

3. POLICIES APPLIED IN TERMS OF ESG

3.1. RULES COMMON TO THE THREE DIVISIONS

As CFE is based on a decentralized decision-making model, each division develops and pursues its own ESG policy. However, as a shareholder, CFE ensures that these divergent policies converge towards a similar overall approach, which is also in line with the ESG policy of the AvH group.

A COMPLETE PROCESS

In 2019, AvH started a process within its main subsidiaries, including CFE, to align the ESG policies and related reporting of the subsidiaries with the renewed ESG policy of the AVH group. CFE was therefore asked to perform a materiality analysis. This involved identifying its main ESG risks and opportunities and linking them to a strategic vision, key performance indicators (KPIs) and concrete targets and actions to achieve them. These were then approved by CFE's Board of Directors at the end of 2019.

In this context, consultations were held with the ESG managers from the different divisions. For further details on the above process, please refer to the company's Non-Financial Statement as published in the 2019 Annual Report (Annexes 1 to 4).



IMPACT AND MATERIALITY

As it doesn't have a decisive impact on all ESG challenges worldwide, CFE focuses on material issues that can make a difference in the sectors in which the group is active. In addition, special attention is paid to ESG aspects that could represent a significant risk or opportunity for the group. Through its representatives in the management bodies, CFE ensures that these analyses are integrated into the strategic plans and policies of its divisions and that these plans are periodically assessed. The subsidiaries then implement the policy approved by their board of directors and

report on its significant aspects. In 2019, steps were taken to refine and, where possible, streamline the reporting processes. Among other things, the divisions draw inspiration from the methodologies recommended by the United Nations. Furthermore, they base their reporting and the choice of relevant indicators on common definitions and priorities in the sectors in which they operate.

CONTRIBUTION TO THE 17 SDGS

The three divisions are committed to aligning their sustainability approach to the United Nations' 17 Sustainable Development Goals (SDGs). The CFE group as a whole believes it is the responsibility of every individual, and of every business, to help meet the great challenges facing the world today. The CFE group endorses the UN Agenda 2030 and the accompanying SDG methodology and uses it as an international framework for its policy.

The choice of the SDGs also makes it possible to draw inspiration from the Global Reporting Initiative (GRI) methodology, given the existing correspondence tables.

CONTINUOUS IMPROVEMENT AND OPPORTUNITIES

This sustainable approach consists of the willingness to continuously improve the operations and to minimize their negative impact. It also provides opportunities for constantly seeking to create new sustainable values and for exploring and developing new markets.

PARTNERSHIP FOR CHANGE

Last but not least, the CFE group is also convinced that this approach can only be successful with the help of the different stakeholders involved in our activities: employees, suppliers, subcontractors, public authorities, clients, etc. Partnership for change is the key to a successful sustainable strategy. The 17 SDGs show which path to follow in this respect. With this in mind, the CFE group has involved different stakeholders (both internal and external) in its reflection about sustainability from the outset. To ensure the consistency of their approaches, DEME, CFE Contracting and BPI worked together with the same expert consultancy firms in sustainability.

3.2. DEME'S ESG POLICY

DEME, which has actively implemented the SDGs since 2017, has developed through its sustainability approach a number of themes and actions with which it contributes to the seventeen SDGs. All these themes and actions are explained in detail in DEME's 2020 sustainability report. For the CFE group, SDGs 3, 7, 8, 9, 11, 13, 14, 16 and 17 and their related actions have been chosen as the most relevant.

DEME has based its ESG policy on two priorities:

- 'Exploring sustainable business solutions' by proposing solutions and entering into partnerships that are conducive to a changeover to a low-carbon, circular and resilient society. Through the 'Explore' programme, DEME wants to work together with different partners in and outside the industry to find sustainable and holistic solutions. This priority therefore focuses on the development of a portfolio of activities and services that contribute substantially, directly and explicitly to one or more of the SDGs.

