



GLOSSARY



Glossary

Activity Line

An activity line is the lowest level of internal operating segment to report on.

Associates

Associates are companies in which the Group has significant influence. The significant influence is the power to take part in the financial and operating policies of a company without having control or joint control over these policies.

AVISO

Alternatives, Value (creation, engineering), Innovation, Smarts & Optimisation. An internal innovation campaign focusing on attaining excellence in business by introducing novel solutions.

BOP

Balance of Plant

CapEx

Capital Expenditure. In our reporting this is Capital Expenditure, excluding investments in financial fixed assets.

Climate-neutrality

Achieving net zero greenhouse gas emissions by balancing those emissions so they are equal (or less than) the emissions that get removed through the planet's natural absorption.

CO₂ emissions Scope 1

For scope Benelux only - Scope 1 includes all direct GHG emissions. These occur from sources that are owned or controlled by DEME (e.g. combustion of fuel and natural gas).

CO₂ emissions Scope 2

For scope Benelux only - Scope 2 accounts for indirect GHG emissions from the generation of electricity purchased by DEME. Scope 2 emissions physically occur at the facility where electricity is generated.

CO₂ emissions Scope 3

For scope Benelux only - Scope 3 is a reporting category for all other indirect emissions. These emissions are a consequence of DEME's activities but occur through sources that are not owned or controlled by DEME. Here we report the emissions related to the purchase of goods and services such as steel and concrete, down- and upstream transport, business travel, etc.

CO₂ Performance Ladder

For the Netherlands and Belgium, we are certified in accordance with the CO₂ Performance Ladder standards (versions 3.1 lvl.5) and report CO₂ emissions on Scope 1, 2 and 3. More information and details on the CO₂ emissions and the 3 yearly verification can be found on www.deme-group.com/CO2-prestatieladder and in particular, DEME's progress report 'Energy Performance' booklet).

CSDD(D)

Corporate Sustainability Due Diligence Directive

CSRD

Corporate Sustainability Reporting Directive (CSRD) is the new EU legislation requiring all large companies to publish regular reports on their environmental and social impact activities. It helps investors, consumers, policymakers, and other stakeholders evaluate large companies' non-financial performance.

Cutter suction dredger (CSD)

A stationary hydraulic dredger, held in place using spuds and anchors, which makes use of a cutter head to loosen the material to be dredged. It cuts and pumps the dredged materials into a pressured pipeline ashore or into barges. While dredging the cutter head describes arcs and is swung around the spud-pole powered by winches. It combines powerful cutting with suction dredging techniques. The cutter head can be replaced by several kinds of suction heads for special purposes, such as environmental dredging. This kind of dredger is mainly used where the sea -and riverbed is hard and/or compact. Large heavy-duty cutter dredgers are capable of dredging some types of rock, which have not been pre-treated. Most of the DEME cutter suction dredgers are self-propelled to allow easy movement from site to site.

DF

Dual Fuel Main Engines (LNG/MGO)

DP/DT

Dynamic Positioning / Dynamic Tracking

EBIT

EBIT is the operating result or earnings before financial result and taxes and before our share in the result of joint ventures and associates.

EBITDA

EBITDA is the sum of operating result (EBIT), depreciation, amortisation expenses and impairment of goodwill.

Emission factors

Emission factors refer to both GHG emissions and CO₂ emissions. For GHG emissions (worldwide): 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 government's Department for Environment, Food and Rural Affairs) are used. For CO₂ emissions (Benelux only): In line with the CO₂ Performance Ladder standards we use as a source 'www.CO₂emissiefactoren.nl' and 'www.CO₂emissiefactoren.be'.

EPC project

An Engineering, Procurement and Construction Project is a contract type that defines the contractor's scope of work. A contractor provides the works for the Engineering, Procurement and Construction and hand-over to the owner for a start-up and operation.

