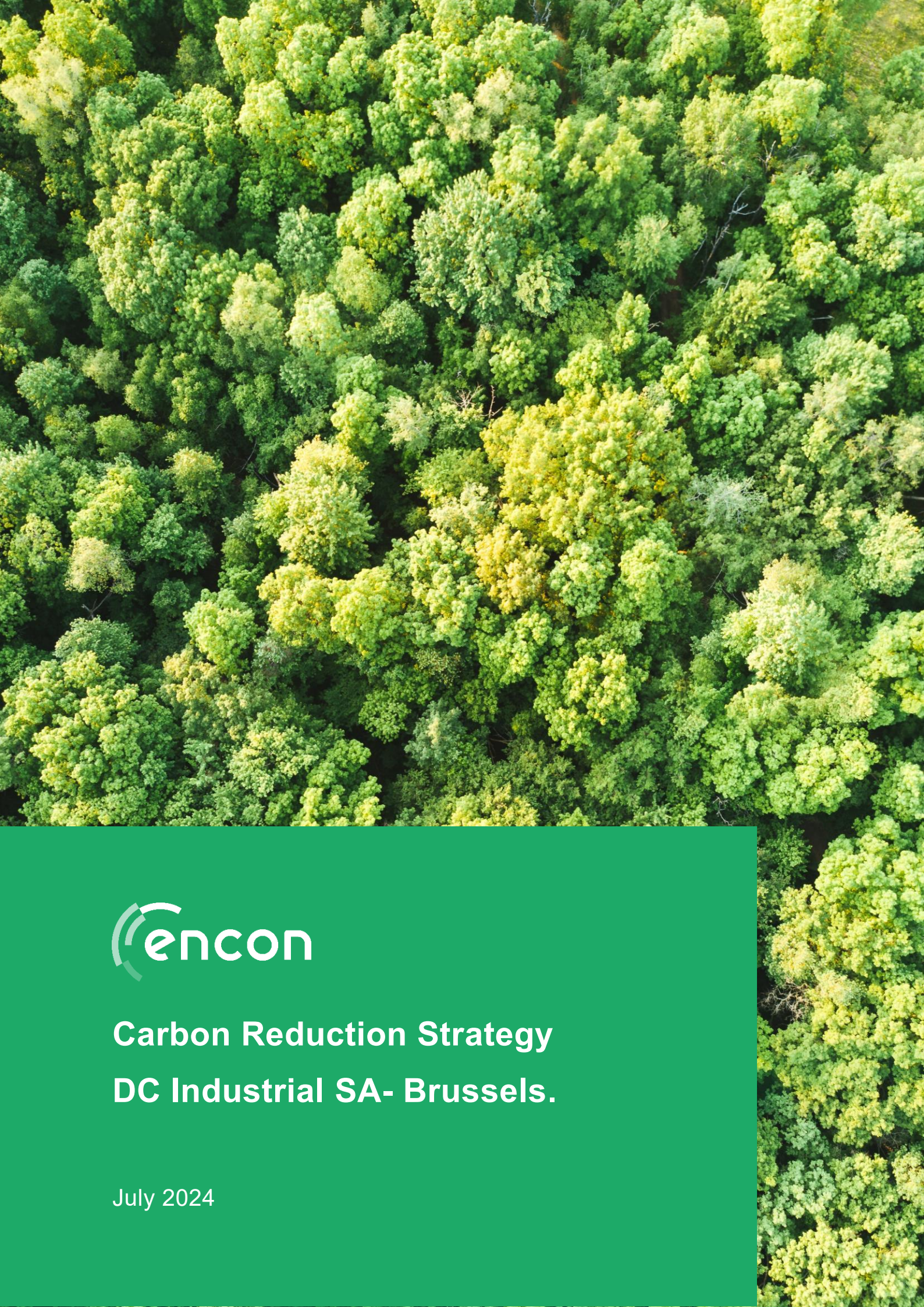

Carbon Reduction Strategy

DC Industrial SA- Brussels.

July 2024

GENERAL PROJECT DATA

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Execution date:	2024
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1. INTRODUCTION

1.1 CO_2 PERFORMANCE LADDER

The CO_2 performance ladder is a tool and certification scheme that can be used in public procurement to encourage CO_2 reductions. By incorporating the ladder into public procurement, contracting authorities can help reduce CO_2 emissions in their activities.

The CO_2 performance ladder is a certified management system that encourages companies to reduce CO_2 in both a structural manner, within operations and in projects as well as in the supply chain. Certification is carried out by an accredited and independent body. To encourage certification based on the CO_2 performance ladder, a fictive discount is granted in procurement contracts to companies that score well on the ladder. Companies that are certified following a specific level ('niveau') on the CO_2 performance ladder and thus make efforts in CO_2 reduction have a greater chance of obtaining public contracts.

In the CO_2 Performance Ladder, the Capability Maturity Model is translated into five levels, rising from 1 to 5. For each level, a fixed set of requirements is defined and connected to the CO_2 performance of the organization and its projects. These requirements stem from four perspectives (A through D), each with its weighting factor. An organization's place on this ladder is determined by the highest level at which the organization meets all requirements. In the spirit of the CO_2 Performance ladder, an individual perspective cannot be viewed separately from the other perspectives. Each higher level includes the requirements of the lower levels. The organization must be permanently active with current performance at the lower levels.

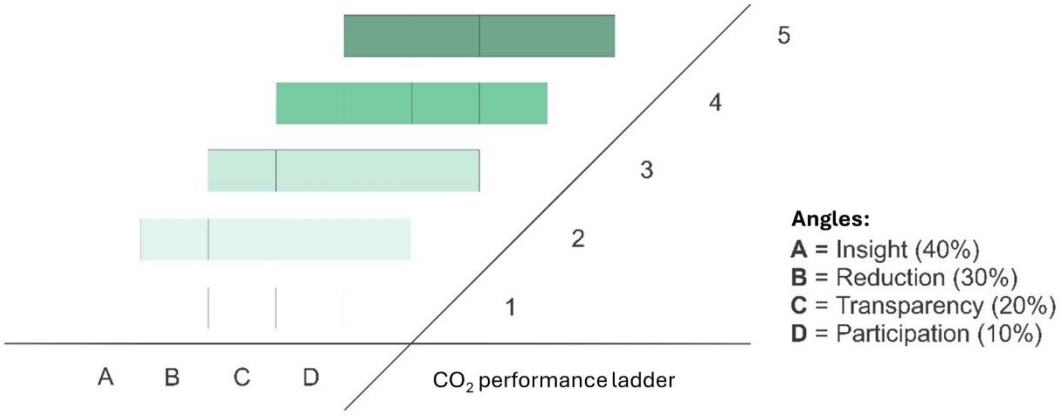

Figure 1: The CO_2 performance ladder perspectives and levels

1.2 GOAL AND STRUCTURE OF THE DOCUMENT

In 2023, DC Industrial started to take a structured approach to the organisation's CO_2 emissions as part of their initiatives towards a more sustainable business. This Carbon Reduction Strategy is part of this approach and aims to methodologically outline the possibilities and goals of the organisation, based on the requirements as formulated by the CO_2 performance ladder manual v3.1 and ISO 50001 (see the appendix for specific references to the different parts of the ISO requirements). Using this document, DC Industrial aims to reflect on how they have set goals regarding CO_2e (and energy) reduction measures, and how they are planned, implemented, monitored, and evaluated.

The Carbon Reduction Strategy stems from the sustainable ambition endorsed by DC Industrial's management & the sustainability committee. This statement reflects DC Industrial's ambition to continuously strive for optimal CO_2 and energy management. DC Industrial strongly believes that energy- and CO_2 management act hand in hand, hence why energy- and CO_2 management throughout this document can be used synonymously and intertwined. Reporting energy consumption in both total consumption and CO_2e emissions can make the various energy sources comparable, without losing the information behind the calculations. Therefore, the impact of energy use on the environment can be expressed in terms of the amount of CO_2e released during consumption. This report focuses solely on the CO_2e emissions, while energy consumption is reported in the Carbon Footprint report of 2023.

The Carbon Reduction Strategy described in this document serves as an organic structurization of DC Industrial's path towards a more sustainable business approach. It serves to identify, plan, monitor and evaluate reduction measures. For this reason, a carbon reduction management plan is updated regularly, mapping out the effective reduction and adjusting the plan accordingly. The ambition level of the organization thus plays an important role.