- ‘Excelling in our operations’ by reducing the carbon and environmental footprint of our operations and by being a leading employer. Thanks to an innovative approach, the ‘Excel’ programme makes it possible to find the best possible uses for scientific research and existing technologies. The ‘Excel’ aspect therefore aims to ensure that the implementation of its projects is not only efficient and cost-effective, but also sustainable.

At DEME, the involvement and endorsement of all employees was a driving factor in the definition of the sustainable goals. This rigorous and extensive consultation exercise of internal and external stakeholders, which began in 2017, made it possible to determine the eight key themes for DEME that drive sustainable performance. Thanks to the definition of those eight themes, the company’s decisions can be aligned to the SDGs where DEME has the greatest impact.

The eight themes are: ‘Climate & Energy’, ‘Natural Capital’, ‘Sustainable innovation’, ‘Waste and resource management’, ‘Health, safety & well-being’, ‘Diversity and opportunity’, ‘Ethical business’ and ‘Local communities’.

All these themes are described in detail in DEME’s sustainability report (www.deme-group.com/sustainability).

At the same time, as a global company operating in many different places and sites, it is essential for DEME to maintain good working relations with all the stakeholders and also to draw the attention of all parties involved to DEME’s sustainable approach.



In 2019, DEME developed an initial materiality matrix to identify priorities and assess them according to their importance for external and internal stakeholders, as well as their impact on DEME’s business success.

In 2020, DEME further expanded its sustainability strategy with an operational framework consisting of a set of clearly defined programmes that give more concrete substance to the eight key themes and the associated long-term ambitions. The programmes are directly linked to DEME’s activities.

These sustainable programmes link DEME’s strategic sustainable vision (long-term vision) with concrete annual action plans.

In concrete terms, for each of the eight themes (Excel and Explore), DEME has defined at least one programme. Every programme, which is valid for three to five years, has its own indicators and ambition and a link to annual action plans.



3.3. CFE CONTRACTING AND BPI’S ESG POLICY

In 2019, CFE Contracting and BPI Real Estate worked together to define a structured policy around the ESG themes. Sustainable Development Goals (SDGs) 3, 4, 7, 8, 11, 12, 13, 16 and 17 were selected as guidelines after an extensive survey conducted among the stakeholders, including staff. This materiality exercise helped define a clear sustainable vision, priority goals and the basis for an action plan and key performance indicators, all of which were validated by the Board of Directors on 3 December 2019. Constant consultation with the various stakeholders, and in particular staff, ensures that the ESG policy is fully supported.

After defining their 10 sustainable priorities in 2019, CFE Contracting and BPI Real Estate used 2020 to set up a concrete action plan and an efficient KPI monitoring system. Each subsidiary was able to assimilate these sustainability concepts and integrate them into their daily actions.

Inspired by this vision, CFE Contracting and BPI Real Estate are increasing their contacts with different stakeholders such as clients and suppliers to establish truly sustainable partnerships based on these values. At the same time, several actions were defined to familiarize our subcontractors with our sustainable vision and to urge them to follow us in that approach. The next step is to involve all of our construction project partners even more in our sustainable approaches in order to have a strong impact on tomorrow’s world.

For more complex themes, such as materials transport or circularity, preference has been given to the analysis of major pilot projects for the moment rather than more formal KPIs.

CFE Contracting and BPI Real Estate defined clear goals for each of the priority themes (high ma-

teriality themes) from the start. CFE Contracting joined the Belgian Alliance for Climate Action to provide a more concrete basis. By doing so, CFE Contracting undertook to subscribe to the Science Based Targets initiative. This course of action will allow it to attain sustainable goals that meet the ambitions of the Paris agreements.

The ESG policy of CFE Contracting and BPI Real Estate is based on 11 priority goals grouped around the following four key themes: 'Build for the future', 'Be a great place to work', 'Offer innovative solutions', 'Towards climate neutrality'.



Each theme contains a number of goals. The link with the SDGs is permanently maintained to ensure that the goals are in keeping with the logic of the 17 SDGs.