EPCI project

An Engineering, Procurement, Construction and Installation Project is one of the typical contract types of the Offshore Energy segment that covers Engineering, Procurement, Construction, and Installation scope of works to be provided by a contractor.

Fallpipe vessel

A self-propelled vessel designed specifically for dumping rocks on the seabed. The vessel is able to transport and dump rocks of variable size and is equipped with a flexible fallpipe which can be lowered into the water to install rock on pipelines and other subsea structures. The vessel is equipped with a dynamic positioning system, making it possible to position rocks very accurately. The fallpipe vessel can position rock to a depth of 2,000 meters by using an active heave compensated Remotely Operated Vehicle.

Fleet utilisation rate

The fleet utilisation rate is the weighted average operational occupation in weeks of the DEME fleet expressed over a given reporting period. It is calculated as a weighted average based upon internal rates of hire of the vessels.

Free cash flow

Free cash flow is computed as the sum of cash flow from operating activities and cash flow from investing activities decreased with the cash flow related to lease repayments that are reported in the cash flow from financial activities.

FTE

Full time equivalent

Geographical market

Geographical market is determined as the area (location) where the projects are realised and services are provided or the project location for offshore works.

GHG emissions

Greenhouse gases, or GHG, are compound gases that trap heat or longwave radiation in the atmosphere. Their presence in the atmosphere makes the Earth's surface warmer. DEME follows the Greenhouse Gas Protocol and reports its GHG emissions according to three scopes.

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

GHG emissions Scope 1

For scope worldwide - Scope 1 includes all direct GHG emissions. These occur from sources that are owned or controlled by DEME (e.g. combustion of fuel and natural gas).

GHG emissions Scope 2

For scope worldwide - Scope 2 accounts for indirect GHG emissions from the generation of electricity purchased by DEME. Scope 2 emissions physically occur at the facility where electricity is generated.

GHG emissions Scope 3

For scope worldwide - Scope 3 is a reporting category for all other indirect emissions. These emissions are a consequence of DEME's activities but occur through sources that are not owned or controlled by DEME. On a worldwide level we only report the emissions which result from business air miles.

Greenhouse Gas Intensity

GHG emissions per dredged m³ (dredging) & per MW installed capacity (offshore)

Green initiatives

Any initiative, change or modifications to a process, equipment or setup that reduces the environmental impact of a project.

GSR

Global Sea Mineral Resources, DEME's deep-sea exploratory division which is part of DEME's Concessions segment.

GW

Gigawatt

Headcount

Total number of permanent employees on DEME's payroll at the end of the year. Headcount diverges from average FTEs accounted for in other non-financial KPIs. Temporary employees and subcontractors are not included.

HIPO

A High Potential Incident is an incident that could have had severe consequences, not only for people, but also for quality, assets, reputation and environment.

IEA

International Energy Agency

IFRS

International Financial Reporting Standards (IFRS) are a set of accounting rules adopted by the European Union for the financial statements of public companies that are intended to make them consistent, transparent, and easily comparable around the world. The IFRSs are issued by the London-based Accounting Standards Board (IASB) and address record keeping, account reporting, and other aspects of financial reporting. Since 2005, all publicly listed companies within the European Union need to comply with these standards in their external financial reporting.

IMO

International Maritime Organisation

Investments

Investments is the amount paid for the acquisition of 'intangible assets' and 'property, plant and equipment'. Reference is made to the consolidated cash flow from investing activities.

IP

Intellectual property

ISA

International Seabed Authority

Joint control

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint venture

A joint venture is a joint arrangement whereby the parties exerting joint control over the arrangement, have rights to the net assets of the joint arrangement.

kW

Kilowatt

Li-ion

A lithium-ion (Li-ion) battery is an advanced battery technology that uses lithium ions as a key component of its electrochemistry.

LNG

Liquified Natural Gas

Low carbon fuels

Low carbon fuels combine the fuels for which the CO₂ emissions are lower compared to conventional fuel (marine gas oil). This category includes fuels such as LNG (Liquified Natural Gas) and blended bio-fuels.