The aspects that are covered in this Carbon Reduction Management Plan are discussed in the following chapters:

1. Chapter 1: Introduction
2. Chapter 2: CO_2 reduction ambition and scope
3. Chapter 3: Governance of the Carbon Reduction Strategy
4. Chapter 4: Summary company carbon footprint
5. Chapter 5: Reduction plan for DC Industrial's own operations (scope 1&2)
6. Chapter 6: Monitoring and evaluation of Carbon Reduction Strategy

1.3 SUMMARY TABLE

Company name	DC Industrial SA
Description of the organization	DC Industrial SA carries out dredging contracts under its administration or with partners and/or subcontractors. This concerns both environmental dredging works and capital dredging works, but also provide specialised support to hydraulic engineering contractors. Classically, the work in which sand and/or gravel is supplied to build combi walls, sheet pile walls. This business is managed centrally from the headquarters in Brussels. Projects take place predominantly in Northern and Western Europe and on a case-by-case basis in other countries.
Footprint calculation according to following standard:	Greenhouse Gas Protocol - Corporate standard CO_2 performance ladder manual v3.1
Chosen consolidation approach (equity share, operational control or financial control)	Operational control: This means that a company considers 100% of the emissions released by its activities over which it has control. A company is assumed to have operational control over an activity if the company has full authority to set and implement its operational policies for the activity.
Description and address of the site(s) that are within the organizational boundary of the company	**Aggregates/Resources** • **AWS FRANCE S.A.S.U.** : Soil/logistics platform – France • **DC AGGREGATE Ltd.:** Aggregates/logistics platform - United Kingdom • **DC RESOURCES Baltics SIA**: Office & Openair Warehouse – Lithuania • **H&H Resources Brussels NV :** Sand depot, Office – Belgium • **LES CARRIERES DU FOND DES VAULX SA :** Quarry in Wellin - Belgium • **SOCIETE D'EXPLOITATION DES CARRIERES D'YVOIR SA :** Quarry in Yvoir, offices, equipment – Belgium • **TANGHE NV :** Concrete plant, depot, shop – Belgium • **THYBORØN NORDSØRAL A/S:** Office & production installation – Denmark • **Nieuwpoortse Handelsmaatschappij (N.H.M.) NV & TRANS BLUELINE NV:** Platforms of aggregates, office, depots, production – Belgium • **DC RESOURCES GmbH:** Aggregates trading, office – Germany • **DC Eikefet Aggregates A/S:** Quarry Norway, logistics depot, offices, processing plant – Norway

	• **DC RESOURCES A/S [Dansk Natursten]:** Aggregates trading, platform, offices, workshop – Denmark • **GRANULATS ET SABLES DE WALLONIE (G.S.W.) NV:** Aggregates trading, ships – Belgium • **MINERALS DC NOWAK Sp. z.o.o. Sp. K.:** Aggregates trading, head office - Poland **Dredging** • **DC DREDGING B.V.:** Office, dredging ships, technical department – The Netherlands **Environment** • **DC ENVIRONMENT SA:** Soil remediation, offices, depot, workshops - Belgium • **BIOTERRA NV:** Soil remediation, office – Belgium **DC Industrial SA:** Holding, office, equipment - Belgium
Description of the activities that are within the organizational boundary of the company (Description of inventory boundary)	The activities of DC Industrial SA which cause emissions can be summarized: • Electricity consumption by office activities, lighting and other technical installations; • Fuel consumption due to heating of the buildings, processes, and use of passenger cars and other vehicles; • Business travel;

Table 1: Company Description

2. CO_2 REDUCTION AMBITION AND SCOPE

2.1 CO_2 REDUCTION AMBITION

Carbon reduction measures refer to the reduction of greenhouse gas emissions, their impact is determined according to the Greenhouse Gas Protocol - Company Standard in line with the expectations defined in the CO_2 performance ladder manual v3.1. The objective of the Carbon Reduction Strategy is to reduce the organization's footprint in the direction of limiting global warming to the ambition level of well below 2°C.

DC Industrial SA commits to reducing its absolute emissions by 30% compared to our reference year 2023 by 2030. Our CO_2 reduction target for 2030 is based on a realistic assessment of our current capabilities and resources, aiming for substantial progress within our operational constraints and reflects our commitment to continuous improvement and contribution to climate goals.

	Target (type + class)		Scope	Absolute reduction target from base year 2023 (%)	Maximum emissions in 2030 (tCO_2e)
Target	Absolute	Well-below 2°C	1+2 (+ business travel)	30%	49.527 tCO_2e

Table 2: Objective of the reduction plan

The reduction measures are evaluated once a year and adjusted according to the effective reduction achieved (see also Chapter 6).

2.2 ORGANIZATIONS WITHIN ORGANISATIONAL BOUNDARY

In determining the organizational boundaries of the listed businesses within DC Industrial, a top-down approach is followed. A company is assumed to have operational control over an activity if the company has full authority to set and implement its operational policies for the activity. Based on a thorough study to eliminate non-relevant and empty entities within the boundary, the organizational boundary shown in Figure 2 is seen as the entire scope of which this plan applies.

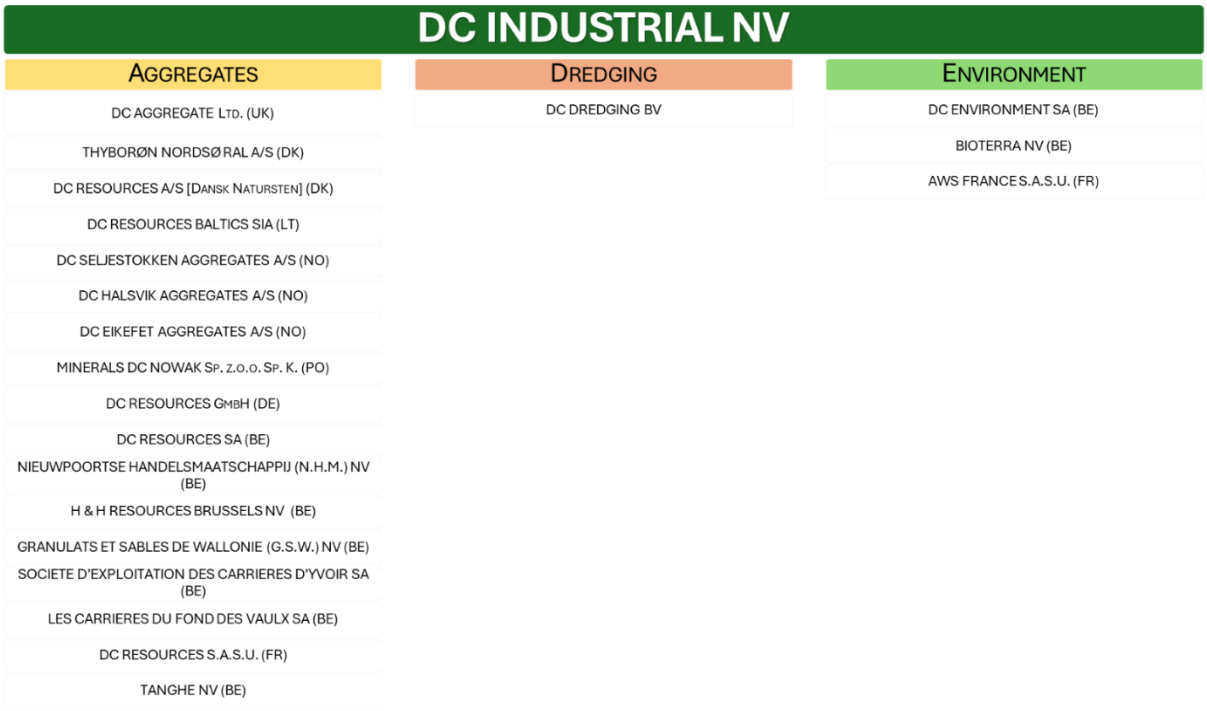

Figure 2: All entities within the organizational boundary considered for this reduction management report under the entity DC Industrial SA.

For more information on how the organizational boundary is set for all entities within DC Industrial, please refer to DOCUMENT “Report preliminary study OB_Final_att”.

All entities can be grouped under three distinct business units within DC Industrial SA, as demonstrated in the figure below:

1. **Dredging:** capital, sea aggregate production (sand and gravel), exploitation concessions at sea
2. **Environment:** notably soil remediation and decontamination, valorisation of waste materials and environmental projects
3. **Aggregates:** exploitation of stone quarries, trading and concrete production

Figure 3: Business units relevant for DC Industrial SA anno 2023.

3. GOVERNANCE OF THE CARBON REDUCTION STRATEGY

3.1 GOVERNANCE OF THE CARBON REDUCTION STRATEGY

Governance of the Carbon Reduction Strategy is vested in the following roles within DC Industrial's management. These people and roles are represented in the sustainability committee of Group De Cloedt, responsible for the sustainable transition of the company activities of the group.

Name	Role
Pieter Van Parys	Sustainability Project manager
Luc Nizet	Tender Manager
Mick Neukermans	Chief Financial Officer DC Industrial
Sarah Jamar	Business Unit Manager Environment
Tim Christiaens	Business Unit Manager Dredging
Max-George Schaub	Chief Financial Officer DC Dredging

The first point of contact for anything related to the CO_2 performance ladder is the Sustainability Project Manager. The sustainability committee is ultimately responsible for the functioning of the Carbon Reduction Strategy within the organization. The Sustainability Project Manager generally follows the implementation of the CO_2 performance ladder within the organization, with the Chief Financial Officer and the Business Unit Manager of Environment being the role accountable and consulted for the CO_2 performance ladder (see also RACI matrix further). Changes to the system, the manual and other documentation of the CO_2 performance ladder are followed up by the Sustainability Project Manager. For more information on the division of responsibilities within the Governance team, we refer to Chapter 5.

3.2 PDCA-CYCLE AS BASIS FOR THE CARBON REDUCTION STRATEGY

The CO_2 performance ladder framework, as well as the ISO 50001, are both based on the principles of continuous improvement. This continuous improvement is supported in both frameworks using a Plan-Do-Check-Act (PDCA) or Deming wheel. This framework has also become the basis for the Carbon Reduction Strategy of DC Industrial.