3.4. CONVERGENCE OF THESE ESG POLICIES

To bring together the actions of DEME, CFE Contracting and BPI Real Estate, a concordance matrix has been developed to easily make the link between the themes of DEME and those of CFE Contracting and BPI Real Estate. To make the annual report easier to read, the names of the themes of CFE Contracting and BPI Real Estate have been retained in the value creation diagram and in the different illustrative chapters.

Hence, numerous examples of projects or concrete actions are presented in the main body of the annual report, thus clearly demonstrating the commitment of the CFE group to these various themes (see page 15).

DEME theme	Related SDG	CFE Contracting & BPI theme	Related SDG
Natural Capital	6-14-15		
Waste and resource management	12	Build for the future	6-9-10-11-12
Local communities	1-2-11		
Health & well-being	3		
Diversity and opportunity	4-5-8-10	Be a great place to work	3-4-5-8-10-16
Ethical Business	16		
Sustainable innovation	9	Offer innovative solutions	8-9
Climate & Energy	7-13	Towards Climate neutrality	7-13-15
	Partner For Change - SDG 17		

facts of the actions taken.

The priority goal linked to this theme is: 'Transparently communicate on our sustainable performance and progress'.

INNOVATION

All these goals call for close collaboration between the entities as well as with all the other partners. It is also necessary to stimulate innovation in our different business lines as well as across the whole value chain. Opening up to the outside world and to other partners should not be neglected. Innovation is fostered by partnerships with other players in the industry such as ADEB, research centres, universities or suppliers, as well as by knowledge sharing between the different entities and business lines of the group.

The priority goal linked to this theme is: 'Develop systemic innovative solutions across our divisions and throughout our supply chains'.

More particularly, the synergy between the two divisions makes it possible from the outset to design innovative buildings from an architectural and stability point of view, as well as the use of special techniques. In this sense, the introduction of new materials and of modular or circular construction is a goal in itself.

The priority goal linked to this theme is: 'Incorporate modular and circular principles in our project design'.

4.6. BPI REAL ESTATE MATERIALITY MATRIX

As their areas of activity are closely linked, CFE Contracting and BPI Real Estate have chosen from the outset to work together to develop their sustainable strategies. BPI Real Estate has therefore participated in all the stages of development of these strategies (see previous chapter) and continues to be actively represented on the sustainability board. This working group, composed of representatives from the various subsidiaries of CFE Contracting and from BPI Real Estate, meets on a monthly basis. The goal of this working group is, among other things, to share best practices, to ensure that the sustainability strategy is followed in the various subsidiaries and to advise the Executive Committee on sustainability issues.

As a developer of real estate projects, BPI Real Estate sees its sustainable impact start right from the design stage of a new project.

BPI Real Estate has defined the following themes as priorities in its strategy:

- **Circularity:** the choice of materials is a crucial stake in a building's carbon footprint. The integration of circular materials can only be done efficiently if this approach is adopted in the design phase.
- **Energy:** having low-energy buildings, choosing the best energy solutions and always having energy optimization in mind are all key factors.
- **And, finally, mobility:** as 'Urban shapers'; BPI Real Estate is committed to integrating its projects in towns and cities. Mobility is a crucial issue for the towns and cities of tomorrow and

BPI intends to address it with its projects.

To ensure that it is at the top of its game in these areas, BPI Real Estate is focusing above all on innovation.

All these themes will involve the entire value chain of BPI Real Estate's construction projects, thus giving the notion of partnership its full meaning.

5. OUTCOMES OF THOSE POLICIES

PROOF BY EXAMPLE

The various examples and projects shown on pages [15] highlight the attention already being paid to the different themes and goals for the three divisions.

MEASURING THE EFFECT OF ACTIONS

For the group's three divisions, the control of clear KPIs and close monitoring of concrete actions is a priority. This control allows the effect of the actions undertaken to be assessed as quickly as possible and for any appropriate measures to be taken.