LTI

A Lost Time Injury is an incident that results in an injury or disease resulting in time lost from work of ≥ 24 hours or ≥ 1 shift (the day of the incident not included). The declaration that the injured person is unable to work must have been made by a licensed medical professional. Commuting accidents, illnesses and other non-work related accidents are excluded.

Management reporting

The management reporting of the Group is a quarterly internal reporting of the economic figures of the Group in which group companies jointly controlled by DEME are not consolidated by using the equity method (so in contradiction to the standards IFRS 10 and IFRS 11) but according to the proportionate method. As such turnover and result of projects executed in joint ventures are visible, closely followed up and reported within the Group. The presentation of the figures is also done by operational segment.

MP

Monopile

Multi-purpose cable installation vessel

A multi-purpose cable installation vessel is a deep-sea vessel designed and used to lay underwater cables for telecommunications, electric power transmission and many other purposes. This type of vessel is used for connecting offshore structures through intra-array (inter-turbine) cables and consequently bringing the offshore produced energy ashore through export cables. Beside cable laying activities, the vessel can be employed in a wide range of associated activities, such as offshore support, ploughing, subsea rock installation, offshore construction, floating windpark installation etc. The vessels are equipped with one or more turning tables allowing to continuously load and install very long cables.

MW

Megawatt

MWh

Megawatt hour - A megawatt hour (MWh) equals 1,000 kilowatts of electricity generated per hour and is used to measure electric output.

MW beneficial ownership

The amount of economic ownership of wind energy from offshore concessions in operation.

MW installed foundations

MW installed foundations (contributed capacity) is calculated counting total number of foundations installed by DEME during the reporting period (between January 1 and December 31) and multiplying by the corresponding turbine capacity. The turbine capacity is also called the rated power of the turbine. It is the power that the turbine generates for wind speeds above the "rated" level. Each installed turbine has a specific rated power, expressed as a number of MW.

MW installed wind turbines

The total turbine capacity installed by DEME during the reporting period (between January 1st and December 31st). The turbine capacity is also called the rated power of the turbine. It is the power that the turbine generates for wind speeds above the “rated” level. Each installed turbine has a specific rated power, expressed as a number of MW.

Nature-based solutions

Solutions that are inspired and supported by nature, which are cost-effective, and simultaneously provide environmental, social and economic benefits and help build resilience.

Net financial debt

Net financial debt is the sum of current and non-current interest-bearing debt (that includes lease liabilities) decreased with cash and cash equivalents.

NOx

Nitrogen oxide (NO) and nitrogen dioxide (NO₂) are collectively known as nitrogen oxides (NOx), which are a group of poisonous, highly reactive gases. NOx form when fuel is burned at high temperatures and are air pollutants that cause a local environmental impact, such as the formation of acid rain, respiratory health effects.

Offshore installation vessel (Floating or jack-up units)

An afloat or self-elevating vessel used for the installation and maintenance of offshore wind farms or any other offshore construction works. A jack-up vessel or self-elevating unit is a self-propelled mobile platform consisting of a buoyant hull fitted with a number of movable legs, capable of raising its hull over the surface of the seabed. Once on location the hull is raised to the required elevation above the sea surface supported to the sea bed, leading to stable working conditions independent of any swell on the sea. Unlike a self-elevating vessel, a floating Offshore installation vessel can not lift herself above the sea surface, which means that the vessel is not dependent on the water depths and the seabed conditions.

Operating working capital (OWC)

Operating working capital (+ is receivable, - is payable) is net working capital (current assets less current liabilities), excluding interest-bearing debt and cash & cash equivalents and financial derivatives related to interest rate swaps and including other non-current assets and non-current liabilities (if any) as well as non-current financial derivatives (assets and liabilities), except for those related to interest rate swaps.

OpEx

OpEx are all the operating expenses of the Group. SG&A expenses incurred through normal business operations are also included except for personnel expenses, depreciation, amortisation & impairment costs and other operating expenses.