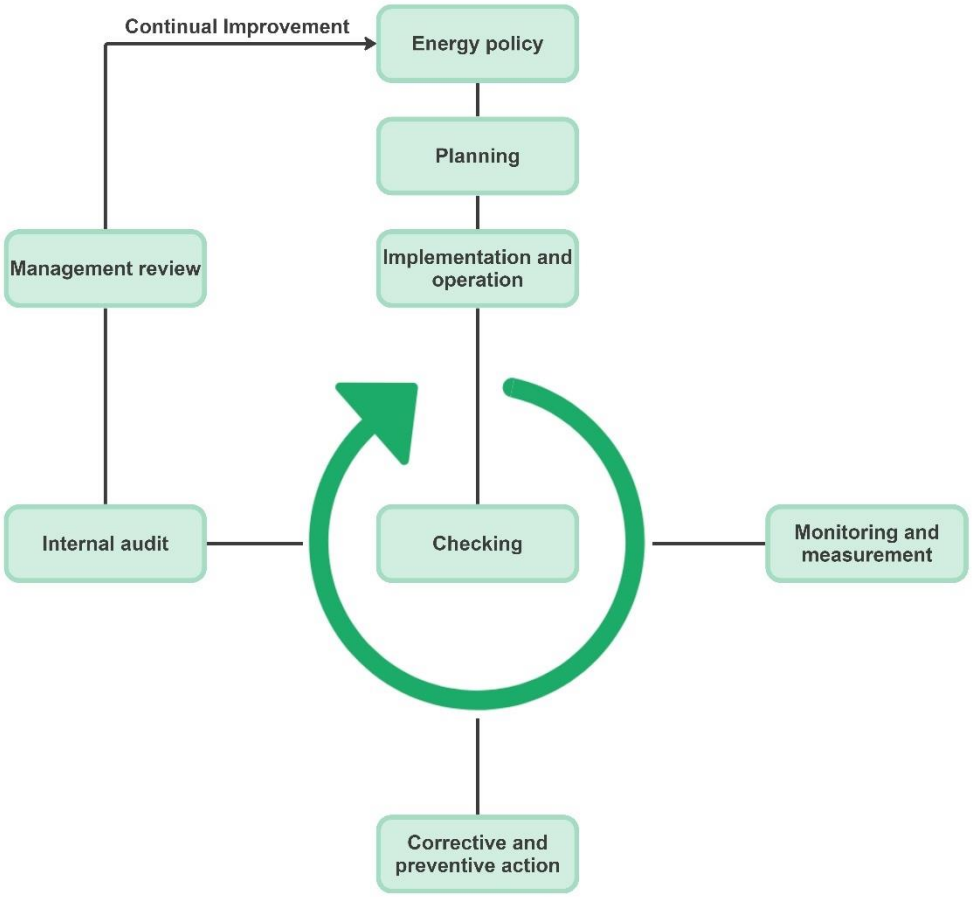

Figure 4: PDCA cycle as basis for the Carbon Reduction Strategy of DC Industrial

1. **In the PLAN phase** of the Carbon Reduction Strategy, the focus is on initiating carbon management measures within the organization. This involves a systematic series of steps aimed at developing a comprehensive carbon reduction plan. The goal is to establish a framework that guides subsequent efforts to minimize the organization's carbon footprint.
2. **During the DO phase**, the initial carbon reduction proposal transforms into a detailed project plan. This includes defining tasks, assigning responsibilities and authority, and fostering effective communication strategies. These efforts are essential for integrating carbon management seamlessly into the organizational structure.
3. The heart of carbon management lies in the **CHECK phase**, where regular measurement and analysis of carbon emissions take place. Through consistent monitoring and comparison of carbon data, insights into the effectiveness of implemented measures are gained. This phase serves as a diagnostic tool to identify any deviations and ensures ongoing optimization of carbon emissions.

4. **The ACT phase** is activated when implemented measures do not sufficiently reduce carbon emissions based on the analyzed data. In such cases, a thorough examination is conducted to identify areas for improvement and necessary adjustments to achieve the intended carbon reduction goals. Conversely, if the measures prove highly effective, the organization proactively explores opportunities for further carbon reduction. This phase emphasizes the importance of remaining vigilant and responsive to the outcomes of implemented carbon management measures, fostering a continuous improvement mindset in reducing the organization's carbon impact. Within this strategy, we see the ‘act’ phase as an evaluation phase every 3 years.

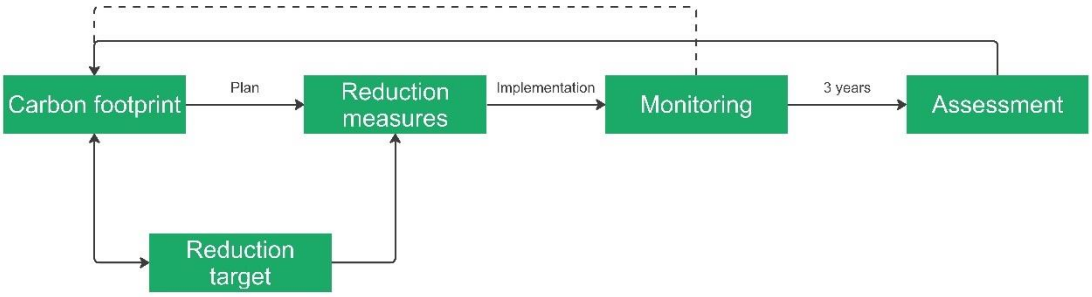

Figure 5: Trajectory of reduction management.

4. SUMMARY COMPANY CARBON FOOTPRINT

The carbon footprint of an organisation is divided into 3 different categories according to the GHG protocol:

- Scope 1: direct emissions because of business operations.
- Scope 2: indirect emissions due to the consumption of purchased electricity from the grid.
- Scope 3: indirect emissions resulting from the upstream and downstream of an organisation's value chain.

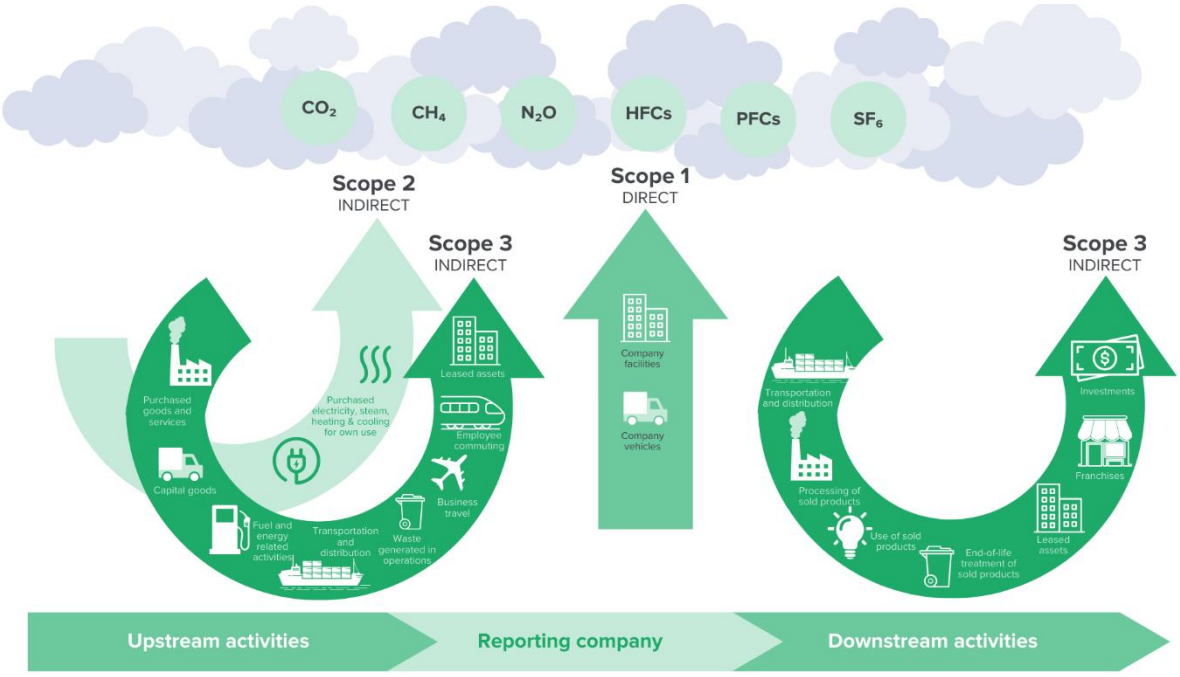

Figure 6: Different scopes according to the GHG-protocol

The same structure will be followed to subdivide identified reduction measures.

DC Industrial's carbon footprint was calculated in detail and discussed in the report C2-2023-0066CarbonFootprint_DCIndustrial". In this report, the complete scope 1 and 2 emissions of DC Industrial were calculated, as well as all business travel for 2023. This reduction plan will be based on the carbon footprint made in the base year 2023.

This initial inventory of CO_2e emissions was performed in 2023 for DC Industrial, which will serve as the base year (see further). DC Industrial's activities in 2023, which cause emissions, can be summarized as follows:

The activities of DC Industrial SA which cause emissions can be summarized:

- Electricity consumption by office activities, lighting and other technical installations;
- Fuel consumption due to heating of the buildings, processes, ships, and use of passenger cars and other vehicles;
- Business travel;

4.1 OVERVIEW SCOPE 1 AND 2 EMISSIONS YEAR IN 2023

The table below shows the consolidated CO_2 footprint of DC Industrial for the year 2023. Scope 1 has an impact of 96% while Scope 2 has an impact of 4% on the carbon footprint of DC Industrial.

Scope	tCO_2e	%
Scope 1	67.672	96%
Scope 2 - market-based	3.080	4%
Scope 3 – Business travel	66	<1%
Grand Total	**70.819**	**100,00%**

Table 3: CO_2e footprint DC Industrial 2023

The overall view, including all subcategories, is shown in the figure below. The Scope 1 and 2 emissions account for 70.753 tCO_2e in total. The mobile emissions – which include marine fuel oil consumption of the ships – have an impact of 93% on the carbon footprint. The stationary emissions – which include the fossil fuel use the heating of buildings and the production equipment - account for 2%. Both Scope 1 and 2 fall within the organisational, and operational scope of DC Industrial.