This data collection goes hand in hand with an alignment of the actions by division in the different entities to ensure a significant impact. Structured goals and actions will therefore be clearly favoured.

A QUESTION OF MINDSET

Lastly, the three divisions are committed to making sustainability a core principle among all employees and making it a real corporate culture. As a result, targeted actions will concern both large-scale projects and simple everyday actions. However simple the latter, they will help raise awareness among all employees. It is also essential to integrate all the links of the production chain into this approach.

5.1. OUTCOMES OF THOSE POLICIES AT DEME

The basis of DEME's compliance programme is the Corporate Code of Ethics and Integrity.

This code reflects DEME's core values, expressed by the acronym 'STRIVE', which stands for Safety, Technical Leadership, Respect & Integrity, Innovation, Value Creation and Environment.

In addition to legal compliance, which is a sine qua non, respect and integrity are of paramount importance for all DEME staff, and all those who wish to work with DEME must uphold the same standards.



SAFETY

TECHNICAL
LEADERSHIPRESPECT
& INTEGRITY

INNOVATION

VALUE
CREATION

ENVIRONMENT

5.1.1. IMPACT OF COVID-19

Despite the COVID-19 crisis, DEME proved to be a resilient company in 2020. DEME has made significant additional efforts to ensure the continuation of its activities, to put the well-being of its employees first at all times and to use these very exceptional global conditions as a driver for innovation.

Despite the COVID-19 crisis, it was possible to continue with nearly all the projects throughout 2020. Maximum efforts were made to facilitate crew changes, for instance, by freeing up resources for a task force and extraction team, diverting more than five operational vessels and chartering 10 aircraft. In addition, significant efforts were made to organize effective COVID-19 tests in combination with a system of pre-quarantine periods, to ensure that the work could be continued safely by the crew and project teams. In addition, a 7-week programme on resilience and mental health was implemented for all DEME employees. Lastly, a specific internal innovation campaign was set up to maximize and secure optimizations related to digital administration, virtual presence and remote tendering teams, among other things. This meant that DEME was able to adapt throughout 2020 from 'business as usual' to 'the new normal', despite the global crisis.

5.1.2. SOCIAL

A safe and healthy workplace for all those involved in DEME projects is a constant point of attention. Given the nature of its activities, DEME is sometimes forced to work in very difficult circumstances. The safety standard that DEME imposes on all employees is very high. It aims to avoid any accidents, either on ships or in other workplaces.

This is continuously monitored by proactive (e.g. observations, inspections) and reactive (e.g. timely reporting of incidents) key performance indicators. Every potentially dangerous situation is analyzed to ensure that the risks remain at acceptable levels. These specific safety parameters are monitored within each management team and board. Achieving the safety goals is firmly rooted in the bonus policy.

In response to the COVID-19 crisis, DEME also focused on the mental health and well-being of all employees in 2020, including a specific online programme on resilience and mental health, an employee support programme for crew members and their families in collaboration with the health & safety officer, and various initiatives on social cohesion. A specially formed team, reporting to management, monitors the operational impact of COVID-19 on a daily basis.

In addition, as in previous years, a great deal of attention was paid to the recruitment, training and retention of staff. In 2020, DEME was voted most attractive employer in Belgium for the second year in a row and the third time in four years at the Randstad Awards. This recognition is based on the results of a survey conducted among 12,000 Belgians aged 18 to 65. DEME is in the top three as regards financial health, work atmosphere, reputation and use of new technologies.

DEME also pays special attention to the local communities in the countries where it operates and contributes to various social projects. Finally, DEME endorses the Declaration of Human Rights.

5.1.3. ENVIRONMENT

Climate change is one of the greatest threats to our planet and our society. Rising global temperatures, caused by greenhouse gas emissions, are leading to rising sea levels, warmer ocean surfaces and more frequent extreme weather events that cause droughts, (forest) fires and floods. At the same time, there is a growing need for access to affordable, reliable and sustainable energy.

