2020
Ratio of staff that has received DEME Compliance Awareness Training	The total number of training hours on ethical awareness received by the organisation's permanent employees during the reporting period	percentage	88	97

6.4.3. INDICATORS SPECIFIC TO HIGH MATERIALITY GOALS AT CFE CONTRACTING AND BPI

High materiality theme: Strong corporate governance

Several audits were carried out during the 2020 financial year. They didn't reveal any dysfunctions that are likely to have a material impact on the group's business or financial statements. Those audits chiefly concerned:

- the application of good project management principles as defined by the members of the executive committee
- compliance with GDPR
- compliance with the rules relating to signing authority in the ISABEL payment software program
- document archiving

The results of the audits are presented to the members of CFE's audit committee and to the executive committee of CFE Contracting in order to agree on the corrective actions to be taken.

High materiality theme: Innovation

In 2020, CFE Contracting and BPI were able to move forward with the development of a strategy structured around innovation. The two divisions respectively appointed a Chief Digital Officer and a Development & Innovation Director. These two managers are responsible for developing and monitoring the innovation strategy. A board known as the 'innovation core team', common to both divisions, meets at least once a month. This board's first task is to set up:

- Governance
- The process
- Targeted monitoring
- Key indicators
- And, finally, the internal and external communication that defines this strategy.

Medium materiality theme: Clear sustainability reporting (transparency)

Dashboards relating to safety, human resources and the environment are published every month and sent to the management of CFE Contracting and to the management committees of all the entities.

These dashboards make it possible to communicate transparently with the various management levels and to inform all employees as frequently as possible.

This regular follow-up also allows the actions undertaken to be readjusted as quickly as possible.