In calculating the footprint for the CO_2 Performance Ladder, it is imperative to consider emissions associated with the production of fuel and energy. Therefore, emissions linked to fuel and energy are incorporated into each section of the calculation of scopes 1 and 2. This inclusion ensures a comprehensive assessment of the DC Industrial footprint, encompassing the entire Well-To-Wheel cycle of the fuel and energy sources.

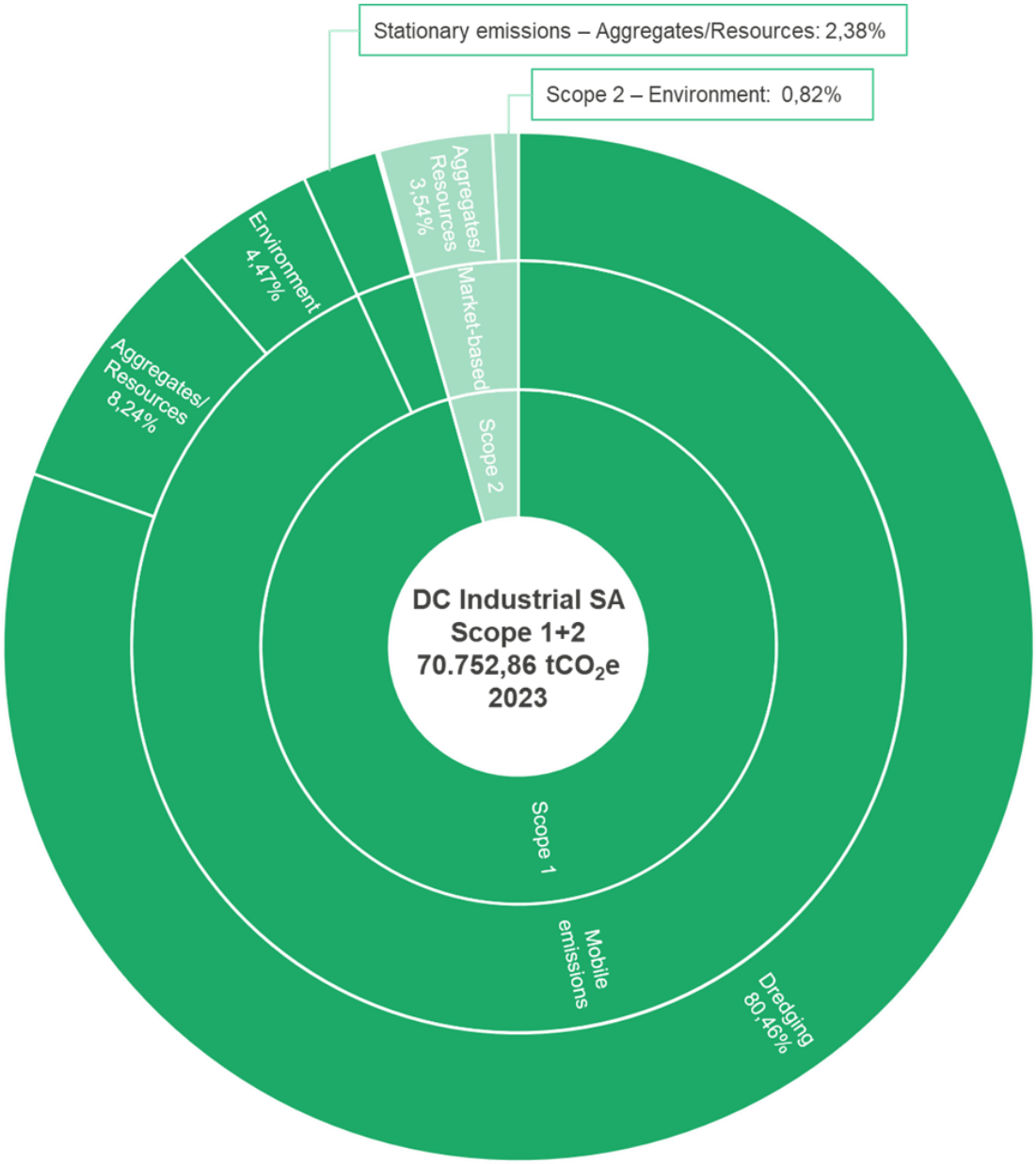

Figure 7: CO_2e footprint DC Industrial in 2023 including subcategories.

Figure 3 can also be shown based on the different business units under DC Industrial, which shows a more comprehensive view of the biggest business units in terms of emitting activities. This is shown in the figure below.

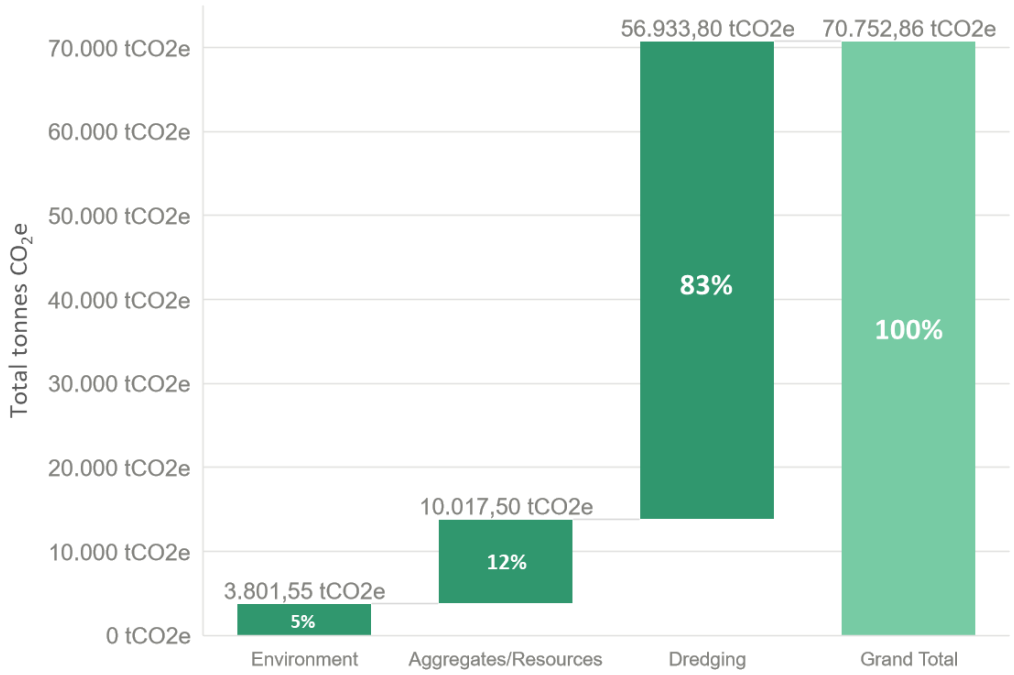

Figure 8: CO_2e footprint DC Industrial in 2023 including business units.

The carbon footprint of 2023 will act as the base year for DC Industrial until 2030, after which the base year shifts according to the process of the reduction ambition. Analyses of energy consumption and CO_2 emissions will be compared to the established base year 2023 to evaluate the effects of measures, also over time.

4.1.1 SCOPE 1 - STATIONARY EMISSIONS

Stationary emissions are caused by the consumption of fossil fuels in the process operations of DC Industrial SA This category has an impact of 3% on the carbon footprint of DC Industrial SA for the year 2023, or 1.744 in tonnes CO_2e. Examples of stationary emissions include the consumption of natural gas for building heating, diesel consumption of stationary, technical equipment for sand production, the use of red diesel or domestic fuel for heating, etc.

	Tonnes CO_2e	% of total	% Scope 1 + 2
Aggregates/Resources	**1.684**	**97%**	**2%**
Heating	**52**	**3%**	**<1%**
Diesel consumption (L)	5	<1%	<1%
Red diesel consumption (L)	47	3%	<1%
Processes	**1.632**	**94%**	**2%**
Diesel consumption (L)	1.151	66%	2%
Petrol consumption (L)	365	21%	1%
Red diesel consumption (L)	116	6%	<1%
Dredging	**2**	**<1%**	**<1%**
Heating	**2**	**<1%**	**<1%**
Natural gas consumption (Nm^3)	2	<1%	<1%
Environment	**58**	**3%**	**<1%**
Heating	**55**	**3%**	**<1%**
Domestic fuel oil consumption (L)	24	1%	<1%
Fuel oil consumption (L)	15	1%	<1%
Natural gas consumption (EUR)	15	1%	<1%
Natural gas consumption (kWh)	1	<1%	<1%
Processes	**2**	**<1%**	**<1%**
Diesel consumption (L)	2	<1%	<1%
Grand Total	**1.744**	**100%**	**2%**

Table 4: Stationary emissions in 2023.

The table above shows that the most significant impact comes from the fuel oil consumption of the construction machinery at construction sites.

4.1.2 SCOPE 1 - MOBILE EMISSIONS

Mobile emissions are emissions that arise from the combustion of fossil fuels in vehicles (passenger cars, ships, delivery trucks, heavy duty trucks, forklifts,...) in control of DC Industrial. The table below shows the mobile emissions.