The installation of offshore wind farms, in which DEME is a leader, is making a significant contribution to the necessary climate mitigation and at the same time to the transition to renewable energy. In 2020 DEME's activities contributed to the development of the offshore projects Borssele 1 & 2, SeaMade, Moray East, Triton Knoll and East Anglia One. DEME reached a remarkable milestone in January 2020 with the installation of the 2,200th wind turbine. Since the very first wind turbines were installed in the Baltic Sea in 2000, DEME has installed turbines of all shapes and sizes in 46 different wind farm projects in Europe and in China.

DEME is also working on other forms of sustainable energy such as the production, storage and transport of green hydrogen and is pioneering various 'wind and solar to hydrogen' initiatives such as HYPOR[®] Ostend, HYPOR[®] Duqm and PosHydon.

HYPOR[®] Ostend was launched in partnership with the Port of Ostend and PMV in January 2020. The ambitious goal is to have a green hydrogen plant in operation in the Belgian port by 2025.

In Oman, DEME Concessions and Omani partners announced an exclusive partnership to develop a leading green energy park and green hydrogen plant in Duqm. This facility will contribute significantly to the decarbonization of the regional chemical industry and will also supply green hydrogen and/or derivatives such as green methanol or ammonia to international customers.

Lastly, DEME is also involved in the PosHYdon offshore hydrogen pilot. PosHYdon integrates three energy systems in the North Sea: offshore wind, offshore gas and offshore hydrogen, based on Nep-

tune Energy's Q13a platform. This production platform is the first fully electrified platform in the Dutch North Sea.

In addition, DEME has improvement programmes to further reduce the environmental impact during project 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 poor 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.

DEME is also contributing to the reduction of emissions in the infrastructure sector. For instance, DEME (De Vries en van de Wiel), in collaboration with GMB and Heijmans, launched the emission-free infrastructure network in April 2020 with the aim of accelerating energy transition specifically for rolling stock used in the four-year infrastructure sector and thus enabling construction with emission-free materials.

Lastly, DEME also has specific programmes to further limit the impact of (underwater) noise and turbidity on the environment, and in particular on marine life.

5.1.4. GOVERNANCE

All DEME staff members are treated fairly, with dignity and respect, regardless of their personal characteristics, beliefs or national or ethnic origin, culture, religion, age, gender and sexual orientation, political beliefs, mental or physical abilities. DEME provides a workplace where all employees are treated fairly and without discrimination.

RESPECT FOR HUMAN RIGHTS

DEME respects and protects human rights in general, as well as the fundamental rights and freedoms as defined in the United Nations Universal Declaration of Human Rights. The group doesn't tolerate slavery, child labour, forced or compulsory labour, or human trafficking. The implementation of policies has ensured that all partners are aware of the importance of respecting human rights and know how and where to report possible offences.

DEME is often active in countries with a higher risk profile for unethical practices. The specificity of its activities requires great vigilance to ensure that ethical standards are respected at all times. The ambition is to always do business with integrity and to proactively prevent corruption or bribery in any form.

DEME is actively committed to respecting and protecting labour and human rights in its activities. To this effect, DEME has a 'Code of Ethics and Business Integrity' in addition to various specific policies ('Compliance Policy and Practices', 'Human Rights Policy' and 'Whistleblowing Policy and Procedures'). This Code of Ethics and Business Integrity is combined with mandatory annual training, which achieved a 97% success rate in 2020 (all staff except crew members). An approach adapted to COVID-19 has been developed for crew members. In 2020, efforts were also made to carry out an in-depth risk analysis and to design a tool to provide all the information necessary for a thorough review of major third parties.

A good selection of companies, agencies and other third parties is therefore a prerequisite before contracting with them and before starting the cooperation. DEME's policy is always clearly defined contractually with regard to respect in general and respect for human rights in particular. A procedure developed for these companies and agencies, both in the pre-recruitment and post-recruitment phase, gives high visibility to our standards and how they should be met.