Opportunity and Risk Management (ORM) system

A system for the proper identification, assessment and management of risks and opportunities with respect to tendering, preparation and execution of projects.

Orderbook

The Group's orderbook is the contract value of assignments acquired as of 31 December but that is not yet accounted for as turnover because of non-completion. The orderbook also includes the Group's share in the orderbook of joint ventures, but not of associates. Contracts are not included in the orderbook until the agreement with the customer is signed. A letter of award is not sufficient to include the contract in the orderbook according to the Group. Additionally financial close must be reached when projects will be executed in 'uncertain' countries before including them in the orderbook. 'Uncertain countries' are identified at the discretion of the Executive Committee.

OSS (offshore substation)

Offshore substations are dedicated platforms that collect energy generated from offshore wind farms and transfer it to shore through an export cable. The systems that collect and export the power generated by turbines through specialised submarine cables are an essential component of offshore wind farms, especially at large, multi-megawatt sites.

PM

Particle pollution — also called particulate matter (PM) — is made up of particles (tiny pieces) of solids or liquids that are in the air. These particles may include dust, dirt, soot, smoke or drops of liquid which have a local environmental impact and can be harmful for health when breathing them in.

PPP

Public-Private Partnership

R&D

Research & Development

Salvage works

Salvage works include the following activities: heavy lift support during salvage operations and wreck removals.

Segment

A segment is an aggregation of operating segments (activity lines) to report on.

SEUs

Significant Energy Users

SG&A costs

Sales, General and Administrative expenses. All expenses made at DEME level related to Supporting Services Departments and Sales and Tender organisation. As such these expenses are not directly linked to any projects or type of equipment. They are expenses of a non-operational nature.

SOx

Sulphur oxides (SOx) are a group of molecules made of sulfur and oxygen atoms, such as sulfur dioxide (SO₂) and sulfur trioxide (SO₃). Sulfur oxides are air pollutants that cause a local environmental impact, such as the formation of acid rain, respiratory health effects.

Sustainability Board

The Sustainability Board provides guidance on both strategic and operational sustainability topics to ensure that any decisions are aligned with our values, sustainability strategy and objectives. The Executive Committee is part of the Sustainability Board.

TP

Transition Piece

T&I

Transport & Installation

Time To

Internal DEME system for career development. The Time To programme allows to have a formal feedback moment between Employee and Manager to capture all this feedback and discussions regarding your career and development.

Trailing suction hopper dredger (TSHD)

A self-propelled vessel, which fills its hold or hopper during dredging activities. The vessel is equipped with either single or twin trailing suction dredge pipes that extend to the sea bottom. While trailing at low speed, using centrifugal pumps, the dredged materials are stored into the hopper. Afterwards the vessel can sail long distances and empty its hold by opening bottom doors or valves (dumping), by rainbowing or by pumping its load off ashore through the use of floating -and land pipelines. This kind of dredger, which can operate independently, is mainly used in open waters: rivers, canals, estuaries and the open sea.

UN SDGs

United Nations Sustainable Development Goals

WTG

Wind Turbine Generator

WW LTIFR ('Safety thermometer')

The Worldwide Lost Time Injury Frequency Rate (Worldwide LTIFR) is the metric reflecting accidents of DEME employees and DEME temporary employees involving work incapacity (≥ 24 hours or ≥ 1 shift) multiplied by 200,000 and divided by the number of hours worked. The 'Worldwide' method is a risk-based method that combines 'risk level rate' (= event that resulted in the injury) and 'injury rate' (= type of injury). To determine if an incident scores as 'Worldwide', the 'risk level rate' and 'injury rate' are multiplied.

Zero carbon fuels

Fuels that emit no carbon dioxide when consumed.

Zero-emission equipment/cars

Vehicles that use a propulsion technology which does not produce internal combustion engine exhaust or other carbon emissions when it operates, such as electric vehicles.