	Tonnes CO_2e	% of total	% Scope 1 + 2
Dredging	**56.930**	**86%**	**80%**
Marine fuel oil consumption	**56.737**	**86%**	**80%**
Ships	56.737	86%	80%
Diesel consumption	**192**	**<1%**	**<1%**
Cranes	117	<1%	<1%
Delivery trucks	59	<1%	<1%
Passenger cars	16	<1%	<1%
LPG consumption	**1**	**<1%**	**<1%**
Forklifts	1	<1%	<1%
Aggregates/Resources	**5.833**	**9%**	**8 %**
Diesel consumption	**3.557**	**5%**	**5%**
Wheel loaders	1.709	3%	2 %
Trucks	705	1%	1%
Bulldozer	468	1%	1%
Delivery trucks	324	<1%	<1%
Forklifts/wheel loaders	131	<1%	<1%
Passenger cars	120	<1%	<1%
Cranes	55	<1%	<1%
Forklifts	44	<1%	<1%
Petrol consumption	**1.311**	**2%**	**2%**
Wheel loaders	851	1%	1%
Trucks	389	1%	1%
Passenger cars	71	<1%	<1%
Marine fuel oil consumption	**944**	**1%**	**1%**
Ships	944	1%	1%
Red diesel consumption	**21**	**<1%**	**<1%**
Wheel loaders/mining crane	15	<1%	<1%
Forklifts	7	<1%	<1%
Environment	**3.166**	**5%**	**5%**
Diesel consumption	**3.151**	**5%**	**5%**
Processes	2.562	4%	4%
Passenger cars	315	<1%	<1%
Delivery vehicles	275	<1%	<1%
Petrol consumption	**14**	**<1%**	**<1%**
Passenger cars	14	<1%	<1%
Propane consumption	**1**	**<1%**	**<1%**
Forklifts	1	<1%	<1%
Grand Total	**65.929**	**100%**	**93%**

Table 5: Mobile emissions in 2023.

The table above shows that the use of vehicles causes an impact of 93% (65.929 tonnes CO_2e) on the carbon footprint of DC Industrial SA. The highest contributor within this category lies in the marine fuel oil consumption of the ships. The ships within this entity amount to a total of 86% of the total category, as well as 80% of all scope 1 and 2 emissions. The ships emitted a total of 56.733,5 tonnes CO_2e in 2023. Next to the ships, diesel consumption connected to processes of the business unit Environment (4% of total scope 1 and 2, or 2.562 tonnes CO_2e) and diesel consumption of wheel loaders of the business unit Aggregates/Resources (around 2 % of total scope 1 and 2 emissions, or 1.709 tonnes CO_2e) is also a high contributor to the overall total carbon footprint within scope 1 and 2.

4.1.3 SCOPE 2 EMISSIONS

The Scope 2 emissions are specifically linked to the purchased electricity for the entire electricity consumption of the site(s). Electricity is used to power the printers, lighting, heating, and other technical equipment within DC Industrial SA.

	Tonnes CO_2e	% Scope 2	% Scope 1 + 2
Purchased electricity	**3.006,49**	**97,60%**	**4,25%**
Grey electricity	2.964,21	96,23%	4,19%
Aggregates/Resources	2.393,63	77,71%	3,38%
Environment	570,57	18,52%	0,81%
Green electricity	35,93	1,17%	0,05%
Aggregates/Resources	35,03	1,14%	0,05%
Dredging	0,91	0,03%	<0,01%
Electric cars	5,43	0,18%	0,01%
Aggregates/Resources	5,43	0,18%	0,01%
Hybrid cars	0,92	0,03%	<0,01%
Environment	0,92	0,03%	<0,01%
Own production	**73,89**	**2,40%**	**0,10%**
Solar electricity	73,89	2,40%	0,10%
Aggregates/Resources	67,10	2,18%	0,09%
Dredging	0,77	0,03%	<0,01%
Environment	6,01	0,20%	0,01%
Grand Total	**3.080,37**	**100,00%**	**4,35%**

Table 6: Emissions connected to electricity consumption (market-based).

The impact mostly comes from the purchase of grey electricity at the different sites within the entities. The production of this grey electricity (and partly the upstream emissions connected to all own produced electricity) causes a CO_2e emission of 3.080 tonnes of CO_2e which has an impact of 4% on the total emissions. The table below shows the impact connected to all purchased electricity of DC Industrial SA.

The figure below shows how electricity consumption for all of DC Industrial SA is divided between the different sources. The division is made based on the consumed electricity, not the CO_2 impact of this electricity. 80 % of all electricity comes from purchased grey electricity, while almost 20 % comes from purchased green electricity or own-produced solar electricity. This is mostly caused by the high

production of solar electricity by one of the entities within the business unit aggregates which covers 37% of its electricity consumption using its own produced solar electricity.

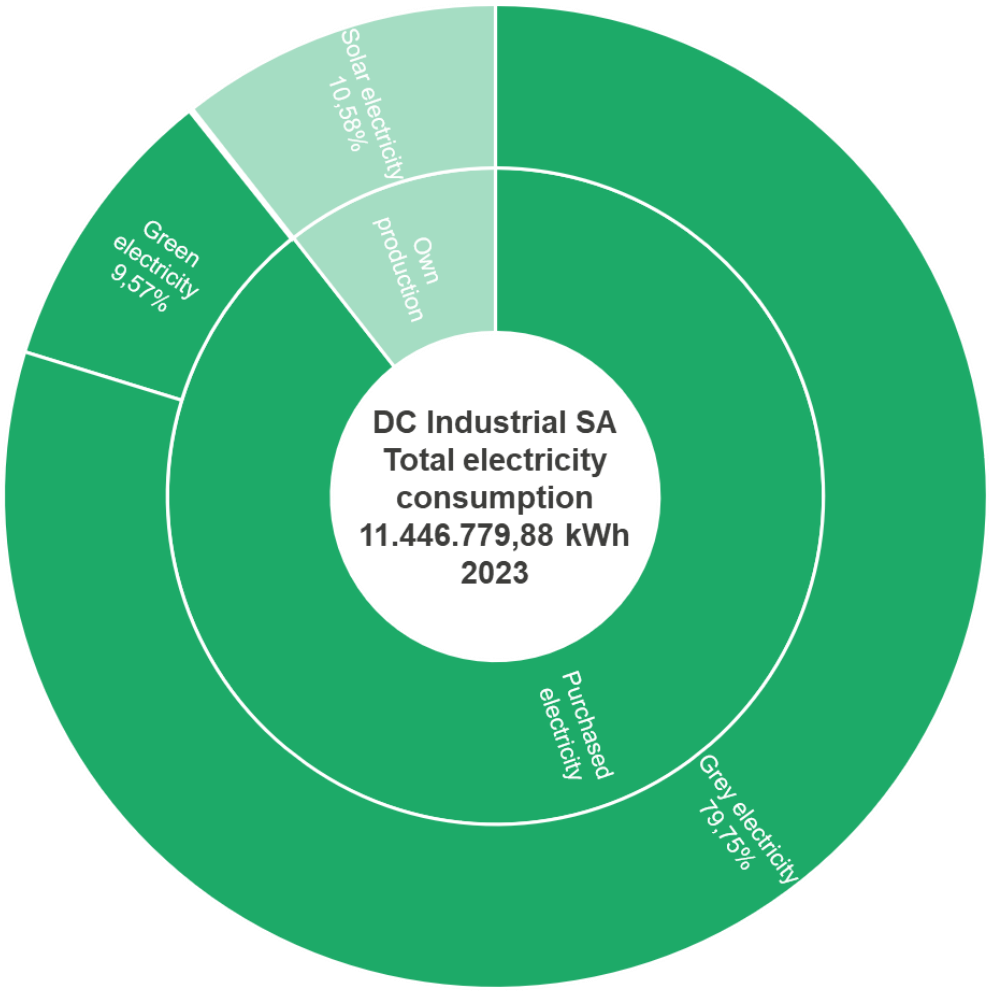

Figure 9: Sunburst of electricity consumption per electricity production method in 2023.

4.2 EVOLUTION OF EMISSIONS FROM 2017-2023

As the ships were part of a previous certification process connected to the CO_2 performance ladder, it is possible to track the evolution of emissions throughout time, meaning that almost 80% of all scope 1 and 2 emissions can be tracked since the beginning of their measurements in 2017. The carbon emissions in 2023 are lower compared to 2022. This reduction mostly comes from the reduction in marine fuel oil consumption in 2023 compared to 2022 (19.968.278 L in 2022 compared to 16.512.527,00 L in 2023, a difference of 17 %). On top of that, scope 2 emissions have been calculated more accurately compared to 2022, causing a decrease in 10 tonnes of CO_2e in total compared to 2022 due to the green electricity contract being more accurately considered in 2023.

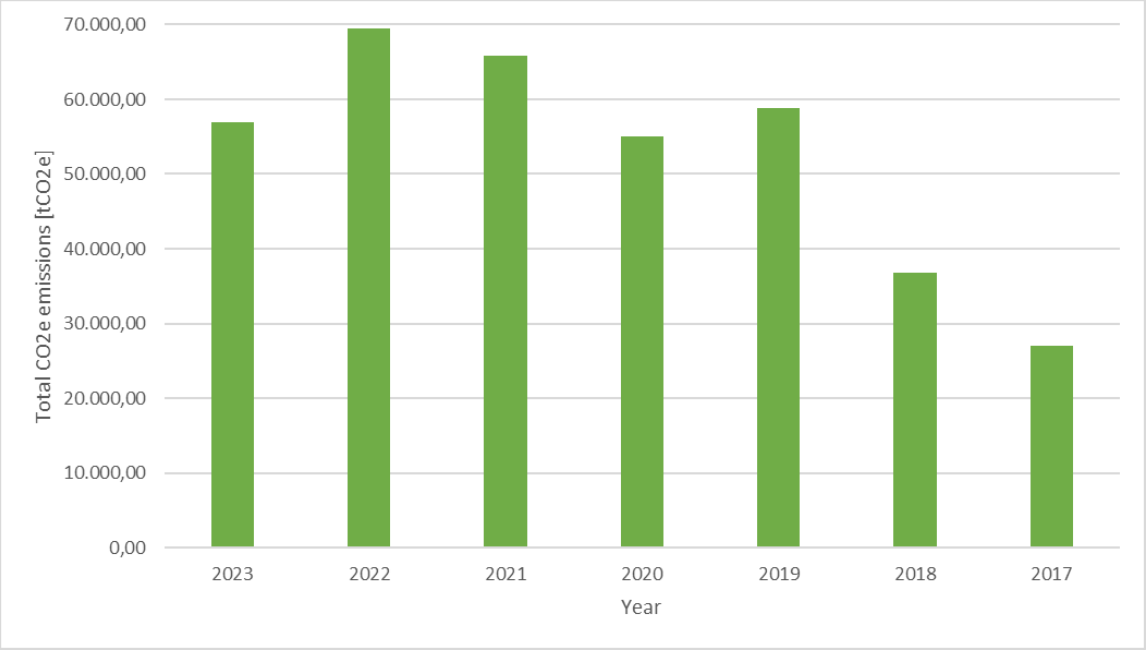

Figure 10: CO_2e footprint for all ships in the business unit Dredging from 2023-2017.