Regular audits and inspections of companies, agencies and other third parties who employ staff on our sites ensure that our standards are met effectively.

FIGHTING FRAUD AND CORRUPTION

DEME has a clear policy to conduct all its activities with integrity and to fight against all forms of corruption. In addition to the Code of Ethics and Business Integrity, DEME has implemented a comprehensive corporate compliance programme, which includes the development of anti-corruption policies. Within the framework of this compliance programme, these anti-corruption policies are included in the annual employee awareness programme. Furthermore, the policy itself is complemented by specific procedures to ensure its day-to-day effectiveness. The due diligence of the third-party policy, the outgoing payment integrity policy and the procurement to payment policy for major third parties, as well as a training programme for employees who are involved in such procedures, are an effective means of combating fraud and corruption. Activities are carried out worldwide, including in countries with a higher 'corruption perception index' score. Possible situations of corruption are a risk for the group's image. This is why DEME has set up a due diligence procedure, not only for this type of high-risk country, but also for all situations where a high risk of fraud and corruption might appear. First of all, DEME recommends using sponsors or agents as little as possible. In situations where this can't be avoided, these parties must first be examined, to a greater or lesser extent, depending on the level of risk. Secondly, the group also monitors the third parties with which it operates. Specific clauses are included in the contracts, whereby the parties commit to always act according to the level of compliance required by DEME. Lastly, DEME ensures that these parties effectively comply with the policies and procedures concerning corruption. Furthermore, DEME reduces these risks as much as possible through policies and procedures that are well known and implemented throughout the organization.

5.1.5. INNOVATION

In terms of innovation, DEME focuses on the creation of joint value through multi-stakeholder partnerships in addition to a strong focus on internal entrepreneurship.

DEME is a member of the innovation unit 'The Blue Cluster', which focuses on sustainable growth at sea. For instance, DEME worked with partners on the MARCOS, D4PV @ Sea and Coastbusters 2 start-up projects in 2020. The MARCOS project aims to investigate the potential of large-scale offshore aquaculture. DP4 @ Sea aims to develop a science-based methodology for mapping the challenges and potential solutions of multifunctional marine landscape infrastructures. Coastbusters 2 is a follow-up project that aims to investigate biodegradable and sustainable marine (bio)materials as building blocks for coastal defence, among other things. The first Coastbusters project won the first Blue Innovation Award in October this year.

In 2020, DEME also focused strongly on international cooperation, for instance, by joining forces with the European Clean Hydrogen Alliance, the Sustainable Ocean Business Action Platform and the World Economic Forum Global Partnership for Plastic Action.

In addition, DEME is working with universities and technology providers to develop a solution for the removal of plastic from rivers, ports and coastal areas. In 2020, DEME tested the first installation with a pilot project on the Temse Bridge. This installation consists of a fixed V-shaped trap that uses the water flow to direct plastic and debris floating in the upper layer of the water to a floating collection platform. The floating debris is then intercepted by the Marine Litter Hunter, a vessel that intercepts larger pieces of debris and pushes them to the collection platform. The installation contains various technological innovations such as artificial intelligence for object recognition, virtual reality for equipment operation and (where necessary) autonomous vessel control. The Marine Litter Hunter is also electrically powered and can therefore sail without CO₂.

In order to support internal entrepreneurship, various innovation programmes were set up in 2020 to capture new ideas on the one hand and to reward successful initiatives on the other. In 2020, two specific innovation challenges were introduced concerning climate and energy (SDG 7 & 13) and waste and materials management (SDG 12). Sustainability is included in the assessment criteria throughout the innovation process.

5.2. OUTCOMES OF THESE POLICIES AT CFE CONTRACTING AND BPI

In 2020, key performance indicators were fine-tuned and a dashboard for non-financial indicators was implemented. Several pilot projects have enabled monitoring of the most complex issues such as material transport or circularity. Each indicator ensures the regular monitoring of the defined priority objectives. In terms of concrete actions, in addition to several large-scale sustainable projects such as the ZIN construction site or the use of logistics consolidation centres, the main focus was on internal communication and raising the awareness of the teams about sustainability. These actions will continue in 2021 through action plans within the various group entities.