5. REDUCTION PLAN FOR DC INDUSTRIAL'S OPERATIONS (SCOPE 1 & 2)

The reduction plan covers a period of 6 years (2024-2030) to achieve the absolute emission reduction as identified above.

This chapter includes the identification of possible measures to reduce scope 1 and 2 emissions. Correct estimates of the specific impact and investment cost will require a study performed by DC Industrial before any investment is made. The table below provides an overview of all the identified reduction measures per scope and energy domain. It shows how the reduction plan provides measures for every emission source.

When all these measures are implemented by no later than 2030, the annual footprint in 2030 will be 31% lower than in 2023, including the assumption of business growth (and therefore also an increase in energy consumption) of 0,5%.

As in the base year 2023 a negligent amount of the total carbon footprint (<1% or 66 tonnes CO_2e) could be accounted for all business travels done for the company DC Industrial, it was decided to leave business travel out of scope for the current measure identification exercise. DC Industrial commits itself to accurately monitor any business travel in the coming years and report in the annual carbon footprint update.

Scope	Energy domain	Reduction measure	Reduction potential (tCO_2e)	Reduction potential (%)
General	Energy monitoring + relighting	Monitoring with centralized systems of all energy consumption & where possible, relighting sites	110	<1%
Scope 1	Biodiesel wheel loaders (& other equipment)	25% of all diesel consumption in stationary emissions replaced by biodiesel	1.172	7%
	Electrification of passenger cars and delivery trucks	Vehicles of max. 3,5 tonnes converted to electric alternatives	809	1%
	Reduction fuel ships Technical Optimization (all measures for 15% of sail time ships unless otherwise defined)	Engine performance optimization (25% of ships)	288	2%
		Frequency controlled electric motors	173	2%
		Shaft generator	260	2%
		Hull cleaning & coating	173	2%
		Hull form optimization	519	5%
		Propeller polishing	346	3%
		Propeller update	173	2%
	Reduction of fuel ships Logistics optimization	Data monitoring	173	2%
		Combinator optimizing	43	<1%
		Weather routing	216	2%
	Additives to fuel ships	Testing additives on most consuming ships	1.493	2%
	Alternative fuels for ships	Biodiesel direct replacement in all ships for 30% of sail time	15.086	21%
Scope 2	Green electricity consumption	Transfer of all entities to green electricity, either by a green electricity contract or own produced electricity	3.080	4%

Table 7: Overview scope 1 and 2 reduction measures

5.1 ROADMAP

Based on an analysis by our external partner Encon, as well as through three workshops performed in June 2024, different reduction measures were identified and ordered in the expected implementation period in the roadmap below. The roadmap is a collaborative overview constructed by the sustainability committee within DC Industrial in control over the Carbon Reduction Strategy and will be updated over time as discussed in the next chapter. Every reduction measure will include a realistic cost-benefit analysis at the time of expected implementation.

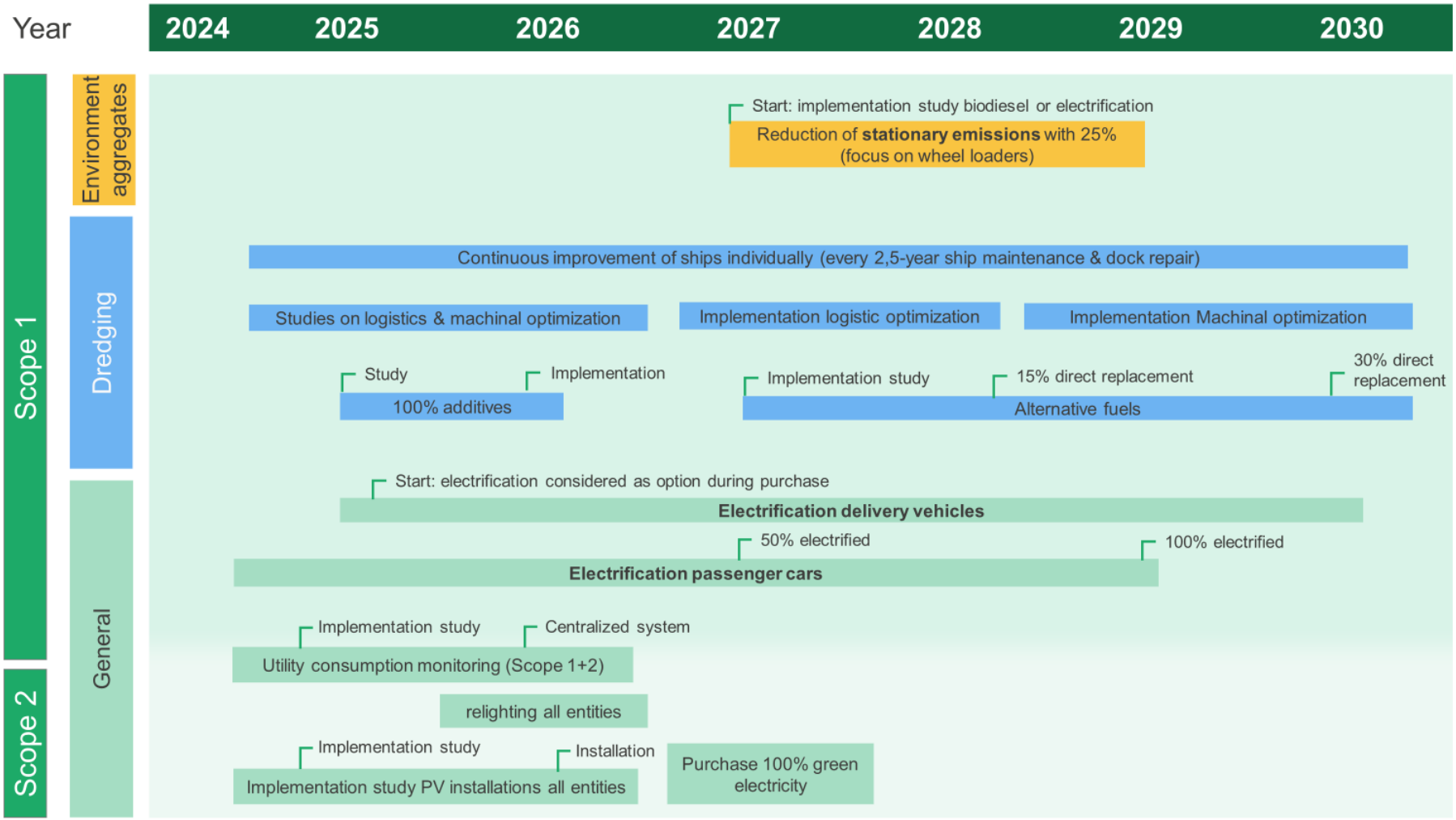

Figure 11: Roadmap of timing of reduction measures by DC Industrial.

5.2 MEASURES DETAILS & RESPONSIBILITIES

All measures identified above were elaborated and shown their feasibility for DC Industrial SA in a separate report. Within the workshop performed in June 2024, these measures were then explored on the following elements:

1. Individual responsibility within the management team
2. Specific key performance indicators to monitor the implementation of the measure throughout time.

5.2.1 SUMMARY OF MEASURES

Before diving into individual responsibilities and key performance indicators, the following sections explain high level how every measure is perceived as necessary to achieve the carbon reduction target of 30% by 2030.

5.2.1.1 ENERGY MONITORING

Implementing a centralized and uniform energy monitoring system within a company can significantly contribute to reducing CO_2e emissions by providing real-time visibility and actionable insights into energy consumption across all operations. Such a system enables precise identification of inefficiencies, allowing prompt adjustments and optimizations to minimize energy waste. By monitoring energy usage comprehensively and uniformly across all facilities and processes, the company can pinpoint areas of high consumption or inefficiency, implement targeted energy-saving measures, and track progress towards reduction goals with greater accuracy. This proactive approach not only promotes resource efficiency but also fosters a culture of continuous improvement in energy management practices, ultimately leading to substantial reductions in CO_2e emissions and operational costs.

5.2.1.2 OPTIMIZATION FUEL CONSUMPTION SHIPS

The first and important step for the reduction of emissions coming from all ships is the optimization of fuel consumption. This allows, depending on the measure, a cost-efficient way of reducing emissions, sometimes connected to a low payback time.

All these measures will be evaluated for each ship through a comprehensive cost-benefit analysis to determine their economic and operational viability. The goal is to implement these measures across the fleet to ensure that all ships achieve at least 15% of their total sail time with these optimizations in place. This strategic approach aims to maximize fuel efficiency, reduce emissions, and promote sustainable dredging practices.

1.2.1.1.1 TECHNICAL OPTIMIZATION

Technical optimization encompasses measures such as frequency-controlled electric motors, shaft generators, hull cleaning and coating, hull form optimization, propeller polishing and updates, and engine performance optimization, aimed at enhancing fuel efficiency, reducing emissions, and ensuring sustainable dredging operations.

Implementing these energy-efficient technologies in DC Industrials's dredging operations can significantly reduce CO_2 emissions in different ways. Frequency-controlled electric motors adjust motor speed to match operational demands, enhancing efficiency across all vessels. Shaft generators convert propulsion engine power into electricity. Regular hull cleaning and advanced coatings minimize water resistance, boosting fuel efficiency. Optimizing hull form further reduces resistance. Propeller polishing and updating enhance propulsion efficiency, applicable to all different vessel types. Manual engine performance optimization involves tuning engines for operational conditions, which cuts fuel use and emissions.

1.2.1.1.2 LOGISTIC OPTIMIZATION

Logistic optimization focuses on improving operational efficiency through advanced planning and monitoring techniques. Operational optimization measures also play a crucial role in enhancing efficiency and sustainability. Data monitoring systems provide real-time insights into vessel performance, enabling timely adjustments and improvements. Combinator optimizing involves fine-tuning the pitch settings and propeller speed for vessels with controllable pitch propellers, maximizing propulsion efficiency. Weather routing incorporates weather conditions into voyage planning, helping to select the most fuel-efficient and safest routes. These measures collectively enhance operational efficiency, reduce fuel consumption, and lower CO_2 emissions, supporting sustainable maritime practices.

There can also be measures identified that do not necessarily influence the controlling equipment of the ship, but the general planning onshore as well. Within the activities of DC Industrial, there are often movements from one customer to another, such as vessel x carrying material y to dredge at location z and drop off cargo at location a, or picking up cargo at customer z and delivering it to end customer b. These standard movements in DC Industrial's operations benefit from pre-planning to shorten distances, combine cargoes, and cluster destinations. Drawing up sailing profiles and involving planners closely can result in more efficient logistics.

1.2.1.1.3 CREW ENGAGEMENT AND COMMUNICATION

Implementing these optimization measures effectively requires active participation and awareness from the crew. This can be fostered through instructions and awareness campaigns. Encouraging the crew to make informed decisions about sailing speeds and routes, and sensitizing them to reduce electric consumption, can significantly impact efficiency. The crew's understanding and involvement in economic sailing, environmental impact, and achieving our sustainability targets are crucial. Additionally, mutual communication is essential to assess technical feasibility, considering the ship's condition, age, investment costs, and potential returns. Engaging the crew in this narrative ensures their influence on consumption is leveraged effectively.

1.2.1.1.4 ADDITIVES

Additives such as ChargeXL and XBE help reduce CO_2 emissions in ships by enhancing combustion efficiency, which leads to less fuel being burned for the same amount of power output. This efficiency improvement not only lowers CO_2 emissions but also reduces emissions of particulate matter (PM) and

nitrogen oxides (NOx), contributing to cleaner air and compliance with environmental regulations. These additives are designed to work with existing ship engines and fuels, making them a practical solution for improving environmental performance without requiring significant modifications. Overall, they offer a cost-effective way for ship operators to achieve emissions reductions while potentially lowering fuel costs over time.

DC Industrial commits itself to testing these additives on its three most consuming ships that have not yet sailed with the additive for 100% of their sail time.

5.2.1.3 ALTERNATIVE FUELS

For both aggregates and dredging, a high share of emissions is allocated to the use of diesel and marine fuel. These consumption activities are mostly linked to equipment which does not allow electrification due to the power they have to provide in their operation. This is why DC Industrial commits to tackling this hotspot by the inclusion of alternative fuels in their operation. This commitment involves making proactive investments to integrate sustainable fuels such as HVO and biodiesel. By allocating resources to this initiative, we can have more benefits than just CO_2e reduction: Firstly, adopting sustainable fuels like HVO and biodiesel will significantly reduce our environmental footprint and enhance our reputation as a sustainable partner in the aggregates and dredging industry. Secondly, it mitigates risks associated with fluctuating fossil fuel prices and regulatory uncertainties, promoting cost efficiency, and ensuring stability in energy sourcing. Moreover, investing in alternative fuels can yield a higher return on investment, providing concurrent advantages in financial resilience and profitability.

1.2.1.1.5 WHEEL LOADERS AND OTHER STATIONARY EQUIPMENT

A significant emission source comes from the diesel consumption connected to production on-site and the wheel loaders on the sites of some of the entities. This is why DC Industrial wants to reduce fossil fuel consumption in this part of the operation and replace it with HVO and biodiesel for 25%. This mostly connects to the use of biodiesel or HVO within the wheel loaders of all relevant sites.

1.2.1.1.6 SHIPS

Our ambition is to ensure that 100% of the sail-time for all our ships incorporates a drop-in of 30% alternative fuel usage by 2030. By pursuing this ambitious target, we aim to not only drive operational excellence but also set a benchmark for sustainable innovation in the maritime industry.

5.2.1.4 ELECTRIFICATION PASSENGER CARS AND DELIVERY TRUCKS

DC Industrial plans to convert all vehicles below 3.5 tonnes to electric alternatives as part of our reduction plan. Electric vehicles (EVs) offer substantial emissions reductions compared to conventional vehicles, supporting global efforts to combat climate change and demonstrating our corporate responsibility. Beyond environmental benefits, transitioning to EVs is expected to yield operational efficiencies, including reduced fuel and maintenance costs, contributing to long-term financial savings. By leading the charge in sustainable transportation practices, we aim not only to achieve our sustainability goals but also to set a benchmark for industry peers in promoting a greener future.

5.2.1.5 GREEN ELECTRICITY CONSUMPTION

Today, most entities within DC Industrial purchase grey electricity from their suppliers. Some entities already taken the step to install solar panel installations to produce their renewable electricity on-site. DC Industrial commits to reduce its entire Scope 2 emissions by 2030 by a dual strategy: first, making sure all entities purchase electricity with a green electricity contract, and second, installing solar panel installations at all sites where the investment of solar panels gives a favourable payback period.

Implementing green power contracts and solar power installations can effectively reduce a company's Scope 2 emissions while yielding cost benefits. By using green power contracts, organizations commit to purchasing electricity generated from renewable sources such as wind or solar, thereby reducing reliance on fossil fuel-based electricity. Simultaneously, installing solar power systems on-site further decreases dependency on grid-supplied electricity and allows for the generation of clean energy directly. The upfront costs of solar installations can be offset by long-term savings on electricity bills and potential incentives or tax benefits for renewable energy investments. Overall, this dual strategy not only aligns with sustainability goals but also enhances financial resilience by stabilizing energy costs and reducing carbon footprints, making it a prudent investment in both environmental stewardship and economic efficiency.

5.2.2 RESPONSIBILITY MATRIX DC INDUSTRIAL

Individual responsibilities per business unit (general, dredging, environment & aggregates) were identified by using a RACI-Matrix, in which the following definition was used:

- Responsible: The person or people who perform the task or work. They are responsible for getting the work done or making the decision.
- Accountable: The person who is ultimately accountable for the task being completed and ensuring the work meets the necessary standards. This person delegates the work and reviews it.
- Consulted: People who provide input, feedback, or expertise to the task. They are consulted before decisions or actions are taken.
- Informed: People who need to be kept informed about the progress or completion of the task. They do not participate in the task but are kept updated on the progress and outcomes.

The responsibilities were, where relevant, also divided in terms of tasks in the PDCA-cycle that potentially has to happen for each measure. The responsibility matrix is dynamic over time and will be part of the evaluation cycle as discussed in the next chapter.

5.2.2.1 ENVIRONMENT/AGGREGATES

For the PDCA-cycle, all roles as divided below are relatively responsible for the different phases as well.

	Business Unit Manager	Site manager	Studies department	Operations	HR	Finance	Sustainability Committee
Monitoring & relighting	**A**	**A**	**R**			**I**	**I**
Electrification of passenger cars	**A**				**R/A**	**I**	**I**
Electrification of delivery trucks	**A**	**A**	**R**	**R**	**I**	**I**	**I**
Purchase of green electricity	**A**	**A**	**R**			**A**	**I**
Biodiesel for all stationary equipment and wheel loaders	**A**	**A**	**C**	**R**		**A**	**I**
Installation of solar panels	**A**	**A**	**R**			**I**	**I**

Table 8: RACI matrix for the general measures and actions for DC Industrial.

5.2.2.2 DREDGING

For all general measures not listed in this RACI, see 5.2.2.1 for division with general roles.

		Technical department	Ships	General Manager	Finance	Commercial/ planning	Sustainability Committee
Implementation studies of all measures	*PLAN*	***R***		***A***	**C/I**		**I**
	DO	***R***		***A***	**C/I**		**I**
	CHECK	***R***	***R***	***A***	**C/I**		**I**
	ACT	***R***	***R***	***A***	**C/I**		**I**
Additives in fuel ships	PLAN	**R**		**A**	**C/I**		**I**
	DO	**R**	**R**	**A**	**C/I**		**I**
	CHECK	**R**	**R**	**A**	**C/I**		**I**
	ACT	**R**	**R**	**A**	**C/I**		**I**
Biodiesel add-in	PLAN	***R***		***A***	**C/I**		**I**
	DO	***R***	***R***	***A***	**C/I**		**I**
	CHECK	***R***	***R***	***A***	**C/I**		**I**
	ACT	***R***	***R***	***A***	**C/I**		**I**
Sailing optimization	PLAN		**R**	**A**	**C/I**	**R**	**I**
	DO		**R**	**A**	**C/I**	**R**	**I**
	CHECK		**R**	**A**	**C/I**	**R**	**I**
	ACT		**R**	**A**	**C/I**	**R**	**I**
Technical optimization ships	PLAN	**R**	**R**	**A**	**C/I**		**I**
	DO	**R**	**R**	**A**	**C/I**		**I**
	CHECK	**R**	**R**	**A**	**C/I**		**I**
	ACT	**R**	**R**	**A**	**C/I**		**I**

Table 9: RACI matrix for the Business Unit Dredging in DC Industrial for different measures.