CFE Contracting joined the Belgian Alliance for Climate Action. By doing so, CFE Contracting undertook to subscribe to the Science Based Targets initiative. This course of action will allow it to

attain sustainable goals that meet the ambitions of the Paris agreements.

5.2.1. IMPACT OF COVID-19

The coronavirus crisis has shown the relevance of the priority goals that have been defined, in particular, accelerated digitization and a focus on operational excellence.

5.2.2. SOCIAL

People are at the heart of the CFE construction process. CFE contributes to significant direct employment (3,155 employees), as well as indirectly through the various subcontractors and suppliers. In 2020, CFE Contracting launched an 'employer branding' campaign highlighting the 'Family' (family & friends) that characterizes it. The human size of the subsidiaries and the solidity of the group, as well as the numerous synergies, lie at the heart of CFE Contracting's strength and distinctiveness. Respect for people applies not only to our own employees, but also to those working for subcontractors and suppliers. This philosophy is reflected in a code of integrity that includes respect for human rights. For instance, there are special written procedures for selecting and interacting with subcontractors. In 2020, no human rights violations were observed.

CFE also wants to pay due attention to safe and healthy workplaces. Each board meeting gives priority attention to the seriousness and frequency of accidents at work. CFE performs better in this area than the sector in Belgium. Nevertheless, this doesn't prevent CFE Contracting from wanting to improve its score every year. A policy of awareness raising, training and prevention are important levers in this respect. 'Lean' methodology also contributes to this. Site visits regularly take place to check these procedures are being respected.

5.2.3. ENVIRONMENT

Both divisions are aware of the impact of their activities on the environment. The transport of people and materials has an effect on mobility and also results in direct CO₂ emissions. Reducing transport needs and an advanced waste policy can help to reduce this impact. 'Lean' construction processes used at the various sites also contribute to this.

In 2020, several construction sites in Belgium and Luxembourg rethought their site logistics by using consolidation centres. Thanks to these logistics hubs, it is possible to considerably limit the number of lorries supplying the sites, thus making the delivery schedules more reliable at the same time. In Brussels, alternative delivery methods such as inland waterway deliveries are also used. The impact on CO₂ emissions is immediate.

Studies show that the choice of materials is a major but indirect factor in the analysis of the CO₂ cost of a building. The use of recycled materials or reuse are ways to reduce the carbon footprint. The choice of more sustainable materials also contributes to this reduction.

CFE Contracting and BPI therefore combined their know-how to create the Woodshapers joint venture in early 2020. The expertise in materials (in particular wood) and construction methods for an optimized structure as well as an integrated view of the projects lie at the heart of Woodshapers' sustainable approach.

CFE Contracting started the ZIN construction site in the Brussels-North district through its three subsidiaries, Van Laere, BPC and VMA. This innovative project of more than 110,000 m² revolves around circular principles. This circular approach starts with the preservation of 65% of the existing WTC towers, which significantly reduces the amount of waste accumulated during dismantling, and the amount of new materials that will be needed for the construction. It is the first project in Belgium to apply circular principles on this scale. More specifically, a total of 95% of the materials will be preserved, reused or recycled, and 95% of the new office materials must be C2C certified.

Another lever to limit the production of CO₂ lies in the reduction of energy consumption, both for buildings and for site installations. Through its subsidiary VEMAS, CFE Contracting offers ESCO's services, providing guaranteed energy performance to interested customers. This expertise is also used in construction site installations, where electricity and water consumption are monitored to optimize them.

5.2.4. GOVERNANCE

CFE Contracting's governance charter was also updated in 2019 and was validated by the Executive Committee before being sent to all employees. This completes the corporate charter of the CFE group. This charter defines the structure of CFE Contracting, the roles and responsibilities of the various boards and committees, as well as the minimum application procedures, and is then translated into several internal policies.