5.2.2.1 GENERAL

For the follow-up specifically for the CO_2 performance ladder and the requirements connected to CO_2 performance ladder projects, see the table below.

		Sustainable Project Manager	CFO	Business Unit Manager Environment	Tender Manager	Business Unit Managers	Sustainability Committee	Board of Directors
Budget for project	*PLAN*	***C***	**R**	***R***			**C**	**I**
	DO	***R***	**A**	***A***			**I**	**I**
	CHECK	***C***	***R***	***R***			**C**	**I**
	ACT	***R***	***A***	***A***			**I**	**I**
Follow-up & further development CO_2 performance ladder		**R**	**A/C**	**A/C**		**I**	**C/I**	**I**
Data collection CO_2 performance ladder applicable projects		**R**	**A**		**C**	**I**	**C**	

Table 10: RACI matrix for the Business Unit Dredging in DC Industrial for different measures.

5.2.3 MEASURE'S GOALS AND KEY PERFORMANCE INDEX

To effectively monitor the effect of a measure and the implementation of this measure, specific goals and key performance indicator were identified per relevant measure. This will be used by the responsible per measure to evaluate the integration annually.

Scope	Energy domain	Reduction measure	Evaluated Key performance indicator
General	Energy monitoring + relighting*	Monitoring with centralized systems of all energy consumption & where possible, relighting sites	Consumption of fuel oil & electricity
Scope 1	Biodiesel wheel loaders (& other equipment)	25% of all diesel consumption in stationary emissions replaced by biodiesel	Consumption of fuel oil & implementation of replacement per type of machinery
	Electrification of passenger cars and delivery trucks	Vehicles of max. 3,5 tonnes converted to electric alternatives	Number of electric vehicles
	Reduction fuel consumption ships**	Technical optimization	Yearly consumption of marine fuel oil and other relevant fuels per operational hour
		Logistics optimization	
	Additives to fuel ships	Testing additives on most consuming ships	Additive usage compared to total fuel consumption in comparison to sail time and distance
	Alternative fuels for ships	Biodiesel direct replacement in all ships for 30% of sail time	Drop-in alternative fuel usage compared to total fuel consumption in comparison to sail time and distance
Scope 2	Green electricity consumption	Transfer of all entities to green electricity, either by a green electricity contract or own produced electricity	Total conversion to green electricity compared to consumption grey electricity

*For the measure 'energy monitoring and raising awareness', a base year measurement will be performed in 2025, to then be used as a baseline for the following years.

** For the measure's connected to "reduction fuel consumption of ships", part of the implementation will be a study per ship to analyze options. The outcomes of this study can then be used to specify the necessary Key Performance Indicators for the success of the implementation.

Table 11: Key performance indices for measures identified by DC Industrial.

5.2.4 LEVEL OF AMBITION OF DC INDUSTRIAL COMPARED TO THE SECTOR

DC Industrial distinguishes itself within the industry by focusing its CO_2e reduction target on pragmatic, data-driven strategies, particularly exemplified in addressing our largest environmental hotspot: marine fuel consumption. While many in our sector may prioritize different aspects, we have prioritized marine fuel consumption due to its significant impact. Our approach begins with leveraging insights from previous pilot cases and conducting a thorough assessment of our fleet's fuel consumption patterns. We have scoped measures with the highest potential for reducing emissions from maritime operations, ensuring our efforts deliver substantial environmental benefits. Collaborative workshops gather expertise across all disciplines to refine each measure, ensuring they are both ambitious and feasible even before detailed studies. This approach not only showcases our commitment to more sustainable business conduct but also positions us together with those players who are steering towards an impactful change in the maritime industry.

5.3 DOCUMENTATION OF THE USE OF MEASURES IN PROJECTS

All identified reduction measures will be applied when relevant in every project undertaken with the CO_2 performance ladder benefit. DC Industrial will systematically track and implement these measures across their relevant application domain. A monitoring and reporting system will be set up to evaluate progress throughout each project phase, of which implementation will be discussed during the scoping of the project.

6. MONITORING AND EVALUATION OF CARBON REDUCTION STRATEGY

Tracking and analysis are essential in monitoring reduction measures to determine their effectiveness and, if necessary, take measures to adjust. DC Industrial makes a distinction between monitoring and evaluation.

Monitoring is an annual reflective moment in which the management comes together and constructs the Management Review ('directiebeoordeling') as required by the CO_2 performance ladder. For this, they use the key performance indices and responsibility matrix as discussed above, and make sure the key performance indices are compared to the annual carbon footprint comparison. On top of that, they use the internal audit also required by the CO_2 performance ladder to identify proactive corrective actions in case of any problems.

Evaluation is a three-year process at the end of a certification cycle within the CO_2 performance ladder framework. Here, there will be a new workshop held as done in December 2023 to identify the next steps, new measures, new targets/update targets, and potentially launch an updated Carbon Reduction Strategy.

6.1 MONITORING OF THE MEASURES' IMPLEMENTATION

Each year, the annual update of the CO_2 footprint is performed, and the identified responsible management member will synthesize the key performance indices drawn up for each reduction measure. With this, the Carbon Reduction Strategy is assessed with the entire management team, and corrective actions are decided during the Management Review meeting. Corrective actions can also include an update of the RACI matrix as identified in the previous chapter.

DC Industrial draws up a high-level action plan for the coming year which is also reflective of the roadmap. Any changes to the roadmap or responsibility matrix will be reflected and communicated, such as discussed in the communication strategy.

The yearly action plan reflects the commitment of DC Industrial's management to the importance of reducing CO_2 emissions and continuously striving for better energy performance. When and how the action plan is communicated is described in the communication plan.

6.1.1 ANNUAL CO_2 FOOTPRINT

The CO_2 footprint update will take place in the third quarter of each year for the previous year, from January to December. To be compliant with a level 3 on the CO_2 performance ladder, this emission inventory will be drawn up for Scope 1 and 2, as well as business travel if applicable. This update will also include a trend analysis to compare the most recent CO_2 footprint with the base year of 2023 and evaluate how far DC Industrial is from the target of 30% emission reduction by 2030. In the second quarter, a first trend analysis will be done for the biggest emission sources to check if yearly goals are on track. Any implemented measure has been quantified in terms of total emission reduction, such that this amount can be considered as an 'expected CO_2 footprint' in a certain year.

The collection of data will be consistent with the data collected for 2023 to optimize comparability. This is done by following the same data collection as was done in 2024, but with more granularity for the most important hotspots (such as: ships, wheel loaders,…).

6.1.2 ROLE OF THE MANAGEMENT REVIEW MEETING

The Management Review meeting is an annual meeting held by the indicated team responsible for the Carbon Reduction Strategy. The following questions will be handled to draw up the high-level action plan for the next year:

- Will the reduction target for the current year be achieved?
- Will the reduction target for the present period be achieved?
- Status of implementation of energy consumption reduction measures
- New energy consumption reduction opportunities
- Topicality effectiveness of energy management program
- Topicality of energy policy
- Employee engagement
- Communication effectiveness

6.1.3 CONSTRUCTION AND GOAL OF THE MANAGEMENT REVIEW

After the Management Review Meeting, a Management Review is prepared annually, compliant with the CO_2 performance ladder requirements. The Management Review includes the annual assessment of operations. The outcome of this assessment and the conclusions to be drawn from it are input for the following year's action plan and/or action plan.

6.2 EVALUATION OF THE CARBON REDUCTION STRATEGY

After the end of a certification cycle (3 years), the management team comes together in a new workshop such as the one held in July 2023. The goal of this workshop is the following:

1. Synthesis of progress on measures by using the key performance indicators as identified for each measure.
2. New division of responsibilities
3. New identification of measures, using:
    a. Research performed throughout the three years.
    b. Necessary reduction to achieve the 30% reduction compared to base year 2023.
    c. Box of ideas provided by DC Industrial to all employees.
    d. Potential new external study work
4. Re-evaluation of Carbon Reduction Strategy, potentially with new key performance indices framework
5. Re-evaluation of the Communication plan

ANNEXES

6.3 ISO 50001 REQUIREMENTS

The CO_2 performance ladder manual requires the use of the ISO 50001 as a frame of reference but does not require the full implementation of this management system. The list below shows the ISO 50001 requirements and the specific references of the inclusion of the requirement in the management plan.

A	**Analyse energy use and consumption based on measurements and other data**		
	i	Identify current energy sources	4.1.Overview Scope 1 and 2 emissions year in 2023
	ii	Evaluate past and present energy use and consumption	**Past:** 4.2.Evolution of emissions from 2017-2023 **Present:** 4.1.Overview Scope 1 and 2 emissions year in 2023
B	**Based on analysis of energy use and consumption, identify the areas of significant energy use, i.e.**		
	i	Identify facilities, equipment, systems, processes and personnel working for, or on behalf of, the organization that significantly affect energy use and consumption	4.1.Overview Scope 1 and 2 emissions year in 2023
	ii	Identify other relevant variables affecting energy uses	/
	iii	Determine the current energy performance of facilities, equipment, systems, and processes related to identified significant energy uses	4.1.Overview Scope 1 and 2 emissions year in 2023
	iv	Estimate future energy use and consumption	5. Reduction plan for DC Industrial's operations (scope 1 & 2)
C	**Identify, prioritize, and record opportunities for improving energy performance**		5.Reduction plan for DC Industrial's operations (scope 1 & 2)

6.4 LIST OF FIGURES AND TABLES