The structuring of CFE Contracting is designed to provide a clear and robust framework for the development of the activities of the company and the companies in the Contracting division, as well as the smooth running of their business. The company's structure is intended to reflect the rules of good governance while being adapted to the company's needs. The same applies to BPI, for which the governance charter was updated and approved by its Board of Directors in December 2019.

The minimum procedures, also known as internal policies, are updated by the Board of Directors in close consultation with the Executive Committee. At project level, a list of 12 principles of good project management was developed. A risk analysis was also carried out for each entity in 2019.

Each of the policies in the charter is fundamental. However, we should highlight the theme of respect for human rights and integrity.

RESPECT FOR HUMAN RIGHTS

Respect for human rights is one of the fundamental values on which the general policy of the Contracting and Real Estate Development divisions is based. This is done through a policy formulated with a specific code of conduct focusing on the integrity of the employees that forms the general framework and is enforced through individual information and internal audits.

Any discrimination based on criteria related to gender, age, nationality, origin, beliefs or disability is forbidden, be it during recruitment, in day-to-day work relationships and training opportunities, internal mobility or promotion, etc. The general policy also includes respect for the laws concerning the privacy of employees, which is reflected in particular in the subsidiaries by measures at IT

level to ensure the security of employees' personal data.

This general policy is also reflected in the contractual clauses with subcontractors, which require compliance with applicable human rights laws. When selecting foreign subcontractors, the required checks are carried out, for instance, with regard to social security and payment of the minimum wage.

To date, no violation of our policy on the respect for human rights has been noted within the Contracting and Real Estate Development divisions. The business lines of both divisions involve working with subcontractors, suppliers and partners who don't necessarily share the same values as CFE in terms of respect for human rights. The reality of construction sites can easily lead to confusion and have serious consequences in terms of the group's image.

This is why CFE takes various measures to prevent these risks as much as possible. These measures are implemented in the following areas:

- **Prevention:** a charter has been implemented in the subsidiaries, a system of approved suppliers has been organized, contractual clauses with subcontractors have been introduced, and human resources policies that respect the rights of everyone have been put in place.
- **Training:** this can take many forms (meetings, workshops, sharing experiences, etc.), including training for line managers on legal obligations and well-being.
- **Checks:** this includes regular site visits by line management and internal audits.

FIGHTING FRAUD AND CORRUPTION

The anti-corruption code published by CFE, which was updated in 2018, has been integrated into the subsidiaries' policies and is intended for all employees, regardless of their role. It makes it clear that any form of corruption or influence peddling, whether direct or indirect, is forbidden, both for companies and for individuals. To ensure the effectiveness and proper understanding of the ethical rules laid down, the code provides concrete details regarding common practices in business relationships, such as benefits, gifts, privileges and hospitality: it specifies what is and isn't allowed, the limits that must be respected, etc., while taking into account national regulations (in Belgium and/or in the foreign country concerned) and international ones. The commitment of the subsidiaries and their employees, the sense of ethics and the willingness to work in a spirit of collaboration and trust, as well as the establishment of a number of internal procedures aimed at limiting the possibilities of fraud and corruption, have all ensured good compliance with the anti-fraud and anti-corruption provisions. CFE Contracting has increased its efforts this year to provide training for its operational staff to enhance their knowledge and understanding of social legislation. To ensure a good understanding of the regulations in force concerning contracts and social legislation, a training course entitled 'Best practices: contract management & social law' was given to more than 450 operational employees from the various CFE Contracting subsidiaries.

In the construction industry, the financial stakes are often high, competition is sometimes fierce and many projects require the use of temporary partnerships and include orders involving numerous subcontractors and suppliers. In addition, customer relations may involve the giving or receiving of gifts, hospitality, invitations to various events, etc. All this can create situations where there is a risk of abuse and corruption. To mitigate these risks, CFE implements an extensive preventive policy.

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.